

VDW Metropolitan District

December 29, 2010

Via email: dlg-filing@state.co.us

Mr. Jarrod Biggs
Colorado Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: VDW Metropolitan District No. 1 2011 Budget and 2010 Amended Budget

Dear Mr. Biggs:

Attached are true and accurate copies of the adopted 2011 Budget and 2010 amended budget for the VDW Metropolitan District No. 1 in Larimer County, Colorado, submitted pursuant to C.R.S. Section 29-1-113. The budget was adopted on November 18, 2010.

If there are any questions on the budget, please contact our office at (970) 669-3611.

Sincerely,
VDW
METROPOLITAN DISTRICT NO. 1



Pinnacle Consulting Group Inc.
District Accountant

Enc.

Managed by Pinnacle Consulting Group, Inc.
5110 Granite Street, Suite C
Loveland, CO 80538
Phone: (970) 669-3611 * Fax: (970) 669-3612



Accountant's Report


BOARD OF DIRECTORS
VDW METROPOLITAN DISTRICT No. 1

I have compiled the accompanying amended budget of revenue, expenditures and funds available prepared on the modified accrual basis of the VDW Metropolitan District No. 1 for the year ending December 31, 2010 and the forecasted budget of revenue, expenditures and funds available prepared on the modified accrual basis of the VDW Metropolitan District No. 1 for the year ending December 31, 2011 in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to representation of management underlying the forecast. I have no opinion or any other form of assurance on the forecast and fund balance or assumptions underlying the forecasted and actual results. I have not audited the forecasted and actual results and those differences may be due to events or circumstances occurring during the period.

Management has elected to follow the guidelines for presentation of financial statements of the American Institute of Certified Public Accountants. If the omitted information could influence a user's conclusions about the financial statements, it should be disclosed. Accordingly, this forecast is not intended to be used for any purpose other than that intended by management.

I am not independent with respect to the VDW Metropolitan District No. 1.


Peggy Dowswell, CPA
January 5, 2011

Peggy,
Can you re-sign?
I had a typo on the original.
Thanks!
Teresa

information that is the basis for the assumptions used in the forecast. I do not express an opinion on the revenue, expenditures, and fund balance or assumptions underlying the forecasted and actual results and those differences may be due to events or circumstances occurring during the period. I have not audited the forecasted and actual results and those differences may be due to events or circumstances occurring during the period. I have not audited the forecasted and actual results and those differences may be due to events or circumstances occurring during the period.

policies required by the American Institute of Certified Public Accountants. If the omitted information could influence a user's conclusions about the financial statements, it should be disclosed. Accordingly, this forecast is not intended to be used for any purpose other than that intended by management.

VDW METROPOLITAN DISTRICT NO. 1
SUMMARY
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31,

1/5/11
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	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 09/30/2010	AMENDED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCES	\$ 158,878	\$ 81,766	\$ 102,700	\$ 102,700	\$ 109,822
REVENUE					
Service Fees - VDW 2	146,178	195,319	187,393	195,319	165,142
Service Fees - VDW 3	343,485	329,108	326,162	329,108	291,884
Investment income	1,306	3,500	280	3,500	500
Developer advance	135,842	2,000,000	-	150,000	736,012
Total revenue	626,811	2,527,927	513,835	677,927	1,193,538
TRANSFERS IN	195,000	-	-	5,000	357
Total funds available	980,689	2,609,693	616,535	785,627	1,303,717
EXPENDITURES					
General					
Accounting & Financial Management	35,168	35,083	27,421	35,083	35,083
Audit	4,200	5,000	4,200	4,200	5,000
Director fees	100	100	100	100	-
District Management	17,896	27,261	12,751	21,618	26,375
Election costs	-	2,500	1,321	1,321	-
Engineering Expense, general	153	2,250	-	-	2,750
Insurance - Liability and E&O	6,041	6,500	5,168	5,168	5,500
Landscape, Grounds Maintenance	42,158	53,552	28,545	38,552	48,171
Legal	11,881	20,000	7,050	15,000	14,500
Office/Other	3,130	2,000	136	2,000	2,000
Payment to Treasurer	-	-	23,334	55,063	-
Repayment of Developer advance	202,053	-	-	70,000	-
Interest on developer advance	12,140	-	-	-	-
Utilities	-	9,700	7,426	9,700	9,700
Service Plan Amendment	9,373	-	-	-	-
Contingency	7,854	22,500	-	2,500	30,000
Debt Service					
Paying agent fees	-	500	500	500	500
Bond principal	-	60,000	-	65,000	70,000
Bond interest	195,000	195,000	97,500	195,000	191,100
Capital outlay	135,842	2,000,000	-	150,000	736,012
Total expenditures	682,989	2,441,946	215,452	670,805	1,176,691
TRANSFERS OUT	195,000	-	-	5,000	357
Total expenditures and transfers out requiring appropriation	877,989	2,441,946	215,452	675,805	1,177,048
ENDING FUND BALANCES	\$ 102,700	\$ 167,747	\$ 401,082	\$ 109,822	\$ 126,669

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

1/5/11

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	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 09/30/2010	AMENDED 2010	ADOPTED BUDGET 2011
ASSESSED VALUATION - LARIMER COUNTY					
Residential	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial	-	-	-	-	-
State assessed	-	-	-	-	-
Vacant land	-	-	-	-	-
Personal property	-	-	-	-	-
	-	-	-	-	-
Adjustments	-	-	-	-	-
Certified Assessed Value	\$ -	\$ -	\$ -	\$ -	\$ -
MILL LEVY					
General	0.000	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000	0.000
Contractual Obligation	0.000	0.000	0.000	0.000	0.000
Temporary Mill Levy Reduction	-	-	-	-	-
Refund and abatements	0.000	0.000	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000	0.000	0.000
PROPERTY TAXES					
General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-
Contractual Obligation	-	-	-	-	-
Temporary Mill Levy Reduction	-	-	-	-	-
Refund and abatements	-	-	-	-	-
Levied property taxes	-	-	-	-	-
Adjustments to actual/rounding	-	-	-	-	-
Refunds and abatements	-	-	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES					
General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -

VDW METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31,

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#2 - 45.98 mills

#3 - 40.00 mills

	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 09/30/2010	AMENDED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCE	\$ 148,992	\$ 71,880	\$ 92,814	\$ 92,814	\$ 100,169
REVENUE					
Service Fees - VDW 2	146,178	108,319	103,267	108,319	75,556
Service Fees - VDW 3	343,485	160,598	157,652	160,598	109,870
Investment & Other income	1,306	1,000	260	1,000	500
Developer advance	-	-	-	-	-
Total revenue	490,969	269,917	261,179	269,917	185,926
Total funds available	639,961	341,797	353,993	362,731	286,095
EXPENDITURES					
Accounting & Financial Management	35,168	35,083	27,421	35,083	35,083
Audit	4,200	5,000	4,200	4,200	5,000
Director fees	100	100	100	100	-
District Management	17,896	21,375	12,509	21,375	21,375
Election costs	-	2,500	1,321	1,321	-
Engineering Expense, general	153	250	-	-	250
Insurance - Liability and E&O	6,041	6,500	5,168	5,168	5,500
Landscape, Grounds Maint, Repairs	42,158	53,552	28,545	38,552	48,171
Legal	11,881	18,000	7,050	15,000	12,000
Office/Other	3,130	2,000	136	2,000	2,000
Repayment of developer advance	202,053	-	-	70,000	-
Utilities	-	9,700	7,426	9,700	9,700
Payment to County Treasurer	-	-	23,334	55,063	-
Service Plan Amendment	9,373	-	-	-	-
Interest on developer advance	12,140	-	-	-	-
Contingency	7,854	20,000	-	-	20,000
Total expenditures	352,147	174,060	117,210	257,562	159,079
TRANSFERS OUT					
Capital Projects Fund	195,000	-	-	-	357
Debt Service Fund	-	-	-	5,000	-
Total transfers out	195,000	-	-	5,000	357
Total expenditures and transfers out requiring appropriation	547,147	174,060	117,210	262,562	159,436
ENDING FUND BALANCE	\$ 92,814	\$ 167,737	\$ 236,783	\$ 100,169	\$ 126,659
COMPONENTS OF ENDING FUND BALANCE					
EMERGENCY RESERVE	\$ 14,800	\$ 8,100	\$ 7,900	\$ 8,100	\$ 5,600
REPLACEMENT RESERVE	-	4,216	4,216	4,216	8,432
UNRESERVED	78,014	155,421	224,667	87,853	112,627
ENDING FUND BALANCE	92,814	167,737	236,783	100,169	126,659

VDW METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31,

1/5/11

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	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 09/30/2010	AMENDED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCE	\$ -	\$ -		\$ -	\$ 10
REVENUE					
Service Fees - VDW 2	-	87,000	\$ 84,126	87,000	89,586
Service Fees - VDW 3	-	168,510	168,510	168,510	182,014
Other income	-	2,500	20	2,500	-
Total revenue	-	258,010	252,656	258,010	271,600
TRANSFERS IN					
Capital Projects Fund	-	-	-	-	-
General Fund	195,000	-	-	5,000	-
Total transfers in	195,000	-	-	5,000	-
Total funds available	195,000	258,010	252,656	263,010	271,610
EXPENDITURES					
Bond interest	195,000	195,000	97,500	195,000	191,100
Bond principal	-	60,000	-	65,000	70,000
Trusty and Paying Agent Fees	-	500	500	500	500
Contingency	-	2,500	-	2,500	10,000
Total expenditures	195,000	258,000	98,000	263,000	271,600
TRANSFERS OUT					
Capital Projects Fund	-	-	-	-	-
General Fund	-	-	-	-	-
Total transfers out	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	195,000	258,000	98,000	263,000	271,600
ENDING FUND BALANCE	\$ -	\$ 10	\$ 154,656	\$ 10	\$ 10

VDW METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31,

1/5/11

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	ACTUAL 2009	ADOPTED BUDGET 2010	ACTUAL 09/30/2010	ESTIMATED 2010	ADOPTED BUDGET 2011
BEGINNING FUND BALANCE	\$ 9,886	\$ 9,886	\$ 9,886	\$ 9,886	\$ 9,643
REVENUE					
Developer advance	135,842	2,000,000	-	150,000	736,012
Proceeds from Developer Note	-	-	-	-	-
Total revenue	<u>135,842</u>	<u>2,000,000</u>	<u>-</u>	<u>150,000</u>	<u>736,012</u>
TRANSFERS IN					
Debt Service Fund	-	-	-	-	-
General Fund	-	-	-	-	357
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357</u>
Total funds available	<u>145,728</u>	<u>2,009,886</u>	<u>9,886</u>	<u>159,886</u>	<u>746,012</u>
EXPENDITURES					
General					
Legal	-	2,000	-	-	2,500
District Management	-	5,886	243	243	5,000
Engineering	-	2,000	-	-	2,500
Capital outlay					
Parks and Recreation	135,842	-	-	-	81,500
Water infrastructure	-	222,200	-	-	146,937
Street/Roadway Improvements	-	888,900	-	150,000	392,500
Traffic and Safety Improvements	-	-	-	-	-
Sewer & Storm infrastructure	-	888,900	-	-	115,075
Contingency	-	-	-	-	-
Total expenditures	<u>135,842</u>	<u>2,009,886</u>	<u>243</u>	<u>150,243</u>	<u>746,012</u>
TRANSFERS OUT					
Debt Service Fund	-	-	-	-	-
General Fund	-	-	-	-	-
Total transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>135,842</u>	<u>2,009,886</u>	<u>243</u>	<u>150,243</u>	<u>746,012</u>
ENDING FUND BALANCE	\$ 9,886	\$ -	\$ 9,644	\$ 9,643	\$ -

VDW METROPOLITAN DISTRICT NO. 1

2011 BUDGET MESSAGE

VDW Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established as the "Service District" as part of a "Multiple District Structure" for the mixed-use development known as "Van de Water" located in the City of Loveland, Colorado. Along with its companion Districts No.2, and No.3 ("Financing Districts"), this District was organized to provide construction, installation, financing and operation of public improvements, including streets, traffic safety controls, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, and park and recreation facilities.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2011 BUDGET STRATEGY

The District's strategy in preparing the 2011 budget is to strive to provide the level of services as desired by the constituents of the District in the most economic manner possible.

In the General Fund, general and administrative expenses budget in the amount of \$159,436 are to be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through intergovernmental agreements and interest income.

In the Debt Service Fund, expenditures for principal, interest and other payments budgeted in the amount of \$271,600 are related to the Series 2007, \$3,000,000 Limited Property Tax Supported Revenue Bonds. Debt service will be paid by Service Fees received by VDW Metropolitan District Nos. 2 and 3 through a Capital Pledge Agreement.

In the Capital Projects Fund, capital expenditures budgeted in the amount of \$746,012 are to be funded by proceeds of developer notes.

VDW METROPOLITAN DISTRICT NO. 1

Debt

Limited Property Tax Supported Revenue Bonds, Series 2007, were issued December 20, 2007, in the original amount of \$3,000,000. The bonds are term bonds due on December 1, 2032 with a mandatory redemption principal payment of \$60,000 on December 1, 2010 and increasing annually thereafter.

Interest is payable semi-annually on June 1 and December 1.

Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2010, as defined under TABOR. The District also holds the reserve funds for VDW Metropolitan District No 2. and No. 3.