

VDW Metropolitan District

December 29, 2010

Via email: 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. 2 2011 Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2011 Budget for the VDW Metropolitan District No. 2 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on November 18, 2010.

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

Sincerely,
VDW
METROPOLITAN DISTRICT NO. 2



Pinnacle Consulting Group Inc.
District Accountant

Enc.

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. 2

I have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance prepared on the modified accrual basis of the VDW Metropolitan District No. 2 for the year ending December 31, 2011, in accordance with the attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

I am not independent with respect to the VDW Metropolitan District No. 2.

A handwritten signature in purple ink that reads "Peggy Dowswell".

Peggy Dowswell, CPA
December 29, 2010

VDW METROPOLITAN DISTRICT NO. 2 (residential)
SUMMARY
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31

1/5/11

Page 1

45.98 mills

	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 9/30/2010	ESTIMATED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	169,052	187,807	181,602	187,807	158,791
Specific ownership tax	16,026	11,268	9,347	11,268	9,527
Investment income	348	7,500	84	7,500	7,500
Total revenue	185,426	206,575	191,032	206,575	175,818
TRANSFERS IN	-	-	-	-	-
Total funds available	185,426	206,575	191,032	206,575	175,818
EXPENDITURES					
General					
Service Fees - VDW #1	146,178	108,319	103,267	108,319	75,556
Service Fees - VDW #1 Debt Service	-	87,000	84,126	87,000	89,586
Payment to Treasurer - PY Correction	35,697	-	-	-	-
Treasurer's fees, County	3,551	3,756	3,639	3,756	3,176
Contingency	-	7,500	-	7,500	7,500
Debt Service					
Capital outlay	-	-	-	-	-
Total expenditures	185,426	206,575	191,032	206,575	175,818
TRANSFERS OUT	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	185,426	206,575	191,032	206,575	175,818
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 2 (residential)
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/5/11

Page 2

45.98 mills

ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 9/30/2010	ESTIMATED 2010	ADOPTED BUDGET 2011
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ASSESSED VALUATION - LARIMER COUNTY

Residential	\$ 2,691,020	\$ 2,658,020	\$ 2,658,020	\$ 2,658,020	\$ 2,706,910
Commercial	57,220	4,840	4,840	4,840	7,010
Industrial	-	-	-	-	-
Agricultural	14,000	14,140	14,140	14,140	14,120
Natural Resources	640	570	570	570	570
State assessed	-	-	-	-	470
Vacant land	914,260	1,406,980	1,406,980	1,406,980	724,410
Personal property	-	-	-	-	-
	3,677,140	4,084,550	4,084,550	4,084,550	3,453,490
Adjustments	-	-	-	-	-
Certified Assessed Value	\$ 3,677,140	\$ 4,084,550	\$ 4,084,550	\$ 4,084,550	\$ 3,453,490

MILL LEVY

General	0.000	0.000	0.000	0.000	0.000
Debt Service	17.460	21.300	21.300	21.300	25.941
Contractual Obligation	28.520	24.680	24.680	24.680	20.039
Temporary Mill Levy Reduction					
Refund and abatements	0.000	0.000	0.000	0.000	0.000
Total mill levy	45.980	45.980	45.980	45.980	45.980

PROPERTY TAXES

General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	64,202	87,000	87,000	87,000	89,586
Contractual Obligation	104,872	100,806	100,806	100,806	69,205
Refund and abatements	-	-	-	-	-
Levied property taxes	169,074	187,806	187,806	187,806	158,791
Adjustments to actual/rounding	-	-	-	-	-
Refunds and abatements	-	-	-	-	-
Budgeted property taxes	\$ 169,074	\$ 187,806	\$ 187,806	\$ 187,806	\$ 158,791

BUDGETED PROPERTY TAXES

General	\$ 169,074	\$ 187,806	\$ 187,806	\$ 187,806	\$ 158,791
Debt Service	-	-	-	-	-
	\$ 169,074	\$ 187,806	\$ 187,806	\$ 187,806	\$ 158,791

VDW METROPOLITAN DISTRICT NO. 2 (residential)
GENERAL FUND
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31,

1/5/11

Page 3

45.98 mills

	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 9/30/2010	ESTIMATED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	169,052	187,807	181,602	187,807	158,791
Specific ownership tax	16,026	11,268	9,347	11,268	9,527
Investment income & Other	348	7,500	84	7,500	7,500
Total revenue	185,426	206,575	191,032	206,575	175,818
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	-	-	-	-	-
Total funds available	185,426	206,575	191,032	206,575	175,818
EXPENDITURES					
Service Fees - VDW #1	146,178	108,319	103,267	108,319	75,556
Service Fees - VDW #1 Debt Service		87,000	\$ 84,126	87,000	89,586
Payment to Treasurer - PY Correction	35,697	-	-	-	-
Treasurer's fees, County	3,551	3,756	3,639	3,756	3,176
Contingency	-	7,500	-	7,500	7,500
Total expenditures	185,426	206,575	191,032	206,575	175,818
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	185,426	206,575	191,032	206,575	175,818
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 2

2011 BUDGET MESSAGE

VDW Metropolitan District No. 2 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 following 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.

2011 BUDGET STRATEGY

The District's strategy in preparing the 2011 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

In the General Fund, with the exception of the County Treasurer's fees, all expenditures are related to the transfers to District No. 1 for overall operating costs and debt service as required by an intergovernmental agreement. The District adopted a mill levy of 20.039 mills which resulted in budgeted property tax revenue of \$75,556 and specific ownership tax revenue of \$9,527 for the purpose of paying service fees to District No. 1.

Debt

The District has no outstanding debt. However, property tax revenues are pledged to District No. 1 through a Capital Pledge Agreement for the Series 2007, Limited Property Tax Supported Revenue Bonds. The District adopted a mill levy of 25.941 mills which resulted in budgeted property tax revenue of \$89,586.

Reserves

The District reserve is held by VDW Metropolitan District No. 1.