

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. 2 2010 Budget

Dear Mr. Biggs:

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

If there are any questions on the budget, 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.
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. 2

I have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the VDW Metropolitan District No. 2 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. 2.

A handwritten signature in black ink, appearing to read "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. 2

2010 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 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 45.980 mills which resulted in budgeted property tax revenue of \$187,807 and specific ownership tax revenue of \$11,268 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. 2. The emergency reserve related to their revenue stream is captured in VDW Metropolitan District No. 1.

VDW METROPOLITAN DISTRICT NO. 2 (residential)
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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45.98 mills

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property taxes	191,549	220,428	169,074	187,807
Specific ownership tax	16,481	17,634	13,526	11,268
Investment income	497	2,500	700	7,500
Total revenue	208,527	240,562	183,300	206,575
TRANSFERS IN	-	-	-	-
Total funds available	208,527	240,562	183,300	206,575
EXPENDITURES				
General				
Service Fees - VDW #1	204,499	233,653	144,222	108,319
Service Fees - VDW #1 Debt Service				87,000
Payment to Treasurer - PY Correction	-	-	35,697	-
Treasurer's fees, County	4,028	4,409	3,381	3,756
Contingency	-	2,500	-	7,500
Debt Service				
Capital outlay	-	-	-	-
Total expenditures	208,527	240,562	183,300	206,575
TRANSFERS OUT	-	-	-	-
Total expenditures and transfers out requiring appropriation	208,527	240,562	183,300	206,575
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. 2 (residential)
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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45.98 mills

	ACTUAL 2008	BUDGET 2009	ESTIMATED 2009	ADOPTED BUDGET 2010
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property taxes	191,549	220,428	169,074	187,807
Specific ownership tax	16,481	17,634	13,526	11,268
Investment income & Other	497	2,500	700	7,500
Total revenue	208,527	240,562	183,300	206,575
TRANSFERS IN				
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Total transfers in	-	-	-	-
Total funds available	208,527	240,562	183,300	206,575
EXPENDITURES				
Service Fees - VDW #1	204,499	233,653	144,222	108,319
Service Fees - VDW #1 Debt Service				87,000
Payment to Treasurer - PY Correction	-	-	35,697	-
Treasurer's fees, County	4,028	4,409	3,381	3,756
Contingency	-	2,500	-	7,500
Total expenditures	208,527	240,562	183,300	206,575
TRANSFERS OUT				
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Total transfers out	-	-	-	-
Total expenditures and transfers out requiring appropriation	208,527	240,562	183,300	206,575
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -	\$ -

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. 2 (residential)
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/28/10

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45.98 mills

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

Residential	\$ 2,662,800	\$ 2,691,020	\$ 2,691,020	\$ 2,658,020
Commercial	940,430	1,174,080	57,220	4,840
Industrial	5,610	-	-	-
Agricultural	15,460	14,000	14,000	14,140
Natural Resources	640	640	640	570
State assessed	-	-	-	-
Vacant land	730,780	914,260	914,260	1,406,980
Personal property	-	-	-	-
	4,355,720	4,794,000	3,677,140	4,084,550
Adjustments	-	-	-	-
Certified Assessed Value	\$ 4,355,720	\$ 4,794,000	\$ 3,677,140	\$ 4,084,550

MILL LEVY

General	0.000	0.000	0.000	0.000
Debt Service	0.000	17.460	17.460	21.300
Contractual Obligation	45.980	28.520	28.520	24.680
Temporary Mill Levy Reduction				
Refund and abatements	0.000	0.000	0.000	0.000
Total mill levy	45.980	45.980	45.980	45.980

PROPERTY TAXES

General	\$ -	\$ -	\$ -	\$ -
Debt Service	-	83,703	64,202	87,000
Contractual Obligation	200,276	136,724	104,872	100,807
Refund and abatements	-	-	-	-
Levied property taxes	200,276	220,427	169,074	187,807
Adjustments to actual/rounding	(2,297)	-	-	-
Refunds and abatements	(7,513)	-	-	-
Budgeted property taxes	\$ 190,466	\$ 220,427	\$ 169,074	\$ 187,807

BUDGETED PROPERTY TAXES

General	\$ 190,466	\$ 220,427	\$ 169,074	\$ 187,807
Debt Service	-	-	-	-
	\$ 190,466	\$ 220,427	\$ 169,074	\$ 187,807

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.