

# WYNDHAM HILL METROPOLITAN DISTRICT NO. 1

## 2018 BUDGET

### SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Services Provided**

In accordance with its Service Plan, Wyndham Hill Metropolitan District No. 1 (the "District"), was formed to manage the construction and operation of facilities and improvements within the property known as "Wyndham Hill," which is located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, utilities, streets, traffic and safety and parks and recreation improvements.

The Service Plan, as amended in 2005, 2006 and 2008, provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the Wyndham Hill Metropolitan District Nos. 1, 2 and 3. The Second Amendment to the Service Plan established a combined new money revenue and general obligation debt limit of \$36,000,000 for the Districts. The Third Amendment to the Service Plan established a separate and specific revenue debt limit of \$30,000,000 to accommodate the issuance of revenue based indebtedness for the portion of public infrastructure construction costs attributable to the commercial development area of District No. 3.

In 2005, the District issued Subordinate Bond Anticipation Notes ("2005 BAN") (via the 2005 BAN Authorization Resolution) in an aggregate principal amount of \$3,279,000 to Frederick Development Company, the Developer of Wyndham Hill. The 2005 BAN is payable from subsequent debt issuance(s), or from any revenues made available to the District by District No. 2 and District No. 3.

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 District Nos. 2 and 3**

The District expects to receive revenues of approximately \$166,902 from District Nos. 2 and 3 in 2018, which will mainly be derived from ad valorem property taxes collected by the Districts.

##### **Developer advances**

The District anticipates receiving Developer advances totaling \$2,450,000 to fund capital improvements in 2018.

##### **Ad Valorem Property Taxes**

Another 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.

Commencing on January 1, 2018, the residential assessment ratio was reduced from 7.96% to 7.20%. Pursuant to the Service Plan and the Gallagher Amendment, the mill levy cap was automatically adjusted by the same ratio, to a maximum of 55.275 mills. The District adopted a mill levy of 55.275 mills for general fund expenditures in 2018.

The total taxable assessed valuation within the District in 2017 was \$16,740, a decrease of \$230 from the 2016 valuation.

### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding calendar year. The specific ownership tax revenue is estimated to be 5% of the ad valorem property taxes collected in 2018.

### **Expenditures**

#### **Administrative**

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

#### **Capital Outlay**

The District anticipates expenditures of \$4,300,000 for capital improvements in 2018.

#### **Debt Service**

The District also plans to repay a portion of the accrued interest balance on the 2005 BAN in 2018.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$29,895, which is intended for use on any unanticipated expenditures in 2018. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.