

VDW Metropolitan District No. 3

January 17, 2013

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. 3 Budget for 2013

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2013 budget for the VDW Metropolitan District No. 3 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 on, please contact our office at (970) 669-3611.

Sincerely,
VDW METROPOLITAN DISTRICT NO. 3



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



PINNACLE

CONSULTING GROUP, INC.

Accountant's Report

BOARD OF DIRECTORS VDW METROPOLITAN DISTRICT NO. 3

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. 3. 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. 3 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. 3.

Brendan Campbell, CPA
January 17, 2013

VDW METROPOLITAN DISTRICT NO. 3

2013 BUDGET MESSAGE

VDW Metropolitan District No. 3 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.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.

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

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 40.000 mills which resulted in budgeted property tax revenue of \$255,110 and specific ownership tax revenue of \$15,307 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 and Series 2011, Limited Property Tax Supported Revenue Bonds. A portion of the District's mill levy, 27.900 mills, is budgeted for repayment of the Series 2007 and 2011 bonds issued by District No. 1.

Reserves

The District transfers all of its 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. 3. The emergency reserve related to this District is held in VDW Metropolitan District No. 1.

VDW METROPOLITAN DISTRICT NO. 3 (commercial)
GENERAL FUND
FORECASTED 2013 BUDGET AS ADOPTED
WITH 2011 ACTUAL AND 2012 ESTIMATED
For the Years Ended and Ending December 31,

1/22/13

Page 3

40 mills

	ACTUAL 2011	ADOPTED BUDGET 2012	ACTUAL 8/31/2012	ESTIMATE 2012	ADOPTED BUDGET 2013
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	280,659	230,030	226,053	230,030	255,110
Specific ownership tax	17,526	13,802	10,441	13,802	15,307
Investment income & Other	199	7,500	1	7,500	10,000
Total revenue	298,384	251,332	236,494	251,332	280,417
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	-	-	-	-	-
Total funds available	298,384	251,332	236,494	251,332	280,417
EXPENDITURES					
Service Fees - VDW #1	116,370	17,241	13,821	17,241	87,375
Service Fees - VDW #1 Debt Service	182,014	221,990	218,153	221,990	177,939
Treasurer's fees, County	-	4,601	4,521	4,601	5,102
Contingency	-	7,500	-	7,500	10,000
Total expenditures	298,384	251,332	236,494	251,332	280,417
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	298,384	251,332	236,494	251,332	280,417
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -