

VDW Metropolitan District

January 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. 1 2010 Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2010 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 19, 2009.

If there are any questions on the budget, 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.
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. 1

I have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the VDW Metropolitan District No. 1 for the General, Debt Service and Capital Projects Funds for the year ending December 31, 2010, including the forecasted estimate of comparative information for the year ending December 31, 2009, 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. 1.

A handwritten signature in cursive script that reads "Peggy Dowswell".

Peggy Dowswell, CPA
January 29, 2009

5110 Granite St, Ste C
Loveland, CO 80538
(970) 669-3611
(970) 669-3612 fax

VDW METROPOLITAN DISTRICT NO. 1

2010 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 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.

2010 BUDGET STRATEGY

The District's strategy in preparing the 2010 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, general and administrative expenses budget in the amount of \$178,286 are to be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 by way of intergovernmental agreements and interest income.

In the Debt Service Fund, expenditures for principal, interest and other payments budgeted in the amount of \$258,000 are related to the Series 2007, \$3,000,000 Limited Property Tax Supported Revenue Bonds. Debt service will be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 by way of a Capital Pledge Agreement.

In the Capital Projects Fund, capital expenditures budgeted in the amount of \$2,009,886 are to be funded by proceeds of developer notes.

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 of \$60,000 on December 1, 2010 and increasing annually thereafter.

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 2010, as defined under TABOR.

**VDW METROPOLITAN DISTRICT NO. 1
SUMMARY
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/10

Page 1

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCES	\$ 139,809	\$ 99,652	\$ 158,878	\$ 81,766
REVENUE				
Service Fees - VDW 2	204,499	233,653	144,222	195,319
Service Fees - VDW 3	146,948	270,209	342,772	329,108
Investment income	5,461	2,000	1,000	3,500
Developer advance	-	2,000,000	-	2,000,000
Bond proceeds	-	-	-	-
Other income	-	-	-	-
Total revenue	<u>356,908</u>	<u>2,505,862</u>	<u>487,994</u>	<u>2,527,927</u>
TRANSFERS IN	185,208	195,000	195,000	-
Total funds available	<u>681,925</u>	<u>2,800,514</u>	<u>841,872</u>	<u>2,609,693</u>
EXPENDITURES				
General				
Accounting & Financial Management	21,998	25,000	25,000	35,083
Audit	4,200	5,000	4,200	5,000
Director fees	80	100	100	100
District Management	38,011	45,348	36,378	27,261
Election costs	1,057	-	-	2,500
Engineering Expense, general	324	1,000	250	2,250
Insurance - Liability and E&O	5,168	5,500	6,119	6,500
Landscape, Grounds Maintenance	28,990	44,970	41,032	53,552
Legal	18,071	25,000	18,000	20,000
Office/Other	1,638	3,000	2,000	2,000
Repayment of Developer advance	-	100,000	202,053	-
Interest on developer advance	-	-	12,140	-
Bond issue costs	5,091	-	-	-
Utilities	9,733	9,700	9,700	9,700
Replacement Reserves	-	14,235	3,761	4,216
Service Plan Amendment	18,270	77,300	9,373	-
Contingency	-	30,000	-	22,500
Debt Service				
Paying agent fees	500	-	-	500
Bond principal	-	-	-	60,000
Bond interest	184,708	195,000	195,000	195,000
Capital outlay	-	2,000,000	-	2,000,000
Total expenditures	<u>337,839</u>	<u>2,581,153</u>	<u>565,106</u>	<u>2,446,162</u>
TRANSFERS OUT	185,208	195,000	195,000	-
Total expenditures and transfers out requiring appropriation	<u>523,047</u>	<u>2,776,153</u>	<u>760,106</u>	<u>2,446,162</u>
ENDING FUND BALANCES	<u>\$ 158,878</u>	<u>\$ 24,361</u>	<u>\$ 81,766</u>	<u>\$ 163,531</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**VDW METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

1/29/10

Page 2

	ACTUAL 2008	BUDGET 2009	ESTIMATED	ADOPTED BUDGET 2010
ASSESSED VALUATION - LARIMER COUNTY				
Residential	\$ -	\$ -	\$ -	\$ -
Commercial	-	-	-	-
State assessed	-	-	-	-
Vacant land	-	-	-	-
Personal property	-	-	-	-
	-	-	-	-
Adjustments	-	-	-	-
Certified Assessed Value	\$ -	\$ -	\$ -	\$ -
MILL LEVY				
General	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000
Contractual Obligation	0.000	0.000	0.000	0.000
Temporary Mill Levy Reduction				
Refund and abatements	0.000	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000	0.000
PROPERTY TAXES				
General	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-
Contractual Obligation	-	-	-	-
Temporary Mill Levy Reduction	-	-	-	-
Refund and abatements	-	-	-	-
Levied property taxes	-	-	-	-
Adjustments to actual/rounding	-	-	-	-
Refunds and abatements	-	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES				
General	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

VDW METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

1/29/10

Page 3

#2 - 45.98 mills

#3 - 40.00 mills

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCE	\$ 123,794	\$ 99,652	\$ 148,992	\$ 71,880
REVENUE				
Service Fees - VDW 2	204,499	233,653	144,222	108,319
Service Fees - VDW 3	146,948	270,209	342,772	160,598
Investment & Other income	5,461	2,000	1,000	1,000
Developer advance	-	-	-	-
Total revenue	<u>356,908</u>	<u>505,862</u>	<u>487,994</u>	<u>269,917</u>
TRANSFERS IN				
Capital Projects Fund	-	-	-	-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>480,702</u>	<u>605,514</u>	<u>636,986</u>	<u>341,797</u>
EXPENDITURES				
Accounting & Financial Management	21,998	25,000	25,000	35,083
Audit	4,200	5,000	4,200	5,000
Director fees	80	100	100	100
District Management	36,973	45,348	36,378	21,375
Election costs	1,057	-	-	2,500
Engineering Expense, general	324	1,000	250	250
Insurance - Liability and E&O	5,168	5,500	6,119	6,500
Landscape, Grounds Maint, Repairs	28,990	44,970	41,032	53,552
Legal	18,071	25,000	18,000	18,000
Office/Other	1,638	3,000	2,000	2,000
Repayment of developer advance	-	100,000	202,053	-
Interest on developer advance	-	-	12,140	-
Utilities	9,733	9,700	9,700	9,700
Replacement Reserves	-	14,235	3,761	4,216
Service Plan Amendment	18,270	77,300	9,373	-
Contingency	-	30,000	-	20,000
Total expenditures	<u>146,502</u>	<u>386,153</u>	<u>370,106</u>	<u>178,276</u>
TRANSFERS OUT				
Capital Projects Fund	-	-	-	-
Debt Service Fund	185,208	195,000	195,000	-
Total transfers out	<u>185,208</u>	<u>195,000</u>	<u>195,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>331,710</u>	<u>581,153</u>	<u>565,106</u>	<u>178,276</u>
ENDING FUND BALANCE	<u>\$ 148,992</u>	<u>\$ 24,361</u>	<u>\$ 71,880</u>	<u>\$ 163,521</u>
EMERGENCY RESERVE	<u>\$ 10,800</u>	<u>\$ 15,200</u>	<u>\$ 14,700</u>	<u>\$ 8,100</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

VDW METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

1/29/10

Page 4

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUE				
Service Fees - VDW 2				87,000
Service Fees - VDW 3				168,510
Other income	-	-	-	2,500
Total revenue	-	-	-	258,010
TRANSFERS IN				
Capital Projects Fund	-	-	-	-
General Fund	185,208	195,000	195,000	-
Total transfers in	185,208	195,000	195,000	-
Total funds available	185,208	195,000	195,000	258,010
EXPENDITURES				
Paying agent fees	500	-	-	500
Bond principal	-	-	-	60,000
Bond interest	184,708	195,000	195,000	195,000
Contingency	-	-	-	2,500
Total expenditures	185,208	195,000	195,000	258,000
TRANSFERS OUT				
Capital Projects Fund	-	-	-	-
General Fund	-	-	-	-
Total transfers out	-	-	-	-
Total expenditures and transfers out requiring appropriation	185,208	195,000	195,000	258,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 10

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

VDW METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

1/29/10

Page 5

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCE	\$ 16,015	\$ -	\$ 9,886	\$ 9,886
REVENUE				
Investment income	-	-	-	-
System development fees	-	-	-	-
Developer advance	-	2,000,000	-	2,000,000
Bond proceeds	-	-	-	-
Total revenue	-	2,000,000	-	2,000,000
TRANSFERS IN				
Debt Service Fund	-	-	-	-
General Fund	-	-	-	-
Total transfers in	-	-	-	-
Total funds available	16,015	2,000,000	9,886	2,009,886
EXPENDITURES				
General				
Legal	-	-	-	2,000
District Management	1,038	-	-	5,886
Repayment of developer advance	-	-	-	-
Interest on developer advance	-	-	-	-
Bond issue costs	5,091	-	-	-
Engineering	-	-	-	2,000
Capital outlay				
Water infrastructure	-	222,200	-	222,200
Street/Roadway Improvements	-	888,900	-	888,900
Traffic and Safety Improvements	-	-	-	-
Sewer & Storm infrastructure	-	888,900	-	888,900
Parks and Recreation	-	-	-	-
Contingency	-	-	-	-
Total expenditures	6,129	2,000,000	-	2,009,886
TRANSFERS OUT				
Debt Service Fund	-	-	-	-
General Fund	-	-	-	-
Total transfers out	-	-	-	-
Total expenditures and transfers out requiring appropriation	6,129	2,000,000	-	2,009,886
ENDING FUND BALANCE	\$ 9,886	\$ -	\$ 9,886	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.