

**TRAER CREEK METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**TRAER CREEK METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 3,968,864	\$ 3,917,221	\$ 7,844,825
REVENUES			
Interest income	1,929	36,925	24,700
Retail sales fee	4,872,760	5,050,000	5,302,500
Other revenue	-	211	-
Transfers from the Village Metro District	1,793,777	-	5,376,672
Total revenues	<u>8,469,219</u>	<u>5,125,285</u>	<u>11,203,872</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>2,100,000</u>
Total funds available	<u>12,438,083</u>	<u>9,042,506</u>	<u>21,148,697</u>
EXPENDITURES			
General Fund	388,557	459,481	599,000
Debt Service Fund	4,381,265	-	1,300,000
Capital Projects Fund	3,745,570	725,000	10,240,055
Special Revenue Fund	5,470	13,200	21,500
Total expenditures	<u>8,520,862</u>	<u>1,197,681</u>	<u>12,160,555</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>2,100,000</u>
Total expenditures and transfers out requiring appropriation	<u>8,520,862</u>	<u>1,197,681</u>	<u>14,260,555</u>
ENDING FUND BALANCES	<u>\$ 3,917,221</u>	<u>\$ 7,844,825</u>	<u>\$ 6,888,142</u>
EMERGENCY RESERVE	<u>\$ 13,600</u>	<u>\$ 13,700</u>	<u>\$ 13,800</u>
TOTAL RESERVE	<u>\$ 13,600</u>	<u>\$ 13,700</u>	<u>\$ 13,800</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Vacant land	\$ 61,560	\$ 61,560	\$ 61,560
Certified Assessed Value	\$ 61,560	\$ 61,560	\$ 61,560
<b>MILL LEVY</b>			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
<b>PROPERTY TAXES</b>			
Budgeted property taxes	\$ -	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 708,756	\$ 770,332	\$ 765,562
REVENUES			
Interest income	133	4,500	10,000
Other revenue	-	211	-
Retail sales fee	450,000	450,000	450,000
Total revenues	<u>450,133</u>	<u>454,711</u>	<u>460,000</u>
Total funds available	<u>1,158,889</u>	<u>1,225,043</u>	<u>1,225,562</u>
EXPENDITURES			
General and administrative			
Accounting	33,729	35,000	60,000
Auditing	5,800	5,950	6,000
Dues and licenses	672	681	1,000
Insurance and bonds	23,870	22,910	40,000
District management	24,276	33,000	40,000
Legal services	22,916	20,000	50,000
Miscellaneous	373	1,000	2,400
Election expense	-	2,000	4,000
Transfer to the Village Metropolitan District	52,483	48,118	74,500
Operations and maintenance			
Engineering	-	-	5,000
Landscaping	-	-	5,000
Tract E Park	13,035	37,000	46,100
Snow removal	1,348	2,000	20,000
Utilities	17,424	18,000	20,000
Flagpole maintenance and repairs	5,053	8,000	30,000
Parking garage maintenance	44,927	12,000	50,000
Common area maintenance	130,771	142,500	145,000
Acquisition of Eagle Park Reservoir Stock	11,880	71,322	-
Total expenditures	<u>388,557</u>	<u>459,481</u>	<u>599,000</u>
Total expenditures and transfers out requiring appropriation	<u>388,557</u>	<u>459,481</u>	<u>599,000</u>
ENDING FUND BALANCE	<u>\$ 770,332</u>	<u>\$ 765,562</u>	<u>\$ 626,562</u>
EMERGENCY RESERVE	<u>\$ 13,600</u>	<u>\$ 13,700</u>	<u>\$ 13,800</u>
TOTAL RESERVE	<u>\$ 13,600</u>	<u>\$ 13,700</u>	<u>\$ 13,800</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 4,601,149
REVENUES			
Retail sales fee	4,374,032	4,550,000	4,800,000
Interest income	257	13,000	13,500
Transfer fees	-	38,149	-
Sales tax	6,976	-	-
Total revenues	<u>4,381,265</u>	<u>4,601,149</u>	<u>4,813,500</u>
Total funds available	<u>4,381,265</u>	<u>4,601,149</u>	<u>9,414,649</u>
EXPENDITURES			
Debt Service			
Transfer to the Village Metropolitan District - RSF	4,381,265	-	1,300,000
Total expenditures	<u>4,381,265</u>	<u>-</u>	<u>1,300,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>2,100,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,381,265</u>	<u>-</u>	<u>3,400,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 4,601,149</u>	<u>\$ 6,014,649</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 3,126,867	\$ 2,970,133	\$ 2,263,383
REVENUES			
Interest income	1,282	18,250	-
Developer advance	1,793,777	-	500,000
Transfers from the Village Metro District	1,793,777	-	5,376,672
Total revenues	<u>3,588,836</u>	<u>18,250</u>	<u>5,876,672</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>2,100,000</u>
Total funds available	<u>6,715,703</u>	<u>2,988,383</u>	<u>10,240,055</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	1,793,777	-	9,740,055
Engineering	11,038	92,705	-
Streets	1,940,755	192,195	-
Capital outlay	-	440,100	500,000
Total expenditures	<u>3,745,570</u>	<u>725,000</u>	<u>10,240,055</u>
Total expenditures and transfers out requiring appropriation	<u>3,745,570</u>	<u>725,000</u>	<u>10,240,055</u>
ENDING FUND BALANCE	<u>\$ 2,970,133</u>	<u>\$ 2,263,383</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 133,241	\$ 176,756	\$ 214,731
REVENUES			
Interest income	257	1,175	1,200
Retail sales fee	48,728	50,000	52,500
Total revenues	<u>48,985</u>	<u>51,175</u>	<u>53,700</u>
Total funds available	<u>182,226</u>	<u>227,931</u>	<u>268,431</u>
EXPENDITURES			
General and administrative			
Accounting - PIC Costs	5,446	6,000	10,000
District management	-	1,000	1,000
Legal services	-	6,200	6,500
Miscellaneous	24	-	4,000
Total expenditures	<u>5,470</u>	<u>13,200</u>	<u>21,500</u>
Total expenditures and transfers out requiring appropriation	<u>5,470</u>	<u>13,200</u>	<u>21,500</u>
ENDING FUND BALANCE	<u>\$ 176,756</u>	<u>\$ 214,731</u>	<u>\$ 246,931</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Avon on February 3, 1999, concurrently with The Village Metropolitan District (The Village), and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town on August 25, 1998. The District's service area is located in Eagle County, Colorado entirely within the Town of Avon.

The District was organized to provide financing for the construction of streets and safety control, water systems, sewer systems, parks and recreation facilities, safety protection, fire protection, transportation systems, television relay, mosquito control and the operation and maintenance of the District.

Under the Service Plan, the District is intended to be the Service District related to The Village as the Financing District for the development of the service area, which encompasses the area of both Districts. The District is a party to that certain Annexation and Development Agreement by and among Avon, Traer Creek LLC, EMD Limited Liability Company and the District, as amended (the "Annexation Agreement"). Pursuant to the Annexation Agreement, the District has a variety of financial obligations to Avon which are subject to annual budget and appropriation and subordinate to the District's bonds. A lawsuit was filed against the District by Avon in 2008 and other legal challenges have been raised by Avon which was settled in 2014.

The District now operates under the Consolidated, Amended and Restated Annexation and Development Agreement for the Village (at Avon) which was executed on October 22, 2013 by and among the District, the Village Metropolitan District, the Town of Avon, Avon Urban Renewal Authority ( Limited Party), the Village (at Avon) Mixed-Use Public Improvement Company ( Limited Party), the Village (at Avon) Commercial Public Improvement Company (Limited Party), and with the consent of Developer Affiliates, BNP and Lenders. Traer Creek LLC and EMD Limited Liability Company are Master Developers and are designated and authorized to act on the behalf of all Developer Affiliates.

The budget is in accordance with the TABOR Amendment limitations, which were modified by the voters in elections held on November 3, 1998, and November 7, 2001. Emergency Reserves required under TABOR have been considered in the budget process.

On November 3, 1998, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$205,500,000 for infrastructure improvements at an interest rate not to exceed 18%, \$2,000,000 for payment of intergovernmental agreements and \$14,000,000 for infrastructure costs required by Avon. On November 6, 2001, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$1,289,000,000 for infrastructure improvements and operation and maintenance costs at an interest rate not to exceed 18%, \$158,000,000 for payment of intergovernmental agreements, \$30,000,000 for payment of guaranty agreements with retailers and \$158,000,000 for refunding the District's debt or other obligations.



**TRAER CREEK METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided - (continued)**

On November 5, 2002, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$1,274,000,000 for infrastructure improvements and operation and maintenance costs at an interest rate not to exceed 18%, \$158,000,000 for payment of intergovernmental agreements and \$158,000,000 for refund the District's debt or other obligations.

Although the District has the authority from its electors to issue the debt described above, the District, collectively with The Village, is restricted under its service plan to a maximum combined debt of \$158,000,000, excluding refunding.

The District has no employees, and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.

**Retail Sales Fee**

Retail sales fees will be the primary source of revenue for the District. The Public Improvement Corporation (PIC) charges a 4.0% sales fee on all taxable sales. Pursuant to an IGA entered into by the District with a related PIC, the PIC will oversee the function of sales fee collection for the District. The District anticipates collecting \$5,302,500 in retail sales fees during 2023.

**Expenditures**

**General and Administrative Expenses**

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, landscape maintenance and snow removal.

**TRAER CREEK METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Transfers to the Village Metropolitan District**

Pursuant to a Facilities Funding, Construction and Operations Agreement signed on July 31, 2001, and later amended on March 4, 2002, the District agreed to provide the Village Metropolitan District with funding sufficient to carry forth its operations, maintenance, and administrative services. The District's pledge to fund the Village Metropolitan District operations, maintenance, and administrative services is subject to appropriation by the District.

The District agreed to pledge a portion of the retail sales fees to the Village Metropolitan District to assist in the payment of the Special Revenue and Limited Property Tax Refunding and Improvement Bonds, Series 2020.

**Debt and Leases**

The District has no operating or capital leases.

The following is an anticipated analysis of changes in general long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2022
Developer advances*	\$ 12,047,736	\$ -	\$ -	\$ 12,047,736
Interest on Developer advances	14,901,744	963,819	-	15,865,563
Payable to Town (long-term)*	3,522,309	-	-	3,522,309
Interest on Payable to Town	391,844	52,835	-	444,679
Total	<u>\$ 30,863,633</u>	<u>\$ 1,016,654</u>	<u>\$ -</u>	<u>\$ 31,880,287</u>

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

**This information is an integral part of the accompanying budget.**