

VDW Metropolitan District No. 1

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. 1 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. 1 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. 1



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. 1

2014 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.

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

General and administrative expenses budgeted in the amount of \$196,950 are to be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through intergovernmental agreements and interest income totaling to a budgeted amount of \$215,479 in revenue.

Debt Service Fund

Expenditures for principal, interest and other payments budgeted in the amount of \$379,800 are related to the Series 2007, \$3,000,000 Limited Property Tax Supported Revenue Bonds and Series 2011, \$1,200,000 Limited Property Tax Supported Revenue Bonds. Debt service will be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through a Capital Pledge Agreement and interest and other income totaling to a budgeted amount of \$379,825 in revenue.

VDW METROPOLITAN DISTRICT NO. 1

Capital Projects Fund

Capital expenditures budgeted in the amount of \$71,000 are to be funded by proceeds of capital advances of \$60,000 in revenue and \$11,000 in transfers from the General Fund.

Debt

Limited Property Tax Supported Revenue Bonds, Series 2007, were issued December 20, 2007, in the original amount of \$3,000,000. 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 6.5%.

Interest is payable semi-annually on June 1 and December 1.

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%.

Interest is payable semi-annually on June 1 and December 1.

Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2014, as defined under TABOR. The District also holds the reserve funds for VDW Metropolitan District No. 2 and No. 3.



Accountant's Report

BOARD OF DIRECTORS VDW METROPOLITAN DISTRICT No. 1

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. 1. 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. 1 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. 1.

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. 1
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	\$ 188,242	\$ 86,691	\$ 124,226	\$ 124,226	\$ 210,035
REVENUE					
Service Fees - VDW 2	33,219	126,153	128,629	129,557	130,217
Service Fees - VDW 3	19,622	87,376	89,554	90,127	84,762
Investment & Other Income	66	500	759	1,000	500
Total revenue	52,907	214,029	218,942	220,684	215,479
Total funds available	241,149	300,720	343,168	344,910	425,514
EXPENDITURES					
Accounting & Financial Management	19,464	27,500	24,982	27,500	27,500
Audit	4,350	6,500	4,850	4,850	4,850
District Management	21,894	21,375	19,099	21,375	25,600
Election Costs	2,185	-	-	-	2,500
Engineering Expense, General	-	250	-	-	250
Insurance - Liability and E&O	6,830	7,200	6,955	6,955	7,200
Landscape, Grounds Maint, Repairs	35,454	43,824	45,230	43,824	63,800
Legal	8,615	12,000	11,046	12,000	12,000
Office/Other	1,412	2,250	2,046	2,250	2,250
Repayment of Capital Advance	-	-	-	-	-
Utilities	16,719	16,000	13,043	16,000	20,000
Contingency	-	20,000	-	-	20,000
Total expenditures	116,923	156,899	127,251	134,754	185,950
TRANSFERS OUT					
Capital Projects Fund	-	10,500	-	121	11,000
Debt Service Fund	-	-	-	-	-
Total transfers out	-	10,500	-	121	11,000
Total expenditures and transfers out requiring appropriation	116,923	167,399	127,251	134,875	196,950
ENDING FUND BALANCE	\$ 124,226	\$ 133,321	\$ 215,918	\$ 210,035	\$ 228,564
COMPONENTS OF ENDING FUND BALANCE					
EMERGENCY RESERVE	\$ 1,600	\$ 4,800	\$ 3,900	\$ 4,100	\$ 5,600
REPLACEMENT RESERVE	4,216	8,432	8,432	8,432	12,648
UNRESERVED	118,410	120,089	203,586	197,503	210,316
ENDING FUND BALANCE	124,226	133,321	215,918	210,035	228,564

VDW METROPOLITAN DISTRICT NO. 1
DEBT SERVICE 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	\$ 156	\$ 78	2,193	\$ 2,193	\$ 3,190
REVENUE					
Service Fees - VDW 2	132,732	176,733	\$ 176,732	176,733	193,576
Service Fees - VDW 3	221,990	177,939	177,939	177,939	186,229
Other income	40	20	2	-	20
Total revenue	<u>354,762</u>	<u>354,692</u>	<u>354,673</u>	<u>354,672</u>	<u>379,825</u>
Total funds available	<u>354,918</u>	<u>354,770</u>	<u>356,866</u>	<u>356,865</u>	<u>383,015</u>
EXPENDITURES					
Bond Interest	282,225	277,675	277,675	277,675	272,800
Bond Principal	70,000	75,000	75,000	75,000	105,000
Trustee and Paying Agent Fees	500	1,000	1,000	1,000	1,000
Contingency	-	1,000	-	-	1,000
Total expenditures	<u>352,725</u>	<u>354,675</u>	<u>353,675</u>	<u>353,675</u>	<u>379,800</u>
Total expenditures and transfers out requiring appropriation	<u>352,725</u>	<u>354,675</u>	<u>353,675</u>	<u>353,675</u>	<u>379,800</u>
ENDING FUND BALANCE	<u>\$ 2,193</u>	<u>\$ 95</u>	<u>\$ 3,191</u>	<u>\$ 3,190</u>	<u>\$ 3,215</u>

VDW METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS 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	\$ 9,643	\$ 7,549	\$ 7,549	\$ 7,549	\$ -
REVENUE					
Capital Advance	-	2,355,815	973,651	2,359,145	60,000
Proceeds from Capital Note	-	1,072,047	891,337	1,072,047	-
Bond Proceeds	168,200	-	-	-	-
Total revenue	168,200	3,427,862	1,864,988	3,431,192	60,000
TRANSFERS IN					
General Fund	-	10,500	-	121	11,000
Total transfers in	-	10,500	-	121	11,000
Total funds available	177,843	3,445,911	1,872,537	3,438,862	71,000
EXPENDITURES					
General					
Legal	-	5,000	-	5,000	5,000
District Management	2,094	2,500	1,653	2,500	2,500
Engineering	168,200	3,500	737	3,500	3,500
Capital Outlay - Acceptance	-	1,072,047	904,441	1,072,047	-
Capital Outlay					
Sculptor Dr Design	-	-	-	-	60,000
Parcel D					
Capital Improvements	-	1,077,550	538,017	1,077,550	-
Project Management	-	48,570	6,858	48,570	-
District Management	-	32,380	31,819	32,380	-
Parcel H					
Capital Improvements	-	1,140,300	1,276,616	1,140,300	-
Project Management	-	34,209	14,107	34,209	-
District Management	-	22,806	25,034	22,806	-
Repayment of Capital Advance	-	-	-	-	-
Total expenditures	170,294	3,438,862	2,799,282	3,438,862	71,000
TRANSFERS OUT					
General Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	170,294	3,438,862	2,799,282	3,438,862	71,000
ENDING FUND BALANCE	\$ 7,549	\$ 7,049	\$ (926,745)	\$ -	\$ -