

Centerra Metropolitan District No.3

January 22, 2013

Via email: dlg-filing@state.co.us

Mr. Jarrod Biggs
Colorado Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Centerra Metropolitan District No. 3 2013 Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2013 Budget for the Centerra Metropolitan District No. 3 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on November 15, 2012.

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

Sincerely,
CENTERRA METROPOLITAN DISTRICT NO. 3



Pinnacle Consulting Group Inc.
District Accountant

Enc.

Managed by Pinnacle Consulting Group, Inc.
5110 Granite Street, Suite C
Loveland, CO 80538
Phone: (970) 669-3611 * Fax: (970) 669-3612



PINNACLE
CONSULTING GROUP, INC.

Accountant's Report

**BOARD OF DIRECTORS
CENTERRA METROPOLITAN DISTRICT NO. 3**

I have compiled the statements of revenues and expenditures for the year ended December 31, 2011 and the eight months ended August 31, 2012 for Centerra Metropolitan District No. 3. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the Centerra Metropolitan District No. 3 for the year ending December 31, 2013 in accordance with standards established by the American Institute of Certified Public Accountants.

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

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

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

I am not independent with respect to Centerra Metropolitan District No. 3.

Brendan Campbell, CPA
January 22, 2013

CENTERRA METROPOLITAN DISTRICT NO. 3

2013 BUDGET MESSAGE

Centerra Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Finance District" as part of a "Multiple District Structure" for the mixed-use development known as "Centerra" located in the City of Loveland, Colorado. Along with its companion Districts No.1 ("Service District"), No.2, No.4, and No.5 ("Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

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

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

2013 BUDGET STRATEGY

The District's strategy in preparing the 2013 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

General Fund

The District adopted a mill levy of 5.000 mills which resulted in budgeted property tax revenue of \$644, specific ownership tax revenue of \$42 and other revenue of \$100 for the purpose of paying debt obligation as discussed below under Debt. The District's minimal administrative needs are being performed by the Service District.

Debt

The District has no outstanding debt. However, property tax revenues equal to 5.000 mills are pledged to District No. 1 through a Capital Pledge Agreement for the 2011 Loan Agreement.

Reserves

The District transfers all of its revenue to Centerra Metropolitan District No. 1 as provided for in an intergovernmental agreement between Centerra Metropolitan District Nos. 1-5. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 3. The emergency reserve related to this District is held in Centerra Metropolitan District No. 1.

CENTERRA METROPOLITAN DISTRICT NO. 3
GENERAL FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

1/19/13

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| | ACTUAL 2011 | ADOPTED BUDGET 2012 | ACTUAL 8/31/12 | ESTIMATED 2012 | ADOPTED BUDGET 2013 |
|---|-------------|------------------------|-------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUE | | | | | |
| Property taxes | 312 | 527 | 527 | 527 | 644 |
| Specific ownership tax | 20 | 33 | 25 | 38 | 42 |
| Investment & Other | - | 100 | - | - | 100 |
| Developer advance | - | - | - | - | - |
| Total revenue | 332 | 660 | 552 | 565 | 786 |
| TRANSFERS IN | | | | | |
| Capital Projects Fund | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | - |
| Total transfers in | - | - | - | - | - |
| Total funds available | 332 | 660 | 552 | 565 | 786 |
| EXPENDITURES | | | | | |
| County Treasurer's fees | 6 | 11 | 11 | 11 | 13 |
| Director fees | - | - | - | - | - |
| Payment for Debt to District No. 1 | 326 | 549 | 542 | 554 | 673 |
| Miscellaneous | - | - | - | - | - |
| Contingency | - | 100 | - | - | 100 |
| Total expenditures | 332 | 660 | 552 | 565 | 786 |
| TRANSFERS OUT | | | | | |
| Capital Projects Fund | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | - |
| Total transfers out | - | - | - | - | - |
| Total expenditures and transfers out requiring appropriation | 332 | 660 | 552 | 565 | 786 |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - | \$ - | \$ - |

CENTERRA METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/19/13

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| ACTUAL 2011 | ADOPTED BUDGET 2012 | ACTUAL 8/31/12 | ESTIMATED 2012 | ADOPTED BUDGET 2013 |
|-------------|---------------------|----------------|----------------|---------------------|
|-------------|---------------------|----------------|----------------|---------------------|

ASSESSED VALUATION - LARIMER COUNTY

| | | | | | |
|--------------------------|-----------|------------|------------|------------|------------|
| Residential | \$ - | \$ - | \$ - | \$ - | \$ - |
| Commercial | - | - | - | - | - |
| Agricultural | 5,240 | 6,650 | 6,650 | 6,650 | 6,650 |
| Oil & Gas | 17,844 | 58,742 | 58,742 | 58,742 | 90,965 |
| State assessed | 41,550 | 42,880 | 42,880 | 42,880 | 34,030 |
| Vacant land | 150 | 150 | 150 | 150 | 150 |
| Personal property | - | - | - | - | - |
| | 64,784 | 108,422 | 108,422 | 108,422 | 131,795 |
| Adjustments - Base | (2,471) | (3,066) | (3,066) | (3,066) | (3,067) |
| Certified Assessed Value | \$ 62,313 | \$ 105,356 | \$ 105,356 | \$ 105,356 | \$ 128,728 |

MILL LEVY

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Contractual Obligation - Debt Service | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 |
| Debt Service | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Refund and abatements | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total mill levy | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 |

PROPERTY TAXES

| | | | | | |
|--------------------------------|--------|--------|--------|--------|--------|
| General/IGA debt | \$ 312 | \$ 527 | \$ 527 | \$ 527 | \$ 644 |
| Debt Service | - | - | - | - | - |
| Temporary Mill Levy Reduction | - | - | - | - | - |
| Refund and abatements | - | - | - | - | - |
| Levied property taxes | 312 | 527 | 527 | 527 | 644 |
| Adjustments to actual/rounding | - | - | - | - | - |
| Refunds and abatements | - | - | - | - | - |
| Budgeted property taxes | \$ 312 | \$ 527 | \$ 527 | \$ 527 | \$ 644 |

BUDGETED PROPERTY TAXES

| | | | | | |
|--------------|--------|--------|--------|--------|--------|
| General | \$ 312 | \$ 527 | \$ 527 | \$ 527 | \$ 644 |
| Debt Service | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ 312 | \$ 527 | \$ 527 | \$ 527 | \$ 644 |