

# VDW Metropolitan District No. 1

January 17, 2013

Via email: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

Mr. Jarrod Biggs  
Colorado Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

RE: VDW Metropolitan District No. 1 Budget for 2013

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2013 budget for the VDW Metropolitan District No. 1 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on November 15, 2012.

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

Sincerely,  
VDW METROPOLITAN DISTRICT NO. 1



Pinnacle Consulting Group Inc.  
District Accountant

Enc.

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



## Accountant's Report

### BOARD OF DIRECTORS VDW METROPOLITAN DISTRICT No. 1

I have compiled the statements of revenues and expenditures for the year ended December 31, 2011 and the eight months ended August 31, 2012 for VDW Metropolitan District No. 1. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

I have also compiled the accompanying adopted budgets of revenue, expenditures and funds available prepared on the modified accrual basis of the VDW Metropolitan District No. 1 for the year ending December 31, 2013 in accordance with standards established by the American Institute of Certified Public Accountants.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to the VDW Metropolitan District No. 1.

A handwritten signature in black ink, appearing to read "Brendan Campbell", is written over a horizontal line.

Brendan Campbell, CPA  
January 17, 2013

# VDW METROPOLITAN DISTRICT NO. 1

## 2013 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.

## 2013 BUDGET STRATEGY

The District's strategy in preparing the 2013 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

### *General Fund*

General and administrative expenses budgeted in the amount of \$167,399 are to be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through intergovernmental agreements and interest income totaling to a budgeted amount of \$214,028 in revenue.

### *Debt Service Fund*

Expenditures for principal, interest and other payments budgeted in the amount of \$354,675 are related to the Series 2007, \$3,000,000 Limited Property Tax Supported Revenue Bonds and Series 2011, \$1,200,000 Limited Property Tax Supported Revenue Bonds. Debt service will be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through a Capital Pledge Agreement and interest and other income totaling to a budgeted amount of \$354,692 in revenue.

## **VDW METROPOLITAN DISTRICT NO. 1**

### *Capital Projects Fund*

Capital expenditures budgeted in the amount of \$3,438,862 are to be funded by proceeds of capital advances and notes totaling to a budgeted amount of \$3,357,412 in revenue.

### *Debt*

Limited Property Tax Supported Revenue Bonds, Series 2007, were issued December 20, 2007, in the original amount of \$3,000,000. The bonds are term bonds due on December 1, 2032 with a mandatory redemption principal payment due annually. The bonds carry an interest rate of 6.5%.

Interest is payable semi-annually on June 1 and December 1.

Limited Property Tax Supported Revenue Bonds, Series 2011, were issued August 30, 2011, in the original amount of \$1,200,000. The bonds are term bonds due on December 1, 2032 with a mandatory redemption principal payment due annually. The bonds carry an interest rate of 8%.

Interest is payable semi-annually on June 1 and December 1.

### *Reserves*

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2012, as defined under TABOR. The District also holds the reserve funds for VDW Metropolitan District No. 2 and No. 3.

**VDW METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2013 BUDGET AS ADOPTED**  
**WITH 2011 ACTUAL AND 2012 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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#2 - 45.98 mills

#3 - 40.00 mills

	ACTUAL 2011	ADOPTED BUDGET 2012	ACTUAL 08/31/2012	ESTIMATED 2012	ADOPTED BUDGET 2013
BEGINNING FUND BALANCE	\$ 119,195	\$ 170,528	\$ 188,242	\$ 170,528	\$ 86,691
<b>REVENUE</b>					
Service Fees - VDW 2	76,134	31,696	28,356	31,696	126,153
Service Fees - VDW 3	110,757	17,241	12,480	17,241	87,375
Investment & Other Income	129	500	50	100	500
Total revenue	187,020	49,437	40,886	49,037	214,028
<b>TRANSFERS IN</b>					
Debt Service Fund	-	-	4,100	-	-
Total transfers in	-	-	4,100	-	-
Total funds available	306,215	219,965	233,228	219,565	300,719
<b>EXPENDITURES</b>					
Accounting & Financial Management	26,222	30,000	12,548	25,000	27,500
Audit	4,200	4,500	4,350	4,350	6,500
Director Fees	-	-	-	-	-
District Management	19,676	21,375	12,631	21,375	21,375
Election Costs	-	2,500	2,185	2,185	-
Engineering Expense, General	-	250	-	250	250
Insurance - Liability and E&O	5,547	7,500	6,830	6,830	7,200
Landscape, Grounds Maint, Repairs	37,746	39,771	22,651	38,991	43,824
Legal	11,116	12,000	3,970	12,000	12,000
Office/Other	1,509	2,000	1,347	2,000	2,250
Repayment of Capital Advance	-	-	-	-	-
Utilities	11,395	11,000	13,631	15,000	16,000
Contingency	-	20,000	-	-	20,000
Total expenditures	117,411	150,896	80,143	127,981	156,899
<b>TRANSFERS OUT</b>					
Capital Projects Fund	-	-	-	-	10,500
Debt Service Fund	562	-	4,100	4,893	-
Total transfers out	562	-	4,100	4,893	10,500
Total expenditures and transfers out requiring appropriation	117,973	150,896	84,243	132,874	167,399
ENDING FUND BALANCE	\$ 188,242	\$ 69,069	\$ 148,985	\$ 86,691	\$ 133,320
<b>COMPONENTS OF ENDING FUND BALANCE</b>					
EMERGENCY RESERVE	\$ 5,700	\$ 4,600	\$ 2,500	\$ 3,900	\$ 4,800
REPLACEMENT RESERVE	4,216	8,432	8,432	8,432	12,648
UNRESERVED	178,326	56,037	138,053	74,359	115,872
ENDING FUND BALANCE	188,242	69,069	148,985	86,691	133,320

**VDW METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**FORECASTED 2013 BUDGET AS ADOPTED**  
**WITH 2011 ACTUAL AND 2012 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2011	ADOPTED BUDGET 2012	ACTUAL 08/31/2012	ESTIMATED 2012	ADOPTED BUDGET 2013
BEGINNING FUND BALANCE	\$ 1	\$ 54	156	\$ 54	\$ 78
<b>REVENUE</b>					
Service Fees - VDW 2	89,610	132,739	\$ 131,851	132,739	176,733
Service Fees - VDW 3	182,014	221,990	218,151	221,990	177,939
Other income	41	20	23	20	20
Total revenue	271,665	354,749	350,025	354,749	354,692
<b>TRANSFERS IN</b>					
General Fund	15,532	-	4,100	-	-
Total transfers in	15,532	-	4,100	-	-
Total funds available	287,198	354,803	354,281	354,803	354,770
<b>EXPENDITURES</b>					
Bond Interest	215,042	282,225	141,113	282,225	277,675
Bond Principal	70,000	70,000	-	70,000	75,000
Trustee and Paying Agent Fees	2,000	1,500	500	1,500	1,000
Contingency	-	1,000	-	1,000	1,000
Total expenditures	287,042	354,725	141,613	354,725	354,675
<b>TRANSFERS OUT</b>					
General Fund	-	-	4,100	-	-
Total transfers out	-	-	4,100	-	-
Total expenditures and transfers out requiring appropriation	287,042	354,725	145,713	354,725	354,675
ENDING FUND BALANCE	\$ 156	\$ 78	\$ 208,568	\$ 78	\$ 95

**VDW METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2013 BUDGET AS ADOPTED**  
**WITH 2011 ACTUAL AND 2012 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2011	ADOPTED BUDGET 2012	ACTUAL 08/31/2012	ESTIMATED 2012	ADOPTED BUDGET 2013
BEGINNING FUND BALANCE	\$ 9,643	\$ 8,643	\$ 9,643	\$ 9,643	\$ 9,643
<b>REVENUE</b>					
Capital Advance					
Parcel D	-	-	-	116,550	1,077,550
Parcel H	-	-	-	-	1,197,315
Proceeds from Capital Note	-	736,012	-	-	1,072,047
Bond Proceeds	1,200,000	-	-	-	-
Total revenue	1,200,000	736,012	-	116,550	3,346,912
<b>TRANSFERS IN</b>					
General Fund	-	-	-	4,893	10,500
Total transfers in	-	-	-	4,893	10,500
Total funds available	1,209,643	744,655	9,643	131,086	3,367,055
<b>EXPENDITURES</b>					
General					
Legal	-	2,143	-	2,143	5,000
District Management	-	4,000	105	2,500	2,500
Engineering	-	2,500	-	250	3,500
Bond Issue Costs	60,030	-	-	-	-
Capital Outlay - Acceptance	-	736,012	-	-	1,072,047
Capital Outlay					
Parcel D					
Capital Improvements	-	-	-	111,000	1,077,550
Project Management	-	-	-	3,330	48,570
District Management	-	-	-	2,220	32,380
Parcel H					
Capital Improvements	-	-	-	-	1,140,300
Project Management	-	-	-	-	34,209
District Management	-	-	-	-	22,806
Repayment of Capital Advance	1,125,000	-	-	-	-
Total expenditures	1,185,030	744,655	105	121,443	3,438,862
<b>TRANSFERS OUT</b>					
General Fund	14,970	-	-	-	-
Total transfers out	14,970	-	-	-	-
Total expenditures and transfers out requiring appropriation	1,200,000	744,655	105	121,443	3,438,862
ENDING FUND BALANCE	\$ 9,643	\$ -	\$ 9,538	\$ 9,643	\$ (71,807)