

**ERIE CORPORATE CENTER METROPOLITAN DISTRICT NO. 2
GOVERNMENTAL FUND**

	2019	2020		2021 BUDGET		
	Actual Final	Original Budget	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
REVENUE						
Taxes						
Property	\$ 8,799	\$ 11,646	\$ 11,646	\$ 75,017	\$ -	\$ 75,017
Specific ownership	591	786	553	4,501	-	4,501
TIF	-	-	-	-	-	-
Intergovernmental						
Transfers from Erie Corporate Center MD No. 1	23,474	13,000	11,543	18,500	-	18,500
Transfers from Erie Corporate Center MD No. 3	-	-	-	-	-	-
Investment income	275	-	120	-	-	-
Other	-	-	-	-	-	-
Total revenue	\$ 33,139	\$ 25,432	\$ 23,862	\$ 98,018	\$ -	\$ 98,018
EXPENDITURES						
Current						
County Treasurer's fees	133	175	175	1,125	-	1,125
Insurance	2,163	2,500	2,211	2,500	-	2,500
Accounting	-	-	1,656	2,500	-	2,500
Audit	1,450	9,500	6,405	7,500	-	7,500
Legal	-	-	-	1,000	-	1,000
Other	107,051	45,316	1,110	5,000	-	5,000
Subtotal current	110,797	57,491	11,557	19,625	-	19,625
Capital outlay						
Work in process	1,849,350	455,000	-	480,181	-	480,181
Subtotal capital outly	1,849,350	455,000	-	480,181	-	480,181
Intergovernmental						
Transfers to Erie Corporate Center MD No. 1	61,000	100,000	30,500	50,000	-	50,000
Transfers to Erie Corporate Center MD No. 3	-	-	-	-	-	-
Subtotal intergovernmental	61,000	100,000	30,500	50,000	-	50,000
Debt Service						
Principal						
Series 2019A Limited Tax Revenue Bonds	-	-	-	-	-	-
Interest						
Series 2019A Limited Tax Revenue Bonds	65,625	85,355	157,500	157,500	-	157,500
Subtotal debt service	65,625	85,355	157,500	157,500	-	157,500
Total expenditures	\$ 2,086,772	\$ 697,846	\$ 199,557	\$ 707,306	\$ -	\$ 707,306
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (2,053,634)	\$ (672,414)	\$ (175,694)	\$ (609,288)	\$ -	\$ (609,288)
OTHER FINANCING SOURCES						
Debt proceeds	3,000,000	-	-	-	-	-
Developer advances received	-	-	-	-	-	-
Change in working capital	(41)	-	(190)	-	-	-
Total other financing sources	\$ 2,999,959	\$ -	\$ (190)	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	946,325	(672,414)	(175,884)	(609,288)	-	(609,288)
FUND BALANCE - BEGINNING OF YEAR	9,129	955,454	955,454	779,570	-	779,570
FUND BALANCE - END OF CURRENT PERIOD	\$ 955,454	\$ 283,040	\$ 779,570	\$ 170,282	\$ -	\$ 170,282

ERIE CORPORATE CENTER METROPOLITAN DISTRICT NO. 2

2021 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Erie Corporate Center Metropolitan District No. 2 (the "District") was formed to provide the funding and tax base to Erie Corporate Center Metropolitan District No. 1 for construction, operation and maintenance of public improvements within the property known as "Erie Corporate Center," 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 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 \$27,000,000 for Erie Corporate Center Metropolitan District Nos. 1, 2 and 3.

On July 1, 2019, the District has issued the Series 2019A Limited Tax Revenue Bonds (the "2019A Bonds") in the aggregate principal amount of \$3,000,000 to assist in the financing of the acquisition of certain real property by the District and funding capitalized interest on the Bonds for a period of three years. The 2019A Bonds will be payable from (i) amounts collected by the District from the ad valorem property taxes attributable to any and all oil and gas production and operations within the District; (ii) amounts received from Summerfield Metropolitan District No. 2 pursuant to the Pledge Agreement dated July 1, 2019; (iii) revenues derived from specific ownership taxes imposed by the District; and (iv) any other legally available amounts permitted under the Service Plan (collectively, the "Pledged Revenues").

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

Ad Valorem Property Taxes

The primary source of revenue for the District is ad valorem 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 obligations in 2021.

The total taxable assessed valuation within the District in 2020 was \$1,347,700, an increase of \$1,138,480 from the 2019 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 6.00% of the ad valorem property taxes collected in 2021.

Expenditures

Transfers to Erie Corporate Center Metropolitan District No. 1

The District projects that it will transfer \$50,000 in revenue from ad valorem property taxes and specific ownership taxes to District No. 1 in 2021 to fund operating expenses.

Administrative

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

Capital Outlay

The District expects to spend the remaining KPK Surface Rights Relinquishment capital improvements of approximately \$480,181 in 2021.

Reserve Funds

The District has provided for a reserve equal to \$170,282 in 2021. Of this reserve amount, \$91,875 is the capitalized interest balance remaining from the issuance of the 2019A bonds and the remaining \$78,407 is the emergency reserve balance, which is intended for use on any unanticipated expenditures in 2021. Such emergency reserve is an integral part of the Ending Fund Balance.

Leases

The District has no operating or capital leases.