

## **WYNDHAM HILL METROPOLITAN DISTRICT NO. 2**

### **2017 BUDGET**

#### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

##### **Services Provided**

In accordance with its Service Plan, Wyndham Hill Metropolitan District No. 2 (the "District") was formed to finance public roadway, drainage, and park services and facilities for the residential component of the "Wyndham Hill" P.U.D., located in Frederick, Colorado. The Service Plan of the District limits the debt and general mill levy of the District.

In 2004, the District voters approved debt authorization of \$36,000,000 in general obligation bonds for the combined District Nos. 1, 2 and 3, to be used for district formation costs and costs of infrastructure. In 2005 the District issued \$10,900,000 of its General Obligation Limited Tax Bonds. In 2008 the District defeased \$7,530,000 of those bonds and in 2016 the remaining outstanding balance plus accrued interest were paid in full.

The District prepares its budget on the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

##### **Revenue**

###### **Property Taxes**

The primary source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay the required debt service (if any), capital purchases and the estimated costs of operations for the calendar year. The District adopted a mill levy of 21.006 for debt service and 28.994 mills for operations in 2017. The total assessed value within the District in 2016 increased by \$6,809,650 from the 2015 level, primarily due to construction of new homes.

###### **Specific Ownership Taxes**

This revenue is based on a sharing of the collection of vehicle ownership taxes pooled by Weld County. The estimate is based on 4.85% of the projected property taxes.

##### **Expenditures**

###### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

###### **Debt service**

In 2016, the District secured a \$14,000,000 loan commitment from Vectra Bank, of which \$7,862,922 has been borrowed by the District. The 2017 budget includes debt service on this

loan in the amount of \$394,467, which is interest only in 2017, with principal reductions commencing in 2018. Furthermore, the District has budgeted \$932,734 for payment of interest on the Series 2015 General Obligation Limited Tax Subordinate bonds.

#### **Reserve Funds**

The District has provided for an emergency reserve equal to \$44,204 for 2017 to cover any unanticipated expenditures. Such emergency reserve is an integral part of the Ending Fund Balance.

#### **Leases**

The District has no operating or capital leases.