



ANNUAL INFORMATION REPORT  
for the Year Ended December 31, 2023  
BASE VILLAGE METROPOLITAN DISTRICT NO 2

The following information is provided pursuant to the annual reporting requirements provided by CRS 32-1-207(3)(c) regarding the activities of the District for the 12-month reporting period stated in the heading of this report:

(A) Boundary changes made

None

(B) Intergovernmental agreements entered into or terminated with other governmental entities

None

(C) Access information to obtain a copy of rules and regulations adopted by the board

The District Board's current policies, Design Guidelines, resolutions and the covenants applicable to all homes within the District are publicly accessible and posted in the document library on the District's website ([www.basevillagemetro2.org](http://www.basevillagemetro2.org))

(D) A summary of litigation involving public improvements owned by the special district

None

(E) The status of the construction of public improvements by the special district

The District did not construct any public improvements within or without the District to be dedicated to the Town of Snowmass. Although the District is still under development, the District is not involved in any development activities within the District.

The District spent no funds on capital projects in the current reporting year.

(F) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality

N/A – The District has never constructed any public infrastructure that was subsequently turned over to the Town of Snowmass. All debt issued by the District was used to subsidize costs incurred by the land developer to construct improvements on the developer's private land (thus, increasing the sales value of all undeveloped condo units on such land) prior to selling all condos to third-party home builders. The Town only entered into agreements with the Developers that required the Developers – not the District – to construct the public infrastructure within the District.

(G) The final assessed valuation of the special district as of December 31 of the reporting year

See **Exhibit A**

(H) A copy of the current year's budget

See **Exhibit A**

(I) 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

See **Exhibit B**

(J) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district

None.

(K) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

None.

NOTE 1: The District's debt is comprised of two series of bonds issued in 2016 – senior bonds and subordinate bonds – which mature in 2046. The Subordinate bonds are cash flow bonds that accrue interest at 6.5%. During the current reporting period, Pledged Revenue available for funding payments on the Subordinate Bonds was not sufficient to fund total interest accruing on the Subordinate Bonds. If Pledged Revenue is insufficient to fully fund accrued interest on the Subordinate Bonds, such event is not a default per the terms of the Subordinate Bond Indenture. Pledged Revenue for 2025 is projected to be sufficient to fully fund both the Senior Bond payment and accrued interest on the Subordinate Bonds.

NOTE 2: The Subordinate Bonds are held by SV Bond Holdings, LLC, an affiliate of the company that employed the individuals who served on the District's Board when the Board approved issuing Subordinate Bonds funded by public tax dollars.

The following additional information is provided pursuant to Section VI of the District's first amended and restated Service Plan (approved by the City on October 17, 2006):

1) Copies of the District's rules and regulations, if any, as of December 31 of the prior year.

The Board did not adopt any new policies or amend/modify any existing policies during the current reporting period.

# Exhibit A

District's 2024 Adopted Budget, Certified Mill Levy and 2023 Assessed Valuation

## **BUDGET MESSAGE**

Base Village Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 07, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under an amended and restated consolidated service plan approved by the Town of Snowmass Village (Town) on October 23, 2006 (“Service Plan”). The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District and Base Village Metropolitan District No. 1 (“BV Metro 1”).

The District was established to provide financing for the design, acquisition, construction and installation of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito, pest control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District's service area is approximately 25.1 acres and comprised of a mix of condominium housing, hotels and retail shops and commercial development located in Pitkin County, Colorado entirely within the boundaries of the Town.

For the collection year 2024, the District adopted a mill levy of 0.000 for general operations and 44.552 for debt service, with a total budget of \$3,305,900. The District’s assessed valuation increased by approximately \$27,243,740 (or 58.0%) to \$74,202,180 from the prior year.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

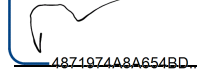
**CERTIFICATION OF BUDGET FOR**  
**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Base Village Metropolitan District No. 2, for the budget year ending December 31, 2024, as adopted on November 15, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Base Village Metropolitan District No. 2 in Pitkin County, Colorado, this 6<sup>th</sup> day of January 2024.

DocuSigned by:



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Thomas Kosich, Chairman

# **BASE VILLAGE METROPOLITAN DISTRICT NO. 2**

**SNOWMASS VILLAGE  
PITKIN COUNTY, COLORADO**



**2024 Budget**

**(Adopted on November 15, 2023)**



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Building G, Suite 3700  
Denver, Colorado 80238  
Telephone (720) 541-7725

### Accountant's Report

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

The accompanying forecasted budget of revenues, expenditures and fund balances of the Base Village Metropolitan District No.2 for the General Fund, Debt Service Fund and Capital Project Fund for the year ending December 31, 2024 and the forecasted estimate of comparative information for the year ending December 31, 2023 were not subjected to an audit, review, or compilation engagement by me and, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on them.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. 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.

A handwritten signature in cursive script that reads "Charles Wolfersberger".

Charles Wolfersberger, CPA  
Henderson, CO

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**SUMMARY**  
**FORECASTED 2023 BUDGET AS PROPOSED**  
**WITH 2020 ACTUAL AND 2022 ESTIMATED**  
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	ADOPTED 2024
<b>BEGINNING FUND BALANCE</b>	\$ 1,730,112	\$ 1,923,025	\$ 2,184,000
<b>REVENUES</b>			
Property taxes	2,363,196	2,343,000	3,305,900
Specific ownership taxes	83,378	84,300	119,000
Capital facilities fees	17,167	51,500	51,500
Interest income	33,189	101,875	108,500
<b>Total Revenues</b>	<b>2,496,930</b>	<b>2,580,675</b>	<b>3,584,900</b>
<b>Interfund transfers</b>	-	58,200	512,900
<b>Total Funds Available</b>	<b>4,227,042</b>	<b>4,561,900</b>	<b>6,281,800</b>
<b>EXPENDITURES</b>			
General and administration	-	14,100	-
Debt service			
a) Bond principal – Series 2016A Bonds	385,000	410,000	475,000
b) Bond interest – Series 2016A Bonds	1,747,638	1,726,500	1,703,900
c) Bond interest – Series 2016B Bonds	-	-	862,300
d) Direct and indirect collection costs	171,379	169,100	239,500
<b>Total Expenditures Requiring Appropriation</b>	<b>2,304,017</b>	<b>2,319,700</b>	<b>3,280,700</b>
<b>OTHER FINANCING USES</b>			
Transfers to BVMD1	-	-	-
Inter-fund transfers	-	58,200	512,900
<b>Total expenditures and transfers out requiring appropriation</b>	<b>2,304,017</b>	<b>2,377,900</b>	<b>3,793,600</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,923,025</b>	<b>\$ 2,184,000</b>	<b>\$ 2,488,200</b>
EMERGENCY RESERVE	\$ 9,200	\$ 14,700	\$ -
SERIES 2016A BONDS – RESERVE FUND	657,700	654,200	654,200
SERIES 2016A BONDS – SURPLUS FUND	981,469	1,016,900	1,834,000
<b>TOTAL DEBT RESERVES</b>	<b>\$ 1,648,369</b>	<b>\$ 1,685,800</b>	<b>\$ 2,488,200</b>

This financial information should be read only in connection with the summary of significant assumptions.

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

	ADOPTED 2022	ADOPTED 2023	ADOPTED 2024
<b>CERTIFIED ASSESSED VALUATION – PITKIN COUNTY</b>	\$ 48,958,180	\$ 46,958,440	\$ 74,202,180
<b>MILL LEVY</b>			
GENERAL FUND	6.000	6.000	-
DEBT SERVICE FUND	41.748	43.897	44.552
<b>Total Mill Levy</b>	47.748	49.897	44.552
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 293,700	\$ 281,800	\$ -
DEBT SERVICE FUND	2,043,900	2,061,200	3,305,900
<b>Total Property Tax Revenue</b>	\$ 2,337,600	\$ 2,343,000	\$ 3,305,900

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**GENERAL FUND**  
**FORECASTED 2024 BUDGET AS PROPOSED**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	ADOPTED 2024
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 292,945	\$ 512,900
<b>REVENUES</b>			
Property taxes	296,452	281,800	-
Specific ownership taxes	10,481	10,100	-
Interest income	705	355	-
<b>Total Revenues</b>	307,638	292,255	-
<b>Total Funds Available</b>	307,638	585,200	512,900
<b>EXPENDITURES</b>			
General and administration	14,693	14,100	-
Other expenses	-	-	-
<b>Total Expenditures</b>	14,693	14,100	-
<b>OTHER FINANCING USES</b>			
Transfers to BVMD1	-	-	-
Transfers to debt fund	-	58,200	512,900
<b>Total other financing sources (uses)</b>	-	58,200	512,900
<b>Total Expenditures Requiring Appropriation</b>	14,693	72,300	512,900
<b>ENDING FUND BALANCE</b>	\$ 292,945	\$ 512,900	\$ -
<b>EMERGENCY RESERVE</b>	\$ 9,200	\$ 14,700	\$ -

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**GENERAL FUND EXPENDITURE DETAILS**  
**FORECASTED 2024 BUDGET AS PROPOSED**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	ADOPTED 2024
<b>GENERAL AND ADMINISTRATION</b>			
Management and accounting fees	\$ -	\$ -	\$ -
Administrative costs	3	-	-
Audit fees	-	-	-
Collection fees – County Treasurer (5% of property taxes)	14,690	14,100	-
Insurance	-	-	-
Legal fees – general	-	-	-
Election costs	-	-	-
Contingency	-	-	-
<b>Total General and Administration</b>	<b>\$ 14,693</b>	<b>\$ 14,100</b>	<b>\$ -</b>

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**DEBT SERVICE FUND**  
**FORECASTED 2024 BUDGET AS PROPOSED**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	ADOPTED 2024
<b>BEGINNING FUND BALANCE</b>	\$ 1,730,112	\$ 1,630,080	\$ 1,671,100
<b>REVENUES</b>			
Property taxes	2,066,744	2,061,200	3,305,900
Specific ownership taxes	72,897	74,200	119,000
Capital Facilities Fees	17,167	51,500	51,500
Interest income	32,484	101,520	108,500
<b>Total Revenues</b>	<b>2,189,292</b>	<b>2,288,420</b>	<b>3,584,900</b>
<b>OTHER FINANCING SOURCES</b>			
Fund transfers in	-	58,200	512,900
<b>Total Funds Available</b>	<b>3,919,404</b>	<b>3,976,700</b>	<b>5,768,900</b>
<b>EXPENDITURES</b>			
Direct and indirect collection costs	156,686	169,100	239,500
Bond principal – Series 2016A Bonds	385,000	410,000	475,000
Interest payments – Series 2016A Bonds	1,747,638	1,726,500	1,703,900
Interest payments – Series 2016B Bonds	-	-	862,300
<b>Total Expenditures</b>	<b>2,289,324</b>	<b>2,305,600</b>	<b>3,280,700</b>
<b>OTHER FINANCING USES</b>			
Fund transfers out	-	-	-
<b>Total Expenditures Requiring Appropriation</b>	<b>2,289,324</b>	<b>2,305,600</b>	<b>3,280,700</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,630,080</b>	<b>\$ 1,671,100</b>	<b>\$ 2,488,200</b>
SERIES 2016A BONDS – RESERVE FUND	\$ 657,700	\$ 654,200	\$ 654,200
SERIES 2016A BONDS – SURPLUS FUND	981,469	1,016,900	1,834,000
<b>TOTAL DEBT RESERVE</b>	<b>\$ 1,639,169</b>	<b>\$ 1,671,100</b>	<b>\$ 2,488,200</b>

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**DEBT SERVICE FUND**  
**FORECASTED 2024 BUDGET AS PROPOSED**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
For the Years Ended and Ending December 31,

	ACTUAL 2022	ESTIMATED 2023	ADOPTED 2024
<b>DIRECT AND INDIRECT COLLECTION COSTS</b>			
Management and accounting fees	\$ 36,393	\$ 38,000	\$ 38,000
Administrative costs	1,454	2,000	3,000
Collection fees – County Treasurer (5% of property taxes)	102,453	103,100	165,300
Audit fees	7,150	7,200	7,200
Bond trustee fees	6,100	6,100	6,100
Board of directors' fees	-	-	-
Insurance	2,590	2,700	5,800
Legal fees – general	546	10,000	5,000
Contingency	-	-	9,100
<b>Total Direct and Indirect Collection Costs</b>	<b>\$ 156,686</b>	<b>\$ 169,100</b>	<b>\$ 239,500</b>

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Definition of Reporting Entity and Description of Services Provided**

Base Village Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 07, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under an amended and restated consolidated service plan approved by the Town of Snowmass Village (Town) on October 23, 2006 (“Service Plan”). The Service Plan defines the powers and authorities of, as well as the limitations and restrictions on, the District and Base Village Metropolitan District No. 1 (“BV Metro 1”).

The District was established to provide financing for the design, acquisition, construction and installation of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito, pest control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District's service area is approximately 25.1 acres and comprised of a mix of condominium housing, hotels and retail shops and commercial development located in Pitkin County, Colorado entirely within the boundaries of the Town.

The District has no employees and all operations and administrative functions 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 boundaries of BV Metro 1 and the District do not overlap and, therefore, each District is controlled by and responsible to a separate group of voters. Thus, the voters and taxpayers within the District do not have the ability to elect directors to serve on the board of BV Metro 1 and the voters and taxpayers within BV Metro 1 do not have the ability to elect directors to serve on the board of the District.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including the Town and BV Metro 1.

**Accounting Basis**

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**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.

On November 07, 2006, District voters authorized the District to assess a mill levy not to exceed 6 mills annually on all taxable real property within the District to pay the District’s administration, operations and maintenance expenses (TABOR Imposed General Fund Mill Levy Maximum). Additionally, the District voters authorized the District to retain and spend all revenue collected from this mill levy regardless of any TABOR spending, revenue raising or other limitations.

The Service Plan establishes a Maximum Mill Levy of 49.5 mills that can collectively be assessed on property owners within the District, BV Metro 1 and Snowmass Village General Improvement District No. 1 (“GID”) to fund the debt service and operational costs of these three entities. The Maximum Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the Town). As of October 23, 2006, the ratio was 7.96%. The ratio for 2024 is 6.700%, which causes the Maximum Mill Levy for 2024 to be 58.809.

The Service Plan allows for an exception to the Maximum Mill Levy. The District may establish a mill levy for debt service in any year that is sufficient to fund the annual principal and interest payments due on the District’s general obligation debt even if the District’s debt mill levy causes the Maximum Mill Levy that is collectively imposed across all three entities to be exceeded.

<b>Entities Subject to Maximum Mill Levy Restriction</b>	<b>2022 (Actual)</b>	<b>2023 (Actual)</b>	<b>2024 (Budget)</b>
District – debt mill levy	41.748	43.897	44.552
District – op mill levy	6.000	6.000	-
District – contractual obligations	-	-	-
GID mill levy	6.000	6.000	6.000
<b>Collective Mill Levy</b>	<b>53.748</b>	<b>55.897</b>	<b>50.552</b>
Maximum Mill Levy (as adjusted)	55.108	57.944	58.809
<b>(Over) / Under Max Mill Levy</b>	<b>1.360</b>	<b>2.047</b>	<b>8.257</b>

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

For the collection year 2024, the District adopted a mill levy of 0.000 for operations and 44.124 (Senior Required Mill Levy – defined below) for debt service. The calculation is reflected on page 2 of the budget.

**Specific Ownership Taxes**

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle’s age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the county. The 2024 budget projects the District’s share of specific ownership taxes received from the State will be equal to approximately 3.6% of total property taxes collected.

The District allocates specific ownership tax revenue proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

**Capital Facility Fees**

On November 28, 2016, the District passed a resolution imposing a one-time Capital Facilities Fee on each Residential Unit which is payable to the District on the date each Residential Unit is sold by a Builder to an End User. The Capital Facilities Fee is \$5,150 per constructed Residential Unit. Capital Facilities Fees are included in the definition of Senior Pledged Revenue and are pledged towards the repayment of the Series 2016A Senior Bonds. The District estimates 10 Residential Units will be sold in 2023 and 10 Residential Units will be sold in 2024.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures include legal, management, accounting, insurance, banking, and board meeting expenses necessary to ensure the District continues to provide services to District residents. Per the November 28, 2016 IGA between the District and BV Metro 1 (see below), the District reimburses BV Metro 1 for providing general and administrative services to the District. Since October 2020, the District replaced BV Metro 1 with third-party contractors to manage the District’s general and administrative functions.

**Direct and Indirect Collection Costs**

The District provides no services to District residents and property owners. The District’s sole function is to manage the repayment of the District’s debts. Consequently, all costs incurred by the District are considered direct or indirect collection costs supporting the repayment of the District’s debts.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

**IGA With BV Metro 1**

BV Metro 1 owns and operates certain public facilities within the boundaries of the District (i.e. conference center, transit center and parking garage) and generates fee revenue from operating these public facilities. Fee revenue generated by BV Metro 1 from operating these public facilities has historically not been sufficient to cover the costs of operating and maintaining such facilities within the District.

On November 28, 2016, the District and BV Metro 1 entered into an Operations, Maintenance and Administrative Service Agreement (OMA Agreement). Per the OMA Agreement:

- BV Metro 1 provides all operating and administrative functions for the District;
- BV Metro 1 commits to generating property tax revenue to fund its operations and services with a mill levy of no less than 43.5 mills (Minimum BVMD1 Mill Levy). Because all real property within BV Metro 1 is commercial property, the Minimum BVMD1 Mill Levy is not adjusted annually for any changes in the ratio of taxable valuation to assessed valuation of real residential property.
- The District commits to levying a general fund mill levy that is sufficient to cover BV Metro 1's expenses net of property tax revenue generated from the Minimum BVMD1 Mill Levy and fee revenue generated from the operation of public facilities owned by BV Metro 1. The mill levy under this commitment cannot be adjusted to exceed the voter-imposed 6-mill maximum levy to fund the administration, maintenance and capital replacement of the District's facilities and operations;
- The District's commitment to provide funding to BV Metro 1 terminates when BV Metro 1's revenues exceeds its expenditures;
- BV Metro 1 is committed to continue operating the public facilities located within the District and providing operating and administrative functions for the District after the District's funding commitment to BV Metro 1 is terminated.

Historic and projected funding by the District to BV Metro 1 under this IGA is provided on page 17.

Per the Senior Indenture of Trust, the mill levy generated by the District under this IGA is a component of the Senior Required Mill Levy (defined below).

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Related Parties to the IGA: When the IGA was executed, all directors serving on the District's board were also serving on BV Metro 1's board at the same time. All directors at that time reported potential conflicts of interest related to their service as directors on both districts. Both districts had contractual relationships with entities that were owned by or employers of the directors.

Of the four directors serving on the board of BV Metro 1 (Director Blasberg, Director Stuart, Director Gunion and Director Singer) in 2023, three such directors reported potential conflicts of interest related to their service on the BV Metro 1 board.

Director Blasberg is an employee of East West Partners, Inc., director on the Capitol Peak Lodge HOA board (which is partially funded by BV Metro 1 and in which the conference center operated by BV Metro 1 is located), president of the One Snowmass HOA board (which is partially funded by BV Metro 1, in which the transit center operated by BV Metro 1 is located) and director on the Master Association board.

Director Gunion is president of Snowmass Ventures, LLC, which owns and operates various subsidiaries that operate within BV Metro 1, and is an employee of East West Partners, Inc.

Although Director Singer has filed no conflicts of interest disclosures with the State of Colorado regarding his service on the BV Metro 1 board, he is an officer of Snowmass Ventures, LLC.

BV Metro 1 has contracted with SV Snowmass Hospitality, LLC to (1) operate and maintain BV Metro 1's conference center, (2) operate and maintain BV Metro 1's transit center, (3) administer parking fees for BV Metro 1's parking garage and (4) provide general management services to BV Metro 1 and the District. For 2024, BV Metro 1 budgeted paying SV Snowmass Hospitality, LLC \$172,134 in management fees to operate the three facilities. SV Snowmass Hospitality, LLC is owned by Snowmass Ventures, LLC.

BV Metro 1 also pays monthly dues to the Capitol Peak Lodge Condo Association, BV Garage Condo Association and One Snowmass HOA. For 2024, 35% or \$605,822 of the BV Metro 1's total budgeted expenditures of \$1,751,780 was comprised of HOA dues paid to these three HOA entities. The boards of all three HOAs are controlled by a majority of directors who are owners or employees of Snowmass Ventures, LLC and/or its subsidiaries or affiliates.

The District and Snowmass Ventures, LLC (Snowmass Ventures) a party related to Snowmass Ventures, LLC) entered into that certain "Operations Guaranty Agreement," dated as of November 28, 2016 for the purpose of establishing a source of supplemental funding for operating costs of BV Metro 1 incurred pursuant to the IGA. Snowmass Ventures is obligated to provide operating funds to BV Metro 1 provided that both BV Metro 1 and the District certify the full amount of the property tax mill levy required and authorized to be levied by the Districts for operating costs, and otherwise use every reasonable effort to collect other revenues to fund such costs. BV Metro 1 is obligated to reimburse Snowmass Ventures such advances from available funds, subject to annual appropriation.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2016A Senior Bonds**

On December 22, 2016, the District issued \$31,260,000 General Obligation Limited Tax Refunding Bonds, Series 2016A ("Senior Bonds"). The Senior Bonds were issued as two term bonds that bear interest at 5.50% (on \$11,785,000 principal) and 5.75% (on \$19,475,000 principal), and are payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on June 01, 2017. The Senior Bonds mature on December 01, 2046.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) all Capital Facility Fees;
- d) all Capital Levy Revenue (from which Shortfalls shall be paid); and
- e) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Senior Required Mill Levy is defined as the mill levy necessary to generate sufficient property tax revenue during the year to (1) fully pay the annual principal and interest payment due on the Senior Bonds, (2) ensure the Senior Reserve Fund is replenished to \$654,168 (the Senior Reserve Requirement), and (3) the Surplus Fund is fully funded at the Maximum Surplus Amount. The Senior Required Mill Levy is either 37.5 mills or, if 37.5 mills combined with certain other revenue sources does not generate sufficient revenue to fully fund the annual principal and interest payment due on the Senior Bonds, 43.5 mills. The Senior Required Mill Levy is adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the Town). As of October 23, 2006, the ratio was 7.96%. The ratio for 2024 is 6.700%, which caused the Senior Required Mill Levy for 2024 to be either 44.552 mills or 51.681 mills.

Per Section 3.06 of the Senior Indenture of Trust, the District will be applying "Level B" Revenue to the Annual Debt Service Requirements in 2024. Level B Revenue consists of (1) property tax revenue generated from the Required Mill Levy of 44.552 mills net of any costs of collection, (2) related specific ownership tax revenue, (3) capital facility fee revenue and (4) amounts on deposit in the Surplus Fund in excess of \$1 million.

Amounts on deposit in the Senior Reserve Fund and in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Reserve Fund and the Senior Surplus Fund in accordance with the Senior Indenture up to the Senior Reserve Requirement and the Maximum Surplus Amount, respectively.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2022, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

<u>Date of Redemption</u>	<u>Redemption Premium (%)</u>	<u>Redemption Premium (\$)</u>
December 01, 2023, to November 30, 2024	2.0%	\$ 625,200
December 01, 2024, to November 30, 2024	1.0%	\$ 312,600
December 01, 2024, and thereafter	0.0%	\$ -

The District's debt service schedule for its Senior Bonds is provided on page 16.

**Capital Pledge Agreement between the District and BV Metro 1**

On December 22, 2016, the District entered into a Capital Pledge Agreement with BV Metro 1 by which BV Metro 1 has pledged the Capital Levy Revenue to the District for payment of the Bonds (subject to the limitations as outlined in the Agreement). BV Metro 1 will impose a capital levy each year in the number of mills necessary to produce the Capital Levy Revenue in an amount at least equal to the amount required to cover the annual Shortfall (defined below) through a pledge of the Capital Levy Revenue to the District. The Capital Levy shall not exceed 43.5 mills, as adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. The Capital Levy Revenue includes the property tax revenue derived from the imposition of the Capital Levy plus specific ownership tax revenue allocable to such Capital Levy, less costs of collection.

The pledge of the Capital Levy Revenue secures the obligation of BV Metro 1 to make Shortfall payments in accordance with the Capital Pledge Agreement. The annual Shortfall is determined when the sum of the District Required Mill Levy – net of all collection costs, the proportionate share of Specific Ownership Taxes, the Capital Facility Fees received, and the moneys in the Surplus Fund in excess of \$1,000,000, are less than the Senior Debt Service Requirements for the same Bond Year. Such insufficiency shall constitute a "Shortfall" and a Shortfall shall be deemed to occur with respect to such Bond Year. No Shortfall is projected to occur in 2024.

**Series 2016B Subordinate Bonds**

On December 22, 2016, the District issued \$13,330,000 Subordinate General Obligation Limited Tax Refunding Bonds, Series 2016B ("Subordinate Bonds"). The Subordinate Bonds were issued at the rate of 6.500% per annum and are payable annually on December 15, beginning December 15, 2017, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
- c) all Subordinate Capital Facility Fee Revenue (meaning any Capital Facility Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds);
- d) any amounts released from the Senior Surplus Fund pursuant to the terms of the Senior Indenture; and
- e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2022, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium (%)</u>	<u>Redemption Premium (\$)</u>
December 15, 2023, to December 14, 2024	2.0%	\$ 266,600
December 15, 2024, to December 14, 2024	1.0%	\$ 133,000
December 15, 2024, and thereafter	0.0%	\$ -

In the event any amount of principal or interest on the Subordinate Bonds remains unpaid on December 15, 2048, the Subordinate Bonds will be discharged and the bondholders will have no recourse against the District.

Payments toward interest and principal on the Subordinate Bonds can be made provided the Series 2018A Bonds are current and the Reserve Fund and Surplus Fund for the Series 2018A Bonds are fully funded. The District is required to impose the minimum required mill levy of 44.552 mills until the Subordinate Series 2018B Bonds are fully paid or discharged on December 15, 2048; however, only revenues resulting from the number of mills equal to 44.552 mills less the Senior Required Mill Levy are pledged to payment of the Subordinate Series 2018B Bonds.

The Subordinate Required Mill Levy is adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. The Subordinate Required Mill Levy for 2024 is 0.000 mills (i.e. 44.552 mills less the Senior Required Mill Levy).

#### **Leases**

The District has no operating or capital leases.

### Reserve Funds

#### **Emergency Reserve**

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending, excluding spending appropriations for bonded debt service, for 2024 as defined under TABOR.

#### **Senior Bond Fund – Reserve Fund**

The Senior Bond Reserve Fund was established as additional security for the bonds and will be used to fund any deficiencies in the amounts required to pay bond principal and interest when due. The Reserve Fund was initially funded from the proceeds of the Senior Bonds. In accordance with the Senior Indenture, the Senior Reserve Fund must be funded up to the Maximum Reserve Amount of \$654,168.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Senior Bond Fund – Surplus Fund**

The Senior Bond Surplus Fund was established as additional security for the bonds and will be used to fund any deficiencies in the amounts required to pay bond principal and interest when due. The Surplus Fund will be funded solely from any Pledged Revenue remaining after annual payments on the Senior Bonds are fully satisfied and the Reserve Fund is fully funded. In accordance with the Senior Indenture, the Surplus Fund must be funded up to the Maximum Surplus Amount of \$2,000,000. The Maximum Surplus Amount will decrease to \$1,000,000 when the District's debt to assessed valuation ratio drops below 50%. Pursuant to the Subordinate Bond Indenture of Trust, any moneys released from the Senior Surplus Fund will be classified as Subordinate Pledged Revenue.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

The District's repayment schedule for its Series 2016A Senior Bonds is as follows:

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest Rate</b>	<b>Total</b>
<b>2024</b>	\$ 475,000	\$ 1,703,912	5.50% – 5.75%	\$ 2,178,912
<b>2025</b>	500,000	1,677,788	5.50% – 5.75%	2,177,788
<b>2026</b>	570,000	1,650,287	5.50% – 5.75%	2,220,287
<b>2027</b>	600,000	1,618,938	5.50% – 5.75%	2,218,938
<b>2028</b>	680,000	1,585,937	5.50% – 5.75%	2,265,937
<b>2029</b>	715,000	1,548,538	5.50% – 5.75%	2,263,538
<b>2030</b>	800,000	1,509,213	5.50% – 5.75%	2,309,213
<b>2031</b>	845,000	1,465,212	5.50% – 5.75%	2,310,212
<b>2032</b>	940,000	1,418,738	5.50% – 5.75%	2,358,738
<b>2033</b>	990,000	1,367,037	5.50% – 5.75%	2,357,037
<b>2034</b>	1,090,000	1,312,587	5.50% – 5.75%	2,402,587
<b>2035</b>	1,150,000	1,252,637	5.50% – 5.75%	2,402,637
<b>2036</b>	1,265,000	1,189,388	5.50% – 5.75%	2,454,388
<b>2037</b>	1,330,000	1,119,812	5.75%	2,449,812
<b>2038</b>	1,455,000	1,043,338	5.75%	2,498,338
<b>2039</b>	1,540,000	959,674	5.75%	2,499,674
<b>2040</b>	1,680,000	871,125	5.75%	2,551,125
<b>2041</b>	1,775,000	774,524	5.75%	2,549,524
<b>2042</b>	1,930,000	672,462	5.75%	2,602,462
<b>2043</b>	2,040,000	561,488	5.75%	2,601,488
<b>2044</b>	2,210,000	444,188	5.75%	2,654,188
<b>2045</b>	2,335,000	317,113	5.75%	2,652,113
<b>2046</b>	3,180,000	182,850	5.75%	3,362,850
	<b><u>\$ 30,095,000</u></b>	<b><u>\$26,246,786</u></b>		<b><u>\$ 56,341,786</u></b>

The original face value of the Series 2016A Senior Bonds totaled \$31,260,000. Interest is payable each year on June 1<sup>st</sup> and December 1<sup>st</sup>, and principal payments are due each year on December 1<sup>st</sup>.

No debt-to-maturity schedule is provided for the Series 2016B Subordinate Bonds because such obligations are payable from Subordinate Pledged Revenue, if and when such revenue is available to repay these bonds.

This financial information should be read only in connection with the summary of significant assumptions.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**FUNDING PROVIDED TO BV METRO 1 UNDER  
 NOVEMBER 28, 2016 IGA**

Historic and projected funding by the District to BV Metro 1 under this IGA is as follows:

	2018 (Actual)	2019 (Actual)	2020 (Actual)	2021 (Actual)	2022 (Actual)	2023 (Estimated)	2024 (Budget)	Total (Note B)
Gross revenue – BV Metro 1 (Note A)	\$ 844,210	\$ 1,031,929	\$ 941,884	\$ 952,277	\$ 1,118,592	\$ 1,274,224	\$ 1,603,476	
BV Metro 1 expenditures	( 952,690)	(1,163,785)	(1,088,367)	(1,101,340)	( 1,294,415)	(1,644,602)	(1,751,780)	
<b>BVMD1 net (expense)/revenue</b>	<b>( 108,480)</b>	<b>( 131,856)</b>	<b>( 146,483)</b>	<b>( 149,063)</b>	<b>( 175,823)</b>	<b>( 370,378)</b>	<b>( 148,304)</b>	
District funding provided to BV Metro 1	191,977	215,987	247,900	-	-	-	-	
<b>Funds provided to BV Metro 1 in excess of IGA funding commitment</b>	<b>\$ 83,497</b>	<b>\$ 84,131</b>	<b>\$ 101,417</b>	<b>(\$ 149,063)</b>	<b>(\$ 175,823)</b>	<b>( 370,378)</b>	<b>( 148,304)</b>	<b>(\$ 426,219)</b>

**Note A** – Because all taxable real property within the boundaries of BV Metro 1 is commercial property, BV Metro 1 is not required to adjust its Minimum Mill Levy Commitment for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the Town).

**Note B** – Due to (1) the multiple related party relationships among the directors serving on the BVMD1 board, the directors serving on the HOAs (which charge fees/dues to BVMD1) and companies providing management services to BVMD1 and (2) the apparent common control that exists among all such entities which allows expenses and revenues to potentially be shifted among all such entities at other than “arms-length” terms, the District believes it is likely the terminating event for the 2016 IGA may have already occurred (i.e. BVMD1 annual revenues exceed BVMD1 annual expenditures) had all entities conducted transactions (e.g. HOA dues assessments charged to BVMD1, management fees charged to BVMD1 and service fees charged by BVMD1) among themselves on “arms-length” terms.

This financial information should be read only in connection with the summary of significant assumptions.

**NOTICE CONCERNING PROPOSED  
2024 BUDGET OF  
BASE VILLAGE  
METROPOLITAN DISTRICT NO. 2**

NOTICE is hereby given that a proposed budget has been submitted to the Board of Directors of Base Village Metropolitan District No. 2 for the ensuing year of 2024; that a copy of such proposed budget has been filed in the office of Wolfersberger, LLC, 8354 Northfield Blvd, Building G, Suite 3700, Denver, Colorado 80238, where the same is open for public inspection; and that such proposed budget will be considered at a public hearing of the Board of Directors of the District to be held on Wednesday November 15, 2023 at 8:00 a.m. online location: <https://www.gotomeet.me/Wolfersberger> Members of the public may also participate via phone using the dial-in number (571) 317-3112 and access code #937-865-597. Any elector within the District may, at any time prior to the final adoption of the budget, inspect the budget and file or register any objections thereto.

BASE VILLAGE METROPOLITAN  
DISTRICT NO. 2  
By: Charles Wolfersberger  
District Manager

Published In: The Snowmass Sun

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
RESOLUTION TO ADOPT 2024 BUDGET**

WHEREAS, the Board of Directors (“Board”) of Base Village Metropolitan District No. 2 (“District”) has appointed Wolfersberger, LLC (“District Manager”) to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Manager has submitted the proposed budget to the Board for its consideration on October 15; and

WHEREAS, upon due and proper notice, posted in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 15, 2023, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Base Village Metropolitan District No. 2:

1. That estimated expenditures and fund transfers out for each fund are as follows:

General Fund	\$ 512,900
Debt Service Fund	3,280,700

2. That estimated revenues for each fund are as follows:

<b>General Fund:</b>	
From unappropriated surpluses	\$ 512,900
From sources other than general property tax	-
From general property tax	-
<b>Subtotal</b>	<b>\$ 512,900</b>

<b>Debt Service Fund:</b>	
From unappropriated surpluses	\$ 1,671,100
From sources other than general property tax	279,000
Fund transfers in	512,900
From general property tax	3,305,900
<b>Subtotal</b>	<b>\$ 5,768,900</b>

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of Base Village Metropolitan District No. 2 for the 2024 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the District Manager to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of tax revenues necessary to balance the budget for general operating expenses is \$0; and

WHEREAS, the amount of tax revenues necessary to balance the budget for debt service expenses is \$3,305,900; and

WHEREAS, the 2024 valuation for assessment of the District to fund general operating expenses, contractual obligation expenses and debt costs as certified by the County Assessor, is \$74,202,180.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Base Village Metropolitan District No. 2:

1. That for the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a property tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$0.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a property tax of 44.552 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$3,305,900.

3. That the District Manager is hereby authorized and directed to immediately certify to the County Commissioners of Pitkin County, Colorado, the mill levies for the District as hereinabove determined and set.

**TO APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

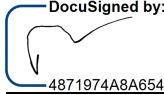
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Base Village Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund	\$ 512,900
Debt Service Fund	3,280,700

Adopted this 15<sup>th</sup> day of November 2023.

BASE VILLAGE METROPOLITAN DISTRICT  
NO. 2

By:   
4871974A8A654BD...  
Thomas Kosich, Chairman

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: The County Commissioners of PITKIN COUNTY, Colorado

On behalf of the BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
(taxing entity)

the BOARD OF DIRECTORS  
(governing body)

of the BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
(local government)

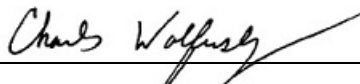
**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 74,202,180  
(GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area, the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 74,202,180  
(NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 01/06/2024 for the budget/fiscal year 2024  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY	REVENUE
1. General Operating Expenses	<u>0.000</u> mills	<u>\$ 0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	<u>n/a</u> mills	<u>n/a</u>
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>0.000</u> mills</b>	<b><u>0</u></b>
3. General Obligation Bonds and Interest	<u>44.552</u> mills	<u>3,305,855</u>
4. Contractual Obligations	<u>n/a</u> mills	<u>n/a</u>
5. Capital Expenditures	<u>n/a</u> mills	<u>n/a</u>
6. Refunds/Abatements	<u>n/a</u> mills	<u>n/a</u>
7. Other (specify):	<u>n/a</u> mills	<u>n/a</u>
<b>TOTAL:</b> Sum of General Operating Subtotal and Lines 3 to 7	<b><u>44.552</u> mills</b>	<b><u>\$ 3,305,855</u></b>

Contact person: Charles Wolfersberger Daytime phone: (720) 541-7725

Signed:  Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT** (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Refund the District's series 2013 debt and series 2011 bonds</u>  |
|    | Series:           | <u>Series 2016A GO Limited Tax Refunding Bonds (\$31.26 million)</u> |
|    | Date of Issue:    | <u>December 22, 2016</u>   |
|    | Coupon Rate:      | <u>5.50% to 5.75%</u>  |
|    | Maturity Date:    | <u>December 01, 2046</u>   |
|    | Levy:             | <u>31.920</u>  |
|    | Revenue:          | <u>\$2,368,533</u>   |
|    |                   |  |
| 2. | Purpose of Issue: | <u>Refund the District's series 2013 debt and series 2011 bonds</u>  |
|    | Series:           | <u>Series 2016B GO Limited Tax Refunding Bonds (\$13.33 million)</u> |
|    | Date of Issue:    | <u>December 22, 2016</u>   |
|    | Coupon Rate:      | <u>6.5%</u>  |
|    | Maturity Date:    | <u>December 15, 2048</u>   |
|    | Levy:             | <u>12.632</u>  |
|    | Revenue:          | <u>\$937,322</u>   |

**CONTRACTS:**

- |    |                      |            |
|----|----------------------|------------|
| 1. | Purpose of Contract: | <u>n/a</u> |
|    | Title:               | <u>n/a</u> |
|    | Date:                | <u>n/a</u> |
|    | Principal Amount:    | <u>n/a</u> |
|    | Maturity Date:       | <u>n/a</u> |
|    | Levy:                | <u>n/a</u> |
|    | Revenue:             | <u>n/a</u> |
|    |                      |            |
| 2. | Purpose of Contract: | <u>n/a</u> |
|    | Title:               | <u>n/a</u> |
|    | Date:                | <u>n/a</u> |
|    | Principal Amount:    | <u>n/a</u> |
|    | Maturity Date:       | <u>n/a</u> |
|    | Levy:                | <u>n/a</u> |
|    | Revenue:             | <u>n/a</u> |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

# Exhibit B

2023 Annual Financial Statements w Audit Opinion



**BASE VILLAGE METRO DISTRICT NO. 2**  
SNOWMASS, COLORADO



**FINANCIAL STATEMENTS**  
**As of and for the 12-month period ended**  
**December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Base Village Metropolitan District No. 2

Pitkin County, CO

### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Base Village Metropolitan District No. 2 (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District'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 each major fund of District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the general fund 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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 the District'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.

### Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the District'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 the District'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.

## **Other Matters**

### Required Supplementary Information

Management has omitted 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 the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Castle Pines, Colorado  
September 23, 2024

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 448,689
Cash and investments – restricted	2,051,106
Accounts receivable – specific ownership taxes	5,990
Accounts receivable - capital facility fees	-
Property taxes receivable	3,305,900
Prepaid expenses	8,700
<b>Total Assets</b>	<b>\$ 5,820,385</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 1,000
Accrued interest payable	7,559,858
Bond premium	41,185
Current portion of municipal bonds	475,000
General obligation refunding loans	42,950,000
<b>Total Liabilities</b>	<b>51,027,043</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	3,305,900
<b>NET POSITION (DEFICIT)</b>	
Restricted:	
Emergency reserves	-
Debt service	2,055,376
Contractual obligations	-
Non-spendable	8,700
Unassigned:	(50,576,634)
<b>Net Position (Deficit)</b>	<b>\$ (48,512,558)</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
For the 12-Month Period Ended  
December 31, 2023

Functions/Programs	Expenses	Charges For Services	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
<b>Government Activities:</b>					
General government activities	\$ (14,105)	\$ -	\$ -	\$ -	\$ (14,105)
Interest and related costs on long-term debt	<u>(3,291,683)</u>	<u>-</u>	<u>-</u>	<u>329,600</u>	<u>(2,962,083)</u>
	<u><b>\$ (3,305,788)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 329,600</b></u>	<u><b>(2,976,188)</b></u>
<b>General Revenues</b>					
					\$ 2,367,997
					83,558
					<u>119,509</u>
					<u><b>2,571,064</b></u>
					<u><b>(405,124)</b></u>
					<u><b>(48,107,434)</b></u>
					<u><b>\$ (48,512,558)</b></u>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**December 31, 2023**

	General Fund	Debt Service Fund	Total Government Funds
<b>ASSETS</b>			
Cash and investments	\$ 448,689	\$ -	\$ 448,689
Cash and investments - Restricted	-	2,051,106	2,051,106
Accounts receivable – spec ownership taxes	720	5,270	5,990
Accounts receivable - capital facility fees	-	-	-
Property taxes receivable	-	3,305,900	3,305,900
Prepaid expenses	-	8,700	8,700
<b>TOTAL ASSETS</b>	<b>\$ 449,409</b>	<b>\$ 5,370,976</b>	<b>\$ 5,820,385</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ -	\$ 1,000	\$ 1,000
Accrued liabilities	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	-	3,305,900	3,305,900
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>3,306,900</b>	<b>3,306,900</b>
<b>FUND BALANCES</b>			
Restricted:			
Emergencies (TABOR)	-	-	-
Debt service	-	2,055,376	2,055,376
Contractual obligations	-	-	-
Non-spendable	-	8,700	8,700
Unrestricted	449,409	-	449,409
<b>TOTAL FUND BALANCES</b>	<b>449,409</b>	<b>2,064,076</b>	<b>2,513,485</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 449,409</b>	<b>\$ 5,370,976</b>	
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>			
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Bonds payable			(43,425,000)
Bond premium			(41,185)
Accrued interest payable			(7,559,858)
<b>Net position of governmental activities</b>			<b>\$ (48,512,558)</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**12-Month Period Ended**  
**December 31, 2023**

	General Fund	Debt Service Fund	Total Government Funds
<b>REVENUES</b>			
Property taxes	\$ 284,746	\$ 2,083,251	\$ 2,367,997
Specific ownership taxes	10,048	73,510	83,558
Net investment income	3,975	115,534	119,509
Capital contributions	-	329,600	329,600
<b>Total Revenues</b>	<b>298,769</b>	<b>2,601,895</b>	<b>2,900,664</b>
<b>EXPENDITURES</b>			
Direct and indirect collection costs	14,105	159,638	173,743
Debt service			
Bond interest – 2016A Series Bonds	-	1,726,461	1,726,461
Bond principal – 2016A Series Bonds	-	410,000	410,000
<b>Total expenditures</b>	<b>14,105</b>	<b>2,296,099</b>	<b>2,310,204</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>284,664</b>	<b>305,796</b>	<b>590,460</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Fund Transfers In / (Out)	(128,200)	128,200	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>156,464</b>	<b>433,996</b>	<b>590,460</b>
<b>FIND BALANCES – BEGINNING</b>	<b>292,945</b>	<b>1,630,080</b>	<b>1,923,025</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 449,409</b>	<b>\$ 2,064,076</b>	<b>\$ 2,513,485</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
12-Month Period Ended  
December 31, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – Total government funds	\$	590,460
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payment on bonds		410,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond premium		2,709
Increase in accrued bond interest payable		(1,408,293)

<b>Changes in net position of governmental activities</b>	<b>\$</b>	<b>(405,124)</b>
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These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 281,800	\$ 284,746	\$ 2,946
Specific ownership taxes	9,900	10,048	148
Net investment income	-	3,975	3,975
Interest - County Treasurer			
<b>Total Revenues</b>	<u>291,700</u>	<u>298,769</u>	<u>7,069</u>
<b>EXPENDITURES</b>			
General and administration	414,800	14,105	400,695
Other district expenses			-
Election expenses	-	-	-
<b>Total Expenditures</b>	<u>414,800</u>	<u>14,105</u>	<u>400,695</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(123,100)</u>	<u>284,664</u>	<u>407,764</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	(58,200)	(128,200)	(70,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(58,200)</u>	<u>(128,200)</u>	<u>(70,000)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER</b>	<u>(181,300)</u>	<u>156,464</u>	<u>337,764</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>196,000</u>	<u>292,945</u>	<u>96,945</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 14,700</u>	<u>\$ 449,409</u>	<u>\$ 434,709</u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
EXPENDITURE DETAILS - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
Administrative costs	\$ -	\$ -	\$ -
Collection fees – County Treasurer	14,100	14,105	(5)
Contingency	400,700	-	400,700
<b>Total General and Administration</b>	<b><u>\$ 414,800</u></b>	<b><u>\$ 14,105</u></b>	<b><u>\$ 400,695</u></b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
12-Month Period Ended December 31, 2023

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Base Village Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in December 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by the Town of Snowmass Village (Town) on September 20, 2004 and amended and restated with Town approval on October 17, 2006. The District was established to provide financing for the design, acquisition, construction and installation of streets, transportation, drainage improvements, traffic and safety controls, fire protection, park and recreation facilities and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District.

The District's service area is located in Pitkin County, Colorado entirely within the boundaries of the Town and is comprised of approximately 30 acres of property comprised of (1) the Base Village Development (19 acres), (2) non-developable wetlands owned by the Town (9 acres) and (3) a 1.9-acre non-contiguous, undeveloped parcel located several hundred feet west of the Base Village Development adjacent to the Fanny Hill ski run. The general boundaries of the District are contiguous with Brush Road to the north, the Enclave to the south, the Faraway Subdivision to the east and Lichenhearth and unplatted land to the west.

The Base Village Development is located at the base of Snowmass at the bottom of the Fanny Hill and Assay Hill ski runs and at the base of the Assay Hill Chairlift, the Village Express Chairlift, the Elk Camp Gondola and the Sky Cab Gondola. Base Village is planned to contain a total of approximately 1,094,131 square feet of constructed space comprised of (1) approximately 637,572 square feet for approximately 504 condominium units, (2) approximately 47,518 square feet of commercial hotel space (containing approximately 102 hotel rooms), (3) approximately 22,069 square feet for approximately 28 employee housing units, (4) approximately 183,216 square feet of retail, restaurant and office space (which is excluded from the boundaries of the District and included in Base Village Metropolitan District No. 1 ("BVMD1")) and (5) approximately 203,756 square feet of common areas located in the various buildings. The Development also includes five underground parking garages totaling approximately 1,021 spaces.

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 organizations 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 organizations 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 has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are 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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

## **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.

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 District 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt and related direct and indirect collection costs necessary to ensure (a) the transmission of Pledged Revenue from the taxpayers to the bondholders and (b) District's ongoing commitment to comply with all covenants and provisions of the bond indentures of trust.

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

## **Budgets**

In accordance with Colorado State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate 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.

## **Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at net asset value.

## **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, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

## **Specific Ownership Taxes**

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the county. In 2023, the District's share of Specific ownership taxes was equal to approximately 3.5% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

## **Capital Facility Fees**

On November 28, 2016, the District passed a resolution imposing a one-time Capital Facilities Fee on each Residential Unit which is payable to the District on the date each Residential Unit is sold by a Builder to an End User. The Capital Facilities Fee is \$5,150 per constructed Residential Unit. Capital Facilities Fees are included in the definition of Senior Pledged Revenue and are pledged towards the repayment of the Series 2016A Senior Bonds. For the year ended

December 31, 2023, Base Village Metro District No 1 collected and remitted \$329,600 in Capital Facility Fees to the District.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2023 are comprised of property taxes due from Pitkin County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

### **Bond Premiums**

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

### **Equity**

#### **Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

#### **Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- ***Non-spendable fund balance*** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- ***Restricted fund balance*** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- ***Committed fund balance*** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

- **Assigned fund balance** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- **Unassigned fund balance** – The residual portion of a fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

### NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments – unrestricted	\$ 448,689
Cash and investments – restricted	2,051,106
<b>Total cash and investments</b>	<b>\$ 2,499,795</b>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 258,086
Investments	2,241,709
<b>Total cash and investments</b>	<b>\$ 2,499,795</b>

#### Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank and carrying balance of \$258,086.

#### Investments

The District has not adopted a formal investment policy. However, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those listed 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 risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less 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 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.

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 the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2023, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 205,783
Morgan Stanley Government Money Market Fund	Weighted Average Under 60 Days	2,035,926
		<b><u>\$ 2,241,709</u></b>

#### CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

## Morgan Stanley Government Money Market Fund

The debt service money that was included in the trust accounts at United Missouri Bank (UMB) was invested in the Morgan Stanley Government Money Market Fund. This portfolio is a money market mutual fund which invests primarily in short term U.S. Treasury securities and includes repurchase agreements collateralized by U.S. Treasury securities. The Morgan Stanley Government Money Market Fund is rated AAAM by Standard & Poor's.

## NOTE 4 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2023:

	Balance at Dec. 31, 2022	Additions	Retirements	Balance at Dec. 31, 2023	Due within one year
Series 2016A G.O. Bonds	\$ 30,505,000	\$ -	(\$ 410,000)	\$ 30,095,000	\$ 475,000
Accrued Interest – Series 2016A G.O. Bonds	-	1,868,455	( 1,726,462)	141,993	
Series 2016B G.O. Bonds	13,330,000	-	-	13,330,000	-
Accrued Interest – Series 2016B G.O. Bonds	6,151,565	1,266,300	-	7,417,865	-
Series 2016A Bond Premium	43,894	-	( 2,709)	41,185	-
<b>Total</b>	<b>\$ 50,030,459</b>	<b>\$3,134,755</b>	<b>(\$2,139,173)</b>	<b>\$ 51,026,043</b>	<b>\$ 475,000</b>

Details regarding the District's long-term obligations are as follows:

### Series 2016A Senior General Obligation Bonds

On December 22, 2016, the District issued \$31,260,000 General Obligation Limited Tax Refunding Bonds, Series 2016A ("Senior Bonds"). The Senior Bonds were issued as two term bonds that bear interest at 5.50% (on \$11,785,000 principal) and 5.75% (on \$19,475,000 principal), and are payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on June 01, 2017. The Senior Bonds mature on December 01, 2046.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) all Capital Facility Fees;
- d) all Capital Levy Revenue (from which Shortfalls shall be paid); and
- e) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Senior Required Mill Levy is defined as the mill levy necessary to generate sufficient property tax revenue during the year to (1) fully pay the annual principal and interest payment due on the Senior Bonds, (2) ensure the Senior Reserve Fund is replenished to \$654,168 (the Senior Reserve Requirement), and (3) the Surplus Fund is fully funded at the Maximum Surplus Amount. The Senior Required Mill Levy is either 37.5 mills or, if 37.5 mills combined with certain other revenue sources does not generate sufficient revenue to fully fund the annual principal and interest payment due on the Senior Bonds, 43.5 mills. The Senior Required Mill Levy is adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006 (the date the Service Plan was approved by the

Town). As of October 23, 2006, the ratio was 7.96%. The ratio for 2023 is 6.80%, which caused the Senior Required Mill Levy for 2023 to be either 43.897 mills or 50.921 mills.

Per Section 3.06 of the Senior Indenture of Trust, the District will be applying “Level B” Revenue to the Annual Debt Service Requirements in 2023. Level B Revenue consists of (1) property tax revenue generated from the Required Mill Levy of 43.897 mills net of any costs of collection, (2) related specific ownership tax revenue, (3) capital facility fee revenue and (4) amounts on deposit in the Surplus Fund in excess of \$1 million.

Amounts on deposit in the Senior Reserve Fund and in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Reserve Fund and the Senior Surplus Fund in accordance with the Senior Indenture up to the Senior Reserve Requirement and the Maximum Surplus Amount, respectively.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<b>Date of Redemption</b>	<b>Redemption Premium (%)</b>	<b>Redemption Premium (\$)</b>
December 01, 2023, to November 30, 2024	1.0%	\$ 300,950
December 01, 2024, and thereafter	0.0%	\$ -

Outstanding bond principal and interest on the Senior Bonds mature as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	475,000	1,703,912	2,178,912
2025	500,000	1,677,788	2,177,788
2026	570,000	1,650,287	2,220,287
2027	600,000	1,618,938	2,218,938
2028	680,000	1,585,935	2,265,937
2029 to 2033	4,290,000	7,308,738	11,598,738
2034 to 2038	6,290,000	5,917,762	12,207,762
2039 to 2043	8,965,000	3,839,273	12,804,273
2044 to 2046	7,725,000	944,151	8,669,151
<b>Total</b>	<b>\$30,095,000</b>	<b>\$ 26,246,786</b>	<b>\$ 56,341,786</b>

The District’s debt service schedule for its Series 2016A Senior Bonds is provided on page 25.

### **Capital Pledge Agreement between the District and BVMD1**

On December 22, 2016, the District entered into a Capital Pledge Agreement with BVMD1 by which BVMD1 has pledged Capital Levy Revenue to the District each year in an amount sufficient to ensure (1) the balance in the District’s surplus fund does not drop below \$1 million and (2) the District can pay the principal and interest payments due on the Series 2016A Bonds. BVMD1 has agreed to impose a capital levy each year in the number of mills necessary to produce the Capital Levy Revenue. However, the Capital Levy shall not exceed 43.5 mills, as adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. The Capital Levy Revenue includes the property tax revenue derived from the imposition of the Capital Levy plus specific ownership tax revenue allocable to such Capital Levy, less costs of collection.

As of December 31, 2023, the balance in the District’s surplus fund was \$1,024,662 and BVMD1 did not contribute any Capital Levy Revenue to the District in 2023.

**Series 2016B Subordinate General Obligation Bonds**

On December 22, 2016, the District issued \$13,330,000 Subordinate General Obligation Limited Tax Refunding Bonds, Series 2016B (“Subordinate Bonds”). The Subordinate Bonds were issued at the rate of 6.500% per annum and are payable annually on December 15, beginning December 15, 2017, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
- c) all Subordinate Capital Facility Fee Revenue (meaning any Capital Facility Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds);
- d) any amounts released from the Senior Surplus Fund pursuant to the terms of the Senior Indenture; and
- e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 15, 2023, to December 14, 2024	1.0%	\$ 133,000
December 15, 2024, and thereafter	0.0%	\$ -

In the event any amount of principal or interest on the Subordinate Bonds remains unpaid on December 15, 2048, the Subordinate Bonds will be discharged and the bondholders will have no recourse against the District.

Payments toward interest and principal on the Subordinate Bonds can be made provided the Series 2018A Bonds are current and the Reserve Fund and Surplus Fund for the Series 2018A Bonds are fully funded. The District is required to impose the minimum required mill levy of 37.5 mills (43.897 as adjusted) until the Subordinate Series 2018B Bonds are fully paid or discharged on December 15, 2048; however, only revenues resulting from the number of mills equal to 37.5 mills (43.897 as adjusted) less the Senior Required Mill Levy are pledged to payment of the Subordinate Series 2018B Bonds.

The Subordinate Required Mill Levy is adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. The Subordinate Required Mill Levy for 2023 is 0.000 mills (i.e. 43.897 mills less the Senior Required Mill Levy).

## Debt Authorization – Service Plan

The District’s Amended and Restated Service Plan establishes a Maximum Overlapping Mill that limits the total mill levy the District is permitted to impose on taxable property within the District for the payment of debt and operations. The Maximum Overlapping Debt Mill Levy is 49.5 mills and is comprised of the total mill levies imposed by the District, BVMD1 and Snowmass General Improvement District No. 1 (“GID”). (No property is located within both the District and Base Village Metro District No. 1.) The Maximum Overlapping Debt Mill Levy is adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since October 23, 2006. As of October 23, 2006, the ratio was 7.96%. The ratio for 2023 was 6.80%, which caused the Maximum Overlapping Mill Levy for 2023 to be 57.944.

<b>Entities subject to Maximum Overlapping Mill Levy restriction</b>	<b>2023 Mill Levy</b>
District – Debt mill levy	43.897
District – Operating mill levy	6.000
Town of Snowmass GID mill levy	6.000
<b>Collective mill levy</b>	<b>55.897</b>
Maximum mill levy	57.944
<b>(Over) / Under max mill levy</b>	<b>2.047</b>

The District’s Amended and Restated Service Plan, which was approved by the Town of Snowmass on October 23, 2006, authorizes the District to issue up to \$48.7 million in debt plus (i) the underwriting discount, insurance premium or credit enhancement charges, if any, (ii) the costs of issuance relating to the issuance of such bonds in one or more series, and (iii) the amount, if any, necessary to reimburse the any guarantors of such debt for any unreimbursed payments made pursuant to any pledge agreement, or payments made directly to Districts for payment of debt service on any such debt. The maximum allowed interest rate on bonds is 12% per annum.

As of December 31, 2023, total remaining debt issuance authorization under the District’s Amended and Restated Service Plan is as follows:

Authorized maximum debt issuance per Service Plan (exclusive of debt issued to cover costs of issuance)	\$ 48,700,000
Less:	
2008 A&B Bonds (excluding costs of issuance)	( 45,823,783)
2008D Subordinate Bonds (excluding costs of issuance)	( 2,182,000)
<b>Unused, authorized debt issuance as of Dec. 31, 2023</b>	<b>\$ 694,217</b>

## Debt Authorization – TABOR

The District's authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Authorized Nov. 2004 Election	Authorized Nov. 2006 Election	Authorized Nov. 2007 Election	Total Voter- Authorized Debt
Street improvements	\$16,300,000	\$ 20,000,000	\$ 5,000,000	\$ 41,300,000
Park and recreational facilities	82,800,000	-	5,000,000	87,800,000
Public transportation system	3,300,000	6,000,000	30,000,000	39,300,000
Intergovernmental agreements	38,000,000	28,000,000	-	66,000,000
Operations and maintenance	3,750,000	-	-	3,750,000
Traffic and safety controls	300,000	-	1,500,000	1,800,000
Fire protection facilities	-	2,000,000	-	2,000,000
Mosquito control	100,000	-	-	100,000
Private contractual obligations	38,000,000	28,000,000	-	66,000,000
Mortgages, liens and encumbrances	38,000,000	-	-	38,000,000
<b>Subtotal</b>	<b>220,550,000</b>	<b>84,000,000</b>	<b>41,500,000</b>	<b>346,050,000</b>
Refunding of debt	38,000,000	28,000,000	41,500,000	107,500,000
<b>Total</b>	<b>\$258,550,000</b>	<b>\$ 112,000,000</b>	<b>\$ 83,000,000</b>	<b>\$ 453,550,000</b>

	Total Voter- Authorized Debt	Series 2008 A, B and D Bonds	Series 2011, 2013 and 2016 Bonds	2023 Reverse TABOR Election	Remaining Voter- Authorized Debt
Street improvements	\$41,300,000	( \$21,248,750)	\$ -	\$(20,051,250)	\$ -
Park and recreational facilities	87,800,000	( 3,342,500)	-	(84,457,500)	-
Public transportation system	39,300,000	( 24,165,000)	-	(15,135,000)	-
Intergovernmental agreements	66,000,000	-	-	(66,000,000)	-
Operations and maintenance	3,750,000	-	-	(3,750,000)	-
Traffic and safety controls	1,800,000	-	-	(1,800,000)	-
Fire protection facilities	2,000,000	( 1,193,750)	-	(806,250)	-
Mosquito control	100,000	-	-	(100,000)	-
Private contractual obligations	66,000,000	-	-	(66,000,000)	-
Mortgages, liens and encumbrances	38,000,000	-	-	(38,000,000)	-
<b>Subtotal</b>	<b>346,050,000</b>	<b>( 49,950,000)</b>	<b>-</b>	<b>(296,100,000)</b>	<b>-</b>
Refunding of debt	107,500,000	-	-	(107,500,000)	-
<b>Total</b>	<b>\$453,550,000</b>	<b>(\$49,950,000)</b>	<b>\$ -</b>	<b>\$(403,600,000)</b>	<b>-</b>

## NOTE 5 – NET POSITION (DEFICIT)

### Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2023 in the general fund and debt service fund totaled \$0 and \$8,700, respectively.

## **Restricted Net Position**

The District's restricted net position as of December 31, 2023 in the general fund and debt service fund totaled \$0 and \$2,055,376, respectively. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2016 Bonds.

## **Unassigned Net Position**

The District's unassigned net position as of December 31, 2023 totaled (\$50,576,634). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the Town.

## **NOTE 6 – AGREEMENTS**

### **Intergovernmental Agreement with BVMD1**

BVMD1 owns and operates certain public facilities within the boundaries of the District (i.e. conference center, transit center and parking garage) and generates fee revenue from operating these public facilities. Fee revenue generated by BVMD1 from operating these public facilities has historically not been sufficient to cover the costs of operating and maintaining such facilities within the District.

On November 28, 2016, the District and BVMD1 entered into an Operations, Maintenance and Administrative Service Agreement (2016 OMA Agreement). Per the OMA Agreement:

- BVMD1 provides all operating and administrative functions for the District;
- BVMD1 commits to generating property tax revenue to fund its operations and services with a mill levy of no less than 43.5 mills (Minimum BVMD1 Mill Levy). Because all real property within BVMD1 is commercial property, the Minimum BVMD1 Mill Levy is not adjusted annually for any changes in the ratio of taxable valuation to assessed valuation of real residential property.
- The District commits to levying a general fund mill levy that is sufficient to cover BVMD1's expenses net of property tax revenue generated from the Minimum BVMD1 Mill Levy and fee revenue generated from the operation of public facilities owned by BVMD1. The mill levy under this commitment cannot be adjusted to exceed the TABOR Imposed General Fund Mill Levy Maximum (which is 6 mills);
- The District's commitment to provide funding to BVMD1 terminates when BVMD1's revenues exceeds its expenditures;
- BVMD1 is committed to continue operating the public facilities located within the District and providing operating and administrative functions for the District after the District's funding commitment to BVMD1 is terminated.

Historic funding by the District to BVMD1 under this IGA is as follows:

	2016 to 2019	2021	2022	2023	Total
Gross revenue – BVMD1	\$ 3,989,942	\$ 952,278	\$1,118,592	\$1,274,224	\$7,335,036
BV Metro 1 expenditures	(5,352,380)	(1,101,342)	(1,294,415)	(1,644,602)	(9,392,739)
<b>BVMD1 net (expense)/revenue</b>	<b>(1,362,438)</b>	<b>( 149,064)</b>	<b>( 175,823)</b>	<b>( 370,378)</b>	<b>(2,057,703)</b>
Ineligible costs	538,037	-	-	-	538,037
District funding provided to BVMD1	1,093,446	-	-	-	1,093,446
<b>Funds provided to BVMD1 in excess (deficient) of IGA funding commitment</b>	<b>\$ 269,045</b>	<b>(\$ 149,064)</b>	<b>(\$ 175,823)</b>	<b>(\$ 370,378)</b>	<b>(\$ 426,220)</b>

Per the Series 2016A and B Bond Indenture of Trust, once the District is no longer obligated to transfer revenue generated by the 6 mills to BVMD1, the District has committed to continue assessing the 6 mills and pledging all revenue generated from this mill levy to funding the repayment of the District’s Series 2016A and B Bonds.

Due to (1) the multiple related party relationships among the directors serving on the BVMD1 board, the directors serving on the HOAs (which charge fees/dues to BVMD1) and companies providing management services to BVMD1 and (2) the apparent common control that exists among all such entities which allows expenses and revenues to potentially be shifted among all such entities at other than “arms-length” terms, the District believes it is likely the terminating event for the 2016 IGA may have already occurred (i.e. BVMD1 annual revenues exceed BVMD1 annual expenditures) had all entities conducted transactions (e.g. HOA dues assessments charged to BVMD1, management fees charged to BVMD1 and service fees charged by BVMD1) among themselves on “arms-length” terms.

#### **Intergovernmental Agreement with GID**

On September 30, 2006, the District and the GID entered into an intergovernmental agreement (“Mill Levy IGA”) to ensure the District complies with the Maximum Overlapping Mill Levy restriction established in the District’s service plan. Pursuant to the Mill Levy IGA, the cumulative mill levies imposed by the District and the GID will not exceed 49.500 mills annually (57.944 mills as adjusted). The District is committed to levying up to 37.500 mills (43.897 mills as adjusted) to fund the repayment of the District’s debt. The GID is permitted to levy no more than 10.000 mills to fund the GID’s operations and maintenance expenses.

#### **NOTE 7 – RELATED PARTIES**

For the 12-month period ended December 31, 2023, the District’s sole director reported no conflicts of interest arising from his participation on the District’s board.

Two agreements between the District and BVMD1 - the 2016 OMA Agreement and the 2016 Capital Pledge Agreement – were originally entered into when all directors serving on the District’s board were also serving on BVMD1’s board at the same time.

#### **NOTE 8 – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District may be 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 (Pool). 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 in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation 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 9 – 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.

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.

On November 7, 2006, District voters authorized the District to assess property taxes up to a maximum annual amount of \$813,815 and a mill levy not to exceed 6 mills, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

## **NOTE 10 – LITIGATION**

On December 1, 2017, the District commenced a civil action in the District Court for Pitkin County, Colorado captioned Base Village Metropolitan District No. 2 v. The Related Companies, L.P., et al., No. 2017CV030137. The Complaint sought to recover monetary damages and other relief from certain development entities and consultants based on allegations of securities fraud, breach of fiduciary duty, conspiracy, and other causes of action arising from the issuance and refinancing of the District's long-term debt in 2013 and 2016.

In 2023, the only remaining defendants were a series of affiliates of The Related Companies, L.P., the former developers of Base Village. All other defendants had been dismissed and/or settled with the District. The District received \$197,500 from North Slope Capital Advisors in 2021 in a settlement, and paid Hypo Real Estate Capital Corporation \$40,000 in 2020 in a settlement.

The district court case and related appeal to the Colorado Court of Appeals were settled during 2023. The Settlement Agreement and Mutual Release between the District and the Related parties resulted in a "mutual walkaway" from all litigation, and the District experienced no material loss. Prior defendants had been dismissed from the litigation and the District has no further exposure to any material loss.

**SUPPLEMENTARY INFORMATION**

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 2,061,200	\$ 2,083,251	\$ 22,051
Specific ownership taxes	72,100	73,510	1,410
Net investment income	9,000	115,534	106,534
Capital contributions	103,000	329,600	226,600
<b>Total Revenues</b>	<u>2,245,300</u>	<u>2,601,895</u>	<u>356,595</u>
<b>EXPENDITURES</b>			
Direct and indirect collection costs	167,000	159,638	7,362
Debt service			
Bond interest – 2016A Series Bonds	1,726,500	1,726,461	39
Bond principal – 2016 Series Bonds	410,000	410,000	-
<b>Total Expenditures</b>	<u>2,303,500</u>	<u>2,296,099</u>	<u>7,401</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(58,200)</u>	<u>305,796</u>	<u>363,996</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	58,200	128,200	70,000
<b>Total Other Financing Sources (Uses)</b>	<u>58,200</u>	<u>128,200</u>	<u>70,000</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	-	433,996	433,996
<b>FUND BALANCE – BEGINNING</b>	<u>1,757,200</u>	<u>1,630,080</u>	<u>(127,120)</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 1,757,200</u>	<u>\$ 2,064,076</u>	<u>\$ 306,876</u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
COLLECTION COST DETAILS - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>DIRECT AND INDIRECT COLLECTION COSTS</b>			
District management and accounting fees	\$ 38,000	\$ 38,000	\$ -
Administrative costs	7,000	1,531	5,469
Audit fees	7,100	7,150	(50)
Collection fees – County Treasurer	103,100	103,197	(97)
Board of Directors’ fees	-	-	-
Board election expenses	-	1,000	(1,000)
Insurance	2,700	2,660	40
Legal fees - covenant enforcement	3,000	-	3,000
Bond paying agent fees	6,100	6,100	-
<b>Total Direct and Indirect Collection Costs</b>	<b>\$ 167,000</b>	<b>\$ 159,638</b>	<b>\$ 7,362</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

December 31, 2023

The District's repayment schedule for its Series 2016A general obligation bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2024	475,000	1,703,912	5.50% – 5.75%	2,178,912
2025	500,000	1,677,788	5.50% – 5.75%	2,177,788
2026	570,000	1,650,287	5.50% – 5.75%	2,220,287
2027	600,000	1,618,938	5.50% – 5.75%	2,218,938
2028	680,000	1,585,937	5.50% – 5.75%	2,265,937
2029	715,000	1,548,538	5.50% – 5.75%	2,263,538
2030	800,000	1,509,213	5.50% – 5.75%	2,309,213
2031	845,000	1,465,212	5.50% – 5.75%	2,310,212
2032	940,000	1,418,738	5.50% – 5.75%	2,358,738
2033	990,000	1,367,037	5.50% – 5.75%	2,357,037
2034	1,090,000	1,312,587	5.50% – 5.75%	2,402,587
2035	1,150,000	1,252,637	5.50% – 5.75%	2,402,637
2036	1,265,000	1,189,388	5.50% – 5.75%	2,454,388
2037	1,330,000	1,119,812	5.75%	2,449,812
2038	1,455,000	1,043,338	5.75%	2,498,338
2039	1,540,000	959,674	5.75%	2,499,674
2040	1,680,000	871,125	5.75%	2,551,125
2041	1,775,000	774,524	5.75%	2,549,524
2042	1,930,000	672,462	5.75%	2,602,462
2043	2,040,000	561,488	5.75%	2,601,488
2044	2,210,000	444,188	5.75%	2,654,188
2045	2,335,000	317,113	5.75%	2,652,113
2046	3,180,000	182,850	5.75%	3,362,850
	<b>\$ 30,095,000</b>	<b>\$26,246,786</b>		<b>\$ 56,341,786</b>

The original face value of the Series 2016A Senior Bonds totaled \$31,260,000. Interest is payable each year on June 1<sup>st</sup> and December 1<sup>st</sup>, and principal payments are due each year on December 1<sup>st</sup>.

No debt-to-maturity schedule is provided for the Series 2016B Subordinate Bonds because such obligations are payable from Subordinate Pledged Revenue, if and when such revenue is available to repay these bonds.

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**SUMMARY OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED**  
December 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2019	\$ 36,423,750	6.000	39.606	\$1,661,100	\$1,661,137	100.0%
2020	41,864,650	6.000	39.883	1,920,900	1,919,380	99.9%
2021	44,457,740	1.028	41.748	1,901,700	1,900,208	100.0%
2022	48,958,180	6.000	41.748	2,337,600	2,363,196	101.0%
2023	46,958,440	6.000	43.897	2,343,000	2,367,997	101.0%
2024	74,202,180	-	44.552	3,305,900	[TBD]	[TBD]

**NOTE A:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

## OTHER SUPPLEMENTARY INFORMATION

BASE VILLAGE METROPOLITAN DISTRICT NO. 2  
**CHANGE IN TOTAL OVERLAPPING MILL LEVY**  
 December 31, 2023

	2022 Mill Levy *	2023 Mill Levy**	Change
Base Village Metropolitan District No. 2	49.897	44.552	(5.345)
Snowmass- Wildcat Fire Protection District	9.843	8.224	(1.619)
Aspen School District	8.916	7.292	(1.624)
Pitkin County	7.706	6.376	(1.330)
Town of Snowmass	7.311	5.703	(1.608)
Town of Snowmass Village General Imp. District	6.048	6.000	(0.048)
Snowmass Water and Sanitation District	5.855	3.696	(2.159)
Colorado Mountain College	4.085	2.977	(1.108)
Roaring Fork Transportation District	2.65	2.65	-
Aspen Valley Hospital District	2.334	2.006	(0.328)
Pitkin County Library District	1.411	0.981	(0.430)
Colorado River Water Conservation District	0.501	0.5	(0.001)
Aspen Historic Park & Recreation District	0.300	0.300	-
<b>Total Mill Levy</b>	<b>106.857</b>	<b>91.257</b>	<b>(15.600)</b>

\* -- For property tax collections in 2023

\*\* -- For property tax collections in 2024

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

**HISTORICAL DEBT RATIOS**

December 31, 2023

	2019	2020	2021	2022	2023
<b>General Obligation Bonds</b>	\$ 44,590,000	\$ 44,505,000	\$ 44,220,000	\$ 43,835,000	\$ 43,425,000
<b>Accrued, unpaid interest - Bonds</b>	2,827,861	3,846,081	4,962,551	6,151,565	7,417,865
<b>Restricted cash</b>	( 1,990,808)	( 1,873,629)	( 1,598,958)	( 1,599,450)	( 2,051,106)
<b>Combined assessed property values within the District</b>	41,864,650	44,457,740	48,958,180	46,958,440	74,202,180
<b>Ratio of debt to assessed property values</b>	108.5%	104.5%	97.2%	103.0%	65.8%