

DANCING WILLOWS METROPOLITAN DISTRICT

2013 Budget Message

Introduction

The budget reflects the projected spending plan for the 2013 fiscal year based on available revenues. This budget provides for the annual debt service on the District's General Obligation Debt as well as the general operation of the District and debt service.

The District's assessed valuation increased 10.00% to \$5,110,641 in 2012 for the 2013 budget year. The District's mill levy increased to 75.000 mills with 35.000 mills certified to the General Fund and 40.000 mills certified to the Debt Service Fund, for collection in 2013.

The District was formed in 2006 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including streets, public safety, and parks and recreation.

Budgetary Basis of Accounting

The District uses Funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes. Expenditures include district administration, legal services, and other expenses related to statutory operations of a local government. The primary source of revenue for the General Fund comes from property taxes, specific ownership taxes and facilities fees. This fund is used to account for landscaping and general operations and maintenance expenses of the District facilities.

Debt Service Fund was created in 2008 to service the District's \$610,904, 2008 Series A General Obligation Capital Appreciation Bond and \$3,108,609, 2008 Series B General Obligation Capital Appreciation Bond. Both A and B Series Bonds bear an interest rate of 6.0%. The bonds were issued to provide financing for street improvements, parks and recreation projects, and traffic and safety improvements. In 2011 the Bonds were restructured and below is a consolidated summary of the combined restricted debt service schedule. The Debt Service Fund's primary source of revenue to repay the bonds comes from property taxes and specific ownership taxes.

Summary of Debt Outstanding

Maturing in the Year(s) Ending December 31,	Total 2008 Bonds Combined 2008 B-1 and B-2		
	Principal	Interest	Total
2013	45,000	153,920	198,920
2014	85,000	152,435	237,435
2015	110,000	149,630	259,630
2016	120,000	146,000	266,000
2017	120,000	142,040	262,040
2018-2022	385,000	976,818	1,361,818
2023-2027	430,000	1,015,200	1,445,200
2028-2032	700,000	829,700	1,529,700
2033-2037	1,065,000	537,450	1,602,450
2038-2041	930,000	126,800	1,056,800
Total	<u>3,990,000</u>	<u>4,229,993</u>	<u>8,219,993</u>

Emergency Reserve

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

**Dancing Willows Metropolitan District
Assessed Value, Property Tax and Mill Levy Information**

	2011 Adopted Budget	2012 Adopted Budget	2013 Adopted Budget
Assessed Valuation	\$ 4,481,050	\$ 4,647,228	\$ 5,110,641
Mill Levy			
General Fund	21.000	26.000	35.000
Debt Service Fund	40.000	40.000	40.000
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements	0.000	0.000	0.000
Total Mill Levy	<u>61.000</u>	<u>66.000</u>	<u>75.000</u>
Property Taxes			
General Fund	\$ 94,102	\$ 120,828	\$ 178,872
Debt Service Fund	179,242	185,889	204,426
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	<u>\$ 273,344</u>	<u>\$ 306,717</u>	<u>\$ 383,298</u>

Dancing Willows Metropolitan District

GENERAL FUND 2013 ADOPTED BUDGET with 2011 Actual, 2012 Adopted Budget and 2012 Estimated

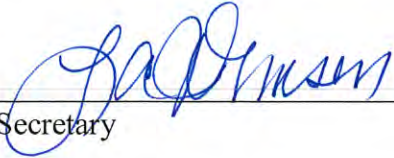
	2011 Actual	2012 Adopted Budget	2012 Estimate	2013 Adopted Budget
BEGINNING FUND BALANCE	7,499	39,263	23,706	16,460
REVENUE				
Property Tax Revenue	95,620	120,828	121,916	178,872
Specific Ownership Taxes	6,047	7,612	9,000	9,200
Developer Reimbursement	10,611		-	
Interest Income	51	50	-	50
Clubhouse Rentals	2,200	2,500	3,750	2,500
Proceeds from Note Payable	50,000	-	-	
Miscellaneous Income	696	-	-	
Total Revenue	165,225	130,990	134,666	190,622
Total Funds Available	172,724	170,253	158,372	207,082
EXPENDITURES				
Interest - Notes Payable	358	5,448	5,448	5,448
Accounting	12,481	11,500	11,500	11,500
Audit	5,375	5,900	4,850	5,300
Director's Fees	900	1,000	1,000	1,000
Election	-	5,000	630	-
Insurance/SDA Dues	5,015	4,600	5,576	5,700
Legal	32,787	12,500	12,500	12,500
Statutory Compliance	268	750	500	500
Management	15,702	13,000	15,000	15,000
Clubhouse Administration	200	1,000	250	250
Miscellaneous	1,580	2,200	2,500	2,500
Payroll Taxes	63	77	228	77
Treasurer's Fees	1,434	1,812	1,830	2,683
Utilities	47,095	35,000	39,000	39,000
Grounds	5,674	5,600	5,600	5,600
Pool	9,561	11,000	12,000	11,000
Clubhouse	2,825	1,500	1,500	1,500
Snow Removal	7,701	4,000	7,000	7,000
Capital Repairs	-	39,311	15,000	-
Capital Outlay	-	4,096	-	74,492
Total Expenditures	149,018	165,294	141,912	201,050
Emergency Reserve	-	4,959		6,032
Total Expenditures Requiring Appropriation	149,018	170,253	141,912	207,082
ENDING FUND BALANCE	\$ 23,706	\$ -	\$ 16,460	\$ -

Dancing Willows Metropolitan District

**DEBT SERVICE FUND
2013 ADOPTED BUDGET
with 2011 Actual, 2012 Adopted Budget and 2012 Estimated**

	2011 Actual	2012 Adopted Budget	2012 Estimate	2013 Adopted Budget
BEGINNING FUND BALANCE	62,852	3,403	3,683	360
REVENUE				
Property Tax Revenue	182,134	185,889	187,564	204,426
Specific Ownership Taxes	11,518	11,400	13,172	14,500
Interest Income	127	150	163	150
Total Revenue	193,778	197,439	200,899	219,076
Total Funds Available	256,630	200,842	204,582	219,436
EXPENDITURES				
Bond Principal	203,628	135,000	135,000	45,000
Bond Interest	46,372	62,654	65,659	170,920
Paying Agent Fees	214	400	750	450
Treasurer's Fees	2,732	2,788	2,813	3,066
Total Expenditures	252,947	200,842	204,222	219,436
Total Expenditures Requiring Appropriation	252,947	200,842	204,222	219,436
ENDING FUND BALANCE	\$ 3,683	\$ -	\$ 360	\$ -

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Dancing Willows Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2013, duly adopted at a meeting of the Board of Directors of the Dancing Willows Metropolitan District held on November 14, 2012.

By: 
Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Jefferson County, Colorado.

On behalf of the Dancing Willows Metropolitan District,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Dancing Willows Metropolitan District

(local government)^C

Hereby officially certifies the following mills

to be levied against the taxing entity's GROSS \$ 5,984,045

assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

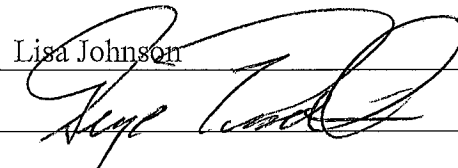
Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 5,984,045

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/15/2013 for budget/fiscal year 2014
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	35.000 mills	\$ 209,442
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	35.000 mills	\$ 209,442
3. General Obligation Bonds and Interest ^J	40.000 mills	\$ 239,362
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	75.000 mills	\$ 448,804

Contact person: Lisa Johnson Daytime phone: (303) 987-0835
 (print)  Title: District Accountant
 Signed: _____

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|-------|-------------------|---|
| 1. | Purpose of Issue: | \$3,490,000 - General Obligation Convertible Capital Appreciation Bonds
(Limited Tax Convertible to Unlimited Tax) |
| | Series: | 2008B1 |
| | Date of Issue: | March 11, 2008 |
| | Coupon Rate: | 3.3% to 7% |
| | Maturity Date: | December 1, 2039 |
| | Levy: | 33.524 |
| | Revenue: | \$200,612 |
| <hr/> | | |
| 2. | Purpose of Issue: | \$500,000 - General Obligation Convertible Capital Appreciation Bonds
(Limited Tax Convertible to Unlimited Tax) |
| | Series: | 2008B2 |
| | Date of Issue: | March 11, 2008 |
| | Coupon Rate: | 6% to 7.75% |
| | Maturity Date: | December 1, 2041 |
| | Levy: | 6.476 |
| | Revenue: | \$38,750 |

CONTRACTS^K:

- | | | |
|-------|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| <hr/> | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.