

# VDW Metropolitan District

January 30, 2012

Via email: [dlg-filing@state.co.us](mailto: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 2012 Budget and 2011 Amended Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2012 Budget and 2011 amended 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 17, 2011.

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.

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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 statements of revenues and expenditures for the year ended December 31, 2010 and the nine months ended September 30, 2011 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, 2012 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 company's financial position, results of operations, and cash flows. 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 blue ink that reads "Peggy Dowswell".

Peggy Dowswell, CPA  
January 20, 2012

## **VDW METROPOLITAN DISTRICT NO. 1**

### 2012 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.

### 2012 BUDGET STRATEGY

The District's strategy in preparing the 2012 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 \$150,896 are to be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through intergovernmental agreements and interest income.

In the Debt Service Fund, expenditures for principal, interest and other payments budgeted in the amount of \$354,725 are related to the Series 2007, \$3,000,000 Limited Property Tax Supported Revenue Bonds and the 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.

In the Capital Projects Fund, capital expenditures budgeted in the amount of \$744,655 are to be funded by proceeds of capital notes.

## VDW METROPOLITAN DISTRICT NO. 1

### *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.

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 of \$25,000 on December 1, 2014 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 2012, as defined under TABOR. The District also holds the reserve funds for VDW Metropolitan District No 2. and No. 3.

**VDW METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**FORECASTED 2012 BUDGET AS ADOPTED**  
**WITH 2010 ACTUAL AND 2011 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 09/30/2011	ESTIMATED 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCES	\$ 102,700	\$ 109,822	\$ 128,839	\$ 128,839	\$ 179,225
REVENUE					
Service Fees - VDW 2	190,374	165,142	162,035	165,142	164,435
Service Fees - VDW 3	331,186	291,884	288,359	291,884	239,230
Investment Income	349	500	117	175	520
Capital Advance	-	736,012	-	-	736,012
Total revenue	521,909	1,193,538	450,511	457,201	1,140,197
TRANSFERS IN	7,833	357	-	15,970	-
Total funds available	632,442	1,303,717	579,350	602,010	1,319,422
EXPENDITURES					
General					
Accounting & Financial Management	33,711	35,083	21,460	30,000	30,000
Audit	4,200	5,000	4,200	4,200	4,500
Director Fees	100	-	-	-	-
District Management	16,502	26,375	16,295	22,375	25,375
Election Costs	1,321	-	-	-	2,500
Engineering Expense, Veneral	-	2,750	-	250	2,750
Insurance - Liability and E&O	5,168	5,500	5,547	5,547	7,500
Landscape, Grounds Maintenance	32,537	48,171	30,632	48,171	39,771
Legal	8,366	14,500	9,275	12,000	14,143
Office/Other	244	2,000	1,370	2,000	2,000
Payment to Treasurer	55,063	-	-	-	-
Repayment of Capital Advance	64,641	-	-	-	-
Interest on Capital Advance	5,359	-	-	-	-
Utilities	8,058	9,700	9,604	9,700	11,000
Contingency	-	30,000	-	1,000	21,000
Debt Service					
Paying Agent Fees	500	500	1,500	1,500	1,500
Bond Principal	65,000	70,000	-	70,000	70,000
Bond Interest	195,000	191,100	95,388	215,042	282,225
Capital Outlay	-	736,012	-	-	736,012
Total expenditures	495,770	1,176,691	195,271	421,785	1,250,276
TRANSFERS OUT	7,833	357	-	15,970	-
Total expenditures and transfers out requiring appropriation	503,603	1,177,048	195,271	437,755	1,250,276
ENDING FUND BALANCES	\$ 128,839	\$ 126,669	\$ 384,078	\$ 164,255	\$ 69,146

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

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ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 09/30/2011	ESTIMATED 2011	ADOPTED BUDGET 2012
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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	0.000
Debt Service	0.000	0.000	0.000	0.000	0.000
Contractual Obligation	0.000	0.000	0.000	0.000	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000	0.000	0.000
<b>Total mill levy</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

PROPERTY TAXES

General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-
Contractual Obligation	-	-	-	-	-
Temporary Mill Levy Reduction	-	-	-	-	-
Refund and abatements	-	-	-	-	-
Levied property taxes	-	-	-	-	-
 Adjustments to actual/rounding	 -	 -	 -	 -	 -
Refunds and abatements	-	-	-	-	-
<b>Budgeted property taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

BUDGETED PROPERTY TAXES

General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**VDW METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2012 BUDGET AS ADOPTED**  
**WITH 2010 ACTUAL AND 2011 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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#2 - 45.98 mills

#3 - 40.00 mills

	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 09/30/2011	ESTIMATED 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ 92,814	\$ 100,169	\$ 119,195	\$ 119,195	\$ 170,528
REVENUE					
Service Fees - VDW 2	106,248	75,556	73,077	75,556	31,696
Service Fees - VDW 3	162,676	109,870	106,345	109,870	17,241
Investment & Other Income	317	500	92	150	500
Total revenue	269,241	185,926	179,514	185,576	49,437
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Total transfers in	-	-	-	-	-
Total funds available	362,055	286,095	298,709	304,771	219,965
EXPENDITURES					
Accounting & Financial Management	33,711	35,083	21,460	30,000	30,000
Audit	4,200	5,000	4,200	4,200	4,500
Director Fees	100	-	-	-	-
District Management	16,259	21,375	16,295	21,375	21,375
Election Costs	1,321	-	-	-	2,500
Engineering Expense, General	-	250	-	250	250
Insurance - Liability and E&O	5,168	5,500	5,547	5,547	7,500
Landscape, Grounds Maint, Repairs	32,537	48,171	30,632	48,171	39,771
Legal	8,366	12,000	9,275	12,000	12,000
Office/Other	244	2,000	1,370	2,000	2,000
Repayment of Capital Advance	64,641	-	-	-	-
Utilities	8,058	9,700	9,604	9,700	11,000
Payment to County Treasurer	55,063	-	-	-	-
Interest on Capital Advance	5,359	-	-	-	-
Contingency	-	20,000	-	-	20,000
Total expenditures	235,027	159,079	98,383	133,243	150,896
TRANSFERS OUT					
Capital Projects Fund	-	357	-	-	-
Debt Service Fund	7,833	-	-	1,000	-
Total transfers out	7,833	357	-	1,000	-
Total expenditures and transfers out requiring appropriation	242,860	159,436	98,383	134,243	150,896
ENDING FUND BALANCE	\$ 119,195	\$ 126,659	\$ 200,326	\$ 170,528	\$ 69,069
COMPONENTS OF ENDING FUND BALANCE					
EMERGENCY RESERVE	\$ 8,100	\$ 5,600	\$ 5,400	\$ 5,600	\$ 4,600
REPLACEMENT RESERVE	4,216	8,432	8,432	8,432	12,648
UNRESERVED	106,879	112,627	186,494	156,496	51,821
ENDING FUND BALANCE	119,195	126,659	200,326	170,528	69,069

**VDW METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**FORECASTED 2012 BUDGET AS ADOPTED**  
**WITH 2010 ACTUAL AND 2011 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 09/30/2011	ESTIMATED 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ -	\$ 10	1	\$ 1	\$ 54
<b>REVENUE</b>					
Service Fees - VDW 2	84,126	89,586	\$ 88,958	89,586	132,739
Service Fees - VDW 3	168,510	182,014	182,014	182,014	221,990
Other income	32	-	25	25	20
Total revenue	252,668	271,600	270,997	271,625	354,749
<b>TRANSFERS IN</b>					
Capital Projects Fund	-	-	-	14,970	-
General Fund	7,833	-	-	1,000	-
Total transfers in	7,833	-	-	15,970	-
Total funds available	260,501	271,610	270,997	287,596	354,803
<b>EXPENDITURES</b>					
Bond Interest	195,000	191,100	95,388	215,042	282,225
Bond Principal	65,000	70,000	-	70,000	70,000
Trustee and Paying Agent Fees	500	500	1,500	1,500	1,500
Contingency	-	10,000	-	1,000	1,000
Total expenditures	260,500	271,600	96,888	287,542	354,725
<b>TRANSFERS OUT</b>					
Capital Projects Fund	-	-	-	-	-
General Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	260,500	271,600	96,888	287,542	354,725
ENDING FUND BALANCE	\$ 1	\$ 10	\$ 174,109	\$ 54	\$ 78

**VDW METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2012 BUDGET AS ADOPTED**  
**WITH 2010 ACTUAL AND 2011 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2010	ADOPTED BUDGET 2011	ACTUAL 09/30/2011	ESTIMATED 2011	ADOPTED BUDGET 2012
BEGINNING FUND BALANCE	\$ 9,886	\$ 9,643	\$ 9,643	\$ 9,643	\$ 8,643
<b>REVENUE</b>					
Investment Income	-	-	-	-	-
System Development Fees	-	-	-	-	-
Capital Advance	-	736,012	-	-	736,012
Proceeds from Capital Note	-	-	-	-	-
Bond Proceeds	-	-	1,200,000	1,200,000	-
Total revenue	-	736,012	1,200,000	1,200,000	736,012
<b>TRANSFERS IN</b>					
Debt Service Fund	-	-	-	-	-
General Fund	-	357	-	-	-
Total transfers in	-	357	-	-	-
Total funds available	9,886	746,012	1,209,643	1,209,643	744,655
<b>EXPENDITURES</b>					
General					
Accounting	-	-	-	-	-
Legal	-	2,500	-	-	2,143
District Management	243	5,000	-	1,000	4,000
Engineering	-	2,500	-	-	2,500
Bond Issue Costs	-	-	60,030	60,030	-
Capital Outlay					
Parks and Recreation	-	81,500	-	-	81,500
Water Infrastructure	-	146,937	-	-	146,937
Street/Roadway Improvements	-	392,500	-	-	392,500
Traffic and Safety Improvements	-	-	-	-	-
Sewer & Storm Infrastructure	-	115,075	-	-	115,075
Repayment of Capital Advance	-	-	1,125,000	1,125,000	-
Contingency	-	-	-	-	-
Total expenditures	243	746,012	1,185,030	1,186,030	744,655
<b>TRANSFERS OUT</b>					
Debt Service Fund	-	-	-	14,970	-
General Fund	-	-	-	-	-
Total transfers out	-	-	-	14,970	-
Total expenditures and transfers out requiring appropriation	243	746,012	1,185,030	1,201,000	744,655
ENDING FUND BALANCE	\$ 9,643	\$ -	\$ 24,613	\$ 8,643	\$ -