

TRAER CREEK METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**TRAER CREEK METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 7,191,712	\$ 3,968,864	\$ 3,848,976
REVENUES			
Interest income	27,824	1,830	1,090
Retail sales fee	4,647,798	4,494,000	4,600,000
Other revenue	3,598	685	-
Transfers from the Village Metro District	3,624,318	1,793,777	4,601,136
Transfers from the Village Metro District - Bond proceeds	24,989,878	-	-
Total revenues	<u>33,293,416</u>	<u>6,290,292</u>	<u>9,202,226</u>
TRANSFERS IN	<u>3,122,121</u>	<u>-</u>	<u>-</u>
Total funds available	<u>43,607,249</u>	<u>10,259,156</u>	<u>13,051,202</u>
EXPENDITURES			
General Fund	400,048	440,000	562,000
Debt Service Fund	32,445,416	4,000,180	4,104,000
Capital Projects Fund	3,652,151	1,964,000	7,559,680
Special Revenue Fund	18,649	6,000	20,000
Total expenditures	<u>36,516,264</u>	<u>6,410,180</u>	<u>12,245,680</u>
TRANSFERS OUT	<u>3,122,121</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>39,638,385</u>	<u>6,410,180</u>	<u>12,245,680</u>
ENDING FUND BALANCES	<u>\$ 3,968,864</u>	<u>\$ 3,848,976</u>	<u>\$ 805,522</u>
EMERGENCY RESERVE	\$ 13,700	\$ 13,600	\$ 13,600
DEBT SERVICE RESERVE	3,000,000	-	-
TOTAL RESERVE	<u>\$ 3,013,700</u>	<u>\$ 13,600</u>	<u>\$ 13,600</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Vacant land	\$ 42,250	\$ 61,560	\$ 61,560
Certified Assessed Value	\$ 42,250	\$ 61,560	\$ 61,560
MILL LEVY			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 654,650	\$ 708,756	\$ 719,541
REVENUES			
Interest income	556	100	300
Other revenue	3,598	685	-
Retail sales fee	450,000	450,000	450,000
Total revenues	<u>454,154</u>	<u>450,785</u>	<u>450,300</u>
Total funds available	<u>1,108,804</u>	<u>1,159,541</u>	<u>1,169,841</u>
EXPENDITURES			
General and administrative			
Accounting	39,651	45,000	60,000
Auditing	5,800	5,800	6,000
Dues and licenses	670	672	1,000
Insurance and bonds	27,560	23,870	40,000
District management	43,427	30,000	40,000
Legal services	26,658	30,000	50,000
Miscellaneous	786	1,858	2,000
Election expense	252	-	4,000
Transfer to the Village Metropolitan District	73,968	55,000	68,000
Operations and maintenance			
Engineering	100	5,000	5,000
Landscaping	3,020	5,000	5,000
Tract E Park	13,035	19,000	38,200
Snow removal	1,348	3,000	20,000
Utilities	11,311	15,000	20,000
Flagpole maintenance and repairs	4,029	8,000	10,000
Parking garage maintenance	12,788	50,000	50,000
Common area maintenance	123,765	131,000	131,000
Acquisition of Eagle Park Reservoir Stock	11,880	11,800	11,800
Total expenditures	<u>400,048</u>	<u>440,000</u>	<u>562,000</u>
Total expenditures and transfers out requiring appropriation	<u>400,048</u>	<u>440,000</u>	<u>562,000</u>
ENDING FUND BALANCE	<u>\$ 708,756</u>	<u>\$ 719,541</u>	<u>\$ 607,841</u>
EMERGENCY RESERVE	<u>\$ 13,700</u>	<u>\$ 13,600</u>	<u>\$ 13,600</u>
TOTAL RESERVE	<u>\$ 13,700</u>	<u>\$ 13,600</u>	<u>\$ 13,600</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 6,395,211	\$ -	\$ -
REVENUES			
Retail sales fee	4,155,798	4,000,000	4,104,000
Interest income	26,650	180	-
Transfers from the Village Metro District - Bond proceeds	24,989,878	-	-
Total revenues	<u>29,172,326</u>	<u>4,000,180</u>	<u>4,104,000</u>
Total funds available	<u>35,567,537</u>	<u>4,000,180</u>	<u>4,104,000</u>
EXPENDITURES			
Debt Service			
Bond interest, Series 2014	223,203	-	-
Transfer to the Village Metropolitan District - RSF	3,888,381	4,000,180	4,104,000
Bond principal	27,397,000	-	-
Paying agent fees	6,100	-	-
Remarketing fees	20,750	-	-
LOC fees	909,982	-	-
Total expenditures	<u>32,445,416</u>	<u>4,000,180</u>	<u>4,104,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>3,122,121</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>35,567,537</u>	<u>4,000,180</u>	<u>4,104,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEBT SERVICE RESERVE	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 32,579	\$ 3,126,867	\$ 2,957,844
REVENUES			
Interest income	-	1,200	700
Transfers from the Village Metro District	3,624,318	1,793,777	4,601,136
Total revenues	<u>3,624,318</u>	<u>1,794,977</u>	<u>4,601,836</u>
TRANSFERS IN			
Transfers from other funds	<u>3,122,121</u>	-	-
Total funds available	<u>6,779,018</u>	<u>4,921,844</u>	<u>7,559,680</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	3,339,089	1,793,777	-
Engineering	8,168	20,000	7,559,680
Streets	304,894	150,223	-
Total expenditures	<u>3,652,151</u>	<u>1,964,000</u>	<u>7,559,680</u>
Total expenditures and transfers out requiring appropriation	<u>3,652,151</u>	<u>1,964,000</u>	<u>7,559,680</u>
ENDING FUND BALANCE	<u>\$ 3,126,867</u>	<u>\$ 2,957,844</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 109,272	\$ 133,241	\$ 171,591
REVENUES			
Interest income	618	350	90
Retail sales fee	42,000	44,000	46,000
Total revenues	<u>42,618</u>	<u>44,350</u>	<u>46,090</u>
Total funds available	<u>151,890</u>	<u>177,591</u>	<u>217,681</u>
EXPENDITURES			
General and administrative			
Accounting - PIC Costs	7,880	6,000	10,000
District management	-	-	1,000
Legal services	10,560	-	5,000
Miscellaneous	209	-	-
Total expenditures	<u>18,649</u>	<u>6,000</u>	<u>20,000</u>
Total expenditures and transfers out requiring appropriation	<u>18,649</u>	<u>6,000</u>	<u>20,000</u>
ENDING FUND BALANCE	<u>\$ 133,241</u>	<u>\$ 171,591</u>	<u>\$ 197,681</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT
2022 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
2022 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 0.05%.

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 \$4,600,000 in retail sales fees during 2022.

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
2022 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, 2021:

	Balance at December 31, 2020	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2021
Developer advances*	\$ 12,047,736	\$ -	\$ -	\$ 12,047,736
Interest on Developer advances	14,166,481	963,819	-	15,130,300
Payable to Town (long-term)*	3,522,309	-	-	3,522,309
Interest on Payable to Town	339,010	52,835	-	391,845
Total	<u>\$ 30,075,536</u>	<u>\$ 1,016,654</u>	<u>\$ -</u>	<u>\$ 31,092,190</u>

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.