

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2021

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

Due to the State of Emergency declared by Governor Polis and the threat to health and safety posed by the COVID-19 pandemic, the Board of Directors of the VDW Metropolitan District No. 1, Larimer County, Colorado, held a virtual meeting via MS Teams on November 9, 2020 at 4:00 p.m.

The following members of the Board of Directors were present:

- Kim Perry, President & Chairperson
- Josh Kane, Treasurer/Asst. Secretary
- David Crowder, Asst. Treasurer/Asst. Secretary
- Wendy Messinger, Asst. Secretary
- Wendi Cudmore, Secretary

Also in attendance were: Clark Cummings, Resident; Alan Pogue, Icenogle Seaver Pogue, P.C.; Jim Niemczyk, McWhinney; Shannon McEvoy, Irene McCaffrey, Ryan Abbott, Brendan Campbell, Doug Campbell, Randall Provencio, and Andrew Kunkel, Pinnacle Consulting Group, Inc.

Mr. McEvoy stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2021 budget. Director Perry opened the public hearing on the District's proposed 2021 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Kane introduced and moved the adoption of 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 2021, AND ENDING ON THE LAST DAY OF DECEMBER 2021,

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 27, 2020, 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 9, 2020, 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 VDW METROPOLITAN DISTRICT NO. 1 OF LARIMER COUNTY, COLORADO:

Section 1. 2021 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. 2021 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 2021. 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 2021.

Section 4. 2021 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund from property taxes for operating expenses is \$0. That the 2020 valuation for assessment, as certified by the Larimer County Assessor, is \$20.

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2021 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

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 this page left intentionally blank]

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 \$ 20 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: \$ 20 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2020 for budget/fiscal year 2021.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

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

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

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

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

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 Cudmore, 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 Crowder.

[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 9th day of November, 2020.

DocuSigned by:
Kim Perry
B786C9D42F3647F...

President

ATTEST:

DocuSigned by:
Wendi Cudmore
F2ADD37108EB414...

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

I, Wendi Cudmore, 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 virtual meeting of the Board held via MS Teams on November 9, 2020, at 4:00 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 2021; 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 2021 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 9th day of November, 2020.

(S E A L)

DocuSigned by:

 F2ADB37108EB414...



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, 2021, including the comparative information of the forecasted estimate for the year ending December 31, 2020 and the actual historic information for the year 2019.

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 black ink, appearing to be "B. [unclear]", is written over a horizontal line.

Pinnacle Consulting Group, Inc.
January 17, 2021

Loveland
550 West Eisenhower Boulevard, Loveland, CO 80537
(970)669-3611

Denver
6950 East Belleview Avenue, Suite 200, Greenwood Village, CO 80111
(303)333-4380

VDW Metropolitan District No. 1
Statement of Revenues and Expenditures with Budgets
From 2019 Through 2021

1 - General Fund
(In Whole Numbers)

	Actual Through 12/31/2019	2020 Adopted Budget	2020 Projected Actual	2021 Adopted Budget
Beginning Fund Balance				
	584,474	545,611	568,022	545,611
Total Beginning Fund Balance	<u>584,474</u>	<u>545,611</u>	<u>568,022</u>	<u>545,611</u>
Revenue				
Service Fees, District 2	174,356	165,956	166,551	167,709
Service Fees, District 3	65,014	73,181	72,729	73,809
Interest & Other Income	6,296	5,000	5,000	5,000
Total Revenue	<u>245,667</u>	<u>244,137</u>	<u>244,280</u>	<u>246,518</u>
Expenditures				
Accounting & Financial Mgmt	37,145	38,640	35,420	38,640
Auditing	5,000	5,500	5,500	5,500
District Management	47,994	52,200	47,850	55,200
Director Fees	1,045	2,200	1,000	2,000
Election Costs	2,469	12,000	2,257	-
Engineering	357	5,000	5,000	1,500
Insurance and Bonds	10,091	11,302	9,991	11,190
Landscape Maintenance	61,240	66,804	63,500	67,312
Hardscape Maintenance	8,023	7,250	7,750	8,500
Undeveloped Public Land Maint	3,255	6,500	6,500	6,500
Storm Water Facility Maint	10,675	2,600	2,600	46,300
Misc Services	1,576	500	500	500
Repairs and Replacements	21,491	19,380	19,300	29,000
Legal Services	12,211	20,000	20,000	20,000
Office, Dues & Other	1,331	3,680	3,680	4,000
Utilities	38,217	34,600	34,600	36,330
Contingency	-	25,000	-	25,000
Total Expenditures	<u>262,118</u>	<u>313,156</u>	<u>265,448</u>	<u>357,472</u>
Revenue Over/(Under) Expenditures	<u>(16,451)</u>	<u>(69,019)</u>	<u>(21,168)</u>	<u>(110,954)</u>
Ending Fund Balance	<u>568,022</u>	<u>476,592</u>	<u>546,854</u>	<u>434,657</u>
Components of Ending Fund Balance				
TABOR Reserve	7,370	7,370	7,328	7,328
Operating Reserve	78,289	78,289	66,362	90,893
Repairs and Replacement Reserve	482,363	390,933	473,164	336,436
Total	<u>568,022</u>	<u>476,592</u>	<u>546,854</u>	<u>434,657</u>

VDW Metropolitan District No. 1
Statement of Revenues and Expenditures with Budgets
From 2019 Through 2021

2 - Debt Service Fund
(In Whole Numbers)

	Actual Through 12/31/2019	2020 Adopted Budget	2020 Projected Actual	2021 Adopted Budget
Beginning Fund Balance				
	<u>10,638</u>	<u>17,669</u>	<u>17,313</u>	<u>17,669</u>
Total Beginning Fund Balance	<u>10,638</u>	<u>17,669</u>	<u>17,313</u>	<u>17,669</u>
Revenue				
Service Fees, District 2	91,182	84,316	84,316	89,428
Service Fees, District 3	34,005	37,181	37,181	39,357
Interest & Other Income	<u>6,688</u>	<u>5,000</u>	<u>859</u>	<u>5,000</u>
Total Revenue	<u>131,875</u>	<u>126,497</u>	<u>122,356</u>	<u>133,785</u>
Expenditures				
Interest Expense - 2011 Bonds	83,200	80,000	80,000	76,800
Bond Principal	40,000	40,000	40,000	50,000
Trustee & Paying Agent Fees	2,000	2,000	2,000	2,000
Contingency	-	5,000	-	5,000
Total Expenditures	<u>125,200</u>	<u>127,000</u>	<u>122,000</u>	<u>133,800</u>
Revenue Over/(Under) Expenditures	<u>6,675</u>	<u>(503)</u>	<u>356</u>	<u>(15)</u>
Ending Fund Balance	<u>17,313</u>	<u>17,166</u>	<u>17,669</u>	<u>17,654</u>

VDW Metropolitan District No. 1
Statement of Revenues and Expenditures with Budgets
From 2019 Through 2021

*3 - Capital Projects Fund
(In Whole Numbers)*

	Actual Through 12/31/2019	2020 Adopted Budget	2020 Projected Actual	2021 Adopted Budget
Beginning Fund Balance	202,968	424,968	429,658	606,848
Total Beginning Fund Balance	<u>202,968</u>	<u>424,968</u>	<u>429,658</u>	<u>606,848</u>
Revenue				
Capital Reimbursement	240,000	-	181,700	-
Total Revenue	<u>240,000</u>	<u>-</u>	<u>181,700</u>	<u>-</u>
Expenditures				
District Management	1,094	6,500	1,105	5,000
District Engineering	-	5,000	-	2,500
District Planning/Engineering Mgmt	436	10,000	630	7,500
Office, Dues & Other	-	-	75	-
VDW Residential	11,780	-	2,700	-
Contingency	-	100,000	-	100,000
Total Expenditures	<u>13,310</u>	<u>121,500</u>	<u>4,510</u>	<u>115,000</u>
Revenue Over/(Under) Expenditures	<u>226,690</u>	<u>(121,500)</u>	<u>177,190</u>	<u>(115,000)</u>
Ending Fund Balance	<u>429,658</u>	<u>303,468</u>	<u>606,848</u>	<u>491,848</u>

VDW METROPOLITAN DISTRICT NO. 1 2021 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 2021 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 \$246,518 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 \$357,472, an increase of \$44,316 over the prior year budget. The majority of this increase is attributable to an increase of \$43,700 in anticipated storm water facility maintenance as well as \$9,620 in general repairs and maintenance. The District will recognize cost savings of \$12,000 in election cost with no election needed for 2021.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2021, 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 \$336,436. The replacement reserve was established as a reserve for future capital repairs and replacement spending.

Debt Service Fund

Revenue

The District budgeted revenue in the amount of \$133,785 from Service Fees received from VDW Metropolitan District Nos. 2 and 3 through intergovernmental agreements.

Expenses

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% and are payable semi-annually on June 1 and December 1.

Fund Balance/Reserves

The District has budgeted to end fiscal year 2021 with \$17,654.

Capital Projects Fund

The District has budgeted \$115,000 for Capital Projects to be funded with capital reserves in 2021. The anticipated ending fund balance is \$491,848.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

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

IN LARIMER COUNTY ON 11/24/2020

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 2020 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$20
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$20
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$20
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 2020 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2020

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$70
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

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

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

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

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

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2020

Data Date: 11/24/2020