

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

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

The Board of Directors of The Lakes at Centerra Metropolitan District No. 1, Larimer County, Colorado, held a meeting via Microsoft Teams Thursday, October 27, 2022 at 12:00 P.M.

The following members of the Board of Directors were present: (Via Teleconference)

Kim Perry, President & Chairperson
 Tim DePeder, Vice President/Asst. Secretary
 Josh Kane, Secretary/Treasurer
 Abby Kirkbride, Asst. Secretary
 Samantha Salazar, Asst. Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C. (Via Videoconference)
 Brendan Campbell, Irene Buenavista, Andrew Kunkel, Jennifer Ondracek, Kirsten Starman, Dillon Gamber, Nic Ortiz, and Bryan Newby; Pinnacle Consulting Group, Inc. (Via Videoconference)

Jim Niemczyk, Jeff Breidenbach, and Griffin Barlow; McWhinney (Via Videoconference)

Gary Dreith, Todd Carnes, Ralph Mathes, James Laferriere, and Karl Sutton; Members of the Public (Via Videoconference)

Mr. Pogue stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 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 LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Lakes at 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 October 7, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 27, 2022, 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 LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 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. 2023 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 2023. 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 Lakes at Centerra Metropolitan District No. 1 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$0. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$2,465.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

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

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

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

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

the Board of Directors,
(governing body)^B

of the The Lakes at Centerra Metropolitan District No. 1,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,465 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be \$ 2,465 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: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0.00</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	\$ <u>0.00</u>
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: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	<u>0.000</u> mills	\$ <u>0.00</u>

Contact person: Brendan Campbell Daytime phone: (970) 669-3611
 (print)
 Signed: 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).

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 Kane, Secretary and Treasurer of the District, and made a part of the public records of The Lakes at Centerra Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Salazar.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 27th day of October 2022.

DocuSigned by:


President B786C9D42F3647F...

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

I, Josh Kane, Secretary and Treasurer to the Board of Directors of The Lakes at Centerra Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Thursday, October 27, 2022, at 12:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; 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 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 27th day of October, 2022.

DocuSigned by:
Josh Kane
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Management Budget Report

BOARD OF DIRECTORS
THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

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

A handwritten signature in blue ink, appearing to be "B. J. [unclear]", is written over the page.

Pinnacle Consulting Group, Inc.
January 31, 2023

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees District #2	\$ 233,226	\$ 237,941	\$ 238,041	\$ 254,252
Service Fees District #3	85,181	134,789	135,289	195,349
Interest and Other Income	69	17	800	-
Total Revenues	\$ 318,475	\$ 372,747	\$ 374,130	\$ 449,601
Expenditures				
Operations & Maintenance:				
Payment to HOA	\$ 50,000	\$ 77,000	\$ 77,000	\$ 84,700
Landscaping	-	-	-	1,500
Storm Water Facility Maintenance	8,170	11,000	11,000	14,000
Non-Potable Pump Maintenance	-	-	-	30,000
Amenities Maintenance	-	2,000	15,623	8,000
District Facilities Management	8,400	12,480	12,480	13,500
Administration:				
Accounting	47,280	51,250	51,250	53,000
Audit	11,000	11,000	11,000	12,000
District Management and Admin	56,400	66,040	66,040	69,500
Director's Fees	3,173	4,200	4,200	8,000
Election	25	25,000	5,071	25,000
District Engineer and Consulting Services	8,219	10,000	10,000	10,000
Insurance	10,763	11,839	10,464	12,000
Legal	52,449	60,000	60,000	66,000
Office and Other	14,432	7,000	7,000	7,650
Contingency	-	10,000	-	10,000
Total Operating Expenditures	\$ 270,310	\$ 358,809	\$ 341,128	\$ 424,850
Revenues Over/(Under) Expenditures	\$ 48,165	\$ 13,938	\$ 33,002	\$ 24,751
Beginning Fund Balance	\$ 142,590	\$ 119,208	\$ 190,755	\$ 223,757
Ending Fund Balance	\$ 190,755	\$ 133,146	\$ 223,757	\$ 248,508
Components of Ending Fund Balance				
Repairs and Maintenance Reserve				
Beginning	\$ 40,210	\$ 74,523	\$ 74,523	\$ 109,523
Addition	34,313	35,000	35,000	40,000
Less: Expense	-	-	-	-
Ending	\$ 74,523	\$ 109,523	\$ 109,523	\$ 149,523
Operating Reserve	57,688	58,595	85,000	85,000
TABOR Reserve	9,554	9,535	9,535	13,488
Unreserved	48,990	-	19,699	497
Total Ending Fund Balance	\$ 190,755	\$ 177,653	\$ 223,757	\$ 248,508
Mill Levy				
Operating	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000	0.000
Assessed Value	\$ 4,408	\$ 2,465	\$ 2,465	\$ 2,465
Property Tax Revenue				
Operating	-	-	-	-
Debt Service	-	-	-	-
Total Property Tax Revenue	\$ -	\$ -	\$ -	\$ -

Modified Accrual Budgetary Basis

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Amended	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Capital Advance	\$ 2,331,708	\$ 2,888,932	\$ 349,358	\$ 1,806,414
Contribution from Other Government	1,062,031	6,326	6,326	-
Transfer from District #2	-	16,316,276	16,316,276	-
Total Revenues	\$ 3,393,739	\$ 19,211,534	\$ 16,671,960	\$ 1,806,414
Expenditures				
District Management	\$ 14,040	\$ 20,000	\$ 25,000	\$ 25,000
District Planning/Engineering Mgmt	1,903	5,000	2,000	5,000
District Engineering	-	5,000	-	15,000
Lakes Residential - PH6A	9,305	-	-	-
Lakes Residential - PH6B	2,580	-	600	-
Lakes Residential - PH7	141,755	61,516	77,246	20,191
Lakes Residential - PH6C	328,489	9,823	7,273	7,900
Lakes Residential - PH8	16,785	31,954	4,500	21,541
Lakes Residential - PH9	1,775,794	419,454	34,027	359,421
Lakes Residential - PH10	621,359	16,434	10,287	14,833
Explorer Park	94,703	2,294,751	194,751	2,100,000
Developer Advance Repayment	-	16,316,276	16,316,276	-
Contingency	-	25,000	-	-
Total Capital Project Expenditures	\$ 3,006,713	\$ 19,205,208	\$ 16,671,960	\$ 2,568,886
Revenues over/(under) Expenditures	\$ 387,026	\$ 6,326	\$ -	\$ (762,472)
Beginning Fund Balance	\$ 375,446	\$ 762,468	\$ 762,472	\$ 762,472
Ending Fund Balance	\$ 762,472	\$ 768,794	\$ 762,472	\$ -

THE LAKES AT CENTERRA METROPOLITAN DISTRICT NO. 1 2023 BUDGET MESSAGE

The Lakes at 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 formed in November 2007. The District was established for approximately 226 acres located south of East 37th Street, east of Boyd Lake Avenue and north of Lost Creek Drive in the City of Loveland, Colorado. Along with its companion Districts No. 2 and No. 3, (“Finance Districts”), this “Service District” was organized to initially own, operate and construct public facilities within the service area including sanitation, water, streets, traffic and safety controls, park and recreation, transportation, television relay and translation, mosquito and pest control, and security and covenant enforcement services.

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

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

In preparing the 2023 budget, the following goals are foremost for the District:

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

General Fund

Revenue

Budgeted revenues total \$449,601 and are primarily services fees from Districts No. 2 and No. 3. The District certified 0.000 mills on an assessed value of \$2,465 for \$0 in property tax revenue.

Expenses

Budgeted expenses total \$424,850. Increases in the 2023 budget are primarily due to anticipated increases in operations and maintenance.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR and holds the TABOR reserve for District Nos. 1-3. Ending fund balance is budgeted to be \$248,482 for fiscal year 2023.

Capital Projects Fund

Revenue

Capital advances and contributions from other governments are budgeted to be \$1,806,414 for fiscal year 2023 to fund capital project expenses.

Expenses

Capital expenses are budgeted to be \$2,568,886 in 2023 for design and construction of public infrastructure.

Fund Balance/Reserves

The capital projects ending fund balance is budgeted to be \$0 for fiscal year 2023.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 182 - THE LAKES AT CENTERRA METRO DISTRICT NO. 1

IN LARIMER COUNTY ON 11/17/2022

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 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$2,465
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *		\$2,465
3. LESS TIF DISTRICT INCREMENT, IF ANY:		\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$2,465
5. NEW CONSTRUCTION: **		\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #		\$0
7. ANNEXATIONS/INCLUSIONS:		\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #		\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##		\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):		\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):		\$0.00

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

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

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

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

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @		\$8,500
ADDITIONS TO TAXABLE REAL PROPERTY:		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !		\$0
3. ANNEXATIONS/INCLUSIONS:		\$0
4. INCREASED MINING PRODUCTION: %		\$0
5. PREVIOUSLY EXEMPT PROPERTY:		\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:		\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)		
DELETIONS FROM TAXABLE REAL PROPERTY:		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:		\$0
9. DISCONNECTIONS/EXCLUSION:		\$0
10. PREVIOUSLY TAXABLE PROPERTY:		\$0

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

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

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

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

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