

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
KINSTON METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2025

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
KINSTON)
METROPOLITAN)
DISTRICT NO. 1)

The Board of Directors of the Kinston Metropolitan District No. 1, Larimer County, Colorado, held a meeting via Microsoft Teams Thursday, November 14, 2024, at 1:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President
Tim DePeder, Vice President
Wendy Messinger, Secretary
Brad Lenz, Asst. Secretary & Asst. Treasurer

Directors Absent, but Excused:
Josh Kane, Treasurer & Secretary

Also in Attendance: Deborah Early; Icenogle Seaver Pogue, P.C.
Bryan Newby, Wendy McFarland, Nic Ortiz, Brendan Campbell, and Dillon Gamber;
Pinnacle Consulting Group, Inc.
Jeff Breidenbach, Erik Robinson, and Christina Rotella; McWhinney.

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2025 budget. Director Perry opened the public hearing on the District's proposed 2025 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Messinger moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE KINSTON METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2025, AND ENDING ON THE LAST DAY OF DECEMBER 2025,

WHEREAS, the Board of Directors of the Kinston Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 6, 2024 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 14, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KINSTON METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2025 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2025 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2025. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Kinston Metropolitan District No. 1 for calendar year 2025.

Section 4. 2025 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2025 Budget year is \$0. That the 2024 valuation for assessment, as certified by the Larimer County Assessor, is \$13.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2025 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2024 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the Kinston Metropolitan District No. 1,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Kinston Metropolitan District No. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 13 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 13 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/2024 for budget/fiscal year 2025.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0.00

Contact person: Brendan Campbell Phone: (970) 669-3611
Signed:  Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Messinger, Secretary of the District, and made a part of the public records of Kinston Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Lenz.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 14th day of November 2024.

Kim Perry

President

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
KINSTON)
METROPOLITAN)
DISTRICT NO. 1)

I, Wendy Messinger, Secretary to the Board of Directors of the Kinston Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Thursday, November 14, 2024, at 1:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2025; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2025 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 14th day of November, 2024.

Wendy Messinger



Management Budget Report

BOARD OF DIRECTORS
KINSTON METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2025, including the comparative information of the forecasted estimate for the year ending December 31, 2024 and the actual historic information for the year 2023.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in black ink, appearing to be "B. J. ...", is positioned above the typed name and date.

Pinnacle Consulting Group, Inc.
January 31, 2025

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

KINSTON METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2023	2024	2024	2025
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Operating Advances	\$ 316,842	\$ 328,546	263,979	\$ 358,963
Service Fees District #2 (Taxes)	3,156	121,367	121,523	202,613
Service Fees District #3 (Taxes)	11	11	13	11
Service Fees District #4 (Taxes)	24	23	149	23
Service Fees District #5 (Taxes)	49	2,182	2,046	29,832
Service Fees District #9 (Taxes)	12	13	12	13
Service Fees District #10 (Taxes)	4	185	572	440
O&M Fee Revenue	13,424	53,250	53,250	82,750
Other Income	3,718	-	13,750	3,000
Total Revenues	\$ 337,240	\$ 505,578	\$ 455,294	\$ 677,645
Expenditures				
Operations and Maintenance				
Storm Water Facilities	\$ 595	\$ 3,500	\$ 2,000	\$ 4,500
Amenities	1,505	12,500	2,500	12,500
Repairs and Maintenance	5,730	5,000	500	5,000
HOA Maintenance	47,752	76,700	75,000	168,900
Utilities	37,776	30,000	85,000	85,000
Facilities Management	12,950	19,500	19,500	20,150
Administration:				
Accounting and Finance	73,605	79,800	79,800	84,010
Audit	14,000	14,000	14,700	17,000
District Management	62,650	87,800	87,800	94,085
Director Fees	5,600	13,000	8,600	14,000
Election	1,536	1,500	-	15,000
Engineering and Other Professional Svcs	360	15,000	500	15,000
Insurance	25,554	28,876	25,573	30,000
Legal	83,099	82,500	75,000	80,000
Legal - Collections	-	-	-	3,000
Office, Dues, Newsletters & Other	4,165	10,800	7,500	7,500
Website Hosting	-	1,166	1,166	2,000
Contingency	-	20,000	-	20,000
Total Expenditures	\$ 376,877	\$ 501,642	\$ 485,139	\$ 677,645
Revenues Over/(Under) Expenditures	\$ (39,637)	\$ 3,936	\$ (29,845)	\$ -
Beginning Fund Balance	\$ 83,895	\$ 10,477	\$ 44,258	\$ 14,413
Ending Fund Balance	\$ 44,258	\$ 14,413	\$ 14,413	\$ 14,413
Components of Ending Fund Balance				
TABOR Reserve (3% of Revenue)	\$ 10,116	\$ 14,413	\$ 14,413	\$ 14,413
Unreserved	34,142	-	-	-
Total	\$ 44,258	\$ 14,413	\$ 14,413	\$ 14,413
Mill Levy				
Operating	0.000	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000	0.000
Assessed Value	\$ 13	\$ 13	\$ 13	\$ 13
Property Tax Revenue				
Operating	-	-	-	-
Total Property Tax Revenue	\$ -	\$ -	\$ -	\$ -

KINSTON METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(d)
	2023	2024	2024	2025
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Capital Advances - LDA	\$ 2,148,044	\$ 29,949,320	\$ 1,509,204	\$ 19,538,460
Capital Advances - Developer	5,896,197	313,466	1,599,146	409,308
Interest & Other Income	44,317	-	-	-
Total Revenues	\$ 8,088,558	\$ 30,262,786	\$ 3,108,350	\$ 19,947,768
Expenditures				
District Management	\$ 18,488	\$ 24,960	\$ 23,580	\$ 25,000
District Planning/Engineering Mgmt	9,248	25,000	10,655	25,000
District Engineering	83,514	50,000	17,988	85,000
Residential - Ph 1 (ME 10th and ME 11th)	2,083,722	84,803	401,932	62,615
Millennium East 14th	2,645,153	1,793,602	1,483,085	434,000
Welcome Center Park	16,790	11,721	2,000	15,000
Millennium East 13th	2,030	234,699	2,780	100,000
Millennium East 15th	853,680	435,705	254,071	270,000
Millennium East 16th - Intracts	2,029,284	225,281	408,650	67,803
Millennium East 17th	875	9,493,283	200,000	6,500,000
Millennium East 18th	774	511,357	1,235	510,512
Millennium East 19th	145,230	14,805,023	100,000	9,160,000
Millennium East 20th	-	-	50,000	713,000
Kinston Millenium East 15th Ph 2	320,394	75,651	17,741	84,343
Kinston Millenium East 16th Ph 2		2,600,000	25,447	1,698,802
Welcome Center Park Phase 2	5,151	26,400	15,500	50,000
Kinston Offsite Drainage	103,802	100,000	171,760	46,693
Track Swale Establishment	-	-	-	100,000
Permits, Fees & Other	157	-	-	-
Total Capital Expenditures	\$ 8,318,290	\$ 30,497,485	\$ 3,186,424	\$ 19,947,768
Revenues over/(under) Expenditures	\$ (229,732)	\$ (234,699)	\$ (78,074)	\$ -
Beginning Fund Balance	\$ 307,805	\$ 6,322,605	\$ 78,074	\$ -
Ending Fund Balance	\$ 78,074	\$ 6,087,906	\$ -	\$ -

KINSTON METROPOLITAN DISTRICT NO. 1
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Kinston Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed November 2019. The District was established in the City of Loveland, Colorado consisting of approximately 620 acres for primarily residential development. Along with its companion Districts Nos. 2 through 10, (“Finance Districts”), this “Service District” was organized to initially own, operate, and construct public facilities within the service area including sanitation, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translation, mosquito and pest control, and security and covenant enforcement services.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2024 budget, the following goals are foremost for the District:

- Provide services as desired by the property owners and residents of the Multiple Districts in the most economic manner possible.

Revenues

Developer Advances

Developer advances are one of the primary sources of revenues for the General Fund.

Operations and Maintenance Fees

Operations and Maintenance Fees are a source of revenue for the General Fund.

Transfers from Kinston District Nos. 2, 3, 4, 5, 9 & 10

Pursuant to the District Coordinating Services Agreement, the District will provide certain operation, maintenance and administrative services benefiting Kinston Metropolitan District No. 2, Kinston District No. 3, Kinston District No. 4, Kinston District No. 5, Kinston District No. 9 and Kinston Metropolitan District No. 10 (collectively, "Districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

KINSTON METROPOLITAN DISTRICT NO. 1
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative sustainability such as accounting/finance, district management/administration, audit, legal, insurance, and membership dues.

Capital Outlay

The District anticipates infrastructure improvements during 2025.

Debt and Leases

The District has developer debt on advances for operations and capital improvements. Repayment to the developer is made as funds are available each year.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2025, as defined under TABOR.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 370 - KINSTON METRO DISTRICT NO. 1

IN LARIMER COUNTY ON 11/22/2024

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$13
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2024

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$50
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2024

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	