

WYNDHAM HILL METROPOLITAN DISTRICT NO. 1

2016 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Wyndham Hill Metropolitan District No. 1 (the "District") was formed to finance, construct and (unless and until the obligation is assumed by another unit of government or homeowners' association) own and operate public roadway, drainage, and park services and facilities for 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 Districts No. 1, 2 and 3, to be used for district formation costs and costs of infrastructure.

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

Transfers from Wyndham Hill Metropolitan District No. 2

One of the sources of revenue for the District in 2016 will be transfers from District No. 2 and No. 3, which are expected to total \$4,322,593, primarily from a new Series 2016 debt obligation with District No. 2. District No. 2 is obligated to make payments to the District for administrative and other operating costs.

Developer Capital Loans

The principal source of revenue for the District in 2016 will be capital advances from the Developer(s) of approximately \$2,750,000.

Property Taxes

A secondary 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 50.000 mills for general fund expenditures in 2016. The total assessed value within the District in 2015 decreased by \$7,380 from the 2014 level.

Expenditures

Administrative

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

Capital Outlay

The District projects capital improvements of approximately \$1,500,000 in 2016, funded primarily from funds already available in its escrow account(s).

Reserve Funds

The District has provided for an emergency reserve equal to \$50,000 for 2016 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.