

Law Offices of

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December 13, 2011

Division of Local Government
State of Colorado
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Cathedral Pines Metropolitan District

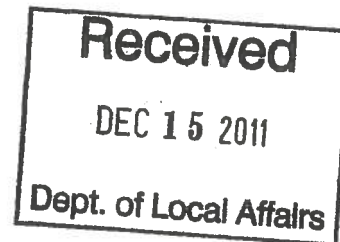
Ladies and Gentlemen:

Enclosed please find the 2011 budget and mill levy certification for Cathedral Pines Metropolitan District.

Sincerely,

SUSEMIHL, MCDERMOTT & COWAN, P.C.


Peter M. Susemihl



RESOLUTION
CATHEDRAL PINES METROPOLITAN DISTRICT

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE FUNDS AND IN THE AMOUNTS SET FORTH HEREIN FOR THE CATHEDRAL PINES METROPOLITAN DISTRICT (THE "DISTRICT"), EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2012 AND ENDING ON THE LAST DAY OF DECEMBER 2012 AND AMENDING THE 2011 BUDGET.

WHEREAS, the Board of Directors of the District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time;

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

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 scheduled for November 14, 2011 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 CATHEDRAL PINES METROPOLITAN DISTRICT, EL PASO COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF COLORADO:

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

Section 3. Adoption of Budget. That the budget as submitted and attached and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of District for the year stated above and the 2011 amended budget is approved.

Section 4. Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for General Obligation Bonds and Interest is \$260,487. That the foregoing budget indicated that the amount of money necessary to balance the budget for Operations and Maintenance is \$119,824. That the valuation for assessment, as certified by the El Paso County Assessor, is \$10,419,480.

Section 5. Mill Levy. That for the purposes of meeting all Bond and Interest payments of the District for the budget year, there is hereby levied a tax of 25 mills upon each dollar of the total valuation of assessment of all taxable property within the District. That for the purposes of meeting all Operations and Maintenance obligations of the District for the budget year, there is hereby levied a tax of 11.5 mills upon each dollar of the total valuation of assessment of all taxable property within the District.


Section 6. 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 7. Certification. The District's agents are hereby authorized and directed to immediately certify to the County Commissioners of El Paso County, Colorado, the mill levies for the District hereinabove determined and set.

Section 8. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated and no other.

ADOPTED AND APPROVED this 14th day of November 2011.

DISTRICT BOARD OF DIRECTORS

By: 

President

ATTEST:



Secretary

**CATHEDRAL PINES METROPOLITAN DISTRICT
SUMMARY**

**FORECASTED 2012 BUDGET AS APPROVED
WITH 2010 ACTUALS AND 2011 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/11

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	ACTUAL 2010	BUDGET 2011	ACTUAL 09/30/11	ESTIMATED 2011	APPROVED 2012
BEGINNING FUND BALANCES	\$ 391,721	\$ 399,770	\$ 399,770	\$ 399,770	\$ 419,622
REVENUE					
Property taxes	466,621	470,200	424,369	470,200	380,200
Specific ownership taxes	43,599	47,000	27,748	38,248	38,000
Investment income	7,663	10,700	3,583	6,650	5,500
Developer contributions	-	-	-	-	-
Insurance Settlement	-	-	10,000	10,000	-
HOA expense reimbursement	6,000	6,000	6,750	9,000	9,000
Sales office rent	3,360	3,360	2,520	3,360	3,360
Rental income - The Lodge events	38,200	35,000	32,780	40,480	38,000
Bond proceeds	-	-	-	-	-
Total revenue	565,443	572,260	507,750	577,938	474,060
TRANSFERS IN	42,683	29,000	21,596	44,033	9,000
Total funds available	999,847	1,001,030	929,116	1,021,741	902,682
EXPENDITURES					
General					
Accounting	18,000	18,000	13,500	18,000	18,000
Audit	6,750	7,500	6,750	6,750	7,500
Bank charges	186	150	149	213	250
Bond issue costs	-	-	-	-	-
Contract Labor (cleaning)	1,595	1,500	1,150	1,450	1,600
County Treasurer's fees	7,078	7,400	6,394	7,200	5,703
Developer Loan Interest	6,561	4,207	3,309	4,209	3,500
Event Expenses (Advert/ Cleaning / Booking)	15,905	14,800	12,516	16,213	14,800
Insurance	10,192	14,000	7,698	10,550	12,000
Landscape maintenance	26,169	30,000	17,707	21,887	22,000
Legal	11,540	6,500	5,293	11,295	11,500
Management	30,000	30,000	22,500	30,000	30,000
Office Expense	105	350	238	350	350
Repairs and maintenance	41,711	20,000	16,380	19,406	20,000
Security	1,985	2,500	1,346	2,105	2,500
Snow Removal	4,230	-	1,983	4,500	5,000
Telephone	948	950	1,226	1,800	2,000
Trash	1,851	2,000	1,624	2,500	2,800
Utilities	27,286	29,000	19,046	25,000	23,000
Salaries	18,719	20,000	18,165	20,500	20,000
P/R tax expense	1,612	1,700	1,590	1,800	1,800
Contingency	-	7,750	-	-	7,750
Debt Service					
Paying agent fees	2,075	2,150	1,075	2,075	2,150
Bond Series 2007 - interest	281,250	281,250	140,625	281,250	279,844
Bond Series 2007 - principal	-	25,000	-	25,000	30,000
Developer Loan Principal	41,646	-	21,596	44,033	9,000
Capital outlay	-	-	-	-	-
Total expenditures	557,394	526,707	321,860	558,086	533,047
TRANSFERS OUT	42,683	29,000	21,596	44,033	9,000
Total expenditures and transfers out requiring appropriation	600,077	555,707	343,456	602,119	542,047
ENDING FUND BALANCES	\$ 399,770	\$ 445,323	\$ 585,660	\$ 419,622	\$ 360,635

BUDGET MESSAGE
CATHEDRAL PINES METROPOLITAN DISTRICT

This District was formed pursuant to a Decree recorded November 16, 2004 but was not allowed to operate or certify a mill levy until approval of an amended service plan. The Amended Service Plan was approved April 3, 2006 by a Resolution of the Board of County Commissioners, El Paso County. The District was formed in order to construct and finance road and park improvements.

General Obligation Bonds Series 2008 in the amount of \$5,000,000 have been issued.

This budget sets forth the revenues and expenses of the District for 2012 and also sets forth the amended budget for 2011. The budgets are based on a cash basis.

The District operates without an office or employees but does engage an attorney, accountant, underwriter, and bond counsel.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of EL PASO COUNTY, Colorado.On behalf of the CATHEDRAL PINES METROPOLOITAN DISTRICT,
(taxing entity)^Athe BOARD OF DIRECTORS
(governing body)^Bof the CATHEDRAL PINES METROPOLITAN DISTRICT
(local government)^CHereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 10,419,480
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)Submitted: 12/14/11 for budget/fiscal year 2012
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>11.500</u> mills	<u>\$119,824</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.500 mills	\$119,824
3. General Obligation Bonds and Interest ^J	<u>25.000</u> mills	<u>\$260,487</u>
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]	36.500 mills	\$380,311

Contact person: _____ Daytime
(print) Peter M. Susemihl phone: (719)-579-6500
Signed: _____ Title: Attorney

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) 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).

CERTIFICATION OF TAX LEVIES, continued

THIS APPLIES ONLY TO SPECIAL DISTRICTS (TITLE 32, ARTICLE 1) WHICH LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.) Special District must certify separate mill levies and revenues to the Board of County Commissioners, one each for the finding requirements of each debt (32-1-1603, C.R.S.) Total should be recorded on page 1, line 3.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

1. Purpose of Issue: Public Infrastructure
 Series: \$4,000,000 General Obligation Bonds, Series 2008
 Date of Issue: January 7, 2008
 Coupon Rate: 5.625%
 Maturity Date: 2037
 Levy: 25 mills
 Revenue: 317,401
2. Purpose of Issue:
 Series:
 Date of Issue:
 Coupon Rate:
 Maturity Date:
 Levy:
 Revenue:

CONTRACTS:

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