

DANCING WILLOWS METROPOLITAN DISTRICT

2014 Budget Message

Introduction

The budget reflects the projected spending plan for the 2014 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 17.09% to \$5,984,045 in 2013 for the 2014 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
Assessed Value, Property Tax and Mill Levy Information

	2012 Adopted Budget	2013 Adopted Budget	2014 Adopted Budget
Assessed Valuation	\$ 4,647,228	\$ 5,110,641	\$ 5,984,045
Mill Levy			
General Fund	26.000	35.000	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>66.000</u>	<u>75.000</u>	<u>75.000</u>
Property Taxes			
General Fund	\$ 120,828	\$ 178,872	\$ 209,442
Debt Service Fund	185,889	204,426	239,362
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	<u>\$ 306,717</u>	<u>\$ 383,298</u>	<u>\$ 448,804</u>

Dancing Willows Metropolitan District

**GENERAL FUND
2014 ADOPTED BUDGET**

with 2012 Actual, 2013 Adopted Budget and 2013 Estimated

	2012 Actual	2013 Adopted Budget	2013 Estimate	2013 Amended Budget	2014 Adopted Budget
BEGINNING FUND BALANCE	33,718	16,460	43,189	43,189	8,471
REVENUE					
Property Tax Revenue	120,667	178,872	178,872	178,872	209,442
Specific Ownership Taxes	8,584	9,200	12,500	12,500	14,500
Developer Reimbursement	10,509	-	-	-	-
Interest Income	201	50	160	160	160
Inclusion Fees	-	-	-	-	-
Facilities Fees	-	-	-	-	-
Clubhouse Rentals	4,250	2,500	3,750	3,750	3,750
Miscellaneous Income	674	-	-	-	-
Total Revenue	144,885	190,622	195,282	195,282	227,852
Total Funds Available	178,603	207,082	238,471	238,471	236,323
EXPENDITURES					
Interest - Notes Payable	-	5,448	5,448	5,448	5,448
Accounting	10,210	11,500	11,500	11,500	11,500
Audit	4,850	5,300	4,475	4,475	4,500
Director's Fees	900	1,000	1,400	1,400	1,000
Election	630	-	-	-	6,000
Insurance/SDA Dues	5,576	5,700	7,217	7,217	7,500
Legal	12,992	12,500	10,000	10,000	10,000
Statutory Compliance	275	500	400	400	400
Management	18,279	15,000	28,200	28,200	25,000
Clubhouse Administration	78	250	850	850	-
Miscellaneous	2,452	2,500	4,000	4,000	4,000
Payroll Taxes	102	77	107	107	77
Treasurer's Fees	1,811	2,683	2,683	2,683	3,142
Utilities	48,083	39,000	39,000	39,000	40,950
Grounds and Landscaping	4,556	5,600	13,042	13,042	12,519
Pool Maintenance	10,589	11,000	14,970	21,970	7,600
Clubhouse Maintenance	531	1,500	4,084	4,084	2,500
Snow Removal	4,346	7,000	7,000	7,000	10,000
Capital Repair	9,153	74,492	-	-	-
Street Maintenance	-	-	50,759	52,581	14,000
Sidewalk & Gutter Maintenance	-	-	11,513	11,513	15,000
Fence and Monument Maint	-	-	4,500	4,500	20,000
Sewers and Drains Maint	-	-	-	-	-
Maintenance	-	-	30	30	-
Contingency	-	-	-	-	20,000
Total Expenditures	135,414	201,050	221,178	230,000	221,135
Emergency Reserve	-	6,032			6,634
Total Expenditures Requiring Appropriation	135,414	207,082	221,178	230,000	227,769
ENDING FUND BALANCE	\$ 43,189	\$ -	\$ 17,293	\$ 8,471	\$ 8,554

Dancing Willows Metropolitan District

**DEBT SERVICE FUND
2014 ADOPTED BUDGET
with 2012 Actual, 2013 Adopted Budget and 2013 Estimated**

	2012 Actual	01/2013-10/2013 YTD Actual	2013 Adopted Budget	2013 Estimate	2014 Adopted Budget
BEGINNING FUND BALANCE	3,684	2,333	360	2,335	2,700
REVENUE					
Property Tax Revenue	185,641	203,050	204,426	204,426	239,362
Specific Ownership Taxes	13,206	10,057	14,500	13,172	14,500
Interest Income	183	143	150	163	150
Total Revenue	199,030	213,250	219,076	217,761	254,012
Total Funds Available	202,714	215,583	219,436	220,096	256,712
EXPENDITURES					
Bond Principal	135,000	-	45,000	45,000	85,000
Bond Interest	62,000	72,545	170,920	168,880	152,435
Paying Agent Fees	593	300	450	450	450
Treasurer's Fees	2,786	3,047	3,066	3,066	3,590
Total Expenditures	200,379	75,892	219,436	217,396	241,475
Total Expenditures Requiring Appropriation	200,379	75,892	219,436	217,396	241,475
ENDING FUND BALANCE	\$ 2,335	\$ 139,691	\$ -	\$ 2,700	\$ 15,237