

# Centerra Metropolitan District No.2

January 22, 2014

Via email: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

Colorado Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

RE: Centerra Metropolitan District No. 2 2014 Adopted Budget

To Whom It May Concern:

Attached are true and accurate copies of the adopted 2014 Budget for the Centerra Metropolitan District No. 2 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted and amended on November 21, 2013.

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

Sincerely,  
CENTERRA METROPOLITAN DISTRICT NO. 2



Pinnacle Consulting Group Inc.  
District Accountant

Enc.

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Managed by Pinnacle Consulting Group, Inc.  
1627 East 18<sup>th</sup> Street  
Loveland, CO 80538  
Phone: (970) 669-3611 \* Fax: (970) 669-3612

## CENTERRA METROPOLITAN DISTRICT NO. 2

### 2014 BUDGET MESSAGE

Centerra Metropolitan District No. 2 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 "Finance 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.1 ("Service"), 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.

### 2014 BUDGET STRATEGY

The District's strategy in preparing the 2014 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

#### *General Fund*

With the exception of the County Treasurer fees, all expenditures are related to the transfers to District No. 1 for overall operating costs and debt service as required by an intergovernmental agreement. The District adopted a mill levy of 42.600 mills which resulted in budgeted property tax revenue on the assessed value net of the tax increment of \$45,969 and specific ownership tax revenue of \$285,357. Certain properties have been excluded from the District but retained an obligation on debt that was issued prior to exclusion. These properties are within Centerra MD No. 2 Bond and Centerra MD No. 2 Res Debt, which adopted a debt only mill levy of 6.655 mills and 35.000 mills, respectively, which resulted in budgeted property tax revenue of \$8,069 and \$1,744 respectively, for the purpose of paying debt obligation as discussed below under Debt.

#### *Debt*

The District has no outstanding debt. However, property tax revenues are pledged to the 2011 loan for District No. 1 through a Capital Pledge Agreement.

#### *Reserves*

The District transfers all of its revenue to Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between Centerra Metropolitan District Nos. 1-5. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 2. The emergency reserve related to this District is held in Centerra Metropolitan District No. 1.



## Accountant's Report

### BOARD OF DIRECTORS CENTERRA METROPOLITAN DISTRICT NO. 2

I have compiled the statements of revenues and expenditures for the year ended December 31, 2012 and the nine months ended September 30, 2013 for Centerra Metropolitan District No. 2. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 2 for the year ending December 31, 2014 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Centerra Metropolitan District No. 2.

A handwritten signature in cursive script that reads "Peggy Dowswell".

Peggy Dowswell, CPA  
January 22, 2014

**CENTERRA METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2014 BUDGET AS ADOPTED**  
**WITH 2012 ACTUAL AND 2013 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/22/14

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	ACTUAL 2012	ADOPTED BUDGET 2013	ACTUAL 9/30/13	ESTIMATED 2013	ADOPTED BUDGET 2014
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes - Contractual Oblig	40,820	45,388	44,710	45,388	45,969
Property taxes - Debt Service	5,404	6,213	6,213	6,213	9,813
Payment from County - PY Correction	-	-	-	-	-
Specific ownership taxes - General	272,707	264,784	209,048	278,731	285,357
Specific ownership taxes - Debt Service	7,272	10,572	8,693	11,591	11,769
Investment income & Other	1,373	25,000	105	150	30,000
Total revenue	<u>327,576</u>	<u>351,957</u>	<u>268,769</u>	<u>342,073</u>	<u>382,908</u>
Total funds available	<u>327,576</u>	<u>351,957</u>	<u>268,769</u>	<u>342,073</u>	<u>382,908</u>
EXPENDITURES					
County Treasurer's fees - General	867	908	894	908	919
County Treasurer's fees - Debt Service	108	124	124	124	196
Payment of Services to District No. 1	41,326	44,480	43,921	44,630	45,050
Payment of Services to District No. 1 - S/O	272,707	264,784	209,048	278,731	285,357
Payment of Debt Service to District No. 1	12,568	16,661	14,782	17,680	21,386
Contingency	-	25,000	-	-	30,000
Total expenditures	<u>327,576</u>	<u>351,957</u>	<u>268,769</u>	<u>342,073</u>	<u>382,908</u>
Total expenditures and transfers out requiring appropriation	<u>327,576</u>	<u>351,957</u>	<u>268,769</u>	<u>342,073</u>	<u>382,908</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CENTERRA METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

1/3/14

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ACTUAL 2012	ADOPTED BUDGET 2013	ACTUAL 9/30/13	ESTIMATED 2013	ADOPTED BUDGET 2014
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ASSESSED VALUATION - LARIMER COUNTY - COMMERCIAL AREA

CENTERRA MD NO. 2

Residential	\$ 7,110	\$ 3,480	\$ 3,480	\$ 3,480	\$ -
Commercial	88,407,900	87,622,630	87,622,630	87,622,630	88,071,640
Industrial	2,057,420	2,125,430	2,125,430	2,125,430	1,649,460
Agricultural	25,870	25,870	25,870	25,870	30,060
State assessed	68,720	70,990	70,990	70,990	80,300
Vacant land	2,037,400	1,965,070	1,965,070	1,965,070	1,915,030
	92,604,420	91,813,470	91,813,470	91,813,470	91,746,490
Adjustments - Tax Increment	(91,516,229)	(90,748,015)	(90,748,015)	(90,748,015)	(90,667,401)
Certified Assessed Value - CENTERRA MD NO. 2 - Base	\$ 1,088,191	\$ 1,065,455	\$ 1,065,455	\$ 1,065,455	\$ 1,079,089

MILL LEVY - COMMERCIAL AREA

CENTERRA MD NO. 2

Contractual Obligation	7.600	7.600	7.600	7.600	7.600
Contractual Obligation - Debt Service	35.000	35.000	35.000	35.000	35.000
Total mill levy - CENTERRA MD NO. 2	42.600	42.600	42.600	42.600	42.600

ASSESSED VALUATION - LARIMER COUNTY - LAKE SHORE

CENTERRA MD NO. 2 BOND

Residential	\$ 405,510	\$ 630,760	\$ 630,760	\$ 630,760	\$ 1,055,730
Vacant	247,500	45,250	45,250	45,250	156,790
Certified Assessed Value - CENTERRA MD NO. 2 BOND	\$ 653,010	\$ 676,010	\$ 676,010	\$ 676,010	\$ 1,212,520

MILL LEVY - LAKE SHORE

Contractual Obligation - Dbt svc, 2004 bonds - Lake Shore

	6.655	6.655	6.655	6.655	6.655
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ASSESSED VALUATION - LARIMER COUNTY - LAKE VISTA

CENTERRA MD NO. 2 RES DEBT

Agricultural	-	-	-	-	-
Commercial	206,560	439,220	439,220	439,220	481,690
Residential	2,676,370	4,079,490	4,079,490	4,079,490	4,091,430
	2,882,930	4,518,710	4,518,710	4,518,710	4,573,120
Adjustments - Tax Increment	(2,851,168)	(4,469,729)	(4,469,729)	(4,469,729)	(4,523,292)
Certified Assessed Value - CENTERRA MD NO. 2 RES DEBT	\$ 31,762	\$ 48,981	\$ 48,981	\$ 48,981	\$ 49,828

MILL LEVY - LAKE VISTA

Contractual Obligation - Dbt svc, 2008 bonds

	35.000	35.000	35.000	35.000	35.000
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PROPERTY TAXES - BASE & DEBT ONLY

Contractual Obligation	\$ 46,357	\$ 45,388	\$ 44,710	\$ 45,388	\$ 45,969
Contractual Obligation - Debt Service - CEN 2 BOND	4,346	4,499	4,499	4,499	8,069
Contractual Obligation - Debt Service - CEN 2 RES DEBT	1,112	1,714	1,714	1,714	1,744
	51,815	51,601	50,923	51,601	55,782
Levied property taxes	51,815	51,601	50,923	51,601	55,782
Refunds and abatements	-	-	-	-	-
Budgeted property taxes	\$ 51,815	\$ 51,601	\$ 50,923	\$ 51,601	\$ 55,782