

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
DANCING WILLOWS METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2015

STATE OF COLORADO)
)
COUNTY OF JEFFERSON)ss.
)
DANCING WILLOWS
METROPOLITAN DISTRICT)

The Board of Directors of the DANCING WILLOWS METROPOLITAN DISTRICT, Jefferson County, Colorado, held a Special meeting at the Dancing Willows Club House, 11893 West Long Circle, Littleton, CO 80127, on December 3, 2014, at 6:30 p.m.

The following members of the Board of Directors were present:

Robert E. Vaninger Jr.	President
Nancy Carson	Treasurer
Susan Root	Vice President
William Anderson	Secretary
Bobby Thomas	Secretary

Also in attendance were:

James McGrady; CRS of Colorado, LLC
Community Members

The Chairman stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2015 budget. This hearing was conducted on December 3, 2014. The Chairman opened the public hearing on the District's proposed 2015 budget. Public comment was received by the Board and the public hearing was closed.

At the Special Board meeting held on December 3, 2014 at 6:30 p.m. at the Dancing Willows Club House, 11893 West Long Circle, Littleton, CO, Director Bobby Thomas moved that the Board adopt the following resolution adopting the District's 2015 budget, certifying mill levies and appropriating 2015 expenditures:

RESOLUTION 2014-07

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2015 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DANCING WILLOWS METROPOLITAN DISTRICT, JEFFERSON COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2015, AND ENDING ON THE LAST DAY OF DECEMBER, 2015,

WHEREAS, the Board of Directors of the DANCING WILLOWS METROPOLITAN DISTRICT has authorized its consultants to prepare and submit a proposed budget to said governing body no later than October 15, 2014; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on October 23, 2014 in a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 13, 2014 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DANCING WILLOWS METROPOLITAN DISTRICT OF JEFFERSON COUNTY, COLORADO:

Section 1. 2015 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto as Exhibit A are accepted and approved.

Section 2. 2015 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto as Exhibit A are accepted and approved.

Section 3. Adoption of Budget for 2015. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted by the Board of Directors as the true and accurate budget of the DANCING WILLOWS METROPOLITAN DISTRICT for calendar year 2015.

Section 4. 2015 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund for operating

expenses is \$226,281 and the amount of money necessary to balance the budget for the Debt Service Fund for debt services expenses is \$258,607. That the 2014 valuation for assessment, as certified by the Jefferson County Assessor, is \$6,465,174.

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2015 budget year, there is hereby levied a tax of 35.00mills, less a temporary mill levy reduction of 0 mills, for a General Fund mill levy of 35.00 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2015.

B. Levy for Debt Service Fund. That for the purposes of meeting all debt service expense of the District during the 2015 budget year, there is hereby levied a tax of 40.00mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2015.

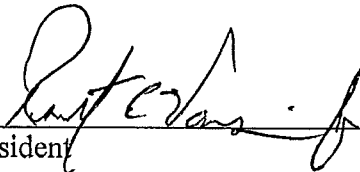
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners the mill levies for the District hereinabove determined and set. That said certification shall be in substantially the following form:

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.


The foregoing Resolution was seconded by Director William Anderson

ADOPTED AND APPROVED this 3rd day of December, 2014.



President

ATTEST:



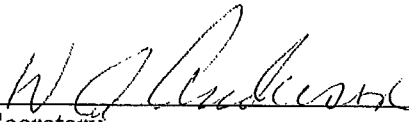
Secretary

STATE OF COLORADO)
)
COUNTY OF DOUGLAS)ss.
)
CHATFIELD SOUTH)
WATER DISTRICT)

I, Bobby Thomas, Secretary to the Board of Directors of the DANCING WILLOWS METROPOLITAN DISTRICT, Jefferson County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held at The Dancing Willows Club House, 11893 West Long Circle, Littleton, Colorado, December 3, 2014 at 6:30 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2015; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2015 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 3rd day of December, 2014.

(SEAL)


Secretary



DANCING WILLOWS METROPOLITAN DISTRICT

2015 Budget Message

Introduction

The budget reflects the projected spending plan for the 2015 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 8.1% to \$6,465,174 in 2014 for the 2015 budget year. The District's mill levy remains at 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 2014.

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
GENERAL FUND
2015 Adopted Budget**

2014 Final Assessed Valuation	\$ 6,465,174.00		
	2013 Audited	2014	2015 Adopted
	Actual	Estimated	Budget
REVENUE			
Property Tax Revenue (35 Mills)	\$ 178,872	\$ 209,391	\$ 226,281
Specific Ownership Taxes	\$ 13,309	\$ 16,274	\$ 14,933
Developer Reimbursement	\$ -	\$ -	\$ -
Interest Income	\$ 238	\$ 354	\$ 354
Inclusion Fees	\$ -	\$ -	\$ -
Facilities Fees	\$ -	\$ -	\$ -
Clubhouse Rentals	\$ 4,835	\$ 3,225	\$ 3,800
Miscellaneous Income	\$ 126	\$ 50	\$ -
TOTAL REVENUE	\$ 197,380	\$ 229,294	\$ 245,368
EXPENDITURES			
Interest - Notes Payable McGeady, SDMS, Remington Homes	\$ -	\$ 7,000	\$ 3,448
Note Payments McGeady, SDMS, DWH, Remington	\$ -	\$ -	\$ -
Accounting	\$ 9,800	\$ 8,627	\$ 10,000
Audit	\$ 4,475	\$ 5,362	\$ 6,000
Director's Fees	\$ 1,600	\$ 2,000	\$ 2,400
Election	\$ -	\$ 12,260	\$ -
Insurance	\$ 7,217	\$ 8,407	\$ 7,000
SDA Dues and Conference	\$ -	\$ -	\$ 7,000
Legal	\$ 9,369	\$ 2,500	\$ 5,000
Statutory Compliance	\$ 275	\$ -	\$ -
District Management	\$ 29,365	\$ 18,759	\$ 25,000
Clubhouse Administration	\$ 850	\$ -	\$ -
Miscellaneous	\$ 3,300	\$ 2,375	\$ -
Payroll Taxes	\$ 128	\$ 162	\$ 192
Treasurer's Fees	\$ 2,685	\$ 3,143	\$ 3,394
Utilities	\$ 34,581	\$ 48,998	\$ 55,000
Ground & Landscaping	\$ 12,656	\$ 10,665	\$ 13,000
Pool Maintenance	\$ 11,135	\$ 6,500	\$ 5,600
Pool Chemicals and Supplies	\$ -	\$ 3,665	\$ 4,900
Clubhouse Maintenance	\$ 2,320	\$ 2,750	\$ 4,700
Snow Removal	\$ 2,511	\$ 5,000	\$ 12,000
Contingency	\$ -	\$ -	\$ 5,000
TOTAL O&M EXPENDITURES	\$ 132,267	\$ 148,172	\$ 164,634
Capital Projects and Major Repairs			
Capital Repair Pool and Clubhouse	\$ 6,880	\$ -	\$ 7,000
Street Maintenance	\$ 34,622	\$ 25,708	\$ 12,500
Sidewalk & Gutter Maintenance	\$ 1,658	\$ 1,732	\$ 17,500
Monument Replacement Preconstruction	\$ 5,707	\$ 17,574	\$ -
Monument Replacement and Landscaping Transfer to Capital Fund	\$ -	\$ 17,574	\$ 27,426
Sewers and Drains Maintenance	\$ -	\$ -	\$ -
Landscape Improvements and Capital	\$ -	\$ -	\$ 10,000
Reserve Study	\$ -	\$ -	\$ 3,500
TOTAL CAPITAL AND MAJOR REPAIRS EXPENDITURES	\$ 48,867	\$ 62,588	\$ 77,926
Emergency Reserve Tabor 3%	\$ -	\$ -	\$ 7,361
Contribution to Capital Reserve Account	\$ -	\$ 2,000	\$ 48,000
TOTAL EXPENDITURES	\$ 181,134	\$ 212,760	\$ 297,921
Net change in fund balance	\$ 16,246	\$ 16,534	\$ (52,553)
Beginning Fund Balance	\$ 23,614	\$ 39,860	\$ 56,394
ENDING FUND BALANCE	\$ 39,860	\$ 56,394	\$ 3,841

**DANCING WILLOWS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2015 Adopted Budget**

	2013 Audited	2014 Estimated	2015 Adopted Budget
REVENUE			
Property Tax (40 Mills)	\$ 204,425	\$ 239,304	\$ 258,607
Specific Ownership Tax	\$ 15,209	\$ 18,596	\$ 17,067
Interest income	\$ 245	\$ 131	\$ 78
Total Revenue	\$ 219,879	\$ 258,030	\$ 275,752
EXPENDITURES			
<u>Debt Service</u>			
Bond principal	\$ 45,000	\$ 85,000	\$ 110,000
Bond interest	\$ 168,880	\$ 152,435	\$ 149,630
Paying Agent Fees	\$ 300	\$ 450	\$ 600
Treasurer's Fees	\$ 3,069	\$ 3,592	\$ 3,879
Total Expenditures	\$ 217,249	\$ 241,477	\$ 264,109
NET CHANGE IN FUND BALANCE	\$ 2,630	\$ 16,553	\$ 11,643
FUND BALANCE - BEGINNING	\$ 2,334	\$ 4,964	\$ 21,517
FUND BALANCE - ENDING	\$ 4,964	\$ 21,517	\$ 33,160

**DANCING WILLOWS METROPOLITAN DISTRICT
CAPITAL FUND
2015 Adopted Budget**

	<u>2013 Audited</u>	<u>2014 Estimated</u>	<u>2015 Adopted Budget</u>
REVENUE			
Contribution to Capital Reserve Account transfer from General Fund	\$ -	\$ -	\$ 48,000
Monument Repair Account transfer from General Fund	\$ -	\$ -	\$ 27,426
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,426</u>
EXPENDITURES			
Repair Monument including landscaping	\$ -	\$ -	\$ 45,000
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,426</u>
Beginning Fund Balance	<u>\$ -</u>	<u>\$ 19,574</u>	<u>\$ 19,574</u>
Ending Fund Balance	<u>\$ 19,574</u>	<u>\$ 19,574</u>	<u>\$ 50,000</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of JEFFERSON, 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 \$ 6,465,174 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: \$ 6,465,174

Submitted: 12/5/2014 for budget/fiscal year 2015.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^G	35.000 mills	\$ 226,281
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^H	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	35.000 mills	\$ 226,281
3. General Obligation Bonds and Interest ^I	40.000 mills	\$ 258,607
4. Contractual Obligations ^J	_____ mills	\$ _____
5. Capital Expenditures ^K	_____ mills	\$ _____
6. Refunds/Abatements ^L	_____ mills	\$ _____
7. Other ^M (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	75.000 mills	\$ 484,888

Contact person: (print) Sue Blair Daytime phone: 303-381-4960
Signed: *Sue Blair* Title: District Manager

Send one completed copy of this form to the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203 when the local government's adopted budget is submitted to DLG. Questions? Call DLG at (303) 866-2156.

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).

DANCING WILLOWS METROPOLITAN DISTRICT
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^I:

1.	Purpose of Issue:	Funding of Capital Improvements
	Series:	2008B-1
	Date of Issue:	January 13, 2012
	Coupon Rate:	Variable
	Maturity Date:	2039
	Levy:	40.000
	Revenue:	\$258,607

2.	Purpose of Issue:	Funding of Capital Improvements
	Series:	2008B-2
	Date of Issue:	January 13, 2012
	Coupon Rate:	Variable
	Maturity Date:	2041
	Levy:	Included in Above
	Revenue:	Included in Above

CONTRACTS^J:

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to report all bond and contractual obligations.