

# **SWEETGRASS METROPOLITAN DISTRICT NO. 1**

## **2012 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **Services Provided**

In accordance with its Service Plan, Sweetgrass 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 "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 issued its Bond Anticipation Notes to Dacono Properties, LLC, the Developer in the District, and to Sweetgrass Investors, LLC, a landowner in the District, in reimbursement for monies expended by them on behalf of the District. District No. 2 issued Limited Tax General Obligation Bonds in November, 2010. The proceeds after costs of issuance and reserves were applied to the payment of interest and principal on the Bond Anticipation Notes.

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 only significant sources of revenue for the District in 2012 will be transfers from Sweetgrass Metropolitan District Nos. 2 and 3, which are expected to total \$80,100.

##### **Property Taxes**

The District does not impose a mill levy for the collection of ad valorem taxes.

##### **Developer Advances**

To the extent that budgeted expenditures exceed the revenue of the District, the Developer may advance funds to the District to cover the shortfall.

#### **Expenditures**

##### **Administrative**

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

##### **Capital Outlay**

The District does not expect to perform any construction in 2012, but has appropriated \$6,500 for general costs.

**Debt Service**

The District has made provision for a limited repayment of Developer Advances in the amount of \$450,000.

**Reserve Funds**

The District has provided for an emergency reserve equal to \$1,252 for 2012 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.