

# Centerra Metropolitan District

January 19, 2009

Mr. Scott Olene  
Colorado Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

RE: Centerra Metropolitan District No. 1 Budget for 2009

Dear Mr. Olene:

Attached are true and accurate copies of the adopted 2009 Budget and mill levy certification for the Centerra Metropolitan District No. 1 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The Budget was adopted on November 20, 2008.

If there are any questions on the budget, please contact our office at (970) 669-3611.

Sincerely,  
CENTERRA METROPOLITAN  
DISTRICT NO. 1



Pinnacle Consulting Group Inc.  
District Administrator

Enc.

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Managed by Pinnacle Consulting Group, Inc.  
5110 Granite Street, Suite C  
Loveland, CO 80538  
Phone: (970) 669-3611 \* Fax: (970) 669-3612



## Accountant's Report

Board of Directors  
Centerra Metropolitan District No. 1  
Larimer County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the Centerra Metropolitan District No. 1 for the General Fund, Debt Service Fund and Capital Projects Fund for the year ending December 31, 2009, including the forecasted estimate of comparative information for the year ending December 31, 2008, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2007 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2007 as prepared by Jaspers + Hall, P.C., dated July 16, 2008, in which an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Centerra Metropolitan District No. 1.

*Clifton Gunderson LLP*

Greenwood Village, Colorado  
December 4, 2008

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**FORECASTED 2009 BUDGET AS ADOPTED**  
**WITH 2007 ACTUAL AND 2008 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCES	\$ 10,207,854	\$ 6,658,608	\$ 23,910,331
REVENUE			
Service Fees, District no. 2	142,121	334,712	342,641
Service Fees, District no. 3	-	-	345
Investment income	417,592	375,000	495,569
Developer advance	3,077,924	7,096,787	4,096,245
Bond Proceeds	-	112,000,000	11,500,000
URA Revenues	3,781,649	6,443,603	8,880,259
PIF Revenues	801,312	2,602,102	2,515,000
Storm Water Reimb (COL) / Miscellaneous	143,631	-	-
Total revenue	8,364,229	128,852,203	27,830,059
TRANSFERS IN	208,864	68,380,550	580,000
Total funds available	18,780,947	203,891,361	52,320,390
EXPENDITURES			
General			
Accounting	52,548	65,000	65,000
Audit	6,323	7,300	10,000
Bond issue costs	-	1,951,317	920,000
Director fees	-	1,900	1,900
District Administration, Fin Consulting	181,074	326,590	156,400
District management	503,328	487,204	652,100
Engineering & Other professional svcs	33,294	75,100	191,000
Insurance	14,098	17,354	23,000
Landscape maintenance & repairs	153,783	428,450	550,936
Hardscape maintenance	-	81,654	103,800
Snow removal, Sidewalk Sweeping, etc.	-	65,000	60,026
Chapungu Park	-	150,800	264,967
Legal	259,292	161,500	183,000
Thompson Valley EMS IGA Pmt	-	-	22,000
Repayment of Developer advance	-	5,975,894	10,000,000
Interest on developer advance	-	752,999	-
Utilities	77,782	70,000	70,000
Warranty costs	508,184	100,000	284,000
Office, dues & Other	9,649	5,000	5,000
Contingency	-	1,408,497	2,390,000
Debt Service			
City of Loveland collection fees	73,844	77,012	80,320
Remarketing and rating fees	57,078	110,000	145,000
Paying agent fees	10,736	19,320	20,000
Bond principal - 2004 issue	-	57,000,000	-
Bond interest - 2004 issue	1,796,927	463,247	-
Letter of credit fees	1,519,411	221,307	-
2005 Swap Contract Termination Payment	-	4,885,000	-
Bond Interest & LOC fees - 2008 issue	-	4,449,599	6,252,062
Capital outlay	6,656,124	32,243,436	16,986,245
Total expenditures	11,913,475	111,600,480	39,436,756
TRANSFERS OUT	208,864	68,380,550	580,000
Total expenditures and transfers out requiring appropriation	12,122,339	179,981,030	40,016,756
ENDING FUND BALANCES	\$ 6,658,608	\$ 23,910,331	\$ 12,303,634

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
<b>ASSESSED VALUATION - LARIMER COUNTY</b>			
Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
State assessed	-	-	-
Vacant land	150	150	150
Personal property	-	-	-
	150	150	150
Adjustments	-	-	-
Certified Assessed Value	\$ 150	\$ 150	\$ 150
 <b>MILL LEVY</b>			
General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
 <b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	-	-	-
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2009 BUDGET AS ADOPTED**  
**WITH 2007 ACTUAL AND 2008 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 98,963	\$ 119,764	\$ 131,916
<b>REVENUE</b>			
Service Fees, District no. 2	142,121	334,712	335,934
Service Fees, District no. 3	-	-	345
Investment income	18,483	25,000	20,000
URA Revenues (O&M)	643,698	949,041	1,631,242
PIF Revenues (O&M)	18,412	165,000	-
Total revenue	822,714	1,473,752	1,987,521
<b>TRANSFERS IN</b>			
Total transfers in	-	-	-
Total funds available	921,677	1,593,516	2,119,437
<b>EXPENDITURES</b>			
Accounting	52,548	65,000	65,000
Audit	6,323	7,300	10,000
Director fees	-	1,900	1,900
Engineering & Other professional svcs	19,733	62,000	62,000
Insurance	14,098	17,354	23,000
Landscape maintenance & repairs	153,783	428,450	550,936
Hardscape maintenance	-	81,654	103,800
Snow removal, Sidewalk Sweeping, etc.	-	65,000	60,026
Chapungu Park	-	150,800	264,967
Legal	202,745	121,500	120,000
District Administration, Fin Consulting	181,074	211,590	156,400
District management/admin	74,213	61,204	169,200
Thompson Valley EMS IGA Pmt	-	-	22,000
Utilities	77,782	70,000	70,000
Office, dues & Other	9,649	5,000	5,000
Contingency	-	100,000	290,000
Total expenditures	791,948	1,448,752	1,974,229
<b>TRANSFERS OUT</b>			
Debt Service Fund	9,965	12,848	-
Total transfers out	9,965	12,848	-
Total expenditures and transfers out requiring appropriation	801,913	1,461,600	1,974,229
ENDING FUND BALANCE	\$ 119,764	\$ 131,916	\$ 145,208
EMERGENCY RESERVE	\$ 24,690	\$ 44,200	\$ 59,700

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**FORECASTED 2009 BUDGET AS ADOPTED**  
**WITH 2007 ACTUAL AND 2008 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 4,122,364	\$ 4,181,448	\$ 10,595,685
<b>REVENUE</b>			
Service Fees, District no. 2	-	-	6,707
Investment income	199,413	206,000	211,914
URA Revenues (Debt Service)	3,137,951	5,494,562	7,249,018
PIF Revenues	368,650	1,069,137	-
Total revenue	3,706,014	6,769,699	7,467,639
<b>TRANSFERS IN</b>			
Capital Projects Fund	-	67,766,687	580,000
General Fund	9,965	12,848	-
Total transfers in	9,965	67,779,535	580,000
Total funds available	7,838,343	78,730,682	18,643,324
<b>EXPENDITURES</b>			
City of Loveland collection fees	73,844	77,012	80,320
Remarketing and rating fees	57,078	110,000	145,000
Paying agent fees	10,736	19,320	20,000
Bond principal - 2004 issue	-	57,000,000	-
Bond interest - 2004 issue	1,796,927	463,247	-
Letter of credit fees - 2004 issue	1,519,411	221,307	-
2005 Swap Contract Termination Payment	-	4,885,000	-
Bond principal - 2008 issue	-	-	420,000
Bond interest - 2008 issue	-	3,115,617	3,976,225
LOC fees - 2008 issue	-	1,333,982	1,855,837
Contingency	-	308,497	100,000
Total expenditures	3,457,996	67,533,982	6,597,382
<b>TRANSFERS OUT</b>			
Capital Projects Fund	198,899	601,015	-
Total transfers out	198,899	601,015	-
Total expenditures and transfers out requiring appropriation	3,656,895	68,134,997	6,597,382
ENDING FUND BALANCE	\$ 4,181,448	\$ 10,595,685	\$ 12,045,942
DEBT SERVICE RESERVE	\$ 4,181,448	\$ 9,411,000	\$ 9,411,000

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2009 BUDGET AS ADOPTED**  
**WITH 2007 ACTUAL AND 2008 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/4/08

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 5,986,527	\$ 2,357,396	\$ 13,182,730
REVENUE			
Investment income	199,696	144,000	263,655
PIF Revenues	414,250	1,367,965	2,515,000
Developer advance	3,077,924	7,096,787	4,096,245
Bond Proceeds	-	112,000,000	11,500,000
Storm Water Reimbursement - City of Loveland	143,631	-	-
Total revenue	<u>3,835,501</u>	<u>120,608,752</u>	<u>18,374,900</u>
TRANSFERS IN			
Debt Service Fund	198,899	601,015	-
Total transfers in	<u>198,899</u>	<u>601,015</u>	<u>-</u>
Total funds available	<u>10,020,927</u>	<u>123,567,163</u>	<u>31,557,630</u>
EXPENDITURES			
Legal	56,547	40,000	63,000
District Management	-	115,000	102,900
Project management	429,115	426,000	380,000
Bond issue costs	-	1,951,317	920,000
Engineering & Other professional svcs	13,561	13,100	129,000
Warranty costs	508,184	100,000	284,000
2004/08 Bond Projects			
Transportation	-	50,000	-
Park and recreation	1,096,534	10,462,896	-
Sanitary sewer and storm drainage	266,307	6,267,795	-
Water	204,084	1,513,483	-
Streets/I-25 1601 Processes/Engineering	4,920,199	6,852,475	890,000
Repayment of developer advance	-	5,975,894	10,000,000
Interest on developer advance	-	752,999	-
I-25 & Hwy 34 Interchange Safety Improv.	-	-	12,000,000
Developer Advanced Projects - 2007/2008			
Myers 3rd infrastructure, signs, landscape	-	1,000,000	-
Kendall Parkway, west of Rocky Mtn	-	374,529	-
Kendall Pkwy underpass design	-	354,959	-
Kendall - Twin Peaks Design	-	246,252	-
Parcel 102 Detention & landscape	-	92,633	-
Water purchases	-	2,000	-
Waterline payment to City - Principal	137,216	82,396	-
Waterline payment to City - Interest	31,784	47,102	-
High Plains/Boyd Lake related projects	-	372,421	-
Park & Rec, Trails, Other	-	380,314	-
Street Design Conceptual	-	344,181	-
Chapungu	-	3,500,000	-
Sewer and Storm Infrastructure/Warranty	-	300,000	-
Developer Advanced Projects - 2009	-	-	4,096,245
Contingency	-	1,000,000	2,000,000
Total expenditures	<u>7,663,531</u>	<u>42,617,746</u>	<u>30,865,145</u>
TRANSFERS OUT			
Debt Service Fund	-	67,766,687	580,000
Total transfers out	<u>-</u>	<u>67,766,687</u>	<u>580,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,663,531</u>	<u>110,384,433</u>	<u>31,445,145</u>
ENDING FUND BALANCE	<u>\$ 2,357,396</u>	<u>\$ 13,182,730</u>	<u>\$ 112,485</u>

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**CENTERRA METROPOLITAN DISTRICT NO. 1  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities, primarily for single family residential development within the District. The District was organized in conjunction with three other related districts, Centerra Metropolitan District No. 2 (commercial) Centerra Metropolitan District No. 3 (residential), and Centerra Metropolitan District No. 4 (public improvement). The District's service area is located entirely within the City of Loveland, Larimer County, Colorado.

The District was formed with its election held on May 4, 2004, with the Court Order from the State of Colorado issued May 20, 2004. The election approved general obligation indebtedness of \$350,000,000 for streets, \$350,000,000 for traffic and safety, \$350,000,000 for water, \$350,000,000 for sanitary sewer, \$350,000,000 for parks and recreation, \$350,000,000 for public transportation, \$350,000,000 for television relay and translation facilities, \$350,000,000 for mosquito control, \$350,000,000 for fire protection, \$50,000,000 for operations and maintenance contracts, \$700,000,000 for bond refunding, \$500,000,000 for intergovernmental agreements between districts, \$500,000,000 for contract debt, \$400,000,000 for reimbursement agreement with a private entity, and \$50,000,000 for construction management. The election also approved an annual increase in taxes of \$7,250,000 for operations.

The District has entered into a master financing and cooperating agreement with the City of Loveland, the Loveland Urban Renewal Authority (LURA), and the Centerra Public Improvement Corporation (PIC) that outlines the imposition, collection, and distribution of revenues including property tax revenue, specific ownership tax, public improvement fees, and retail sales fees.

The District prepares its budget on the modified accrual basis of accounting.

**Revenue**

**Developer Advances**

The Developer is anticipated to advance expenditures necessary for the District's administration and for capital projects.

**Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.

**Bond Proceeds**

The District anticipates issuing bonds during 2009. This budget assumes that bonds in the amount of \$11,500,000 will be issued in 2009.

**CENTERRA METROPOLITAN DISTRICT NO. 1  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Revenue (continued)**

**PIF Revenue**

The PIC imposes a public improvement fee (PIF) on all retail sales within the Commercial District. The PIFs are collected by the PIC and distributed to the District as outlined in the master financing agreement and the cooperation agreement. The PIF is assessed and collected at a rate of 1.25%.

**Intergovernmental Agreement**

Centerra Metropolitan District No. 1 has entered into an intergovernmental agreement with Centerra Metropolitan Districts No. 2 – 4 under which those Districts are to transfer their net property taxes and specific ownership taxes to Centerra Metropolitan District No. 1 for services that are provided to the other Districts.

**Expenditures**

**Administrative Expenditures**

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

**Debt Service**

The debt service expenditures are for principal and interest payments and letter of credit fees related to the Series 2008 Variable Rate Refunding and Improvement Revenue Bonds in the amount of \$112,000,000 issued March 20, 2008. The Series 2008 Bonds will initially bear interest in the Weekly Mode. The estimated average weekly rate used to determine the interest on the Series 2008 bonds is 3.5502%. Proceeds of the issuance were used to refund the Series 2004 Variable Rate Revenue Bonds, acquire and construct certain public infrastructure improvements, reimburse the Developer for amounts previously advanced for such purposes, fund a Debt Service Reserve Account, and pay certain costs related to the issuance of the Series 2008 Bonds. Interest payments totaling \$3,976,225, principal payments totaling \$420,000, letter of credit fees totaling \$1,855,837, and remarketing fees totaling \$133,200 are anticipated in 2009.

**Capital Outlay**

Anticipated Capital Project Fund expenditures are represented on page 6 of the Budget.

**CENTERRA METROPOLITAN DISTRICT NO. 1  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Debt and Leases**

Variable Rate Refunding and Improvement Revenue Bonds, Series 2008, were issued on March 20, 2008, in the original amount of \$112,000,000. The bonds are term bonds due on December 1, 2029 with mandatory redemption principal payments starting at \$420,000 on December 1, 2009 and increasing annually thereafter.

The bonds are subject to redemption prior to maturity at the option of the District at certain dates depending upon the interest rate mode. The bonds are currently marketed in the weekly mode.

Interest is payable on the first business day of each calendar month. The District may effect a change in mode to a daily, monthly, semi-annual, annual, flexed pricing or fixed rate mode by giving proper notice in accordance with the provisions in the Indenture.

Concurrently with the issuance of the bonds, the District established an irrevocable direct pay Letter of Credit with Compass Bank in the amount of \$112,000,000. The Letter of Credit expires March 20, 2013 unless extended and subject to certain acts of default as defined in the Indenture and the Reimbursement Agreement. Letter of Credit facility fees are paid quarterly at an annual rate of up to 1.50% per annum on the daily average undrawn Stated Amount of the Letter of Credit. The Facility Fee Rate is currently 1.50% per annum and thereafter the Facility Fee Rate will be determined by the debt service coverage ratio for the immediately preceding fiscal year as follows:

<b>Coverage Ratio</b>	<b>Facility Fee Rate</b>
<1.50%	1.50%
1.51% - 1.75%	1.25%
>1.75%	1.00%

**Flow of Funds**

Pursuant to the Indenture, the Trustee has established a Revenue Bond Fund. Pursuant to the Custodial Agreement, the District is to deposit the following pledged revenues into the Revenue Bond Fund: i) Tax Increment Financing (TIF) Revenues; and ii) Residential Contributions, defined by the "Residential District IGA" as an amount equal to the assessment of 5 mills against taxable property within the Residential District (Centerra Metropolitan Districts 2 – 4), from the earlier of: (a) the issuance of the first certificate of occupancy in the Residential District; or (b) January 1, 2009, through at least August 19, 2029. Also, the Custodial Agreement requires that the following Bank Collateral Revenues are to be deposited in the following subaccounts of the Collateral Revenue Fund: i) into the PIF Revenue Account all Public Improvement Fee (PIF) Revenues; ii) into the S/O Tax Revenue Account, all specific ownership tax revenues. The revenues deposited into the Revenue Bond Fund and the Collateral Revenue Fund are to be used as set forth below.

**CENTERRA METROPOLITAN DISTRICT NO. 1  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Debt and Leases (continued)**

**Revenue Bond Fund**

Amounts deposited into the Revenue Bond Fund are to be applied to the following purposes in the following order of disbursement priority, provided that such transfers are to be made first from the TIF Revenue Account, second, from the Residential Tax Revenue Account, and third, from the PIF Bond Account.

- i) Payment of Fees due to the Custodian and payment of LOC Facility Fees.
- ii) Payments on debt service on the 2008 Bonds, and then payments on the swap agreement with Royal Bank of Canada (RBC).
- iii) Payments to replenish the Debt Service Reserve Funds to the extent that the Debt Service Fund Requirement is not being met. The Debt Service Reserve Fund Requirement is \$9,411,000.
- iv) Payment for Swap Termination if needed.
- v) Payment to the Loveland Urban Renewal Authority (LURA) as the Regional Allocation pursuant to the terms of the Master Financing Agreement (MFA).
- vi) Payment for operations of the District, not to exceed the District's annual operating budget and not greater than \$167,000 per month when combined with transfers made from the Collateral Revenue Fund, without prior written consent of the majority bank.

**Collateral Revenue Fund**

Amounts deposited into the Revenue Bond Fund are to be applied to the following purposes in the following order of disbursement priority, provided that such transfers are to be made first from PIF Revenue Account then from the S/O Tax Revenue Account:

- i) From the amount on deposit in the PIF Revenue Account to the City for any unpaid fees or expenses due under the terms on the Collection Agreement.
- ii) From amounts on deposit in the PIF Revenue Account to the PIF Bond Account of the Revenue Bond Fund, to fund any insufficiencies of the Revenue Bond Fund as outlined above.
- iii) To the Letter of Credit Bank from any Collateral Revenue Fund for amounts remaining due under the Reimbursement Agreement.
- iv) Solely from the amounts on deposit in the PIF Revenue Account to the LURA as the Regional Allocation pursuant to the terms of the MFA.
- v) Payment for operations of the District, not to exceed the District's annual operating budget and not greater than \$167,000 per month when combined with transfers made from the Revenue Bond Fund, without prior written consent of the majority bank.

**CENTERRA METROPOLITAN DISTRICT NO. 1  
2009 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Debt and Leases (continued)**

The District entered into a swap agreement with Royal Bank of Canada during 2008 for the purpose of creating a synthetic fixed interest rate on their 2008 Bonds of 3.5502% per annum.

The District has no operating or capital leases.

**Reserves**

**Debt Service Reserve**

The Debt Service Reserve Fund Requirement is \$9,411,000.

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2009, as defined under TABOR.

**This information is an integral part of the accompanying forecasted budget.**

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
December 31, 2008

**\$112,000,000 Variable Rate Refunding and Improvement Bonds**  
**Series 2008**

**Dated March 20, 2008**

**Principal due December 1**

**Variable Interest Rate (Weekly Mode)**

**Paid 1st Business Day of Subsequent Month**

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest *</u>	<u>Annual Debt</u> <u>Service</u>	<u>LOC</u> <u>Fees**</u>	<u>Remarketing</u> <u>Fees***</u>	<u>Annual Debt</u> <u>Service w/ Fees</u>
2009	\$ 420,000	\$ 3,976,225	\$ 4,396,225	\$ 1,855,837	\$ 133,200	\$ 6,385,262
2010	660,000	3,961,314	4,621,314	1,852,179	132,701	6,606,194
2011	2,375,000	3,937,883	6,312,883	1,841,243	131,916	8,286,042
2012	3,090,000	3,853,566	6,943,566	1,806,462	129,091	8,879,119
2013	3,310,000	3,743,865	7,053,865	1,750,687	125,416	8,929,968
2014	3,675,000	3,626,353	7,301,353	1,695,841	121,480	9,118,674
2015	3,925,000	3,495,883	7,420,883	1,634,946	117,109	9,172,938
2016	4,335,000	3,356,538	7,691,538	1,573,893	112,441	9,377,872
2017	4,590,000	3,202,637	7,792,637	1,498,077	107,285	9,397,999
2018	4,855,000	3,039,683	7,894,683	1,422,022	101,827	9,418,532
2019	5,135,000	2,867,321	8,002,321	1,341,575	96,053	9,439,949
2020	5,430,000	2,685,018	8,115,018	1,259,675	89,946	9,464,639
2021	5,750,000	2,492,242	8,242,242	1,166,513	83,488	9,492,243
2022	6,080,000	2,288,105	8,368,105	1,071,235	76,649	9,515,989
2023	6,430,000	2,072,253	8,502,253	970,490	69,419	9,542,162
2024	6,800,000	1,843,975	8,643,975	866,134	61,772	9,571,881
2025	7,195,000	1,602,561	8,797,561	751,269	53,684	9,602,514
2026	7,615,000	1,347,124	8,962,124	632,047	45,127	9,639,298
2027	8,055,000	1,076,776	9,131,776	505,867	36,071	9,673,714
2028	8,520,000	790,807	9,310,807	373,335	26,491	9,710,633
2029	13,755,000	488,330	14,243,330	231,220	16,359	14,490,909
	<u>\$ 112,000,000</u>	<u>\$55,748,459</u>	<u>\$167,748,459</u>	<u>\$26,100,547</u>	<u>\$ 1,867,525</u>	<u>\$ 195,716,531</u>

\* Estimated average weekly rate for March 19, 2008 through maturity: 3.5502%

\*\* LOC Fees line item above includes the Facility Fee, Fronting Fee, and Payment Fee.

Facility Fees are charged as a percentage of a Stated Amount, and are paid quarterly. The Stated Amount is based on outstanding principal and a portion (34/365) of an additional interest calculation at 12% of the outstanding principal. The Fees start at 1.5% and continue at that rate thru December 31, 2009. After December 31, 2009, the fee will be based on the debt service coverage ratios listed below. This schedule assumes that the Debt Service Coverage Ratio will be 1.76 or greater to 1 in the years 2010-2017 and 1.70-1.75 to 1 in the years 2018-2029.

<u>Debt Service Coverage Ratio</u>	<u>Facility Fee Rate</u>
1.76 or greater to 1	1.00%
1.51 to 1.75 to 1	1.25%
1.50 or less to 1	1.50%

Fronting Fees are charged as a percentage of outstanding principal every quarter, rate of: 0.185%

Payment Fee is a fee of \$250 for each monthly bond payment to the LOC provider

\*\*\*Remarketing fees are charged every June and December 1, based on the monthly outstanding principal during that six month period

Remarketing fee rate: 0.125%

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Larimer, Colorado.

On behalf of the Centerra Metropolitan District No. 1  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Centerra Metropolitan District No. 1  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 150 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 150 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/9/2008 for budget/fiscal year 2009  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

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

Contact person: (print) Peggy Dowswell Daytime phone: (970) 669-3611  
Signed: *Peggy Dowswell* Title: District Accountant

*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) 866-2156.*

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

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<sup>K</sup>:**

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.