



Accountant's Report

Board of Directors
Centerra Metropolitan District No. 3
Larimer County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the Centerra Metropolitan District No. 3 for the General Fund for the year ending December 31, 2008, including the forecasted estimate of comparative information for the year ending December 31, 2007, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2006 is represented for comparative purposes only. Such information is taken from the application for exemption from audit of the District for the year ended December 31, 2006.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Centerra Metropolitan District No. 3.

Clifton Gunderson LLP

Greenwood Village, Colorado
December 3, 2007

CENTERRA METROPOLITAN DISTRICT NO. 3
GENERAL FUND
FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

12/3/07

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	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Investment income	-	-	-
Developer advance	-	-	-
Bond proceeds	-	-	-
Total revenue	-	-	-
TRANSFERS IN			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Accounting & District Administration	-	-	-
Bond issue costs	-	-	-
County Treasurer's fees	-	-	-
Director fees	-	-	-
Election costs	-	-	-
Payment of Services to District No. 1	-	-	-
Miscellaneous	-	-	-
Contingency	-	-	-
Total expenditures	-	-	-
TRANSFERS OUT			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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

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

12/3/07

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ACTUAL	ESTIMATED	ADOPTED
2006	2007	2008

ASSESSED VALUATION - LARIMER COUNTY

Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
Agricultural	8,320	8,320	6,850
Oil & Gas	6,507	6,346	7,414
State assessed	-	42,370	42,830
Vacant land	-	-	-
Personal property	-	-	-
	14,827	57,036	57,094
Adjustments	-	-	-
Certified Assessed Value	\$ 14,827	\$ 57,036	\$ 57,094

MILL LEVY

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

PROPERTY TAXES

General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	-	-	-
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -

BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

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

**CENTERRA METROPOLITAN DISTRICT NO. 3
2008 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The 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, primarily for single family residential development within the District. The District was organized in conjunction with three other related districts, Centerra Metropolitan District No. 1 (control district), Centerra Metropolitan District No. 2 (commercial) and Centerra Metropolitan District No. 4 (regional improvement). The District's service area is located entirely within the City of Loveland, Larimer County, Colorado.

The District was formed with its election held on May 4, 2004, with the Court Order from the State of Colorado issued May 20, 2004. The election approved general obligation indebtedness of \$25,000,000 for streets, \$25,000,000 for traffic and safety, \$25,000,000 for water, \$25,000,000 for sanitary sewer, \$25,000,000 for parks and recreation, \$25,000,000 for public transportation, \$25,000,000 for television relay and translation facilities, \$25,000,000 for mosquito control, \$25,000,000 for fire protection, \$10,000,000 for operations and maintenance contracts, \$50,000,000 for bond refunding, \$40,000,000 for intergovernmental agreements between districts, \$40,000,000 for contract debt, and \$35,000,000 for reimbursement agreement with a private entity. The election also approved an annual increase in taxes of \$1,450,000 for operations.

The District prepares its budget on the modified accrual basis of accounting.

Revenue & Expenditures

The District does not anticipate any financial activity in 2008.

Debt and Leases

The District has no outstanding debt. It has no operating or capital leases.

Reserves

Emergency Reserve

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. 1-4. Therefore no emergency reserve has been provided for in Centerra Metropolitan District No. 3. The emergency reserve related to their revenue stream is captured in Centerra Metropolitan District No. 1.

This information is an integral part of the accompanying forecasted budget.