

**ERIE COMMONS METROPOLITAN DISTRICT NOS. 1-2**

**2022 ANNUAL REPORT**

**TO**

**THE TOWN OF ERIE**

Pursuant to the Consolidated Service Plan for the Erie Commons Metropolitan District Nos. 1-2, the Districts are required to provide an annual report to the Town of Erie. The report is to include information concerning these matters that occurred during the prior fiscal year.

For the year ending December 31, 2022 the Districts make the following report:

A. Boundary changes made or proposed.

None.

B. Intergovernmental Agreements with other governmental bodies entered into or proposed.

None.

C. Changes or proposed changes in the Districts' policies.

None.

D. Changes or proposed changes in the Districts' operations.

There have been no changes or proposed changes in the Districts' operations.

E. Changes in the financial status of the Districts including revenue projections or operating costs.

The Districts have relatively consistent annual revenues and operating expenditures.

F. A summary of any litigation involving the Districts.

To our actual knowledge, based on review of the court records in Weld County, there is no litigation involving the Districts as of December 31, 2022.

G. Proposed plans for the year immediately following the year summarized in the Annual Report.

The Districts will continue to perform debt service and governmental administrative functions.

H. Status of Public Improvement Construction Schedule.

Public infrastructure has been completed.

I. List of all facilities and improvements constructed/financed by the Districts that have also been both dedicated to and accepted by Erie.

Construction of infrastructure and dedication to Erie has been completed.

J. Submission of current assessed valuation in the Districts.

The Districts have received a certification of valuation from the Weld County Assessor that reports 2022 taxable assessed valuations for Erie Commons Metropolitan District No. 1 of \$530.00, District No. 2 in the net amount of \$24,896,421.30.

K. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable;

2021 Audit and Audit Exemption Attached

L. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district

None

M. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period. § 32-1-207(3)(c)(II), C.R.S.

None

2023 Budgets Attached

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT  
ADDRESS**

<b>Erie Commons Metropolitan District No. 1</b>
<b>2500 Arapaha Avenue, Suite 220</b>
<b>Boulder, CO 80302</b>

**For the Year Ended  
12/31/21  
or fiscal year ended:**

**CONTACT PERSON  
PHONE  
EMAIL  
FAX**

<b>Steve Rane</b>
<b>303-442-4299</b>
<b>steve@cdgcolorado.com</b>
<b>303-442-1241</b>

## PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED**

<b>Shelby Clymer</b>
<b>Independent Accountant</b>
<b>CliftonLarsonAllen LLP</b>
<b>8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111</b>
<b>303-779-5710</b>
<b>3/6/2022</b>

### PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT - PREPARED BY INDEPENDENT CPA FIRM

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	<b>Taxes: Property</b> (report mills levied in Question 10-6)	\$ 14	
2-2	Specific ownership	\$ 1	
2-3	Sales and use	\$ -	
2-4	Other (specify): Transfer from Erie Commons Metro District No. 3	\$ 10,000	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	<b>(add lines 2-1 through 2-23) TOTAL REVENUE</b>	<b>\$ 10,015</b>	

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 1,407	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 3,951	
3-7	Accounting and legal fees	\$ 17,808	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ 17,341	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	<b>(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 40,507</b>	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <span style="color: red;">See Notes Section Below.</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <span style="color: red;">See Notes Section Below.</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year		
	Retired during year	Outstanding at year-end		
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ 4,470,536	\$ -	\$ -	\$ 4,470,536
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 64,398	\$ -	\$ -	\$ 64,398
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 4,534,934</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,534,934</b>

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 305,850,582.00 Date the debt was authorized: 11/4/2003 & 11/1/2005	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

4-2 & 4-3: The District will pay outstanding debt as funds become available. The repayment of the Notes is subordinate to the repayment of Series 2019 Bonds issued by Erie Commons Metropolitan District No. 2, and the repayment of Developer Advances is subordinate to the repayment of Notes.

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ 959	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		\$ 959
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
5-3 <b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ 959

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ 15,752	\$ 17,341	\$ -	\$ 33,093
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 15,752</b>	<b>\$ 17,341</b>	<b>\$ -</b>	<b>\$ 33,093</b>

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes       No       N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 141,958

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

**9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?



Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

**10-1** Is this application for a newly formed governmental entity?



If yes: Date of formation:

**10-2** Has the entity changed its name in the past or current year?



If yes: Please list the NEW name & PRIOR name:

**10-3** Is the entity a metropolitan district?



Please indicate what services the entity provides:

See Notes Section Below.

**10-4** Does the entity have an agreement with another government to provide services?



If yes: List the name of the other governmental entity and the services provided:

See Notes Section Below.

**10-5** Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:




**10-6** Does the entity have a certified Mill Levy?



If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	55.663
<b>Total mills</b>	<b>55.663</b>

Bond Redemption mills	-
General/Other mills	55.663
<b>Total mills</b>	<b>55.663</b>

Please use this space to provide any explanations or comments:

10-3: To provide water, sanitation, streets, traffic and safety controls, park and recreation improvements, mosquito and pets control, transportation and other related improvements for the benefit of taxpayers and service users within the Districts' boundaries.  
 10-4: Erie Commons Metropolitan District Nos. 2 and 3. The Districts will collectively finance the public improvements of the Erie Commons development; IGA with the Town of Erie; District Facilities Construction and Service Agreement with District No. 2.

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements


The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.



Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Jon R. Lee	I, Jon R. Lee, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
Board Member 2	Jessica Brothers	I, Jessica Brothers, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  _____ Date: <u>3/29/2022</u> My term Expires: May 2023
Board Member 3	Steve Rane	I, Steve Rane, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  _____ Date: <u>3/29/2022</u> My term Expires: May 2023
Board Member 4		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP  
8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111  
Phone 303-779-5710 Fax 303-779-0348  
CLAAconnect.com

## Accountant's Compilation Report

Board of Directors  
Erie Commons Metropolitan District No. 1  
Weld County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Erie Commons Metropolitan District No. 1 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 6, 2022

**Certificate Of Completion**

Envelope Id: F9B7610D6F164662BD65883BFB1578F2	Status: Completed
Subject: Please DocuSign: Erie Commons MD No. 1 - 2021 Audit Exemption.pdf	
Client Name: Erie Commons MD No. 1	
Client Number: 011-042624-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Lauryn Rodvold
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Lauryn.Rodvold@claconnect.com
	IP Address: 165.225.10.154

**Record Tracking**

Status: Original 3/29/2022 3:45:56 PM	Holder: Lauryn Rodvold Lauryn.Rodvold@claconnect.com	Location: DocuSign
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**Signer Events**

Jessica Brothers  
jessica@cdgcolorado.com  
Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
*Jessica Brothers*  
5E2846592AEA4E9...

**Timestamp**

Sent: 3/29/2022 3:53:55 PM  
Viewed: 3/29/2022 3:57:44 PM  
Signed: 3/29/2022 3:59:29 PM

Signature Adoption: Uploaded Signature Image  
Using IP Address: 73.95.141.221

**Electronic Record and Signature Disclosure:**  
Accepted: 3/29/2022 3:57:44 PM  
ID: 9f20e6b3-8826-4db3-b57c-d8c580a63572

Steve Rane  
Steve@cdgcolorado.com  
Secretary/Treasurer  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
*Steve Rane*  
C20B7EDF6DA34ED...

Sent: 3/29/2022 3:53:55 PM  
Viewed: 3/29/2022 4:08:42 PM  
Signed: 3/29/2022 4:08:47 PM

Signature Adoption: Pre-selected Style  
Using IP Address: 65.155.157.50

**Electronic Record and Signature Disclosure:**  
Accepted: 3/29/2022 4:08:42 PM  
ID: c301f11d-3a33-4c41-b027-e69410935470

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/29/2022 3:53:56 PM
Certified Delivered	Security Checked	3/29/2022 4:08:42 PM
Signing Complete	Security Checked	3/29/2022 4:08:47 PM
Completed	Security Checked	3/31/2022 9:27:29 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

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**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**



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YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Erie Commons Metropolitan District No. 2  
Erie, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of Erie Commons Metropolitan District No. 2, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Erie Commons Metropolitan District No. 2's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Erie Commons Metropolitan District No. 2, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Erie Commons Metropolitan District No. 2 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Erie Commons Metropolitan District No. 2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Erie Commons Metropolitan District No. 2's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Erie Commons Metropolitan District No. 2's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

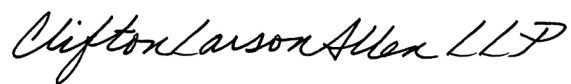
***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Board of Directors  
Erie Commons Metropolitan District No. 2

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
March 15, 2022

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Unrestricted Cash and Investments	\$ 112,274
Restricted Cash and Investments	21,975
Due from County Treasurer	5,516
Due from Town of Erie	354
Prepaid Items	306,358
Property Taxes Receivable	1,393,545
Total Assets	1,840,022
<b>LIABILITIES</b>	
Accounts Payable	7,646
Accrued Interest Payable	61,662
Noncurrent Liabilities:	
Due Within the Year:	
Series 2019 Bonds	255,000
Due in More Than One Year:	
Series 2019 Bonds	31,980,000
Accrued Interest	1,319,778
Bond Premium	1,218,958
Total Liabilities	34,843,044
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	1,393,545
Total Deferred Inflows of Resources	1,393,545
<b>NET POSITION</b>	
Restricted for TABOR	5,022
(Unrestricted)	(34,401,589)
Total Net Position	\$ (34,396,567)

See accompanying Notes to Financial Statements.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenue	Net Revenue (Expense) and Changes in Net Position <u>Governmental Activities</u>
<b>Governmental Activities:</b>			
General Government	\$ 56,652	\$ -	\$ (56,652)
Interest and Related Costs on Long-Term Debt	1,999,270	-	(1,999,270)
	<u>\$ 2,055,922</u>	<u>\$ -</u>	<u>\$ (2,055,922)</u>
<b>General Revenues:</b>			
Property Taxes			1,327,303
Specific Ownership Taxes			66,602
Transfers from District No. 3			69,243
Net Investment Income			858
Total General Revenues			<u>1,464,006</u>
<b>Change in Net Position</b>			(591,916)
Net Position - Beginning of Year			<u>(33,804,651)</u>
<b>Net Position - End of Year</b>			<u>\$ (34,396,567)</u>

See accompanying Notes to Financial Statements.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
DECEMBER 31, 2021**

	General Fund
<b>ASSETS</b>	
Unrestricted Cash and Investments	\$ 112,274
Restricted Cash and Investments	21,975
Due from County Treasurer	5,516
Due from Town of Erie	354
Prepaid Items	2,976
Property Taxes Receivable	1,393,545
Total Assets	\$ 1,536,640
<b>LIABILITIES</b>	
Accounts Payable	\$ 7,646
Total Liabilities	7,646
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	1,393,545
Total Deferred Inflows of Resources	1,393,545
<b>FUND BALANCE</b>	
Nonspendable	2,976
Restricted for TABOR	5,022
Unassigned	127,451
Total Fund Balance	135,449
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,536,640

See accompanying Notes to Financial Statements.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

Total Fund Balance - Total Governmental Fund	\$	135,449
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Prepaid municipal bond insurance is recognized as an asset for governmental activities that is amortized over the life of the related debt.		303,382
Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and, therefore, is not reported as a liability in the government funds.		(1,381,440)
Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.		
Series 2019A Limited Tax Bonds		(19,835,000)
Series 2019B Limited Tax Bonds		(12,400,000)
Series 2019A Limited Tax Bonds Premium		<u>(1,218,958)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>(34,396,567)</u>

*See accompanying Notes to Financial Statements.*



**ERIE COMMONS METROPOLITAN DISTRICT NO. 2  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2021**

	General Fund
<b>REVENUES</b>	
Property Taxes	\$ 1,327,303
Specific Ownership Taxes	66,602
Intergovernmental - Erie Commons Metropolitan District No. 3	69,243
Net Investment Income	858
Total Revenues	1,464,006
<b>EXPENDITURES</b>	
Current:	
County Treasurer's Fees	19,915
Audit	10,500
Accounting	16,413
Insurance	2,006
Miscellaneous	7,818
Debt Service:	
Principal	200,000
Interest	1,061,618
Trustee Fees	6,000
Total Expenditures	1,324,270
<b>NET CHANGE IN FUND BALANCE</b>	139,736
Fund Balance - Beginning of Year	(4,287)
<b>FUND BALANCE - END OF YEAR</b>	\$ 135,449

See accompanying Notes to Financial Statements.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO  
THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balance - Total Governmental Fund	\$	139,736
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>The repayment of principal on long-term debt consumes the current financial resources of governmental funds. The transaction does not have any affect on net position.</p>		
Payment of Principal		200,000
<p>An increase in accrued interest does not have any impact on governmental fund expenditures. This transaction, however, does reduce the amount of interest expense on the statement of activities.</p>		
		(994,307)
<p>The prepaid municipal bond insurance costs are amortized over the life of the bonds. Current year amortization of the prepaid municipal bond insurance of \$10,835 is reported as an expense on the statement of activities.</p>		
		(10,835)
<p>The premium on the issuance of bonds is amortized over the life of the bonds. Current year amortization of the premium on bonds of \$73,490 is reported as a reduction of interest expense on the statement of activities.</p>		
		<u>73,490</u>
Change in Net Position of Governmental Activities	\$	<u>(591,916)</u>

See accompanying Notes to Financial Statements.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Erie Commons Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan with Erie Commons Metropolitan District No. 1 (District No. 1) approved by the Town of Erie on July 8, 2003, amended on January 24, 2005, and as amended on September 13, 2019. Pursuant to the Service Plan, the District, the financing district, is intended to provide funding to District No. 1 for the design, acquisition, construction, and completion of public improvements, including streets, traffic and safety controls and devices, transportation services, park and recreation, water, mosquito and pest control and sanitation facilities. District No. 1, the operating district, is intended to manage the financial, construction and operation and maintenance of such improvements.

The operation and maintenance of all other services and facilities is anticipated to be provided by the Town of Erie and not by the District.

The District has no employees and all services are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1 and the Town of Erie.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes.

The statement of net position reports all financial resources of the District. The difference between the assets, liabilities, and deferred outflows and inflows of resources of the District is reported as net position.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The adopted budgets for the General Fund and Debt Service fund have been consolidated and reflected as the General Fund Budget for financial reporting purposes.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year.

The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available and collected.

**Fund Balance and Net Position**

Net position is reported in the governmental activities and is classified as restricted or unrestricted. Restrictions of net position represent amounts that are not available for appropriation or are legally restricted. As of December 31, 2021, fund balances of governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. This includes amounts that are not expected to be converted to cash, for example, prepaid amounts.

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the General Fund.

Unassigned – represents the residual classification for the District's General Fund and could report a surplus or deficit.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Fund Balance**

Emergency Reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. In compliance with this requirement, \$5,022 of the General Fund balance has been restricted.

The District's order of fund balance spending policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. The District reserves the right to selectively spend unassigned fund balance.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments reflected on the statement of net position as of December 31, 2021 consist of the following:

Unrestricted Cash	\$ 4,312
Restricted Investments	21,975
Unrestricted Investments	107,962
Total Cash and Investments	<u>\$ 134,249</u>

**Investments**

The District has not adopted a formal investment policy; however, it follows state statutes regarding investments. The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less depending on the specific investment held unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of U.S. local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and World Bank securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds \*
- Guaranteed investment contracts
- Local government investment pools \*
- Certain reverse repurchase agreements
- Certain corporate bonds
- Certain securities lending agreements

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amortized Cost</u>
Colorado Surplus Asset Fund Trust	Less than One Year	\$ 107,962
Money Market Funds	Less than One Year	21,975
		<u>\$ 129,937</u>

**Colorado Surplus Asset Trust Fund**

As of December 31, 2021, the District had invested \$107,962 in the Colorado Surplus Asset Fund Trust, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

**Money Market Funds**

As of December 31, 2021, the District had invested \$21,975 in Fidelity Treasury Fund. Each share is equal in value to \$1.00. The investment is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 RELATED PARTY**

Three of the five members of the Board of Directors are employees or are associated with Bellock Construction Company, accountants for the District, and Community Development Group of Erie, Inc. (CDG of Erie, Inc.), the developer within the District. During 2021, Districts No. 1 and No. 2 had three of five of the same Board of Directors.

**Accounting Services Agreement**

An accounting services contract was entered into with Bellock Construction Company during March 2003. This agreement was subsequently amended on March 25, 2004. Under this amended agreement, accounting services are provided to the District at the annual hourly rates of Bellock Construction Company employees. During 2021, the District incurred accounting services fees in the amount of \$16,413.

**NOTE 5 DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT  
(SERVICE CONTRACT)**

In order to implement the Service Plan, the District entered into an intergovernmental agreement with District No. 1. The agreement shall remain in full force and effect until such time as each of the terms and conditions has been performed in their entirety or until the agreement is terminated by mutual written agreement of the Districts.

District No. 1 is to construct the facilities benefiting the two Districts and transfer them to the Town of Erie or the Home Owner's Association (HOA). The District will, to the extent that it benefits, pay the capital costs and the service costs of operation and maintenance of such facilities (authorized service costs), until the facilities are transferred to the Town of Erie or the HOA.

The District is required to fund, on an annual basis, the amount of actual service costs that it would be capable of funding through property tax revenue plus other fee revenue as determined in the annual budget. If the Districts disagree as to the amount to be paid, then the District must pay District No. 1 the amount set forth in the annual budget. The mill levy cap shall be subject to automatic adjustment if, after the original date of approval of the Service Plan, the laws of the state change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur.

During fiscal year 2017, the Colorado legislature reduced the residential assessment ratio from 7.96% to 7.20% causing the property tax mill rate for general obligation bonds and service costs to increase from 50 mills to 55.275 mills. The residential assessment ratio decreased to 7.15% in 2019 causing the mills to increase to 55.663 in 2020. During fiscal year 2020, the Gallagher Amendment was repealed.



**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS**

The District's long-term obligations consist of the following for the year ended December 31, 2021:

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Series 2019A Limited Tax Bonds	\$ 20,035,000	\$ -	\$ 200,000	\$ 19,835,000	\$ 255,000
Series 2019B Limited Tax Bonds	12,400,000	-	-	12,400,000	-
Series 2019B Limited Tax Bonds Accrued Interest	324,637	1,306,809	311,668	1,319,778	-
Series 2019A Limited Tax Bonds Premium	1,292,448	-	73,490	1,218,958	-
Total	<u>\$ 34,052,085</u>	<u>\$ 1,306,809</u>	<u>\$ 585,158</u>	<u>\$ 34,773,736</u>	<u>\$ 255,000</u>

**2019A and 2019B Senior and Subordinate General Obligation Limited Tax Bonds**

On December 19, 2019, the District issued \$20,250,000 of senior and \$12,400,000 of subordinate general obligation limited tax bonds. The bonds were issued for the purpose of paying and discharging the outstanding Series 2009 Bonds, Series 2019 Note and Development Loan, and a portion of the Series 2010 Bond Anticipation Note held by Erie Commons Metro District No. 1, the duly quasi-municipal corporation and political subdivision of the State of Colorado. The bond proceeds were transferred to Erie Commons Metro District No. 1.

The Series 2019A Senior Bonds bear an interest yield rate of 3.2% and a coupon interest rate of 3-5% per annum which is payable semi-annually on June 1 and December 1, commencing on June 1, 2020, and on the maturity dates of the Series 2019A Senior Bonds, subject to optional and mandatory sinking fund redemption prior to maturity. The Series 2019A Senior Bonds will mature on December 1, 2049. The Series 2019A Senior Bonds will constitute limited tax general obligations of the District payable solely from the Senior Pledged Revenue and certain District Funds and accounts established by the Senior Pledged Revenue, which consists primarily of the revenues derived from a District property tax levy of not more than 46.709 mills (subject to adjustment, and currently equal to 52.000 mills, as described herein), and the portion of the specific ownership taxes on motor vehicles imposed by the state of Colorado. The Series 2019A Senior Bonds will constitute an irrevocable, but nonexclusive, first lien on the Senior Pledged Revenue and the amounts in such funds and accounts. The District made \$200,000 of principal payments in 2021. The District made \$749,950 of interest payments in 2021 and incurred \$749,116 in interest expense for the year ended December 31, 2021 for these bonds.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**2019A and 2019B Senior and Subordinate General Obligation Limited Tax Bonds**  
**(Continued)**

The 2019B Subordinate Bonds bear an interest yield rate of 6.94% and a coupon interest rate of 6.95% per annum which is payable annually on December 15, commencing December 15, 2020, subject to the extent of available Subordinate Pledged Revenue. To the extent interest on the 2019B Subordinate Bonds is not paid when due, such interest shall compound on each interest payment date of December 15. The 2019B Subordinate bonds mature on December 15, 2051. The 2019B Subordinate Bonds will also constitute limited tax general obligations of the District payable solely from the Subordinate Pledged Revenue and certain District Funds and accounts established by the Subordinate Pledged Revenue, which consists primarily of the revenues derived from a District property tax levy of not more than 46.709 mills (subject to adjustment, and currently equal to 52.000 mills, as described herein), and the portion of the specific ownership taxes on motor vehicles imposed by the State of Colorado. The Series 2019B Subordinate Bonds are structured as “cash flow” bonds. There are no scheduled payments of principal of the Series 2019B Subordinate Bonds prior to their maturity date, but rather the Subordinate Bonds are subject to mandatory redemption on each December 15 prior to maturity from and to the extent of any available Subordinate Pledged Revenues. All Series 2019B Subordinate Bonds and interest thereon will be deemed to be paid, satisfied and discharged on December 16, 2051, regardless of the amount of principal and interest paid on the Series 2019B Subordinate Bonds prior to such date. The District made \$311,668 of interest payments in 2021 and incurred \$1,306,809 in interest expense for the year ended December 31, 2021 for these bonds.

**Debt Authorization**

The District voters approved \$74,900,000 of revenue obligation debt in 2003 and an additional \$74,900,000 in 2004, and \$260,000,000 in 2005 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had remaining authorized but unissued indebtedness of \$377,565,000 for parks and recreation, streets and traffic controls, water, sewer and storm drainage, and safety or refunding the obligations issued for such purposes. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**2019A Senior General Obligation Limited Tax Bonds**

The following table sets forth the scheduled debt service requirements to maturity for the Series 2019A Senior Bonds.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 255,000	\$ 739,950	\$ 994,950
2023	255,000	727,200	982,200
2024	285,000	714,450	999,450
2025	295,000	700,200	995,200
2026	315,000	685,450	1,000,450
2027-2031	2,010,000	3,164,500	5,174,500
2032-2036	3,005,000	2,568,000	5,573,000
2037-2041	4,165,000	1,824,700	5,989,700
2042-2046	5,385,000	1,079,400	6,464,400
2047-2049	3,865,000	235,350	4,100,350
Total	<u>\$ 19,835,000</u>	<u>\$ 12,439,200</u>	<u>\$ 32,274,200</u>

**2019B Subordinate General Obligation Limited Tax Bonds**

The annual debt service requirements on the 2019B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**NOTE 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage during the past three years.

The District pays annual premiums to the Pool for liability and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations, which apply to the state of Colorado and all local governments.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 5, 2005 and November 4, 2003, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all annual District revenue without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an enterprise, will require judicial interpretation.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL –  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,327,776	\$ 1,327,303	\$ (473)
Specific Ownership Taxes	79,667	66,602	(13,065)
Intergovernmental - Erie Commons			
Metropolitan District No. 3	71,738	69,243	(2,495)
Net Investment Income	-	858	858
Total Revenues	1,479,181	1,464,006	(15,175)
<b>EXPENDITURES</b>			
Current:			
Intergovernmental - Erie Commons			
Metropolitan District No. 1	75,000	-	75,000
County Treasurer's Fees	19,917	19,915	2
Audit	10,500	10,500	-
Accounting	5,000	16,413	(11,413)
Insurance	13,500	2,006	11,494
Miscellaneous	7,260	7,818	(558)
Debt Service:			
Principal	200,000	200,000	-
Interest	1,159,956	1,061,618	98,338
Trustee Fees	8,000	6,000	2,000
Total Expenditures	1,499,133	1,324,270	174,863
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	(19,952)	139,736	159,688
Fund Balances - Beginning of Year	53,160	(4,287)	(57,447)
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 33,208</b>	<b>\$ 135,449</b>	<b>\$ 102,241</b>

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**ERIE COMMONS METROPOLITAN DISTRICT NO. 1  
GOVERNMENTAL FUND**

	2021		2022		2023 BUDGET		
	Actual Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
<b>REVENUES</b>							
Taxes							
Property	\$ 14	\$ 12	\$ 12	\$ 12	\$ 30	\$ -	\$ 30
Specific ownership	1	1	1	1	2	-	2
Intergovernmental							
Transfers from Erie Commons MD No. 2	-	25,000	10,000	10,000	25,000	-	25,000
Transfers from Erie Commons MD No. 3	10,000	30,000	17,500	17,500	-	-	-
Investment revenue	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 10,015</b>	<b>\$ 55,012</b>	<b>\$ 27,512</b>	<b>\$ 27,512</b>	<b>\$ 25,032</b>	<b>\$ -</b>	<b>\$ 25,032</b>
<b>EXPENDITURES</b>							
Current							
County Treasurer's fees	0	0	0	0	0	-	0
Letter of credit fees	-	-	-	-	-	-	-
Insurance	3,951	4,000	3,570	3,570	4,000	-	4,000
Accounting fees	6,205	5,000	4,096	4,096	5,000	-	5,000
Audit	2,550	3,000	2,888	2,888	3,000	-	3,000
Legal	9,053	8,000	13,865	13,865	12,500	-	12,500
Director fees	60	60	60	60	60	-	60
Common area maintenance	-	-	-	-	-	-	-
Other	1,347	-	939	939	1,000	-	1,000
<b>Subtotal current</b>	<b>23,167</b>	<b>20,060</b>	<b>25,417</b>	<b>25,417</b>	<b>25,560</b>	<b>-</b>	<b>25,560</b>
Capital outlay							
Work in process	17,341	-	2,465	2,465	-	-	-
<b>Subtotal capital outlay</b>	<b>17,341</b>	<b>-</b>	<b>2,465</b>	<b>2,465</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt Service							
Principal							
Developer Advances	-	30,000	-	-	-	-	-
Series 2010 Subordinate BAN	-	-	-	-	-	-	-
Interest							
Developer Advances	-	-	-	-	-	-	-
Series 2010 Subordinate BAN	-	-	-	-	-	-	-
<b>Subtotal debt service</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



	2021	2022		2023 BUDGET			
	Actual Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
Total expenditures	\$ 40,507	\$ 50,060	\$ 27,883	\$ 27,883	\$ 25,560	\$ -	\$ 25,560
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (30,492)	\$ 4,952	\$ (370)	\$ (370)	\$ (529)	\$ -	\$ (529)
OTHER FINANCING SOURCES							
Change in working capital	(5,413)	-	(149)	(149)	-	-	-
Total other financing sources	\$ (5,413)	\$ -	\$ (149)	\$ (149)	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	(35,905)	4,952	(520)	(520)	(529)	-	(529)
FUND BALANCE - BEGINNING OF YEAR	36,864	7,296	959	959	5,564	-	5,564
FUND BALANCE - END OF CURRENT PERIOD	\$ 959	\$ 12,248	\$ 439	\$ 439	\$ 5,035	\$ -	\$ 5,035
	-	-	-	-	-	-	-

ERIE COMMONS MD NO. 1	2022 AV, Collected in 2023		
	Certified Assessed Value	Total Mill Levy	Ad Valorem Revenue
2023 REVENUE PROJECTION			
Vacant Land	20	57.220	1.14
Residential	-	57.220	-
Commercial	-	57.220	-
Agricultural	-	57.220	-
Oil & Gas	-	57.220	-
State Assessed	510	57.220	29.18
	\$ 530	57.220	\$ 30.32

2022 MILL LEVY APPROPRIATION	Levy Appropriation	Ad Valorem Revenue	S.O. Revenue	Treasurer's Fees
		\$ 30.32	5.00%	1.50%
General Fund	57.220	30.32	1.52	0.45
Debt Service	0.000	-	-	-
	57.220	\$ 30.32	\$ 1.52	\$ 0.45

# ERIE COMMONS METROPOLITAN DISTRICT NO. 1

## 2023 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, 2023 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 No. 2**

The primary source of revenue for the District are transfers from District No. 2. The District anticipates that it will receive \$25,000 from District No. 2 in 2023 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 57.220 mills. The District adopted a mill levy of 57.220 mills for general fund expenditures in 2023.

##### **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 5.00% of the ad valorem property taxes collected in 2023.

## **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 2023 to make interest or principal payments toward the 2010 Subordinate BAN.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$5,035, which is intended for use on any unanticipated expenditures in 2023. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.

**ERIE COMMONS METROPOLITAN DISTRICT NO. 2  
GOVERNMENTAL FUND**

	2021		2022		2023 BUDGET		
	Actual Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
<b>REVENUE</b>							
Taxes							
Property	\$ 1,326,948	\$ 1,393,545	\$ 1,393,547	\$ 1,393,547	\$ 93,735	\$ 1,330,838	\$ 1,424,573
Specific ownership	66,602	69,704	82,509	82,509	4,689	66,572	71,261
TIF	354	-	535	535	42	601	644
Intergovernmental							
Transfers from Erie Commons MD No. 1	-	-	-	-	-	-	-
Transfers from Erie Commons MD No. 3	69,243	67,793	53,863	53,863	-	89,135	89,135
Investment income	858	-	13,002	13,002	-	-	-
Other	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 1,464,006</b>	<b>\$ 1,531,042</b>	<b>\$ 1,543,455</b>	<b>\$ 1,543,455</b>	<b>\$ 98,466</b>	<b>\$ 1,487,147</b>	<b>\$ 1,585,613</b>
<b>EXPENDITURES</b>							
Current							
Treasurer Fees	19,915	20,903	20,926	20,926	1,406	19,963	21,369
Insurance	12,841	2,500	12,841	12,841	13,000	-	13,000
Accounting fees	16,413	15,000	10,376	10,376	12,500	-	12,500
Audit	10,500	11,000	10,500	10,500	12,500	-	12,500
Legal fees	6,574	10,000	-	-	5,000	-	5,000
Director fees	200	200	200	200	200	-	200
Miscellaneous	1,043	1,500	1,397	1,397	2,500	-	2,500
<b>Subtotal current expenses</b>	<b>67,486</b>	<b>61,103</b>	<b>56,240</b>	<b>56,240</b>	<b>47,106</b>	<b>19,963</b>	<b>67,069</b>
Intergovernmental							
Transfers to Erie Commons MD No. 1	-	25,000	10,000	10,000	25,000	-	25,000
Transfers to Erie Commons MD No. 3	-	-	-	-	-	-	-
<b>Subtotal intergovernmental</b>	<b>-</b>	<b>25,000</b>	<b>10,000</b>	<b>10,000</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>
Debt Service							
Loan Fees	-	-	-	-	-	-	-
Custodial / trustee fees	6,000	8,000	6,000	6,000	-	8,000	8,000
Principal							
Series 2019A Limited Tax G.O. Bonds	200,000	255,000	255,000	255,000	-	255,000	255,000
Series 2019B Sub Limited Tax G.O. Bonds	-	-	-	-	-	-	-
Interest							
Series 2019A Limited Tax G.O. Bonds	749,950	739,950	739,950	739,950	-	727,200	727,200
Series 2019B Sub Limited Tax G.O. Bonds	311,668	412,273	425,273	425,273	-	476,984	476,984
<b>Subtotal debt service</b>	<b>1,267,618</b>	<b>1,415,223</b>	<b>1,426,223</b>	<b>1,426,223</b>	<b>-</b>	<b>1,467,184</b>	<b>1,467,184</b>
<b>Total expenditures</b>	<b>\$ 1,335,104</b>	<b>\$ 1,501,326</b>	<b>\$ 1,492,463</b>	<b>\$ 1,492,463</b>	<b>\$ 72,106</b>	<b>\$ 1,487,147</b>	<b>\$ 1,559,253</b>

	2021		2022		2023 BUDGET									
	Actual	Final	Original Budget	Amended Budget (if applicable)	Projected Final	General Fund Budget	Debt Service Budget	Total Budget						
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$</b>	<b>128,901</b>	<b>\$</b>	<b>29,716</b>	<b>\$</b>	<b>50,992</b>	<b>\$</b>	<b>50,992</b>	<b>\$</b>	<b>26,360</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>26,360</b>
<b>OTHER FINANCING SOURCES</b>														
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Advances received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in working capital	(47,813)	-	(395)	(395)	(395)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>\$</b>	<b>(47,813)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(395)</b>	<b>\$</b>	<b>(395)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>		81,089	29,716	50,597	50,597	26,360	-	26,360						
<b>FUND BALANCE - BEGINNING OF YEAR</b>		53,160	35,106	134,249	134,249	164,027	-	164,027						
<b>FUND BALANCE - END OF CURRENT PERIOD</b>	<b>\$</b>	<b>134,249</b>	<b>\$</b>	<b>64,822</b>	<b>\$</b>	<b>184,846</b>	<b>\$</b>	<b>184,846</b>	<b>\$</b>	<b>190,387</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>190,387</b>

ERIE COMMONS MD NO. 2 2023 REVENUE PROJECTION	2022 AV, Collected in 2023		
	Certified Assessed Value	Total Mill Levy	Ad Valorem Revenue
Vacant Land	283,550	57.220	16,224.73
Residential	24,098,360	57.220	1,378,908.16
Commercial	540	57.220	30.90
Agricultural	-	57.220	-
Oil & Gas	71,410	57.220	4,086.08
State Assessed	453,810	57.220	25,967.01
	<b>\$ 24,907,670</b>	<b>57.220</b>	<b>\$ 1,425,216.88</b>
TIF District Increment	11,249	57.220	643.67
<b>Net Assessed Valuation</b>	<b>24,896,421</b>	<b>57.220</b>	<b>1,424,573.21</b>

2022 MILL LEVY APPROPRIATION	Levy	TIF Revenue	Ad Valorem	S.O. Revenue	Treasurer's Fees
	Appropriation		Revenue		
		<b>643.67</b>	<b>1,424,573.21</b>	<b>5.00%</b>	<b>1.50%</b>
General Fund	3.765	42.35	93,735.03	4,688.87	1,406.03
Debt Service	53.455	601.32	1,330,838.18	66,571.98	19,962.57
	<b>57.220</b>	<b>\$ 643.67</b>	<b>\$ 1,424,573.21</b>	<b>\$ 71,260.85</b>	<b>\$ 21,368.60</b>

# ERIE COMMONS METROPOLITAN DISTRICT NO. 2

## 2023 BUDGET

### SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### **Services Provided**

In accordance with its Service Plan, Erie Commons Metropolitan District No. 2 (the "District"), was formed to provide the funding and tax base needed to support the financing of the operations and capital 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.

On December 19, 2019, the District issued the (i) Series 2019A Senior General Obligation Limited Tax Bonds in the aggregate principal amount of \$20,250,000 (the "2019A Senior Bonds"); and (ii) Series 2019B Subordinate General Obligation Limited Tax Bonds in the aggregate principal amount of \$12,400,000 (the "2018B Subordinate Bonds") for the purposes of (i) paying and discharging the outstanding Series 2009 Bonds; and (ii) paying costs of issuance and other costs in connection with the Bonds.

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 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 57.220 mills in 2022. The District adopted a mill levy of 53.455 mills for debt service and 3.765 mills for operating expenses in 2023.

The total taxable assessed valuation within the District in 2022 was \$24,907,670, a decrease of \$137,320 from the 2021 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 5.00% of the ad valorem property taxes collected in 2023.

### **Transfers from District No. 3**

The District anticipates that it will receive \$89,135 in pledged revenues from District No. 3 to fund a portion of the debt service obligations of the District.

### **Expenditures**

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

The District anticipates that it will transfer \$25,000 of revenues derived from ad valorem property taxes and specific ownership taxes to District No. 1 for operating expenses.

#### **Administrative**

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

#### **Debt Service**

The 2023 budget anticipates that the District will fund its debt service obligations for the 2019A Senior Bonds in the amount of \$255,000 in principal and \$727,200 in interest. In addition, the District expects to pay \$476,984 in interest on the 2019B Subordinate Bonds.

### **Reserve Funds**

The District has provided for an emergency reserve equal to \$190,387, which is intended for use on any unanticipated expenditures in 2023. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.