

# **SWEETGRASS METROPOLITAN DISTRICT NO. 3**

## **2011 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **Services Provided**

In accordance with its Service Plan, Sweetgrass Metropolitan District No. 3 (the "District") was formed to finance public roadway, drainage, and park services and facilities for the residential component of the "Sweetgrass" P.U.D., located in Dacono, Colorado. The Service Plan of the District limits the debt and general mill levy of the District.

In 2009, the Service Plan underwent a First Modification which limited the amount of debt that District No. 2 could issue to \$31,925,000 and limited the amount of debt that District No. 3 could issue to \$10,395,000. The District has not previously issued any general obligation debt, and does not anticipate issuing G.O. debt in 2011.

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 15 mills for debt service and capital purchases and 3 mills for operations. This is the same level as the adopted 2010 mill levies. The total assessed value within the District in 2010 decreased by \$110,690 from the 2009 level, largely due to a decrease in valuation of oil and gas operations within the District.

##### **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 5% 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

##### **Transfers to District No. 1**

The District is obligated to transfer all of its revenue, net of its own debt service requirements, if any, to District No. 1, for the payment of debt service and allocated administrative costs.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$2,626 for 2011 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.