

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. 3 2010 Budget

Dear Mr. Biggs:

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

If there are any questions on the budget, 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



Accountant's Report

Board of Directors
VDW Metropolitan District No. 3

I have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the VDW Metropolitan District No. 3 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. 3.

A handwritten signature in black ink, appearing to read "Peggy Dowswell", is written over a light blue horizontal line.

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. 3

2010 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 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, 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 \$316,450 and specific ownership tax revenue of \$18,987 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.

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 their revenue stream is captured in VDW Metropolitan District No. 1.

VDW METROPOLITAN DISTRICT NO. 3 (commercial)
SUMMARY
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

1/28/10

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40 mills

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property taxes	137,807	254,914	299,588	316,450
Specific ownership tax	11,340	20,393	17,975	18,987
Payment from County - PY Correction	-	-	31,054	-
Investment income & other	557	1,000	146	7,500
Developer advance	-	-	-	-
Bond proceeds	-	-	-	-
Total revenue	149,704	276,307	348,764	342,937
TRANSFERS IN	-	-	-	-
Total funds available	149,704	276,307	348,764	342,937
EXPENDITURES				
General				
Service Fees - VDW #1	146,948	270,209	342,772	160,598
Service Fees - VDW #1 Debt Service				168,510
Treasurer's fees, County	2,756	5,098	5,992	6,329
Miscellaneous	-	-	-	-
Contingency	-	1,000	-	7,500
Debt Service				
Capital outlay	-	-	-	-
Total expenditures	149,704	276,307	348,764	342,937
TRANSFERS OUT	-	-	-	-
Total expenditures and transfers out requiring appropriation	149,704	276,307	348,764	342,937
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -

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. 3 (commercial)
GENERAL FUND
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

1/28/10

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40 mills

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property taxes	137,807	254,914	299,588	316,450
Specific ownership tax	11,340	20,393	17,975	18,987
Payment from County - PY Correction	-	-	31,054	-
Investment income & Other	557	1,000	146	7,500
Total revenue	149,704	276,307	348,764	342,937
TRANSFERS IN				
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Total transfers in	-	-	-	-
Total funds available	149,704	276,307	348,764	342,937
EXPENDITURES				
Service Fees - VDW #1	146,948	270,209	342,772	160,598
Service Fees - VDW #1 Debt Service				168,510
Treasurer's fees, County	2,756	5,098	5,992	6,329
Contingency	-	1,000	-	7,500
Total expenditures	149,704	276,307	348,764	342,937
TRANSFERS OUT				
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Total transfers out	-	-	-	-
Total expenditures and transfers out requiring appropriation	149,704	276,307	348,764	342,937
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

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VDW METROPOLITAN DISTRICT NO. 3 (commercial)
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/28/10

Page 3

40 mills

ACTUAL 2008	BUDGET 2009	ESTIMATED	ADOPTED BUDGET 2010
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ASSESSED VALUATION - LARIMER COUNTY

Residential	\$ -	\$ -	\$ -	\$ -
Commercial	2,247,500	4,535,400	5,331,100	5,719,950
Agricultural	10	10	10	10
State assessed	-	-	-	-
Vacant land	1,197,680	1,837,440	1,837,440	2,191,290
Personal property	-	-	-	-
	3,445,190	6,372,850	7,489,710	7,911,250
Adjustments	-	-	-	-
Certified Assessed Value	\$ 3,445,190	\$ 6,372,850	\$ 7,489,710	\$ 7,911,250

MILL LEVY

General	0.000	0.000	0.000	0.000
Debt Service	0.000	17.460	17.460	21.300
Contractual Obligation	40.000	22.540	22.540	18.700
Temporary Mill Levy Reduction	-	-	-	-
Refund and abatements	0.000	0.000	0.000	0.000
Total mill levy	40.000	40.000	40.000	40.000

PROPERTY TAXES

General	\$ -	\$ -	\$ -	\$ -
Debt Service	-	111,270	130,770	168,510
Contractual Obligation	137,807	143,644	168,818	147,940
Temporary Mill Levy Reduction	-	-	-	-
Refund and abatements	-	-	-	-
Levied property taxes	137,807	254,914	299,588	316,450
Adjustments to actual/rounding	-	-	-	-
Refunds and abatements	-	-	-	-
Budgeted property taxes	\$ 137,807	\$ 254,914	\$ 299,588	\$ 316,450

BUDGETED PROPERTY TAXES

General	\$ 137,807	\$ 254,914	\$ 299,588	\$ 316,450
Debt Service	-	-	-	-
	\$ 137,807	\$ 254,914	\$ 299,588	\$ 316,450

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.