

CENTERRA METROPOLITAN DISTRICT NO. 1  
2016 ANNUAL BUDGET

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**CENTERRA METROPOLITAN DISTRICT NO. 1**  
LARIMER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2016

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

The Board of Directors of the Centerra Metropolitan District No. 1, Larimer County, Colorado, held a meeting at the office of McWhinney Enterprises, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538 on Thursday, November 19, 2015 at 11:30 A.M.

The following members of the Board of Directors were present:

Kim Perry, President  
Josh Kane, Secretary/Treasurer  
Julie Den Herder, Assistant Secretary & Assistant Treasurer  
Tom Hall, Assistant Secretary & Assistant Treasurer

Also in attendance was: Jim Niemczyk, McWhinney; Alan Pogue, Icenogle, Seaver & Pogue, P.C., District Counsel; Peggy Dowswell, Brendan Campbell, Carla Hawkins, Jim Worley, and Jason Woolard, Pinnacle Consulting Group Inc.; Will Welch, Wm T. Welch Company; Ralph Trenary, City of Loveland City Council Member.

Ms. Hawkins stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2016 budget. Director Perry opened the public hearing on the District's proposed 2016 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Den Herder 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 CENTERRA METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2016, AND ENDING ON THE LAST DAY OF DECEMBER 2016,

WHEREAS, the Board of Directors of the Centerra 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 12, 2015, in The 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 19, 2015, 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 CENTERRA METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2016 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. 2016 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 2016. 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 Centerra Metropolitan District No. 1 for calendar year 2016.

Section 4. 2016 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2016 Budget year is \$0. That the 2015 valuation for assessment, as certified by the Larimer County Assessor, is \$6,181.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2016 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2015 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 zero 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 Commissioners<sup>1</sup> of Larimer County, 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 \$ 6,540 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: \$ 6,181 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/4/15 for budget/fiscal year 2016  
(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/<br>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).

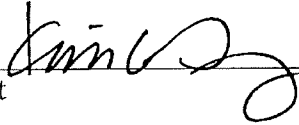
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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

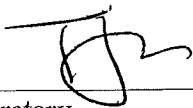
The foregoing Resolution was seconded by Director Kane.

**[Remainder of Page Left Blank Intentionally.]**

ADOPTED AND APPROVED this 19<sup>th</sup> day of November 2015.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

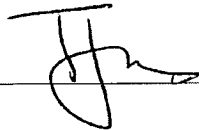
STATE OF COLORADO )  
 )  
COUNTY OF LARIMER )ss.  
 )  
CENTERRA )  
METROPOLITAN )  
DISTRICT NO. 1 )

I, Tom Hall, Secretary to the Board of Directors of the Centerra Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages numbered 1 to 9, inclusive, 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 at the office of McWhinney Enterprises, 2725 Rocky Mountain Avenue, Suite 200, Loveland, Colorado 80538 on Thursday, November 19, 2015, at 11:30 a.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 2016; 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 2016 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 19<sup>th</sup> day of November, 2015.

(S E A L)

Secretary





Accountant's Report

BOARD OF DIRECTORS  
CENTERRA METROPOLITAN DISTRICT NO. 1

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of Centerra Metropolitan District No. 1 for the year ending December 31, 2016, including the forecasted estimate of comparative information for the year ending December 31, 2015. I 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.

The actual historical information for the year 2014 is presented for comparative purposes only.

Substantially all of 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 District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

A handwritten signature in blue ink, appearing to read "B. Campbell", is positioned above the typed name.

Brendan Campbell, CPA  
January 29, 2016

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ADOPTED AND ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/16

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|  | ACTUAL<br>2014 | ADOPTED<br>BUDGET 2015 | ESTIMATED<br>2015 | ADOPTED<br>BUDGET 2016 |
|--|----------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE                     | \$ 1,126,347   | \$ 1,038,912           | \$ 1,102,307      | \$ 1,043,673           |
| REVENUE                                    |                |                        |                   |                        |
| Service Fees, District no. 2               | 49,234         | 47,398                 | 49,305            | 52,455                 |
| Specific ownership tax, District no. 2     | 320,961        | 300,267                | 328,543           | 339,789                |
| Service Fees, District no. 3               | 537            | 370                    | 376               | 295                    |
| Service Fees, District no. 5               | 85             | 75                     | 89                | 527                    |
| Interest and Other income                  | 1,217          | 1,500                  | 695               | 1,500                  |
| URA Revenues - Current Year (O&M)          | 948,284        | 973,875                | 936,467           | 1,016,349              |
| Chapungu Revenue                           | 4,750          | 7,500                  | 7,500             | 7,500                  |
| Total revenue                              | 1,325,068      | 1,330,985              | 1,322,975         | 1,418,414              |
| TRANSFERS IN                               |                |                        |                   |                        |
| Total transfers in                         | -              | -                      | -                 | -                      |
| Total funds available                      | 2,451,415      | 2,369,897              | 2,425,282         | 2,462,087              |
| EXPENDITURES                               |                |                        |                   |                        |
| Accounting and Financial Management        | 134,356        | 145,000                | 145,000           | 150,578                |
| Audit                                      | 14,000         | 14,000                 | 16,500            | 19,000                 |
| Director fees and payroll taxes            | 2,691          | 3,000                  | 3,476             | 3,000                  |
| District management                        | 162,092        | 175,000                | 172,157           | 174,640                |
| Election costs                             | 1,310          | -                      | -                 | 2,000                  |
| Engineering & Other professional svcs      | 780            | 10,000                 | 1,200             | 2,000                  |
| Insurance                                  | 28,540         | 29,990                 | 29,998            | 31,500                 |
| Landscape maintenance & repairs            | 388,358        | 407,547                | 398,564           | 468,379                |
| Legal                                      | 194,023        | 110,000                | 210,000           | 160,000                |
| Hardscape maintenance                      | 55,484         | 112,200                | 71,281            | 83,800                 |
| Office, dues & other                       | 6,916          | 8,000                  | 7,936             | 8,000                  |
| Snow removal, Sidewalk Sweeping, etc.      | 15,345         | 12,500                 | 12,500            | 12,500                 |
| Utilities                                  | 115,207        | 100,000                | 95,908            | 120,000                |
| Chapungu Park                              | 164,272        | 203,747                | 158,455           | 183,017                |
| Total operating expenditures               | 1,283,374      | 1,330,984              | 1,322,975         | 1,418,414              |
| Landscape enhancements                     | 65,734         | 118,300                | 58,634            | 90,050                 |
| Total operating & enhancement expenditures | 1,349,108      | 1,449,284              | 1,381,609         | 1,508,464              |
| Net Revenues Over/(Under) Expenditures     | (24,040)       | (118,299)              | (58,634)          | (90,050)               |
| ENDING FUND BALANCE                        | \$ 1,102,307   | \$ 920,613             | \$ 1,043,673      | \$ 953,623             |
| COMPONENTS OF ENDING FUND BALANCE          |                |                        |                   |                        |
| REPLACEMENT RESERVE                        |                |                        |                   |                        |
| Beginning                                  | \$ 200,000     | \$ 400,000             | \$ 400,000        | \$ 541,366             |
| Addition                                   | 200,000        | 200,000                | 200,000           | 200,000                |
| Less: Capital Enhancements Expense         | -              | (118,300)              | (58,634)          | (90,050)               |
| Ending                                     | 400,000        | 481,700                | 541,366           | 651,316                |
| EMERGENCY RESERVE                          | 39,760         | 39,900                 | 39,700            | 42,600                 |
| UNRESERVED                                 | 662,547        | 399,013                | 462,607           | 259,707                |
| ENDING FUND BALANCE                        | \$ 1,102,307   | \$ 920,613             | \$ 1,043,673      | \$ 953,623             |

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**FORECASTED 2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ADOPTED AND ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/16

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|   | ACTUAL<br>2014       | ADOPTED<br>BUDGET 2015 | ESTIMATED<br>2015    | ADOPTED<br>BUDGET 2016 |
|---|----------------------|------------------------|----------------------|------------------------|
| BEGINNING FUND BALANCE  | \$ 9,959,030         | \$ 10,081,913          | \$ 10,101,853        | \$ 10,101,853          |
| REVENUE   |                      |                        |                      |                        |
| Service Fees, District 2  | 23,427               | 23,020                 | 24,796               | 23,825                 |
| Investment and other income                                     | 13,491               | 115,123                | 10,000               | 15,153                 |
| URA Revenues - Current Year                                     | 9,727,743            | 10,686,779             | 10,506,512           | 10,217,414             |
| PIF Revenues  | 54,918               | 54,916                 | 59,489               | 1,205,735              |
| Total revenue   | <u>9,819,579</u>     | <u>10,879,838</u>      | <u>10,600,797</u>    | <u>11,462,126</u>      |
| TRANSFERS IN  |                      |                        |                      |                        |
| Capital Projects Fund   | 118,223,166          | -                      | -                    | -                      |
| Total transfers in  | <u>118,223,166</u>   | <u>-</u>               | <u>-</u>             | <u>-</u>               |
| Total funds available   | <u>138,001,775</u>   | <u>20,961,751</u>      | <u>20,702,650</u>    | <u>21,563,979</u>      |
| EXPENDITURES  |                      |                        |                      |                        |
| City of Loveland collection fees                                | 54,918               | 54,916                 | 59,489               | 59,916                 |
| Paying agent fees   | 2,750                | 5,500                  | 5,500                | 5,500                  |
| Debt interest   | 6,332,234            | 6,736,011              | 6,518,340            | 6,791,742              |
| Debt principal  | 3,220,000            | 3,735,000              | 3,772,500            | 4,417,500              |
| Debt principal refunding  | 118,101,609          | -                      | -                    | -                      |
| Unused Debt Fee   | 9,845                | 57,500                 | 57,500               | -                      |
| Annual Admin Fee  | 17,500               | 17,500                 | 17,500               | 17,500                 |
| Annual Syndication Fee  | 161,066              | 173,410                | 169,968              | 169,968                |
| Contingency   | -                    | 100,000                | -                    | -                      |
| Total expenditures  | <u>127,899,922</u>   | <u>10,879,837</u>      | <u>10,600,797</u>    | <u>11,462,126</u>      |
| TRANSFERS OUT   |                      |                        |                      |                        |
| Capital Projects Fund   | -                    | -                      | -                    | -                      |
| Total transfers out   | <u>-</u>             | <u>-</u>               | <u>-</u>             | <u>-</u>               |
| Total expenditures and transfers out<br>requiring appropriation | <u>127,899,922</u>   | <u>10,879,837</u>      | <u>10,600,797</u>    | <u>11,462,126</u>      |
| ENDING FUND BALANCE   | <u>\$ 10,101,853</u> | <u>\$ 10,081,914</u>   | <u>\$ 10,101,853</u> | <u>\$ 10,101,853</u>   |
| DEBT SERVICE REQUIRED RESERVE                                   | <u>\$ 10,065,000</u> | <u>\$ 10,065,000</u>   | <u>\$ 10,065,000</u> | <u>\$ 10,065,000</u>   |

**CENTERRA METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ADOPTED AND ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/16

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|   | ACTUAL<br>2014 | ADOPTED<br>BUDGET 2015 | ESTIMATED<br>2015 | ADOPTED<br>BUDGET 2016 |
|---|----------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE  | \$ 7,124,754   | \$ 10,801,345          | \$ 10,508,601     | \$ 7,577,093           |
| REVENUE   |                |                        |                   |                        |
| Investment income   | 6,486          | 10,801                 | 4,614             | 7,577                  |
| Capital advance/Proceeds from capital note                      | -              | -                      | 1,570,973         | -                      |
| Debt Proceeds   | 128,200,000    | -                      | -                 | 11,500,000             |
| Capital Reimbursement   | -              | -                      | 1,521,815         | -                      |
| Total revenue   | 128,206,486    | 10,801                 | 3,097,402         | 11,507,577             |
| TRANSFERS IN  |                |                        |                   |                        |
| Debt Service Fund   | -              | -                      | -                 | -                      |
| Total transfers in  | -              | -                      | -                 | -                      |
| Total funds available   | 135,331,240    | 10,812,146             | 13,606,003        | 19,084,670             |
| EXPENDITURES  |                |                        |                   |                        |
| General   |                |                        |                   |                        |
| Engineering, General Capital                                    | -              | -                      | -                 | 25,000                 |
| District Management, General Capital                            | 124,618        | 25,000                 | 7,500             | 15,000                 |
| District Master Planning  | -              | -                      | -                 | 25,000                 |
| Debt Issuance Costs   | 890,872        | -                      | 2,592             | 50,000                 |
| Capital Landscape Enhancements                                  | -              | -                      | -                 | 458,760                |
| Boyd Lake Ave - Phase I   | 3,957,084      | 1,288,599              | 1,288,594         | -                      |
| Parcel 504  | 25,400         | 1,400                  | -                 | -                      |
| Waterline Reimbursement   | 125,828        | 26,090                 | 26,090            | -                      |
| Parcel 505  | 1,271,008      | 1,800,000              | 1,600,235         | -                      |
| Parcel 219/Kendall Parkway                                      | 25,796         | 42,900                 | 42,900            | 110,000                |
| Parcel 222 - BP1  | 91,278         | 937,328                | 915,206           | 17,000                 |
| Parcel 222 - BP2/3  | -              | 693,039                | 272,486           | 930,474                |
| Motorplex Infrastructure  | 37,750         | 34,394                 | 37,750            | -                      |
| Parcel 206  | 26,734         | 50,911                 | 20,911            | 30,000                 |
| Hahn's Peak   | 7,775          | -                      | -                 | -                      |
| Hahn's Peak Extension   | -              | 1,573,258              | 1,485,973         | 85,000                 |
| Parcel 601  | 15,330         | 250,000                | 76,614            | -                      |
| Master Meter Vault Relocation                                   | -              | 252,059                | 252,059           | -                      |
| Total expenditures  | 6,599,473      | 6,974,978              | 6,028,910         | 1,746,234              |
| TRANSFERS OUT   |                |                        |                   |                        |
| Debt Service Fund   | 118,223,166    | -                      | -                 | -                      |
| Total transfers out   | 118,223,166    | -                      | -                 | -                      |
| Total expenditures and transfers out<br>requiring appropriation | 124,822,639    | 6,974,978              | 6,028,910         | 1,746,234              |
| ENDING FUND BALANCE   | \$ 10,508,601  | \$ 3,837,168           | \$ 7,577,093      | \$ 17,338,436          |

# CENTERRA METROPOLITAN DISTRICT NO. 1

## 2016 BUDGET MESSAGE

Centerra Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Service District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.2, No.3, No.4, and No.5 ("Financing Districts"), this 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.

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.

### **General Fund**

#### *Revenue*

Service Fees: The District receives service fees from the Financing Districts through the Revised and Restated Capital Pledge Agreement. In 2016, the District budgeted to receive \$393,065 in service fees.

URA Revenue: The District receives tax increment financing revenue from the Loveland Urban Renewal Authority (URA) through the Master Financing and Intergovernmental Agreement. The URA funds are used for operations and debt service. In 2016, the District budgeted to receive \$1,016,349 of URA Revenue for operations.

#### *Expenses*

The District budgeted expenditures for 2016 in the amount \$1,418,414. This is a decrease of \$87,430, or 1.6%, from 2015 and is primarily due to a decrease in capital enhancement expenses.

#### *Fund Balance/Reserves*

The District has provided for an emergency reserve fund equal to 3% of the fiscal year spending for 2016, as defined under TABOR and holds the TABOR reserve for the District Nos. 1-5. The District has also established a replacement reserve to defray future capital replacement and enhancement expenses in the amount of \$651,316 in 2016. The total budgeted ending fund balance in 2016 is \$953,623.

## **Debt Service Fund**

### *Debt*

On December 4, 2014, the District entered into a \$139,700,000 2014 Loan Agreement which was used to repay the 2011 Loan and provide additional funds for construction, debt issuance costs, and increased debt service reserve. The 2014 loan provided total loan issuance of \$128,200,000. The remaining \$11,500,000 was retained by the lender and is made available through future advances.

Interest is payable quarterly.

The District entered into swap agreements with Royal Bank of Canada and Compass Bank/BBVA for the purpose of creating a synthetic fixed interest rate.

### *Revenue*

URA Revenue: The primary source of revenue for debt service is URA Revenue, which is discussed under General Fund. As the URA provides funds to the District, the revenue recognition is deferred until such time as the District spends the funds. The District has budgeted to receive and recognize revenues for all current year URA funding. The amount budgeted for URA debt service revenue is \$10,217,414.

PIF Revenues: PIF Revenue is a public improvement fee (PIF) on all retail sales within the Commercial District. The PIF's are imposed and collected by the Public Improvement Corporation (PIC) and distributed to the District as needed for operations and debt service. PIF and URA Revenue are recognized as needed for operations and maintenance and debt service. The District has budgeted to utilize \$1,205,735 in PIF revenues in 2016.

### *Expenses*

Expenditures for principal, interest and other payments are related to the \$139,700,000 2014 Loan Agreement. The District's budgeted 2016 debt service expenditures are \$11,462,126, which is an increase of \$582,289, or 5.4%, from 2015. The increase is due to the District's escalating principal repayment schedule and increased interest expense resulting from the additional loan issuance of \$11,500,000 with the 2014 loan.

### *Fund Balance/Reserves*

The District has budgeted to end 2016 with \$10,101,853 of fund balance. This exceeds the required debt service reserve of \$10,065,000 in the 2014 Loan Agreement

## **Capital Projects Fund**

The District is in the process of constructing various public improvements which are budgeted at \$1,746,234. The District received loan proceeds from the 2014 loan which carried forward and will be used to fund the capital projects. Total budgeted fund balance carry forward is \$17,338,436.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction 135 - CENTERRA METROPOLITAN DISTRICT NO. 1  
 IN LARIMER COUNTY, COLORADO ON November 25, 2015

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

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 2015:

|  |        |
|--|--------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:   | 1,614  |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✕  | 6,540  |
| 3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:   | 359    |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:  | 6,181  |
| 5. NEW CONSTRUCTION: ‡   | 0      |
| 6. INCREASED PRODUCTION OF PRODUCING MINE: ≈   | 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 RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a), C.R.S.)<br>Includes all revenue collected on valuation not previously certified: | \$0.00 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(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), Colorado Constitution.

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

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 and 52A.

† Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

## USE FOR TABOR "LOCAL GROWTH" CALCULATIONS ONLY

IN ACCORDANCE WITH ARTICLE X, SECTION 20, COLORADO CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2015:

|  |        |
|--|--------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶           | 22,550 |
| <b>ADDITIONS TO TAXABLE REAL PROPERTY</b>                              |        |
| 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/EXCLUSIONS:                         | 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 |
|--|---|

**NOTE: All levies must be Certified to the County Commissioners NO LATER THAN DECEMBER 15**