



ICENOGLE SEAVER POGUE

February 22, 2023

Moses Garcia, Esq.
City of Loveland
500 East 3rd Street, Suite 330
Loveland, Colorado 80537

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

Division of Local Government
1313 Sherman Street
Room 521
Denver, Colorado 80203
(Via E-Portal)

Larimer County Clerk and Recorder
Larimer County Colorado
P.O. Box 1280
Fort Collins, Colorado 80522
(Via E-Portal)

Re: Annual Report for VDW Metropolitan Districts Nos. 1 – 3


To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S., enclosed please find the 2022 Annual Report for VDW Metropolitan Districts Nos. 1 – 3.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation



Stacie L. Pacheco
Paralegal

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VDW METROPOLITAN DISTRICTS NOS. 1 – 3

2022 ANNUAL REPORT TO THE CITY OF LOVELAND

Pursuant to the Consolidated Service Plan for VDW Metropolitan Districts Nos. 1 – 3 (individually, “District No. 1,” “District No. 2,” and “District No. 3;” collectively, the “Districts”), the Districts are required to provide filings to the City of Loveland (“City”) with regard to the matters below that occurred during calendar year 2022.

In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the Districts are required to submit an annual report for the preceding calendar year commencing in 2023 for the 2022 calendar year to the City, the Division of Local Government, the State Auditor, and the Larimer County Clerk and Recorder. The Districts hereby submit this annual report to satisfy the requirements of Section 32-1-207(3)(c), C.R.S. for the year 2022.

For the year ending December 31, 2022, the Districts make the following report pursuant to its Service Plan:

A. Audited financial statements of the Districts.

As of the date of filing this annual report, the 2022 audit for District No. 2 is not yet completed. District Nos. 1 and 3 qualified and will apply for an application for exemption from audit for fiscal year 2022. District No. 2 will submit a copy of its 2022 audited financial statements upon completion. A copy of the Districts’ unaudited financial statements is attached hereto as **Exhibit A**.

B. Annual budgets of the Districts.

Please see attached **Exhibit A** for the Districts’ 2023 adopted budgets.

C. Construction contracts.

The Districts did not enter into any construction contracts in 2022.

D. Intergovernmental agreements.

As previously reported, on February 10, 2022, the Districts entered into an Amended and Restated Intergovernmental Agreement Concerning District Operations. A copy of this agreement was included with the Districts’ 2021 annual report to the City.

E. Resolutions regarding issuance of bonds or other financial obligations, including relevant financing documents, credit agreements, and official statements.

As previously reported, District No. 1 issued its Limited Property Tax Supported Revenue Bonds, Series 2011, in the amount of \$1,200,000 (“Series 2011 Bonds”). In connection with District No. 1’s issuance of the Series 2011 Bonds, District No. 2 and No. 3 approved Capital Pledge Agreement for purposes of pledging revenue to District No. 1 for the repayment of the Series 2011 Bonds. A copy of the resolution authorizing the Series 2011 Bonds was previously submitted to the City. The Series 2011 Bonds were refunded by District No. 2’s Series 2022 Bonds.

As previously reported, District No. 2 issued its Limited Tax General Obligation Refunding and Improvement Bonds, Series 2016A in the principal amount of \$7,465,000 and Subordinate Limited Tax General Obligation Bonds, Series 2016B in the principal amount of \$3,869,000 (the “Series 2016 Bonds”). In connection with District No. 2’s issuance of the Series 2016 Bonds, District No. 3 approved an Amended and Restated Senior Capital Pledge Agreement for purposes of pledging revenue to District No. 2 for the repayment of the Series 2016 Bonds. A copy of the resolution authorizing the Series 2016 Bonds was previously submitted to the City. The Series 2016A Bonds were refunded by District No. 2’s Series 2022 Bonds.

As previously reported, on February 10, 2022, District No. 2 issued its Limited Tax General Obligation Refund Bonds, Taxable Series 2022A-1 in the principal amount of \$7,220,000 and Limited Tax General Obligation Refunding Bonds, Series 2022A-2 in the principal amount of \$3,600,000, for the purpose of refunding the Series 2011 Bonds and the Series 2016 Bonds (the “Series 2022 Bonds”). A copy of the resolution authorizing the Series 2022 Bonds was included with the Districts’ 2021 annual report. As required by City Council Resolution #R-13-2016, prior to the issuance of the Series 2022 Bonds, District No. 2 provided the City Manager and City Attorney with an opinion of an independent financial advisor that the Series 2022 Bonds generated a positive net present value savings.

In connection with District No. 2’s issuance of the Series 2022 Bonds, District No. 3 adopted a resolution authorizing the imposition of an ad valorem mill levy and the execution and delivery of a capital pledge agreement to assist in the payment of debt service on the Series 2022 Bonds. A copy of the resolution authorizing the imposition of the ad valorem mill levy and execution and delivery of a capital pledge agreement was included with the Districts’ 2021 annual report.

For the year ending December 31, 2022, the Districts make the following report pursuant to Section 32-1-207(3)(c), C.R.S.:

(a) Boundary changes made.

The Districts had no boundary changes in 2022.

(b) Intergovernmental agreements entered into or terminated with other governmental entities.

As previously reported, on February 10, 2022, the Districts entered into an Amended and Restated Intergovernmental Agreement Concerning District Operations. A copy of this agreement was included with the Districts' 2021 annual report to the City.

(c) Access information to obtain a copy of rules and regulations adopted by the board.

For information concerning rules and regulations adopted by the Districts please contact the Districts' manager:

Sarah Bromley
Pinnacle Consulting Group, Inc.
550 W Eisenhower Blvd
Loveland, CO 80537
Phone: (970) 669-3611
Email: sarahbromley@pcgi.com

(d) A summary of litigation involving public improvements owned by the special district.

In 2022, the Districts were not involved in any litigation involving public improvements owned by the Districts.

(e) The status of the construction of public improvements by the special district.

No public improvements were constructed by the Districts in 2022 and there are no public improvement construction projects planned for 2023.

(f) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

No facilities or improvements were constructed by the District and dedicated to the City in 2022.

(g) The final assessed valuation of the special district as of December 31 of the reporting year.

District No. 1:	\$18
District No. 2:	\$24,784,584
District No. 3:	\$10,430,712

(h) A copy of the current year's budget.

Copies of the Districts' 2023 Budgets are attached hereto as **Exhibit A**.

(i) A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

As of the date of filing this annual report, the 2022 audit for District No. 2 is not yet completed. District Nos. 1 and 3 qualified and will apply for an application for exemption from audit for fiscal year 2022. Copies of the applications for exemption for District No. 1 and No. 3, and the 2022 audit for District No. 2 will be submitted upon completion. A copy of the Districts' unaudited financial statements is attached hereto as **Exhibit A**.

(j) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.

As of December 31, 2022, the Districts did not receive any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

(k) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

As of December 31, 2022, the Districts have paid all of its financial obligations as they became due in 2022.

EXHIBIT A

**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDING DECEMBER 31,
2022 AND 2023 BUDGETS
FOR
VDW METROPOLITAN DISTRICTS NOS. 1 – 3**



Management Financial Statements

BOARD OF DIRECTORS
VDW METROPOLITAN DISTRICT NOS. 1-3

We have prepared the accompanying management financial statements for the periods ending as of December 31, 2021 and December 31, 2022. We have also prepared the accompanying 2023 adopted budgets of revenues, expenditures and funds available prepared on the modified accrual basis.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled 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. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the financial position and results of operations.

A handwritten signature in blue ink, appearing to read "Jan Benavise".

Pinnacle Consulting Group, Inc.
February 15, 2023

VDW METROPOLITAN DISTRICT NO. 1						
BALANCE SHEET						
	Unaudited Actual 12/31/2021	Unaudited Actual 12/31/2022				
Assets						
Current Assets						
Checking- First Bank	\$ 227,305	\$ 79,274				
UMB Custody - Bond	3,879	-				
Colotrust	1,070,137	1,366,523				
Service Fees Receivable - District #2	803	881				
Service Fees Receivable - District #3	353	369				
Prepaid Expense	10,184	13,305				
Due from VDW #2	22,000	22,000				
Total Current Assets	\$ 1,334,660	\$ 1,482,352				
Long-term Assets						
Landscaping & Monumentation	\$ 2,709,897	\$ 2,709,897				
Stormwater Line	50,236	50,236				
Accumulated Depreciation	(1,091,124)	(1,229,131)				
Total Long-term Assets	\$ 1,669,009	\$ 1,531,002				
Total Assets	\$ 3,003,669	\$ 3,013,354				
Liabilities						
Current Liabilities						
Accounts Payable	\$ 18,133	\$ 30,653				
Due to VDW #2	-	52,363				
Total Current Liabilities	\$ 18,133	\$ 83,016				
Long-term Liabilities						
Bonds Payable	\$ 910,000	\$ -				
Total Long-term Liabilities	\$ 910,000	\$ -				
Total Liabilities	\$ 928,133	\$ 83,016				
Fund Equity						
Net Investment in Fixed Assets	\$ 759,009	\$ 1,531,002				
Fund Balance	1,316,527	1,399,336				
Total Fund Balances	\$ 2,075,536	\$ 2,930,338				
Total Liabilities and Fund Equity	\$ 3,003,668	\$ 3,013,354				
	=	=				

VDW METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Service Fees District #2	\$ 167,967	\$ 168,403	\$ 168,750	\$ 347	\$ 520,715
Service Fees District #3	73,839	75,512	71,375	(4,137)	165,051
Interest & Other Income	762	5,000	34,439	29,439	4,750
Total Revenues	\$ 242,568	\$ 248,915	\$ 274,564	\$ 25,649	\$ 690,516
Expenditures					
Operations & Maintenance:					
Landscape Maintenance	\$ 61,049	\$ 75,040	\$ 70,479	\$ (4,561)	\$ 82,870
Hardscape Maintenance	7,761	12,000	7,716	(4,284)	13,000
Undeveloped Public Land Maint	4,185	7,000	5,292	(1,708)	7,000
Storm Water Facility Maint	42,255	18,100	720	(17,380)	18,100
Misc Services	-	500	117	(383)	500
Repairs and Replacements	25,458	31,000	34,766	3,766	35,000
Utilities	50,875	53,847	58,896	5,049	55,462
Facilities Management	28,200	29,250	29,250	-	31,500
Administration:					
Accounting & Financial Mgmt	38,640	41,860	41,860	-	45,000
Auditing	5,500	5,500	5,500	-	6,000
District Management	27,000	29,380	29,380	-	30,000
Director Fees	1,101	1,500	1,737	237	1,600
Election Costs	-	18,000	3,213	(14,787)	18,000
Legal Services	17,099	20,000	18,129	(1,871)	20,000
Insurance and Bonds	10,232	11,255	10,184	(1,071)	12,602
Engineering	-	1,500	360	(1,140)	1,500
Office, Dues & Other	12,140	5,500	4,588	(912)	5,500
Transfer to Capital Fund	-	-	-	-	250,000
Contingency	-	25,000	-	(25,000)	20,000
Total Operating Expenditures	\$ 331,495	\$ 386,232	\$ 322,187	\$ (64,045)	\$ 653,634
Revenue Over/(Under) Expenditures	\$ (88,927)	\$ (137,317)	\$ (47,623)	\$ 89,694	\$ 36,882
Beginning Fund Balance	\$ 562,884	\$ 484,904	\$ 473,958	\$ (10,946)	\$ 380,449
Ending Fund Balance	\$ 473,958	\$ 347,587	\$ 426,335	\$ 78,748	\$ 417,331
				=	
Components of Ending Fund Balance					
TABOR Reserve - 3% of revenue	\$ 7,277	\$ 7,328	\$ 8,237	\$ -	\$ 20,715
Operating Reserve - 25% of expenses	96,558	90,893	102,934	12,041	163,409
Repairs and Replacement Reserve	370,123	249,366	315,164	66,707	233,207
Total Components of Ending Fund Balance	\$ 473,958	\$ 347,587	\$ 426,335	\$ 78,748	\$ 417,331
Mill Levy					
Operating	0.000	0.000	0.000		0.000
Assessed Value	\$ 20	\$ 20	\$ 20		\$ 18

VDW METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Unaudited	Amended	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Service Fees District #2	\$ 89,429	\$ 86,156	\$ 1,699	\$ (84,457)	\$ -
Service Fees District #3	39,327	38,633	-	(38,633)	-
Interest & Other Income	628	100	1	(99)	-
Transfer from District #2	-	841,631	904,891	63,260	-
Total Revenue	\$ 129,384	\$ 966,520	\$ 906,591	\$ (59,929)	\$ -
Expenditures					
Interest Expense - 2011 Bonds	\$ 76,800	\$ 72,800	\$ 14,371	\$ (58,429)	\$ -
Bond Principal	50,000	910,000	910,000	-	-
Trustee & Paying Agent Fees	1,500	2,000	500	(1,500)	-
Contingency	-	-	-	-	-
Total Expenditures	\$ 128,300	\$ 984,800	\$ 924,871	\$ (59,929)	\$ -
Revenue Over/(Under) Expenditures	\$ 1,084	\$ (18,280)	\$ (18,280)	\$ -	\$ -
Beginning Fund Balance	\$ 17,196	\$ 18,280	\$ 18,280	\$ -	\$ -
Ending Fund Balance	\$ 18,280	\$ -	\$ -	\$ -	\$ -
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VDW METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
CAPITAL PROJECTS FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Capital Reimbursement	\$ 220,000	\$ -	\$ 151,968	\$ 151,968	\$ -
Transfer from General Fund	-	-	-	-	250,000
Total Revenues	\$ 220,000	\$ -	\$ 151,968	\$ 151,968	\$ 250,000
Expenditures					
District Management	\$ 163	\$ 5,000	\$ 3,255	\$ (1,745)	\$ 5,000
District Engineering	1,040	2,500	-	(2,500)	2,500
District Planning/Engineering Mgmt	35	7,500	-	(7,500)	7,500
Office, Dues & Other	-	-	-	-	-
Capital Outlay	-	-	-	-	350,000
Contingency	-	100,000	-	(100,000)	20,000
Total Expenditures	\$ 1,238	\$ 115,000	\$ 3,255	\$ (111,745)	\$ 385,000
Revenue Over/(Under) Expenditures	\$ 218,762	\$ (115,000)	\$ 148,713	\$ 263,713	\$ (135,000)
Beginning Fund Balance	\$ 605,527	\$ 825,527	\$ 824,289	\$ (1,238)	\$ 963,757
Ending Fund Balance	\$ 824,289	\$ 710,527	\$ 973,002	\$ 262,475	\$ 828,757
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VDW METROPOLITAN DISTRICT NO. 2						
BALANCE SHEET						
	Audited Actual 12/31/2021	Unaudited Actual 12/31/2022				
Assets						
Current Assets						
UMB Custody - Bond	\$ 26,111	\$ -				
UMB 2016A Bond - Capitalized Interest	5	-				
UMB - 2016A Bond - Surplus	761,891	-				
UMB - 2016B Bond - Surplus	11	-				
UMB 2016B Subordinate Bond - Interest	406	-				
UMB 2022 Bond - Bond Fund	-	910,592				
Property Taxes Receivable	1,245,596	907,710				
Due from County	5,878	6,878				
Receivable - Service Fees	1,672	1,917				
Due from VDW #1	-	52,363				
Total Current Assets	\$ 2,041,570	\$ 1,879,460				
Total Assets	\$ 2,041,570	\$ 1,879,460				
Liabilities						
Current Liabilities						
Deferred Property Taxes	\$ 1,245,596	\$ 907,710				
Service Fees Payable to VDW #1	803	881				
Due to VDW #1	22,000	22,000				
Total Current Liabilities	\$ 1,268,399	\$ 930,591				
Long-term Liabilities						
Bonds Payable	\$ 9,624,000	\$ 10,490,000				
Bond Premium	23,757	373,637				
Total Long-term Liabilities	\$ 9,647,757	\$ 10,863,637				
Total Liabilities	\$ 10,916,156	\$ 11,794,228				
Fund Equity						
Net Investment in Fixed Assets	\$ (9,647,757)	\$ (10,863,637)				
Fund Balance	773,171	948,869				
Total Fund Balances	\$ (8,874,586)	\$ (9,914,768)				
Total Liabilities and Fund Equity	\$ 2,041,570	\$ 1,879,460				
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VDW METROPOLITAN DISTRICT NO. 2					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Property Tax	\$ 158,968	\$ 159,623	\$ 159,623	\$ -	\$ 489,049
Specific Ownership Tax	12,087	11,972	12,237	265	41,447
Interest & Other	94	10,000	84	(9,916)	10,000
Total Revenues	\$ 171,149	\$ 181,595	\$ 171,944	\$ (9,651)	\$ 540,496
Expenditures					
Treasurer's Fees	\$ 3,182	\$ 3,192	\$ 3,194	\$ 2	\$ 9,781
Service Fees to District No. 1	167,967	168,403	168,750	347	520,715
Contingency	-	10,000	-	(10,000)	10,000
Total Expenditures	\$ 171,149	\$ 181,595	\$ 171,944	\$ (9,651)	\$ 540,496
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
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Mill Levy					
Operating	6.977	6.453	6.453		19.732
Debt Service	44.115	43.902	43.902		16.892
Total Mill Levy	51.092	50.355	50.355		36.624
Assessed Value	\$ 22,784,307	\$ 24,736,289	\$ 24,736,289		\$ 24,784,584
Property Tax Revenue					
Operating	\$ 158,966	\$ 159,623	\$ 159,623		\$ 489,049
Debt Service	1,005,130	1,085,973	1,085,973		418,661
Total Property Tax Revenue	\$ 1,164,096	\$ 1,245,596	\$ 1,245,596		\$ 907,711

VDW METROPOLITAN DISTRICT NO. 2					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Audited	Amended	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Property Tax - 2011 Bonds	\$ 89,429	\$ 86,156	\$ 85,333	\$ (823)	\$ -
Property Tax - 2016 Bonds	915,710	999,816	1,000,638	822	-
Property Tax - 2022 Bonds	-	-	-	-	418,661
Specific Ownership Tax	76,425	81,448	83,249	1,801	35,481
Service Fee Revenue from #3	318,233	353,933	371,056	17,123	185,869
Bond Proceeds	-	11,207,684	11,207,684	-	-
Interest & Other	814	800	15,779	14,979	25,000
Total Revenues	\$ 1,400,611	\$ 12,729,837	\$ 12,763,739	\$ 33,902	\$ 665,012
Expenditures					
Treasurer's Fees	\$ 20,114	\$ 21,719	\$ 21,731	\$ 12	\$ 8,373
Bond Principal - 2016A Bond	125,000	-	-	-	-
Interest Expense - 2016A Bond	267,113	754,800	754,800	-	-
Bond Principal - 2016B Bond	640,000	-	-	-	-
Interest Expense - 2016B Bond	246,065	112,707	112,707	-	-
Bond Refunding - 2016A/B	-	9,624,000	9,624,000	-	-
Bond Principal - 2022A Bond	-	330,000	330,000	-	265,000
Interest Expense - 2022A-1 Bond	-	176,544	176,544	-	213,950
Interest Expense - 2022A-2 Bond	-	116,400	116,400	-	144,000
Cost of Issuance	-	540,269	545,269	5,000	-
Pmt to Dist. 1 - 2011 Bonds	89,429	86,156	1,699	(84,457)	-
Trustee & Paying Agent Fees	5,500	7,000	-	(7,000)	8,000
Transfer to Dist. 1 - 2007 Bonds	-	924,371	904,891	(19,480)	-
Contingency	-	-	-	-	25,000
Total Expenditures	\$ 1,393,221	\$ 12,693,966	\$ 12,588,041	\$ (105,925)	\$ 664,323
Revenue Over/(Under) Expenditures	\$ 7,390	\$ 35,871	\$ 175,698	\$ 139,827	\$ 689
Beginning Fund Balance	\$ 765,781	\$ 1,028,337	\$ 773,171	\$ (255,166)	\$ 920,964
Ending Fund Balance	\$ 773,171	\$ 1,064,208	\$ 948,869	\$ (115,339)	\$ 921,653
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Components of Ending Fund Balance					
Surplus Fund	\$ 746,500	\$ 746,500	\$ 764,400	\$ -	\$ -
Bond Fund	26,671	317,708	184,469	(115,339)	157,253
Required Reserve	-	-	-	-	764,400
Total Components of Ending Fund Balance	\$ 773,171	\$ 1,064,208	\$ 948,869	\$ (115,339)	\$ 921,653

VDW METROPOLITAN DISTRICT NO. 3					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Property Tax	\$ 69,907	\$ 71,576	\$ 67,584	\$ (3,992)	\$ 156,461
Specific Ownership Tax	5,318	5,368	5,120	(248)	11,719
Interest & Other	13	10,000	23	(9,977)	10,000
Total Revenues	\$ 75,238	\$ 86,944	\$ 72,727	\$ (14,217)	\$ 178,180
Expenditures					
Treasurer's Fees	\$ 1,398	\$ 1,432	\$ 1,352	\$ (80)	\$ 3,129
Service Fees to District No. 1	73,840	75,512	71,375	(4,137)	165,051
Contingency	-	10,000	-	(10,000)	10,000
Total Expenditures	\$ 75,238	\$ 86,944	\$ 72,727	\$ (14,217)	\$ 178,180
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
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Mill Levy					
Operating	6.977	6.453	6.453		15.000
Debt Service	33.023	33.547	33.547		16.892
Total Mill Levy	40.000	40.000	40.000		31.892
Assessed Value	\$ 10,027,343	\$ 11,091,909	\$ 11,091,909		\$ 10,430,712
Property Tax Revenue					
Operating	\$ 69,961	\$ 71,576	\$ 71,576		\$ 156,461
Debt Service	331,133	372,100	372,100		176,196
Total Property Tax Revenue	\$ 401,094	\$ 443,676	\$ 443,676		\$ 332,656

VDW METROPOLITAN DISTRICT NO. 3					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2021	2022	Actual	Variance	2023
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2022	12/31/2022	Budget
Revenues					
Property Tax - 2011 Bonds	\$ 39,327	\$ 38,633	\$ -	\$ (38,633)	\$ -
Property Tax - 2016 Bonds	291,550	333,467	351,349	17,882	-
Property Tax - 2022 Bonds	-	-	-	-	176,196
Specific Ownership	25,173	27,752	26,619	(1,133)	13,197
Interest & Other	59	156	117	(39)	25,000
Total Revenues	\$ 356,109	\$ 400,008	\$ 378,085	\$ (21,923)	\$ 214,393
Expenditures					
County Treasurer's Fees	\$ 6,619	\$ 7,442	\$ 7,029	\$ (413)	\$ 3,524
Pmt of Services Dist 1 - 2011 Bonds	39,327	38,633	-	(38,633)	-
Pmt of Services Dist 2 - 2016 Bonds	310,163	353,933	371,056	17,123	-
Pmt of Services Dist 2 - 2022 Bonds	-	-	-	-	185,869
Contingency	-	-	-	-	25,000
Total Expenditures	\$ 356,109	\$ 400,008	\$ 378,085	\$ (21,923)	\$ 214,393
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
				=	

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
VDW)
METROPOLITAN)
DISTRICT NO. 1)

The Board of Directors of the VDW Metropolitan District No. 1, Larimer County, Colorado, held a meeting via Microsoft Teams Friday, November 11, 2022 at 2:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Abby Kirkbride, Assistant Treasurer & Assistant Secretary
Wendy Messinger, Assistant Secretary
Tim DePeder, Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Sarah Bromley, Tiffany Skoglund, Irene Buenavista, Dillon Gamber, Kieyesia Conaway, and Shannon McEvoy; Pinnacle Consulting Group, Inc.
Clark Cummings; Member of the Public

Ms. Bromley stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director DePeder moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE VDW METROPOLITAN DISTRICT NO. 1, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the VDW Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 4, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VDW METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the VDW Metropolitan District No. 1 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$0. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$18.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the VDW Metropolitan District No. 1,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the VDW Metropolitan District No. 1

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 18 assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 18

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	mills	\$
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0.00

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

- 2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

- 4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Tim DePeder, Secretary of the District, and made a part of the public records of VDW Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Kirkbride.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 11th day of November 2022.

DocuSigned by:
Kim Perry
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President

ATTEST:

DocuSigned by:
Tim DePeder
5E547B7DD87F45B...

STATE OF COLORADO)
)
 COUNTY OF LARIMER)ss.
)
 VDW)
 METROPOLITAN)
 DISTRICT NO. 1)

I, Tim DePeder, Secretary to the Board of Directors of the VDW Metropolitan District No. 1, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Friday, November 11, 2022, at 2:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November, 2022.

DocuSigned by:

 5E547B7DD87F45B...



Management Budget Report

BOARD OF DIRECTORS
VDW METROPOLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023, including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to read "Jim Butler".

Pinnacle Consulting Group, Inc.
January 28, 2023

VDW METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees District #2	\$ 167,967	\$ 168,403	\$ 168,403	\$ 520,715
Service Fees District #3	73,839	75,512	75,532	165,051
Interest & Other Income	762	5,000	16,000	4,750
Total Revenues	\$ 242,568	\$ 248,915	\$ 259,935	\$ 690,516
Expenditures				
Operations & Maintenance:				
Landscape Maintenance	\$ 61,049	\$ 75,040	\$ 74,719	\$ 82,870
Hardscape Maintenance	7,761	12,000	12,000	13,000
Undeveloped Public Land Maint	4,185	7,000	7,000	7,000
Storm Water Facility Maint	42,255	18,100	8,100	18,100
Misc Services	-	500	500	500
Repairs and Replacements	25,458	31,000	38,500	35,000
Utilities	50,875	53,847	53,847	55,462
Facilities Management	28,200	29,250	29,250	31,500
Administration:				
Accounting & Financial Mgmt	38,640	41,860	41,860	45,000
Auditing	5,500	5,500	5,500	6,000
District Management	27,000	29,380	29,380	30,000
Director Fees	1,101	1,500	1,500	1,600
Election Costs	-	18,000	3,105	18,000
Legal Services	17,099	20,000	20,000	20,000
Insurance and Bonds	10,232	11,255	10,184	12,602
Engineering	-	1,500	1,500	1,500
Office, Dues & Other	12,140	5,500	5,500	5,500
Transfer to Capital Fund	-	-	-	250,000
Contingency	-	25,000	-	20,000
Total Operating Expenditures	\$ 331,495	\$ 386,232	\$ 342,445	\$ 653,634
Revenue Over/(Under) Expenditures	\$ (88,927)	\$ (137,317)	\$ (82,510)	\$ 36,882
Beginning Fund Balance	\$ 562,884	\$ 484,904	\$ 473,958	\$ 380,449
Ending Fund Balance	\$ 473,958	\$ 347,587	\$ 391,448	\$ 417,331
Components of Ending Fund Balance				
TABOR Reserve - 3% of revenue	\$ 7,277	\$ 7,328	\$ 7,328	\$ 20,715
Operating Reserve - 25% of expenses	96,558	90,893	102,934	163,409
Repairs and Replacement Reserve	370,123	249,366	281,186	233,207
Total Components of Ending Fund Balance	\$ 473,958	\$ 347,587	\$ 391,448	\$ 417,331
Mill Levy				
Operating	0.000	0.000	0.000	0.000
Assessed Value	\$ 20	\$ 20	\$ 20	\$ 18

Modified Accrual Budgetary Basis

VDW METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Amended	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees District #2	\$ 89,429	\$ 86,156	\$ 1,699	\$ -
Service Fees District #3	39,327	38,633	-	-
Interest & Other Income	628	100	1	-
Transfer from District #2	-	841,631	904,891	-
Total Revenue	\$ 129,384	\$ 966,520	\$ 906,591	\$ -
Expenditures				
Interest Expense - 2011 Bonds	\$ 76,800	\$ 72,800	\$ 14,371	\$ -
Bond Principal	50,000	910,000	910,000	-
Trustee & Paying Agent Fees	1,500	2,000	500	-
Contingency	-	-	-	-
Total Expenditures	\$ 128,300	\$ 984,800	\$ 924,871	\$ -
Revenue Over/(Under) Expenditures	\$ 1,084	\$ (18,280)	\$ (18,280)	\$ -
Beginning Fund Balance	\$ 17,196	\$ 18,280	\$ 18,280	\$ -
Ending Fund Balance	\$ 18,280	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Capital Reimbursement	\$ 220,000	\$ -	\$ 151,968	\$ -
Transfer from General Fund	-	-	-	250,000
Total Revenues	\$ 220,000	\$ -	\$ 151,968	\$ 250,000
Expenditures				
District Management	\$ 163	\$ 5,000	\$ 5,000	\$ 5,000
District Engineering	1,040	2,500	-	2,500
District Planning/Engineering Mgmt	35	7,500	7,500	7,500
Office, Dues & Other	-	-	-	-
Capital Outlay	-	-	-	350,000
Contingency	-	100,000	-	20,000
Total Expenditures	\$ 1,238	\$ 115,000	\$ 12,500	\$ 385,000
Revenue Over/(Under) Expenditures	\$ 218,762	\$ (115,000)	\$ 139,468	\$ (135,000)
Beginning Fund Balance	\$ 605,527	\$ 825,527	\$ 824,289	\$ 963,757
Ending Fund Balance	\$ 824,289	\$ 710,527	\$ 963,757	\$ 828,757

VDW METROPOLITAN DISTRICT NO. 1
2023 BUDGET MESSAGE

VDW Metropolitan District No. 1 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 “Service District” as part of a “Multiple District Structure” for the mixed-use development known as “Van de Water” located in the City of Loveland, Colorado. Along with its companion Districts No.2, and No.3 (“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.

In preparing the 2023 budget, the following goals are foremost for the District:

- To make the appropriate debt service payments, complete capital projects, and provide the level of services desired by the constituents of the District in the most economic manner possible.

General Fund

Revenue

Revenue budgeted in the amount of \$690,516 consists mainly of Service Fees received from VDW Metropolitan District Nos. 2 and 3 through intergovernmental agreements.

Expenses

General and administrative expenses are budgeted in the amount of \$653,634, a net increase of \$267,402 over the prior year budget. A \$250,000 transfer to the capital fund is to fund a reserve for anticipated public infrastructure projects. Other administrative expenses remain relatively unchanged compared to the 2022 adopted budget.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2022, as defined under TABOR. The District also holds the reserve funds for VDW Metropolitan District Nos. 2 and 3.

The District has provided for a replacement reserve fund in the amount of \$233,207. The replacement reserve was established as a reserve for future capital repairs and replacement spending. The total operating fund balance is \$417,331.

Debt Service Fund

No revenues or expenditures are budgeted for the District Debt Service Fund in 2023. In 2022, VDW Metropolitan District No. 2 issued Limited Tax Obligation Bonds Series 2022A-1 and Series 2022A-2. The District 2 bonds fully refunded the existing District 1 Series 2016 Bonds.

Capital Projects Fund

The District has budgeted \$385,000 for Capital Projects to be funded with capital reserves in 2023. The anticipated ending fund balance is \$828,757.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 127 - VAN DE WATER METRO DISTRICT NO. 1

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$20
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$18
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$18
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$70
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
--	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 2
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
VDW)
METROPOLITAN)
DISTRICT NO. 2)

The Board of Directors of the VDW Metropolitan District No. 2, Larimer County, Colorado, held a meeting via Microsoft Teams Friday, November 11, 2022 at 2:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Tim DePeder, Secretary
Wendy Messinger, Assistant Secretary
Clark Cummings, Assistant Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Sarah Bromley, Tiffany Skoglund, Irene Buenavista, Dillon Gamber, Kieyesia Conaway, and Shannon McEvoy; Pinnacle Consulting Group, Inc.
Abby Kirkbride; Member of the Public

Ms. Bromley stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director DePeder moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE VDW METROPOLITAN DISTRICT NO. 2, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the VDW Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 4, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VDW METROPOLITAN DISTRICT NO. 2 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the VDW Metropolitan District No. 2 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$907,711. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$24,784,584.

- A. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2023 budget year, there is hereby levied a tax of 19.732 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

- B. Levy for the Debt Service Fund. That for the purposes of meeting all debt service expense of the District during the 2023 budget year, there is hereby levied a tax of 16.892 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 36.624 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the VDW Metropolitan District No. 2,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the VDW Metropolitan District No. 2


(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 27,999,180 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 24,784,584 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	0.00
3. General Obligation Bonds and Interest ^J	16.892 mills	\$ 418,661.19
4. Contractual Obligations ^K	19.732 mills	\$ 489,049.41
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	36.624 mills	\$ 907,710.60

Contact person: Brendan Campbell Daytime phone: (970) 669-3611
 Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**BONDS^J:**

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | Repay VDW Metropolitan District No. 2's Series 2016A Revenue Bond issue to refund VDW Metropolitan District No. 1's Series 2007 Bond and fund public infrastructure. |
| | Series: | 2022A-1/2022A-2 |
| | Date of Issue: | 02/01/2022 |
| | Coupon Rate: | 1.35% - 4.0% |
| | Maturity Date: | 12/01/2045 |
| | Levy: | 16.892 |
| | Revenue: | \$418,661.19 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|---|
| 3. | Purpose of Contract: | To fund the operations and maintenance of VDW Metropolitan District No. 2's infrastructure improvements |
| | Title: | District Facilities Construction and Service Agreement |
| | Date: | 4/16/2003 |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | 19.732 |
| | Revenue: | \$489,049.41 |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Tim DePeder, Secretary of the District, and made a part of the public records of VDW Metropolitan District No. 2.

The foregoing Resolution was seconded by Director Cummings.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 11th day of November 2022.

DocuSigned by:
Kim Perry
B786C9D42F3647F...

President

ATTEST:

DocuSigned by:
Tim DePeder
5E547B7DD87F45B...

STATE OF COLORADO)
)
 COUNTY OF LARIMER)ss.
)
 VDW)
 METROPOLITAN)
 DISTRICT NO. 2)

I, Tim DePeder, Secretary to the Board of Directors of the VDW Metropolitan District No. 2, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Friday, November 11, 2022, at 2:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November, 2022.

DocuSigned by:

 5E547B7DD87F45B...



Management Budget Report

BOARD OF DIRECTORS
VDW METROPOLITAN DISTRICT NO. 2

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023, including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to read "J. B. A.", is positioned above the typed name and date.

Pinnacle Consulting Group, Inc.
January 28, 2023

VDW METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Tax	\$ 158,968	\$ 159,623	\$ 159,623	\$ 489,049
Specific Ownership Tax	12,087	11,972	11,897	41,447
Interest & Other	94	10,000	75	10,000
Total Revenues	\$ 171,149	\$ 181,595	\$ 171,595	\$ 540,496
Expenditures				
Treasurer's Fees	\$ 3,182	\$ 3,192	\$ 3,192	\$ 9,781
Service Fees to District No. 1	167,967	168,403	168,403	520,715
Contingency	-	10,000	-	10,000
Total Expenditures	\$ 171,149	\$ 181,595	\$ 171,595	\$ 540,496
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	6.977	6.453	6.453	19.732
Debt Service	44.115	43.902	43.902	16.892
Total Mill Levy	51.092	50.355	50.355	36.624
Assessed Value	\$ 22,784,307	\$ 24,736,289	\$ 24,736,289	\$ 24,784,584
Property Tax Revenue				
Operating	\$ 158,966	\$ 159,623	\$ 159,623	\$ 489,049
Debt Service	1,005,130	1,085,973	1,085,973	418,661
Total Property Tax Revenue	\$ 1,164,096	\$ 1,245,596	\$ 1,245,596	\$ 907,711

Modified Accrual Budgetary Basis

VDW METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Amended	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Tax - 2011 Bonds	\$ 89,429	\$ 86,156	\$ 86,156	\$ -
Property Tax - 2016 Bonds	915,710	999,816	999,816	-
Property Tax - 2022 Bonds	-	-	-	418,661
Specific Ownership Tax	76,425	81,448	81,448	35,481
Service Fee Revenue from #3	318,233	353,933	353,933	185,869
Bond Proceeds	-	11,207,684	11,207,684	-
Interest & Other	814	800	8,785	25,000
Total Revenues	\$ 1,400,611	\$ 12,729,837	\$ 12,737,822	\$ 665,012
Expenditures				
Treasurer's Fees	\$ 20,114	\$ 21,719	\$ 21,719	\$ 8,373
Bond Principal - 2016A Bond	125,000	-	-	-
Interest Expense - 2016A Bond	267,113	754,800	754,800	-
Bond Principal - 2016B Bond	640,000	-	-	-
Interest Expense - 2016B Bond	246,065	112,707	112,707	-
Bond Refunding - 2016A/B	-	9,624,000	9,624,000	-
Bond Principal - 2022A Bond	-	330,000	330,000	265,000
Interest Expense - 2022A-1 Bond	-	176,544	176,544	213,950
Interest Expense - 2022A-2 Bond	-	116,400	116,400	144,000
Cost of Issuance	-	540,269	540,269	-
Pmt to Dist. 1 - 2011 Bonds	89,429	86,156	1,699	-
Trustee & Paying Agent Fees	5,500	7,000	7,000	8,000
Transfer to Dist. 1 - 2007 Bonds	-	924,371	904,891	-
Contingency	-	-	-	25,000
Total Expenditures	\$ 1,393,221	\$ 12,693,966	\$ 12,590,029	\$ 664,323
Revenue Over/(Under) Expenditures	\$ 7,390	\$ 35,871	\$ 147,793	\$ 689
Beginning Fund Balance	\$ 765,781	\$ 773,171	\$ 773,171	\$ 920,964
Ending Fund Balance	\$ 773,171	\$ 809,042	\$ 920,964	\$ 921,653
Components of Ending Fund Balance				
Surplus Fund	\$ 746,500	\$ 746,500	\$ 764,400	\$ -
Bond Fund	26,671	62,542	156,564	157,253
Required Reserve	-	-	-	764,400
Total Components of Ending Fund Balance	\$ 773,171	\$ 809,042	\$ 920,964	\$ 921,653

Modified Accrual Budgetary Basis

VDW METROPOLITAN DISTRICT NO. 2 2023 BUDGET MESSAGE

VDW Metropolitan District No. 2 (“District”) 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 “Service District” as part of a “Multiple District Structure” for the mixed-use development known as “Van de Water” located in the City of Loveland, Colorado. Along with its companion Districts No. 1 (“Service District”), and No. 3 (“Financing District”), 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.

In preparing the 2023 budget, the following goals are foremost for the District:

- Collect the appropriate level of property taxes for distribution to the Service District in order to provide the level of services desired by the constituents and be able to make debt service payments related to the acquisition and construction of public improvements.

Overview

Highlights of the 2023 budget include the following:

- The assessed value of the District increased by \$48,295 in 2022 and the mill levy decreased by 13.731, resulting in an overall decrease in revenues of \$337,885.

The District has an assessed value of \$24,784,584 and certified a mill levy of 36.624 mills, which will produce property tax revenue of \$907,711.

General Fund

Revenue

The District has budgeted revenue totaling \$540,496. Revenues are primarily Property Tax and Specific Ownership Tax revenue.

Expenses

With exception of the County Treasurer's fees, expenditures are related to transfers to the Service District for overall operating costs and debt service as required by an intergovernmental agreement.

Fund Balance/Reserves

The District transfers all revenue to VDW Metropolitan District No. 1 as provided for in an intergovernmental agreement between VDW Metropolitan District Nos. 1-3. Therefore, no emergency reserve has been provided for in VDW Metropolitan District No. 2. The emergency reserve related to this District is held in VDW Metropolitan District No. 1.

Debt Service Fund

Revenue

Total revenues of \$665,012 have been budgeted for 2023. The District anticipates \$185,869 in Service Fees from VDW Metropolitan District No. 3. Remaining revenues are primarily Property Tax and Specific Ownership tax revenue.

Expenses

Limited Tax General Obligation Bonds, Series 2022, were issued February 1, 2022 in the amount of \$10,820,000 maturing December 2045. Budgeted expenses of \$664,323 are primarily related to payment on the 2022 Bonds as detailed in the bond documents.

Fund Balance/Reserves

The District has budgeted to end fiscal year 2023 with \$921,653, which is equal to the \$764,400 Surplus Fund maximum limit and a \$157,253 Bond Fund reserve.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 128 - VAN DE WATER METRO DISTRICT NO. 2

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$24,736,289
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$27,999,180
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$3,214,596
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$24,784,584
5. NEW CONSTRUCTION: **	\$3,266,835
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$399,551,130
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$46,997,100
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 3
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
VDW)
METROPOLITAN)
DISTRICT NO. 3)

The Board of Directors of the VDW Metropolitan District No. 3, Larimer County, Colorado, held a meeting via Microsoft Teams Friday, November 11, 2022 at 2:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Abby Kirkbride, Assistant Treasurer & Assistant Secretary
Wendy Messinger, Assistant Secretary
Tim DePeder, Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Sarah Bromley, Tiffany Skoglund, Irene Buenavista, Dillon Gamber, Kieyesia Conaway, and Shannon McEvoy; Pinnacle Consulting Group, Inc.
Clark Cummings; Member of the Public

Ms. Bromley stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Perry opened the public hearing on the District's proposed 2023 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director DePeder moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE VDW METROPOLITAN DISTRICT NO. 3, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the VDW Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 4, 2022 in The Loveland Reporter-Herald, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VDW METROPOLITAN DISTRICT NO. 3 OF LARIMER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the VDW Metropolitan District No. 3 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$326,656. That the 2022 valuation for assessment, as certified by the Larimer County Assessor, is \$10,430,712.

- A. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2023 budget year, there is hereby levied a tax of 15.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

- B. Levy for the Debt Service Fund. That for the purposes of meeting all debt service expense of the District during the 2023 budget year, there is hereby levied a tax of 16.892 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the 31.892 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Larimer County, Colorado.

On behalf of the VDW Metropolitan District No. 3,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the VDW Metropolitan District No. 3

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 10,430,712 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 10,430,712 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	16.892 mills	\$ 176,195.59
4. Contractual Obligations ^K	15.000 mills	\$ 156,460.68
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	31.892 mills	\$ 326,656.27

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**BONDS^J:**

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | Repay VDW Metropolitan District No. 2's Series 2016A Revenue Bond issue to refund VDW Metropolitan District No. 1's Series 2007 Bond and fund public infrastructure. |
| | Series: | 2022A-1/2022A-2 |
| | Date of Issue: | 02/01/2022 |
| | Coupon Rate: | 1.35% - 4.0% |
| | Maturity Date: | 12 /01/2045 |
| | Levy: | 16.892 |
| | Revenue: | \$176,195.59 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|---|
| 3. | Purpose of Contract: | To fund the operations and maintenance of VDW Metropolitan District No. 3's infrastructure improvements |
| | Title: | District Facilities Construction and Service Agreement |
| | Date: | 4/16/2003 |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | 15.000 |
| | Revenue: | \$156,460.68 |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a taxing entity is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director Tim DePeder, Secretary of the District, and made a part of the public records of VDW Metropolitan District No. 3.

The foregoing Resolution was seconded by Director Kirkbride.

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ADOPTED AND APPROVED this 11th day of November 2022.

DocuSigned by:
Kim Perry
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President


ATTEST:

DocuSigned by:
Tim DePeder
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STATE OF COLORADO)
)
COUNTY OF LARIMER)ss.
)
VDW)
METROPOLITAN)
DISTRICT NO. 3)

I, Tim DePeder, Secretary to the Board of Directors of the VDW Metropolitan District No. 3, Larimer County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Friday, November 11, 2022, at 2:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November, 2022.

DocuSigned by:

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Management Budget Report

BOARD OF DIRECTORS
VDW METROPOLITAN DISTRICT NO. 3

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023, including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to read "Jim Burke". The signature is fluid and cursive, with a large initial "J" and "B".

Pinnacle Consulting Group, Inc.
January 28, 2023

VDW METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Tax	\$ 69,907	\$ 71,576	\$ 71,576	\$ 156,461
Specific Ownership Tax	5,318	5,368	5,365	11,719
Interest & Other	13	10,000	23	10,000
Total Revenues	\$ 75,238	\$ 86,944	\$ 76,964	\$ 178,180
Expenditures				
Treasurer's Fees	\$ 1,398	\$ 1,432	\$ 1,432	\$ 3,129
Service Fees to District No. 1	73,840	75,512	75,532	165,051
Contingency	-	10,000	-	10,000
Total Expenditures	\$ 75,238	\$ 86,944	\$ 76,964	\$ 178,180
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	6.977	6.453	6.453	15.000
Debt Service	33.023	33.547	33.547	16.892
Total Mill Levy	40.000	40.000	40.000	31.892
Assessed Value	\$ 10,027,343	\$ 11,091,909	\$ 11,091,909	\$ 10,430,712
Property Tax Revenue				
Operating	\$ 69,961	\$ 71,576	\$ 71,576	\$ 156,461
Debt Service	331,133	372,100	372,100	176,196
Total Property Tax Revenue	\$ 401,094	\$ 443,676	\$ 443,676	\$ 332,656

VDW METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Tax - 2011 Bonds	\$ 39,327	\$ 38,633	\$ 38,633	\$ -
Property Tax - 2016 Bonds	291,550	333,467	333,467	-
Property Tax - 2022 Bonds	-	-	-	176,196
Specific Ownership	25,173	27,806	27,752	13,197
Interest & Other	59	102	156	25,000
Total Revenues	\$ 356,109	\$ 400,008	\$ 400,008	\$ 214,393
Expenditures				
County Treasurer's Fees	\$ 6,619	\$ 7,442	\$ 7,442	\$ 3,524
Pmt of Services Dist 1 - 2011 Bonds	39,327	38,633	38,633	-
Pmt of Services Dist 2 - 2016 Bonds	310,163	353,933	353,933	-
Pmt of Services Dist 2 - 2022 Bonds	-	-	-	185,869
Contingency	-	-	-	25,000
Total Expenditures	\$ 356,109	\$ 400,008	\$ 400,008	\$ 214,393
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 3 2023 BUDGET MESSAGE

VDW Metropolitan District No. 3 (“District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as a “Financing District” as part of a “Multiple District Structure” for the mixed-use development known as “Van de Water” located in the City of Loveland, Colorado. Along with its companion Districts No. 1 (“Service District”), and No. 2 (“Financing District”), 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.

In preparing the 2023 budget, the following goals are foremost for the District:

- Collect the appropriate level of property taxes for distribution to the Service District in order to provide the level of services desired by the constituents and be able to make debt service payments related to the acquisition and construction of public improvements.

Overview

Highlights of the 2023 budget include the following:

- The assessed value of the District decreased by \$661,197 in 2022, resulting in a decrease in overall revenues of \$111,020.
- The District’s debt service mill levy calculation is based on the assessed valuation of both Financing Districts combined.

Revenue

The District has an assessed value of \$10,430,712 and certified a mill levy of 31.892 mills, which will produce property tax revenue of \$332,656. In 2023, 16.892 mills of the District’s total 31.892 mills are dedicated to repayment of debt. Specific ownership tax is estimated at 7.5% of property tax revenue in 2022 based on historic trends. Total budgeted specific ownership tax is \$24,916.

Expenses

With exception of the County Treasurer's fees, expenditures are related to transfers to the Service District for overall operating costs and debt service as required by an intergovernmental agreement.

Fund Balance/Reserves

The District transfers all of its revenue to VDW Metropolitan District No. 1 and No. 2 as provided for in an intergovernmental agreement between VDW Metropolitan District Nos. 1-3. Therefore, no emergency reserve has been provided for in VDW Metropolitan District No. 3. The emergency reserve related to this District is held in VDW Metropolitan District No. 1.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 129 - VAN DE WATER METRO DISTRICT NO. 3

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$11,091,909
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$10,430,712
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10,430,712
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$24,742.56

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$34,288,900
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$36,427
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.