

RESOLUTION 18- 03 _

A RESOLUTION APPROVING THE 2019 BUDGET
OF THE FOUNTAIN URBAN RENEWAL AUTHORITY

WHEREAS, the budget for the Fountain Urban Renewal Authority (the "Authority") for the fiscal year 2019 (the "2019 Budget") was presented to the Commissioners of the Authority at its regular meeting held on December 19, 2018; and

WHEREAS, pursuant to a notice of a public hearing published in Fountain Valley News on December 12, 2018, the Authority conducted a public hearing on its adoption of the 2019 budget on December 18, 2018; and

WHEREAS, it is necessary that approval of the 2019 Budget, attached to and made a part of this resolution, take place by duly adopted resolution of the Board of Commissioners of the Authority,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FOUNTAIN URBAN RENEWAL AUTHORITY, AS FOLLOWS:

Section 1. The Commissioners hereby approve the 2019 Budget attached to and made a part of this resolution. The Secretary/Executive Director is authorized and directed to file this resolution and the attached 2019 Budget with the minutes of this meeting and with the Department of Local Affairs of the State of Colorado.

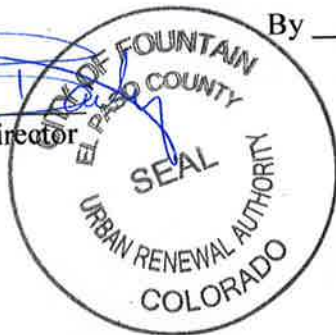
Section 2. This resolution is adopted and shall take effect immediately on its adoption.

FOUNTAIN URBAN RENEWAL
AUTHORITY

ATTEST:

By


Secretary/Executive Director



By


Chair



CliftonLarsonAllen

CliftonLarsonAllen LLP
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Accountant's Compilation Report

Board of Commissioners
Fountain Urban Renewal Authority

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Fountain Urban Renewal Authority for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Fountain Urban Renewal Authority.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 23, 2019



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**FOUNTAIN URBAN RENEWAL AUTHORITY
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 14,499,679	\$ 14,295,652	\$ 13,820,876
REVENUES			
General			
Property taxes - US 85	94,899	119,592	125,274
Sales taxes - US 85	93,073	78,000	80,000
Use taxes	8,707	100,000	150,000
Sale of Blast Park	235,000	-	-
Line of credit	354,485	-	-
Line of credit advance	-	96,000	-
C4F Program funding	533,675	-	-
Loan issuance - Woodmen Hall	-	275,000	-
Loan issuance - RBD	-	80,000	-
Construction loan issuance	-	-	2,500,000
Rental/Lease income	27,034	23,344	102,000
Event rental income	-	-	15,000
Utility reimbursement	2,516	3,313	-
Sales taxes admin revenue	74,528	60,360	63,390
PIF admin revenue	11,377	12,000	12,600
Other revenue/reimbursement	4,875	-	15,000
Net investment income	3,286	3,300	3,300
Debt Service			
Public improvement fees	367,853	400,000	420,000
Sales taxes	1,829,612	2,012,000	2,113,000
Transportation sales taxes	580,231	618,000	649,000
Net investment income	41,483	81,400	81,400
Capital Projects			
Net investment income	76,515	140,000	140,000
Total revenues	<u>4,339,149</u>	<u>4,102,309</u>	<u>6,469,964</u>
TRANSFERS IN	72,357	272,120	140,000
Total funds available	<u>18,911,185</u>	<u>18,670,081</u>	<u>20,430,840</u>
EXPENDITURES			
SAH Administration Fund	116,578	115,500	132,835
Incentive Fund	8,960	9,000	9,000
Old Town Fund	294,105	989	-
Property Fund	812,602	747,021	205,360
Investment Fund	28,469	53,012	119,379
Loan Payment Fund	-	-	2,547,000
Debt Service Fund	2,960,563	2,927,138	3,234,000
Capital Projects Fund	321,899	724,425	7,576,885
Total expenditures	<u>4,543,176</u>	<u>4,577,085</u>	<u>13,824,459</u>
TRANSFERS OUT	72,357	272,120	140,000
Total expenditures and transfers out requiring appropriation	<u>4,615,533</u>	<u>4,849,205</u>	<u>13,964,459</u>
ENDING FUND BALANCES	<u>\$ 14,295,652</u>	<u>\$ 13,820,876</u>	<u>\$ 6,466,381</u>
SAH ADMINISTRATION FUND	149,933	139,711	83,667
OLD TOWN FUND	77,855	4,351	4,351
CD BALANCE IN PROPERTY FUND	450,000	450,000	450,000
REQUIRED RESERVE - SERIES 2015A	3,229,125	3,229,125	3,229,125
REQUIRED RESERVE - SERIES 2015B	507,000	507,000	507,000
TOTAL RESERVE	<u>\$ 4,413,913</u>	<u>\$ 4,330,187</u>	<u>\$ 4,274,143</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
PROPERTY TAX SUMMARY INFORMATION
US HIGHWAY 85 PROJECT AREA
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
TIF Increment	\$ 1,696,001	\$ 2,082,756	\$ 2,087,930
Total TIF Certified Assessed Value	<u>\$ 1,696,001</u>	<u>\$ 2,082,756</u>	<u>\$ 2,087,930</u>
MILL LEVY			
General	56.735	59.999	59.999
Total mill levy	<u>56.735</u>	<u>59.999</u>	<u>59.999</u>
PROPERTY TAXES			
General	\$ 96,223	\$ 124,963	\$ 125,274
Levied property taxes	96,223	124,963	125,274
Adjustments to actual/rounding	(1,324)	(5,371)	-
Budgeted property taxes	<u>\$ 94,899</u>	<u>\$ 119,592</u>	<u>\$ 125,274</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 94,899</u>	<u>\$ 119,592</u>	<u>\$ 125,274</u>
	<u>\$ 94,899</u>	<u>\$ 119,592</u>	<u>\$ 125,274</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
PROPERTY TAX SUMMARY INFORMATION
CHARTER OAKS PROJECT AREA
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
TIF Increment	\$ -	\$ -	\$ -
Total TIF Certified Assessed Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MILL LEVY			
General	-	-	-
Total mill levy	<u>-</u>	<u>-</u>	<u>-</u>
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Levied property taxes	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
PROPERTY TAX SUMMARY INFORMATION
BANDLEY PROJECT AREA
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
TIF Increment	\$ -	\$ -	\$ -
Total TIF Certified Assessed Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MILL LEVY			
General	-	-	-
Total mill levy	<u>-</u>	<u>-</u>	<u>-</u>
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Levied property taxes	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
GENERAL FUND - SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 701,715	\$ 884,456	\$ 961,963
REVENUES			
Property taxes - US 85	94,899	119,592	125,274
Sales taxes - US 85	93,073	78,000	80,000
Use taxes	8,707	100,000	150,000
Sale of Blast Park	235,000	-	-
Line of credit	354,485	-	-
Line of credit advance	-	96,000	-
C4F Program funding	533,675	-	-
Loan issuance - Woodmen Hall	-	275,000	-
Loan issuance - RBD	-	80,000	-
Construction loan issuance	-	-	2,500,000
Rental/Lease income	27,034	23,344	102,000
Event rental income	-	-	15,000
Utility reimbursement	2,516	3,313	-
Sales taxes admin revenue	74,528	60,360	63,390
PIF admin revenue	11,377	12,000	12,600
Other revenue/reimbursement	4,875	-	15,000
Net investment income	3,286	3,300	3,300
Total revenues	1,443,455	850,909	3,066,564
TRANSFERS IN			
Capital Projects Fund	-	152,120	-
Total transfers in	-	152,120	-
Total funds available	2,145,170	1,887,485	4,028,527

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
GENERAL FUND - SUMMARY (Continued)
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
EXPENDITURES			
SAH Administration Fund			
Accounting	54,283	55,000	60,000
Audit	7,350	7,450	7,500
Legal	14,260	15,000	27,000
Other professional services	20,250	15,000	15,000
PIF collections	6,935	9,550	9,835
Trustee fees	13,500	13,500	13,500
Incentive Fund			
Excell Fountain	8,960	9,000	9,000
Loan Payment Fund			
Construction loan interest	-	-	42,000
Loan issue costs	-	-	5,000
Construction costs - grocer site	-	-	2,500,000
Old Town Fund			
Repay Old Town Loan	235,000	-	-
RFQ/Gateway	59,105	989	-
Property Fund			
Adams Hwy 85 acquisition	166,442	-	-
Woodmen Hall	-	450,000	-
221. S. Santa Fe	453,705	-	-
306 Missouri	151,298	-	-
213 S. Santa Fe	-	145,000	-
Woodmen Hall Loan Interest	-	3,654	14,500
Woodmen Hall Loan Principal	-	2,058	8,500
RBD loan interest	-	-	3,200
Closing and other costs of acquisitions	6,491	4,840	-
Line of credit issue costs	1,125	-	-
Line of credit - interest	8,876	13,000	13,000
Line of credit - principal	674	-	-
CHFA loan interest	1,779	16,800	16,800
Loan issue costs	623	-	-
Property repair and maintenance	5,563	20,000	-
Property R&M - Woodman Hall (Residential)	-	-	10,000
Property R&M - Illinois	-	-	35,000
Demolition	8,070	80,092	-
Construction costs - grocer stie	-	558	-
Utility (gas, water, trash)	4,937	5,000	10,000
Contingency	-	3,000	10,000
BNSF/City - parking lease	3,019	3,019	3,200
Property management - Woodman Hall	-	-	26,160
Woodmen Hall EDA renovation	-	-	55,000
Investment Fund			
Accounting	11,451	15,000	25,000
Bank fees	701	500	1,000
Contingency	-	-	5,000
County Treasurer's fees	1,441	1,794	1,879
Legal	1,920	20,000	55,000
Insurance and bonds	-	3,890	4,000
Miscellaneous	109	750	500
Other professional services	595	1,078	10,000
Best and Brightest	12,252	10,000	17,000
Total expenditures	<u>1,260,714</u>	<u>925,522</u>	<u>3,013,574</u>
Total expenditures and transfers out requiring appropriation	<u>1,260,714</u>	<u>925,522</u>	<u>3,013,574</u>
ENDING FUND BALANCES	<u>\$ 884,456</u>	<u>\$ 961,963</u>	<u>\$ 1,014,953</u>
SAH ADMINISTRATION FUND	149,933	139,711	83,667
OLD TOWN FUND	77,855	4,351	4,351
CD BALANCE IN PROPERTY FUND	450,000	450,000	450,000
TOTAL RESERVE	<u>\$ 677,788</u>	<u>\$ 594,062</u>	<u>\$ 538,018</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
DEBT SERVICE FUND - SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 5,046,793	\$ 4,977,766	\$ 5,282,028
REVENUES			
Public Improvement Fees	367,853	400,000	420,000
Sales taxes	1,829,612	2,012,000	2,113,000
Transportation sales taxes	580,231	618,000	649,000
Net investment income	41,483	81,400	81,400
Total revenues	<u>2,819,179</u>	<u>3,111,400</u>	<u>3,263,400</u>
TRANSFERS IN			
Capital Projects Fund	72,357	120,000	140,000
Total transfers in	<u>72,357</u>	<u>120,000</u>	<u>140,000</u>
Total funds available	<u>7,938,329</u>	<u>8,209,166</u>	<u>8,685,428</u>
EXPENDITURES			
Bond interest - Series 2015A	2,140,938	2,134,638	2,104,825
Bond principal - Series 2015A	215,000	245,000	495,000
Bond interest - Series 2015B	351,050	351,050	350,000
Bond principal - Series 2015B	-	15,000	30,000
Bond interest - Series 2014C	253,575	181,450	245,000
Contingency	-	-	9,175
Total expenditures	<u>2,960,563</u>	<u>2,927,138</u>	<u>3,234,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,960,563</u>	<u>2,927,138</u>	<u>3,234,000</u>
ENDING FUND BALANCES	<u>\$ 4,977,766</u>	<u>\$ 5,282,028</u>	<u>\$ 5,451,428</u>
REQUIRED RESERVE - SERIES 2015A	\$ 3,229,125	\$ 3,229,125	\$ 3,229,125
REQUIRED RESERVE - SERIES 2015B	507,000	507,000	507,000
TOTAL RESERVE	<u>\$ 3,736,125</u>	<u>\$ 3,736,125</u>	<u>\$ 3,736,125</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
SAH - PROJECT AREA
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/2019

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 8,751,171	\$ 8,433,430	\$ 7,576,885
REVENUES			
Net investment income	76,515	140,000	140,000
Total revenues	<u>76,515</u>	<u>140,000</u>	<u>140,000</u>
Total funds available	<u>8,827,686</u>	<u>8,573,430</u>	<u>7,716,885</u>
EXPENDITURES			
Capital projects			
Road improvements	321,899	300,000	3,500,000
SAH Lot 3 Berm Reduction Phase II	-	350,000	-
Curling Facility - construction costs	-	-	1,258,000
Developer Fee	-	-	2,300,000
Curling Facility / F&B - preliminary feasibility	-	-	300,000
Architectural - Curling	-	12,925	-
Floor and refrigeration - Curling	-	-	4,575
Architectural - F&B	-	22,500	-
Site design	-	32,000	-
Operating pro-forma - Curling	-	-	2,000
Financial consultant - FURA	-	5,000	15,400
Legal	-	2,000	8,000
Contingency	-	-	188,910
Total expenditures	<u>321,899</u>	<u>724,425</u>	<u>7,576,885</u>
TRANSFERS OUT			
Debt Service Fund	72,357	120,000	140,000
General Fund - SAH Fund (for QUAD reimbursement)	-	32,120	-
General Fund - Investment Fund (for QUAD support fee)	-	120,000	-
Total transfers out	<u>72,357</u>	<u>272,120</u>	<u>140,000</u>
Total expenditures and transfers out requiring appropriation	<u>394,256</u>	<u>996,545</u>	<u>7,716,885</u>
ENDING FUND BALANCES	<u>\$ 8,433,430</u>	<u>\$ 7,576,885</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**FOUNTAIN URBAN RENEWAL AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Fountain Urban Renewal Authority (Authority) was formed by resolution passed by the City Council of the City of Fountain, Colorado (the City) pursuant to the Colorado Urban Renewal Law, Colorado Revised Statutes. The purpose of the Authority is to acquire and develop certain blighted areas in the City to maintain the public welfare.

The Authority is considered a component unit of the City since the Authority's tax increment financing indicates financial accountability with the City, due to the benefits redevelopment will provide the City. The City Council approves appointments to the Authority board and the City Council reviews the Urban Renewal Plans and any changes thereto. Legal counsel is of the opinion that under state statutes, the City is not liable with respect to the bonds issued by the Authority.

The Authority has no employees and all administrative functions are contracted.

The Authority prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

The Authority receives incremental property tax revenue for all active Urban Renewal areas. Incremental property tax revenues are the property tax revenues in excess of an amount equal to the ad valorem property taxes produced by the levy at the rates fixed for such year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal area upon a valuation for assessment equal to the property tax base amount. The property tax base amount is certified by the County Assessor as the valuation for assessment of all taxable property within the Urban Renewal area last certified by the County Assessor prior to the adoption of the Urban Renewal plan. The base amount may be proportionately adjusted for general reassessments in accordance with Colorado law.

The calculation of the incremental property taxes budgeted is displayed on the Property Tax Summary pages of the budget at the estimated mill levy for the project areas.

Sales Tax

The Authority receives incremental sales tax revenue generated from the following project areas from the City's general sales tax of 3.0%, in excess of a certain sales tax base amount:

- U.S. Highway 85 Corridor project area – sales tax shared at 0.25%
- South Academy Highlands project area – sales tax shared at 2.50%

**FOUNTAIN URBAN RENEWAL AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Transportation Sales Tax Revenue

The Authority receives transportation sales tax revenue generated from taxable transactions occurring within Lots 1 through 8, inclusive, South Academy Highlands Filing No. 1 less the Authority Administrative Fee in an amount equal to 3.0% of the gross Transportation Sales Tax Revenues during the Non-TIF Term.

The City's Transportation Tax is imposed at the following rates: (a) for the period preceding the issuance of the Bonds to, but not including January 1, 2020, the rate of 0.75% and (b) for the period commencing on January 1, 2020 through and including June 1, 2044, the rate of 0.40%.

Use Tax

The Authority receives incremental use tax revenue generated from each project area from the City's general use tax.

Public Improvement Fees

The Authority anticipates receiving \$420,000 in Public Improvement Fees (PIF) during 2019. Pursuant to the PIF Covenant, these fees are pledged revenue to be used toward the repayment of the Series 2015B, 2014C and 2014D Bonds.

Rental/Lease Income/Event Rental Income

In 2019, the Authority anticipates receiving rental/lease income in the amount of \$102,000 and Event Rental income in the amount of \$15,000.

Construction Loan Issuance

In 2019, the Authority anticipates receiving a construction loan in the amount of \$2,500,000 for the construction of the grocer site located at Ohio and Main.

Net Investment Income

Interest earned on the Authority's available funds has been estimated based on historical interest earnings.

Administration Fees

The Authority imposes an administration fee to the project area. The administration fees are calculated as 3% of the incremental revenues collected.

**FOUNTAIN URBAN RENEWAL AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, audit, contractual services and other administrative expenses for the Authority.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of the incremental property taxes.

TIF Reimbursement

Upon collection of incremental sales taxes in certain agreements with the Authority, the Authority submits a portion of the sales taxes received per the requirements in the redevelopment and reimbursement agreement.

Redevelopment Expenditures

The Authority participates in various redevelopment projects within the project areas and funds the expenditures with the unpledged TIF revenues received.

The Authority anticipates construction of a Curling Facility and funds the expenditures with monies from the 2015A Bonds Project Fund.

The Authority anticipates construction of the grocer site located at Ohio and Main and funds the expenditures with monies from a Construction Loan.

Debt Service

The principal and interest payments due every May 1 and November 1 will be based on the amount of funds available on the 40th calendar day preceding each Interest Payment Date; therefore a scheduled amortization has not been included in the budget.

Debt and Leases

South Academy Highlands Project Bonds, Series 2014A - D

On September 10, 2014, the Authority issued the following bonds (collectively, the Bonds): (1) \$26,425,000 Tax Increment Revenue Bonds, Series 2014A; (2) \$4,075,000 Public Improvement Fee Taxable Revenue Bonds, Series 2014B; (3) \$2,500,000 Tax Increment and Public Improvement Fee Taxable Revenue Bonds, Series 2014C; and (4) \$355,000 Public Improvement Fee Taxable Revenue Bonds, Series 2014D. The Bonds were issued for the purposes of (i) financing a portion of the public improvement costs and other costs associated with the construction of the South Academy Highlands project; (ii) provide capitalized interest; and (iii) paying costs of issuance of the Bonds.

**FOUNTAIN URBAN RENEWAL AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2014A Bonds bear interest at 8.375%, payable semi-annually on May 1 and November 1, beginning on May 1, 2015. Annual mandatory sinking fund principal payments are due on May 1, beginning on May 1, 2016. The 2014A Bonds mature on November 1, 2039. These Bonds were refunded with the August 11, 2015 issuance of the Tax Increment Revenue Refunding and Improvement Bonds Series 2015A.

The 2014B Bonds bear interest at 9.000%, payable semi-annually on May 1 and November 1, beginning on May 1, 2015. Annual mandatory sinking fund principal payments are due on May 1, beginning on May 1, 2016. The 2014B Bonds mature on November 1, 2044. These Bonds were refunded with the August 11, 2015 issuance of the Taxable Public Improvement Fee Refunding Bonds Series 2015B.

The 2014C Bonds bear interest at 9.000%, payable semi-annually on May 1 and November 1, beginning on May 1, 2015. Annual mandatory sinking fund principal payments are due on May 1, beginning on May 1, 2016. The 2014C Bonds mature on November 1, 2044.

The 2014C Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by (1) the Outparcel Incremental Sales Tax Revenues; (2) the Outparcel Add-On PIF Revenues, and (3) all income from the investment and reinvestment of the Series 2104C Trust Funds.

The 2014D Bonds bear interest at 9.000%, payable semi-annually on May 1 and November 1, beginning on May 1, 2015. Annual mandatory sinking fund principal payments are due on May 1, beginning on May 1, 2016. The 2014D Bonds mature on November 1, 2044.

The 2014D Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by (1) the remaining Outparcel Add-On PIF Revenues and (2) all income from the investment and reinvestment of the Series 2104D Trust Funds.

A debt service schedule for the Series 2014C and D Bonds cannot be determined as interest and principal are being paid based on the availability of funds from Pledged Revenue.

South Academy Highlands Project Bonds, Series 2015A - B

On August 11, 2015, the Authority issued the following bonds (collectively, the Bonds): (1) \$41,930,000 Tax Increment Revenue Refunding and Improvement Bonds, Series 2015A and (2) \$5,070,000 Taxable Public Improvement Fee Refunding Bonds, Series 2015B. The Bonds were issued for the purposes of (i) financing a portion of the public improvement costs and other costs associated with the construction of the South Academy Highlands project; (ii) provide capitalized interest; (iii) paying costs of issuance of the Bonds; and (iv) refund the Series 2014A and 2014B Bonds.

The 2015A Bonds bear interest at 4.5% to 5.5% payable semi-annually on May 1 and November 1, beginning on May 1, 2016. Annual mandatory sinking fund principal payments are due on November 1, beginning on November 1, 2016. The 2015B Bonds mature on November 1, 2044.

The 2015A Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by (1) the Anchor Sites Incremental Sales Tax Revenues, (2) the remaining Outparcel Incremental Sales Tax Revenues (if any), and (3) all income from the investment and reinvestment of the Series 2015A Trust Funds.

**FOUNTAIN URBAN RENEWAL AUTHORITY
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2015B Bonds bear interest at 7.0%, payable semi-annually on May 1 and November 1, beginning on May 1, 2016. Annual mandatory sinking fund principal payments are due on May 1 and November, beginning on May 1, 2016. The 2015B Bonds mature on November 1, 2044.

The 2015B Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by (1) the Anchor Sites Add-On PIF Revenues, (2) the remaining Anchor Sites Incremental Sales Tax Revenues (if any), (3) the remaining Outparcel Incremental Sales Tax Revenues (if any), (4) the remaining Outparcel Add-On PIF Revenues (if any), and (5) all income from the investment and reinvestment of the Series 2104B Trust Funds.

Revolving Line of Credit, Series 2017

On January 17, 2017, the Authority entered into a Loan Agreement with Northstar Bank to obtain a Nondisclosable Revolving Line of Credit in the amount of \$450,000 (Loan). The Loan is due on January 17, 2019 at a fixed interest rate of 2.850%. Interest is paid monthly, beginning February 17, 2017, with all subsequent interest payments due on the same day of each month after that. The Loan is secured by a Certificate of Deposit in the amount of \$450,000 at an interest rate of 2%.

The Authority does not have any capital or operating leases.

Reserves

Debt Service Reserves

The Series 2015A Bonds are secured by amounts on deposit in the Debt Service Reserve Fund, Series 2015A which was funded from the proceeds of the bonds in the amount of the reserve requirement of \$3,229,125.

The Series 2015B Bonds are secured by amounts on deposit in the Debt Service Reserve Fund, Series 2015B which was funded from the proceeds of the bonds in the amount of the reserve requirement of \$507,000.

This information is an integral part of the accompanying budget.