

# Centerra Metropolitan District

January 17, 2011

Via email: [dlg-filing@state.co.us](mailto: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. 2 2011 Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2011 Budget for the Centerra Metropolitan District No. 2 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on November 18, 2010.

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

Sincerely,  
CENTERRA  
METROPOLITAN DISTRICT NO. 2



Pinnacle Consulting Group Inc.  
District Accountant

Enc.

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



## Accountant's Report

BOARD OF DIRECTORS  
CENTERRA METROPOLITAN DISTRICT NO. 2

I have compiled the accompanying forecasted budget of revenue, expenditures and funds available prepared on the modified accrual basis of Centerra Metropolitan District No. 2 for the year ending December 31, 2011 in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management of the District and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statement 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. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

The Governmental Accounting Standards Board requires the presentation of a balance sheet, a statement of operations and accumulated fund balance and a statement of cash flows and related full disclosure footnotes for the financial statements to be in compliance with generally accepted accounting principles. Management does not require complete financial statements to manage the affairs of the District on a monthly basis and has determined not to include the above statements and full disclosure footnotes. Consequently, as presented, the financial statements are not in conformity with generally accepted accounting principles.

I am not independent with respect to Centerra Metropolitan District No. 2.

A handwritten signature in purple ink that reads "Peggy Dowswell".

Peggy Dowswell, CPA  
January 17, 2011

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**CENTERRA METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2010 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/29/10

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	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 9/30/10	ESTIMATED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes - Contractual Oblig	47,715	48,493	33,334	48,493	49,316
Property taxes - Debt Service	6,844	5,830	6,022	6,022	5,082
Specific ownership taxes - General	263,020	262,585	198,825	298,238	194,435
Investment income & Other	4,634	100,000	566	1,000	25,000
Total revenue	322,213	416,908	238,747	353,753	273,833
Total funds available	322,213	416,908	238,747	353,753	273,833
EXPENDITURES					
County Treasurer's fees - General	2,720	970	667	970	986
County Treasurer's fees - Debt Service	-	117	120	120	102
Payment of Services to District No. 1	319,493	47,523	33,233	48,523	48,330
Payment of Services to District No. 1 - S/O	-	262,585	198,825	298,238	194,435
Payment of Debt Service to District No. 1	-	5,713	5,902	5,902	4,980
Contingency	-	100,000	-	-	25,000
Total expenditures	322,213	416,908	238,747	353,753	273,833
Total expenditures and transfers out requiring appropriation	322,213	416,908	238,747	353,753	273,833
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

## CENTERRA METROPOLITAN DISTRICT NO. 2

### 2011 BUDGET MESSAGE

Centerra Metropolitan District No. 2 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, No.3, No.4, and No.5 ("Service and 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.

### 2011 BUDGET STRATEGY

The District's strategy in preparing the 2011 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 District No. 1 for overall operating costs and debt service as required by an intergovernmental agreement. The District adopted a mill levy of 42.600 mills which resulted in budgeted property tax revenue of \$49,018 and specific ownership tax revenue of \$194,435 for the purpose of paying service fees to District No. 1 and the DEBT ONLY Districts, Centerra MD No. 2 Bond and Centerra MD No. 2 Res Debt, adopted a mill levy of 6.655 mills and 35.000 mills, respectively, which resulted in budgeted property revenue of \$5,082 and \$298, respectively, for the purpose of paying debt obligation as discussed below under Debt.

#### *Debt*

The District has no outstanding debt. However, property tax revenues are pledged to District No. 1 through a Capital Pledge Agreement for the Series 2008 Variable Rate Refunding and Improvement Bonds.

#### *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. 1-4. Therefore, no emergency reserve has been provided for in Centerra Metropolitan District No. 2. The emergency reserve related to their revenue stream is captured in Centerra Metropolitan District No. 1.