

VDW Metropolitan District No. 2

January 17, 2014

Via email: dlg-filing@state.co.us

Colorado Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: VDW Metropolitan District No. 2 Budget for 2014

To Whom It May Concern:

Attached are true and accurate copies of the adopted 2014 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 21, 2013.

If there are any questions, 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.
1627 East 18th Street
Loveland, CO 80538
Phone: (970) 669-3611 * Fax: (970) 669-3612

VDW METROPOLITAN DISTRICT NO. 2

2014 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 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.

2014 BUDGET STRATEGY

The District's strategy in preparing the 2014 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 45.980 mills which resulted in budgeted property tax revenue of \$308,375, specific ownership tax revenue of \$21,586, and investment and other income of \$15,000 totaling to a budget amount of \$344,961 in revenue 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 the Series 2011, Limited Property Tax Supported Revenue Bonds. A portion of the District’s mill levy, 28.863 mills, is budgeted for repayment of the Series 2007 and 2011 bonds issued by District No.1

VDW METROPOLITAN DISTRICT NO. 2

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. 2. The emergency reserve related to this District is held in VDW Metropolitan District No. 1.



Accountant's Report

BOARD OF DIRECTORS
VDW METROPOLITAN DISTRICT NO. 2

I have compiled the statements of revenues and expenditures for the year ended December 31, 2012 and the 11 months ended November 30, 2013 for VDW Metropolitan District No. 2. 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. 2 for the year ending December 31, 2014 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. 2.

A handwritten signature in dark ink, appearing to read "B. Campbell", is written over a light blue horizontal line.

Brendan Campbell, CPA
January 17, 2014

VDW METROPOLITAN DISTRICT NO. 2 (residential)
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

1/17/14

	ACTUAL 2012	ADOPTED BUDGET 2013	ACTUAL 11/30/2013	ESTIMATED 2013	ADOPTED BUDGET 2014
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE					
Property taxes	158,101	291,236	291,259	291,259	308,375
Specific ownership tax	10,932	17,474	19,867	26,490	21,586
Investment income & Other	80	15,000	60	100	15,000
Total revenue	<u>169,113</u>	<u>323,711</u>	<u>311,187</u>	<u>317,849</u>	<u>344,961</u>
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>169,113</u>	<u>323,711</u>	<u>311,187</u>	<u>317,849</u>	<u>344,961</u>
EXPENDITURES					
Service Fees - VDW #1	33,218	126,153	128,629	135,291	130,217
Service Fees - VDW #1 Debt Service	132,732	176,733	176,732	176,733	193,576
Treasurer's fees, County	3,163	5,825	5,826	5,825	6,167
Contingency	-	15,000	-	-	15,000
Total expenditures	<u>169,113</u>	<u>323,711</u>	<u>311,187</u>	<u>317,849</u>	<u>344,961</u>
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>169,113</u>	<u>323,711</u>	<u>311,187</u>	<u>317,849</u>	<u>344,961</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>