

**TRAER CREEK METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**TRAER CREEK METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 5,027,981	\$ 7,191,712	\$ 768,721
REVENUES			
Interest income	99,004	27,200	300
Retail sales fee	4,290,129	4,300,000	4,400,000
Transfers from the Village Metropolitan District	231,152	-	-
Tap fees	1,588,537	-	-
Transfer Fees	129,282	-	-
Developer advance	106,934	-	-
Other revenue	4,767	3,599	-
Transfers from the Village Metro District	-	5,100,000	4,917,706
Transfers from the Village Metro District - Bond proceeds	-	24,989,878	-
Total revenues	<u>6,449,805</u>	<u>34,420,677</u>	<u>9,318,006</u>
Total funds available	<u>11,477,786</u>	<u>41,612,389</u>	<u>10,086,727</u>
EXPENDITURES			
General Fund	509,852	475,000	526,000
Debt Service Fund	3,616,642	35,216,089	3,906,000
Capital Projects Fund	113,094	5,132,579	4,917,706
Special Revenue Fund	46,486	20,000	20,000
Total expenditures	<u>4,286,074</u>	<u>40,843,668</u>	<u>9,369,706</u>
Total expenditures and transfers out requiring appropriation	<u>4,286,074</u>	<u>40,843,668</u>	<u>9,369,706</u>
ENDING FUND BALANCES	<u>\$ 7,191,712</u>	<u>\$ 768,721</u>	<u>\$ 717,021</u>
EMERGENCY RESERVE	\$ 14,000	\$ 13,700	\$ 13,500
DEBT SERVICE RESERVE	3,000,000	-	-
TOTAL RESERVE	<u>\$ 3,014,000</u>	<u>\$ 13,700</u>	<u>\$ 13,500</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Vacant land	\$ 42,250	\$ 61,560	\$ 61,560
Certified Assessed Value	\$ 42,250	\$ 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  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 698,991	\$ 654,650	\$ 633,449
REVENUES			
Interest income	744	200	-
Other revenue	4,767	3,599	-
Retail sales fee	460,000	450,000	450,000
Total revenues	<u>465,511</u>	<u>453,799</u>	<u>450,000</u>
Total funds available	<u>1,164,502</u>	<u>1,108,449</u>	<u>1,083,449</u>
EXPENDITURES			
General and administrative			
Accounting	50,399	60,000	60,000
Auditing	5,800	5,800	5,800
Dues and licenses	731	670	1,000
Insurance and bonds	26,108	27,560	40,000
District management	36,230	50,000	40,000
Legal services	38,267	40,000	50,000
Miscellaneous	1,271	11,644	2,400
Election expense	-	252	-
Transfer to the Village Metropolitan District	36,919	81,674	56,000
Operations and maintenance			
Engineering	-	100	5,000
Landscaping	6,179	5,000	5,000
Tract E Park	13,035	15,000	25,000
Snow removal	1,348	1,500	20,000
Utilities	12,022	15,000	20,000
Flagpole maintenance and repairs	3,740	5,000	10,000
Parking garage maintenance	158,350	20,000	50,000
Common area maintenance	107,573	124,000	124,000
Acquisition of Eagle Park Reservoir Stock	11,880	11,800	11,800
Total expenditures	<u>509,852</u>	<u>475,000</u>	<u>526,000</u>
Total expenditures and transfers out requiring appropriation	<u>509,852</u>	<u>475,000</u>	<u>526,000</u>
ENDING FUND BALANCE	<u>\$ 654,650</u>	<u>\$ 633,449</u>	<u>\$ 557,449</u>
EMERGENCY RESERVE	<u>\$ 14,000</u>	<u>\$ 13,700</u>	<u>\$ 13,500</u>
TOTAL RESERVE	<u>\$ 14,000</u>	<u>\$ 13,700</u>	<u>\$ 13,500</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 4,189,692	\$ 6,395,211	\$ -
REVENUES			
Transfers from the Village Metropolitan District	231,152	-	-
Retail sales fee	3,787,228	3,807,000	3,906,000
Interest income	95,962	24,000	-
Transfer Fees	119,282	-	-
Tap fees	1,588,537	-	-
Transfers from the Village Metro District - Bond proceeds	-	24,989,878	-
Total revenues	<u>5,822,161</u>	<u>28,820,878</u>	<u>3,906,000</u>
Total funds available	<u>10,011,853</u>	<u>35,216,089</u>	<u>3,906,000</u>
EXPENDITURES			
General and administrative			
Legal services	5,624	10,000	-
Paying agent fees	14,600	7,500	-
Debt Service			
Bond interest, Series 2014	683,027	225,000	-
Transfer to the Village Metropolitan District	-	6,645,839	3,906,000
Bond principal	1,500,000	27,397,000	-
Bond principal - deferred	927,000	-	-
Remarketing fees	32,307	20,750	-
LOC fees	454,084	910,000	-
Total expenditures	<u>3,616,642</u>	<u>35,216,089</u>	<u>3,906,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,616,642</u>	<u>35,216,089</u>	<u>3,906,000</u>
ENDING FUND BALANCE	<u>\$ 6,395,211</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  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 38,739	\$ 32,579	\$ -
REVENUES			
Developer advance	106,934	-	-
Transfers from the Village Metro District	-	5,100,000	4,917,706
Total revenues	<u>106,934</u>	<u>5,100,000</u>	<u>4,917,706</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>145,673</u>	<u>5,132,579</u>	<u>4,917,706</u>
EXPENDITURES			
General and Administrative			
Contingency	-	-	-
Capital Projects			
Repay developer advance	-	5,100,000	4,917,706
Engineering	-	7,180	-
Streets	113,094	25,399	-
Total expenditures	<u>113,094</u>	<u>5,132,579</u>	<u>4,917,706</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>113,094</u>	<u>5,132,579</u>	<u>4,917,706</u>
ENDING FUND BALANCE	<u>\$ 32,579</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/7/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 100,559	\$ 109,272	\$ 135,272
REVENUES			
Interest income	2,298	3,000	300
Retail sales fee	42,901	43,000	44,000
Transfer fees	10,000	-	-
Total revenues	<u>55,199</u>	<u>46,000</u>	<u>44,300</u>
Total funds available	<u>155,758</u>	<u>155,272</u>	<u>179,572</u>
EXPENDITURES			
General and administrative			
Accounting - PIC Costs	6,626	10,000	10,000
District management	-	-	1,000
Legal services	39,840	7,500	5,000
Miscellaneous	20	2,500	4,000
Total expenditures	<u>46,486</u>	<u>20,000</u>	<u>20,000</u>
Total expenditures and transfers out requiring appropriation	<u>46,486</u>	<u>20,000</u>	<u>20,000</u>
ENDING FUND BALANCE	<u>\$ 109,272</u>	<u>\$ 135,272</u>	<u>\$ 159,572</u>

No assurance provided. See summary of significant assumptions.

**TRAER CREEK METROPOLITAN DISTRICT  
2021 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  
2021 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 0.20%.

**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 \$4,400,000 in retail sales fees during 2021.

**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.

**Transfers to the Village Metropolitan 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.

**TRAER CREEK METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District issued \$40,175,000 Taxable Variable Rate Revenue Refunding Bonds, Series 2014, dated August 1, 2014, to refund Series 2002 bonds and Series 2004 bonds. The interest rate of the bonds is a variable rate that is determined weekly by the remarketing agent payable on the first business day of the following month. The bonds are payable from net pledged revenue including all retail sales fees, tap fees, real estate transfer fees, accommodation fees, and other fees and taxes and all interest income or other revenues received by the District and all property taxes (after the first \$500,000 – see Tank Project Financing Reimbursement and Pledge Agreement) and specific ownership taxes collected by The Village.

The bonds are secured by an irrevocable, direct pay letter of credit issued by BNP Paribas (the Bank) in the stated amount of \$40,551,434. The letter of credit expires on July 31, 2021, unless extended by the Bank at its sole discretion. The District is required to annually pay the Bank a fee of 1.50% based on the rating of the long-term unsecured senior debt of certain retail entities which have guaranteed certain fee payments to the District, as stipulated in the Reimbursement Agreement with the Bank.

In 2020, the District paid this Bond in full.

The District has no operating or capital leases.

The following is an analysis of changes in general long-term obligations for the year ended December 31, 2021:

	Balance at December 31, 2019	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2021
Developer advances*	\$ 14,758,119	\$ -	\$ 2,710,383	\$ 12,047,736
Interest on Developer advances	13,888,894	1,104,185	628,706	14,364,373
Payable to Town (long-term)*	3,522,309	-	-	3,522,309
Interest on Payable to Town	286,175	105,673	-	391,848
Total	<u>\$ 32,455,497</u>	<u>\$ 1,209,858</u>	<u>\$ 3,339,089</u>	<u>\$ 30,326,266</u>

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR.

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