

# VDW METROPOLITAN DISTRICT NOS. 1-3

## NOTICE OF SPECIAL MEETING AND AGENDA

### Board of Directors District Nos. 1&3

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Kim Perry	President & Chairperson	May 2027
Josh Kane	Treasurer & Asst. Secretary	May 2025
Vacant	Director	May 2027
Vacant	Director	May 2027
Tim DePeder	Secretary	May 2025

### Board of Directors District No. 2

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Kim Perry	President & Chairperson	May 2027
Josh Kane	Treasurer & Asst. Secretary	May 2025
Tim DePeder	Secretary	May 2025
Robert Ebersole	Asst. Secretary	May 2027
Clark Cummings	Asst. Secretary	May 2027

**Date: June 27, 2024 (Thursday)**

**Time: 10:00 A.M.**

**Place: MS TEAMS & Teleconference**

[Click here to join the meeting](#)

Meeting ID: 249 502 046 236 Passcode: yG6LGU

**Or call in (audio only)**

[+1 720-721-3140](tel:+17207213140),[101178142](tel:+1101178142)# Phone conference ID: 101 178 142#

#### **I. ADMINISTRATIVE ITEMS**

- A. Declaration of Quorum/Call to Order.
- B. Director Disclosure of any Potential Conflicts of Interest.
- C. Approval of Agenda. **(Pages 1-2)**
- D. Consider Appointments to fill Board Vacancies on District Nos. 1 and 3, and Election of Officers.
- E. Public Comment. (Limited to 3-Minutes Per Person).
- F. Director Comment.

#### **II. CONSENT AGENDA**

- A. Approval of Minutes – November 2, 2023, Regular Meeting and Annual Meeting. **(Pages 3-9)**
- B. Ratification of Payment of Claims. **(Pages 10-11)**
- C. Ratification of Contract Modifications. **(Pages 12-13)**

Professionally Managed by:  
Pinnacle Consulting Group, Inc.  
550 W. Eisenhower, Loveland, CO 80537  
Phone: 970-617-2468 | FAX: 970-669-3612  
District Email: [vdwmdadmin@pcgi.com](mailto:vdwmdadmin@pcgi.com)  
District Website: [www.vdwmd.live](http://www.vdwmd.live)

- D. Unaudited Financial Statements as of March 31, 2024. **(Pages 14-22)**
- E. Approval of Website Accessibility Resolutions. **(Pages 23-34)**

### **III. DISTRICT MANAGER ITEMS**

- A. District Manager’s Report. **(Pages 35-36)**
- B. Ratification of Streamline Platform – Subscription Agreement. **(Pages 37-50)**

### **IV. CAPITAL INFRASTRUCTURE ITEMS**

- A. Consider Approval of Project Budget for Sculptor Drive Crossing - \$TBD.  
**(To Be Distributed Under Separate Cover)**
- B. Consider Approval of MRES Project Management Fees for Sculptor Drive Crossing - \$TBD. **(To Be Distributed Under Separate Cover)**
- C. Consider Approval of Master Services Agreement and Work Order #2024-01 with 360 Rail Services - \$TBD. **(To Be Distributed Under Separate Cover)**

### **V. FINANCIAL ITEMS**

- A. Finance Manager’s Report.
- B. Ratification of District No. 3 2023 Audit Exemption. **(Pages 51-61)**
- C. Review and Consider Approval of 2023 Audited Financial Statements.  
**(Pages 62-113)**

### **VI. LEGAL ITEMS**

### **VII. DIRECTOR ITEMS**

### **VIII. OTHER MATTERS**

- IX. EXECUTIVE SESSION** – If necessary, pursuant to § 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice on specific legal questions.

### **X. ADJOURNMENT**

***\*\*\*The next Regular Meeting is scheduled for November 7, 2024\*\*\****

## RECORD OF PROCEEDINGS

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### MINUTES OF THE REGULAR MEETING OF VDW METROPOLITAN DISTRICT NOS. 1-3

HELD  
November 2, 2023

The Regular Meeting of VDW Metropolitan District Nos. 1-3 was held via MS Teams and Teleconference on Thursday, November 2, 2023, at 3:00 p.m.

#### ATTENDANCE

Directors in Attendance District Nos. 1&3:  
Kim Perry, President & Chairperson  
Josh Kane, Treasurer & Assistant Secretary  
Tim DePeder, Secretary

Directors in Attendance District No. 2:  
Kim Perry, President & Chairperson  
Josh Kane, Treasurer & Assistant Secretary  
Tim DePeder, Secretary  
Clark Cummings, Assistant Secretary

Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.  
Bryan Newby, Kieyesia Conaway, Irene Buenavista, Stanley Holder, and  
Dillon Gamber; Pinnacle Consulting Group, Inc.  
Jim Niemczyk; McWhinney.  
Bob Ebersole; Members of the Public.

#### ADMINISTRATIVE ITEMS

Call to Order: The Regular Meeting of the Boards of Directors (collectively, the “Boards”) of the VDW Metropolitan District Nos. 1-3 (collectively, the “District”) was called to order by Director Perry at 3:02 p.m.

Coordinated Meetings: The Boards determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts at such meetings. Unless otherwise noted below, the matters set forth below shall be deemed to be the actions of the Board of Directors of VDW Metropolitan District No. 1, with concurrence by the Boards of Directors of VDW Metropolitan District Nos. 2, and 3.

Declaration of Quorum/Director Qualifications/Disclosure of Potential Conflicts of Interest: Director Perry noted that a quorum was present, with three out of three Directors in attendance for District Nos. 1 & 3. A quorum was present, with four out of four Directors in attendance for District No. 2. All Board Members confirmed their qualifications to serve

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on the Boards.. Mr. Pogue noted that notices of potential conflicts of interest for all Board Members employed by McWhinney Real Estate Services, Inc. were filed with the Colorado Secretary of State at least 72 hours in advance of the meeting, disclosing that potential conflicts of interest may exist, as McWhinney Real Estate Services, Inc. is associated with the primary landowner and developer of land within the Districts. Mr. Pogue advised the Boards that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Boards reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

Approval of Agenda: The Boards considered the approval of the agenda. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the agenda, as amended to move Agenda section V to precede agenda section III.

Appointment to Fill Board Vacancy: Mr. Newby addressed the Boards noting there is one interested candidate to fill the vacancy on the Board of Directors for District No. 2. Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to appoint Bob Ebersole to the Board of Directors of District No. 2.

Election of Officers: Mr. Newby discussed the Election of Officers with the Boards. Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to elect the slate of officers as noted below for District No. 2:

Kim Perry – President  
 Josh Kane – Treasurer & Assistant Secretary  
 Tim DePeder – Secretary  
 Bob Ebersole – Assistant Secretary

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Clark Cummings – Assistant Secretary

Public Comment: There were no Public Comments received.

Director Comment: There were no Director Comments received.

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### CONSENT AGENDA

Director Perry reviewed the items on the consent agenda with the Boards. Director Perry advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any Director. No items were requested to be removed from the consent agenda. Upon a motion duly made by Director DePeder, Seconded by Director Kane, the following items on the consent agenda were unanimously approved, ratified, and adopted:

- A. Approval of Minutes – July 6, 2023, Regular Meeting.
  - B. Payment of Claims.
  - C. Contract Modifications.
  - D. Unaudited Financial Statements as of June 30, 2023.
  - E. 2024 Annual Administrative Matters Resolution.
  - F. 2024 Meeting Resolution.
  - G. First Amendment to Public Records Policy.
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### 2024 BUDGET HEARING

Director Perry opened the 2024 Budget Hearing for VDW Metropolitan District Nos. 1-3. Mr. Newby reported that notice of the budget hearing was published on October 19, 2023, in the Loveland Reporter-Harold, in accordance with state budget law. Ms. Buenavista reviewed the mill levies, estimated revenues, and expenditures in detail and answered questions. The budgets for the District are as follows:

District No. 1  
 General Fund: \$411,465  
 Capital Projects Fund: \$1,504,710

District No. 2  
 Mill Levy: 34.625  
 Debt Service Fund: \$995,163

District No. 3  
 Mill Levy: 29.989

There being no public input, the public portion of the budget hearing was closed. After further review and discussion, upon a motion duly made by

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Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, it was

**RESOLVED** to approve the Resolutions to Adopt the 2024 Budgets for VDW Metropolitan District Nos. 1-3, set the mill levies, and appropriate budgeted funds upon final certification of values being received by the County of Larimer on or before December 15, 2023, and approve all other documents related to the 2024 budgets. The District Manager is authorized to make minor modifications that may be necessary following receipt of final assessed values.

DISTRICT MANAGER  
ITEMS

District Manager's Report: Mr. Newby presented the District Manager's Report to the Boards and answered questions.

Operations and Maintenance Report: Mr. Gamber presented the Operations and Maintenance Report to the Boards and answered questions.

2024 Master Service Agreements with Operations and Maintenance Service Contractors: Mr. Newby presented the 2024 Master Service Agreements with Operations and Maintenance Service Contractors to the Boards and answered questions.

- i. Affordable Pest Control
- ii. All Sweep
- iii. Davinci Signs
- iv. Environmental Designs
- v. Fiske Electric
- vi. Foothills Landscape Maintenance
- vii. McWhinney Real Estate Services
- viii. OLM
- ix. SWPPP Colorado

Following review and discussion, upon a motion duly made by Director DePeder, seconded by Director Kane, and upon vote, unanimously carried, it was

**RESOLVED** to approve the 2024 Master Service Agreements with Operations and Maintenance Service Contractors within the Approved 2024 Budget, as presented.

Authorization of District Manager to Execute 2024 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2024 Budget: Mr. Newby requested the Boards consider

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delegating authority to the District Manager to Execute 2024 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2024 Budget. Following review and discussion, upon a motion duly made by Director Kane, seconded by Director DePeder, and upon vote, unanimously carried, it was

**RESOLVED** to authorize the District Manager to Execute 2024 Work Orders with Approved Operations and Maintenance Service Contractors within the Approved 2024 budget, as presented.

LEGAL ITEMS

There were no Legal Items to come before the Board.

DIRECTOR  
MATTERS

There were no Director Matters to come before the Boards.

OTHER  
MATTERS

There were no Other Matters to come before the Boards.

ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 3:44 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,

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Kieyesia Conaway, Recording Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF THE ANNUAL MEETING OF VDW METROPOLITAN DISTRICT NOS. 1-3

HELD  
November 2, 2023

The Annual Meeting of VDW Metropolitan District Nos. 1-3 was held via MS Teams and Teleconference on Thursday, November 2, 2023, at 4:00 p.m.

#### ATTENDANCE

##### Directors in Attendance District Nos. 1&3:

Kim Perry, President & Chairperson  
Tim DePeder, Secretary

##### Directors Absent, but Excused:

Josh Kane, Treasurer & Assistant Secretary

##### Directors in Attendance District No. 2:

Kim Perry, President & Chairperson  
Tim DePeder, Secretary  
Clark Cummings, Assistant Secretary

##### Also in Attendance:

Alan Pogue; Icenogle Seaver Pogue, P.C.  
Bryan Newby, Kieyesia Conaway, Irene Buenavista, and Stanley Holder;  
Pinnacle Consulting Group, Inc.  
Jim Niemczyk; McWhinney  
Bob Ebersole; Member of the Public

#### ADMINISTRATIVE ITEMS

Call to Order: The Annual Meeting of the Boards of Directors (collectively, the “Boards”) of the VDW Metropolitan District Nos. 1-3 (collectively, the “District”) was called to order by Mr. Newby at 4:01 p.m.

Declaration of Quorum/Director Qualifications/Disclosure of Potential Conflicts of Interest: Director Perry noted that a quorum was present, with two out of three Directors in attendance for District Nos. 1&3. A quorum was present, with three out of four Directors in attendance for District No. 2. All Board Members confirmed their qualifications to serve on the Boards. Mr. Pogue noted that notices of potential conflicts of interest for all Board Members employed by McWhinney Real Estate Services, Inc. were filed with the Colorado Secretary of State at least 72 hours in advance of the meeting, disclosing that potential conflicts of interest may exist, as McWhinney Real Estate Services, Inc. is associated with the primary landowner and developer of land within the Districts. Mr. Pogue



## RECORD OF PROCEEDINGS

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advised the Boards that pursuant to Colorado law, certain disclosures by the Board Members might be required prior to taking official action at a meeting. The Boards reviewed the agenda for the meeting, following which each Board Member present confirmed the contents of the written disclosures previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

### ANNUAL MEETING REQUIREMENTS

Presentation regarding the Status of Public Infrastructure Projects within the Districts: Mr. Holder presented the Status of Public Infrastructure Projects within the District to the Boards and answered questions.

Unaudited Financial Statements: Ms. Buenavista presented the Unaudited Financial Statements for the period ending June 30, 2023.

Presentation regarding the status of Outstanding Bonds: Ms. Buenavista presented the Status of Outstanding Bonds to the Boards and answered questions.

Community questions: There were no Members of the Public present for questions.

### ADJOURNMENT

There being no further business to come before the Boards, the meeting was adjourned at 4:08 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,

\_\_\_\_\_  
Kieyesia Conaway, Recording Secretary for the Meeting

VDW Metropolitan District No. 1  
Check/Voucher Register - Summary Check Detail  
From 10/25/2023 Through 6/17/2024

Check Date	Check #	Vendor Name	Invoice Reference	Description	Check Amount
10/25/2023	ACH 102523 001	City of Loveland Water & Power Dept	0093187-043979 09.23	Utilities - ACH	29.20
10/25/2023	ACH 102523 002	City of Loveland Water & Power Dept	0093187-046007 09.23	Utilities - ACH	1,832.87
10/30/2023	ACH 103023 001	Affordable Pest Control	41736	Pest Control	199.00
10/30/2023	ACH 103023 002	Environmental Designs, Inc.	171334	Manicured Landscaping O&M	5,261.74
10/30/2023	ACH 103023 002	Environmental Designs, Inc.	171778	Native Area O&M	650.72
10/30/2023	ACH 103023 002	Environmental Designs, Inc.	172292	Irrigation Repair & Upgrade	137.15
10/30/2023	ACH 103023 002	Environmental Designs, Inc.	172832	Tree/Plant Replacement & Upgrade	15,000.00
10/30/2023	ACH 103023 003	Icenogle Seaver Pogue, P.C.	24294	Legal	82.00
10/30/2023	ACH 103023 004	OLM, Inc.	41943	Manicured Landscaping Inspection/Consulting	614.80
10/30/2023	ACH 103023 005	Pinnacle Consulting Group, Inc.	25093	Capital District Management	1,125.00
10/30/2023	ACH 103023 005	Pinnacle Consulting Group, Inc.	25178	Finance/Facilities/Mgmt/Admin	8,874.96
10/30/2023	ACH 103023 006	SWPPP Colorado, LLC	6699	Storm Structure Maintenance	144.20
10/30/2023	ACH 103023 007	Utility Notification Center of Colorado	223091512	Utilities - Location Notification	27.09
10/31/2023	ACH 103123 001	CO Special Dist. Prop & Liab. Pool	24PL-60270-0907	Prepaid PL Insurance Renewal D.1	2,863.00
10/31/2023	ACH 103123 001	CO Special Dist. Prop & Liab. Pool	24WC-60270-0437	Prepaid 2024 WC Insurance D1	445.00
10/31/2023	ACH 103123 001	CO Special Dist. Prop & Liab. Pool	24WC-60271-0487	Prepaid 2024 WC Insurance D2	445.00
10/31/2023	ACH 103123 001	CO Special Dist. Prop & Liab. Pool	24WC-60272-0542	Prepaid 2024 WC Insurance D3	445.00
11/7/2023	ACH 110723 001	Bill.com, LLC	23115021557	Software - ACH	79.83
11/28/2023	ACH 112823 001	City of Loveland Water & Power Dept	0093187-037558 10.23	Utilities - ACH	1,600.45
11/28/2023	ACH 112823 002	City of Loveland Water & Power Dept	0093187-043979 10.23	Utilities - ACH	29.20
11/28/2023	ACH 112823 003	City of Loveland Water & Power Dept	0093187-046007 10.23	Utilities - ACH	616.98
11/28/2023	ACH 112823 004	City of Loveland Water & Power Dept	0103496-039570 10.23	Utilities - ACH	3,027.60
12/5/2023	ACH 120523 001	Affordable Pest Control	42302	Pest Control	199.00
12/5/2023	ACH 120523 002	Environmental Designs, Inc.	172739	Manicured Landscaping O&M	5,261.74
12/5/2023	ACH 120523 002	Environmental Designs, Inc.	173197	Winter Watering	4,111.69
12/5/2023	ACH 120523 002	Environmental Designs, Inc.	173318	Manicured Landscaping Upgrades	2,235.20
12/5/2023	ACH 120523 002	Environmental Designs, Inc.	174224	Native Area O&M	570.18
12/5/2023	ACH 120523 002	Environmental Designs, Inc.	174231	Tree/Plant Replacement & Upgrade	1,662.54
12/5/2023	ACH 120523 003	Icenogle Seaver Pogue, P.C.	24519	Legal	753.50
12/5/2023	ACH 120523 004	OLM, Inc.	42090	Manicured Landscaping Inspection/Consulting	614.80
12/5/2023	ACH 120523 005	Pinnacle Consulting Group, Inc.	25323	Finance/Facilities/Mgmt/Admin	8,901.16
12/5/2023	ACH 120523 006	Prairie Mountain Media	0000363834	2023 Budget Notice	26.97
12/5/2023	ACH 120523 007	Utility Notification Center of Colorado	223101531	Utilities - Location Notification	20.64
12/6/2023	ACH 120623 001	Bill.com, LLC	23125397041	Software - ACH	74.00
12/6/2023	ACH 120623 002	CO Special Dist. Prop & Liab. Pool	24PL-60271-2382	Prepaid 2024 P&L Insurance D2	3,692.00
12/6/2023	ACH 120623 002	CO Special Dist. Prop & Liab. Pool	24PL-60272-2383	Prepaid 2024 P&L Insurance D3	3,242.00
12/26/2023	ACH 122623 001	Affordable Pest Control	42797	Pest Control	199.00
12/26/2023	ACH 122623 002	Environmental Designs, Inc.	174159	Manicured Landscaping O&M	5,261.74
12/26/2023	ACH 122623 003	Icenogle Seaver Pogue, P.C.	24615	Legal	737.00
12/26/2023	ACH 122623 004	Pinnacle Consulting Group, Inc.	25386	Capital Services	1,350.00
12/26/2023	ACH 122623 004	Pinnacle Consulting Group, Inc.	25471	Finance/Facilities/Mgmt/Admin	8,888.81
12/26/2023	ACH 122623 005	Utility Notification Center of Colorado	223111469	Utilities - Location Notification	20.64
12/27/2023	ACH 122723 001	City of Loveland Water & Power Dept	0093187-037558 11.23	Utilities - ACH	48.51
12/27/2023	ACH 122723 002	City of Loveland Water & Power Dept	0093187-043979 11.23	Utilities - ACH	29.20
12/27/2023	ACH 122723 003	City of Loveland Water & Power Dept	0093187-046007 11.23	Utilities - ACH	30.42
12/27/2023	ACH 122723 004	City of Loveland Water & Power Dept	0103496-039570 11.23	Utilities - ACH	30.42
1/8/2024	ACH 122723 005	Bill.com, LLC	24015759966	Software - ACH	83.48
1/22/2024	ACH 122723 006	COL - 037558	0093187-037558 12.23	Utilities - ACH	49.08
1/25/2024	ACH 122723 007	COL - 039570	0103496-039570 12.23	Utilities - ACH	32.52
1/25/2024	ACH 122723 008	COL - 043979	0093187-043979 12.23	Utilities - ACH	29.20
1/25/2024	ACH 122723 009	COL - 046007	0093187-046007 12.23	Utilities - ACH	32.52
2/2/2024	ACH 020224 001	Affordable Pest Control	43340	Pest Control	199.00
2/2/2024	ACH 020224 002	Environmental Designs, Inc.	175023	Manicured Landscaping O&M	5,261.77
2/2/2024	ACH 020224 002	Environmental Designs, Inc.	175787	Site Cleanup	450.00
2/2/2024	ACH 020224 003	Icenogle Seaver Pogue, P.C.	24788	Legal	10.00
2/2/2024	ACH 020224 004	Pinnacle Consulting Group, Inc.	25566	Capital Services	112.50
2/2/2024	ACH 020224 004	Pinnacle Consulting Group, Inc.	25654	District Mgmt/Facilities Mgmt/Finance/Admin	8,888.06
2/2/2024	ACH 020224 005	SWPPP Colorado, LLC	6745	Storm Structure Maintenance	600.00

VDW Metropolitan District No. 1  
Check/Voucher Register - Summary Check Detail  
From 10/25/2023 Through 6/17/2024

Check Date	Check #	Vendor Name	Invoice Reference	Description	Check Amount
2/2/2024	ACH 020224 006	Utility Notification Center of Colorado	223121398	Utilities - Location Notification	16.77
2/6/2024	ACH 020624 001	Bill.com, LLC	24026090849	Software - ACH	79.34
2/22/2024	ACH 022224 001	COL - 037558	0093187-037558 01.24	Utilities - ACH	49.08
2/26/2024	ACH 022624 001	COL - 039570	0103496-039570 01.24	Utilities - ACH	32.52
2/26/2024	ACH 022624 002	COL - 043979	0093187-043979 01.24	Utilities - ACH	29.20
2/26/2024	ACH 022624 003	COL - 046007	0093187-046007 01.24	Utilities - ACH	32.52
2/27/2024	ACH 022724 001	Affordable Pest Control	43758	Pest Control	215.00
2/27/2024	ACH 022724 002	Environmental Designs, Inc.	175378	Snow Removal	336.00
2/27/2024	ACH 022724 002	Environmental Designs, Inc.	176394	Manicured Landscaping O&M	5,417.71
2/27/2024	ACH 022724 002	Environmental Designs, Inc.	176706	Snow Removal	483.00
2/27/2024	ACH 022724 002	Environmental Designs, Inc.	ED177374	Winter Watering	281.25
2/27/2024	ACH 022724 003	Icenogle Seaver Pogue, P.C.	24999	Legal	1,966.50
2/27/2024	ACH 022724 004	Pinnacle Consulting Group, Inc.	25788	District Mgmt/Facilities Mgmt/Finance/Admin	9,524.43
2/27/2024	ACH 022724 005	Utility Notification Center of Colorado	224011387	Utilities - Location Notification	12.90
3/6/2024	ACH 022624 004	Bill.com, LLC	24036413970	Software - ACH	77.65
3/25/2024	ACH 022624 005	COL - 037558	0093187-037558 02.24	Utilities - ACH	49.08
3/26/2024	ACH 022624 006	COL - 039570	0103496-039570 02.24	Utilities - ACH	32.52
3/26/2024	ACH 022624 007	COL - 043979	0093187-043979 02.24	Utilities - ACH	29.20
3/26/2024	ACH 022624 008	COL - 046007	0093187-046007 02.24	Utilities - ACH	32.52
4/1/2024	ACH 022624 009	Special District Association	VDW1 2024 Membership	VDW 1- 2024 Membership	952.58
4/1/2024	ACH 022624 009	Special District Association	VDW2 2024 Membership	VDW 2- 2024 Membership	753.87
4/1/2024	ACH 022624 009	Special District Association	VDW3 2024 Membership	VDW 3- 2024 Membership	456.96
4/2/2024	ACH 022624 010	Affordable Pest Control	44308	Pest Control	215.00
4/2/2024	ACH 022624 011	Environmental Designs, Inc.	177895	Snow Removal	210.00
4/2/2024	ACH 022624 011	Environmental Designs, Inc.	178391	Snow Removal	210.00
4/2/2024	ACH 022624 011	Environmental Designs, Inc.	ED177265	Manicured Landscaping O&M	5,417.71
4/2/2024	ACH 022624 012	Icenogle Seaver Pogue, P.C.	25174	Legal	769.00
4/2/2024	ACH 022624 013	Pinnacle Consulting Group, Inc.	25932	District Mgmt/Facilities Mgmt/Finance/Admin	9,522.48
4/2/2024	ACH 022624 014	Utility Notification Center of Colorado	224021391	Utilities - Location Notification	10.32
4/8/2024	ACH 022624 015	Bill.com, LLC	24046740474	Software - ACH	92.65
4/23/2024	ACH 022624 016	COL - 037558	0093187-037558 03.24	Utilities - ACH	49.08
4/25/2024	ACH 022624 017	COL - 039570	0103496-039570 03.24	Utilities - ACH	32.52
4/25/2024	ACH 022624 018	COL - 043979	0093187-043979 03.24	Utilities - ACH	29.20
4/25/2024	ACH 022624 019	COL - 046007	0093187-046007 03.24	Utilities - ACH	32.52
4/30/2024	ACH 022624 020	Affordable Pest Control	44841	Pest Control	215.00
4/30/2024	ACH 022624 021	Environmental Designs, Inc.	179340	Snow Removal	420.00
4/30/2024	ACH 022624 021	Environmental Designs, Inc.	179617	Snow Removal	252.00
4/30/2024	ACH 022624 021	Environmental Designs, Inc.	ED178621	Manicured Landscaping O&M	5,417.71
4/30/2024	ACH 022624 021	Environmental Designs, Inc.	ED179554	Irrigation Repair & Upgrade	238.84
4/30/2024	ACH 022624 022	Icenogle Seaver Pogue, P.C.	25400	Legal	1,302.90
4/30/2024	ACH 022624 023	John Cutler & Associates	VDW#1-2023Partial	2023 Audit - Partial Billing	4,500.00
4/30/2024	ACH 022624 023	John Cutler & Associates	VDW#2-2023Partial	2023 Audit - Partial Billing	4,500.00
4/30/2024	ACH 022624 024	Norfield Development Partners, LLC	2218	Utilities - Location Notification	393.75
4/30/2024	ACH 022624 025	Pinnacle Consulting Group, Inc.	26082	District Mgmt/Facilities Mgmt/Finance/Admin	9,525.86
4/30/2024	ACH 022624 026	SWPPP Colorado, LLC	6778	Storm Structure Maintenance	150.00
4/30/2024	ACH 022624 027	Utility Notification Center of Colorado	224031430	Utilities - Location Notification	16.77
5/7/2024	ACH 022624 028	Bill.com, LLC	24057067804	Software - ACH	97.72
5/22/2024	ACH 022624 029	COL - 037558	0093187-037558 04.24	Utilities - ACH	79.53
5/29/2024	ACH 022624 030	COL - 039570	0103496-039570 04.24	Utilities - ACH	118.61
5/29/2024	ACH 022624 031	COL - 043979	0093187-043979 04.24	Utilities - ACH	29.20
5/29/2024	ACH 022624 032	COL - 046007	0093187-046007 04.24	Utilities - ACH	62.97
5/31/2024	ACH 022624 033	Affordable Pest Control	45333	Pest Control	215.00
5/31/2024	ACH 022624 034	Environmental Designs, Inc.	CD50396855	Manicured Landscaping O&M	5,417.71
5/31/2024	ACH 022624 035	Icenogle Seaver Pogue, P.C.	25573	Legal	672.50
5/31/2024	ACH 022624 036	OLM, Inc.	42959	Manicured Landscaping Inspection/Consulting	614.80
5/31/2024	ACH 022624 037	Pinnacle Consulting Group, Inc.	26238	District Mgmt/Facilities Mgmt/Finance/Admin	9,519.16
5/31/2024	ACH 022624 038	Utility Notification Center of Colorado	224041480	Utilities - Location Notification	27.09
Report Total					<u>\$ 188,478.28</u>

# Contract Modifications for Board Ratification

## VDW Metropolitan District

### VDW O&M (VDW-OM)

<i>Contractor:</i> <b>Affordable Pest Control</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$2,875.00</b>	<i>Contract #:</i> <b>Cnt-00563</b>
<i>Modification Description:</i> <b>WO 2021-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>		<i>District Signed Date:</i> <b>1 /5 /2024</b>
<i>Modification Scope:</i> <b>Pest Control Services</b>			<i>Contractor Signed Date:</i> <b>1 /5 /2024</b>

<i>Contractor:</i> <b>Environmental Designs, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$7,000.00</b>	<i>Contract #:</i> <b>Cnt-01242</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>		<i>District Signed Date:</i> <b>12/18/2023</b>
<i>Modification Scope:</i> <b>Snow Removal Services - January 2024-May 2024</b>			<i>Contractor Signed Date:</i> <b>12/18/2023</b>

<i>Contractor:</i> <b>Environmental Designs, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$65,012.50</b>	<i>Contract #:</i> <b>Cnt-01242</b>
<i>Modification Description:</i> <b>WO 2024-02</b>	<i>Payment Method:</i> <b>Lump Sum</b>		<i>District Signed Date:</i> <b>12/19/2023</b>
<i>Modification Scope:</i> <b>Landscape Maintenance Services</b>			<i>Contractor Signed Date:</i> <b>12/19/2023</b>

<i>Contractor:</i> <b>Environmental Designs, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$12,000.00</b>	<i>Contract #:</i> <b>Cnt-01242</b>
<i>Modification Description:</i> <b>WO 2024-03</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>		<i>District Signed Date:</i> <b>1 /16/2024</b>
<i>Modification Scope:</i> <b>Irrigation Repair and Replacement Services</b>			<i>Contractor Signed Date:</i> <b>1 /17/2024</b>

<i>Contractor:</i> <b>Environmental Designs, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$1,050.04</b>	<i>Contract #:</i> <b>Cnt-01242</b>
<i>Modification Description:</i> <b>WO 2024-04</b>	<i>Payment Method:</i> <b>Lump Sum</b>		<i>District Signed Date:</i> <b>1 /16/2024</b>
<i>Modification Scope:</i> <b>Annual Floral Services</b>			<i>Contractor Signed Date:</i> <b>1 /17/2024</b>

## VDW Metropolitan District

<i>Contractor:</i> <b>Environmental Designs, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$4,945.58</b>	<i>Contract #:</i> <b>Cnt-01242</b>
<i>Modification Description:</i> <b>WO 2024-05</b>	<i>Payment Method:</i> <b>Lump Sum</b>	<i>District Signed Date:</i> <b>1 /16/2024</b>	
<i>Modification Scope:</i> <b>Native Area Maintenance Services</b>	<i>Contractor Signed Date:</i> <b>1 /17/2024</b>		

<i>Contractor:</i> <b>Fiske Electric</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$300.00</b>	<i>Contract #:</i> <b>Cnt-00568</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>	<i>District Signed Date:</i> <b>1 /26/2024</b>	
<i>Modification Scope:</i> <b>Electrical Repair and Maintenance Services</b>	<i>Contractor Signed Date:</i> <b>1 /26/2024</b>		

<i>Contractor:</i> <b>Foothills Landscape Maintenance, LLC</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$10,000.00</b>	<i>Contract #:</i> <b>Cnt-01115</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>	<i>District Signed Date:</i> <b>1 /9 /2024</b>	
<i>Modification Scope:</i> <b>Right-of-Way and Field Mowing Services</b>	<i>Contractor Signed Date:</i> <b>1 /9 /2024</b>		

<i>Contractor:</i> <b>OLM, Inc.</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$4,303.60</b>	<i>Contract #:</i> <b>Cnt-00049</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Lump Sum</b>	<i>District Signed Date:</i> <b>1 /26/2024</b>	
<i>Modification Scope:</i> <b>Landscape Inspection Services</b>	<i>Contractor Signed Date:</i> <b>1 /29/2024</b>		

<i>Contractor:</i> <b>SWPPP Colorado, LLC</b>	<i>Modification Date:</i> <b>1 /1 /2024</b>	<i>Modification Amount:</i> <b>\$17,250.00</b>	<i>Contract #:</i> <b>Cnt-00570</b>
<i>Modification Description:</i> <b>WO 2024-01</b>	<i>Payment Method:</i> <b>Time &amp; Materials</b>	<i>District Signed Date:</i> <b>1 /5 /2024</b>	
<i>Modification Scope:</i> <b>Ditch and Stormwater Structure Maintenance Services</b>	<i>Contractor Signed Date:</i> <b>1 /8 /2024</b>		



## Management Financial Statements

BOARD OF DIRECTORS  
VDW METROPOLITAN DISTRICT NOS. 1-3

We have prepared the accompanying management financial statements for the periods ending as of December 31, 2023, and March 31, 2024. We have also prepared the accompanying adopted budgets of revenues, expenditures and funds available prepared on the modified accrual basis of Sheridan Redevelopment Agency for the year ending December 31, 2024.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled 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. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the financial position and results of operations.

A handwritten signature in blue ink, appearing to read "Jan Bernath".

Pinnacle Consulting Group, Inc.  
May 31, 2024

### Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537  
(970)669-3611 (303)333-4380  
[www.PCGI.com](http://www.PCGI.com)

*Serving our clients and community through excellent dependable service.*

VDW METROPOLITAN DISTRICT NO. 1 BALANCE SHEET						
		Unaudited Actual 12/31/2023	Unaudited Actual 03/31/2024			
<b>Assets</b>						
Current Assets						
Checking- First Bank	\$	60,781	\$	26,213		
Colotrust		1,837,962		2,434,285		
Service Fees Receivable - District #2		2,581		26,991		
Service Fees Receivable - District #3		731		41,694		
Prepaid Expense		11,132		-		
Due from VDW #2		26,407		30,907		
Total Current Assets	\$	1,939,594	\$	2,560,090		
Long-term Assets						
Landscaping & Monumentation	\$	2,709,897	\$	2,709,897		
Stormwater Line		50,236		50,236		
Accumulated Depreciation		(1,367,137)		(1,367,137)		
Total Long-term Assets	\$	1,392,996	\$	1,392,996		
<b>Total Assets</b>		<b>\$ 3,332,590</b>		<b>\$ 3,953,086</b>		
<b>Liabilities</b>						
Current Liabilities						
Accounts Payable	\$	15,928	\$	45,620		
Due to VDW #2		28,165		261,151		
Total Current Liabilities	\$	44,093	\$	306,772		
<b>Total Liabilities</b>		<b>\$ 44,093</b>		<b>\$ 306,772</b>		
<b>Fund Equity</b>						
Net Investment in Fixed Assets	\$	1,392,996	\$	1,392,996		
Fund Balance		1,895,501		2,253,318		
Total Fund Balances	\$	3,288,497	\$	3,646,314		
<b>Total Liabilities and Fund Equity</b>		<b>\$ 3,332,590</b>		<b>\$ 3,953,086</b>		
		=		=		

<b>VDW METROPOLITAN DISTRICT NO. 1</b>						
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>						
<b>GENERAL FUND</b>						
	(a)	(b)	(c)	(d)	(e)	(d-e)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Through</b>	<b>Through</b>	<b>Through</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>3/31/2024</b>	<b>3/31/2024</b>	<b>3/31/2024</b>
<b>Revenues</b>						
Service Fees District #2	\$ 519,250	\$ 668,400	\$ 668,400	\$ 309,448	\$ 258,839	\$ 50,609
Service Fees District #3	165,269	203,562	203,562	93,364	79,136	14,228
Interest & Other Income	88,263	20,000	83,588	25,897	5,000	20,897
<b>Total Revenues</b>	<b>\$ 772,782</b>	<b>\$ 891,962</b>	<b>\$ 955,550</b>	<b>\$ 428,709</b>	<b>\$ 342,975</b>	<b>\$ 85,734</b>
<b>Expenditures</b>						
Operations & Maintenance:						
Landscape Maintenance	\$ 79,159	\$ 85,417	\$ 85,417	\$ 17,179	\$ 21,354	\$ (4,175)
Hardscape Maintenance	1,176	9,300	9,300	1,575	2,325	(750)
Undeveloped Public Land Maint	11,668	10,000	10,000	-	-	-
Storm Water Facility Maint	15,888	20,050	20,050	150	5,013	(4,863)
Misc Services	253	500	500	-	125	(125)
Repairs and Replacements	35,901	43,000	43,000	239	500	(261)
Utilities	45,290	55,000	55,000	970	1,500	(531)
Facilities Management	31,500	33,750	33,750	8,438	8,438	-
Administration:						
Accounting & Financial Mgmt	47,000	50,400	50,400	12,600	12,600	-
Auditing	5,500	5,500	5,500	4,500	4,500	-
District Management	28,000	30,000	30,000	7,500	7,500	-
Director Fees	1,758	2,500	2,500	122	625	(503)
Election Costs	2,728	3,000	3,000	-	-	-
Legal Services	15,198	20,000	20,000	4,038	5,000	(962)
Insurance and Bonds	13,305	13,900	11,132	11,132	11,132	-
Engineering	-	5,000	5,000	-	-	-
Office, Dues & Other	1,539	5,500	5,500	2,448	1,375	1,073
Website Hosting	-	1,166	1,166	-	-	-
Transfer to Capital Fund	250,000	650,168	650,168	-	-	-
<b>Total Operating Expenditures</b>	<b>\$ 585,863</b>	<b>\$ 1,044,151</b>	<b>\$ 1,041,383</b>	<b>\$ 70,892</b>	<b>\$ 81,987</b>	<b>\$ (11,095)</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>\$ 186,919</b>	<b>\$ (152,189)</b>	<b>\$ (85,833)</b>	<b>\$ 357,817</b>	<b>\$ 260,988</b>	<b>\$ 96,830</b>
<b>Beginning Fund Balance</b>	<b>\$ 437,985</b>	<b>\$ 585,255</b>	<b>\$ 624,903</b>	<b>\$ 624,903</b>	<b>\$ 585,255</b>	<b>\$ 39,649</b>
<b>Ending Fund Balance</b>	<b>\$ 624,903</b>	<b>\$ 433,065</b>	<b>\$ 539,070</b>	<b>\$ 982,721</b>	<b>\$ 846,243</b>	<b>\$ 136,479</b>
						=
<b>Components of Ending Fund Balance</b>						
TABOR Reserve - 3% of revenue	\$ 23,183	\$ 23,183	\$ 23,183	\$ 23,183	\$ 23,183	\$ -
Operating Reserve - 25% of expenses	98,496	98,496	98,496	98,496	98,496	-
Repairs and Replacement Reserve	503,224	311,387	417,391	861,042	724,564	136,478
<b>Total Components of Ending Fund Balance</b>	<b>\$ 624,903</b>	<b>\$ 433,065</b>	<b>\$ 539,070</b>	<b>\$ 982,721</b>	<b>\$ 846,243</b>	<b>\$ 136,478</b>
<b>Mill Levy</b>						
Operating	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>		
<b>Assessed Value</b>	<b>\$ 18</b>	<b>\$ 18</b>	<b>\$ 18</b>	<b>\$ 18</b>		



<b>VDW METROPOLITAN DISTRICT NO. 1</b>						
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>						
<b>CAPITAL PROJECTS FUND</b>						
	(a)	(b)	(c)	(d)	(e)	(d-e)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Through</b>	<b>Through</b>	<b>Through</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>3/31/2024</b>	<b>3/31/2024</b>	<b>3/31/2024</b>
<b>Revenues</b>						
Capital Reimbursement	\$ 51,271	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from General Fund	250,000	650,168	650,168	-	-	-
<b>Total Revenues</b>	<b>\$ 301,271</b>	<b>\$ 650,168</b>	<b>\$ 650,168</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>						
District Management	\$ 3,675	\$ 4,960	\$ 4,960	\$ -	\$ -	\$ -
District Engineering	-	2,500	2,500	-	-	-
District Planning/Engineering Mgmt	-	7,500	7,500	-	-	-
Capital Outlay	-	350,000	350,000	-	-	-
Contingency	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,675</b>	<b>\$ 364,960</b>	<b>\$ 364,960</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>\$ 297,596</b>	<b>\$ 285,208</b>	<b>\$ 285,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ 973,002</b>	<b>\$ 1,219,502</b>	<b>\$ 1,270,597</b>	<b>\$ 1,270,597</b>	<b>\$ 1,219,502</b>	<b>\$ 51,096</b>
<b>Ending Fund Balance</b>	<b>\$ 1,270,597</b>	<b>\$ 1,504,710</b>	<b>\$ 1,555,805</b>	<b>\$ 1,270,597</b>	<b>\$ 1,219,502</b>	<b>\$ 51,096</b>
						=

<b>VDW METROPOLITAN DISTRICT NO. 2</b>						
<b>BALANCE SHEET</b>						
		<b>Audited Actual 12/31/2023</b>	<b>Unaudited Actual 03/31/2024</b>			
<b>Assets</b>						
Current Assets						
UMB 2022 Bond - Bond Fund	\$	995,621	\$	1,020,353		
Property Taxes Receivable		1,046,650		535,789		
Due from County		4,791		45,267		
Receivable - Service Fees		823		40,680		
Due from VDW #1		28,165		261,151		
Total Current Assets	\$	2,076,051	\$	1,903,240		
<b>Total Assets</b>		<b>\$ 2,076,051</b>		<b>\$ 1,903,240</b>		
<b>Liabilities</b>						
Current Liabilities						
Deferred Property Taxes	\$	1,046,650	\$	535,789		
Service Fees Payable to VDW #1		2,581		26,991		
Due to VDW #1		26,407		30,907		
Total Current Liabilities	\$	1,075,639	\$	593,688		
Long-term Liabilities						
Bonds Payable	\$	10,225,000	\$	10,225,000		
Bond Premium		355,377		355,378		
Total Long-term Liabilities	\$	10,580,377	\$	10,580,378		
Total Liabilities	\$	11,656,016	\$	11,174,066		
<b>Fund Equity</b>						
Net Investment in Fixed Assets	\$	(10,580,377)	\$	(10,580,378)		
Fund Balance		1,000,412		1,309,553		
Total Fund Balances	\$	(9,579,965)	\$	(9,270,825)		
<b>Total Liabilities and Fund Equity</b>		<b>\$ 2,076,051</b>		<b>\$ 1,903,240</b>		
		=		=		

<b>VDW METROPOLITAN DISTRICT NO. 2</b>						
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>						
<b>GENERAL FUND</b>						
	(a)	(b)	(c)	(d)	(e)	(d-e)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Through</b>	<b>Through</b>	<b>Through</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>3/31/2024</b>	<b>3/31/2024</b>	<b>3/31/2024</b>
<b>Revenues</b>						
Property Tax	\$ 489,047	\$ 624,075	\$ 624,075	\$ 304,606	\$ 249,630	\$ 54,976
Specific Ownership Tax	39,798	56,806	56,806	10,934	14,202	(3,267)
Interest & Other	190	10,000	-	-	-	-
<b>Total Revenues</b>	<b>\$ 529,035</b>	<b>\$ 690,882</b>	<b>\$ 680,882</b>	<b>\$ 315,540</b>	<b>\$ 263,832</b>	<b>\$ 51,709</b>
<b>Expenditures</b>						
Treasurer's Fees	\$ 9,785	\$ 12,482	\$ 12,482	\$ 6,092	\$ 4,993	\$ 1,099
Service Fees to District No. 1	519,250	668,400	668,400	309,448	258,839	50,609
Contingency	-	10,000	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 529,035</b>	<b>\$ 690,882</b>	<b>\$ 680,882</b>	<b>\$ 315,540</b>	<b>\$ 263,832</b>	<b>\$ 51,709</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
						=
<b>Mill Levy</b>						
Operating	19.732	22.572	22.572	22.572		
Debt Service	16.892	15.284	15.284	15.284		
<b>Total Mill Levy</b>	<b>36.624</b>	<b>37.856</b>	<b>37.856</b>	<b>37.856</b>		
<b>Assessed Value</b>	<b>\$ 24,784,584</b>	<b>\$ 27,648,203</b>	<b>\$ 27,648,203</b>	<b>\$ 27,648,203</b>		
<b>Property Tax Revenue</b>						
Operating	\$ 489,049	\$ 624,075	\$ 624,075	\$ 624,075		
Debt Service	418,661	422,575	422,575	422,575		
<b>Total Property Tax Revenue</b>	<b>\$ 907,711</b>	<b>\$ 1,046,650</b>	<b>\$ 1,046,650</b>	<b>\$ 1,046,650</b>		

<b>VDW METROPOLITAN DISTRICT NO. 2</b>						
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>						
<b>DEBT SERVICE FUND</b>						
	(a)	(b)	(c)	(d)	(e)	(d-e)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Through</b>	<b>Through</b>	<b>Through</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>3/31/2024</b>	<b>3/31/2024</b>	<b>3/31/2024</b>
<b>Revenues</b>						
Property Tax	\$ 418,659	\$ 422,575	\$ 422,575	\$ 206,255	\$ 169,030	\$ 37,225
Specific Ownership Tax	34,070	35,465	35,465	7,404	8,866	(1,462)
Service Fee Revenue from #3	186,115	198,611	198,611	91,093	77,327	13,766
Bond Proceeds	-	-	-	-	-	-
Interest & Other	57,526	25,000	52,055	13,014	6,250	6,764
<b>Total Revenues</b>	<b>\$ 696,370</b>	<b>\$ 681,651</b>	<b>\$ 708,706</b>	<b>\$ 317,766</b>	<b>\$ 261,473</b>	<b>\$ 56,293</b>
<b>Expenditures</b>						
Treasurer's Fees	\$ 8,376	\$ 8,452	\$ 8,452	\$ 4,125	\$ 2,113	\$ 2,012
Bond Principal - 2022A Bond	265,000	280,000	280,000	-	-	-
Interest Expense - 2022A-1 Bond	213,950	209,843	209,843	-	-	-
Interest Expense - 2022A-2 Bond	144,000	144,000	144,000	-	-	-
Auditing	5,500	5,500	5,500	4,500	4,500	-
Trustee & Paying Agent Fees	8,000	8,000	8,000	-	-	-
Contingency	-	25,000	25,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 644,826</b>	<b>\$ 680,795</b>	<b>\$ 680,795</b>	<b>\$ 8,625</b>	<b>\$ 6,613</b>	<b>\$ 2,012</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>\$ 51,544</b>	<b>\$ 857</b>	<b>\$ 27,912</b>	<b>\$ 309,141</b>	<b>\$ 254,860</b>	<b>\$ 54,281</b>
<b>Beginning Fund Balance</b>	<b>\$ 948,868</b>	<b>\$ 994,318</b>	<b>\$ 1,000,412</b>	<b>\$ 1,000,412</b>	<b>\$ 994,318</b>	<b>\$ 6,093</b>
<b>Ending Fund Balance</b>	<b>\$ 1,000,412</b>	<b>\$ 995,175</b>	<b>\$ 1,028,323</b>	<b>\$ 1,309,553</b>	<b>\$ 1,249,179</b>	<b>\$ 60,374</b>
						=
<b>Components of Ending Fund Balance</b>						
Bond Fund	\$ 236,012	\$ 230,775	\$ 263,923	\$ 545,153	\$ 484,779	\$ 60,374
Required Reserve	764,400	764,400	764,400	764,400	764,400	-
<b>Total Components of Ending Fund Balance</b>	<b>\$ 1,000,412</b>	<b>\$ 995,175</b>	<b>\$ 1,028,323</b>	<b>\$ 1,309,553</b>	<b>\$ 1,249,179</b>	<b>\$ 60,374</b>

<b>VDW METROPOLITAN DISTRICT NO. 3</b>						
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>						
<b>GENERAL FUND</b>						
	(a)	(b)	(c)	(d)	(e)	(d-e)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Through</b>	<b>Through</b>	<b>Through</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>3/31/2024</b>	<b>3/31/2024</b>	<b>3/31/2024</b>
<b>Revenues</b>						
Property Tax	\$ 157,141	\$ 192,950	\$ 192,950	\$ 92,180	\$ 77,180	\$ 15,000
Specific Ownership Tax	11,271	14,471	14,471	3,027	3,500	(473)
Interest & Other	-	10,000	-	-	-	-
<b>Total Revenues</b>	<b>\$ 168,412</b>	<b>\$ 217,421</b>	<b>\$ 207,421</b>	<b>\$ 95,207</b>	<b>\$ 80,680</b>	<b>\$ 14,527</b>
<b>Expenditures</b>						
Treasurer's Fees	\$ 3,143	\$ 3,859	\$ 3,859	\$ 1,844	\$ 1,544	\$ 300
Service Fees to District No. 1	165,269	203,562	203,562	93,364	79,136	14,228
Contingency	-	10,000	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 168,412</b>	<b>\$ 217,421</b>	<b>\$ 207,421</b>	<b>\$ 95,207</b>	<b>\$ 80,680</b>	<b>\$ 14,527</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mill Levy</b>						
Operating	15.000	15.665	15.665	15.665		
Debt Service	16.892	15.284	15.284	15.284		
<b>Total Mill Levy</b>	<b>31.892</b>	<b>30.949</b>	<b>30.949</b>	<b>30.949</b>		
<b>Assessed Value</b>	<b>\$ 10,430,712</b>	<b>\$ 12,317,253</b>	<b>\$ 12,317,253</b>	<b>\$ 12,317,253</b>		
<b>Property Tax Revenue</b>						
Operating	\$ 156,461	\$ 192,950	\$ 192,950	\$ 192,950		
Debt Service	176,196	188,257	188,257	188,257		
<b>Total Property Tax Revenue</b>	<b>\$ 332,656</b>	<b>\$ 381,207</b>	<b>\$ 381,207</b>	<b>\$ 381,207</b>		

<b>VDW METROPOLITAN DISTRICT NO. 3</b>						
<b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b>						
<b>DEBT SERVICE FUND</b>						
	(a)	(b)	(c)	(d)	(e)	(d-e)
	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Unaudited</b>	<b>Adopted</b>	<b>Projected</b>	<b>Through</b>	<b>Through</b>	<b>Through</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>3/31/2024</b>	<b>3/31/2024</b>	<b>3/31/2024</b>
<b>Revenues</b>						
Property Tax	\$ 176,961	\$ 188,257	\$ 188,257	\$ 89,938	\$ 75,303	\$ 14,635
Specific Ownership	12,692	14,119	14,119	2,954	3,530	(576)
Interest & Other	-	25,000	-	-	-	-
<b>Total Revenues</b>	<b>\$ 189,654</b>	<b>\$ 227,376</b>	<b>\$ 202,376</b>	<b>\$ 92,892</b>	<b>\$ 78,833</b>	<b>\$ 14,059</b>
<b>Expenditures</b>						
County Treasurer's Fees	\$ 3,539	\$ 3,765	\$ 3,765	\$ 1,799	\$ 1,506	\$ 293
Service Fees to District No. 2	186,115	198,611	198,611	91,093	77,327	13,766
Contingency	-	25,000	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 189,654</b>	<b>\$ 227,376</b>	<b>\$ 202,376</b>	<b>\$ 92,892</b>	<b>\$ 78,833</b>	<b>\$ 14,059</b>
<b>Revenue Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 1**

### **A RESOLUTION ADOPTING TECHNOLOGY ACCESSIBILITY STATEMENT AND TECHNICAL STANDARDS**

WHEREAS, VDW Metropolitan District No. 1 (the “District”) is a special district organized and existing pursuant to Section 32-1-101 et seq., C.R.S.; and

WHEREAS, the Board of Directors of the District has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, pursuant to Section 32-1-1001(1)(m), C.R.S., the District’s Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and the laws of the State for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, the Colorado Anti-Discrimination Act (“CADA”), as set forth in Title 34, Article 34, Parts 3 through 8 of the Colorado Revised Statutes provides that it is unlawful to discriminate against an individual with a disability as that term is defined in Section 24-34-301(7), C.R.S.; and

WHEREAS, the Colorado legislature, through House Bill 21-1110 and subsequently amended by Senate Bill 23-244 (the “Technology Accessibility Bills”), amended CADA to include certain provisions regarding website accessibility for individuals with disabilities; and

WHEREAS, the Technology Accessibility Bills, require the Colorado Office of Information Technology (the “OIT”) to establish rules regarding information technology systems accessibility standards for individuals with disabilities; and

WHEREAS, on February 23, 2024, the OIT adopted the Rules Establishing Technology Accessibility Standards as contained in 8 CCR § 1501-11, *et seq.*, (the “Accessibility Rules”) requiring all public entities and state agencies, as such terms are defined in the Accessibility Rules, to comply with the Accessibility Rules; and

WHEREAS, 8 CCR § 1501-11.4 specifically defines the term public entity to include special districts; and

WHEREAS, compliance with the Accessibility Rules requires the District to adopt and publicly post in a conspicuous place a Technology Accessibility Statement, as such term is defined in the Accessibility Rules, by July 1, 2024; and

WHEREAS, Technical Standards is defined in the Accessibility Rules at Section 11.5(a) as Web Content Accessibility Guidelines (“WCAG”) 2.1 Level AA; and

WHEREAS, the Accessibility Rules require the District to ensure applicable information and communication technology (the “ICT”) is compliant with the Technical Standards by July 1, 2024.

NOW THEREFORE, THE BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 1 HEREBY ADOPTS THE FOLLOWING TECHNOLOGY ACCESSIBILITY STATEMENT AND TECHNICAL STANDARDS:

1. Technology Accessibility Statement. The District adopts the Technology Accessibility Statement attached hereto in Exhibit A (the “Statement”) in accordance with Section 11.6 of the Accessibility Rules. The Statement shall be posted publicly in a conspicuous location on the District’s website. The District directs the District Manager to take the actions necessary to facilitate the conspicuous public posting of the Statement on the District’s website as soon as possible but not later than July 1, 2024.
2. Actions to Effectuate Resolution. Management and legal counsel for the District are authorized and directed to take all actions necessary and appropriate to effectuate this Resolution and the imposition of the Technology Accessibility Statement and Technical Standards contemplated hereunder. All actions not inconsistent with the provisions of this Resolution heretofore taken by the members of the Board of Directors and/or management or legal counsel for the District and the officers, agents and employees of the District and directed toward effectuating the purposes stated herein are hereby ratified, approved and confirmed.
3. Effective Date. This Resolution shall take effect on the date and at the time of its adoption.

[Remainder of page intentionally left blank.]



APPROVED AND ADOPTED THIS 27th DAY OF JUNE, 2024.

VDW METROPOLITAN DISTRICT NO. 1

\_\_\_\_\_  
By: Kim L. Perry  
Its: President

**VDW METROPOLITAN DISTRICT NO. 1 TECHNOLOGY ACCESSIBILITY STATEMENT**

VDW Metropolitan District No. 1 (the “District”) is committed to providing equitable access to the District’s official website to all members of the public. The District’s ongoing accessibility efforts work toward being compliant with the Web Content Accessibility Guidelines (WCAG) version 2.1, level AA criteria. The District welcomes comments on how to improve its technology’s accessibility for users with disabilities as well as requests for reasonable modifications and/or accommodation to any District services, programs, and/or activities.

Please let us know if you encounter inaccessible information and communication technology. The District is committed to responding to requests for reasonable modifications and/or accommodation as well as reports of accessibility issues in a timely manner.

**For reports of inaccessible information and communication technology or to request reasonable modifications or accommodations to District information and communication technology, please contact the District at <sup>1</sup>:**

**Phone:**  <sup>2</sup>

**E-mail:**

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**FOOTNOTES TO BE REMOVED PRIOR TO POSTING**

<sup>1</sup> The point of contact must be "personnel knowledgeable about the accessibility of the ICT."

<sup>2</sup> The phone number must have TTY. TTY is teletypewriter, which is used by individuals who are deaf, hard of hearing, or have speech impediments. If the number is connected to a cellphone, this feature can be activated in the cellphone's system settings.

## **BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 2**

### **A RESOLUTION ADOPTING TECHNOLOGY ACCESSIBILITY STATEMENT AND TECHNICAL STANDARDS**

WHEREAS, VDW Metropolitan District No. 2 (the “District”) is a special district organized and existing pursuant to Section 32-1-101 et seq., C.R.S.; and

WHEREAS, the Board of Directors of the District has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, pursuant to Section 32-1-1001(1)(m), C.R.S., the District’s Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and the laws of the State for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, the Colorado Anti-Discrimination Act (“CADA”), as set forth in Title 34, Article 34, Parts 3 through 8 of the Colorado Revised Statutes provides that it is unlawful to discriminate against an individual with a disability as that term is defined in Section 24-34-301(7), C.R.S.; and

WHEREAS, the Colorado legislature, through House Bill 21-1110 and subsequently amended by Senate Bill 23-244 (the “Technology Accessibility Bills”), amended CADA to include certain provisions regarding website accessibility for individuals with disabilities; and

WHEREAS, the Technology Accessibility Bills, require the Colorado Office of Information Technology (the “OIT”) to establish rules regarding information technology systems accessibility standards for individuals with disabilities; and

WHEREAS, on February 23, 2024, the OIT adopted the Rules Establishing Technology Accessibility Standards as contained in 8 CCR § 1501-11, *et seq.*, (the “Accessibility Rules”) requiring all public entities and state agencies, as such terms are defined in the Accessibility Rules, to comply with the Accessibility Rules; and

WHEREAS, 8 CCR § 1501-11.4 specifically defines the term public entity to include special districts; and

WHEREAS, compliance with the Accessibility Rules requires the District to adopt and publicly post in a conspicuous place a Technology Accessibility Statement, as such term is defined in the Accessibility Rules, by July 1, 2024; and

WHEREAS, Technical Standards is defined in the Accessibility Rules at Section 11.5(a) as Web Content Accessibility Guidelines (“WCAG”) 2.1 Level AA; and

WHEREAS, the Accessibility Rules require the District to ensure applicable information and communication technology (the “ICT”) is compliant with the Technical Standards by July 1, 2024.

NOW THEREFORE, THE BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 2 HEREBY ADOPTS THE FOLLOWING TECHNOLOGY ACCESSIBILITY STATEMENT AND TECHNICAL STANDARDS:

1. Technology Accessibility Statement. The District adopts the Technology Accessibility Statement attached hereto in Exhibit A (the “Statement”) in accordance with Section 11.6 of the Accessibility Rules. The Statement shall be posted publicly in a conspicuous location on the District’s website. The District directs the District Manager to take the actions necessary to facilitate the conspicuous public posting of the Statement on the District’s website as soon as possible but not later than July 1, 2024.
2. Actions to Effectuate Resolution. Management and legal counsel for the District are authorized and directed to take all actions necessary and appropriate to effectuate this Resolution and the imposition of the Technology Accessibility Statement and Technical Standards contemplated hereunder. All actions not inconsistent with the provisions of this Resolution heretofore taken by the members of the Board of Directors and/or management or legal counsel for the District and the officers, agents and employees of the District and directed toward effectuating the purposes stated herein are hereby ratified, approved and confirmed.
3. Effective Date. This Resolution shall take effect on the date and at the time of its adoption.

[Remainder of page intentionally left blank.]

APPROVED AND ADOPTED THIS 27th DAY OF JUNE, 2024.

VDW METROPOLITAN DISTRICT NO. 2

\_\_\_\_\_  
By: Kim L. Perry  
Its: President

## VDW METROPOLITAN DISTRICT NO. 2 TECHNOLOGY ACCESSIBILITY STATEMENT

VDW Metropolitan District No. 2 (the “District”) is committed to providing equitable access to the District’s official website to all members of the public. The District’s ongoing accessibility efforts work toward being compliant with the Web Content Accessibility Guidelines (WCAG) version 2.1, level AA criteria. The District welcomes comments on how to improve its technology’s accessibility for users with disabilities as well as requests for reasonable modifications and/or accommodation to any District services, programs, and/or activities.

Please let us know if you encounter inaccessible information and communication technology. The District is committed to responding to requests for reasonable modifications and/or accommodation as well as reports of accessibility issues in a timely manner.

**For reports of inaccessible information and communication technology or to request reasonable modifications or accommodations to District information and communication technology, please contact the District at <sup>1</sup>:**

**Phone:**  <sup>2</sup>

**E-mail:**

---

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<sup>1</sup> The point of contact must be "personnel knowledgeable about the accessibility of the ICT."

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## **BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 3**

### **A RESOLUTION ADOPTING TECHNOLOGY ACCESSIBILITY STATEMENT AND TECHNICAL STANDARDS**

WHEREAS, VDW Metropolitan District No. 3 (the “District”) is a special district organized and existing pursuant to Section 32-1-101 et seq., C.R.S.; and

WHEREAS, the Board of Directors of the District has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, pursuant to Section 32-1-1001(1)(m), C.R.S., the District’s Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and the laws of the State for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, the Colorado Anti-Discrimination Act (“CADA”), as set forth in Title 34, Article 34, Parts 3 through 8 of the Colorado Revised Statutes provides that it is unlawful to discriminate against an individual with a disability as that term is defined in Section 24-34-301(7), C.R.S.; and

WHEREAS, the Colorado legislature, through House Bill 21-1110 and subsequently amended by Senate Bill 23-244 (the “Technology Accessibility Bills”), amended CADA to include certain provisions regarding website accessibility for individuals with disabilities; and

WHEREAS, the Technology Accessibility Bills, require the Colorado Office of Information Technology (the “OIT”) to establish rules regarding information technology systems accessibility standards for individuals with disabilities; and

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WHEREAS, 8 CCR § 1501-11.4 specifically defines the term public entity to include special districts; and

WHEREAS, compliance with the Accessibility Rules requires the District to adopt and publicly post in a conspicuous place a Technology Accessibility Statement, as such term is defined in the Accessibility Rules, by July 1, 2024; and

WHEREAS, Technical Standards is defined in the Accessibility Rules at Section 11.5(a) as Web Content Accessibility Guidelines (“WCAG”) 2.1 Level AA; and

WHEREAS, the Accessibility Rules require the District to ensure applicable information and communication technology (the “ICT”) is compliant with the Technical Standards by July 1, 2024.

NOW THEREFORE, THE BOARD OF DIRECTORS OF VDW METROPOLITAN DISTRICT NO. 3 HEREBY ADOPTS THE FOLLOWING TECHNOLOGY ACCESSIBILITY STATEMENT AND TECHNICAL STANDARDS:

1. Technology Accessibility Statement. The District adopts the Technology Accessibility Statement attached hereto in Exhibit A (the “Statement”) in accordance with Section 11.6 of the Accessibility Rules. The Statement shall be posted publicly in a conspicuous location on the District’s website. The District directs the District Manager to take the actions necessary to facilitate the conspicuous public posting of the Statement on the District’s website as soon as possible but not later than July 1, 2024.
2. Actions to Effectuate Resolution. Management and legal counsel for the District are authorized and directed to take all actions necessary and appropriate to effectuate this Resolution and the imposition of the Technology Accessibility Statement and Technical Standards contemplated hereunder. All actions not inconsistent with the provisions of this Resolution heretofore taken by the members of the Board of Directors and/or management or legal counsel for the District and the officers, agents and employees of the District and directed toward effectuating the purposes stated herein are hereby ratified, approved and confirmed.
3. Effective Date. This Resolution shall take effect on the date and at the time of its adoption.

[Remainder of page intentionally left blank.]



APPROVED AND ADOPTED THIS 27th DAY OF JUNE, 2024.

VDW METROPOLITAN DISTRICT NO. 3

\_\_\_\_\_  
By: Kim L. Perry  
Its: President

**VDW METROPOLITAN DISTRICT NO. 3 TECHNOLOGY ACCESSIBILITY STATEMENT**

VDW Metropolitan District No. 3 (the “District”) is committed to providing equitable access to the District’s official website to all members of the public. The District’s ongoing accessibility efforts work toward being compliant with the Web Content Accessibility Guidelines (WCAG) version 2.1, level AA criteria. The District welcomes comments on how to improve its technology’s accessibility for users with disabilities as well as requests for reasonable modifications and/or accommodation to any District services, programs, and/or activities.

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To: VDW Metropolitan District Board of Directors  
 From: Pinnacle Consulting Group, Inc.  
 Subject: Managers’ Report  
 Board Meeting Date: June 27, 2024

**General District Matters**

- **Primary Contact:** Please contact Bryan Newby, District Manager, at Bryann@pcgi.com or VDWMAdmin@pcgi.com for any District matters which include operations, Board of Directors relations, financial management, compliance, and constituent relations.
- **Compliance Matters:** Annually, District Management ensures the district meets required statutory responsibilities and tracks compliance accordingly.

Compliance Matters	Responsible	Due Date	Completion Status
File Boundary Map	PCGI	01/01/24	Complete
Post Transparency Notice	PCGI	01/15/24	Complete
File Certified Copy of Adopted Budget	PCGI	01/30/24	Complete
Renew SDA Membership	PCGI	03/01/24	Complete
File Audit Exemptions	PCGI	03/31/24	Complete
Submit Audit to Governing Board	PCGI	06/30/24	
Abide by Website Accessibility Standards	PCGI	07/01/24	
File Audit	PCGI	07/30/24	
File Annual Report	PCGI	10/01/24	
Draft 2025 Budgets Distributed to Board of Directors	PCGI	10/15/24	
Renew Property & Liability Insurance	PCGI	12/01/24	
Certify Mill Levies	PCGI	12/15/24	
Adopt Budget	PCGI	12/31/24	
Ensure Website Compliance	PCGI	12/31/24	
Payables	PCGI/Board	Monthly	Sent to Board third week of the month

**Operations & Maintenance Updates & Activities**

- **Budget and Contract Notes:**
  - 2024 annual routine maintenance contracts were executed in January – see mod report.
  - O&M budget allocations are trending in line with or below budget for the year except for irrigation repairs; this has been due to updating old parts, mainline repairs, and needed

VDW Metropolitan District  
 c/o Pinnacle Consulting Group, Inc.  
 Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537  
 Phone: (970) 669-3611  
 Email: VDWMAdmin@pcgi.com

*Serving our clients and community through excellent dependable service.*

improvements to irrigation along Hwy. 34 frontage areas. Snow removal costs are well below budget after the first portion of the year, so currently anticipating savings in that area.

- **Operations and Maintenance Updates:**

- EDI has completed and continues various spring and summer landscaping tasks including aeration, fertilization, irrigation start up and repairs, floral install, weed control, and native area maintenance.
- First round of ROW, field, and ditch area mowing was completed by FLM in early June, another round to occur next week.
- In process to identify and remove more Ash trees within district areas then replace with more successful species in the fall as budget allows.
- OLM inspections began in April, scores below:
  - April 94%
  - May 94%
  - June -



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*Serving our clients and community through excellent dependable service.*



STREAMLINE

(916) 900-6619

[info@getstreamline.com](mailto:info@getstreamline.com)

[www.getstreamline.com](http://www.getstreamline.com)

## MASTER SERVICES AGREEMENT

THE TERMS AND CONDITIONS CONTAINED IN THIS MASTER SERVICES AGREEMENT, TOGETHER WITH ANY ORDER FORMS (COLLECTIVELY, THE “AGREEMENT”) APPLY TO ALL USE OF THE HOSTED SERVICES PROVIDED BY STREAMLINE SOFTWARE, INC. (“STREAMLINE”) TO **VDW Metropolitan District No. 1** (“CUSTOMER”). STREAMLINE AND CUSTOMER MAY BE REFERRED TO HEREIN INDIVIDUALLY AS A “PARTY” OR COLLECTIVELY AS THE “PARTIES”.

BY ACCESSING OR USING ANY OF STREAMLINE’S SERVICES OR SOFTWARE, CUSTOMER AGREES TO ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT WILL BE DEEMED EFFECTIVE ON THE DATE IT IS AGREED TO BY STREAMLINE AND CUSTOMER AS PART OF THE ORDER PROCESS – AS DEFINED IN SECTION 1 BELOW) (“EFFECTIVE DATE”).

### 1. THE SERVICE

**1.1. Provision of the Service** Subject to all the terms of this Agreement, Streamline grants Customer the non-sublicensable, non-transferrable, nonexclusive, limited right to remotely access and use the service described in the Order Process (as defined below), including the right to use any associated materials provided or made available (e.g. online) by Streamline (collectively, the “Service”) - but only for Customer’s own business purposes. The “Order Process” is Streamline’s online order process and Subscription Agreement attached as **Exhibit A**, and incorporated herein by this reference. All activity under the Agreement shall be strictly in accordance with and subject to Streamline’s applicable usage documentation available at [support.getstreamline.com](http://support.getstreamline.com) (collectively, the “Documentation”).

**1.2. Services Levels.** Streamline will use commercially reasonable efforts to ensure the Service is substantially operational on a 24/7 basis (subject to downtime for scheduled maintenance, emergency maintenance, and matters beyond Streamline’s reasonable control).

**1.3. General Restrictions.** Customer shall not (and shall not allow any third party to): (a) rent, lease, copy, provide access to or sublicense the Service to a third party (except contractors acting on Customer’s behalf – and Customer is fully responsible and liable for their breach of this Agreement); (b) use the Service to help develop any competitive product or service, (c) reverse engineer, decompile, disassemble, or otherwise seek to obtain the source code of any part of the Service, (d) modify or create derivatives of the Service or any other materials provided by Streamline, or (e) remove or obscure any proprietary or other notices contained in the Service or Documentation provided by Streamline.

**1.4. Customer’s Third-Party Services.** The Service will enable Customer to send Customer Data (as defined in Section 2.1 below) to and from different third-party products, services, sources, and destinations (collectively, “Third-Party Services”). Customer’s use of any Third-Party Services is subject to Customer’s separate agreement with the provider. Customer is responsible for selecting and configuring the Third-Party Services it chooses to use with the Service and for any exchange of Customer Data it enables through the Service. Streamline is not responsible for any Third-Party Services used by Customer with the Service, their code or technology, or how the providers use or protect Customer Data, except to the extent Streamline provides Customer with any products provided (in whole or part) by Streamline’s own partners or providers, unless Customer has a separate agreement with the partner/provider. For clarity, Streamline has no liability or obligation under the separate agreement between Customer and the applicable third-party provider.



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**1.5. Feedback.** Notwithstanding anything else, Customer grants Streamline a perpetual, irrevocable, royalty free, paid-up, sub-licensable, right and license to use, display, reproduce, distribute and otherwise exploit Feedback for any purposes. Streamline agrees that (i) Customer does not have to provide Feedback, and (ii) all Feedback is provided “AS IS”. “Feedback” means all suggestions for improvement or enhancement, recommendations, comments, opinions or other feedback provided by Customer (whether in oral, electronic or written form) to Streamline for the Service.

## 2. CUSTOMER DATA

**2.1. Generally.** “Customer Data” means all data provided by Customer or its systems or providers to Streamline. As between the Parties, Customer shall retain all right, title and interest in the Customer Data. Subject to the terms of this Agreement, Customer hereby grants to Streamline a non-exclusive, worldwide, royalty-free right to use, copy, store, transmit, modify, create derivative works of and display the Customer Data to the extent necessary to provide the Service to Customer. Streamline will not sell, distribute, or otherwise provide any Customer Data to any third party (but data will be stored and processed by Streamline’s services providers to the extent acting on Streamline’s behalf hereunder and provided that Streamline is fully liable for their breach of this Agreement. Customer represents and warrants that (i) it has all rights and authorization to provide the Customer Data, (ii) the provision of Customer Data, and Streamline’s use of the data as authorized hereunder, is allowed by Customer’s privacy policy, if any, and (iii) Customer’s provision, use and maintenance of Customer Data complies with all laws, regulations and third-party rights. For clarity, Customer is fully responsible for ensuring that its end users agree to a Customer privacy policy that allows for such information to be used hereunder.

**2.2. Security.** Streamline will implement and maintain a reasonable information security program with administrative, physical, and technical safeguards designed to help protect the integrity of Customer Data, as outlined in the Streamline Security and Continuity of Operations Guide, as the same may be modified or amended (the “**Guide**”). The Guide, in its current form as of April 19, 2024, is available at the following link and incorporated herein by this reference:

<https://docs.google.com/document/d/1qCHDzJvVwW67tT45DHMmANKg2v47aH3tFkS8AdXoDDA/edit#heading=h.exloycca970q>.

**2.3. Aggregate and Deidentified Data.** Streamline will have a revocable, right to retain and internally use any Customer Data in an aggregated and deidentified form to internally improve its products and services (such as training algorithms).

**2.4. Personal Identifying Information.** During the performance of this Agreement, Customer may disclose Personal Identifying Information to Streamline. “Personal Identifying Information” means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver’s license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., Streamline agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to Streamline; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.



Streamline agrees to report within forty-eight (48) hours to Customer any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this Agreement “Data Security Incident” is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to Streamline systems; (b) inability to access business and other proprietary information, data, or the Streamline systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.

### 3. CUSTOMER CONTENT.

**3.1. Customer’s Own Content.** Customer is responsible for all materials, information, photos, and content (collectively, the “Content”) uploaded, posted or stored through its use of the Service. Customer grants Streamline a worldwide, royalty-free, non-exclusive license to host, display, and use any Content provided through Customer’s use of the Service to the extent necessary to provide the Service to Customer. If Customer shares Content in a manner designed to be shared with other Service users, Customer acknowledges and agrees to such sharing. Customer should archive its Content frequently. Streamline is not responsible for any lost, damaged, or unrecoverable Content. Customer also acknowledges that Streamline is not responsible or liable with respect to Customer’s use of, or access to, any Content provided by other users. To the extent authorized by law, Customer agrees not to use, nor permit any third party to use, the Service to upload, post, distribute, link to, publish, reproduce, engage in or transmit any of the following:

- Illegal, fraudulent, defamatory, obscene, pornographic, profane, threatening, abusive, hateful, harassing, offensive, inappropriate or objectionable information or communications of any kind, or contrary to any local, state, federal or foreign law;
- Content that would impersonate someone else or falsely represent Customer’s (or any person’s) identity or qualifications, or that constitutes a breach of any individual’s privacy;
- Except as permitted by Streamline in writing, investment opportunities, solicitations, chain letters, pyramid schemes, other unsolicited commercial communication or engage in spamming or flooding;
- Virus, trojan horse, worm or other disruptive or harmful software or data; and
- Any information, software or content which is not legally Customer’s and without legally sufficient permission from the copyright owner or intellectual property rights owner.

**3.2. Monitoring Customer’s Content.** Streamline may, but has no obligation to, monitor content on the Service, except for such monitoring of content related to Streamline’s accessibility monitoring services, which includes, but is not limited to, monthly HTML scanning via Lighthouse, PDF scanning via CommonLook’s PDF accessibility scanner, manual testing of Streamline’s core architecture (such as navigation bars and design elements) by LevelAccess, and proprietary testing of videos for closed captioning. Streamline may disclose any information necessary to satisfy its legal obligations, protect Streamline or its customers, or operate the Service properly. Streamline, in its sole discretion, may refuse to post or may remove, any Content, in whole or in part, alleged to be unacceptable, undesirable, inappropriate, or in violation of this Agreement.

**3.3. Community Forums.** The Service may include a community forum or other social features to exchange content and information with other users of the Service and the public. Streamline



## STREAMLINE

does not support and is not responsible for the content in these community forums. Customer is responsible for all its interactions with, and its use of content from, any other community users. Customer should not reveal information that it does not want to make public. Users may post hypertext links to content of third Parties for which Streamline is not responsible.

### 4. INTELLECTUAL PROPERTY

No intellectual property rights are assigned or transferred by Streamline hereunder.

### 5. FEES AND PAYMENT

**5.1. Fees and Payment.** All fees are as agreed to by Streamline and Customer in writing, as seen in **Exhibit A**. Fees are payable when due. If Customer has provided Streamline with a credit card or bank account number, Customer hereby authorizes Streamline (or its third party payment processor) to charge such card or account for all fees owed. If Customer pays in advance for usage-based pricing, and then exceeds such usage, Streamline will invoice Customer for the excess usage on a pro rata basis for the remainder of the term. Streamline may adjust the fees charged to Customer hereunder on notice at any time. If Customer does not want to agree to any fee increase, its sole remedy, and Streamline's exclusive liability, is to terminate this Agreement on notice (or by canceling Customer's Service account via the functionality provided therein). If Customer disagrees with an invoice, it must notify Streamline within thirty (30) days from receipt of the invoice – or it is deemed final. Streamline's fees are exclusive of all taxes and other governmental assessments. Customer is responsible for all of the foregoing - other than taxes based on the income of Streamline.

**5.2. Late Payments.** In the event of late payments, Customer agrees to pay interest at the rate of one and one-half percent (1.5%) per month (or the maximum rate permitted by applicable law, whichever is less). In addition, Customer will reimburse Streamline for all costs of collection (including attorneys' fees). If Customer's account is thirty (30) days or more overdue, in addition to any of its other rights or remedies, Streamline reserves the right to suspend Customer's access to the Service, with notice, without liability to Customer until such amounts are paid in full.

### 6. TERM AND TERMINATION

**6.1. Term.** This Agreement will begin on the Effective Date and will have the subscription term selected by Customer in the Order Process ("Subscription Term"). The Subscription Term will automatically renew for successive renewal terms of equal length to the initial Subscription Term, subject to annual appropriations by Customer, unless: (i) Customer cancels its Service account via the account functionality prior to the renewal date, or (ii) this Agreement is otherwise terminated as set out herein.

**6.2. Termination.** Streamline or Customer may terminate this Agreement, with or without cause, and the Subscription Term at any time, with 30 days written notice; provided that, if such termination is in the middle of a Subscription Term and termination is not for Customer's breach, Streamline will refund all fees paid in advance for the remainder of the Subscription Term. In addition, either party may immediately terminate this Agreement if the other party (a) fails to cure any material breach of this Agreement (including a failure to pay fees) within thirty (30) days after written notice (such notice must contain sufficient detail as to the nature of the breach and state the intent to terminate); (b) ceases operation without a successor; or (c) seeks protection under, or is subject to, any bankruptcy, receivership or comparable proceeding. In the event this Agreement is terminated by Customer for Streamline's uncured breach, Streamline will promptly refund to Customer all fees paid in advance for the remainder of the Subscription Term.

**6.3. Effect of Termination.** Upon any expiration or termination of this Agreement, (i) Customer shall immediately cease any and all use of and access to the Service and (ii) Customer will return to Streamline (or destroy at the Streamline's request) its Confidential Information (subject to Section 6.4 below). During the thirty (30) days period immediately following





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expiration or termination of this Agreement, Streamline will, on request, provide Customer with a copy of its Customer Data (in a format reasonably requested).

**6.4. Survival.** The following Sections shall survive any expiration or termination of this Agreement: 1.3, 1.4, 5 (with respect to outstanding payment obligations), 6, 7, 8, and 9.

## 7. WARRANTIES; DISCLAIMER

**7.1. Mutual Warranties.** Each party represents and warrants that (i) it has all right, power, and authority to execute this Agreement and perform hereunder, (ii) its activities in connection with this Agreement will not violate any laws or regulations, and (iii) its performance will not conflict with an obligations it has to any third party.

**7.2. Services Warranties.** Streamline warrants, for Customer's benefit only, that the Services will operate in conformity, in all material respects, with the applicable Documentation.

Streamline does not warrant that Customer's use of the Service will be uninterrupted or error-free. Streamline's sole liability (and Customer's sole and exclusive remedy) for any breach of this warranty shall be, in Streamline's sole discretion and at no charge to Customer, to use commercially reasonable efforts to provide Customer with an error correction or work-around that corrects the reported non-conformity, or if Streamline determines such remedies to be impracticable, to allow Customer to terminate the Subscription Term and receive as its sole remedy a refund of any fees Customer has pre-paid for use of the Service or as of the date of the warranty claim. The limited warranty set forth in this Section 7.2 shall not apply: (i) unless Customer makes a claim within thirty (30) days of the date on which the condition giving rise to the claim first appeared, (ii) if the error was caused by misuse, unauthorized modifications or third-party hardware, software or services, or (iii) if the Service is provided on a no-charge or evaluation basis. This Section 7.2 will not apply if the Services are provided on a beta, evaluation, or otherwise free basis.

**7.3. Disclaimer; Limitation on Liability.** EXCEPT AS SET FORTH IN SECTIONS 7.1 and 7.2, THE SERVICE IS PROVIDED "AS IS" AND STREAMLINE DISCLAIMS (ON BEHALF OF ITSELF AND ITS PARTNERS AND PROVIDERS) ALL OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

STREAMLINE SHALL NOT BE LIABLE, UNDER ANY LEGAL OR EQUITABLE THEORY OF LAW, TO CUSTOMER WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT FOR ANY: (I) INDIRECT, SPECIAL, INCIDENTAL, RELIANCE OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOST PROFITS), EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE, (II) AMOUNTS IN THE AGGREGATE IN EXCESS OF THE FEES PAID BY CUSTOMER TO STREAMLINE DURING THE IMMEDIATELY PRECEDING SIX (6) MONTH PERIOD (OR, IF NO AMOUNTS HAVE BEEN PAID, SUCH AMOUNT SHALL BE US\$1,000.00), OR (III) THE COST OF PROCUREMENT OF SUBSTITUTE TECHNOLOGY OR SERVICES. STREAMLINE'S PARTNERS AND PROVIDERS SHALL HAVE NO LIABILITY IN CONNECTION WITH THIS AGREEMENT

**7.4. Accessibility Claims.** STREAMLINE'S DISCLAIMER AND LIMITATION OF LIABILITY SHALL NOT APPLY TO (i) CLAIMS MADE BY THIRD PARTIES AGAINST CUSTOMER FOR ALLEGED VIOLATIONS OF WEB ACCESSIBILITY LAWS OR REGULATIONS INSOFAR AS THE CLAIMS ARISE FROM STREAMLINE'S SERVICE'S OR (ii) IT'S INDEMNIFICATION OBLIGATIONS AS SET FORTH IN SECTION 8. STREAMLINE HEREBY WARRANTS THAT ITS SERVICE COMPLIES WITH ALL WEB ACCESSIBILITY LAWS AND REGULATIONS.



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## 8. INDEMNIFICATION

Streamline shall indemnify and hold harmless Customer from and against any claim (i) that the Service (as provided by Streamline) infringes any patent, copyright, or trademark, (ii) that Streamline or the Services violates any laws or regulations, or (iii) arising from the negligence, willful misconduct, or any criminal or tortious act or omission of Streamline or any of its subcontractors, officers, agents, or employees - provided that Customer provides Streamline with: (i) written notice of such claim within ten (10) days (but in any event notice in sufficient time for Streamline to respond without prejudice); (ii) the right to solely control the investigation, defense, or settlement (if applicable) of such claim; and (iii) all reasonable necessary cooperation of Customer. Notwithstanding the foregoing sentence, Customer shall have the right to participate in any claim subject to indemnification, and Streamline shall not accept any settlement offer without Customer's consent. If Customer's use of the Service is, or in Streamline's opinion is likely to be, enjoined due to the type of infringement specified above, or if required by settlement, Streamline may, in its sole discretion: (a) substitute substantially functionally similar products or services; (b) procure for Customer the right to continue using the Service; or if (a) and (b) are commercially impracticable, (c) terminate the Agreement and Streamline will promptly refund to Customer all fees paid in advance for the remainder of the term. The foregoing indemnification obligation of Streamline shall not apply: (1) if the Service is modified by any party other than Streamline, but solely to the extent the alleged infringement is caused by such modification; (2) if the Service is combined with other services or processes not authorized by Streamline, but solely to the extent the alleged infringement is caused by such combination; (3) to any unauthorized use of the Service; or (4) any action arising as a result of Customer Data or any third-party deliverables or components contained within the Service, except if such actions arise from website accessibility claims.

Subject to the conditions and limitations below, Streamline shall defend, indemnify, and hold harmless Customer and each of its directors, officers, contractors, employees, agents, and consultants, from and against any and all claims (and resulting, to the extent payable to unaffiliated third Parties: losses, liabilities, damages, and expenses, including reasonable legal expenses and attorneys' fees) alleging that the Customer's website for which the Services are provided are not accessible for people with disabilities, including claims for violation of the Americans with Disabilities Act (ADA) and HB 21-1110 Colorado Laws for Persons with Disabilities. The above indemnification for website accessibility claims shall only apply to a particular claim or lawsuit to the extent such outstanding items and tasks on the "Accessibility Dashboard" forming the basis of such claim were completed at the time of the alleged visit to the website by the plaintiff or complaining party. Streamline shall maintain strategic control over the defense of any such claims, including selection of defense legal counsel, strategic decision making regarding how to handle the claims, including whether to defend or settle the claims, and the terms for potential settlement. Notwithstanding the foregoing sentence, Customer shall have the right to participate in any claim subject to indemnification, and Streamline shall not accept any settlement offer without Customer's consent.

## 9. CONFIDENTIAL INFORMATION

Each party agrees that all business and technical information it obtains ("Receiving Party") from the disclosing party ("Disclosing Party") constitute the confidential property of the Disclosing Party ("Confidential Information"), provided that it is identified as confidential at the time of disclosure or should be reasonably known by the Receiving Party to be Confidential Information due to the nature of the information disclosed and the circumstances surrounding the disclosure. Except as expressly authorized herein, the Receiving Party will, using reasonable measures, hold in confidence and not use or disclose any Confidential Information. In addition, all Confidential Information from Streamline's partners or providers will, as between Streamline and Customer,



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be Streamline's Confidential Information. The Receiving Party's nondisclosure obligation shall not apply to information which the Receiving Party can document: (i) was rightfully in its possession or known to it prior to receipt of the Confidential Information; or (ii) is or has become public knowledge through no fault of the Receiving Party. If required to be disclosed by law, the Receiving Party will immediately notify the Disclosing Party and use its best efforts to limit the disclosure. The Receiving Party acknowledges that disclosure of Confidential Information would cause substantial harm for which damages alone would not be a sufficient remedy, and therefore that upon any such disclosure by the Receiving Party the Disclosing Party shall be entitled to appropriate equitable relief (without the posting of a bond or similar instrument) in addition to whatever other remedies it might have at law. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

## 10. LOGO USE

Customer agrees that Streamline may use Customer's name and logo on Streamline's website and in Streamline promotional materials as part of a general list of customers. Any other marketing or promotional use is subject to Customer's written approval (email is sufficient).

## 11. GENERAL TERMS

**11.1. Assignment.** Customer will not assign or transfer this Agreement without Streamline's written consent, except that it may assign this Agreement in connection with a merger, reorganization, acquisition or other transfer of all or substantially all of its assets (provided that the successor is not a competitor of Streamline). Streamline, upon thirty (30) days written notice to Customer may freely assign this Agreement. Any attempt to transfer or assign this Agreement except as expressly authorized under this Section 11.1 will be null and void.

**11.2. Force Majeure.** Streamline will not be liable for any delay or failure to perform any obligation under this Agreement (except for a failure to pay fees) if the delay or failure is due to events which are beyond the reasonable control of Streamline, such as a strike, blockade, war, act of terrorism, pandemic, riot, natural disaster, failure or diminishment of telecommunications, or refusal of a license by a government agency.

**11.3. Governing Law; Jurisdiction.** This Agreement shall be governed by the laws of the State of Colorado and the United States without regard to conflicts of law provisions thereof, and without regard to the United Nations Convention on the International Sale of Goods. Except for claims for injunctive or equitable relief or claims regarding intellectual property rights (which may be brought in any competent court), any dispute arising under this Agreement shall be finally settled in accordance with the Rules of the Judicial Arbitration and Mediation Service ("JAMS") in accordance with such Rules. To the extent the JAMS streamlined rules are available – they shall apply. The arbitration shall take place in the state and county in which Customer is located, in the English language and the arbitral decision may be enforced in any court. To the extent a claim cannot legally be arbitrated (as determined by an arbitrator), the jurisdiction and venue for actions related to the subject matter hereof shall be the District Court in the state and county in which Customer is located and both Parties hereby submit to the personal jurisdiction of such courts.

**11.4. Third-Party Beneficiaries.** To the extent Streamline provides Customer with any products provided (in whole or part) by Streamline's own partners or providers, the terms of this Agreement will apply to such offering (unless Customer has a separate agreement with the partner/provider as contemplated by Section 1.4 above). Such partners and providers of Streamline are third-party beneficiaries to this Agreement (as necessary to protect their intellectual property, confidential information, or liability). Except as described herein, nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or



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entity any right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

**11.5. Notice.** All notices, statements, demands, requirements, approvals or other communications and documents (“Communications”) required or permitted to be given, served, or delivered by or to a party or any intended recipient under this Agreement shall be in writing and shall be given to the applicable address set forth below (“Notice Address”). Communications to a party shall be deemed to have been duly given (i) on the date and at the time of delivery if delivered personally to the party to whom notice is given at such party’s Notice Address; or (ii) on the date and at the time of delivery or refusal of acceptance of delivery if delivered or attempted to be delivered by an overnight courier service to the party to whom notice is given at such Party’s Notice Address; or (iii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the party to whom notice is to be given by first-class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed to such party at such party’s Notice Address; or (iv) on the date and at the time shown on the facsimile or electronic mail message if telecopied or sent electronically to the number or address designated in such party’s Notice Address and receipt of such telecopy or electronic mail message is electronically confirmed. The Notice Addresses for each party is as follows:

### DISTRICT: VDW Metropolitan District No. 1

If to Streamline: Streamline Software, Inc.,  
3301 C Street Suite 1000  
Sacramento, CA 95816.

With a copy to: [legal@getstreamline.com](mailto:legal@getstreamline.com)

If to Customer: VDW Metropolitan District No. 1  
c/o Pinnacle Consulting Group, Inc.  
550 W. Eisenhower Blvd.  
Loveland, CO 80537  
ATTN: District Manager  
[compliance@pcgi.com](mailto:compliance@pcgi.com)

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[info@getstreamline.com](mailto:info@getstreamline.com)[www.getstreamline.com](http://www.getstreamline.com)

With copies to:

Icenogle Seaver Pogue, PC.

Attn: Alan D. Pogue

4725 S. Monaco St., Suite 360

Denver, Colorado 80237

Email: APogue@ISP-law.com

**11.6. Insurance.** Streamline shall acquire and maintain, at its sole cost and expense, during the entire term of the Agreement, the following insurance coverage: (i) Standard worker's compensation and employer's liability insurance covering all employees of Streamline involved with the performance of the Services, with policy amounts and coverage in compliance with law; (ii) Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 general aggregate (iii) Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage, and (iv) any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that Customer may carry, and any insurance maintained by Customer shall be considered excess. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name Customer as an additional insured. Streamline's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit Streamline's liability. Streamline shall be responsible for the payment of any deductibles on issued policies.

**11.7. Subject to Annual Appropriation and Budget.** Customer does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The obligations of Customer under this Agreement is subject to annual budgeting and appropriations, and Streamline expressly understands and agrees that the decision whether or not to budget and appropriate funds is within the discretion of Customer's governing body, and the obligations of Customer shall extend only to monies appropriated for the purposes of this Agreement and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. Customer and Streamline understand and intend that Customer's obligation to make payments and pay other amounts due under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements. To the extent Streamline's remedies for a Customer default under this Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited solely to sums lawfully



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appropriated for such purpose and shall further be limited to amounts to become due during the Customer's then-current fiscal period.

**11.8. Governmental Immunity.** Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to Customer, its respective officials, employees, contractors, or agents, or any other person acting on behalf of Customer and, in particular, governmental immunity afforded or available to Customer pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

## **12. ENTIRE AGREEMENT**

This Agreement is the complete and exclusive statement of the mutual understanding of the Parties and supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of this Agreement. It may only be amended or waived in a writing executed by both Parties. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited to the minimum extent necessary so that this Agreement shall otherwise remain in effect. This Agreement may be executed electronically and in counterparts (such as via PandaDoc).



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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the 22 day of May, 2024. By the signature of its representative above, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.



# Streamline Platform - Subscription Agreement

DISTRICT: **VDW Metropolitan District**

ORDER DATE: **05 / 03 / 2024**

This Software as a Service Agreement (“Agreement”) is entered into on the start date listed below, between Streamline (DBA of Digital Deployment, Inc.) with a place of business at 3301 C Street #1000, Sacramento, CA 95816 (“Company”), and the Customer listed above (“Customer”). This Agreement incorporates the Terms of Service agreed upon Streamline and the involved parties. [W9 is available online](#). **Most customers prefer annual billing for convenience, but all subscriptions are cancellable anytime with a written 30-day notice.**

DESCRIPTION OF SERVICES: See Page 2 for an overview of what Streamline Web includes, and for more information please review our [subscription-based website toolkit for local government](#).

## SUBSCRIPTION ORDER:

Name	Price
Streamline Compliance Basics	\$640.00

One-Time Migration Costs: **Waived** Order #: **19075623577**  
 Invoice Frequency: **Annually** Billing Start Date: **05/01/2024**  
 Additional Billing Details: **Streamline Partnership Agreement**

Billing Person:	Pinnacle Consulting Group, Inc.	Phone:	TTY 970-617-2468
Billing Address:	550 W. Eisenhower Blvd.	Email:	info@vdwmd.live
City, State, Zip:	Loveland, CO 80537		

**Streamline:**  
 Name: Daelon Arriola  
 Title: Director of Sales  
 Date: 05 / 22 / 2024  
 Signature: *Daelon Arriola*

**Authorized User:**  
 Name: Kim Perry  
 Title: Board President  
 Date: 05 / 22 / 2024  
 Signature: *Kim Perry*





# STREAMLINE

## Partnership Packages & Features (Per District):

### Compliance Basics

Essential tools for districts to meet compliance standards & regulations. **Look professional while meeting state requirements & best practices.**

# \$80

 /month

Subscription Includes:

- Website hosting + content management
- Amplify™ design & experience builder (new in 2024)
- Google maps & locations Integration (new in 2024)
- Social feed integration
- Annual design reviews
- Annual board reports
- Compliance + posting checklist
- ADA accessibility assistant
- Meetings assistant
- One-click social sharing
- One-click email marketing & subscription building
- Payments / commerce tools
- E-Signature Forms
- Internal communications hub
- Support with integration of embedded tools
- Training + support

### Community Pro

Everything that is offered in our compliance plan + design tools, email mktg, payments, e-signatures, & more. **Perfect for districts that are active in their community.**

# \$120

 /month

Subscription Includes:

- Website hosting + content management
- Amplify™ design & experience builder (new in 2024)
- Google maps & locations Integration (new in 2024)
- Social feed integration
- Annual design reviews
- Annual board reports
- Compliance + posting checklist
- ADA accessibility assistant
- Meetings assistant
- One-click social sharing
- One-click email marketing & subscription building
- Payments / commerce tools
- E-Signature Forms
- Internal communications hub
- Support with integration of embedded tools
- Training + support

### Operations Pro

Everything that is offered in our compliance & community plans + intranet, social feeds, board reports, & reviews. **Perfect for districts who want to streamline operations.**

# \$390

 /month

Subscription Includes:

- Website hosting + content management
- Amplify+™ design & experience builder (new in 2024)
- Google maps & locations integration (new in 2024)
- Social feed integration
- Annual design reviews
- Annual board reports
- Compliance + posting checklist
- ADA accessibility assistant
- Meetings assistant
- One-click social sharing
- One-click email marketing & subscription building
- Payments / commerce tools
- E-Signature Forms
- Internal communications hub
- Support with integration of embedded tools
- Training + support

# Signature Certificate

Reference number: MP3M9-KBZBK-C4ITK-6AHTV

### Signer

### Timestamp

### Signature

#### Shannon McEvoy

Email: shannonm@pcgi.com  
Shared via link

Sent: 03 May 2024 19:53:15 UTC  
Viewed: 09 May 2024 21:00:43 UTC  
Signed: 22 May 2024 18:00:07 UTC



IP address: 149.106.104.186  
Location: Loveland, United States

#### Daelon Arriola

Email: daelon@getstreamline.com

Sent: 03 May 2024 19:53:15 UTC  
Viewed: 03 May 2024 19:53:16 UTC  
Signed: 22 May 2024 22:23:22 UTC



#### Recipient Verification:

✓Email verified 22 May 2024 22:23:03 UTC

IP address: 67.58.245.142  
Location: Roseville, United States

Document completed by all parties on:  
22 May 2024 22:23:22 UTC

Page 1 of 1



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## APPLICATION FOR EXEMPTION FROM AUDIT

## LONG FORM

FOR LOCAL GOVERNMENTS WITH EITHER REVENUES OR EXPENDITURES **MORE THAN \$100,000 BUT NOT MORE THAN \$750,000**

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 for the year.

## EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA) for approval.

Any preparer of an Application for Exemption from Audit must be an independent accountant with knowledge of governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

## READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END. FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END. *APPLICATIONS FOR EXEMPTION FROM AUDIT SUBMISSIONS ARE NOT ELIGIBLE FOR AN EXTENSION OF TIME.*

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS

PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT THIS ADDRESS:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

## CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Are all sections of the form complete, including responses to all of the questions?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See new [here](#) policy
- or--
- Have you included a resolution?
  - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
  - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
  - If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Checkout our web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more! See the link below.

[Click here to go to the portal](#)

## FILING METHODS

WEB PORTAL: Register and submit your Applications at our web portal:

<https://apps.leg.co.gov/osa/lq>

For faster processing the web portal is the preferred method for submission

MAIL: Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203

*Please Note: The OSA's email addresses have changed as of December 1, 2023. Please ensure you are using the email address noted below.*

QUESTIONS? Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) or Phone: 303-869-3000

## IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis -- A Budget to GAAP reconciliation is provided in Part 3

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

**APPLICATION FOR EXEMPTION FROM AUDIT**

**LONG FORM**

NAME OF GOVERNMENT	VDW Metropolitan District No. 3
ADDRESS	c/o Pinnacle Consulting Group, Inc. 550 W Eisenhower Blvd Loveland, CO 80537
CONTACT PERSON	Irene Buenavista
PHONE	970-669-3611
EMAIL	<a href="mailto:ireneb@pcgj.com">ireneb@pcgj.com</a>

For the Year Ended  
12/31/2023  
or fiscal year ended:

**CERTIFICATION OF PREPARER**

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:	Irene Buenavista
TITLE	District Accountant
FIRM NAME (if applicable)	Pinnacle Consulting Group, Inc.
ADDRESS	550 W Eisenhower Blvd, Loveland, CO 80537
PHONE	970-669-3611
RELATIONSHIP TO ENTITY	District Accountant

**PREPARER (SIGNATURE REQUIRED)**

**DATE PREPARED**

	3/16/24
---	---------

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

**PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET**

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General Fund	Debt Service Fund		Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ -	\$ -
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -
1-4	Due from Other Entities or Funds	\$ 731	\$ 823	Due from Other Entities or Funds	\$ -	\$ -
1-5	Property Tax Receivable	\$ 192,950	\$ 188,257	Other Current Assets [specify...]	\$ -	\$ -
	All Other Assets [specify...]				\$ -	\$ -
1-6	Lease Receivable (as Lessor)	\$ -	\$ -		\$ -	\$ -
1-7		\$ -	\$ -	<b>Total Current Assets</b>	\$ -	\$ -
1-8		\$ -	\$ -	Capital & Right to Use Assets, net (from Part 6-4)	\$ -	\$ -
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ 193,681	\$ 189,080	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ -	\$ -
<b>Deferred Outflows of Resources:</b>				<b>Deferred Outflows of Resources</b>		
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-14	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 193,681	\$ 189,080	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -
<b>Liabilities</b>				<b>Liabilities</b>		
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-18	Unearned Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ 731	\$ 823	Due to Other Entities or Funds	\$ -	\$ -
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-21	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ 731	\$ 823	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ 731	\$ 823	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>				<b>Deferred Inflows of Resources</b>		
1-28	Deferred Property Taxes	\$ 192,950	\$ 188,257	Pension/OPEB Related	\$ -	\$ -
1-29	Lease related (as lessor)	\$ -	\$ -	Other [specify...]	\$ -	\$ -
1-30	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ 192,950	\$ 188,257	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -
<b>Fund Balance</b>				<b>Net Position</b>		
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital and Right-to Use Assets	\$ -	\$ -
1-32	Nonspendable Inventory	\$ -	\$ -		\$ -	\$ -
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-37	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ -	\$ -	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ -	\$ -
1-38	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ 193,681	\$ 189,080	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ -	\$ -

Please use this space to provide explanation of any items on this page

**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Debt Service Fund		Fund*	Fund*	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
2-1	Property [include mills levied in Question 10-6]	\$ 157,140	\$ 176,962	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ 11,271	\$ 12,692	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ 168,411	\$ 189,654	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 168,411	\$ 189,654	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Lease Proceeds	\$ -	\$ -	Lease Proceeds	\$ -	\$ -	
2-27	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-28	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-29	<b>Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	
2-30	<b>Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 168,411	\$ 189,654	<b>Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	
						<b>GRAND TOTALS</b>	\$ 358,065

**IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP.** You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

**PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Debt Service Fund		Fund*	Fund*	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ 165,268	\$ 186,115	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]: Treasurer Fees	\$ 3,143	\$ 3,539	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ 168,411	\$ 189,654	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	<b>GRAND TOTAL</b>
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENSES</b>			<b>\$ 358,065</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation/Amortization	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -		\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	

**IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

### PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES                      NO

Please use this space to provide any explanations or comments:

- 4-1 Does the entity have outstanding debt?  YES       NO
- 4-2 Is the debt repayment schedule attached? If no, **MUST** explain:  YES       NO
- \_\_\_\_\_
- 4-3 Is the entity current in its debt service payments? If no, **MUST** explain:  YES       NO
- \_\_\_\_\_

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease & SBITA** Liabilities (GASB 87 & 96)	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

**\*\*Subscription Based Information Technology Arrangements**

\*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

YES                      NO

- 4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?  YES       NO
- If yes: How much? \$ 3,312,748
- Date the debt was authorized: 2/15/2002
- 4-6 Does the entity intend to issue debt within the next calendar year?  YES       NO
- If yes: How much? \$ -
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for?  YES       NO
- If yes: What is the amount outstanding? \$ -
- 4-8 Does the entity have any lease agreements?  YES       NO
- If yes: What is being leased? \_\_\_\_\_
- What is the original date of the lease? \_\_\_\_\_
- Number of years of lease? \_\_\_\_\_
- Is the lease subject to annual appropriation?  YES       NO
- What are the annual lease payments? \$ -

### PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT                      TOTAL

Please use this space to provide any explanations or comments:

5-1 YEAR-END Total of ALL Checking and Savings accounts	\$ -	
5-2 Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS		\$ -

Investments (if investment is a mutual fund, please list underlying investments):

5-3	\$ -	
	\$ -	
	\$ -	
	\$ -	
TOTAL INVESTMENTS		\$ -
TOTAL CASH AND INVESTMENTS		\$ -

Please answer the following question by marking in the appropriate box

YES                      NO                      N/A

- 5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?  YES       NO       N/A
- 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, **MUST** explain:  YES       NO       N/A
- \_\_\_\_\_



**PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS**

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, YES NO  
**MUST** explain:

6-3 Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year*	Additions <sup>†</sup>	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year*	Additions <sup>†</sup>	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Must agree to prior year-end balance  
<sup>†</sup> Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

**PART 7 - PENSION INFORMATION**

\* YES NO Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

	\$ -
--	------

**PART 8 - BUDGET INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, <b>MUST</b> explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, <b>MUST</b> explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If yes: Please indicate the amount appropriated for each fund separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 178,180
Debt Service Fund	\$ 214,393
	\$ -
	\$ -

**PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**PART 10 - GENERAL INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:						
10-1	Is this application for a newly formed governmental entity? If yes: Date of formation: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>							
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input type="text"/> PRIOR name <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>							
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
10-4	Please indicate what services the entity provides: <input type="text" value="Traffic safety controls, landscaping, water, sanitary sewer, storm drainage, parks &amp; rec facilities"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
10-5	Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: <input type="text" value="All services provided by VDW Metropolitan District No. 1."/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
<table border="1"> <tbody> <tr> <td>Bond Redemption mills</td> <td>16.892</td> </tr> <tr> <td>General/Other mills</td> <td>15.000</td> </tr> <tr> <td><b>Total mills</b></td> <td><b>31.892</b></td> </tr> </tbody> </table>		Bond Redemption mills	16.892	General/Other mills	15.000	<b>Total mills</b>	<b>31.892</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
Bond Redemption mills	16.892									
General/Other mills	15.000									
<b>Total mills</b>	<b>31.892</b>									
10-7	<b>NEW 2023!</b> If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain. <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						

Please use this space to provide any additional explanations or comments not previously included:

**OSA USE ONLY**

Entity Wide:		General Fund		Governmental Funds		Notes
Unrestricted Cash & Investments	\$ -	Unrestricted Fund Balan	\$ -	Total Tax Revenue	\$ 358,065	
Current Liabilities	\$ 1,554	Total Fund Balance	\$ -	Revenue Paying Debt Service	\$ -	
Deferred Inflow	\$ 381,207	PY Fund Balance	\$ -	Total Revenue	\$ 358,065	
		Total Revenue	\$ 168,411	Total Debt Service Principal	\$ -	
		Total Expenditures	\$ 168,411	Total Debt Service Interest	\$ -	
				Total Assets	\$ 382,761	
				Total Liabilities	\$ 1,554	
<b>Governmental</b>		Interfund In	\$ -			
Total Cash & Investments	\$ -	- Interfund Out	\$ -	- Enterprise Funds		
Transfers In	\$ -	- Proprietary		Net Position	\$ -	
Transfers Out	\$ -	- Current Assets	\$ -	- PY Net Position	\$ -	
Property Tax	\$ 334,102	Deferred Outflow	\$ -	- Government-Wide		
Debt Service Principal	\$ -	- Current Liabilities	\$ -	- Total Outstanding Debt	\$ -	
Total Expenditures	\$ 358,065	Deferred Inflow	\$ -	- Authorized but Unissued	\$ 3,312,748	
Total Developer Advances	\$ -	- Cash & Investments	\$ -	- Year Authorized	2/15/2002	
Total Developer Repayments	\$ -	- Principal Expense	\$ -			

**PART 12 - GOVERNING BODY APPROVAL**

Please answer the following question by marking in the appropriate box	YES	NO
12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures**

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

1	Full Name	A MAJORITY of the members of the governing body must sign below.
1	Kim Perry	I, <u>Kim Perry</u> , <b>DocuSigned by:</b> attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Kim Perry</u> Date: <u>3/18/2024</u>   <u>08:34:50</u> MDT My term Expires: <u>05/2027</u> <u>B786C9D42F3647F...</u>
2	Tim DePeder	I, <u>Tim DePeder</u> , <b>DocuSigned by:</b> attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Tim DePeder</u> Date: <u>3/18/2024</u>   <u>12:14:31</u> MDT My term Expires: <u>05/2025</u> <u>5E547B7DD87F45B...</u>
3	Josh Kane	I, <u>Josh Kane</u> , <b>DocuSigned by:</b> attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Josh Kane</u> Date: <u>3/18/2024</u>   <u>08:48:21</u> MDT My term Expires: <u>05/2025</u> <u>FCDC7E37AAA642A...</u>
4	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
5	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
6	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
7	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

**EXAMPLE - DO NOT FILL OUT THIS PAGE**

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required, the wording may be used as a basis for your own local government document, if needed, however you **MUST** draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

**RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT**

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE (name of government), STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenue nor expenditures for (name of government) exceeded \$100,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded \$750,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended \_\_\_\_\_, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended \_\_\_\_\_, 20XX.

ADOPTED THIS \_\_\_ day of \_\_\_\_\_, A.D. 20XX.

\_\_\_\_\_  
Mayor/President/Chairman, etc.

ATTEST:

\_\_\_\_\_  
Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

**VDW METROPOLITAN DISTRICT NO. 1  
Larimer County, Colorado**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

**DRAFT**

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**FINANCIAL SECTION**

**DRAFT**



Board of Directors  
VDW Metropolitan District No. 1  
Larimer County, Colorado

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund, of the VDW Metropolitan District No. 1 (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the VDW Metropolitan District No. 1 as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the VDW Metropolitan District No. 1 and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required budgetary information on page 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not affected by this missing information.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedules and supplemental information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information and other information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**BASIC FINANCIAL STATEMENTS**

DRAFT

## VDW METROPOLITAN DISTRICT NO. 1

STATEMENT OF NET POSITION  
As of December 31, 2023

	Governmental Activities	
	2023	2022
<b>ASSETS</b>		
Cash and Investments	\$ 1,870,578	\$ 1,398,482
Cash and Investments - Restricted	28,165	52,363
Service Fees Receivable	29,720	23,250
Prepaid Expenses	11,132	13,305
Capital Assets, net of Accumulated Depreciation	1,392,995	1,531,002
<b>TOTAL ASSETS</b>	<b>3,332,590</b>	<b>3,018,402</b>
<b>LIABILITIES</b>		
Accounts Payable	44,093	76,412
<b>TOTAL LIABILITIES</b>	<b>44,093</b>	<b>76,412</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,392,995	1,531,002
Restricted for		
Emergencies	23,183	8,327
Capital Projects	1,270,598	973,002
Unrestricted	601,721	429,659
<b>TOTAL NET POSITION</b>	<b>\$ 3,288,497</b>	<b>\$ 2,941,990</b>

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 1

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

	Governmental Activities	
	2023	2022
EXPENSES		
<b>Governmental Activities</b>		
General Government	\$ 477,546	\$ 456,458
Interest on Long-Term Debt	-	14,371
 TOTAL EXPENSES	 477,546	 470,829
REVENUES		
GENERAL REVENUES		
Contribution from District No. 2	-	904,891
Service Fees - Districts No. 2 and 3	684,519	241,825
Capital Reimbursements	51,271	151,968
Investment Income	88,263	39,111
 TOTAL REVENUES	 824,053	 1,337,795
 CHANGE IN NET POSITION	 346,507	 866,966
NET POSITION, Beginning	2,941,990	2,075,024
NET POSITION, Ending	\$ 3,288,497	\$ 2,941,990

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2023

	GENERAL	DEBT	CAPITAL	TOTAL	
	FUND	SERVICE	PROJECTS	GOVERNMENTAL FUNDS	
		FUND	FUND	2023	2022
<b>ASSETS</b>					
Cash and Investments	\$ 599,868	\$ -	\$ 1,270,710	\$ 1,870,578	\$ 1,398,482
Cash and Investments - Restricted	-	28,165	-	28,165	52,363
Service Fees Receivable	3,312	-	-	3,312	1,250
Due from District No.2	26,408	-	-	26,408	22,000
Prepaid Expenses	11,132	-	-	11,132	13,305
<b>TOTAL ASSETS</b>	<b>\$ 640,720</b>	<b>\$ 28,165</b>	<b>\$ 1,270,710</b>	<b>\$ 1,939,595</b>	<b>\$ 1,487,400</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 15,816	\$ 28,165	\$ 112	\$ 44,093	\$ 76,412
<b>TOTAL LIABILITIES</b>	<b>15,816</b>	<b>28,165</b>	<b>112</b>	<b>44,093</b>	<b>76,412</b>
<b>FUND EQUITY</b>					
Fund Balance					
Nonspendable	11,132	-	-	11,132	13,305
Restricted for Emergencies	23,183	-	-	23,183	8,327
Restricted for Capital Projects	-	-	1,270,598	1,270,598	973,002
Unassigned	590,589	-	-	590,589	416,354
<b>TOTAL FUND EQUITY</b>	<b>624,904</b>	<b>-</b>	<b>1,270,598</b>	<b>1,895,502</b>	<b>1,410,988</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 640,720</b>	<b>\$ 28,165</b>	<b>\$ 1,270,710</b>		

Amounts reported for governmental activities in the statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,392,995	1,531,002
Net position of governmental activities	<u>\$ 3,288,497</u>	<u>\$ 2,941,990</u>

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2023

	GENERAL	DEBT	CAPITAL	TOTAL	
	FUND	SERVICE	PROJECTS	GOVERNMENTAL FUNDS	
		FUND	FUND	2023	2022
<b>REVENUES</b>					
Service Fees - Districts No. 2 and 3	\$ 684,519	\$ -	\$ -	\$ 684,519	\$ 241,825
Capital Reimbursements	-	-	51,271	51,271	151,968
Interest and Other Revenue	88,263	-	-	88,263	39,111
<b>TOTAL REVENUES</b>	<b>772,782</b>	<b>-</b>	<b>51,271</b>	<b>824,053</b>	<b>432,904</b>
<b>EXPENDITURES</b>					
Current					
General Government	335,864	-	3,675	339,539	318,451
Debt Service					
Principal	-	-	-	-	910,000
Interest and Other Fiscal Charges	-	-	-	-	14,371
<b>TOTAL EXPENDITURES</b>	<b>335,864</b>	<b>-</b>	<b>3,675</b>	<b>339,539</b>	<b>1,242,822</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENSES</b>	<b>436,918</b>	<b>-</b>	<b>47,596</b>	<b>484,514</b>	<b>(809,918)</b>
<b>OTHER SOURCES (USES)</b>					
Transfers In	-	-	250,000	250,000	904,891
Transfers Out	(250,000)	-	-	(250,000)	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>(250,000)</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>904,891</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>186,918</b>	<b>-</b>	<b>297,596</b>	<b>484,514</b>	<b>94,973</b>
FUND BALANCES, Beginning	437,986	-	973,002	1,410,988	1,316,015
FUND BALANCES, Ending	\$ 624,904	\$ -	\$ 1,270,598	\$ 1,895,502	\$ 1,410,988

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 484,514
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the depreciation expense for the year.	(138,007)
Change in Net Position of Governmental Activities	<u>\$ 346,507</u>

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The accompanying notes are an integral part of the financial statements.



## VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

VDW Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court of Larimer County on June 20, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Loveland (City), Larimer County, Colorado. The District was established to provide construction, installation, financing and operation of public improvements, including streets, traffic and safety controls, water, sanitation, storm drainage, transportation, television relay and translator, park and recreation facilities, and mosquito and pest control. The District's service plan was approved by the City. Pursuant to the consolidated service plan for VDW Metropolitan Districts No. 1, 2 and 3, the District operates as the Service District, VDW Metropolitan District No. 2 operates as the Residential District and VDW Metropolitan District No. 3 operates as the Commercial District.

The accounting policies of the District conform to Generally Accepted Accounting Principles ("GAAP") as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

## VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Government-Wide and Fund Financial Statements** (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Service fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

## VDW METROPOLITAN DISTRICT NO. 1

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the payment of the District's bonds.

The *Capital Projects Fund* accounts for the acquisition and construction of capital assets.

**Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of the immediate operating requirement is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash. Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

**Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The District also capitalizes all infrastructure costs. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

## VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Capital Assets** (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type in the Statement of Net Position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

*Investment in Capital Assets* is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets.

*Restricted Net Position* are liquid assets, which have third party limitations on their use.

*Unrestricted Net Position* represent assets that do not have any third party limitation on their use. While District management may have categorized and segmented portion for various purposes, the Districts' Board of Directors ("Board") has the unrestricted authority to revisit or alter these managerial decisions.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

## VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Fund Balance Classification** (Continued)

The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District reports prepaid expenses as nonspendable as of December 31, 2023.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District has also classified the fund balances in the Capital Projects Fund as restricted.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balance.

VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15, District Management submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgets are legally adopted for all funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board. All appropriations lapse at year end.

**NOTE 3: CASH AND INVESTMENTS**

Cash and Investments at December 31, 2023 consisted of the following:

Deposits	\$ 60,781
Investments	<u>1,837,962</u>
Total	<u>\$ 1,898,743</u>

## VDW METROPOLITAN DISTRICT NO. 1

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)**Deposits**Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2023, the District had deposits with financial institutions with a carrying amount of \$60,781. The bank balances with the financial institutions were \$60,781. All of these amounts were covered by federal depository insurance.

**Investments**Interest Rate Risk

The District adopted an investment policy on November 3, 2017.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

## VDW METROPOLITAN DISTRICT NO. 1

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)**Investments** (Continued)

The above investments are authorized for all funds and fund types used by Colorado local governments.

**Local Government Investment Pools**

The District had invested \$1,837,962, in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

**Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

The District doesn't have any investments requiring categorization at December 31, 2023.

**Restricted Cash and Investments**

Investments in the amount of \$28,165 are restricted in the Debt Service fund for payment of the District's debt.



## VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2023, is summarized below:

	Balances <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2023</u>
<b>Governmental Activities</b>				
Capital Assets, depreciated Infrastructure	\$ 2,760,133	\$ -	\$ -	\$ 2,760,133
Less Accumulated Depreciation Infrastructure	<u>1,229,131</u>	<u>138,007</u>	<u>-</u>	<u>1,367,138</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,531,002</u>	<u>\$ (138,007)</u>	<u>\$ -</u>	<u>\$ 1,392,995</u>

**NOTE 5: LONG-TERM DEBT****Authorized Debt**

On May 7, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$32,944,452 at an interest rate not to exceed 12% per annum. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$16,000,000.

**NOTE 6: RELATED PARTIES**

The developers of the property which constitutes the District are VDW Properties, LLC, and VDW Retail, LLC., which are managed by McWhinney Real Estate, Inc. ("MRES"). The members of the Board are employees of MRES, and may be otherwise associated with the developers and have disclosed any potential conflicts of interest in taking action on matters brought before the Board.

**NOTE 7: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in the past three years.

## VDW METROPOLITAN DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 7: RISK MANAGEMENT** (Continued)

The District pays annual premiums to the Pool for liability, property, and public officials' coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8: COMMITMENTS AND CONTINGENCIES****Tax Payer Bill of Rights (TABOR) Amendment**

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an Emergency Reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2023, the Emergency Reserve of \$23,183 was recorded in the General Fund.

**NOTE 9: SUBSEQUENT EVENTS**

Potential subsequent events were considered through **June xx, 2024**. It was determined that no events were required to be disclosed through this date.

**REQUIRED SUPPLEMENTAL INFORMATION**

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## VDW METROPOLITAN DISTRICT NO. 1

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Service Fees	\$ 685,766	\$ 684,519	\$ (1,247)	\$ 240,126
Interest and Other Income	4,750	88,263	83,513	39,110
TOTAL REVENUES	<u>690,516</u>	<u>772,782</u>	<u>82,266</u>	<u>279,236</u>
EXPENDITURES				
Current				
General Government				
Accounting and Financials Management	51,000	52,500	(1,500)	47,360
District Management	30,000	28,000	2,000	29,380
Facilities Management	31,500	31,500	-	29,250
Office and Other	25,600	6,025	19,575	15,627
Insurance	14,102	13,305	797	10,184
Legal	20,000	15,198	4,802	18,128
Utilities	55,462	45,290	10,172	49,454
Landscaping	102,870	80,334	22,536	80,548
Repairs and Replacement	53,100	63,712	(10,612)	34,765
Contingency	20,000	-	20,000	-
TOTAL EXPENDITURES	<u>403,634</u>	<u>335,864</u>	<u>67,770</u>	<u>314,696</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>286,882</u>	<u>436,918</u>	<u>150,036</u>	<u>(35,460)</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	36,882	186,918	(99,964)	(35,460)
FUND BALANCE, Beginning	<u>380,449</u>	<u>437,986</u>	<u>57,537</u>	<u>473,446</u>
FUND BALANCE, Ending	<u>\$ 417,331</u>	<u>\$ 624,904</u>	<u>\$ (42,427)</u>	<u>\$ 437,986</u>

See the accompanying independent auditors' report.

**INDIVIDUAL FUND SCHEDULES**

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VDW METROPOLITAN DISTRICT NO. 1  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Service Fees - District No. 3	\$ -	\$ -	-	1,699
Interest and Other Revenues	-	-	-	1
TOTAL REVENUES	-	-	-	1,700
EXPENDITURES				
Current				
General Government				
Trustee and Paying Agent Fees	-	-	-	500
Contingency	-	-	-	-
Debt Service				
Principal	-	-	-	910,000
Interest and Other Fiscal Charges	-	-	-	14,371
TOTAL EXPENDITURES	-	-	-	924,871
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(923,171)
OTHER FINANCING SOURCES (USES)				
Transfers from District 2	-	-	-	904,891
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	904,891
NET CHANGE IN FUND BALANCE	-	-	-	(18,280)
FUND BALANCE, Beginning	-	-	-	18,280
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

## VDW METROPOLITAN DISTRICT NO. 1

CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Capital Reimbursements	\$ -	\$ 51,271	\$ 51,271	\$ 151,968
EXPENDITURES				
Current				
General Government				
District Management	5,000	3,675	1,325	-
District Engineering	10,000		10,000	3255
Capital Outlay	350,000			
Contingency	20,000		20,000	-
TOTAL EXPENDITURES	385,000	3,675	31,325	3,255
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(385,000)	47,596	82,596	148,713
OTHER FINANCING SOURCES (USES)				
Transfers In	250,000	250,000	250,000	-
TOTAL OTHER FINANCING SOURCES (USES)	250,000	250,000	250,000	-
NET CHANGE IN FUND BALANCE	(135,000)	297,596	332,596	148,713
FUND BALANCE, Beginning	963,757	973,002	9,245	824,289
FUND BALANCE, Ending	\$ 828,757	\$ 1,270,598	\$ 341,841	\$ 973,002

See the accompanying independent auditors' report.

**VDW METROPOLITAN DISTRICT NO. 2  
Larimer County, Colorado**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

**DRAFT**



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**FINANCIAL SECTION**

**DRAFT**

Board of Directors  
VDW Metropolitan District No. 2  
Larimer County, Colorado

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund, of the VDW Metropolitan District No. 2 (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the VDW Metropolitan District No. 2 as of December 31, 2023, and the respective changes in financial position, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the VDW Metropolitan District No. 2 and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required budgetary information on page 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not affected by this missing information.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedule as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The individual fund schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

June 30, 2024

**BASIC FINANCIAL STATEMENTS**

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## VDW METROPOLITAN DISTRICT NO. 2

STATEMENT OF NET POSITION  
As of December 31, 2023

	Governmental Activities	
	2023	2022
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ -
Cash and Investments - Restricted	995,621	910,592
Service Fees Receivable	28,988	54,280
Property Taxes Receivable	1,046,650	907,710
Due from Other Government	4,791	6,878
<b>TOTAL ASSETS</b>	<b>2,076,050</b>	<b>1,879,460</b>
<b>LIABILITIES</b>		
Due to District No. 1	28,988	22,881
Noncurrent Liabilities		
Due within One Year	280,000	265,000
Due in More Than One Year	10,300,376	10,596,530
<b>TOTAL LIABILITIES</b>	<b>10,609,364</b>	<b>10,884,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Revenues - Property Taxes	1,046,650	907,710
<b>NET POSITION</b>		
Net Investment in Capital Assets	(10,580,376)	(10,861,530)
Restricted for		
Emergencies	-	-
Debt Service	1,000,412	948,869
Unrestricted	-	-
<b>TOTAL NET POSITION</b>	<b>\$ (9,579,964)</b>	<b>\$ (9,912,661)</b>

The accompanying notes are an integral part of the financial statements.

VDW METROPOLITAN DISTRICT NO. 2

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

	Governmental Activities	
	2023	2022
EXPENSES		
<b>Governmental Activities</b>		
General Government	\$ 534,757	\$ 1,060,355
Interest on Long-Term Debt	357,950	1,661,221
	<hr/>	<hr/>
TOTAL EXPENSES	892,707	2,721,576
	<hr/>	<hr/>
REVENUES		
GENERAL REVENUES		
Taxes	981,574	1,341,080
Service Fees - District No. 3	186,115	371,057
Investment Income	57,715	15,862
	<hr/>	<hr/>
TOTAL REVENUES	1,225,404	1,727,999
	<hr/>	<hr/>
CHANGE IN NET POSITION	332,697	(993,577)
NET POSITION, Beginning	<hr/> (9,912,661)	<hr/> (8,919,084)
NET POSITION, Ending	<u><u>\$ (9,579,964)</u></u>	<u><u>\$ (9,912,661)</u></u>

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 2

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2023

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENT FUNDS	
			2023	2022
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Cash and Investments - Restricted	-	995,621	995,621	910,592
Service Fees Receivable	-	823	823	1,918
Due from Other Government	2,581	2,210	4,791	6,878
Due from District No.1	-	28,165	28,165	52,362
Property Taxes Receivable	624,075	422,575	1,046,650	907,710
<b>TOTAL ASSETS</b>	<b>\$ 626,656</b>	<b>\$ 1,449,394</b>	<b>\$ 2,076,050</b>	<b>\$ 1,879,460</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Due to District No. 1	\$ 2,581	\$ 26,407	\$ 28,988	\$ 22,881
<b>TOTAL LIABILITIES</b>	<b>2,581</b>	<b>26,407</b>	<b>28,988</b>	<b>22,881</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenues - Property Taxes	624,075	422,575	1,046,650	907,710
<b>FUND EQUITY</b>				
Fund Balance				
Restricted for Emergencies	-	-	-	-
Restricted for Debt Service	-	1,000,412	1,000,412	1,292,872
Unassigned	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>-</b>	<b>1,000,412</b>	<b>1,000,412</b>	<b>1,292,872</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 626,656</b>	<b>\$ 1,449,394</b>		

Amounts reported for governmental activities in the statement of Net Position are different because:

Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include bonds payable of \$10,225,000 and bond premium of \$355,376.

	<u>(10,580,376)</u>	<u>(10,861,530)</u>
Net position of governmental activities	<u>\$ (9,579,964)</u>	<u>\$ (9,568,658)</u>

The accompanying notes are an integral part of the financial statements.



## VDW METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2023

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENT FUNDS	
			2023	2022
<b>REVENUES</b>				
Property Taxes	\$ 489,047	\$ 418,659	\$ 907,706	\$ 1,245,595
Specific Ownership Taxes	39,798	34,070	73,868	95,485
Service Fees - District No. 3	-	186,115	186,115	371,057
Interest and Other Revenue	190	57,525	57,715	15,862
<b>TOTAL REVENUES</b>	<b>529,035</b>	<b>696,369</b>	<b>1,225,404</b>	<b>1,727,999</b>
<b>EXPENDITURES</b>				
Current				
Audit and Accounting Fees	-	5,500	5,500	-
Service Fees - District No. 1	519,250	-	519,250	170,449
County Treasurer's Fee	9,785	8,376	18,161	24,926
Trustee and Paying Agent Fees	-	8,000	8,000	-
Bond Issuance Costs	-	-	-	545,269
Debt Service				
Principal	-	265,000	265,000	9,954,000
Interest and Other Fiscal Charges	-	357,950	357,950	1,160,451
<b>TOTAL EXPENDITURES</b>	<b>529,035</b>	<b>644,826</b>	<b>1,173,861</b>	<b>11,855,095</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENSES</b>	<b>-</b>	<b>51,543</b>	<b>51,543</b>	<b>(10,127,096)</b>
<b>OTHER SOURCES (USES)</b>				
Proceeds from Issuance of Debt	-	-	-	11,207,684
Transfers to District 1	-	-	-	(904,891)
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,302,793</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>51,543</b>	<b>51,543</b>	<b>175,697</b>
FUND BALANCES, Beginning	-	948,869	948,869	773,172
FUND BALANCES, Ending	\$ -	\$ 1,000,412	\$ 1,000,412	\$ 948,869

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 2

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 51,543
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount includes the payment of bond principal \$265,000, and amortization of bond premium \$16,153 for the year.	281,154
Change in Net Position of Governmental Activities	\$ 332,697

DRAFT

The accompanying notes are an integral part of the financial statements.

## VDW METROPOLITAN DISTRICT NO. 2

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

VDW Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court of Larimer County on June 20, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Loveland (City), Larimer County, Colorado. The District was established to provide construction, installation, financing and operation of public improvements, including streets, traffic and safety controls, water, sanitation, storm drainage, transportation, television relay and translator, park and recreation facilities, and mosquito and pest control. The District's service plan was approved by the City. Pursuant to the consolidated service plan for VDW Metropolitan Districts No. 1, 2 and 3, the District operates as the Residential District, VDW Metropolitan District No. 1 operates as the Service District and VDW Metropolitan District No. 3 operates as the Commercial District.

The accounting policies of the District conform to Generally Accepted Accounting Principles ("GAAP") as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

## VDW METROPOLITAN DISTRICT NO. 2

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Government-Wide and Fund Financial Statements** (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Service fees, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

## VDW METROPOLITAN DISTRICT NO. 2

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the payment of the District's bonds.

**Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of the immediate operating requirement is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash. Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

**Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The District also capitalizes all infrastructure costs. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

## VDW METROPOLITAN DISTRICT NO. 2

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type in the Statement of Net Position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

*Investment in Capital Assets* is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets.

*Restricted Net Position* are liquid assets, which have third party limitations on their use.

*Unrestricted Net Position* represent assets that do not have any third party limitation on their use. While District management may have categorized and segmented portion for various purposes, the Districts Board of Directors (“Board”) has the unrestricted authority to revisit or alter these managerial decisions.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District did not report any amounts as nonspendable as of December 31, 2023.

## VDW METROPOLITAN DISTRICT NO. 2

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Fund Balance Classification** (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the fund balances in the Debt Service Fund as restricted.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balance.

## VDW METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15, District Management submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgets are legally adopted for all funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board. All appropriations lapse at year end.

**NOTE 3: CASH AND INVESTMENTS**

Cash and Investments at December 31, 2023 consisted of the following:

Deposits	\$ -
Investments	<u>995,621</u>
Total	<u>\$ 995,621</u>



## VDW METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 3: CASH AND INVESTMENTS** (Continued)**Deposits**Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District has no policy regarding custodial credit risk for deposits.

At December 31, 2023, the District did not report any deposits with financial institutions.

**Investments**Interest Rate Risk

The District adopted an investment policy on November 3, 2017.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

## VDW METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 3: CASH AND INVESTMENTS** (Continued)**Investments** (Continued)Local Government Investment Pools

The District had invested \$995,621 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00.

Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

**Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no investments requiring categorization as of December 31, 2023.

**Restricted Cash and Investments**

Investments in the amount of \$995,621 are restricted in the Debt Service fund for payment of the District's debt.

## VDW METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 4: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023:

	Balance <u>12/31/22</u>	<u>Additions</u>	Payments	Balance <u>12/31/23</u>	Due In <u>One Year</u>
Series 2022A-1 - Senior					
Ltd. Tax G.O. Bonds	\$ 6,890,000	\$ -	\$ 265,000	\$ 6,625,000	\$ 280,000
Series 2022A-2 - Subordinate					
Ltd. Tax G.O. Bonds	3,600,000	-	-	3,600,000	-
Bond Premium	<u>371,530</u>	<u>-</u>	<u>16,154</u>	<u>355,376</u>	<u>-</u>
<b>Totals</b>	<b><u>\$ 10,861,530</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 281,154</u></b>	<b><u>\$ 10,580,376</u></b>	<b><u>\$ 280,000</u></b>

**Limited Tax General Obligation Bonds**

**\$7,220,000 Limited Tax General Obligation Bonds, Series 2022A-1**, dated February 10, 2022 with interest ranging from 1.35% to 3.75%, consisting of term bonds issued in the original amount of \$7,220,000 due December 1, 2040.

**\$3,600,000 Limited Tax General Obligation Bonds, Series 2022A-2**, dated February 10, 2022, with interest of 4.00%, consisting of term bonds issued in the original amount of \$3,600,000 due December 1, 2045.

Proceeds of the bonds were used to refund the 2016 Bonds and the 2011 Bonds issued by District No. 1. The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) Pledged District taxes from the ad valorem mill levy imposed by both the District and the Commercial District under the Capital Pledge Agreement, and (2) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District and Commercial Districts, each year in an amount sufficient to pay the principal and interest on the bonds as the same become due and payable. Based on the 2023 principal and interest repayment, the mill levy certified for debt service by the District was 16.892 mills. For collection year 2023, the District and the Commercial District levied 36.624 mills.

## VDW METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 4: LONG-TERM DEBT** (Continued)

Future debt service requirements for the bonds are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 280,000	\$ 353,843	\$ 633,843
2025	285,000	349,083	634,083
2026	305,000	343,383	648,383
2027	310,000	336,520	646,520
2028	330,000	329,080	659,080
2029-2033	1,870,000	1,502,430	3,372,430
2034-2038	2,375,000	1,154,993	3,529,993
2039-2043	3,030,000	660,613	3,690,613
2044-2045	<u>1,440,000</u>	<u>87,000</u>	<u>1,527,000</u>
Total	<b><u>\$ 10,225,000</u></b>	<b><u>\$ 5,116,943</u></b>	<b><u>\$15,341,943</u></b>

**Authorized Debt**

On May 7, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$32,944,452 at an interest rate not to exceed 12% per annum. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$16,000,000.

**NOTE 5: RELATED PARTIES**

The developers of the property which constitutes the District are VDW Properties, LLC, and VDW Retail, LLC., which are managed by McWhinney Real Estate, Inc. ("MRES"). The members of the Board are employees of MRES, and may be otherwise associated with the developers and have disclosed any potential conflicts of interest in taking action on matters brought before the Board

**NOTE 6: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage, to, or destruction of assets; errors or omissions; injuries to employees, or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in the past three years.

## VDW METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**NOTE 6: RISK MANAGEMENT** (Continued)

The District pays annual premiums to the Pool for liability, property, and public officials' coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 7: COMMITMENTS AND CONTINGENCIES****Tax Payer Bill of Rights (TABOR) Amendment**

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an Emergency Reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2023, the Emergency Reserve of \$23,183 was recorded in the VDW Metropolitan District No. 1.

**NOTE 8: DEFICIT NET POSITION**

At December 31, 2023, the District reports a deficit net position in the amount of \$9,579,964. This deficit amount is the result of the District being responsible for the repayment of debt that was issued to refund debt and for public improvements which are conveyed to other governmental entities. The District expects to reduce the deficit net position as the debt is being repaid.

**NOTE 9: SUBSEQUENT EVENTS**

Potential subsequent events were considered through **June 30, 2023**. It was determined that no events were required to be disclosed through this date.

**REQUIRED SUPPLEMENTAL INFORMATION**

**DRAFT**

## VDW METROPOLITAN DISTRICT NO. 2

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 489,049	\$ 489,047	\$ (2)	\$ 159,623
Specific Ownership Taxes	41,447	39,798	(1,649)	12,236
Interest and Other Income	10,000	190	(9,810)	85
<b>TOTAL REVENUES</b>	<b>540,496</b>	<b>529,035</b>	<b>(11,461)</b>	<b>171,944</b>
EXPENDITURES				
Current				
General Government				
Service Fees - District No. 1	520,715	519,250	1,465	168,750
County Treasurer's Fee	9,781	9,785	(4)	3,194
Contingency	10,000	-	10,000	-
<b>TOTAL EXPENDITURES</b>	<b>540,496</b>	<b>529,035</b>	<b>11,461</b>	<b>171,944</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

**INDIVIDUAL FUND SCHEDULES**

DRAFT



## VDW METROPOLITAN DISTRICT NO. 2

DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 418,661	\$ 418,659	\$ (2)	\$ 1,085,972
Specific Ownership Taxes	35,482	34,070	(1,412)	83,249
Service Fees - District No. 3	185,869	186,115	246	371,057
Interest and Other Revenues	25,000	57,525	32,525	15,777
<b>TOTAL REVENUES</b>	<b>665,012</b>	<b>696,369</b>	<b>31,357</b>	<b>1,556,055</b>
EXPENDITURES				
Current				
General Government				
Audit and Accounting	-	5,500	(5,500)	-
Service Fees - District No. 1	-	-	-	1,699
Treasurer's Fees	8,373	8,376	(3)	21,732
Trustee and Paying Agent Fees	8,000	8,000	-	-
Bond Issuance Costs	-	-	-	545,269
Contingency	25,000	-	25,000	-
Debt Service				
Principal	265,000	265,000	-	9,954,000
Interest and Other Fiscal Charges	357,950	357,950	-	1,160,451
<b>TOTAL EXPENDITURES</b>	<b>664,323</b>	<b>644,826</b>	<b>19,497</b>	<b>11,683,151</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>689</b>	<b>51,543</b>	<b>50,854</b>	<b>(10,127,096)</b>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Issuance of Debt	-	-	-	11,207,684
Transfers to District 1	-	-	-	(904,891)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,302,793</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>689</b>	<b>51,543</b>	<b>50,854</b>	<b>175,697</b>
FUND BALANCE, Beginning	920,964	948,869	27,905	773,172
FUND BALANCE, Ending	<u>\$ 921,653</u>	<u>\$ 1,000,412</u>	<u>\$ 78,759</u>	<u>\$ 948,869</u>

See the accompanying independent auditors' report.