

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
DANCING WILLOWS METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2017

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 regular meeting at the Dancing Willows Clubhouse, 11893 West Long Circle, Littleton, Colorado, on Thursday, December 8, 2016 at 6:30 p.m.

Present were the following members of the Board:

- Susan Root, President
- Bobby Thomas, Vice President
- Robert Faiks, Treasurer
- Nancy Carson, Director

Absent was the following member of the Board:

- William Anderson, Secretary

Also present were:

- Angie Kelly, Community Resource Services of Colorado, LLC;

The Chairman stated that proper publication was made to conduct a public hearing on the District's 2017 budget. The Chairman opened the public hearing on the District's proposed 2017 budget. There being no public present to comment on the District's budget, the public hearing was closed.

Thereupon, Director Faiks introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2017 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, 2017, AND ENDING ON THE LAST DAY OF DECEMBER, 2017,

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, 2016; 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 November 10, 2016 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 December 8, 2016 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 or planned to be expended from reserves of fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$267,719; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest from property tax revenue is \$305,965; and

WHEREAS, the 2016 valuation for assessment for the District as certified by the County Assessor for Jefferson County is \$7,649,120; and

WHEREAS, at an election held on November 1, 2005, the District eliminated mill levy limitations and the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

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

Section 1. 2017 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2017 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2017. 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 2017.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2017 as follows:

A. Levy for General Operating Fund Expenses. That for the purposes of meeting all general operating expense of the District during the 2017 budget year, there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2016.

B. Levy for Debt Service Fund (General Obligation Bonds and Interest). That for the purposes of meeting all debt retirement expenses of the District during the 2017 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 40.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2016.

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 certify by December 15, 2016, to the Board of County Commissioners of Jefferson County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Jefferson County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2016, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

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 Carson.

ADOPTED AND APPROVED this 8th day of December, 2016.

DANCING WILLOWS
METROPOLITAN DISTRICT

Susan D Root
President

ATTEST:

Bobby Thomas
Secretary

**DANCING WILLOWS METROPOLITAN DISTRICT
GENERAL FUND
2017 ADOPTED BUDGET**

| | <u>YTD Actual 10/31/16</u> | <u>Estimated 2016</u> | <u>Adopted 2016 Budget</u> | <u>Adopted 2017 Budget</u> |
|---|--------------------------------|---------------------------|------------------------------------|------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 269,607 | \$ 269,607 | \$ 267,747 | \$ 267,719 |
| Specific ownership taxes | 16,115 | 17,800 | 16,000 | 17,800 |
| Clubhouse rentals | 4,625 | 4,700 | 6,000 | 4,500 |
| Interest | 1,920 | 2,000 | 600 | 1,524 |
| Total revenues | <u>292,267</u> | <u>294,107</u> | <u>290,347</u> | <u>291,543</u> |
| EXPENDITURES | | | | |
| Audit | 13,180 | 13,180 | 7,650 | 8,000 |
| Directors' fees | 2,000 | 2,500 | 3,000 | 3,000 |
| County treasurer fees | 4,021 | 4,100 | 4,016 | 4,100 |
| District management and accounting | 22,565 | 30,000 | 35,000 | 35,000 |
| Elections | 1,658 | 1,658 | 6,000 | - |
| Insurance | 7,886 | 7,886 | 7,563 | 8,280 |
| Legal | 4,923 | 5,000 | 5,000 | 5,000 |
| Miscellaneous | 870 | 1,000 | 1,000 | 1,000 |
| Payroll taxes | 153 | 230 | 230 | 230 |
| SDA dues and conference | 7,174 | 7,200 | 5,000 | 7,200 |
| Utilities | 33,636 | 35,000 | 35,000 | 35,000 |
| Contingency | - | - | 10,000 | 10,000 |
| Emergency reserve | - | 8,823 | 8,710 | 8,746 |
| <u>Operations and maintenance</u> | | | | |
| Clubhouse maintenance | 757 | 1,000 | 15,000 | 15,000 |
| Fence and monument | - | - | - | 15,500 |
| Grounds and landscaping- General | 4,760 | 5,000 | 7,000 | 6,000 |
| Grounds and landscaping- Keesen | 8,601 | 9,000 | 6,000 | 7,000 |
| Irrigation system- Bowles | - | - | 10,000 | - |
| Parking maintenance | - | - | 1,000 | - |
| Pool maintenance | 38,437 | 42,000 | 11,600 | 16,000 |
| Pool chemicals and supplies | 3,597 | 4,000 | - | 4,000 |
| Snow removal | 17,530 | 20,000 | 13,500 | 25,000 |
| Street repairs and maintenance | 48,214 | 54,040 | - | 66,000 |
| Total expenditures | <u>219,962</u> | <u>251,617</u> | <u>192,269</u> | <u>280,056</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>72,305</u> | <u>42,490</u> | <u>98,078</u> | <u>11,487</u> |
| OTHER FINANCING USES | | | | |
| Transfer to Capital Projects Fund | - | (20,000) | (65,000) | (9,000) |
| Total other financing uses | <u>-</u> | <u>(20,000)</u> | <u>(65,000)</u> | <u>(9,000)</u> |
| NET CHANGE IN FUND BALANCE | 72,305 | 22,490 | 33,078 | 2,487 |
| BEGINNING FUND BALANCE | <u>33,796</u> | <u>33,796</u> | | <u>56,286</u> |
| ENDING FUND BALANCE | <u>\$ 106,101</u> | <u>\$ 56,286</u> | | <u>\$ 58,773</u> |

**DANCING WILLOWS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2017 ADOPTED BUDGET**

| | <u>YTD Actual 10/31/16</u> | <u>Estimated 2016</u> | <u>Adopted 2016 Budget</u> | <u>Adopted 2017 Budget</u> |
|-----------------------------------|--------------------------------|---------------------------|------------------------------------|------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 308,122 | \$ 309,000 | \$ 305,996 | \$ 305,965 |
| Specific ownership taxes | 18,414 | 20,000 | 25,600 | 20,300 |
| Interest | 314 | 350 | 80 | 135 |
| Total revenues | <u>326,850</u> | <u>329,350</u> | <u>331,676</u> | <u>326,400</u> |
| EXPENDITURES | | | | |
| Bond principal | - | 120,000 | 120,000 | 120,000 |
| Bond interest | 53,625 | 146,000 | 146,000 | 142,040 |
| Note principal | 8,937 | 21,200 | 21,201 | - |
| Note interest | 2,678 | 5,623 | 6,000 | - |
| Paying agent fees | 300 | 600 | 600 | 600 |
| County treasurer fees | 4,595 | 4,526 | 4,590 | 4,590 |
| Total expenditures | <u>70,135</u> | <u>297,949</u> | <u>298,391</u> | <u>267,230</u> |
| NET CHANGE IN FUND BALANCE | 256,715 | 31,401 | 33,285 | 59,170 |
| BEGINNING FUND BALANCE | <u>38,113</u> | <u>38,113</u> | | <u>69,514</u> |
| ENDING FUND BALANCE | <u><u>\$ 294,828</u></u> | <u><u>\$ 69,514</u></u> | | <u><u>\$ 128,684</u></u> |

**DANCING WILLOWS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2017 ADOPTED BUDGET**

| | <u>YTD Actual 10/31/16</u> | <u>Estimated 2016</u> | <u>Adopted 2016 Budget</u> | <u>Adopted 2017 Budget</u> |
|---|--------------------------------|---------------------------|------------------------------------|------------------------------------|
| REVENUES | | | | |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | |
| Streets/Sidewalks/Gutters | - | - | 45,000 | 45,000 |
| Engineering Design - Concrete Swale/Drain | - | 5,000 | 5,000 | 5,000 |
| Clubhouse - Reserve Contingency | - | 3,000 | 3,000 | 3,000 |
| Landscaping Arborist - Reserve Contingency | - | 10,000 | 10,000 | 10,000 |
| Pool - Reserve Contingency | - | 2,000 | 2,000 | 2,000 |
| Total expenditures | - | 20,000 | 65,000 | 65,000 |
| EXCESS OF EXPENDITURES OVER REVENUES | | | | |
| | - | - | (65,000) | (65,000) |
| OTHER FINANCING SOURCES | | | | |
| Transfer from General Fund | - | 20,000 | 65,000 | 9,000 |
| Total other financing sources | - | 20,000 | 65,000 | 9,000 |
| NET CHANGE IN FUND BALANCE | | | | |
| | - | 20,000 | - | (56,000) |
| BEGINNING FUND BALANCE | | | | |
| | - | - | | 20,000 |
| ENDING FUND BALANCE | | | | |
| | <u>\$ -</u> | <u>\$ 20,000</u> | | <u>\$ 29,000</u> |

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

I, Bobby Thomas, Secretary of the Board of Directors of the Dancing Willows Metropolitan District, Jefferson County, Colorado, do hereby certify that the foregoing pages numbered 1 to 5, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a regular meeting of the Board held at the Dancing Willows Clubhouse, 11893 West Long Circle, Littleton, Colorado on December 8, 2016, 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 2017; 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 2017 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 8th day of December, 2016.

(SEAL)

Bobby Thomas
Secretary

TO BE ATTACHED TO PROCEEDINGS:

- **2017 BUDGET, AS ADOPTED, WITH BUDGET MESSAGE**
- **COPY OF THE SIGNED CERTIFICATION OF TAX LEVIES FOR FISCAL YEAR 2017, AS SUBMITTED TO THE BOARD OF COUNTY COMMISSIONERS**

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 \$ 7,649,120 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: \$ _____ (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/ 01 /2016 for budget/fiscal year 2017
(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 ^H | 35.000 mills | \$ 267,719 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | 35.000 mills | \$ 267,719 |
| 3. General Obligation Bonds and Interest ^J | 40.000 mills | \$ 305,965 |
| 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 | \$ 573,684 |

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960

Signed: *Sue Blair* Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

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
DANCING WILLOWS METROPOLITAN DISTRICT

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: Funding Capital Improvements [General Obligation (Limited Tax Convertible to Unlimited Tax) Convertible Capital Appreciation Bonds]
 Series: 2008B-1
 Date of Issue: Restructured on January 13, 2012
 Coupon Rate: Variable (3.30% to 7.00% on June 1, 2019 through maturity)
 Maturity Date: December 1, 2039
 Levy: 40.000
 Revenue: \$305,965

2. Purpose of Issue: Funding Capital Improvements (see issue description above)
 Series: 2008B-2
 Date of Issue: Restructured on January 13, 2012
 Coupon Rate: Variable (7.75% through May 31, 2018 and 6.00% from June 1, 2018 through maturity on December 1, 2041)
 Maturity Date: December 1, 2041
 Levy: (combined with levy for no. 1 above)
 Revenue: (combined with revenue for no. 1 above)

CONTRACTS^K:

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.

DANCING WILLOWS METROPOLITAN DISTRICT

2017 Budget Message

Introduction

The budget reflects the projected spending plan for the 2017 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 15% to \$7,649,907 in 2016. 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 2017. Total Property Tax generated is \$573,684.

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.

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.