

DANCING WILLOWS METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

March 12, 2010


State Auditors Office
Local Government Audit Division
225 E. 16th Avenue, Suite 555
Denver, CO 80203

Re: Dancing Willows Metropolitan District;
Application for Exemption from Audit for the period
ending December 31, 2009

Enclosed are the original and one copy of the Application for
Exemption from Audit for 2009 for the Dancing Willows Metropolitan
District.

Please contact this office if you have any questions.

Sincerely,



Anna M. Mercurio
Assistant to Lisa A. Johnson
District Manager

Enclosures

cc: McGeady Sisneros, P.C. - Jennifer Julka
Board of County Commissioners - Jefferson County

APPLICATION FOR EXEMPTION FROM AUDIT - LONG FORM - FOR GOVERNMENTS WITH REVENUES OR EXPENDITURES GREATER THAN \$100,000 BUT NOT MORE THAN \$500,000

| | | |
|---------------------|---------------------------------------|---|
| Name of Government: | Dancing Willows Metropolitan District | For the Fiscal Year Ended December 31, 2009 or fiscal year ended: |
| Address: | c/o McGeady Sisneros, P.C. | |
| | 450 East 17th Avenue, Suite 400 | |
| | Denver, CO 80203 | |
| Contact Person: | MaryAnn M. McGeady, Esq. | |
| Telephone: | 303-592-4380 | |
| E-Mail: | mmcgeady@mcgeadysisneros.com | |
| Fax: | 303-592-4385 | |

Return to: Office of the State Auditor
 Local Government Audit Division
 225 E. 16th Ave., Suite 555
 Denver, CO 80203
 Fax: (303) 866-4062
 Email: OSA.LG@state.co.us
 Call (303) 866-3338 if you need help completing this form.

Section 29-1-604, C.R.S. outlines the provisions for an exemption from audit. Generally, any local government where neither revenues nor expenditures exceed \$500,000 in any fiscal year qualify for an exemption. If either revenues or expenditures are \$100,000 or greater, but not more than \$500,000, you may use this form. If both revenues and expenditures are less than \$100,000 individually, use the short form application for exemption from audit.

Instructions: (See "Instructions" tab for additional information)

1. Prepare this form completely and accurately. Please note that there are eleven parts to this form and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year. For years ended December 31, the form **must** be received by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by an independent accountant (separate from the entity) with knowledge of governmental accounting.
4. The application must be approved by the governing body as evidenced by one of the following methods:
 - a. Resolution of the governing board - application may be e-mailed, faxed, or mailed.
 - b. Original signatures - application must be mailed. E-mail or fax will NOT be accepted.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

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. Independent means someone who is separate from the entity.

| | |
|----------------------------|--|
| Name: | John W. Simmons, CPA |
| Title: | CPA |
| Firm Name (if applicable): | Simmons & Wheeler, P.C. |
| Address: | 8005 S. Chester Street, Suite 150 Centennial, CO 80112 |
| Telephone Number: | 303-689-0833 |
| Date Prepared: | March 9, 2010 |

Signature: 

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 \$500,000. Independent means someone who is separate from the entity. Please describe what your relationship is with the entity.

PART 1 - Financial Statements - Balance Sheet

| Ln # | Description | Governmental Funds | | Proprietary/Fiduciary Funds | |
|------|--|--------------------|------------|-----------------------------|-------|
| | | General Fund* | Debt Fund* | Fund* | Fund* |
| 1-1 | Assets | | | | |
| 1-2 | Cash & Cash Equivalents | \$ 18,164 | \$ 3,526 | \$ - | \$ - |
| 1-3 | Investments | \$ - | \$ - | \$ - | \$ - |
| 1-4 | Receivables | \$ 347 | \$ 660 | \$ - | \$ - |
| 1-5 | Due from other Entities or Funds | \$ - | \$ - | \$ - | \$ - |
| 1-6 | Other Assets (specify) | \$ - | \$ - | \$ - | \$ - |
| 1-7 | Taxes Receivable 2010 | \$ 81,376 | \$ 155,001 | \$ - | \$ - |
| 1-8 | | \$ - | \$ - | \$ - | \$ - |
| 1-9 | | \$ - | \$ - | \$ - | \$ - |
| 1-10 | | \$ - | \$ - | \$ - | \$ - |
| 1-11 | Total Assets (add lines 1-2 through 1-10) | \$ 99,887 | \$ 159,187 | \$ - | \$ - |
| 1-12 | Liabilities and Fund Equity | | | | |
| 1-13 | Liabilities | | | | |
| 1-14 | Accounts Payable | \$ 7,399 | \$ 333 | \$ - | \$ - |
| 1-15 | Accrued Payroll and Related Liabilities | \$ - | \$ - | \$ - | \$ - |
| 1-16 | Accrued Interest Payable | \$ - | \$ - | \$ - | \$ - |
| 1-17 | Due to other Entities or Funds | \$ - | \$ - | \$ - | \$ - |
| 1-18 | Other Liabilities (specify) | \$ - | \$ - | \$ - | \$ - |
| 1-19 | Deferred Taxes 2010 | \$ 81,376 | \$ 155,001 | \$ - | \$ - |
| 1-20 | Notes payable - vendors | \$ 9,295 | \$ - | \$ - | \$ - |
| 1-21 | | \$ - | \$ - | \$ - | \$ - |
| 1-22 | | \$ - | \$ - | \$ - | \$ - |
| 1-23 | | \$ - | \$ - | \$ - | \$ - |
| 1-24 | | \$ - | \$ - | \$ - | \$ - |
| 1-25 | | \$ - | \$ - | \$ - | \$ - |
| 1-26 | Total Liabilities (add lines 1-14 through 1-25) | \$ 98,070 | \$ 155,334 | \$ - | \$ - |
| 1-27 | Equity | | | | |
| 1-28 | Fund Equity | | | | |
| 1-29 | Emergency Reserves | \$ 1,817 | \$ - | \$ - | \$ - |
| 1-30 | Other Designations/Reserves | \$ - | \$ - | \$ - | \$ - |
| 1-31 | Restricted | \$ - | \$ 3,853 | \$ - | \$ - |
| 1-32 | Undesignated/Unreserved/Unrestricted | \$ - | \$ - | \$ - | \$ - |
| 1-33 | Total Equity (add lines 1-30 through 1-33) This total should be the same as line 3-33. | \$ 1,817 | \$ 3,853 | \$ - | \$ - |
| 1-34 | Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11. | \$ 99,887 | \$ 159,187 | \$ - | \$ - |

*Indicate Name of Fund

Note: Attach additional sheets as necessary.

Please Check the box below to indicate the basis of accounting used to complete this form:

Accrual Basis

Cash Basis

Is this a change from last year?

Yes

No

PART 2 - Financial Statements - Operating Statement - Revenue

| | Governmental Funds | | Debt Fund* | Proprietary/Fiduciary Funds | | Total of All Funds |
|---|--------------------|------------|------------|-----------------------------|-------|--------------------|
| | General Fund* | | | Fund* | Fund* | |
| 2-1 Revenues and Other Financing Sources | | | | | | |
| 2-2 Taxes | | | | | | |
| 2-3 Property | \$ 67,648 | \$ 128,854 | | | | |
| 2-4 Specific Ownership | \$ 4,769 | \$ 9,083 | | | | |
| 2-5 Sales and Use Tax | \$ - | \$ - | | | | |
| 2-6 Other (specify) | \$ - | \$ - | | | | |
| 2-7 Miscellaneous income | \$ 2,624 | \$ - | | | | |
| 2-8 | \$ - | \$ - | | | | |
| 2-9 | \$ - | \$ - | | | | |
| 2-10 Licenses and Permits | \$ - | \$ - | | | | |
| 2-11 Intergovernmental | | | | | | |
| 2-12 Highway User Tax Funds (HUTF) | \$ - | \$ - | | | | |
| 2-13 Conservation Trust Funds (Lottery) | \$ - | \$ - | | | | |
| 2-14 Community Development Block Grant | \$ - | \$ - | | | | |
| 2-15 Fire & Police Pension | \$ - | \$ - | | | | |
| 2-16 Grants | \$ - | \$ - | | | | |
| 2-17 Donations | \$ - | \$ - | | | | |
| 2-18 Other (specify) | \$ - | \$ - | | | | |
| 2-19 | \$ - | \$ - | | | | |
| 2-20 Charges for Sales and Services | \$ - | \$ - | | | | |
| 2-21 Rental Income | \$ - | \$ - | | | | |
| 2-22 Fines and Forfeits | \$ - | \$ - | | | | |
| 2-23 Interest/Investment Income | \$ 271 | \$ 72 | | | | |
| 2-24 Tap Fees | \$ - | \$ - | | | | |
| 2-25 Facilities Fees | \$ 7,800 | \$ - | | | | |
| 2-26 Total Revenues (Add lines 2-3 through 2-25) | \$ 83,112 | \$ 138,009 | | | | |
| 2-27 Other Financing Sources | | | | | | |
| 2-28 Debt Proceeds | \$ - | \$ - | | | | |
| 2-29 Proceeds from Sale of Capital Assets | \$ - | \$ - | | | | |
| 2-30 Other (specify) | \$ - | \$ - | | | | |
| Total Other Financing Sources (Add lines 2-28 through 2-30) | \$ - | \$ - | | | | |
| 2-31 Total Revenues and Other Financing Sources (Add lines 2-26 and 2-31) | \$ 83,112 | \$ 138,009 | | | | |
| 2-32 | | | | | | |

PART 3 - Financial Statements - Operating Statement - Expenditures

| | Governmental Funds | | Debt Fund* | Proprietary/Fiduciary Funds | | Total of All Funds |
|---|--------------------|------------|------------|-----------------------------|-------|--------------------|
| | General Fund* | | | Fund* | Fund* | |
| 3-1 Expenditures | | | | | | |
| 3-2 General Government | \$ 63,157 | \$ 1,934 | | | | |
| 3-3 Judicial | \$ - | \$ - | | | | |
| 3-4 Public Safety | | | | | | |
| 3-5 Law Enforcement | \$ - | \$ - | | | | |
| 3-6 Fire | \$ - | \$ - | | | | |
| 3-7 Other (specify) | \$ - | \$ - | | | | |
| 3-8 Public Works | | | | | | |
| 3-9 Highways & Streets | \$ 303 | \$ - | | | | |
| 3-10 Solid Waste | \$ - | \$ - | | | | |
| 3-11 Other (specify) | \$ - | \$ - | | | | |
| 3-12 Health | \$ - | \$ - | | | | |
| 3-13 Culture and Recreation | \$ 6,111 | \$ - | | | | |
| 3-14 Contributions to FPPA | \$ - | \$ - | | | | |
| 3-15 Capital Outlay | \$ - | \$ - | | | | |
| 3-16 Debt Service | | | | | | |
| 3-17 Principal | \$ - | \$ 129,274 | | | | |
| 3-18 Interest | \$ - | \$ 11,726 | | | | |
| 3-19 Bond Issuance Costs | \$ - | \$ - | | | | |
| 3-20 Other (specify) Paying Agent Fees | \$ - | \$ 733 | | | | |
| 3-21 Developer Advance Reimbursement | \$ 15,681 | \$ - | | | | |
| 3-22 | \$ - | \$ - | | | | |
| 3-23 Total Expenditures (Add lines 3-2 through 3-22) | \$ 85,252 | \$ 143,667 | | | | |
| 3-24 Net Interfund Transfers In (Out) | \$ - | \$ - | | | | |
| 3-25 | \$ - | \$ - | | | | |
| 3-26 | \$ - | \$ - | | | | |
| 3-27 | \$ - | \$ - | | | | |
| 3-28 | \$ - | \$ - | | | | |
| 3-29 | \$ - | \$ - | | | | |
| 3-30 | \$ - | \$ - | | | | |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 2-32, less line 3-23, plus lines 3-24 through 3-30) | \$ (2,140) | \$ (5,658) | | | | |
| 3-31 Fund Equity, January 1 from December 31 prior year report | \$ 3,957 | \$ 9,511 | | | | |
| 3-32 Fund Equity, December 31 (Line 3-31 plus line 3-31) | \$ 1,817 | \$ 3,853 | | | | |
| 3-33 | | | | | | |

PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED

| Please answer the following questions by marking in the appropriate boxes | | | | Yes | No | |
|---|--|---|---------------------------------------|---|--------------------------------------|-------------------------------------|
| 4-1 | Does the entity have debt? | | | X | | |
| If yes: | Is the debt repayment schedule attached? If no, please explain: | | | X | | |
| | Please complete the following debt schedule, if applicable | Outstanding at beginning of fiscal year | Total issued during fiscal year (add) | Total retired during fiscal year (less) | Total outstanding at fiscal year end | Governmental (G) or Proprietary (P) |
| | General Obligation Bonds | \$ 3,881,761 | \$ 234,248 | \$ 141,000 | \$ 3,975,009 | Governmental |
| | Revenue Bonds | | - | - | - | |
| | Notes/Loans | | - | - | - | |
| | Leases | - | - | - | - | |
| | Developer Advances | - | - | - | - | |
| | Other (specify): | | | | | |
| | Total | \$ 3,881,761 | \$ 234,248 | \$ 141,000 | \$ 3,975,009 | |
| Please answer the following questions by marking in the appropriate boxes | | | | Yes | No | |
| 4-2 | Does the entity have authorized, but unissued debt? | | | X | | |
| If yes: | How much? | \$ 487 | | | | |
| | Date debt was authorized: | | | | | |
| 4-3 | Does the entity intend to issue debt within the next calendar year (2010)? | | | | X | |
| If yes: | How much? | \$ - | | | | |
| Please answer the following questions by marking in the appropriate boxes | | | | Yes | No | |
| 4-4 | Does the entity have debt that has been refinanced that it is still responsible for? | | | | X | |
| If yes: | What is the amount outstanding? | \$ - | | | | |
| Please answer the following questions by marking in the appropriate boxes | | | | Yes | No | |
| 4-5 | Does the entity have any lease agreements? | | | | X | |
| 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? | | | | | |
| | What are the annual lease payments? | \$ - | | | | |

PART 5 - CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR

| Please provide the entity's cash deposit and investment balances | | Amount | Total |
|--|--|-----------|-----------|
| 5-1 | Checking Accounts | \$ - | |
| 5-2 | Savings Accounts | \$ - | |
| 5-3 | Certificates of Deposit | \$ - | \$ - |
| | Total Cash Deposits | | |
| | Investments (If investment is a mutual fund, please list underlying investments): | | |
| 5-4 | Colotrust | \$ 21,690 | |
| 5-5 | | \$ - | |
| 5-6 | | \$ - | |
| 5-7 | | \$ - | |
| | Total Investments | | \$ 21,690 |
| | Total Cash and Investments | | \$ 21,690 |
| Please answer the following question by marking in the appropriate box | | Yes | No |
| 5-8 | Are the entity's deposits in an eligible (PDPA) public depository? (Section 11-10.5-101 et. seq., C.R.S.) If no, please explain: | X | |

PART 6 - CAPITAL ASSETS

| | | Beginning of the Year | Additions | Deletions | End of Year Balance |
|------------|-------------------------------------|-----------------------|-----------|-----------|---------------------|
| 6-1 | For Governmental Funds | | | | |
| | Land | \$ - | \$ - | \$ - | \$ - |
| | Buildings | \$ - | \$ - | \$ - | \$ - |
| | Machinery and Equipment | \$ - | \$ - | \$ - | \$ - |
| | Furniture and Fixtures | \$ - | \$ - | \$ - | \$ - |
| | Infrastructure | \$ 6,654,217 | \$ - | \$ - | \$ 6,654,217 |
| | Accumulated Depreciation | \$ - | \$ - | \$ - | \$ - |
| | Other | \$ - | \$ - | \$ - | \$ - |
| | Total for Governmental Funds | \$ 6,654,217 | \$ - | \$ - | \$ 6,654,217 |

| | | Beginning of the Year | Additions | Deletions | End of Year Balance |
|------------|------------------------------------|-----------------------|-----------|-----------|---------------------|
| 6-2 | For Proprietary Funds | | | | |
| | Land | \$ - | \$ - | \$ - | \$ - |
| | Buildings | \$ - | \$ - | \$ - | \$ - |
| | Machinery and Equipment | \$ - | \$ - | \$ - | \$ - |
| | Furniture and Fixtures | \$ - | \$ - | \$ - | \$ - |
| | Infrastructure | \$ - | \$ - | \$ - | \$ - |
| | Accumulated Depreciation | \$ - | \$ - | \$ - | \$ - |
| | Other | \$ - | \$ - | \$ - | \$ - |
| | Total for Proprietary Funds | \$ - | \$ - | \$ - | \$ - |

| Please answer the following question by marking in the appropriate box: | | Yes | No |
|---|--|-----|----|
| 6-3 | Has the entity performed an annual inventory of property and equipment (capital assets) in accordance with Section 29-1-506 C.R.S.? If no, please explain: | X | |

PART 7 - PENSION INFORMATION

| Please answer the following questions by marking in the appropriate boxes | | Yes | No |
|---|---|------|----|
| 7-1 | Does the entity have an "old hire" fire pension plan? | | X |
| 7-2 | Does the entity have a volunteer firemen's pension plan? | | X |
| If yes: | Who administers the plan? | | |
| | Indicate the contributions from: | | |
| | Tax: (Property, SO, Sales, etc) | \$ - | |
| | State Contribution Amount: | \$ - | |
| | Other: (Gifts, Donations, etc) | \$ - | |
| | What is the monthly benefit paid for 20 years of service per retiree as of Jan 1st? | \$ - | |

PART 8 - BUDGET INFORMATION

| Please answer the following questions by marking in the appropriate boxes | | Yes | No |
|---|--|-----------------------------------|----|
| 8-1 | Did the entity file a 2009 budget with the Department of Local Affairs? If no, please explain: | X | |
| If yes: | Please indicate the amount appropriated for each fund for 2009: | | |
| | Fund Name | Budgeted 2009 Expenditures | |
| | General Fund | \$ 89,267 | |
| | Debt Service Fund | \$ 144,000 | |
| | | \$ - | |
| | | \$ - | |

PART 9 - TABOR

| Please answer the following question by marking in the appropriate box. | | Yes | No |
|---|--|-----|----|
| 9-1 | Is the entity in compliance with all the provisions of TABOR? [State Constitution Article X, Section 20 (5)]? If no, please explain: | | |
| Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3% emergency reserve requirement. All governments should determine if they meet this requirement of TABOR. | | | |

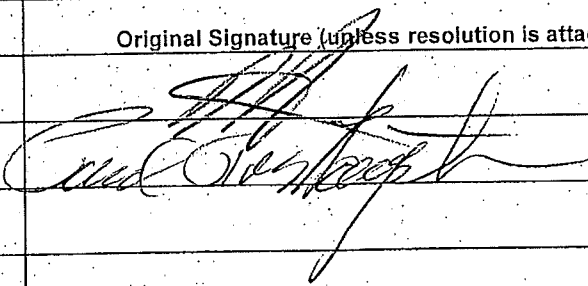
PART 10 - GENERAL INFORMATION

| Please answer the following questions by marking in the appropriate boxes. | | Yes | No |
|--|---|-----|----|
| 10-1 | Is this entity a newly formed governmental entity? | | |
| If yes: | Date of formation: | | |
| 10-2 | Is this a metropolitan district? | | |
| 10-3 | Please indicate what services are provided: | | |
| 10-4 | Does the entity have an agreement with another government entity to provide services? | | |
| If yes: | List the name of the other government entity and the services provided: | | |

PART 11 - GOVERNING BODY APPROVAL

We, the undersigned, certify that this Application for Exemption from Audit has been:
 Prepared consistent with Section 29-1-604, C.R.S., which states that an application with revenues and expenditures at least \$100,000 but not more than \$500,000 must be prepared by an independent accountant with knowledge of governmental accounting.
 Completed to the best of our knowledge and is accurate and true.
 Reviewed and approved by a majority of the governing body.

Note: Please list all current members of the governing body. Original signatures must be provided for a majority of the governing body or a resolution may be provided in lieu of original signatures.

| | Name (print names of all current members of the governing body) | Date Term Expires | Original Signature (unless resolution is attached) |
|---|---|-------------------|--|
| 1 | Charles "Reagan" Hauptman | May 2010 |  |
| 2 | Paul "Ron" Hauptman | May 2010 | |
| 3 | Bobby Thomas | May 2012 | |
| 4 | James "Don" D. Walker | May 2012 | |
| 5 | Steven G. Knoll | May 2010 | |
| 6 | | | |
| 7 | | | |

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| 5 | Steven G. Knoll | May 2010 | |
| 6 | | | |
| 7 | | | |

Dancing Willows Metropolitan District
Schedule of Limited Tax General Obligation Capital Appreciation Bonds Series 2008A
For the Years Ended December 31, 2008 through 2033

Convertible Capital Appreciation Bonds from March 11, 2008 to June 1, 2012 - Converting to Current Interest Bonds on June 1, 2012. The Bonds initially accrete at 6.00% compounded semi-annually. Upon conversion, the Bonds accrue interest at 6.00% compounded and payable semi-annually.

| Date | Maturity 6/1/2009 Accreted Value per \$1,000 Bond | Maturity 12/1/2009 Accreted Value per \$1,000 Bond | Maturity 6/1/2010 Accreted Value per \$1,000 Bond | Maturity 12/1/2010 Accreted Value per \$1,000 Bond | Maturity 6/1/2011 Accreted Value per \$1,000 Bond | Maturity 12/1/2011 Accreted Value per \$1,000 Bond | Maturity 6/1/2012 Accreted Value per \$1,000 Bond |
|-----------|--|---|--|---|--|---|--|
| 3/11/2008 | 930.25 | 903.15 | 876.85 | 851.35 | 826.55 | 802.45 | 779.10 |
| 6/1/2008 | 942.55 | 915.10 | 888.45 | 862.60 | 837.45 | 813.05 | 789.40 |
| 12/1/2008 | 970.85 | 942.55 | 915.10 | 888.45 | 862.60 | 837.45 | 813.05 |
| 6/1/2009 | 1,000.00 | 970.85 | 942.55 | 915.10 | 888.45 | 862.60 | 837.45 |
| 12/1/2009 | - | 1,000.00 | 970.85 | 942.55 | 915.10 | 888.45 | 862.60 |
| 6/1/2010 | - | - | 1,000.00 | 970.85 | 942.55 | 915.10 | 888.45 |
| 12/1/2010 | - | - | - | 1,000.00 | 970.85 | 942.55 | 915.10 |
| 6/1/2011 | - | - | - | - | 1,000.00 | 970.85 | 942.55 |
| 12/1/2011 | - | - | - | - | - | 1,000.00 | 970.85 |
| 6/1/2012 | - | - | - | - | - | - | 1,000.00 |

| Date | 6/1/2009 Maturity Value | 12/1/2009 Maturity Value | 6/1/2010 Maturity Value | 12/1/2010 Maturity Value | 6/1/2011 Maturity Value | 12/1/2011 Maturity Value | 6/1/2012 Maturity Value | End of Year Total Value | Payment |
|-----------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-------------------------|------------|
| | \$ 71,000.00 | \$ 70,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ 125,000.00 | \$ 125,000.00 | \$ 135,000.00 | | |
| 3/11/2008 | 86,047.75 | 63,220.50 | 87,885.00 | 85,135.00 | 103,318.75 | 100,306.25 | 105,178.50 | 610,891.75 | - |
| 6/1/2008 | 66,921.05 | 64,057.00 | 88,845.00 | 86,260.00 | 104,681.25 | 101,631.25 | 106,569.00 | 618,964.55 | - |
| 12/1/2008 | 68,930.35 | 65,978.50 | 91,510.00 | 88,845.00 | 107,825.00 | 104,681.25 | 109,761.75 | 637,531.85 | - |
| 6/1/2009 | 71,000.00 | 67,959.50 | 94,255.00 | 91,510.00 | 111,056.25 | 107,825.00 | 113,055.75 | 585,661.50 | 71,000.00 |
| 12/1/2009 | - | 70,000.00 | 97,085.00 | 94,255.00 | 114,387.50 | 111,056.25 | 116,451.00 | 533,234.75 | 70,000.00 |
| 6/1/2010 | - | - | 100,000.00 | 97,085.00 | 117,818.75 | 114,387.50 | 119,940.75 | 449,232.00 | 100,000.00 |
| 12/1/2010 | - | - | - | 100,000.00 | 121,356.25 | 117,818.75 | 123,538.50 | 362,713.50 | 100,000.00 |
| 6/1/2011 | - | - | - | - | 125,000.00 | 121,356.25 | 127,244.25 | 248,600.50 | 125,000.00 |
| 12/1/2011 | - | - | - | - | - | 125,000.00 | 131,064.75 | 131,064.75 | 125,000.00 |
| 6/1/2012 | - | - | - | - | - | - | 135,000.00 | 135,000.00 | 135,000.00 |

Annual Debt Schedule

| | Beginning | Additions | Payments | Ending |
|------|------------|-------------------|-------------------|------------|
| 2008 | 610,891.75 | 26,640.10 | | 637,531.85 |
| 2009 | 637,531.85 | 36,702.90 | 141,000.00 | 533,234.75 |
| 2010 | 533,234.75 | 29,478.75 | 200,000.00 | 362,713.50 |
| 2011 | 362,713.50 | 18,351.25 | 250,000.00 | 131,064.75 |
| 2012 | 131,064.75 | 3,935.25 | 135,000.00 | - |
| | | <u>115,108.25</u> | <u>726,000.00</u> | |

Dancing Willows Metropolitan District
Schedule of Limited Tax General Obligation Bonds Subordinate Series 2008B
For the Years Ended December 31, 2008 through 2033

Convertible Capital Appreciation Bonds from March 11, 2008 to June 1, 2012 - Converting to Current Interest Bonds on June 1, 2012. The Bonds initially accrete at 6.00% compounded semi-annually. Upon conversion, the Bonds accrue interest at 6.00% compounded and payable semi-annually.

| Date | Accreted Value per \$5,000 Bond | Number of \$5,000 Bonds | Total Accreted Value |
|-----------|---------------------------------|-------------------------|----------------------|
| 3/11/2008 | 3,895.50 | 798 | 3,108,609.00 |
| 6/1/2008 | 3,847.00 | 798 | 3,149,706.00 |
| 12/1/2008 | 4,065.45 | 798 | 3,244,229.10 |
| 6/1/2009 | 4,187.40 | 798 | 3,341,545.20 |
| 12/1/2009 | 4,313.00 | 798 | 3,441,774.00 |
| 6/1/2010 | 4,442.40 | 798 | 3,545,035.20 |
| 12/1/2010 | 4,575.70 | 798 | 3,651,408.60 |
| 6/1/2011 | 4,712.95 | 798 | 3,760,934.10 |
| 12/1/2011 | 4,854.35 | 798 | 3,873,771.30 |
| 6/1/2012 | 5,000.00 | 798 | 3,990,000.00 |

Debt Service Schedule from December 1, 2012 after Conversion to Current Interest Bonds

| Date | Principal | Coupon | Current Interest | Annual Payment | Unpaid Balance |
|------|-----------|------------------|------------------|------------------|------------------|
| | | | | | 3,990,000 |
| 2012 | 12/1/2012 | 20,000 | 6.000% | 119,700 | 3,970,000 |
| 2013 | 6/1/2013 | 25,000 | 6.000% | 119,100 | 3,945,000 |
| 2013 | 12/1/2013 | 25,000 | 6.000% | 118,350 | 3,920,000 |
| 2014 | 6/1/2014 | 30,000 | 6.000% | 117,600 | 3,890,000 |
| 2014 | 12/1/2014 | 30,000 | 6.000% | 116,700 | 3,860,000 |
| 2016 | 6/1/2015 | 35,000 | 8.000% | 115,800 | 3,825,000 |
| 2015 | 12/1/2015 | 35,000 | 8.000% | 114,750 | 3,790,000 |
| 2016 | 6/1/2016 | 40,000 | 6.000% | 113,700 | 3,750,000 |
| 2016 | 12/1/2016 | 40,000 | 6.000% | 112,500 | 3,710,000 |
| 2017 | 6/1/2017 | 45,000 | 6.000% | 111,300 | 3,665,000 |
| 2017 | 12/1/2017 | 45,000 | 6.000% | 109,950 | 3,620,000 |
| 2018 | 6/1/2018 | 50,000 | 6.000% | 108,600 | 3,570,000 |
| 2018 | 12/1/2018 | 50,000 | 6.000% | 107,100 | 3,520,000 |
| 2019 | 6/1/2019 | 60,000 | 8.000% | 105,600 | 3,460,000 |
| 2019 | 12/1/2019 | 60,000 | 6.000% | 103,800 | 3,400,000 |
| 2020 | 6/1/2020 | 60,000 | 6.000% | 102,000 | 3,340,000 |
| 2020 | 12/1/2020 | 65,000 | 6.000% | 100,200 | 3,275,000 |
| 2021 | 6/1/2021 | 70,000 | 6.000% | 98,250 | 3,205,000 |
| 2021 | 12/1/2021 | 75,000 | 6.000% | 96,150 | 3,130,000 |
| 2022 | 6/1/2022 | 75,000 | 6.000% | 93,900 | 3,055,000 |
| 2022 | 12/1/2022 | 80,000 | 6.000% | 91,650 | 2,975,000 |
| 2023 | 6/1/2023 | 90,000 | 6.000% | 89,250 | 2,885,000 |
| 2023 | 12/1/2023 | 90,000 | 6.000% | 86,550 | 2,795,000 |
| 2024 | 6/1/2024 | 95,000 | 6.000% | 83,850 | 2,700,000 |
| 2024 | 12/1/2024 | 95,000 | 6.000% | 81,000 | 2,605,000 |
| 2025 | 6/1/2025 | 105,000 | 6.000% | 78,150 | 2,500,000 |
| 2025 | 12/1/2025 | 110,000 | 6.000% | 75,000 | 2,390,000 |
| 2026 | 6/1/2026 | 115,000 | 6.000% | 71,700 | 2,275,000 |
| 2026 | 12/1/2026 | 115,000 | 8.000% | 68,250 | 2,160,000 |
| 2027 | 6/1/2027 | 125,000 | 6.000% | 64,800 | 2,035,000 |
| 2027 | 12/1/2027 | 130,000 | 6.000% | 61,050 | 1,905,000 |
| 2028 | 6/1/2028 | 135,000 | 6.000% | 57,150 | 1,770,000 |
| 2028 | 12/1/2028 | 140,000 | 8.000% | 53,100 | 1,630,000 |
| 2029 | 6/1/2029 | 150,000 | 6.000% | 48,900 | 1,480,000 |
| 2029 | 12/1/2029 | 155,000 | 6.000% | 44,400 | 1,325,000 |
| 2030 | 6/1/2030 | 160,000 | 6.000% | 39,750 | 1,165,000 |
| 2030 | 12/1/2030 | 165,000 | 8.000% | 34,950 | 1,000,000 |
| 2031 | 6/1/2031 | 180,000 | 6.000% | 30,000 | 820,000 |
| 2031 | 12/1/2031 | 185,000 | 6.000% | 24,600 | 635,000 |
| 2032 | 6/1/2032 | 190,000 | 6.000% | 19,050 | 445,000 |
| 2032 | 12/1/2032 | 195,000 | 8.000% | 13,350 | 250,000 |
| 2033 | 6/1/2033 | 210,000 | 6.000% | 7,500 | 40,000 |
| 2033 | 12/1/2033 | 40,000 | 6.000% | 1,200 | |
| | | <u>3,990,000</u> | | <u>3,410,250</u> | <u>7,400,250</u> |