

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2

2015 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 redeemed \$7,530,000 of those bonds.

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 38.024 mills for debt service and capital purchases and 11.976 mills for operations in 2015. The total assessed value within the District in 2014 decreased by \$27,355 from the 2013 level.

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 7.0% of the projected property taxes.

Facility Fees

The District has authorized the collection of a Facility Fee from the Developer on each building permit purchased by a home builder for a lot within the District. The fee is \$800 per lot, which is payable to the District in the month following the date of purchase of the permit.

Expenditures

Administrative

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

Debt service

The District has made provision for scheduled payments of principal and interest on the Series 2005 Limited Tax General Obligation Bonds. The outstanding balance of the Bonds on January 1, 2015 will be \$3,370,000, bearing an average interest rate of 6.33% and maturing on December 1, 2035. The Bonds may be paid off without penalty on December 1, 2015.

Reserve Funds

The District has provided for an emergency reserve equal to \$7,177 for 2015 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.