

0711.0024

GARY R. WHITE  
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# WHITE • BEAR • ANKELE

PROFESSIONAL CORPORATION  
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STORY W. PELISSERO

K. SEAN ALLEN  
GEORGE M. ROWLEY  
JENNIFER L. GRUBER\*\*

April 11, 2007

Division of Local Government  
1313 Sherman Street  
Room 521  
Denver, Colorado 80203

Colorado State Auditor  
Legislative Services Building  
200 East 14<sup>th</sup> Avenue  
Denver, Colorado 80203

Janice Vos Caudill  
Pitkin County Clerk and Recorder  
530 E. Main Street  
Suite 101  
Aspen, Colorado 81611

**Re: Base Village Metropolitan District Nos. 1 & 2**

To Whom It May Concern:

Enclosed for each office listed, please find a copy of the Annual Report filed with the Town of Snowmass Village as required under the Amended and Restated Consolidated Service Plan for the above-referenced Districts. The report is being filed with the above-listed offices pursuant to Section 32-1-207(3) (d), C.R.S.

The Annual Report is being sent to the Clerk and Recorder pursuant to Section 32-1-207(3)(d), C.R.S. for public inspection; not recording.

Please call with any questions.

Very truly yours,

WHITE, BEAR & ANKELE  
Professional Corporation

Joann V. Ebel  
Paralegal

/jve

Enclosures

BVMD.LTRS/2007/JVE0944041107 0711.0024

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STORY W. PELISSERO

April 11, 2007

Rhonda Coxon, Town Clerk  
Town of Snowmass Village  
16 Kearns Road  
Snowmass Village, Colorado 81615

**Re: Base Village Metropolitan District Nos. 1 & 2**

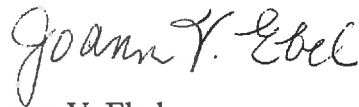
Dear Ms. Coxon:

On behalf of the above Districts, and pursuant to the Amended and Restated Consolidated Service Plan for Base Village Metropolitan District Nos. 1-2, we are submitting the attached report for your consideration, which conveys information concerning the Districts' progress in implementing their Amended and Restated Consolidated Service Plan.

Please contact us should you have any questions or require further information.

Very truly yours,

WHITE, BEAR & ANKELE  
Professional Corporation



Joann V. Ebel  
Paralegal

/jve

Enclosure

BVMD/LTRS/2007/JVE0945041107  
0711.0024

**2006 ANNUAL REPORT**

**FOR**

**BASE VILLAGE METROPOLITAN DISTRICT**

**NOS. 1-2**

**William P. Ankele, Jr.**  
**White Bear & Ankele**  
**Professional Corporation**  
**1805 Shea Center Drive**  
**Suite 100**  
**Highlands Ranch, CO 80129**

## BASE VILLAGE METROPOLITAN DISTRICT NOS. 1 - 2

### 2006 ANNUAL REPORT

Pursuant to the Amended and Restated Consolidated Service Plan for Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 dated October 17, 2006 (the "Service Plan"), and § 32-1-207(3), C.R.S., the Districts are required to file this Annual Report with the Town of Snowmass Village, the Division of Local Government and the State Auditor. This report shall also be deposited with the office of the Pitkin County Clerk & Recorder for public inspection.

A. District Boundaries. The Districts submitted a map of its boundaries with the Consolidated Service Plan dated September 1, 2004. As of December 31, 2006, the boundaries of the Districts remain the same. The Districts are generally located between Brush Road on the north, the Enclave on the South, the Faraway Subdivision to the east and Lichenhearth and unplatted land to the west. The site consists of approximately 33.175 acres.

B. Intergovernmental Agreements. The Districts are authorized under the Service Plan to enter into Intergovernmental Agreements with other governmental entities. To date, the Districts have entered into three such agreements:

1. Base Village Metropolitan Districts Nos.1 and 2 entered into a District Facilities and Construction and Service Agreement with each other dated September 19, 2005. This Agreement provides for the operation, maintenance, construction and funding of improvements within the Districts and the administration of the daily affairs of the Districts.

2. An Intergovernmental Agreement between the Town of Snowmass Village and the Base Village Metropolitan District Nos. 1 and 2 dated May 4, 2005.

3. Base Village Intergovernmental Agreement between Snowmass Village General Improvement District Nos. 1, Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 dated September 30, 2006.

C. The Districts' Policies and Operations. As indicated in the Service Plan, the purpose of the Districts is to make certain public improvements that will be either dedicated to the Town of Snowmass Village or retained by the Districts for the use and benefit of the Districts' inhabitants and taxpayers. Since the approval of this Service Plan, there have been no major modifications to the policies and operations of the District.

D. Litigation. Since its inception, none of the Districts have been involved in any litigation. Further, none of the Districts are anticipating any litigation at the time of the submittal of this report.

E. Material Changes in Financial Status. In 2006, there were no material changes in the financial status of the Districts. All funding for the Districts was provided by the master developer of the property (the "Developer"), subject to future reimbursement.

F. Proposed Plans for 2007. Assuming the successful issuance of bonds during 2007, numerous components of the public infrastructure are anticipated to be initiated and/or funded by the District in 2007, with work continuing on these projects into 2008. The improvements are expected to include the following, representing in the aggregate, public expenditures for which the District has budgeted a total of \$26,235,651.00:

- Skier bridges: Funnel Bridge and Skiway under Wood Road
- Trails and sidewalks: Pedestrian sidewalks
- Storm drainage improvements
- Performing arts center
- Day skier parking

G. Construction of Public Improvements. As of December 31, 2006, the Districts had not completed any public improvements. To date all public improvements have been Developer funded.

H. Budget Information. The Districts have adopted budgets for the 2007 year. The Budgets, as adopted by the Boards of Directors of the Districts are attached as Exhibit A.

The foregoing Annual Report and accompanying exhibits are submitted this 11<sup>th</sup> day of April, 2007.

White, Bear & Ankele  
Professional Corporation

By   
William P. Ankele, Jr., Esq.

January 16, 2007

Board of Directors  
Base Village Metropolitan District No. 1

Enclosed are copies of the 2007 Budget for the Base Village Metropolitan District No. 1 as adopted by the Board at its meeting on November 30, 2006. By copy of this letter, we are sending two copies of the final budget to William Ankele of White, Bear & Ankele, P.C. who, we understand, will file one copy of the budget with the State Division of Local Government, as required by statute.

Please call if you have any questions.

Very truly yours,

CLIFTON GUNDERSON, LLP

*Clifton Gunderson LLP*

Certified Public Accountants & Consultants

cc: William Ankele

## Accountant's Report

Board of Directors  
Base Village Metropolitan District No. 1  
Pitkin County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures and fund balance of the Base Village Metropolitan District No. 1 for the General Fund, Debt Service Fund, and Capital Projects Fund for the year ending December 31, 2007, including the forecasted estimate of comparative information for the year ending December 31, 2006, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2005 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit prepared for the year ended December 31, 2005.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Base Village Metropolitan District No. 1.

*Clifton Henderson LLP*

Greenwood Village, Colorado  
December 1, 2006

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1  
SUMMARY  
FORECASTED 2007 BUDGET AS ADOPTED  
WITH 2005 ACTUAL AND 2006 ESTIMATED  
For the Years Ended and Ending December 31,**

12/1/2006

Page 2

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCES	\$ -	\$ (6,634)	\$ 8,622
<b>REVENUE</b>			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Transfer from Base Village #2	-	113,956	37,512,651
Investment income	170	1,300	720,000
Capital facility fees	-	-	-
Developer advance	50,000	65,000	26,270,651
Bond Proceeds	-	-	-
Miscellaneous	500	-	-
Total revenue	50,670	180,256	64,503,302
<b>TRANSFERS IN</b>			
Total funds available	50,670	173,622	64,511,924
<b>EXPENDITURES</b>			
<b>General</b>			
Accounting	17,706	15,000	50,000
Audit	-	-	-
County Treasurer's fees	-	-	-
Director fees	-	-	-
Insurance	2,252	4,128	4,500
Legal	30,000	145,000	95,000
Organization costs	7,346	-	-
Bond issue costs	-	-	-
Repay developer advance	-	-	26,235,651
Miscellaneous	-	-	500
Contingency	-	872	10,000
<b>Debt Service</b>			
Paying agent fees	-	-	-
Bond principal	-	-	-
Bond interest	-	-	-
Letter of credit fees	-	-	-
Capital outlay	-	-	26,235,651
Total expenditures	57,304	165,000	52,631,302
<b>TRANSFERS OUT</b>			
Total expenditures and transfers out requiring appropriation	57,304	165,000	52,631,302
ENDING FUND BALANCES	\$ (6,634)	\$ 8,622	\$ 11,880,622

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/1/2006

Page 3

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
<b>ASSESSED VALUATION</b>			
Pitkin County			
Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
State assessed	-	-	-
Vacant land	-	13,920	13,920
Personal property	-	-	-
	-	13,920	13,920
Adjustments	-	-	-
Certified Assessed Value	\$ -	\$ 13,920	\$ 13,920
 <b>MILL LEVY</b>			
General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
 <b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	-	-	-
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/1/2006

Page 4

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ (6,634)	\$ 8,622
<b>REVENUE</b>			
Property taxes	-	-	-
Specific ownership tax	-	-	-
Investment income	170	1,300	-
Developer advance	50,000	65,000	35,000
Transfer from Base Village #2	-	113,956	414,973
Miscellaneous	500	-	-
Total revenue	50,670	180,256	449,973
<b>TRANSFERS IN</b>			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	50,670	173,622	458,595
<b>EXPENDITURES</b>			
Accounting	17,706	15,000	30,000
Audit	-	-	-
County Treasurer's fees	-	-	-
Director fees	-	-	-
Insurance	2,252	4,128	4,500
Legal	30,000	145,000	65,000
Organization and administration	7,346	-	-
Miscellaneous	-	-	500
Contingency	-	872	10,000
Total expenditures	57,304	165,000	110,000
<b>TRANSFERS OUT</b>			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	57,304	165,000	110,000
ENDING FUND BALANCE	\$ (6,634)	\$ 8,622	\$ 348,595
EMERGENCY RESERVE	\$ -	\$ 3,500	\$ 12,400

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/1/2006

Page 5

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	-	-
Investment income	-	-	-
Transfer from Base Village #2	-	-	-
Capital facility fees	-	-	-
Total revenue	-	-	-
TRANSFERS IN			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	-
EXPENDITURES			
County Treasurer's fees	-	-	-
Paying agent fees	-	-	-
Bond principal	-	-	-
Bond interest	-	-	-
Letter of credit fees	-	-	-
Miscellaneous	-	-	-
Contingency	-	-	-
Total expenditures	-	-	-
TRANSFERS OUT			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
FORECASTED 2007 BUDGET AS ADOPTED  
WITH 2005 ACTUAL AND 2006 ESTIMATED  
For the Years Ended and Ending December 31,**

12/1/2006

Page 6

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Bond proceeds	-	-	-
Transfer from Base Village #2	-	-	37,097,678
Investment income	-	-	720,000
Developer advance	-	-	26,235,651
Total revenue	-	-	64,053,329
TRANSFERS IN			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	64,053,329
EXPENDITURES			
General			
Accounting	-	-	20,000
Legal	-	-	30,000
Organization costs	-	-	-
Bond issue costs	-	-	-
Repay developer advance	-	-	26,235,651
Miscellaneous	-	-	-
Capital outlay	-	-	26,235,651
Total expenditures	-	-	52,521,302
TRANSFERS OUT			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	52,521,302
ENDING FUND BALANCE	\$ -	\$ -	\$ 11,532,027

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1  
2007 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito and pest control. The District's service area is located entirely within the Town of Snowmass Village (the "Town"), in Pitkin County, Colorado. Under the Consolidated Service Plan, the District is the Service District and is related to Base Village Metropolitan District No. 2 (Base Village No. 2), which serves as the Financing District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Financing District provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

The District entered into a funding agreement on July 27, 2005 with the Developer to fund operating and administrative costs and capital costs until other revenues are available to the District. The advances recognized under this agreement will bear simple interest at a rate of 8%. The construction of District facilities is expected to be financed by the issuance of bonded debt.

The District prepares its budget on the modified accrual basis of accounting.

**Revenue**

**Transfer from Base Village No. 2**

Under the intergovernmental agreement, the Financing District is obligated to transfer revenues to the Service District to provide for administrative costs and debt service costs.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

**Developer Advances**

Operating and administrative costs, as well as capital costs for 2007, are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1  
2007 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Expenditures**

**Administrative Expenditures**

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

**Capital Outlay**

Anticipated expenditures for capital outlay in 2007 are detailed on page 6 of the budget.

**Debt and Leases**

The District has no operating or capital leases.

**Reserve Funds**

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2007, defined under TABOR.

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

January 16, 2007

Board of Directors  
Base Village Metropolitan District No. 2

Enclosed are copies of the 2007 Budget for the Base Village Metropolitan District No. 2 as adopted by the Board at its meeting on November 30, 2006. By copy of this letter, we are sending two copies of the final budget to William Ankele of White, Bear & Ankele, P.C. who, we understand, will file one copy of the budget with the State Division of Local Government, as required by statute.

Please call if you have any questions.

Very truly yours,

CLIFTON GUNDERSON, LLP

Handwritten signature of Clifton Gunderson in cursive, followed by the letters "C C P".

Certified Public Accountants & Consultants

cc: William Ankele

## Accountant's Report

Board of Directors  
Base Village Metropolitan District No. 2  
Pitkin County, Colorado

We have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of the Base Village Metropolitan District No. 2 for the General Fund, Debt Service Fund and Capital Projects Fund for the year ending December 31, 2007, including the forecasted estimate of comparative information for the year ending December 31, 2006, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2005 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit prepared for the year ended December 31, 2005.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Base Village Metropolitan District No. 2.

*Clifton Henderson CPA*

Greenwood Village, Colorado  
December 1, 2006

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/1/2006

Page 2

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	114,004	414,973
Specific ownership tax	-	5,652	20,750
Bond Proceeds	-	-	44,500,000
Investment income	-	-	125,000
Capital facility fee	-	-	70,000
Total revenue	-	119,656	45,130,723
TRANSFERS IN	-	-	5,740,500
Total funds available	-	119,656	50,871,223
EXPENDITURES			
General			
Accounting	-	-	-
Audit	-	-	-
County Treasurer's fees	-	5,700	20,750
Organization costs	-	-	-
Bond issue costs	-	-	1,661,822
Miscellaneous	-	-	-
Contingency	-	-	2,749
Debt Service			
Paying agent fees	-	-	5,000
Bond principal	-	-	20,000
Bond interest	-	-	1,660,688
Letter of credit fees	-	-	553,563
Transfer to Base Village #1	-	113,956	37,512,651
Total expenditures	-	119,656	41,437,223
TRANSFERS OUT	-	-	5,740,500
Total expenditures and transfers out requiring appropriation	-	119,656	47,177,723
ENDING FUND BALANCES	\$ -	\$ -	\$ 3,693,500

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

12/1/2006

Page 3

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
<b>ASSESSED VALUATION</b>			
Pitkin County			
Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
State assessed	-	-	-
Vacant land	-	13,785,250	14,066,870
Personal property	-	-	-
	-	13,785,250	14,066,870
Adjustments	-	-	-
Certified Assessed Value	\$ -	\$ 13,785,250	\$ 14,066,870
 <b>MILL LEVY</b>			
General	0.000	8.270	29.500
Debt Service	0.000	0.000	0.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000
Total mill levy	0.000	8.270	29.500
 <b>PROPERTY TAXES</b>			
General	\$ -	\$ 114,004	\$ 414,973
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	-	114,004	414,973
Adjustments to actual/rounding	-	(4)	-
Budgeted property taxes	\$ -	\$ 114,000	\$ 414,973
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ 114,004	\$ 414,973
Debt Service	-	-	-
	\$ -	\$ 114,004	\$ 414,973

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/1/2006

Page 4

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	114,004	414,973
Specific ownership tax	-	5,652	20,750
Investment income	-	-	-
System development fees	-	-	-
Developer advance -operations	-	-	-
Total revenue	-	119,656	435,723
TRANSFERS IN			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	119,656	435,723
EXPENDITURES			
Accounting	-	-	-
Audit	-	-	-
County Treasurer's fees	-	5,700	20,750
Organization and administration	-	-	-
Transfer to Base Village #1	-	113,956	414,973
Miscellaneous	-	-	-
Contingency	-	-	-
Total expenditures	-	119,656	435,723
TRANSFERS OUT			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	119,656	435,723
ENDING FUND BALANCE	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/1/2006

Page 5

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUE</b>			
Property taxes	-	-	-
Investment income	-	-	125,000
Capital facility fee	-	-	70,000
Bond proceeds	-	-	-
Total revenue	-	-	195,000
<b>TRANSFERS IN</b>			
Capital Projects Fund	-	-	5,740,500
General Fund	-	-	-
Total transfers in	-	-	5,740,500
Total funds available	-	-	5,935,500
<b>EXPENDITURES</b>			
County Treasurer's fees	-	-	-
Paying agent fees	-	-	5,000
Bond principal	-	-	20,000
Bond interest	-	-	1,660,688
Letter of credit fees	-	-	553,563
Miscellaneous	-	-	-
Contingency	-	-	2,749
Total expenditures	-	-	2,242,000
<b>TRANSFERS OUT</b>			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	2,242,000
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,693,500</b>

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/1/2006

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	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Bond proceeds		-	44,500,000
Investment income	-	-	-
System development fees	-	-	-
Developer advance-construction	-	-	-
Total revenue	-	-	44,500,000
TRANSFERS IN			
Debt Service Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	44,500,000
EXPENDITURES			
General			
Accounting	-	-	-
Legal	-	-	-
Organization costs	-	-	-
Bond issue costs	-	-	1,661,822
Miscellaneous	-	-	-
Transfer to Base Village #1	-	-	37,097,678
Total expenditures	-	-	38,759,500
TRANSFERS OUT			
Debt Service Fund	-	-	5,740,500
General Fund	-	-	-
Total transfers out	-	-	5,740,500
Total expenditures and transfers out requiring appropriation	-	-	44,500,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and the summary of significant assumptions.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**2007 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreations, transportation, and mosquito control. The District's service area is located entirely within the Town of Snowmass Village (the "Town"), in Pitkin County, Colorado. Under the Consolidated Service Plan, the District is the Financing District related to Base Village Metropolitan District No. 1 (Base Village No. 1), which serves as the Service District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Financing District provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

Operations and administrative costs of the District are funded by the Service District pursuant to an intergovernmental agreement between the two Districts. Under the intergovernmental agreement, the Service District is also responsible for coordinating the funding and construction of public improvements for the District. The District will provide the primary revenue stream for any bonds or other obligations issued to fund the public improvements.

The District prepares its budget on the modified accrual basis of accounting.

**Revenue**

**Property Taxes**

Per the executed Intergovernmental Agreement (the "Agreement") between the Snowmass Village GID, Base Village No. 1 and the District, a mill levy of 29.500 mills will be levied as displayed on page 3. The Agreement provides that for years 2006, 2007, and 2008 the mill levy of 29.500 mills will be used to fund operations and maintenance in Base Village No. 1.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 5% of the property taxes collected.

**Capital facility fee**

A fee of approximately \$5,000 will be collected upon the sale of each residential living unit and used to pay interest on the Bonds.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
2007 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**(Continued)**

**Bond Proceeds**

The District anticipates issuing bonds during 2007. The budget assumes the amount of \$44,500,000 will be issued in 2007.

**Expenditures**

**Debt Service**

Key components of the Bond deal, such as interest rates, call provisions, and the repayment schedule of the Bonds will be negotiated with potential bond purchasers at the time of debt issuance.

**Bond Issue Costs**

The District anticipates \$1,661,822 in costs related to the issuance of the Series 2007 General Obligation Bonds.

**Debt and Leases**

The District currently has no outstanding debt nor any capital or operating leases.

**Reserve Funds**

Pursuant to the intergovernmental agreement, as noted above, the revenue is remitted to District No. 1, which has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2007, as defined under TABOR.

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