

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
Pitkin County, Colorado

FINANCIAL STATEMENTS
December 31, 2016



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Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Base Village Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Base Village Metropolitan District No. 1, as of December 31, 2016, and the respective changes in financial position thereof, 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.

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Barnes Griggs & Associates, PC

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. 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. The supplementary 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Danner Higgs & Associates, PC

Lakewood, Colorado
August 20, 2017

BASIC FINANCIAL STATEMENTS

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 97,490
Cash and investments - Restricted	82,916
Accounts receivable	6,250
Receivable from County Treasurer	326
Prepaid expense	48,045
Due from other governments	5,341
Property taxes receivable	112,268
Capital assets, net	<u>22,537,574</u>
Total assets	<u>22,890,210</u>
LIABILITIES	
Accounts payable	186,495
Due to other governments	5,150
Noncurrent liabilities	
Due in more than one year	<u>9,266,711</u>
Total liabilities	<u>9,458,356</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	<u>112,268</u>
Total deferred inflows of resources	<u>112,268</u>
NET POSITION	
Net investment in capital assets	17,737,212
Restricted for:	
Emergency reserves	24,000
Capital projects	58,916
Unrestricted	<u>(4,500,542)</u>
Total net position	<u><u>\$ 13,319,586</u></u>

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 1,575,397	\$ 446,584	\$ 218,039	\$ -	\$ (910,774)
Interest and related costs on long-term debt	424,170	-	-	-	(424,170)
	<u>\$ 1,999,567</u>	<u>\$ 446,584</u>	<u>\$ 218,039</u>	<u>\$ -</u>	<u>(1,334,944)</u>
General revenues:					
Property taxes					114,600
Specific ownership taxes					3,789
Investment income					1,385
Total general revenues					<u>119,774</u>
Change in net position					(1,215,170)
Net position - Beginning					14,534,756
Net position - Ending					<u>\$ 13,319,586</u>

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

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and investments	\$ 97,490	\$ -	\$ 97,490
Cash and investments - Restricted	24,000	58,916	82,916
Accounts receivable	6,250	-	6,250
Receivable from county treasurer	326	-	326
Prepaid expense	48,045	-	48,045
Due from other governments	5,341	-	5,341
Property taxes receivable	112,268	-	112,268
TOTAL ASSETS	\$ 293,720	\$ 58,916	\$ 352,636
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 186,495	\$ -	\$ 186,495
Due to other governments	5,150	-	5,150
Total liabilities	191,645	-	191,645
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	112,268	-	112,268
Total deferred inflows of resources	112,268	-	112,268
FUND BALANCES			
Nonspendable	48,045	-	48,045
Restricted for emergency reserves (TABOR)	24,000	-	24,000
Assigned to:			
Capital projects	-	58,916	58,916
Unassigned	(82,238)	-	(82,238)
Total fund balances	(10,193)	58,916	48,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 293,720	\$ 58,916	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, net 22,537,574

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Developer advance payable (5,434,730)

Accrued interest on Developer advance (3,831,981)

Net position of governmental activities **\$ 13,319,586**

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 114,600	\$ -	\$ 114,600
Specific ownership tax	3,789	-	3,789
Intergovernmental revenue	218,039	-	218,039
Investment income	1,385	-	1,385
Transit center revenue	297	-	297
Parking garage user fees	421,287	-	421,287
Conference center revenue	25,000	-	25,000
Total revenues	<u>784,397</u>	<u>-</u>	<u>784,397</u>
EXPENDITURES			
Current			
Accounting	51,705	-	51,705
Administrative	25,000	-	25,000
Audit	9,700	-	9,700
County Treasurer's fees	5,730	-	5,730
Insurance and bonds	43,110	-	43,110
Legal services	112,140	-	112,140
Utilities	5,811	-	5,811
Bank and Merchant fees	521	-	521
Miscellaneous	136	-	136
Conference center operations	120,911	-	120,911
Parking garage operations	404,212	-	404,212
Transit center operations	213,102	-	213,102
Capital outlay	-	58,704	58,704
Total expenditures	<u>992,078</u>	<u>58,704</u>	<u>1,050,782</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(207,681)</u>	<u>(58,704)</u>	<u>(266,385)</u>
OTHER FINANCING SOURCES (USES)			
Developer advance (repayment)	176,000	-	176,000
Total other financing sources (uses)	<u>176,000</u>	<u>-</u>	<u>176,000</u>
NET CHANGE IN FUND BALANCE	<u>(31,681)</u>	<u>(58,704)</u>	<u>(90,385)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>21,488</u>	<u>117,620</u>	<u>139,108</u>
FUND BALANCES - END OF YEAR	<u>\$ (10,193)</u>	<u>\$ 58,916</u>	<u>\$ 48,723</u>

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

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

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

Net change in fund balances - Total governmental funds	\$ (90,385)
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation	(583,319)
Capital outlay	58,704

Long-term debt (e.g. Developer advances) 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. The net effect of these differences in the treatment of long-term debt is as follows:

Developer operations advance	(176,000)
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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.

Accrued interest on Developer advance payable	(424,170)
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Changes in net position of governmental activities	\$ (1,215,170)
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 114,600	\$ 114,600	\$ 114,600	\$ -
Specific ownership tax	3,440	3,800	3,789	(11)
Intergovernmental revenue	217,631	218,039	218,039	-
Investment income	150	1,385	1,385	-
Transit center revenue	2,011	300	297	(3)
Parking garage user fees	399,500	421,287	421,287	-
Conference center revenue	25,000	25,000	25,000	-
Total revenues	<u>762,332</u>	<u>784,411</u>	<u>784,397</u>	<u>(14)</u>
EXPENDITURES				
Current				
Accounting	38,000	52,000	51,705	295
Administrative	25,750	25,000	25,000	-
Audit	9,700	9,700	9,700	-
County Treasurer's fees	5,730	5,730	5,730	-
Insurance and bonds	43,130	43,110	43,110	-
Legal services	35,000	112,140	112,140	-
Utilities	500	6,000	5,811	189
Bank and Merchant fees	1,150	700	521	179
Miscellaneous	8,129	200	136	64
Conference center operations	116,039	125,000	120,911	4,089
Parking garage operations	408,415	410,000	404,212	5,788
Transit center operations	189,349	214,420	213,102	1,318
Total expenditures	<u>880,892</u>	<u>1,004,000</u>	<u>992,078</u>	<u>11,922</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(118,560)</u>	<u>(219,589)</u>	<u>(207,681)</u>	<u>11,908</u>
OTHER FINANCING SOURCES (USES)				
Developer advance	110,000	225,000	176,000	(49,000)
Total other financing sources (uses)	<u>110,000</u>	<u>225,000</u>	<u>176,000</u>	<u>(49,000)</u>
NET CHANGE IN FUND BALANCE	(8,560)	5,411	(31,681)	(37,092)
FUND BALANCES - BEGINNING OF YEAR	<u>31,550</u>	<u>21,488</u>	<u>21,488</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,990</u>	<u>\$ 26,899</u>	<u>\$ (10,193)</u>	<u>\$ (37,092)</u>

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

Base Village Metropolitan District No. 1 (the District) was organized by Court Order in December 2004, to provide financing for the design, acquisition, installation and construction of streets, drainage, traffic and safety controls, park and recreation, transportation, and mosquito and pest control. The District's service area is located entirely within the Town of Snowmass Village (the Town), in Pitkin County, Colorado. Under the Consolidated Service Plan (Amended and Restated Consolidated Service Plan approved October 17, 2006), the District is the Service District and is related to Base Village Metropolitan District No. 2 (Base Village No. 2), which serves as the Financing District. The Service District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the Town. The Service District, together with the Financing District, provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that 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 District has no employees and contracts for all of its management and professional services.

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 more significant accounting policies of the District are described 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 taxes and intergovernmental revenues.

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of Developer advances are recorded as a reduction in liabilities.

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 government 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, specific ownership taxes, and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. 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 Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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.

The District amended its annual budget for the year ended December 31, 2016.

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 fair 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 a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Deficits

The General Fund report a deficit in the fund financial statements as of December 31, 2016. The deficit will be eliminated with the receipt of funds by parking garage user fees.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. roads, bridges, sidewalks, facilities and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Equipment	5 years
Conference center	39 years
Parking garage	50 years
Main Street Bridge	50 years
Skier funnel bridge	50 years
Transit center	39 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated.

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity

Net Position

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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: nonspendable, 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:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of 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 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 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 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 practice to use the most restrictive classification first.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 97,490
Cash and investments – Restricted	<u>82,916</u>
Total cash and investments	<u>\$ 180,406</u>

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2016, consist of the following:

Cash on hand	\$ 1,500
Deposits with financial institutions	99,899
Investments	<u>79,007</u>
Total cash and investments	<u>\$ 180,406</u>

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, 2016, the District's cash deposits had a carrying and bank balance of \$99,899.

Investments

The District follows state statutes regarding investments, and as such, has not adopted a formal policy.

The District generally limits its concentration of investments to those noted with an asterisk (*) 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 or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to three or five years or less (depending upon the type of investment) unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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 securities of 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

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- . Written repurchase and reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

As of December 31, 2016, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 79,007</u>

CSAFE

The District invested 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 is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, certain money market funds and highest rated commercial paper, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to custodian agreements. 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. CSAFE is rated AAAM by Standard & Poor's.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2016, follows:

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Conference center	\$ 3,668,310	\$ -	\$ -	\$ 3,668,310
Parking garage	14,273,432	58,704	-	14,332,136
Main Street bridge	3,279,140	-	-	3,279,140
Skier funnel bridge	1,750,157	-	-	1,750,157
Transit center	3,913,294	-	-	3,913,294
Total capital assets, being depreciated	<u>26,884,333</u>	<u>58,704</u>	<u>-</u>	<u>26,943,037</u>
Less accumulated depreciation for:				
Conference center	(651,104)	(95,434)	-	(746,538)
Parking garage	(1,996,683)	(286,957)	-	(2,283,640)
Skier funnel bridge	(262,523)	(35,003)	-	(297,526)
Main Street Bridge	(360,706)	(65,583)	-	(426,289)
Transit center	(551,128)	(100,342)	-	(651,470)
Total accumulated depreciation	<u>(3,822,144)</u>	<u>(583,319)</u>	<u>-</u>	<u>(4,405,463)</u>
Governmental activities capital assets, net	<u>\$ 23,062,189</u>	<u>\$ (524,615)</u>	<u>\$ -</u>	<u>\$ 22,537,574</u>

Capital assets were paid for, acquired by, or reimbursed by the District and a portion of the assets were conveyed to other governmental entities. Costs are recorded as construction in progress until placed in service by the District or conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2016:

	<u>Balance at December 31, 2015</u>	<u>Net Issues</u>	<u>Retirements</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
Developer advances:					
Advance and Reimbursement Agreement	\$ 776,288	\$ 176,000	\$ -	\$ 952,288	\$ -
Infrastructure Acquisition and Reimbursement Agreement	4,482,442	-	-	4,482,442	-
Accrued interest	3,407,811	424,170	-	3,831,981	-
	<u>\$ 8,666,541</u>	<u>\$ 600,170</u>	<u>\$ -</u>	<u>\$ 9,266,711</u>	<u>\$ -</u>

Advance and Reimbursement Agreement

The District entered into that certain "Advance and Reimbursement Agreement" dated July 27, 2005, which was amended on April 3, 2008 (First Amendment), and June 25, 2008 (Second Amendment)(collectively, "the Agreement"), with Intrawest/Brush Creek Development Company, LLC (Intrawest), whereby Intrawest agreed to advance funds for costs associated with the organization and development of the District and for the services and improvements related to the construction of capital infrastructure for which the District is authorized. The District was to reimburse Intrawest, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. Reimbursement was to include interest at the rate of 8% per annum. The obligation was declared to be subordinate to any District bonded indebtedness.

On March 1, 2007, Intrawest assigned the Agreement to Base Village Owner LLC. Under this assignment, all prior amounts due to Intrawest were payable to Base Village Owner LLC. On September 28, 2012, the Agreement was assigned to Snowmass Acquisition Company LLC (SAC).

On December 22, 2016, the amounts owing under the Agreement were assigned to SV Bond Holdings, LLC (SV Bond), an affiliate of the Developer (see Note 7) pursuant to the Omnibus Reimbursement Agreement whereby Base Village No. 2 is no longer obligated to repay the advances.

As of December 31, 2016, outstanding advances under the Agreement totaled \$952,288 for operations and accrued interest totaled \$285,201.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

The District entered into that certain “Infrastructure Acquisition and Reimbursement Agreement” (IARA) dated October 19, 2007, with Base Village Owner LLC. Base Village No. 2 was a party to the IARA for purposes of providing funding for payment of obligations to the Developer. On September 28, 2012, the obligations were assigned to Snowmass Acquisition Company LLC. Per the IARA, the District was obligated to reimburse the Developer for those improvements that are determined to be “District Eligible Costs”. District Eligible Costs was defined to mean any and all costs that may be lawfully funded by the District under the Special District Act and the Districts’ Service Plan. District Eligible Costs would be accepted by the District after cost and engineer certifications are issued. With respect to District Eligible Costs for which the District became obligated to reimburse the Developer but which remained unpaid, interest would accrue at 8% per annum from the date of acceptance.

Under the Omnibus Reimbursement Agreement (described below), District No. 2 was released from the reimbursement obligation under the IARA, and the District is the sole entity obligated to make reimbursement. Also, pursuant to the Omnibus Reimbursement Agreement, the party entitled to be reimbursed was established as SV Bond.

As of December 31, 2016, outstanding obligations totaled \$4,482,442 and accrued interest totaled \$3,546,780.

Omnibus Funding and Reimbursement Agreement

On November 28, 2016, the District and SV Bond entered into that certain “Omnibus Funding and Reimbursement Agreement” effective December 22, 2016, the date of issuance Base Village No. 2’s bonds, (the “Omnibus Reimbursement Agreement”) which consolidates the reimbursement agreements previously described. In the Agreement, the District agreed to repay amounts due under these agreements, and Base Village No. 2 was relieved of its repayment obligation. The Agreement provides that from the date thereof, interest shall accrue at the rate of 8% per annum simple interest, to the earlier of the date a reimbursement obligation is issued or repayment is made. The obligation to pay these amounts terminates 40 years from the date of the agreement. The Agreement states that it evidences the District’s intent to repay SV Bond, but that the obligation shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision. The District’s agreement to repay SV Bond is subject to annual appropriation by the District. However, the Agreement does contemplate the issuance of long-term debt obligations to SV Bond to provide for payment (Reimbursement Obligations).

Reimbursement Obligations may only be issued in accordance with the limitations of the Capital Pledge Agreement (see Note 8). In the Capital Pledge Agreement, the District acknowledges and agrees that its obligations under the Capital Pledge Agreement are prior and superior to all obligations of the District under the Omnibus Reimbursement Agreement.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On November 7, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$112,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2016, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorization Used	Remaining at December 31, 2015
Streets	\$ 20,000,000	\$ -	\$ 20,000,000
Public transportation	6,000,000	-	6,000,000
Fire protection	2,000,000	-	2,000,000
Traffic and safety	28,000,000	-	28,000,000
Parks and recreation	28,000,000	-	28,000,000
Mosquito control	28,000,000	-	28,000,000
	<u>\$ 112,000,000</u>	<u>\$ -</u>	<u>\$ 112,000,000</u>

Pursuant to the Amended and Restated Consolidated Service Plan, the Districts are permitted to issue bond indebtedness of up to \$48,700,000 in par-amount, excluding underwriter discount, credit enhancement costs, other costs of issuance, and payments made by guarantors under any pledge agreement or for direct bond payments. As of December 31, 2012, Base Village No. 2 has issued \$47,750,000 (inclusive of \$4,179,943 of costs excludable as described above) of General Obligation Bonds and \$2,200,000 in the form of a Developer Subordinate Note.

During 2013, Base Village No. 2 refunded its Series 2008A bonds, repaid its Developer Subordinate Note, and reduced its 2011 Guarantor Bond obligation through the issuance of the Series 2013A Senior Limited Tax Refunding Loan and the Series 2013B Subordinate Limited Tax Refunding Bonds. No additional authorization was used as Base Village No. 2 issued less debt than was previously issued with the 2008 obligations and Subordinate Note.

During 2016, Base Village No. 2 refunded its outstanding 2013 A Bonds and a portion of its 2013B Bonds with the issuance of its 2016A General Obligation Limited Tax Refunding Bonds and its 2016B General Obligation Limited Tax Subordinate Bonds. The 2011 Guarantor Bonds and the remaining portion of the 2013B Bonds were forgiven by the Bondholders and are deemed canceled and paid in full. No additional authorization was used by Base Village No. 2.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, note, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the District had net investment in capital assets in the amount of \$17,737,212.

Restricted assets include net position that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2016, the District had restricted net position of \$24,000 for Emergency Reserves and \$58,916 for Capital Projects.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 - RELATED PARTIES

On September 22, 2016, SAC (the "Prior Developer") entered into a purchase and sale contract with East West Partners, Inc., a Colorado corporation ("East West") for the sale of the Prior Developer's interest. East West formed of a joint venture to acquire the Prior Developer's interest, the members of which is expected an affiliate of Aspen Skiing Company and an affiliate of KSL Capital Partners, LLC ("KSL"). The joint venture is Snowmass Ventures, LLC (the "Developer"). East West assigned its interest in the Purchase Agreement to the Developer on December 7, 2016. The Developer also acquired Snowmass Hospitality, LLC ("SH") which provides property management services and created a new entity to provide such services in the future, SV Snowmass Hospitality, LLC. During 2016, the District paid SH for management services in the amount of \$344,983.

The five positions on the Board of Directors are occupied by Developer representatives. Such Board members may have potential conflict of interest with respect to actions taken in their capacity as Board members. Disclosure of any potential conflicts of interest is made in accordance with Colorado law, in advance of each Board meeting.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 - DISTRICT AGREEMENTS

Intergovernmental Agreement with Base Village No. 2

In connection with the issuance of the Series 2008A and Series 2008B bonds by Base Village No. 2, the District and Base Village No. 2 entered into that certain "Amended and Restated District Public Improvements Joint Financing, Construction and Service Agreement" (the "Joint Financing Agreement") dated June 25, 2008. The Joint Financing Agreement superseded and replaced an earlier agreement between the parties providing for District to coordinate the financing, construction, operation and maintenance of public improvements and services of benefit to the Districts. The Joint Financing Agreement made certain changes to accommodate the issuance of the Series 2008A and Series 2008B bonds, and the issuance of additional debt, including the 2013A Loan and 2013B bonds of District No. 2. During 2016, the District received \$218,039 of net property taxes from Base Village No. 2 to pay for the costs of operations associated with public infrastructure. The Districts terminated this Agreement on November 28, 2016 and now operate under the Operations Agreement.

Operations Agreement

The District and Base Village No. 2 entered into an Operation, Maintenance and Administrative Services Agreement dated as of November 28, 2016 and effective December 22, 2016 (the "Operations Agreement"). The Operations Agreement replaces the Joint Financing Agreement.

The Operations Agreement establishes certain rights and obligations of the Districts with respect to the provision of operations, maintenance and administrative services of the Districts. The Operations Agreement obligates the District to continue to serve as the administrative agent for Base Village No. 2 with respect to statutory annual requirements that are required of Base Village No. 2, and also to operate and maintain public infrastructure owned by the District and/or as to which the District has operations and maintenance responsibilities pursuant to easements or other property interests. The Operations Agreement obligates Base Village No. 2 to levy six mills until such time as the District mill levy (in the amount of 43.5 mills less the Capital Levy under the Capital Pledge Agreement) is sufficient to meet a single year's operations, maintenance and administrative expenses, at which point Base Village No. 2 will no longer be obligated to fund any such expenses.

Base Village Intergovernmental Agreement

On September 30, 2006, the Districts and Snowmass Village General Improvement District No. 1 (the GID) entered into that certain "Base Village Intergovernmental Agreement" dated as of September 30, 2006 (the Base Village IGA) in order to establish the total aggregate mill levies that are to be imposed by the Districts and the GID, and certain other related matters. Under the Base Village IGA, the mill levies of the Districts may not exceed 49.500 mills annually. Base Village No. 2 was allowed to levy 29.500 mills in 2006, 2007, and 2008 for operations and maintenance and thereafter no more than 6.000 mills. Commencing in 2009, Base Village District No. 2 was to levy 37.5 mills until certain subordinate debt expected to be issued to the Developer and the Town was paid (only the Developer Subordinate Note was issued however). The Developer Subordinate Note was paid in connection with the issuance of the 2013 bonds. Accordingly, under the Base Village IGA, Base Village District No. 2 is allowed to levy up to 37.5 mills for debt service. 2014, Base Village No. 2 levied a debt service mill levy of 37.5 mills. The GID was permitted to levy 20.000 mills in 2006, 2007, and 2008 for operations and maintenance expenses and thereafter not more than 10.000 mills thereafter.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 - DISTRICT AGREEMENTS (CONTINUED)

Capital Pledge Agreement Between the District and Base Village No. 2

On December 22, 2016, the District and Base Village No. 2 entered into an agreement (the "Capital Pledge Agreement") in connection with Base Village No. 2's issuance of its 2016A and 2016B Bonds. In the Capital Pledge Agreement, the District acknowledges and agrees that its obligations under the Capital Pledge Agreement are prior and superior to all obligations under the Operations Agreement, and that the District will first determine and impose ad valorem property taxes for Shortfall Payments in satisfaction of its Payment Obligation under the Capital Pledge Agreement up to the maximum mill levy required thereunder, without taking into account any mill levy to be imposed under the Operations Agreement. In addition, the Base Village No. 2's pledge of revenue under the Operations Agreement derived from its imposition of six mills is fully subordinate to the pledge of such revenue to its outstanding Bonds.

In the event of a Shortfall, the District is obligated by the Capital Pledge Agreement to pay to Base Village No. 2 an amount equal to the lesser of (i) the amount of the Shortfall for the applicable Senior Bond year or (ii) the Capital Levy Revenue received by the District in such Senior Bond Year. If a Shortfall occurs, the Base Village No. 2 will be depending on the District to comply with the terms of the Capital Pledge Agreement in order to fund the Shortfall.

Transit Center Joint Operating Agreement

On November 1, 2010, the District entered into an operating agreement with the Town of Snowmass Village, Colorado, with regard to the Metro District Transit Center Facilities (Facilities).

Per the agreement, the District shall be responsible for the operation and maintenance of the Facilities, and the Town shall be responsible for the operation and maintenance costs associated with the Transit Office. The Town will manage bus operations in the Facilities for the purposes of carrying out public transportation, which is limited to the Town's shuttles and Roaring Fork Transportation Authority buses, and those otherwise allowed by written consent from the Town.

Conference Center Management Agreement

On October 9, 2013, the District entered into an Independent Contract Agreement with the Snowmass Acquisition Company, LLC, dba Viceroy Snowmass, for the purpose of providing services to the Conference Center, including sales, marketing, booking and operations. This agreement renews automatically unless terminated by parties. The contract was assigned to SW Snowmass Hospitality, LLC on December 22, 2016.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 - DISTRICT AGREEMENTS (CONTINUED)

Management Agreement

The District and SH were parties to that certain "Second Amended and Restated Public Facilities Management Agreement" dated January 1, 2014, as extended on November 18, 2015, and on November 28, 2016 (the "Management Agreement"). Pursuant to this agreement, SH agreed to operate and maintain the Main Parking Garage, Transit Center and other public improvements owned, leased or controlled by the District. SH was an entity that was affiliated with the Prior Developer. The Management Agreement was assigned to SV Snowmass Hospitality, LLC in connection with the acquisition of the project by the Developer in December of 2016. The current agreement expires on December 31, 2017. Under the Management Agreement, SV Bond is paid a fixed fee (subject to increase each January 1 by the greater of 2% or the Consumer Price Index) in the amount of \$45,000 for administering parking fees, \$10,000 for maintaining the Conference Center, \$15,000 for managing the Transit Center and \$25,000 for administering the Districts. In addition, the District agrees to pay the costs of third party contractors and suppliers engaged by SV Bond to perform any management services.

Operations Guaranty Agreement

The District and Snowmass Ventures, LLC (Snowmass Ventures) a party related to the current Developer) 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 the Districts incurred pursuant to the Operations Agreement. Snowmass Ventures is obligated to provide operating funds to the District provided that the Districts 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. The District is obligated to reimburse such advances from available funds, subject to annual appropriation.

Exclusion Agreement

The Districts and Snowmass Ventures entered into that certain "Exclusion Agreement" dated as of November 28, 2016 by which the parties agreed to certain procedures to be followed to ensure that future commercial development was considered within the taxing boundaries of the District, and not part of the taxing boundaries of Base Village No. 2.

NOTE 9 - RISK MANAGEMENT

The District is 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.

BASE VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 - RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability 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 10 - 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.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 4, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve, all currently levied taxes and fees of the District without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Current			
Contingency	17,620	-	17,620
Legal services	-	-	-
Capital outlay	<u>100,000</u>	<u>58,704</u>	<u>41,296</u>
Total expenditures	<u>117,620</u>	<u>58,704</u>	<u>58,916</u>
NET CHANGE IN FUND BLANCE	(117,620)	(58,704)	58,916
FUND BALANCES - BEGINNING OF YEAR	<u>117,620</u>	<u>117,620</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 58,916</u></u>	<u><u>\$ 58,916</u></u>

**BASE VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2016**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		Operations	Debt Service	Levied	Collected	
2013	\$ 3,604,940	43.500	0.000	\$ 156,815	\$ 155,616	99.24%
2014	\$ 2,874,520	43.500	0.000	\$ 125,042	\$ 123,735	98.95%
2015	\$ 2,858,120	43.500	0.000	\$ 124,328	\$ 124,328	100.00%
2016	\$ 2,634,480	43.500	0.000	\$ 114,600	\$ 114,600	100.00%
Estimated for the year ending December 31, 2017	\$ 2,580,880	43.500	0.000	\$ 112,268		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.