

**Centerra Metropolitan District No. 1
Larimer County, Colorado**

**Financial Statements
December 31, 2020**




TABLE OF CONTENTS


	Page
INDEPENDENT AUDITOR’S REPORT	I-III
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Governmental Funds Balance Sheet and Reconciliation of Fund Balances to Net Position	3
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Notes to Basic Financial Statements.....	6-21
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenue, Expenditures and Changes in Fund Balance —Actual and Budget—Governmental Fund Type—General Fund	22
SUPPLEMENTARY INFORMATION	
Statement of Revenue, Expenditures and Changes in Fund Balance —Actual and Budget—Governmental Fund Type—Debt Service Fund	23
Statement of Revenue, Expenditures and Changes in Fund Balance —Actual and Budget—Governmental Fund Type—Capital Projects Fund.....	24-25




INDEPENDENT AUDITOR'S REPORT

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

Members of the Board of Directors
Centerra Metropolitan District No. 1

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Centerra Metropolitan District No. 1 (the "District") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Centerra Metropolitan District No. 1, as of December 31, 2020 and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Centerra Metropolitan District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Centerra Metropolitan District No. 1's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Centerra Metropolitan District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Centerra Metropolitan District No. 1's ability to continue as a going concern for a reasonable period of time.

Other-Matters

Required Supplementary Information

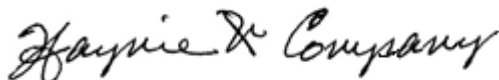
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Centerra Metropolitan District No. 1's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
July 29, 2021

BASIC FINANCIAL STATEMENTS

Centerra Metropolitan District No. 1
Statement of Net Position
December 31, 2020

Assets	<u>Governmental Activities</u>
Cash and investments	\$ 5,942,744
Restricted cash and investments	40,217,138
Accounts receivable	247,844
Construction and landscaping deposits	316,250
Prepaid insurance	59,006
Capital Assets, not depreciated	41,220,287
Capital Assets, depreciated, net of accumulated depreciation	16,146,255
Total assets	<u><u>\$ 104,149,524</u></u>
Liabilities	
Accounts payable	\$ 1,533,711
Accrued liabilities	84,989
Retainage payable	36,061
Deferred revenue	3,324
Accrued interest	868,918
Non-current liabilities:	
Due within one year	5,915,000
Due in more than one year	211,568,343
Total liabilities	<u><u>220,010,346</u></u>
Net Position	
Net investment in Capital Assets	(141,630,009)
Restricted for:	
Emergency	1,156,070
Debt Service	21,412,077
Capital Projects	19,707,384
Unrestricted	<u>(16,506,344)</u>
Total Net Position	<u>(115,860,822)</u>
Total Liabilities and Net Position	<u><u>\$ 104,149,524</u></u>

The accompanying notes are an integral part of these financial statements.

Centerra Metropolitan District No. 1
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Primary Government
			Governmental Activities
Primary government:			
Governmental activities:			
General government	\$ 4,681,977	\$ -	\$ (4,681,977)
Interest and other fiscal charges	15,971,929	248,800	(15,723,129)
Total Governmental Activities	\$ 20,653,906	\$ 248,800	(20,405,106)
General revenues:			
Service fees Districts 2, 3 & 5			520,930
Net investment and other income			421,995
URA revenues			14,108,628
Loss on Disposal of Assets			(376,698)
Total general revenues			14,674,855
Change in net position			(5,730,251)
Net position (deficit) - beginning of year			(110,130,571)
Net position (deficit) - end of year			\$ (115,860,822)

The accompanying notes are an integral part of these financial statements.

Centerra Metropolitan District No. 1
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
December 31, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 3,979,364	\$ -	\$ 1,963,380	\$ 5,942,744
Restricted Cash and Investments	122,206	21,424,058	18,670,874	40,217,138
Accounts Receivable	35,455	982	211,407	247,844
Construction and landscaping deposits	-	-	316,250	316,250
Prepaid expenses	59,006	-	-	59,006
Total assets	\$ 4,196,031	\$ 21,425,040	\$ 21,161,911	\$ 46,782,982
Liabilities				
Accounts payable	\$ 190,595	\$ -	\$ 1,343,116	\$ 1,533,711
Accrued liabilities	-	9,639	75,350	84,989
Retainage payable	-	-	36,061	36,061
Deferred revenue	-	3,324	-	3,324
Total liabilities	190,595	12,963	1,454,527	1,658,085
Fund Equity				
Nonspendable	59,006	-	-	59,006
Restricted:				
Emergency reserves	1,156,070	-	-	1,156,070
Debt Service	-	21,412,077	-	21,412,077
Capital Projects	-	-	19,707,384	19,707,384
Unassigned	2,790,360	-	-	2,790,360
Total Fund Balances	4,005,436	21,412,077	19,707,384	45,124,897
Total Liabilities and Fund Equity	\$ 4,196,031	\$ 21,425,040	\$ 21,161,911	\$ 46,782,982

Total governmental fund balance per above \$ 45,124,897

Amounts reported for governmental activities in the statement of net assets excluded from the governmental fund balance because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 57,366,542

Long term liabilities not payable in the current year are excluded as liabilities in the governmental funds. Interest on long-term debt is recognized as an expenditure in governmental funds when due. These liabilities consist of:

Bonds Payable	(212,420,000)
Accrued interest	(868,918)
Unamortized premium on bonds	(5,063,343)

Net position of governmental activities \$ (115,860,822)

The accompanying notes are an integral part of these financial statements.

Centerra Metropolitan District No. 1
Governmental Fund Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Service fees - District No. 2	\$ 433,258	\$ 73,731	\$ -	\$ 506,989
Service fees - District No .3	-	313	-	313
Service fees - District No. 5	-	13,628	-	13,628
URA revenues	2,686,635	11,421,993	-	14,108,628
Public improvement fees	-	37,393	-	37,393
Cost sharing reimbursement	-	-	211,407	211,407
Interest and other income	26,741	290,390	104,864	421,995
Total General Revenues	<u>3,146,634</u>	<u>11,837,448</u>	<u>316,271</u>	<u>15,300,353</u>
Expenditures				
Current				
General government	2,087,764	-	195,192	2,282,955
Costs of issuance	-	-	1,081,845	1,081,845
Capital outlay	-	-	13,418,946	13,418,946
Debt service				
Principal	-	3,765,000	-	3,765,000
Interest and other fiscal charges	-	9,556,191	-	9,556,191
Total Expenditures	<u>2,087,764</u>	<u>13,321,191</u>	<u>14,695,982</u>	<u>30,104,937</u>
Excess of revenues over (under) expenditures	1,058,870	(1,483,743)	(14,379,711)	(14,804,584)
Other financing sources (uses)				
Bond proceeds	-	-	33,738,782	33,738,782
Bond refunding	-	(16,503,871)	-	(16,503,871)
Interfund transfers	-	21,751,919	(21,751,919)	-
Total other financing sources (uses)	<u>-</u>	<u>5,248,048</u>	<u>11,986,863</u>	<u>17,234,911</u>
Net change in fund balances	1,058,870	3,764,305	(2,392,848)	2,430,327
Fund balances:				
Beginning of the year	<u>2,946,566</u>	<u>17,647,772</u>	<u>22,100,233</u>	<u>42,694,571</u>
End of the year	<u>\$ 4,005,436</u>	<u>\$ 21,412,077</u>	<u>\$ 19,707,385</u>	<u>\$ 45,124,898</u>

The accompanying notes are an integral part of these financial statements.

Centerra Metropolitan District No. 1
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance—total governmental funds	\$ 2,430,326
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlay \$12,978,017 exceeded depreciation expense (\$1,958,093) and disposals/transfers of assets (\$376,697).	10,643,227
Repayment of long-term debt principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the change in accrued interest of (\$57,688), additions of bond premiums (\$633,782) amortization of bond premium \$167,666, receipt of bond funds (\$33,105,000) and payment of bond principal of \$14,825,000.	<u>(18,803,804)</u>
Change in net position of governmental activities	<u>\$ (5,730,251)</u>

The accompanying notes are an integral part of these financial statements.

Centerra Metropolitan District No. 1

Notes to Financial Statements

December 31, 2020

1. Definition of Reporting Entity

Centerra Metropolitan District No. 1 (the District), a quasi-municipal corporation, was organized on June 14, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Loveland (City), Larimer County, Colorado. The District was established to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, and park and recreation facilities. The District's service plan was approved by the City. Pursuant to the consolidated service plan for Centerra Metropolitan Districts No. 1-4, the District operates as the Service District related to Centerra Metropolitan District No. 2 (Commercial District), Centerra Metropolitan District No. 3 (Residential District), Centerra Metropolitan District No. 4 (Regional Improvements District) and Centerra Metropolitan District No. 5 (Industrial District).

The District has no employees and all operations and administrative functions are contracted. The accounting policies of the District conform to generally accepted accounting principles ("GAAP") as applicable to governments. The following is a summary of the more significant policies:

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

On January 26, 2004, Centerra Public Improvement Collection Corporation (PIC Corporation) and the Centerra Retail Sales Fee Corporation (RSF Corporation) were formed. Both PIC Corporation and RSF Corporation are nonprofit corporations that were formed for the purpose of adopting and imposing Declarations and Covenants on property within Centerra and for the purpose of imposing and collecting certain fees. PIC and RSF Corporations have entered into an agreement with the District whereby on June 4, 2004, PIC and RSF Corporations have agreed to remit to the District certain revenues received from fees imposed by PIC and RSF Corporations in consideration of the District's financing, construction and operation of public improvements which benefit the members of PIC and RSF Corporations. In the refinancing of the 2004 bonds in March of 2008, the RSF Corporation was released from its agreement.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

1. Definition of Reporting Entity (continued)

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District is not financially accountable for any other organization, including Centerra Metropolitan Districts No. 2-5, PIC Corporation and RSF Corporation, nor is the District a component unit of any other primary governmental entity, including the City.

2. Summary of Significant Accounting Policies

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental fund.
- The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Investments are recorded at fair value.

For purpose of presentation in the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments.

Accounts Receivable

Accounts receivable are presented net of any reserve for uncollectible accounts.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of invested in capital assets, net of related debt component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful life:

Monumentation	20 years
Landscape/Parks and recreation	20 years
Promenade infrastructure	20 years
Sanitary sewer and storm drainage	20 years
Streets	20 years

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position. Bond issue costs are reported as deferred charges and amortized over the term of the related debt.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portion for various purposes, the District board of directors has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact. The District reports Prepaid Insurance as Nonspendable at December 31, 2020.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District also classifies the fund balances in the Debt Service and Capital Projects funds as restricted for debt service and capital improvements.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors. The District did not have and committed resources as of December 31, 2020.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. As of December 31, 2020, the District does not report any assigned fund balances.
- *Unassigned fund balance* - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balance.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund presented on the modified accrual basis of accounting unless otherwise indicated.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners, to put the tax lien on the individual properties as of January 1 for the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenue is recorded as revenue in the year it is available or collected. For the year ended December 31, 2020, the District did not have deferred property tax or property tax revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

3. Cash and Investments

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and Investments	\$ 5,942,744
Cash and Investments - Restricted	<u>40,217,138</u>
Total	<u>\$ 46,159,882</u>

A summary of deposits and investments as of December 31, 2020 follows:

Deposits with financial institutions	\$ 4,243,828
Investments	<u>41,916,054</u>
Total cash and investments	<u>\$ 46,159,882</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The District has no policy regarding custodial credit risk for deposits.

In addition, the District holds a number of certificates of deposits with FDIC eligible banks, all of which were individually less than the \$250,000 threshold for FDIC coverage.

At December 31, 2020, the District had deposits with financial institutions with a carrying amount of \$4,243,828. The bank balances with the financial institutions were \$46,159,882. Of these balances, \$5,650,000 was covered by federal depository insurance and \$36,686,856 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

3. Cash and Investments (continued)

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank.
- General obligation and revenue bonds of U.S. local government entities.
- Certain certificates of participation.
- Certain securities lending agreements.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Written repurchase agreements and certain reverse repurchase agreements.
- Collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.
- Local government investment pools.

As of December 31, 2020, the District had the following investments and maturities:

Type of Investment	Fair Value	Maturities (in years)	
		0-1 Years	1-5 Years
U.S. Government Agencies	\$ 37,864,049	\$ 33,182,615	\$ 4,681,434
COLOTRUST	4,052,004	4,052,004	-
	<u>\$ 41,916,054</u>	<u>\$ 37,234,619</u>	<u>\$ 4,681,434</u>

The above investments are authorized for all funds and fund types used by Colorado local governments. As of December 31, 2020, the District's U.S. Government Agencies are rated AA+ by Standard and Poor's and AAA by Moody's Investors Services.

COLOTRUST

The District invested \$4,052,004 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

3. Cash and Investments (continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

At December 31, 2020, the District held investments in U.S. Agency Securities in the amount of \$37,864,049 with maturity dates between less than one year and five years. Given the low risk of these type of investments, the District has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

4. Capital Assets

Capital assets activity for the year ended December 31, 2020 is summarized below:

	Balance at December 31, 2019	Transfers/ Additions	Transfers/ Retirements	Balance at December 31, 2020
Governmental Activities				
Capital Assets, not being depreciated:				
Construction in progress	\$ 25,546,608	\$ 12,978,017	\$ 727,421	\$ 37,797,204
Water rights	3,423,082			3,423,082
Total Capital Assets, not being depreciated	28,969,690	12,978,017	727,421	41,220,286
Capital Assets, depreciated				
Monumentation	4,550,218			4,550,218
Landscape Improvements	10,200,789	350,725		10,551,514
Promenade Shops	20,988,826			20,988,826
Sanitary Sewer and Storm Drainage	118,843			118,843
Streets	3,293,449			3,293,449
Total Capital Assets, depreciated	39,152,125	350,725	0	39,502,850
Less Accumulated Depreciation				
Monumentation	3,122,906	227,511		3,350,417
Landscape Improvements	5,513,865	510,526		6,024,391
Promenade Shops	12,034,750	1,049,441		13,084,191
Sanitary Sewer and Storm Drainage	56,874	5,942		62,816
Streets	670,105	164,672		834,777
Total Accumulated Depreciation	21,398,500	1,958,093	0	23,356,593
Total Capital Assets, Net of depreciation	17,753,625	(1,607,369)	0	16,146,256
Governmental Activities, Capital Assets, Net	\$ 46,723,315	\$ 11,370,649	\$ 727,421	\$ 57,366,542

Depreciation expense was charged to the General Government activities of the District.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

5. Long-Term Debt

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Payment	Balance at December 31, 2020	Due Within One Year
Governmental Activities					
2020 Bonds Payable	\$ -	\$ 33,105,000	\$ -	\$ 33,105,000	\$ -
Premium on 2020 Bonds	-	633,782	3,521	630,261	-
2018 Bonds Payable	11,105,000	-	-	11,105,000	-
Premium on 2018 Bonds	34,137	-	1,177	32,960	-
2017 Bonds Payable	183,035,000	-	14,825,000	168,210,000	5,915,000
Premium on 2017 Bonds	4,563,090	-	162,968	4,400,122	-
	<u>\$ 198,737,227</u>	<u>\$ 33,738,782</u>	<u>\$ 14,992,666</u>	<u>\$ 217,483,343</u>	<u>\$ 5,915,000</u>

2017 Bonds Payable

The District issued \$187,975,000 in Special Revenue Refunding and Improvement Bonds, Series 2017 (2017 Bonds), on April 26, 2017. The proceeds from the 2017 Bonds were used to refund the 2014 Loan in the amount of \$131,510,000; terminate the 2008 swap and 2014 swap with a termination payment of \$17,138,000; fund an Improvement Project Fund for further acquisition and construction of certain public infrastructure improvements in the District required for District development, consisting generally of streets, water, sanitary sewer, park and recreation, and related improvements; and to pay certain costs related to the issuance of the 2017 Bonds. Interest accrues at a rate of 2.70 percent through December 1, 2019 and 5.00 percent from December 1, 2019 through maturity. Payments of principal and interest are due annually on December 1 and payments of interest are due annually on June 1. The Bonds mature on December 1, 2047.

2018 Bonds Payable

The District issued \$11,105,000 in Special Revenue Refunding and Improvement Bonds, Series 2018 (2018 Bonds), on December 20, 2018. The proceeds from the 2018 Bonds were used to fund an Improvement Project Fund for further acquisition and construction of certain public infrastructure improvements in the District required for District development, consisting generally of streets, water, sanitary sewer, park and recreation, and related improvements; and to pay certain costs related to the issuance of the 2018 Bonds. Interest accrues at a rate of 5.25 percent. Payments of principal (beginning December 1, 2040) and interest are due annually on December 1 and payments of interest are due annually on June 1. The Bonds mature on December 1, 2048.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

5. Long-Term Debt (continued)

Both the Series 2017 and 2018 Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) Tax Increment Financing (TIF) Revenues, (2) the Required Mill Levy, (3) Public Improvement Fee (PIF) Revenues, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The loan is also secured by amounts held by the Custodian in the Reserve Fund(s). Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of Centerra Metropolitan District No. 2 each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as the same become due and payable and to make up any deficiencies in the Reserve Fund. The maximum Required Mill Levy is 72 mills and the minimum Mill Levy is 35 mills, with respect to Centerra Metropolitan District No. 2, adjusted for changes in the ratio, if any, of actual value to assessed value of property within the District. As of December 31, 2020, the adjusted maximum mill levy is 72 mills and the adjusted minimum mill levy is 35 mills. For collection year 2020, the Centerra Metropolitan District No. 2 levied 24.393 debt service mills. In addition, property excluded from District No. 2 is responsible for its proportionate share of District debt at the time of exclusion. For collection year 2020, District No. 2 levied 6.554 mills on property excluded in 2007 and levied 10.877 mills on property excluded in 2010 and levied 15.903 mills on property excluded in 2015.

2020 Bonds Payable

The District issued \$33,105,000 in Special Revenue Refunding and Improvement Bonds, Series 2020 (2020 Bonds), on October 28, 2020. The proceeds from the 2020 Bonds were used to finance the cost of constructing public improvements; finance the tender of a portion of the 2017 Bonds; fund the Reserve Fund; finance capitalized interest; and pay the costs of issuing the 2020 Bonds. Interest accrues at a rate of 4.00 percent through December 1, 2029 and 5.00 percent from December 1, 2029 through maturity. Payments of principal and interest are due annually on December 1 and payments of interest are due annually on June 1. The Bonds mature on December 1, 2051.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

5. Long-Term Debt (continued)

Future Debt Service Requirements

Annual debt service requirements for the Bonds Payable at December 31, 2020 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,915,000	\$ 11,168,262	\$ 17,083,262
2022	8,185,000	10,872,512	19,057,512
2023	9,175,000	10,463,262	19,638,262
2024	10,515,000	10,004,512	20,519,512
2025-2029	57,655,000	44,383,360	102,038,360
2030-2034	14,220,000	31,810,560	46,030,560
2035-2039	19,220,000	27,999,810	47,219,810
2040-2044	27,060,000	22,257,776	49,317,776
2045-2048	32,835,000	11,662,914	44,497,914
2049-2051	27,640,000	2,819,000	30,459,000
Total Debt Service Requirements	<u>\$ 212,420,000</u>	<u>\$ 183,441,968</u>	<u>\$ 395,861,968</u>

Authorized Debt

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$5,350,000,000 at an interest rate not to exceed 18 percent per annum. At December 31, 2020, the District had authorized but unissued indebtedness in the amount of \$4,710,953,391.

6. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2020. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

6. Risk Management (continued)

Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

7. Commitments and Contingencies

Master Financing Agreement

The Master Financing Agreement (MFA), dated January 20, 2004 and as subsequently amended, was entered into among the District, the City, the Loveland Urban Renewal Authority (LURA), the developer, Centerra Public Improvement Collection Corporation, and Centerra Public Improvement Development Corporation. Pursuant to the MFA the LURA assigned the net TIF Revenues to the District for the purpose of financing certain public improvements. The MFA also requires the recording of the PIF Covenant against all of the property within the Commercial District to provide for the imposition of a Public Improvement Fee. In connection with the PIF the City agrees in the MFA to grant a credit against the collection of 1.25% of its 3.0% sales tax on taxable sales transactions occurring within the Commercial District. The MFA also provides for the payment to the District by the Residential District of 5.000 mills against the property in the Residential District (referred to as the Residential Contribution).

The MFA authorizes the District to provide for the construction or acquisition of certain public improvements.

TABOR Amendment

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The District has established an emergency reserve, as required by the Amendment. At December 31, 2020, the emergency reserve of \$123,000 was recorded in the General Fund.

Centerra Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2020

7. Commitments and Contingencies (continued)

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

8. Deficit Net Position

The District's unrestricted net position as of December 31, 2020 totaled \$115,860,821. This deficit amount was a result of the District being responsible for the financing and repayment of debt issued for the construction of public improvements which were conveyed to other governmental entities and which assets were removed from the District's financial records.

REQUIRED SUPPLEMENTARY INFORMATION

Centerra Metropolitan District No. 1
Statement of Revenue, Expenditures
and Changes in Fund Balances—Actual and Budget
Governmental Fund Type—General Fund
For the Year Ended December 31, 2020

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Service fees, District No. 2	\$ 479,133	\$ 433,258	\$ (45,875)
Net investment and other income	71,276	21,291	(49,985)
URA revenues	2,861,567	2,686,635	(174,932)
CVRF revenue	-	1,000	1,000
Chapungu revenue	2,500	4,450	1,950
Total Revenue	<u>3,414,476</u>	<u>3,146,634</u>	<u>(267,842)</u>
Expenditures			
Accounting & financial management	175,920	168,350	7,570
Audit	12,500	10,500	2,000
Directors' fees	12,000	11,622	378
District management and administration	272,040	249,370	22,670
Election costs	12,000	2,047	9,953
Engineering and other professional services	85,000	123,355	(38,355)
Insurance and bonds	51,520	46,052	5,468
Legal services	160,000	125,286	34,714
Office, dues and other	12,280	14,883	(2,603)
Utilities	158,000	238,474	(80,474)
Landscaping	498,229	442,831	55,398
Hardscape	134,333	113,180	21,153
Undeveloped public land	52,000	14,213	37,788
Storm water facilities	209,066	92,905	116,161
Sanitary sewer facilities	1,000	-	1,000
Amenities	323,274	288,956	34,318
Miscellaneous facilities services	3,700	6,059	(2,359)
Repairs and replacement	995,109	139,682	855,427
Contingency	100,000	-	100,000
Total Expenditures	<u>3,267,971</u>	<u>2,087,764</u>	<u>1,180,207</u>
Excess Revenue Over (Under)			
Expenditures	<u>146,505</u>	<u>1,058,870</u>	<u>(912,365)</u>
Other financing sources (uses)			
Transfer out to debt service fund	-	-	-
Transfer out to capital project fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	146,505	1,058,870	(912,365)
Fund Balances—Beginning of year	<u>2,851,034</u>	<u>2,946,566</u>	<u>95,532</u>
Fund Balances—End of Year	<u>\$ 2,997,539</u>	<u>\$ 4,005,436</u>	<u>\$ (816,833)</u>

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

Centerra Metropolitan District No. 1
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Debt Service Fund
For the Year Ended December 31, 2020

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Service fees, District No. 2	\$ 80,731	\$ 73,731	\$ (7,000)
Service fees, District No. 3	312	313	1
Service fees, District No. 5	12,667	13,628	961
Net investment and other income	225,000	290,390	65,390
URA Revenues (Debt Service)	11,587,240	11,421,992	(165,248)
Public improvement fees (PIF)	<u>47,500</u>	<u>37,393</u>	<u>(10,107)</u>
Total Revenues	<u>11,953,450</u>	<u>11,837,447</u>	<u>(116,003)</u>
Expenditures:			
Bond interest - Series 2017	8,781,125	8,781,125	-
Bond principal - Series 2017	3,765,000	3,765,000	-
2017 Bond refunding	16,503,871	16,503,871	-
Bond interest - Series 2018	583,013	583,013	-
Bond interest - Series 2020	148,660	148,660	-
Collection fee - PIF	47,500	37,393	10,107
Trustee and paying agent fees	6,000	6,000	-
Contingency	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>29,935,169</u>	<u>29,825,062</u>	<u>110,107</u>
Excess Revenue Over (Under) Expenditures	<u>(17,981,719)</u>	<u>(17,987,615)</u>	<u>(5,896)</u>
Other financing sources (uses)			
Transfer in from other funds	<u>21,751,919</u>	<u>21,751,919</u>	<u>-</u>
Total transfers in (out)	<u>21,751,919</u>	<u>21,751,919</u>	<u>-</u>
Net change in fund balances	<u>3,770,200</u>	<u>3,764,305</u>	<u>(5,896)</u>
Fund Balance—Beginning of year	<u>17,647,772</u>	<u>17,647,772</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 21,417,972</u>	<u>\$ 21,412,077</u>	<u>\$ (5,896)</u>

Centerra Metropolitan District No. 1
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Net investment and other income	\$ 481,486	\$ 104,864	\$ (376,622)
Bond proceeds	31,846,609	33,738,782	1,892,173
Cost sharing reimbursement	-	211,407	211,407
Total Revenue	<u>32,328,095</u>	<u>34,055,053</u>	<u>1,726,958</u>
Expenditures:			
District Management	35,000	37,213	(2,213)
Engineering & Other Prof. Services	200,000	122,659	77,341
Office, Dues & Other	-	645	(645)
Master Planning	30,000	33,439	(3,439)
Major Repairs & Replacement	-	1,237	(1,237)
Cost of Issuance	800,000	1,081,845	(281,845)
Waterline Reimbursement	180,000	260,170	(80,170)
Parcel 504	524,951	773,789	(248,838)
Parcel 505	10,134	1,928	8,206
Savanna 2nd Subdivision	-	-	-
Parcel 206 - Surface Parking	-	63,709	(63,709)
McWhinney Boulevard Roadway	16,004	22,774	(6,770)
Parcel 505 Interchange Lift Station	41,304	507	40,797
Parcel 206 - Infrastructure Phase 2	-	700	(700)
Boyd Lake Avenue South	5,058,379	5,417,046	(358,667)
Kendall Pkwy/I-25 Underpass	2,000,000	2,000,000	-
Savanna 2nd Subdivision/Kendall Parkway Underpass	4,800,000	12,849	4,787,152
Savanna 3rd Subdivision	34,244	8,772	25,472
Northwest Arterial Roadways	80,998	63,751	17,247
Centerra-East	-	225,075	(225,075)
Meyers Group 5th Subdivision	1,218,899	1,053,037	165,862
Centerra Parkway North Landscaping	1,300,000	130	1,299,870
Chapungu Park Stage Structure	500,000	-	500,000
Northwest Arterial Roadways Phase 2	105,466	971,329	(865,863)
37th Street Gas Line Relocation	-	-	-
Centerra Crossroads Interchange Enhancements	460,000	-	460,000
Kendall Parkway Underpass/Bus Station Enhancements	252,000	172,049	79,951
Savanna 5th Subdivision	1,900,000	1,667,644	232,356
Bus Stop Upgrades	3,746	606	3,140

Centerra Metropolitan District No. 1
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
For the Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Millennium NW 9th Sub Easements	2,300,000	390	2,299,610
Centerra Parcel 301	-	-	-
Centerra Parcel 504 Phase II	1,525,000	216,462	1,308,538
Centerra Parcel 505 Phase II	3,127,537	17,379	3,110,158
Centerra Parcel 504 Phase III	2,820,000	30,683	2,789,317
Boyd Lake Avenue North Landscaping	-	50,847	(50,847)
Lakes Reimbursement	618,000	291,449	326,551
Hwy 34 Landscaping	2,410,226	95,871	2,314,355
Kendall/I-25 Underpass Enhancements	500,000	-	500,000
Kinston Phase 1 Reimbursement	2,723,296	-	2,723,296
Kendall Pkwy (Main St to Rocky Mt)	125,101	-	125,101
Contingency	75,935	-	75,935
Total Expenditures	<u>35,776,220</u>	<u>14,695,982</u>	<u>21,080,238</u>
Excess Revenue Over (Under) Expenditures	<u>(3,448,125)</u>	<u>19,359,071</u>	<u>22,807,196</u>
Other financing sources (uses)			
Transfer in from general fund	(2,822,419)	(21,751,919)	(18,929,500)
Total other financing sources (uses)	<u>(2,822,419)</u>	<u>(21,751,919)</u>	<u>(18,929,500)</u>
Net change in fund balances	<u>(6,270,544)</u>	<u>(2,392,848)</u>	<u>3,877,696</u>
Fund Balance—Beginning of year	<u>19,259,423</u>	<u>22,100,233</u>	<u>2,840,810</u>
Fund Balance—End of Year	<u>\$ 12,988,879</u>	<u>\$ 19,707,385</u>	<u>\$ 6,718,506</u>