

RESOLUTION NO. 2013 - 12 - 1
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASCADE METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2014 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Cascade Metropolitan District No. 1 ("District") has appointed the District Accountant to prepare and submit a proposed 2014 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2013, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 18, 2013, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cascade Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Cascade Metropolitan District No. 1 for the 2014 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 18th day of December, 2013.



Mike Herr, Secretary

EXHIBIT A
(Budget)

CASCADE METROPOLITAN DISTRICT NO. 1

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 debt as well as the general operation of the District and capital improvements.

The District's 2013 assessed value was \$173,970. The District's Board chose not to assess a mill levy for the 2014 fiscal year.

The District was formed in 2004 for the primary purpose of providing water for domestic and other public and private purposes by any available means and all necessary or proper reservoirs, treatment works and facilities, and equipment.

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

Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through usage charges. The primary source of revenue in the Enterprise Fund comes from fees for water usage, service fees, and tap fees. The District's debt is comprised of two loans with the Department of Local Affairs, one of which matures in 2017 and the other maturing in 2037. The District also has a bond in the amount of \$100,000 that is with a private party. In addition, the District owes roughly \$500,000 to Colorado Springs Utilities; the District is working with staff and Colorado Springs Utilities to determine a payment plan for this balance owing.

Below is a chart outlining the outstanding debt of the District.

Cascade Metropolitan District No. 1

Debt Maturing in the Year Ending December 31,	\$ 740,689.36 Total Outstanding Debt			
	Principal	Interest	Penalty Payment	Total
2014	40,302	34,245	6,407	80,954
2015	42,625	31,922	6,407	80,954
2016	43,257	29,458	5,873	78,589
2017	25,213	27,493	-	52,706
2018	26,834	25,827	-	52,661
2019-2023	118,252	105,181	-	223,433
2024-2028	113,536	77,289	-	190,825
2029-2033	145,707	45,118	-	190,825
2034-2038	103,365	7,936	-	111,301
2039-2040	-	-	-	-
Total	659,092	384,469	18,687	1,062,248

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.

Cascade Metropolitan District No. 1
Assessed Value, Property Tax and Mill Levy Information

	2012 Adopted Budget	2013 Adopted Budget	2014 Adopted Budget
Assessed Valuation	\$ -	\$ -	\$ 173,970
Mill Levy			
General Fund	0.000	0.000	0.000
Debt Service Fund	0.000	0.000	0.000
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000
Property Taxes			
General Fund	\$ -	\$ -	\$ -
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	\$ -	\$ -	\$ -

Cascade Metropolitan District No. 1

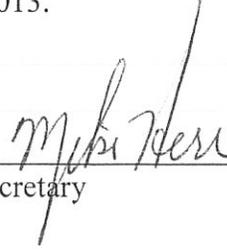
ENTERPRISE FUND
2014 ADOPTED BUDGET
with 2012 Actual, 2013 Adopted Budget and 2013 Estimated

	2012 Actual	2013 Adopted Budget	2013 Estimated	2014 Adopted Budget
BEGINNING FUND BAL	-	-	(492,245)	(532,609)
REVENUE				
Water Sales / Meter Fee	-	329,000	214,800	330,000
Late Fees	-	6,800	-	2,500
Pipeline Surcharge	-	148,700	-	148,700
Grant Funds	-	10,000	-	-
Tap Fees	-	15,000	-	15,000
Miscellaneous income	-	-	193	-
Total Revenue	-	509,500	214,993	496,200
Total Funds Available	-	509,500	(277,252)	(36,409)
EXPENDITURES				
Operating Expenses				
Accounting	-	-	3,200	15,000
Audit	-	2,500	-	7,500
Bank Fees	-	600	108	100
Election	-	-	-	1,500
Insurance	-	7,700	4,788	8,500
Dues, Fees and Subscriptions	-	380	-	380
Legal	-	1,200	6	12,000
Management	-	51,100	3,200	25,000
Miscellaneous	-	-	2,291	1,000
Payroll taxes	-	-	1,740	2,984
Chemical and supplies	-	1,800	381	1,800
Operation labor	-	42,500	22,612	39,000
Locates	-	-	-	600
Repairs and maintenance	-	28,000	3,591	24,000
Telephone / Utilities expense	-	4,200	2,162	7,980
Vehicle expense	-	3,300	740	3,600
Water purchase expense	-	256,000	131,409	250,200
Water Quality Testing Expense	-	1,800	396	1,992
Meter software and hardware	-	-	-	3,200
Website	-	-	-	500
Engineering/Survey	-	-	6,250	2,500
Office supplies and postage	-	-	-	1,500
Construction expense	-	10,000	-	-
Non-Operating Expenses				
Turse bond payments	-	14,496	8,456	14,496
DOLA - interest payment	-	28,293	21,220	28,296
DOLA - loan payment	-	38,165	28,624	38,172
COS Utility Interest Expense	-	-	14,183	-
Reserve Fund	-	7,200	-	-
Total Expenditures	-	499,234	255,357	491,800
TRANSFERS AND OTHER USES				
Emergency Reserve	-	-	-	3,000
Total Transfers and Other Uses	-	-	-	3,000
Total Expenditures Requiring Appropriation	-	499,234	255,357	494,800
ENDING FUND BALANCE	\$ -	\$ 10,266	\$ (532,609)	\$ (531,209)

I, Mike Herr, hereby certify that I am the duly appointed Secretary of the Cascade Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2014, duly adopted at a meeting of the Board of Directors of the Cascade Metropolitan District No. 1 held on December 18, 2013.

By: _____

Secretary

A handwritten signature in black ink, appearing to read "Mike Herr", is written over a horizontal line. The signature is cursive and somewhat stylized.