

# **SUMMERFIELD METROPOLITAN DISTRICT NO. 1**

## **2018 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **Services Provided**

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

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a combined total debt issuance limitation in an aggregate principal amount not to exceed \$100,000,000 for Summerfield Metropolitan District Nos. 1, 2 and 3.

The District has not issued any general obligation debt to date and does not anticipate issuing such debt in 2018.

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 totaling approximately \$165,000 from District Nos. 2 and 3 in 2018, which will mainly be derived from ad valorem property taxes collected by District Nos. 2 and 3.

##### **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 maximum mill levy limit increased by the same ratio, to a maximum of 55.275 mills. The District adopted a mill levy of 55.275 mills for general fund obligations in 2018.

The total taxable assessed value within the District in 2017 was \$187,240, a decrease of \$58,760 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 \$120,000 for capital improvements in 2018.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$34,310, 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.