

DANCING WILLOWS METROPOLITAN DISTRICT

2023 Budget Message

Introduction

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.

The budget reflects the projected spending plan for the 2023 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.

For tax year 2023, the District certified a mill levy of 34.000 for the General Fund generating \$339,552 in tax revenue, and certified 18.500 mills for the Debt Service Fund generating \$184,540 in tax revenue, for collection in 2023. Total assessed valuation is \$9,975,112.

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

The 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.

The Debt Service Fund was created in 2008 to service the District's bonds, issued to provide financing for street improvements, parks and recreation projects, and traffic and safety improvements. 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.

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAID THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DANCING WILLOWS METROPOLITAIN DISTRICT, JEFFERSON COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors (the "Board") of the Dancing Willows Metropolitan District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on Thursday, October 27, 2022, in the Golden Transcript, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 6:30 PM on November 7, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; 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 METROPOLITAIN DISTRICT, JEFFERSON COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2022 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$339,154, and that the 2022 valuation for assessment, as certified by the Jefferson County Assessor, is \$9,975,112. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 58.200 mills with a temporary mill levy reduction of 24.200, totaling 34.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2022.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$184,540 and that the 2022 valuation for assessment, as certified by the Jefferson County Assessor, is \$9,975,112. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 18.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2022.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Jefferson County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. 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.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Oglesby.

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 8, 2022.

DANCING WILLOWS METROPOLITAN DISTRICT

DocuSigned by:

Robert Faiks

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Robert Faiks President

ATTEST:

DocuSigned by:

Susan Root

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Susan Root, Treasurer/Assistant Secretary

STATE OF COLORADO
COUNTY OF JEFFERSON
DANCING WILLOWS METROPOLITAIN DISTRICT

I, Kirk Oglesby, hereby certify that I am a director and the duly elected and qualified Secretary of DANCING WILLOWS METROPOLITAIN DISTRICT (the "District"), and that the foregoing constitutes 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 of Directors of the District held at 6:30 PM on December 8, 2022, held at 11893 West Long Circle, Littleton, CO 80127, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; 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.

Subscribed and sworn to this 8th day of December 2022.

DANCING WILLOWS METROPOLITAN
DISTRICT

DocuSigned by:

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Kirk Oglesby, Secretary

EXHIBIT A
2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR
DANCING WILLOWS METROPOLITAIN DISTRICT

DANCING WILLOWS METROPOLITAIN DISTRICT

2023 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

DANCING WILLOWS METROPOLITAN DISTRICT
GENERAL FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,

	2021	2022	2023
	Actual	Estimated	Adopted
REVENUES			
Property taxes	\$ 447,211	\$ 348,296	\$ 339,154
Specific ownership taxes	48,061	40,000	33,915
Interest	364	5,000	6,000
Clubhouse rentals	1,900	2,500	1,000
Conservation trust funds	1,922	1,700	2,000
Miscellaneous	125	1,500	1,500
Total revenues	499,583	398,996	383,569
EXPENDITURES			
<u>General</u>			
Audit	4,800	5,000	7,000
County treasurer fees	6,711	5,224	5,087
Directors' fees	2,500	3,000	3,000
District management and accounting	42,000	42,000	42,000
Elections	380	4,106	15,000
Insurance	11,208	12,000	12,000
Legal	381	1,500	2,000
Postage, printing and copies	-	600	1,000
Miscellaneous	1,812	2,000	2,000
Payroll taxes	191	230	230
SDA dues	-	614	650
SDA conference attendance	2,511	2,000	3,000
Contingency	-	10,000	10,000
Reserve Study	-	-	5,000
Total general expenditures	72,494	88,274	107,967
<u>Operations and Maintenance</u>			
Utilities	36,237	39,000	40,000
Clubhouse maintenance	5,806	9,000	7,000
Landscape contract	6,480	6,870	7,000
Grounds and landscaping maintenance	9,211	10,000	10,000
Irrigation repairs	1,201	2,000	3,000
Street repair and maintenance <1000	225	-	1,000
Pool chemicals and supplies	2,341	3,500	3,500
Pool contract	8,500	8,750	9,000
Pool maintenance	1,583	5,500	3,500
Snow removal and tree watering	53,251	60,000	60,000
Total O&M expenditures	124,835	144,620	144,000
TOTAL EXPENDITURES	197,329	232,894	251,967
EXCESS OF REVENUES OVER EXPENDITURES	302,254	166,102	131,602
OTHER FINANCING USES			
Transfer to Capital Projects Fund	(449,947)	(192,318)	(147,448)
Total other financing uses	(449,947)	(192,318)	(147,448)
NET CHANGE IN FUND BALANCE	(147,693)	(26,216)	(15,846)
BEGINNING FUND BALANCE	441,728	294,035	267,819
ENDING FUND BALANCE	\$ 294,035	\$ 267,819	\$ 251,973

**DANCING WILLOWS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Property taxes	\$ 180,624	\$ 189,514	\$ 184,540
Interest	169	1,000	1,500
Total revenues	180,793	190,514	186,040
EXPENDITURES			
Bond principal	45,000	55,000	55,000
Bond interest	132,300	130,950	129,300
County treasurer fees	2,710	2,843	2,768
Paying agent fees	400	600	600
Total expenditures	180,410	189,393	187,668
NET CHANGE IN FUND BALANCE	383	1,121	(1,628)
BEGINNING FUND BALANCE	149,066	149,449	150,570
ENDING FUND BALANCE	\$ 149,449	\$ 150,570	\$ 148,942

DANCING WILLOWS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Interest	\$ 193	\$ 5,500	\$ 5,000
Total revenues	<u>193</u>	<u>5,500</u>	<u>5,000</u>
EXPENDITURES			
Clubhouse furniture replacement	210	-	
Street paving/sealing/sidewalk/gutter maintenance	25,592	62,801	63,000
Concrete removal and replacement	166,249	37,152	38,000
Miscellaneous	2,600	25,000	25,000
Total expenditures	<u>194,651</u>	<u>124,953</u>	<u>126,000</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(194,458)</u>	<u>(119,453)</u>	<u>(121,000)</u>
OTHER FINANCING SOURCES			
Transfer from General Fund	449,947	192,318	147,448
Total other financing sources	<u>449,947</u>	<u>192,318</u>	<u>147,448</u>
NET CHANGE IN FUND BALANCE	255,489	72,865	26,448
BEGINNING FUND BALANCE	<u>311,951</u>	<u>567,440</u>	<u>640,305</u>
ENDING FUND BALANCE	<u><u>\$ 567,440</u></u>	<u><u>\$ 640,305</u></u>	<u><u>\$ 666,753</u></u>

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 \$ 9,975,112 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: 12/09/2022 for budget/fiscal year 2023 (not later than Dec. 15) (dd/mm/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², and REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Total: 52.500 mills, \$ 523,694.

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960 Signed: [Signature] Title: District Manager

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).

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.

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:	<u>General Obligation Refunding Bonds</u>
	Series:	<u>2017</u>
	Date of Issue:	<u>December 13, 2017</u>
	Coupon Rate:	<u>3% to 4%</u>
	Maturity Date:	<u>December 1, 2046</u>
	Levy:	<u>18.500</u>
	Revenue:	<u>\$184,540</u>

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

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.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government ^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* Gross Assessed Value found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the Certification of Valuation (DLG 57 Line 11) the amount of revenue from property tax that the *local government* did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.