



ICENOGL SEAVR POGUE

February 21, 2024

Moses Garcia, Esq.
City of Loveland
500 East 3rd Street, Suite 330
Loveland, Colorado 80537
(Via Email:
Stephanie.Cardew@cityofloveland.org)

Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
(Via E-Portal)

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 Email: recording@larimer.org)

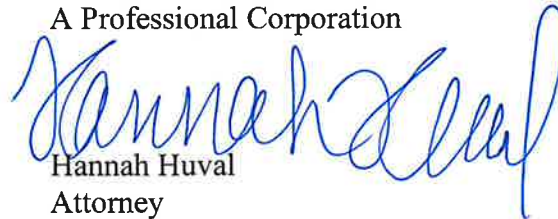
Re: Annual Report for VDW Metropolitan District Nos. 1 – 3

To Whom It May Concern:

Pursuant to Section 32-1-207(3) C.R.S., enclosed please find the 2023 Annual Report for VDW Metropolitan District Nos. 1 – 3.

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

Sincerely,
Icenogle Seaver Pogue
A Professional Corporation


Hannah Huval
Attorney

VDW METROPOLITAN DISTRICT NOS. 1 – 3

2023 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 certain matters.

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 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 above requirements for the year 2023.

I. Service Plan requirements:

A. Audited financial statements of the Districts.

As of the date of filing this annual report, the 2023 audit for District No. 2 is not yet completed. District Nos. 1 and 3 will apply for an application for exemption from audit for fiscal year 2023. District No. 2 will submit a copy of its 2023 audited financial statements upon completion. A copy of District Nos. 1, 2 and 3’s unaudited financial statements are attached hereto in **Exhibit A**.

B. Annual budgets of the Districts.

Please see attached **Exhibit B** for the Districts’ adopted 2024 budgets.

C. Construction contracts.

The Districts did not enter into any construction contracts in 2023.

D. Intergovernmental agreements.

The Districts did not enter into any intergovernmental agreements in 2023.

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

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 District No. 1’s Series 2011 Bonds and District No. 2’s 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.

II. Section 32-1-207(3)(c), C.R.S., requirements:

(a) Boundary changes made.

On April 13, 2023, the Board of Directors of District No. 2 held a public hearing on a petition from VDW Properties, LLC, requesting the inclusion of property into the boundaries of District No. 2. The petitions were granted by the Board of Directors of District No. 2 and District No. 2 moved the Larimer County District Court for an order for inclusion, and such order was granted on April 26, 2023. The order for inclusion was recorded in the office of the Larimer County Clerk and Recorder on June 9, 2023, at Reception No. 20230023929.

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

The Districts did not enter into any intergovernmental agreements in 2023.

(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:

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

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

In 2023, 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 2023 and there are no public improvement construction projects planned for 2024.

(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 2023.

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

District No. 1:	\$18
District No. 2:	\$30,873,727
District No. 3:	\$12,317,253

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

Copies of the Districts' 2024 budgets are attached hereto as **Exhibit B**.

(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 2023 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 2023. Copies of the unaudited financial statements for the Districts are attached hereto in **Exhibit A**. Applications for audit exemption for District No. 1 and No. 3, and the 2023 audit for District No. 2 will be submitted upon completion.

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

As of December 31, 2023, 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, 2023, the Districts have paid all financial obligations as they became due in 2023.

EXHIBIT A

**VDW METROPOLITAN DISTRICT NOS. 1-3
2023 YEAR END UNAUDITED FINANCIAL STATEMENTS**



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, 2022, and December 31, 2023. We have also prepared the accompanying 2024 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 Bernasch".

Pinnacle Consulting Group, Inc.
February 9, 2024

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

VDW METROPOLITAN DISTRICT NO. 1						
BALANCE SHEET						
		Audited Actual 12/31/2022	Unaudited Actual 12/31/2023			
Assets						
Current Assets						
Checking- First Bank	\$	84,321	\$	60,781		
Colotrust		1,366,523		1,837,962		
Service Fees Receivable - District #2		881		2,581		
Service Fees Receivable - District #3		369		731		
Prepaid Expense		13,305		11,132		
Due from VDW #2		22,000		26,407		
Total Current Assets	\$	1,487,399	\$	1,939,595		
Long-term Assets						
Landscaping & Monumentation	\$	2,709,897	\$	2,709,897		
Stormwater Line		50,236		50,236		
Accumulated Depreciation		(1,229,131)		(1,367,137)		
Total Long-term Assets	\$	1,531,002	\$	1,392,996		
Total Assets		\$ 3,018,401		\$ 3,332,590		
Liabilities						
Current Liabilities						
Accounts Payable	\$	24,050	\$	15,592		
Due to VDW #2		52,363		28,165		
Total Current Liabilities	\$	76,413	\$	43,757		
Total Liabilities		\$ 76,413		\$ 43,757		
Fund Equity						
Net Investment in Fixed Assets	\$	1,531,002	\$	1,392,996		
Fund Balance		1,410,987		1,895,837		
Total Fund Balances	\$	2,941,989	\$	3,288,833		
Total Liabilities and Fund Equity		\$ 3,018,401		\$ 3,332,590		
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VDW METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Service Fees District #2	\$ 168,750	\$ 520,715	\$ 519,250	\$ (1,465)	\$ 668,400
Service Fees District #3	71,375	165,051	165,268	217	203,562
Interest & Other Income	39,110	4,750	88,263	83,513	20,000
Total Revenues	\$ 279,236	\$ 690,516	\$ 772,782	\$ 82,266	\$ 891,962
Expenditures					
Operations & Maintenance:					
Landscape Maintenance	\$ 70,479	\$ 82,870	\$ 79,159	\$ (3,711)	\$ 85,417
Hardscape Maintenance	10,069	13,000	840	(12,160)	9,300
Undeveloped Public Land Maint	5,292	7,000	11,668	4,668	10,000
Storm Water Facility Maint	720	18,100	15,888	(2,212)	20,050
Misc Services	117	500	253	(247)	500
Repairs and Replacements	34,766	35,000	35,901	901	43,000
Utilities	49,454	55,462	45,290	(10,172)	55,000
Facilities Management	29,250	31,500	31,500	-	33,750
Administration:					
Accounting & Financial Mgmt	41,860	47,000	47,000	(0)	50,400
Auditing	5,500	6,000	5,500	(500)	5,500
District Management	29,380	28,000	28,000	(0)	30,000
Director Fees	1,361	1,600	1,758	158	2,500
Election Costs	3,213	18,000	2,728	(15,272)	3,000
Legal Services	18,129	20,000	15,198	(4,802)	20,000
Insurance and Bonds	10,184	12,602	13,305	703	13,900
Engineering	360	1,500	-	(1,500)	5,000
Office, Dues & Other	4,562	5,500	1,539	(3,961)	5,500
Website Hosting	-	-	-	-	1,166
Transfer to Capital Fund	-	250,000	250,000	-	650,168
Contingency	-	20,000	-	(20,000)	-
Total Operating Expenditures	\$ 314,696	\$ 653,634	\$ 585,527	\$ (68,107)	\$ 1,044,151
Revenue Over/(Under) Expenditures	\$ (35,461)	\$ 36,882	\$ 187,255	\$ 150,373	\$ (152,189)
Beginning Fund Balance	\$ 473,446	\$ 380,449	\$ 437,985	\$ 57,536	\$ 585,255
Ending Fund Balance	\$ 437,985	\$ 417,331	\$ 625,239	\$ 207,909	\$ 433,065
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Components of Ending Fund Balance					
TABOR Reserve - 3% of revenue	\$ 8,377	\$ 20,715	\$ 23,183	\$ -	\$ 26,759
Operating Reserve - 25% of expenses	163,409	163,409	83,882	(17,027)	98,496
Repairs and Replacement Reserve	266,199	233,207	518,174	224,935	307,811
Total Components of Ending Fund Balance	\$ 437,985	\$ 417,331	\$ 625,239	\$ 207,909	\$ 433,065
Mill Levy					
Operating	0.000	0.000	0.000		0.000
Assessed Value	\$ 20	\$ 18	\$ 18		\$ 18

VDW METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Service Fees District #2	\$ 1,699	\$ -	\$ -	\$ -	\$ -
Service Fees District #3	-	-	-	-	-
Interest & Other Income	1	-	-	-	-
Transfer from District #2	904,891	-	-	-	-
Total Revenue	\$ 906,591	\$ -	\$ -	\$ -	\$ -
Expenditures					
Interest Expense - 2011 Bonds	\$ 14,371	\$ -	\$ -	\$ -	\$ -
Bond Principal	910,000	-	-	-	-
Trustee & Paying Agent Fees	500	-	-	-	-
Contingency	-	-	-	-	-
Total Expenditures	\$ 924,871	\$ -	\$ -	\$ -	\$ -
Revenue Over/(Under) Expenditures	\$ (18,280)	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ 18,280	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
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VDW METROPOLITAN DISTRICT NO. 1					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
CAPITAL PROJECTS FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Capital Reimbursement	\$ 151,968	\$ -	\$ 51,271	\$ 51,271	\$ -
Transfer from General Fund	-	250,000	250,000	-	650,168
Total Revenues	\$ 151,968	\$ 250,000	\$ 301,271	\$ 51,271	\$ 650,168
Expenditures					
District Management	\$ 3,255	\$ 5,000	\$ 3,675	\$ (1,325)	\$ 4,960
District Engineering	-	2,500	-	(2,500)	2,500
District Planning/Engineering Mgmt	-	7,500	-	(7,500)	7,500
Capital Outlay	-	350,000	-	(350,000)	350,000
Contingency	-	20,000	-	(20,000)	-
Total Expenditures	\$ 3,255	\$ 385,000	\$ 3,675	\$ (381,325)	\$ 364,960
Revenue Over/(Under) Expenditures	\$ 148,713	\$ (135,000)	\$ 297,596	\$ 432,596	\$ 285,208
Beginning Fund Balance	\$ 824,289	\$ 963,757	\$ 973,002	\$ 9,245	\$ 1,219,502
Ending Fund Balance	\$ 973,002	\$ 828,757	\$ 1,270,597	\$ 441,841	\$ 1,504,710
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VDW METROPOLITAN DISTRICT NO. 2						
BALANCE SHEET						
		Audited Actual 12/31/2022	Unaudited Actual 12/31/2023			
Assets						
Current Assets						
UMB 2022 Bond - Bond Fund	\$	910,592	\$	995,621		
Property Taxes Receivable		907,711		1,046,650		
Due from County		6,878		4,791		
Receivable - Service Fees		1,917		823		
Due from VDW #1		52,362		28,165		
Total Current Assets	\$	1,879,461	\$	2,076,051		
Total Assets		\$ 1,879,461		\$ 2,076,051		
Liabilities						
Current Liabilities						
Deferred Property Taxes	\$	907,711	\$	1,046,650		
Service Fees Payable to VDW #1		881		2,581		
Due to VDW #1		22,000		26,407		
Total Current Liabilities	\$	930,592	\$	1,075,639		
Long-term Liabilities						
Bonds Payable	\$	10,490,000	\$	10,225,000		
Bond Premium		371,530		355,376		
Total Long-term Liabilities	\$	10,861,530	\$	10,580,376		
Total Liabilities	\$	11,792,122	\$	11,656,015		
Fund Equity						
Net Investment in Fixed Assets	\$	(10,861,530)	\$	(10,580,376)		
Fund Balance		948,868		1,000,411		
Total Fund Balances	\$	(9,912,662)	\$	(9,579,965)		
Total Liabilities and Fund Equity		\$ 1,879,460		\$ 2,076,050		
		=		=		

VDW METROPOLITAN DISTRICT NO. 2					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Property Tax	\$ 159,623	\$ 489,049	\$ 489,047	\$ (2)	\$ 624,075
Specific Ownership Tax	12,237	41,447	39,798	(1,649)	56,806
Interest & Other	85	10,000	190	(9,810)	10,000
Total Revenues	\$ 171,945	\$ 540,496	\$ 529,035	\$ (11,461)	\$ 690,882
Expenditures					
Treasurer's Fees	\$ 3,194	\$ 9,781	\$ 9,785	\$ 4	\$ 12,482
Service Fees to District No. 1	168,750	520,715	519,250	(1,465)	668,400
Contingency	-	10,000	-	(10,000)	10,000
Total Expenditures	\$ 171,945	\$ 540,496	\$ 529,035	\$ (11,461)	\$ 690,882
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
				=	
Mill Levy					
Operating	6.453	19.732	19.732		22.572
Debt Service	43.902	16.892	16.892		15.284
Total Mill Levy	50.355	36.624	36.624		37.856
Assessed Value	\$ 24,736,289	\$ 24,784,584	\$ 24,784,584		\$ 27,648,203
Property Tax Revenue					
Operating	\$ 159,623	\$ 489,049	\$ 489,049		\$ 624,075
Debt Service	1,085,973	418,661	418,661		422,575
Total Property Tax Revenue	\$ 1,245,596	\$ 907,711	\$ 907,711		\$ 1,046,650

VDW METROPOLITAN DISTRICT NO. 2					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Audited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Property Tax	1,085,972	418,661	418,659	(2)	422,575
Specific Ownership Tax	83,249	35,481	34,070	(1,411)	35,465
Service Fee Revenue from #3	371,057	185,869	186,115	246	198,611
Bond Proceeds	11,207,684	-	-	-	-
Interest & Other	15,777	25,000	57,526	32,526	25,000
Total Revenues	\$ 12,763,738	\$ 665,012	\$ 696,370	\$ 31,358	\$ 681,651
Expenditures					
Treasurer's Fees	\$ 21,731	\$ 8,373	\$ 8,376	\$ 3	\$ 8,452
Bond Refunding - 2016A/B	9,624,000	-	-	-	-
Bond Principal - 2022A Bond	330,000	265,000	265,000	-	280,000
Interest Expense - 2022A-1 Bond	176,544	213,950	213,950	-	209,843
Interest Expense - 2022A-2 Bond	116,400	144,000	144,000	-	144,000
Auditing	-	-	5,500	5,500	5,500
Cost of Issuance	545,269	-	-	-	-
Pmt to Dist. 1 - 2011 Bonds	1,699	-	-	-	-
Trustee & Paying Agent Fees	-	8,000	8,000	-	8,000
Transfer to Dist. 1 - 2007 Bonds	904,891	-	-	-	-
Interest Expense - 2016A Bond	754,800	-	-	-	-
Interest Expense - 2016B Bond	112,707	-	-	-	-
Contingency	-	25,000	-	(25,000)	25,000
Total Expenditures	\$ 12,588,041	\$ 664,323	\$ 644,826	\$ (19,497)	\$ 680,795
Revenue Over/(Under) Expenditures	\$ 175,697	\$ 689	\$ 51,543	\$ 50,855	\$ 857
Beginning Fund Balance	\$ 773,171	\$ 920,964	\$ 948,868	\$ 27,904	\$ 994,318
Ending Fund Balance	\$ 948,868	\$ 921,653	\$ 1,000,411	\$ 78,759	\$ 995,175
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Components of Ending Fund Balance					
Bond Fund	\$ 202,368	\$ 157,253	\$ 236,011	\$ 78,759	\$ 230,775
Required Reserve	-	764,400	764,400	-	764,400
Surplus Fund	746,500	-	-	-	-
Total Components of Ending Fund Balance	\$ 202,368	\$ 921,653	\$ 1,000,411	\$ 78,759	\$ 995,175

VDW METROPOLITAN DISTRICT NO. 3					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
GENERAL FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Property Tax	\$ 67,584	\$ 156,461	\$ 157,140	\$ 679	\$ 192,950
Specific Ownership Tax	5,120	11,719	11,271	(449)	14,471
Interest & Other	23	10,000	-	(10,000)	10,000
Total Revenues	\$ 72,727	\$ 178,180	\$ 168,411	\$ (9,769)	\$ 217,421
Expenditures					
Treasurer's Fees	\$ 1,352	\$ 3,129	\$ 3,143	\$ 14	\$ 3,859
Service Fees to District No. 1	71,375	165,051	165,268	217	203,562
Contingency	-	10,000	-	(10,000)	10,000
Total Expenditures	\$ 72,727	\$ 178,180	\$ 168,411	\$ (9,769)	\$ 217,421
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
				=	
Mill Levy					
Operating	6.453	15.000	15.000		15.665
Debt Service	33.547	16.892	16.892		15.284
Total Mill Levy	40.000	31.892	31.892		30.949
Assessed Value	\$ 11,091,909	\$ 10,430,712	\$ 10,430,712		\$ 12,317,253
Property Tax Revenue					
Operating	\$ 71,576	\$ 156,461	\$ 156,461		\$ 192,950
Debt Service	372,100	176,196	176,196		\$ 188,257
Total Property Tax Revenue	\$ 443,676	\$ 332,656	\$ 332,656		\$ 381,207

VDW METROPOLITAN DISTRICT NO. 3					
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS					
DEBT SERVICE FUND					
	(a)	(b)	(c)	(c-b)	(d)
	2022	2023	Actual	Variance	2024
	Unaudited	Adopted	Through	Through	Adopted
	Actual	Budget	12/31/2023	12/31/2023	Budget
Revenues					
Property Tax	\$ 351,349	\$ 176,196	\$ 176,961	\$ 766	\$ 188,257
Specific Ownership	26,619	13,197	12,692	(505)	14,119
Interest & Other	117	25,000	-	(25,000)	25,000
Total Revenues	\$ 378,085	\$ 214,393	\$ 189,654	\$ (24,739)	\$ 227,376
Expenditures					
County Treasurer's Fees	\$ 7,029	\$ 3,524	\$ 3,539	\$ 15	\$ 3,765
Service Fees to District No. 2	371,056	185,869	186,115	246	198,611
Contingency	-	25,000	-	(25,000)	25,000
Total Expenditures	\$ 378,085	\$ 214,393	\$ 189,654	\$ (24,739)	\$ 227,376
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
				=	

EXHIBIT B

**2024 BUDGETS
FOR
VDW METROPOLITAN DISTRICTS NOS. 1 – 3**

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2024

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 Thursday, November 2, 2023 at 3:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Josh Kane, Treasurer/Assistant Secretary
Tim DePeder, Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Bryan Newby, Kieyesia Conaway, Irene Buenavista, Stanley Holder, and Dillon Gamber; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney
Bob Ebersole; Member of the Public

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Perry opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane 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 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

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 October 19, 2023 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 2, 2023, 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. 2024 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. 2024 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 2024. 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 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$0. That the 2023 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 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2023 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)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/10/2023 for budget/fiscal year 2024.
 (no 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	<u>0.000</u> mills	<u>\$ 0.00</u>
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	<u>0.000</u> mills	<u>\$ 0.00</u>
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: Irene Buenavista Phone: (970)-669-3611
 Signed:  Title: District Accountant

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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) 864-7720.

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 DePeder.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 2nd day of November 2023.

DocuSigned by:

Kim Perry

B786C9D42F3647F...
President

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 Thursday, November 2, 2023, at 3:00 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 2024; 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 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 2nd day of November, 2023.

DocuSigned by:
Tim DePeder
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, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

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 "Jan Benast".

Pinnacle Consulting Group, Inc.
January 29, 2024

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

VDW METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees District #2	\$ 168,750	\$ 520,715	\$ 520,868	\$ 668,400
Service Fees District #3	71,375	165,051	165,587	203,562
Interest & Other Income	39,110	4,750	84,343	20,000
Total Revenues	\$ 279,236	\$ 690,516	\$ 770,798	\$ 891,962
Expenditures				
Operations & Maintenance:				
Landscape Maintenance	\$ 70,479	\$ 82,870	\$ 79,158	\$ 85,417
Hardscape Maintenance	10,069	13,000	840	9,300
Undeveloped Public Land Maint	5,292	7,000	12,000	10,000
Storm Water Facility Maint	720	18,100	16,500	20,050
Misc Services	117	500	253	500
Repairs and Replacements	34,766	35,000	35,900	43,000
Utilities	49,454	55,462	50,000	55,000
Facilities Management	29,250	31,500	31,500	33,750
Administration:				
Accounting & Financial Mgmt	41,860	47,000	47,000	50,400
Auditing	5,500	6,000	5,500	5,500
District Management	29,380	28,000	28,000	30,000
Director Fees	1,361	1,600	1,600	2,500
Election Costs	3,213	18,000	2,728	3,000
Legal Services	18,129	20,000	20,000	20,000
Insurance and Bonds	10,184	12,602	13,305	13,900
Engineering	360	1,500	-	5,000
Office, Dues & Other	4,562	5,500	1,700	5,500
Website Hosting	-	-	-	1,166
Transfer to Capital Fund	-	250,000	250,000	650,168
Contingency	-	20,000	-	-
Total Operating Expenditures	\$ 314,696	\$ 653,634	\$ 595,984	\$ 1,044,151
Revenue Over/(Under) Expenditures	\$ (35,461)	\$ 36,882	\$ 174,814	\$ (152,189)
Beginning Fund Balance	\$ 473,446	\$ 380,449	\$ 437,985	\$ 585,255
Ending Fund Balance	\$ 437,985	\$ 417,331	\$ 612,799	\$ 433,065
Components of Ending Fund Balance				
TABOR Reserve - 3% of revenue	\$ 8,377	\$ 20,715	\$ 20,715	\$ 26,759
Operating Reserve - 25% of expenses	163,409	163,409	86,496	98,496
Repairs and Replacement Reserve	266,199	233,207	505,588	307,811
Total Components of Ending Fund Balance	\$ 437,985	\$ 417,331	\$ 612,799	\$ 433,065
Mill Levy				
Operating	0.000	0.000	0.000	0.000
Assessed Value	\$ 20	\$ 18	\$ 18	\$ 18

VDW METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees District #2	\$ 1,699	\$ -	\$ -	\$ -
Service Fees District #3	-	-	-	-
Interest & Other Income	1	-	-	-
Transfer from District #2	904,891	-	-	-
Total Revenue	\$ 906,591	\$ -	\$ -	\$ -
Expenditures				
Interest Expense - 2011 Bonds	\$ 14,371	\$ -	\$ -	\$ -
Bond Principal	910,000	-	-	-
Trustee & Paying Agent Fees	500	-	-	-
Contingency	-	-	-	-
Total Expenditures	\$ 924,871	\$ -	\$ -	\$ -
Revenue Over/(Under) Expenditures	\$ (18,280)	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ 18,280	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
CAPITAL PROJECTS FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Capital Reimbursement	\$ 151,968	\$ -	\$ 51,271	\$ -
Transfer from General Fund	-	250,000	250,000	650,168
Total Revenues	\$ 151,968	\$ 250,000	\$ 301,271	\$ 650,168
Expenditures				
District Management	\$ 3,255	\$ 5,000	\$ 2,500	\$ 4,960
District Engineering	-	2,500	-	2,500
District Planning/Engineering Mgmt	-	7,500	1,000	7,500
Capital Outlay	-	350,000	-	350,000
Contingency	-	20,000	-	-
Total Expenditures	\$ 3,255	\$ 385,000	\$ 3,500	\$ 364,960
Revenue Over/(Under) Expenditures	\$ 148,713	\$ (135,000)	\$ 297,771	\$ 285,208
Beginning Fund Balance	\$ 824,289	\$ 963,757	\$ 973,002	\$ 1,219,502
Ending Fund Balance	\$ 973,002	\$ 828,757	\$ 1,270,772	\$ 1,504,710

VDW METROPOLITAN DISTRICT NO. 1 2024 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 2024 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 \$891,962 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 \$1,044,151, a net increase of \$390,517 over the prior year budget. A \$650,168 transfer to the capital fund is to fund a reserve for anticipated public infrastructure projects. Other administrative expenses remain relatively unchanged compared to the 2023 adopted budget, although the website hosting expense of \$1,166 was added and elections expense is expected to be \$15,000 less than what was expected in 2023.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2023, 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 \$307,811. The replacement reserve was established as a reserve for future capital repairs and replacement spending. The total operating fund balance is \$433,065.

Debt Service Fund

No revenues or expenditures are budgeted for the District Debt Service Fund in 2024. 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 \$364,960 for Capital Projects to be funded with capital reserves in 2024. The anticipated ending fund balance is \$1,504,710.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

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

IN LARIMER COUNTY ON 12/20/2023

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 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		\$18
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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

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
<small>(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.)</small>		
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, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
<small>** 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.</small>	

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 2
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2024

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 Thursday, November 2, 2023 at 3:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Josh Kane, Treasurer/Assistant Secretary
Tim DePeder, Secretary
Clark Cummings, Assistant Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Bryan Newby, Kieyesia Conaway, Irene Buenavista, Stanley Holder, and Dillon Gamber; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney
Bob Ebersole; Member of the Public

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Perry opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane 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 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

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 October 19, 2023 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 2, 2023, 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. 2024 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. 2024 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 2024. 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 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$1,046,650. That the 2023 valuation for assessment, as certified by the Larimer County Assessor, is \$27,648,203.

A. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2024 budget year, there is hereby levied a tax of 22.572 mills upon each dollar of the 2023 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 2024 budget year, there is hereby levied a tax of 15.284 mills upon each dollar of the 2023 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 37.856 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 \$ 30,873,727 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: \$ 27,648,203 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 01/10/2023 for budget/fiscal year 2024.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	<u>\$ 0.00</u>
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	<u>15.284</u> mills	<u>\$ 422,575.13</u>
4. Contractual Obligations ^K	<u>22.572</u> mills	<u>\$ 624,075.24</u>
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]	37.856 mills	\$ 1,046,650.37

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

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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) 864-7720.

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:	15.284
	Revenue:	\$422,575.13

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:	22.572
	Revenue:	\$624,075.24

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. 2.

The foregoing Resolution was seconded by Director DePeder.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 2nd day of November 2023.

DocuSigned by:

Kim Perry

B786C9D42F3647F...
President

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 Thursday, November 2, 2023, at 3:00 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 2024; 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 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 2nd day of November, 2023.

DocuSigned by:
Tim DePeder
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, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

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 "Jan Bernatche".

Pinnacle Consulting Group, Inc.
January 29, 2024

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

VDW METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Tax	\$ 159,623	\$ 489,049	\$ 489,049	\$ 624,075
Specific Ownership Tax	12,237	41,447	41,425	56,806
Interest & Other	85	10,000	175	10,000
Total Revenues	\$ 171,945	\$ 540,496	\$ 530,649	\$ 690,882
Expenditures				
Treasurer's Fees	\$ 3,194	\$ 9,781	\$ 9,781	\$ 12,482
Service Fees to District No. 1	168,750	520,715	520,868	668,400
Contingency	-	10,000	-	10,000
Total Expenditures	\$ 171,945	\$ 540,496	\$ 530,649	\$ 690,882
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	6.453	19.732	19.732	22.572
Debt Service	43.902	16.892	16.892	15.284
Total Mill Levy	50.355	36.624	36.624	37.856
Assessed Value	\$ 24,736,289	\$ 24,784,584	\$ 24,784,584	\$ 27,648,203
Property Tax Revenue				
Operating	\$ 159,623	\$ 489,049	\$ 489,049	\$ 624,075
Debt Service	1,085,973	418,661	418,661	422,575
Total Property Tax Revenue	\$ 1,245,596	\$ 907,711	\$ 907,711	\$ 1,046,650

VDW METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Tax	1,085,972	418,661	418,661	422,575
Specific Ownership Tax	83,249	35,481	35,481	35,465
Service Fee Revenue from #3	371,057	185,869	186,619	198,611
Bond Proceeds	11,207,684	-	-	-
Interest & Other	15,777	25,000	55,023	25,000
Total Revenues	\$ 12,763,738	\$ 665,012	\$ 695,784	\$ 681,651
Expenditures				
Treasurer's Fees	\$ 21,731	\$ 8,373	\$ 8,373	\$ 8,452
Bond Refunding - 2016A/B	9,624,000	-	-	-
Bond Principal - 2022A Bond	330,000	265,000	265,000	280,000
Interest Expense - 2022A-1 Bond	176,544	213,950	213,950	209,843
Interest Expense - 2022A-2 Bond	116,400	144,000	144,000	144,000
Auditing	-	-	5,500	5,500
Cost of Issuance	545,269	-	-	-
Pmt to Dist. 1 - 2011 Bonds	1,699	-	-	-
Trustee & Paying Agent Fees	-	8,000	8,000	8,000
Transfer to Dist. 1 - 2007 Bonds	904,891	-	-	-
Interest Expense - 2016A Bond	754,800	-	-	-
Interest Expense - 2016B Bond	112,707	-	-	-
Contingency	-	25,000	-	25,000
Total Expenditures	\$ 12,588,041	\$ 664,323	\$ 644,823	\$ 680,795
Revenue Over/(Under) Expenditures	\$ 175,697	\$ 689	\$ 50,961	\$ 857
Beginning Fund Balance	\$ 773,171	\$ 920,964	\$ 948,868	\$ 994,318
Ending Fund Balance	\$ 948,868	\$ 921,653	\$ 999,829	\$ 995,175
Components of Ending Fund Balance				
Bond Fund	\$ 202,368	\$ 157,253	\$ 235,429	\$ 230,775
Required Reserve	-	764,400	764,400	764,400
Surplus Fund	746,500	-	-	-
Total Components of Ending Fund Balance	\$ 202,368	\$ 921,653	\$ 999,829	\$ 995,175

VDW METROPOLITAN DISTRICT NO. 2 2024 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 2024 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 2024 budget include the following:

- The assessed value of the District increased by \$2,863,619 in 2023 and the mill levy decreased by 1.232, resulting in an overall increase in revenues of \$138,940.

The District has an assessed value of \$27,648,203 and certified a mill levy of 37.856 mills, which will produce property tax revenue of \$1,046,650.

General Fund

Revenue

The District has budgeted revenue totaling \$690,882. 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 \$681,651 have been budgeted for 2024. The District anticipates \$198,611 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 \$680,795 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 2024 with \$995,175, which is equal to the \$764,400 Surplus Fund maximum limit and a \$230,775 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 12/20/2023

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 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$24,784,584
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$30,873,727
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$3,225,524
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$27,648,203
5. NEW CONSTRUCTION: **	\$46,517
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$18
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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$456,568,340
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$693,900
3. ANNEXATIONS/INCLUSIONS:	\$70
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, 2023

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
2024

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 Thursday, November 2, 2023 at 3:00 P.M.

The following members of the Board of Directors were present:

Kim Perry, President & Chairperson
Josh Kane, Treasurer/Assistant Secretary
Tim DePeder, Secretary

Also in Attendance: Alan Pogue; Icenogle Seaver Pogue, P.C.
Bryan Newby, Kieyesia Conaway, Irene Buenavista, Stanley Holder, and Dillon Gamber; Pinnacle Consulting Group, Inc.
Jim Niemczyk; McWhinney
Bob Ebersole; Member of the Public

Mr. Newby stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2024 budget. Director Perry opened the public hearing on the District's proposed 2024 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane 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 2024, AND ENDING ON THE LAST DAY OF DECEMBER 2024,

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 October 19, 2023 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 2, 2023, 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. 2024 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. 2024 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 2024. 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 2024.

Section 4. 2024 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2024 Budget year is \$381,207. That the 2023 valuation for assessment, as certified by the Larimer County Assessor, is \$12,317,253.

A. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2024 budget year, there is hereby levied a tax of 15.665 mills upon each dollar of the 2023 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 2024 budget year, there is hereby levied a tax of 15.284 mills upon each dollar of the 2023 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 30.949 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. 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 \$ 12,317,253 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: \$ 12,317,253 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/10/2023 for budget/fiscal year 2024.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	<u>\$ 0.00</u>
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	<u>15.284</u> mills	<u>\$ 188,256.89</u>
4. Contractual Obligations ^K	<u>15.665</u> mills	<u>\$ 192,949.77</u>
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]	30.949 mills	\$ 381,206.66

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

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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) 864-7720.

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:	15.591
	Revenue:	\$188,256.89

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:	15.665
	Revenue:	\$192,949.77

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. 3.

The foregoing Resolution was seconded by Director DePeder.

[Remainder of Page Left Blank Intentionally.]

ADOPTED AND APPROVED this 2nd day of November 2023.

DocuSigned by:
Kim Perry
B736C9D42F3647F...

President

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 Thursday, November 2, 2023, at 3:00 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 2024; 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 2024 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 2nd day of November, 2023.

DocuSigned by:
Tim DePeder
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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, 2024, including the comparative information of the forecasted estimate for the year ending December 31, 2023 and the actual historic information for the year 2022.

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 "Jan Bernasch". The signature is fluid and cursive, with a prominent initial "J" and "B".

Pinnacle Consulting Group, Inc.
January 29, 2024

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

VDW METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Tax	\$ 67,584	\$ 156,461	\$ 157,141	\$ 192,950
Specific Ownership Tax	5,120	11,719	11,589	14,471
Interest & Other	23	10,000	-	10,000
Total Revenues	\$ 72,727	\$ 178,180	\$ 168,730	\$ 217,421
Expenditures				
Treasurer's Fees	\$ 1,352	\$ 3,129	\$ 3,143	\$ 3,859
Service Fees to District No. 1	71,375	165,051	165,587	203,562
Contingency	-	10,000	-	10,000
Total Expenditures	\$ 72,727	\$ 178,180	\$ 168,730	\$ 217,421
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	6.453	15.000	15.000	15.665
Debt Service	33.547	16.892	16.892	15.284
Total Mill Levy	40.000	31.892	31.892	30.949
Assessed Value	\$ 11,091,909	\$ 10,430,712	\$ 10,430,712	\$ 12,317,253
Property Tax Revenue				
Operating	\$ 71,576	\$ 156,461	\$ 156,461	\$ 192,950
Debt Service	372,100	176,196	176,196	188,257
Total Property Tax Revenue	\$ 443,676	\$ 332,656	\$ 332,656	\$ 381,207

VDW METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(d)
	2022	2023	2023	2024
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Tax	\$ 351,349	\$ 176,196	\$ 176,961	\$ 188,257
Specific Ownership	26,619	13,197	13,197	14,119
Interest & Other	117	25,000	-	25,000
Total Revenues	\$ 378,085	\$ 214,393	\$ 190,158	\$ 227,376
Expenditures				
County Treasurer's Fees	\$ 7,029	\$ 3,524	\$ 3,539	\$ 3,765
Service Fees to District No. 2	371,056	185,869	186,619	198,611
Contingency	-	25,000	-	25,000
Total Expenditures	\$ 378,085	\$ 214,393	\$ 190,158	\$ 227,376
Revenue Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 3 2024 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 2024 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 2024 budget include the following:

- The assessed value of the District increased by \$1,886,541 in 2023, resulting in an increase in overall revenues of \$48,550.
- 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 \$12,317,253 and certified a mill levy of 30.949 mills, which will produce property tax revenue of \$381,207. In 2024, 15.284 mills of the District’s total 30.949 mills are dedicated to repayment of debt. Specific ownership tax is estimated at 7.5% of property tax revenue in 2024 based on historic trends. Total budgeted specific ownership tax is \$28,590.

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 12/20/2023

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 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10,430,712
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$12,317,253
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$12,317,253
5. NEW CONSTRUCTION: **	\$545,976
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.):	\$284.03
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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$41,237,600
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$1,956,800
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
<small>(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.)</small>	
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, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$37,104
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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.