

Centerra Metropolitan District

January 30, 2012

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. 5 2011 Amended Budget and
2012 Adopted Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the amended 2011 Budget
and adopted 2012 Budget for the Centerra Metropolitan District No. 5
in Larimer County, Colorado, submitted pursuant to C.R.S. Section
29-1-113. The budget was adopted on November 17, 2011.

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

Sincerely,
CENTERRA
METROPOLITAN DISTRICT NO. 5



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. 5**

I have compiled the statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 for Centerra Metropolitan District No. 5. 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. 5 for the year ending December 31, 2012 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 company's financial position, results of operations, and cash flows. 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. 5.

Peggy Dowswell, CPA
January 30, 2012

Loveland

5110 Granite Street, Suite C Loveland, CO 80538
(970)669.3611

Denver

1553 Platte Street, Suite 100B Denver, CO 80202
(303)333.4380

CENTERRA METROPOLITAN DISTRICT NO. 5
GENERAL FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,

| | ACTUAL 2010 | ADOPTED BUDGET | ACTUAL 9/30/11 | AMENDED BUDGET 2011 | ADOPTED BUDGET 2012 |
|---|----------------|-------------------|-------------------|------------------------|------------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUE | | | | | |
| Property taxes | - | 14 | 14 | 14 | 13 |
| Specific ownership tax | - | - | 54 | 69 | 73 |
| Investment income | - | - | - | 100 | 100 |
| Developer advance | - | - | - | - | - |
| Bond proceeds | - | - | - | - | - |
| Total revenue | - | 14 | 68 | 183 | 186 |
| TRANSFERS IN | | | | | |
| Capital Projects Fund | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | - |
| Total transfers in | - | - | - | - | - |
| Total funds available | - | 14 | 68 | 183 | 186 |
| EXPENDITURES | | | | | |
| Accounting & District Administration | - | - | - | - | - |
| County Treasurer's fees | - | 0 | 0 | 0 | 0 |
| Director fees | - | - | - | - | - |
| Payment of Services to District No. 1 | - | 14 | 68 | 83 | 86 |
| Miscellaneous | - | - | - | - | - |
| Contingency | - | - | - | 100 | 100 |
| Total expenditures | - | 14 | 68 | 183 | 186 |
| TRANSFERS OUT | | | | | |
| Capital Projects Fund | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | - |
| Total transfers out | - | - | - | - | - |
| Total expenditures and transfers out requiring appropriation | - | 14 | 68 | 183 | 186 |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - | \$ - | \$ - |

CENTERRA METROPOLITAN DISTRICT NO. 5

2012 BUDGET MESSAGE

Centerra Metropolitan District No.5 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established 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") and No.2, No.3, and No.4 ("Financing Districts"), this "Financing District" was organized to provide financing for the acquisition, construction and installation of street and roadway enhancements; enhanced street landscaping, signage, monuments, and lighting; safety protection; park and recreation improvements; and sanitation and storm drainage; and to provide the operation and maintenance of these improvements.

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

The following 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.

2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

In the General Fund, with the exception of the County Treasurer's fees, all expenditures are related to the transfers to the Service District for overall administrative and operating as required by an intergovernmental agreement. The District adopted a mill levy of 15.000 mills which resulted in budgeted property tax revenue of \$13 and specific ownership tax revenue of \$73.

Debt

The District has no outstanding debt.