

# **ERIE COMMONS METROPOLITAN DISTRICT NO. 1**

## **2022 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **Services Provided**

In accordance with its Service Plan, Erie Commons Metropolitan District No. 1 (the "District"), was formed to manage the construction and operation of facilities and improvements for the property known as "Erie Commons," which is located in Erie, Colorado. Such improvements include, but are not limited to, sanitation, water, wastewater, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan, as amended, provides the ability for the District to impose a maximum mill levy for its debt service requirements as well as a maximum aggregate mill levy for combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of \$50,000,000 for Erie Commons District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure.

In 2010, the District authorized the issuance and sale of Subordinate Bond Anticipation Notes ("2010 Subordinate BAN") in an aggregate principal amount not to exceed \$15,275,000 to Community Development Group of Erie, Inc., the Developer of Erie Commons. The Series 2010 Notes are to be paid from the proceeds of subsequent debt issuance(s), or from any revenues made available to it by District No. 2 and District No. 3. As of January 1, 2022 the outstanding principal balance of the 2010 Subordinate BAN is \$4,470,536.

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 primary source of revenue for the District are transfers from District No. 2 and District No. 3. The District anticipates that it will receive \$25,000 from District No. 2 and \$30,000 from District No. 3 in 2022 in order to fund the operating expenses of the District.

##### **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.

Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit increased to 55.663 mills. The District adopted a mill levy of 55.663 mills for general fund expenditures in 2022.

##### **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 6.00% of the ad valorem property taxes collected in 2022.

## **Expenditures**

### **Administrative**

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

### **Debt Service**

The District does not anticipate that funds will be available in 2022 to make interest or principal payments toward the 2010 Subordinate BAN.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$12,248, which is intended for use on any unanticipated expenditures in 2022. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.