

ERIE CORPORATE CENTER METROPOLITAN DISTRICT NO. 1

2017 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Erie Corporate Center 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 "Erie Corporate Center" P.U.D., located in Erie, Colorado. The Service Plan of the District limits the debt and general mill levy of the District.

In 2004, the District voters approved debt authorization of \$27,000,000 in general obligation bonds for the combined District Nos. 1, 2 and 3, to be used for district formation costs and costs of infrastructure.

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 in 2017 will be transfers of net property tax revenues from District Nos. 2 and 3 of approximately \$40,000.

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 50 mills for operations in 2017.

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 4.85% 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.

Capital Outlay

The District does not expect to commence construction of District infrastructure in 2017.

Reserve Funds

The District has provided for an emergency reserve equal to \$8,859 for 2017 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.