

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
CENTERRA METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2015

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 20, 2014 at 12:00 noon.

The following members of the Board of Directors were present:

Kim Perry, President
Jay Hardy, Vice President & Assistant Secretary
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 2015 budget. Director Perry opened the public hearing on the District's proposed 2015 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane 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 2015, AND ENDING ON THE LAST DAY OF DECEMBER 2015,

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 13, 2014, 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 20, 2014, 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. 2015 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. 2015 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 2015. 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 2015.

Section 4. 2015 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2015 Budget year is \$0. That the 2014 valuation for assessment, as certified by the Larimer County Assessor, is \$1,614.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2015 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2014 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:

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CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

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

the Board of Directors
(governing body)^B

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

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,930 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^K 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: \$ 1,614 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/11/2014 for budget/fiscal year 2015
(not 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: (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.

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 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 Hall.

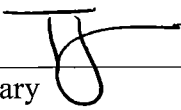
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ADOPTED AND APPROVED this 20th day of November 2014.



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 8, 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 20, 2014, at 12:00 p.m. noon, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2015; 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 2015 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 20th day of November, 2014.

(S E A L)



Secretary



Accountant's Compilation Report

BOARD OF DIRECTORS
CENTERRA METROPOLITAN DISTRICT NO. 1

I have compiled the accompanying forecasted budget of revenue, expenditures and funds balances of Centerra Metropolitan District No. 1 for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, 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 audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures, and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. 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. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2013 is presented for comparative purposes only.

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.

I am not independent with respect to the Centerra Metropolitan District No. 1 because I am responsible for the day to day accounting and financial management of the District.

A handwritten signature in black ink that reads "Peggy Dowswell". The signature is written in a cursive, flowing style.

Peggy Dowswell, CPA
January 29, 2015

CENTERRA METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2013 ACTUAL AND 2014 ESTIMATED
For the Years Ended and Ending December 31,

1/30/15

Page 1

	ACTUAL 2013	AMENDED BUDGET 2014	ESTIMATED 2014	ADOPTED BUDGET 2015
BEGINNING FUND BALANCE	\$ 1,169,679	\$ 1,126,348	\$ 1,126,348	\$ 1,038,912
REVENUE				
Service Fees, District no. 2	45,443	45,850	45,850	47,398
Specific ownership tax, District no. 2	289,801	318,558	318,558	300,267
Service Fees, District no. 3	680	537	537	370
Service Fees, District no. 5	99	83	83	75
Interest and Other income	1,084	486	486	1,500
URA Revenues - Current Year (O&M)	779,275	1,034,787	1,034,787	973,875
Chapungu Revenue	8,000	7,500	7,500	7,500
Total revenue	<u>1,124,382</u>	<u>1,407,801</u>	<u>1,407,801</u>	<u>1,330,984</u>
TRANSFERS IN				
Total transfers in	-	-	-	-
Total funds available	<u>2,294,061</u>	<u>2,534,149</u>	<u>2,534,149</u>	<u>2,369,896</u>
EXPENDITURES				
Accounting and Financial Management	113,689	145,000	145,000	145,000
Audit	14,000	14,000	14,000	14,000
Director fees and payroll taxes	2,691	2,883	2,883	3,000
District management	144,870	175,000	175,000	175,000
Election costs	-	1,310	1,310	-
Engineering & Other professional svcs	8,744	5,000	5,000	10,000
Hardscape maintenance	106,085	102,440	102,440	112,200
Insurance	27,651	28,540	28,540	29,990
Landscape maintenance & repairs	370,353	378,764	378,764	407,547
Landscape operations mgmt	34,200	34,200	34,200	-
Office, dues & other	4,811	7,390	7,390	8,000
Snow removal, Sidewalk Sweeping, etc.	5,698	17,236	17,236	12,500
Chapungu Park	160,979	179,536	179,536	203,747
Legal	87,225	208,444	208,444	110,000
Utilities	86,717	108,058	108,058	100,000
Contingency	-	-	-	-
Total operating expenditures	<u>1,167,713</u>	<u>1,407,801</u>	<u>1,407,801</u>	<u>1,330,984</u>
Capital enhancements	-	87,436	87,436	118,300
Total operating & enhancement expenditures	<u>1,167,713</u>	<u>1,495,237</u>	<u>1,495,237</u>	<u>1,449,284</u>
Net Revenues Over/(Under) Expenditures	<u>(43,331)</u>	<u>(87,436)</u>	<u>(87,436)</u>	<u>(118,300)</u>
ENDING FUND BALANCE	<u>\$ 1,126,348</u>	<u>\$ 1,038,912</u>	<u>\$ 1,038,912</u>	<u>\$ 920,612</u>
COMPONENTS OF ENDING FUND BALANCE				
EMERGENCY RESERVE	\$ 33,740	\$ 42,200	\$ 42,200	\$ 39,900
REPLACEMENT RESERVE	400,000	600,000	512,564	394,264
UNRESERVED	692,608	396,712	484,148	486,448
ENDING FUND BALANCE	<u>\$ 1,126,348</u>	<u>\$ 1,038,912</u>	<u>\$ 1,038,912</u>	<u>\$ 920,612</u>

CENTERRA METROPOLITAN DISTRICT NO. 1

DEBT SERVICE FUND

**FORECASTED 2015 BUDGET AS ADOPTED
WITH 2013 ACTUAL AND 2014 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/15

Page 2

	ACTUAL 2013	AMENDED BUDGET 2014	ESTIMATED 2014	ADOPTED BUDGET 2015
BEGINNING FUND BALANCE	\$ 9,959,007	\$ 9,959,030	\$ 9,959,030	\$ 10,081,913
REVENUE				
Service Fees, District 2	18,318	23,321	23,321	23,020
Investment and other income	14,309	15,447	15,447	115,123
URA Revenues - Current Year	9,417,337	8,948,030	8,948,030	8,826,286
URA Revenues - Deferred	-	1,010,773	1,010,773	1,860,493
PIF Revenues	62,370	56,780	56,780	54,916
Total revenue	<u>9,512,334</u>	<u>10,054,351</u>	<u>10,054,351</u>	<u>10,879,837</u>
TRANSFERS IN				
Capital Projects Fund	-	121,444,492	121,444,492	-
Total transfers in	<u>-</u>	<u>121,444,492</u>	<u>121,444,492</u>	<u>-</u>
Total funds available	<u>19,471,341</u>	<u>141,457,873</u>	<u>141,457,873</u>	<u>20,961,750</u>
EXPENDITURES				
City of Loveland collection fees	62,370	56,780	56,780	54,916
Paying agent fees	2,500	2,750	2,750	5,500
Debt principal	2,800,000	3,445,000	3,445,000	3,735,000
Debt interest	6,462,116	6,361,769	6,361,769	6,736,011
Debt principal refunding	-	121,321,609	121,321,609	-
Unused Debt Fee	8,103	10,830	10,830	57,500
Annual Admin Fee	17,500	17,500	17,500	17,500
Annual Syndication Fee	159,722	159,722	159,722	173,410
Contingency	-	-	-	100,000
Total expenditures	<u>9,512,311</u>	<u>131,375,960</u>	<u>131,375,960</u>	<u>10,879,837</u>
TRANSFERS OUT				
Capital Projects Fund	-	-	-	-
Total transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>9,512,311</u>	<u>131,375,960</u>	<u>131,375,960</u>	<u>10,879,837</u>
ENDING FUND BALANCE	<u>\$ 9,959,030</u>	<u>\$ 10,081,913</u>	<u>\$ 10,081,913</u>	<u>\$ 10,081,913</u>
DEBT SERVICE REQUIRED RESERVE	<u>\$ 9,942,246</u>	<u>\$ 10,065,129</u>	<u>\$ 10,065,000</u>	<u>\$ 10,065,000</u>

CENTERRA METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2013 ACTUAL AND 2014 ESTIMATED
For the Years Ended and Ending December 31,

1/29/15

Page 3

	ACTUAL 2013	AMENDED BUDGET 2014	ESTIMATED 2014	ADOPTED BUDGET 2015
BEGINNING FUND BALANCE	\$ 7,304,739	\$ 7,124,754	\$ 7,124,754	\$ 10,801,345
REVENUE				
Investment income	9,996	10,000	10,000	10,801
Capital advance/Proceeds from capital note	-	-	-	-
Debt Proceeds	-	131,420,000	131,420,000	-
Cost Sharing Reimbursement	77,508	-	-	-
Total revenue	87,504	131,430,000	131,430,000	10,801
TRANSFERS IN				
Debt Service Fund	-	-	-	-
Total transfers in	-	-	-	-
Total funds available	7,392,243	138,554,754	138,554,754	10,812,146
EXPENDITURES				
General				
Engineering & Other Professional Svcs	8,522	-	-	-
Project & District Management, General	125,336	124,826	124,826	25,000
Boyd Lake Ave - Phase I	-	4,218,818	4,218,818	50,000
Parcel 504	-	56,800	56,800	-
Debt Issuance Costs	-	961,600	961,600	-
Capital outlay	133,631	-	-	-
Waterline Reimbursement	-	125,828	125,828	-
Parcel 505	-	500,000	500,000	1,800,000
Kendall Parkway Underpass	-	25,796	25,796	-
Parcel 222	-	100,000	100,000	897,000
Motorplex Infrastructure	-	37,750	37,750	2,750
Rangeview 5 & Lakeview	-	150,000	150,000	-
Hahn's Peak	-	7,500	7,500	120,000
Parcel 601	-	-	-	250,000
Total expenditures	267,489	6,308,918	6,308,918	3,144,750
TRANSFERS OUT				
Debt Service Fund	-	121,444,492	121,444,492	-
Total transfers out	-	121,444,492	121,444,492	-
Total expenditures and transfers out requiring appropriation	267,489	127,753,410	127,753,410	3,144,750
ENDING FUND BALANCE	\$ 7,124,754	\$ 10,801,345	\$ 10,801,345	\$ 7,667,396

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

1/29/15

Page 4

	ACTUAL 2013	ADOPTED BUDGET 2014	ESTIMATED 2014	ADOPTED BUDGET 2015	
US 34/CROSSROADS CORRIDOR RENEWAL PLAN					
ASSESSED VALUATION - LARIMER COUNTY					
Residential	\$ 4,100,770	\$ 4,108,240	\$ 4,108,240	\$ 4,109,980	
Commercial	88,126,750	88,602,050	88,602,050	87,210,780	
Industrial	2,125,430	1,649,460	1,649,460	1,319,920	
Agricultural	52,990	61,420	61,420	59,560	
State assessed	25,250	23,700	23,700	8,800	
Vacant land	1,965,370	1,915,630	1,915,630	1,915,630	
Oil and Gas	30,617	31,300	31,300	32,139	
	<u>96,427,177</u>	<u>96,391,800</u>	<u>96,391,800</u>	<u>94,656,809</u>	
Adjustments - Base	(1,070,222)	(1,129,583)	(1,073,720)	(1,138,600)	
Certified Assessed Value	<u>\$ 95,356,955</u>	<u>\$ 95,262,217</u>	<u>\$ 95,318,080</u>	<u>\$ 93,518,209</u>	
DETAIL OF URA ASSESSED VALUE					
URA (NOT IN CENTERRA MD) - Flex property	62,532	172,957	66,873	67,019	(A)
CENTERRA MD #2 TIF - Commercial area	90,748,015	90,603,425	90,667,401	88,923,638	(B)
CENTERRA MD #2 RES DEBT TIF - Lake Vista	4,469,729	4,425,323	4,523,292	4,467,101	(C)
CENTERRA MD #5 TIF - Industrial	76,679	60,512	60,514	60,451	(D)
	<u>\$ 95,356,955</u>	<u>\$ 95,262,217</u>	<u>\$ 95,318,080</u>	<u>\$ 93,518,209</u>	
OVERLAPPING TIF MILL LEVY					
Larimer County	22.520	22.520	22.424	22.424	
Larimer County Pest Control	0.142	0.142	0.142	0.142	
City of Loveland	9.564	9.564	9.564	9.564	
Northern Colorado Water Conservancy District	1.000	1.000	1.000	1.000	
Thompson School district R2-J	40.884	40.884	40.416	40.416	
Thompson Valley Health Service District	1.757	1.757	1.766	1.766	
TOTAL MILL LEVY W/O CENTERRA	<u>75.867</u>	<u>75.867</u>	<u>75.312</u>	<u>75.312</u>	
PROPERTY TAXES - NOT IN CENTERRA (FLEX)	<u>\$ 4,744</u>	<u>\$ 13,122</u>	<u>\$ 5,036</u>	<u>\$ 5,047</u>	(A)
CENTERRA 2 MILL LEVY - COMMERCIAL AREA					
Centerra Metro District No. 2	42.600	42.600	42.600	42.600	
TOTAL MILL LEVY W/ CENTERRA NO. 2	<u>118.467</u>	<u>118.467</u>	<u>117.912</u>	<u>117.912</u>	
PROPERTY TAXES - WITHIN CENTERRA NO. 2	<u>\$ 10,750,645</u>	<u>\$ 10,733,516</u>	<u>\$ 10,690,775</u>	<u>\$ 10,485,164</u>	(B)
CENTERRA NO. 2 RES DEBT MILL LEVY ONLY - LAKE VISTA					
Centerra Metro District No. 2 Res Debt	35.000	35.000	35.000	35.000	
TOTAL MILL LEVY W/ CENTERRA NO. 2 RES DEBT	<u>110.867</u>	<u>110.867</u>	<u>110.312</u>	<u>110.312</u>	
PROPERTY TAXES - WITHIN CENTERRA NO. 2 RES	<u>\$ 495,545</u>	<u>\$ 490,622</u>	<u>\$ 498,973</u>	<u>\$ 492,775</u>	(C)
CENTERRA NO. 5 MILL LEVY - INDUSTRIAL					
Centerra Metro District No. 5	15.000	15.000	15.000	15.000	
TOTAL MILL LEVY W/ CENTERRA NO. 5	<u>90.867</u>	<u>90.867</u>	<u>90.312</u>	<u>90.312</u>	
PROPERTY TAXES - WITHIN CENTERRA NO. 5	<u>\$ 6,968</u>	<u>\$ 5,499</u>	<u>\$ 5,465</u>	<u>\$ 5,459</u>	(D)
TOTAL PROPERTY TAXES					
Total paid to LURA	<u>\$ 11,257,902</u>	<u>\$ 11,242,759</u>	<u>\$ 11,200,249</u>	<u>\$ 10,988,445</u>	SUM (A)-(D)
SCHOOL INCREMENT - EQUIV MILL LEVY	(9.998)	(9.978)	(9.898)	(9.822)	
Less: School Increment	\$ (952,401)	\$ (952,401)	\$ (943,427)	\$ (918,516)	
Less: LURA Admin Fee	(50,000)	(50,000)	(50,000)	(50,000)	
Less: 2% County Collection Fee	(225,158)	(224,855)	(224,005)	(219,769)	
NET AVAIL-CENTERRA METRO DISTRICT NO. 1	<u>\$ 10,030,343</u>	<u>\$ 10,015,503</u>	<u>\$ 9,982,817</u>	<u>\$ 9,800,160</u>	

CENTERRA METROPOLITAN DISTRICT NO. 1

2015 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 2015, the District budgeted to receive \$348,110 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 2015, the District budgeted to receive \$973,875 of URA Revenue for operations.

Expenses

The District budgeted expenditures for 2015 in the amount \$1,449,284. This is a decrease of \$24,492, or 1.6%, from 2014 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 2015, 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 \$394,264 in 2015. The total budgeted ending fund balance in 2015 is \$920,612.

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 current year URA debt service revenue is \$8,826,286. The District has URA funding from prior years that has carried forward as an unrequired reserve. The District has budgeted to use and recognize \$1,860,493 of the deferred URA revenues.

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 \$54,916 in PIF revenues in 2015.

Expenses

Expenditures for principal, interest and other payments are related to the \$139,700,000 2014 Loan Agreement. The District's budgeted 2015 debt service expenditures are \$10,879,837, which is an increase of 683,447, or 6.7%, from 2014. The increase is due to the District's escalating principal repayment schedule and increased interest expense resulting from the additional loan issuance of \$10,098,391 with the 2014 loan.

Fund Balance/Reserves

The District has budgeted to end 2015 with \$10,081,913 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 \$3,144,750. 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 \$10,801,345.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction 135 - CENTERRA METROPOLITAN DISTRICT NO. 1
 IN LARIMER COUNTY, COLORADO ON November 25, 2014

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 2014:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✕	1,930
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	316
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1,614
5. NEW CONSTRUCTION: ‡	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	0
7. ANNEXATIONS/INCLUSIONS:	1,780
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.). 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)(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), 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 2014:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	6,640
ADDITIONS TO TAXABLE REAL PROPERTY	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: **	0
3. ANNEXATIONS/INCLUSIONS:	6,140
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
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NOTE: All levies must be Certified to the County Commissioners NO LATER THAN DECEMBER 15

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction 094 - US 34/CROSSROADS CORRIDOR RENEWAL PLAN
IN LARIMER COUNTY, COLORADO ON November 25, 2014

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 2014:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	96,391,800
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ✕	94,656,809
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	94,656,809
5. NEW CONSTRUCTION: ‡	364,772
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.). 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)(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), 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 2014:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶¶	538,724,508
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ADDITIONS TO TAXABLE REAL PROPERTY

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: **	104,800
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:	5,197

¶¶ 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 County Commissioners NO LATER THAN DECEMBER 15