

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
VDW METROPOLITAN DISTRICT NO. 1
LARIMER COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2022

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 1, 2021, at 11:00 a.m.

The following members of the Board of Directors were present:

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

Also in attendance were: Alan Pogue, Icenogle Seaver Pogue, P.C.; Abby Kirkbride, McWhinney; Shannon McEvoy, Irene McCaffrey, Brendan Campbell, Kirsten Starman, Doug Campbell, Dillon Gamber, Josh McReynolds, Tracie Kaminski 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 2022 budget. Director Perry opened the public hearing on the District's proposed 2022 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 2022, AND ENDING ON THE LAST DAY OF DECEMBER 2022,

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, 2021, 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 1, 2021, 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. 2022 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. 2022 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 2022. 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 2022.

Section 4. 2022 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 2021 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 2022 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 2021.

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: 12/14/2021 for budget/fiscal year 2022 (not later than Dec. 15) (mm/dd/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, Other, and a TOTAL row.

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

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

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

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

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

CONTRACTS^K:

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

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

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

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

Section 8. Budget Certification. That the budget shall be certified by Director 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 Messinger.

[Remainder of page intentionally left blank]

ADOPTED AND APPROVED this 1st day of November 2021.

DocuSigned by:
Kim Perry
B786C9D42F3647F...

President

ATTEST:

DocuSigned by:
Josh Kane
C2D07E87A1A942A...

Treasurer/Asst. Secretary

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

I, Josh Kane, Treasurer/Asst. 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 1, 2021, at 11:00 A.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 2022; 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 2022 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 1st day of November 2021.

(S E A L)

DocuSigned by:
Josh Kane

Treasurer/Asst. Secretary



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, 2022, including the comparative information of the forecasted estimate for the year ending December 31, 2021 and the actual historic information for the year 2020.

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 be "B. J. ...", is written over a horizontal dashed line.

Pinnacle Consulting Group, Inc.
January 17, 2022

VDW Metropolitan District No. 1
Statement of Revenues and Expenditures with Budgets
From 01/01/2021 Through 11/30/2021

1 - General Fund
(In Whole Numbers)

	Actual Through 12/31/2020	2021 Adopted Budget	2021 Projected Actual	2022 Adopted Budget
Beginning Fund Balance				
	<u>568,022</u>	<u>545,611</u>	<u>562,884</u>	<u>484,904</u>
Total Beginning Fund Balance	<u>568,022</u>	<u>545,611</u>	<u>562,884</u>	<u>484,904</u>
Revenue				
Service Fees, District 2	165,301	167,709	167,803	168,403
Service Fees, District 3	72,587	73,809	73,822	75,512
Interest & Other Income	<u>3,890</u>	<u>5,000</u>	<u>815</u>	<u>5,000</u>
Total Revenue	<u>241,778</u>	<u>246,518</u>	<u>242,440</u>	<u>248,915</u>
Expenditures				
Accounting & Financial Mgmt	35,420	38,640	38,640	41,860
Auditing	5,000	5,500	5,500	5,500
District Management	47,850	55,200	55,200	58,630
Director Fees	1,016	2,000	1,000	1,500
Election Costs	2,257	-	-	18,000
Engineering	-	1,500	-	1,500
Insurance and Bonds	9,991	11,190	10,232	11,255
Landscape Maintenance	59,808	67,312	61,679	75,040
Hardscape Maintenance	5,218	8,500	9,000	12,000
Undeveloped Public Land Maint	4,478	6,500	4,185	7,000
Storm Water Facility Maint	1,110	46,300	41,800	18,100
Misc Services	-	500	-	500
Repairs and Replacements	16,620	29,000	26,652	31,000
Legal Services	9,841	20,000	20,000	20,000
Office, Dues & Other	2,525	4,000	11,100	5,500
Utilities	45,782	36,330	57,000	53,847
Contingency	-	25,000	-	25,000
Total Expenditures	<u>246,916</u>	<u>357,472</u>	<u>341,988</u>	<u>386,232</u>
Revenue Over/(Under) Expenditures	<u>(5,138)</u>	<u>(110,954)</u>	<u>(99,548)</u>	<u>(137,317)</u>
Ending Fund Balance	<u>562,884</u>	<u>434,657</u>	<u>463,336</u>	<u>347,587</u>
Components of Ending Fund Balance				
TABOR Reserve	7,253	7,328	7,328	7,467
Operating Reserve	89,368	90,893	92,382	96,558
Repairs and Replacement Reserve	<u>466,263</u>	<u>336,436</u>	<u>363,626</u>	<u>243,561</u>
Total	<u>562,884</u>	<u>434,657</u>	<u>463,336</u>	<u>347,587</u>

VDW Metropolitan District No. 1
Statement of Revenues and Expenditures with Budgets
From 01/01/2021 Through 11/30/2021

2 - Debt Service Fund
(In Whole Numbers)

	Actual Through 12/31/2020	2021 Adopted Budget	2021 Projected Actual	2022 Adopted Budget
Beginning Fund Balance				
	<u>17,313</u>	<u>17,669</u>	<u>17,196</u>	<u>17,202</u>
Total Beginning Fund Balance	<u>17,313</u>	<u>17,669</u>	<u>17,196</u>	<u>17,202</u>
Revenue				
Service Fees, District 2	83,956	89,428	89,428	86,156
Service Fees, District 3	36,982	39,357	39,357	38,633
Interest & Other Income	<u>945</u>	<u>5,000</u>	<u>109</u>	<u>5,000</u>
Total Revenue	<u>121,883</u>	<u>133,785</u>	<u>128,894</u>	<u>129,789</u>
Expenditures				
Interest Expense - 2011 Bonds	80,000	76,800	76,800	72,800
Bond Principal	40,000	50,000	50,000	50,000
Trustee & Paying Agent Fees	2,000	2,000	2,000	2,000
Contingency	-	5,000	-	5,000
Total Expenditures	<u>122,000</u>	<u>133,800</u>	<u>128,800</u>	<u>129,800</u>
Revenue Over/(Under) Expenditures	<u>(117)</u>	<u>(15)</u>	<u>94</u>	<u>(11)</u>
Ending Fund Balance	<u>17,196</u>	<u>17,654</u>	<u>17,290</u>	<u>17,191</u>

VDW Metropolitan District No. 1
Statement of Revenues and Expenditures with Budgets
From 01/01/2021 Through 11/30/2021

3 - Capital Projects Fund
(In Whole Numbers)

	Actual Through 12/31/2020	2021 Adopted Budget	2021 Projected Actual	2022 Adopted Budget
Beginning Fund Balance				
	<u>429,658</u>	<u>606,848</u>	<u>605,527</u>	<u>825,527</u>
Total Beginning Fund Balance	<u>429,658</u>	<u>606,848</u>	<u>605,527</u>	<u>825,527</u>
Revenue				
Capital Reimbursement	<u>181,700</u>	<u>-</u>	<u>220,000</u>	<u>-</u>
Total Revenue	<u>181,700</u>	<u>-</u>	<u>220,000</u>	<u>-</u>
Expenditures				
District Management	2,990	5,000	-	5,000
District Engineering	-	2,500	1,040	2,500
District Planning/Engineering Mgmt	838	7,500	35	7,500
Office, Dues & Other	70	-	-	-
VDW Residential	1,933	-	-	-
Contingency	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>5,831</u>	<u>115,000</u>	<u>1,075</u>	<u>115,000</u>
Revenue Over/(Under) Expenditures	<u>175,869</u>	<u>(115,000)</u>	<u>218,925</u>	<u>(115,000)</u>
Ending Fund Balance	<u>605,527</u>	<u>491,848</u>	<u>824,452</u>	<u>710,527</u>

VDW METROPOLITAN DISTRICT NO. 1
2022 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 2022 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 \$248,915 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 \$386,232, a net increase of \$28,760 over the prior year budget. This is attributable to \$18,000 in 2022 election cost, an increase of \$6,650 in District Administrative and Financial Management as well as \$24,983 in general repairs and maintenance. The District will recognize cost savings of \$28,200 in storm water facility maintenance.

Fund Balance/Reserves

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

The District has provided for a replacement reserve fund in the amount of \$243,561. 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 \$129,789 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 2022 with \$17,191.

Capital Projects Fund

The District has budgeted \$115,000 for Capital Projects to be funded with capital reserves in 2022. The anticipated ending fund balance is \$710,527.

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

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

IN LARIMER COUNTY ON 11/23/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 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 2021 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2021

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
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

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.	