



BASE VILLAGE METRO DISTRICT NO. 2

SNOWMASS, COLORADO



FINANCIAL STATEMENTS

**As of and for the 12-month period ended
December 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

July 20, 2021

To the Board of Directors
Base Village Metropolitan District No 2

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Base Village Metropolitan District No 2 as of and for the year ended December 31, 2020 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 and 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 of 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major funds of Base Village Metropolitan District No 2, as of December 31, 2020 and the respective changes in financial position and the budgetary comparison for the General Fund, Reserve Fund and Debt Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Management has omitted the 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 statements in an appropriate operational, 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 an opinion on the financial statements that collectively comprise Aberdeen Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

B F Boyer CPA PC

**Certified Public Accountants
Lakewood, CO**

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ -
Cash and investments – restricted	1,873,629
Accounts receivable – specific ownership taxes	4,515
Property taxes receivable	1,901,700
Prepaid expenses	5,898
Total Assets	\$ 3,785,742
LIABILITIES	
Accounts payable and accrued liabilities	\$ -
Accrued interest payable	3,846,081
Current portion of municipal bonds	285,000
Municipal bonds	44,220,000
Bond premium	49,403
Total Liabilities	48,400,484
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	1,901,700
NET POSITION	
Non-spendable	5,898
Restricted:	
Emergency reserves	-
Debt service	1,878,144
Contractual obligations	-
Unassigned:	(48,400,484)
Total Net Position	(\$ 46,516,442)

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, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General government activities	(\$ 251,623)	\$ -	\$ -	\$ -	(\$ 251,623)
Interest and related costs on long-term debt	(2,888,715)	-	-	103,000	(2,785,715)
Contractual obligations	-	-	-	-	-
	<u>(\$3,140,338)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,000</u>	<u>(3,037,338)</u>
General Revenues					
	Property taxes				1,919,380
	Specific ownership taxes				67,372
	Net investment income				7,685
	Total general revenue				<u>1,994,437</u>
	Change in net position				<u>(1,042,901)</u>
	Net Position (Deficit) – Beginning of Year				<u>(\$ 45,473,541)</u>
	Net Position (Deficit) – End of Year				<u>(\$ 46,516,442)</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, 2020

	General	Debt Service	Contractual Obligations	Total Govt. Funds
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Cash and investments - Restricted	-	1,873,629	-	1,873,629
Accounts receivable – spec ownership taxes	-	4,515	-	4,515
Property taxes receivable	-	1,856,000	45,700	1,901,700
Prepaid expenses	-	5,898	-	5,898
TOTAL ASSETS	\$ -	\$ 3,740,042	\$ 45,700	\$ 3,785,742
LIABILITIES				
Accounts payable and accrued liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	-	1,856,000	45,700	1,901,700
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	1,856,000	45,700	1,901,700
FUND BALANCES				
Non-spendable	-	5,898	-	5,898
Restricted:				
Emergencies (TABOR)	-	-	-	-
Debt service	-	1,878,144	-	1,878,144
Contractual obligations	-	-	-	-
Unrestricted	-	-	-	-
Total Fund Balances	-	1,884,042	-	1,884,042
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 3,740,042	\$ 45,700	

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

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	(44,505,000)
Bond premium	(49,403)
Accrued interest payable	(3,846,081)
Net position of governmental activities	<u>(\$46,516,442)</u>

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, 2020

	General	Debt Service	Contractual Obligations	Total Government Funds
REVENUES				
Property taxes	\$ 250,992	\$1,668,388	\$ -	\$ 1,919,380
Specific ownership taxes	8,814	58,558	-	67,372
Facility fees	-	103,000	-	103,000
Net investment income	237	7,448	-	7,685
Total revenues	260,043	1,837,394	-	2,097,437
EXPENDITURES				
General and administration	20,196	89,592	-	109,788
Other district expenses	-	-	-	-
Debt service				
Bond interest – Series 2016A Bonds	-	1,767,988	-	1,767,988
Bond principal – Series 2016A Bonds	-	85,000	-	85,000
Bond interest – Series 2016B Bonds	-	-	-	-
Total Expenditures	20,196	1,942,580	-	1,962,776
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	239,847	(105,186)	-	134,661
OTHER FINANCING SOURCES (USES)				
Transfers (to) from BVMD1	(231,427)	(18,022)	-	(249,449)
Fund transfers	(8,420)	8,420	-	-
Total Other Financing Sources (Uses)	(239,847)	(9,602)	-	(249,449)
NET CHANGE IN FUND BALANCE	-	(114,788)	-	(114,788)
FUND BALANCES – BEGINNING OF YEAR	-	1,998,830	-	1,998,830
FUND BALANCES – END OF YEAR	\$ -	\$1,884,042	\$ -	\$ 1,884,042

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, 2020

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

Net change in fund balances – Total government funds	(\$ 114,788)
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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 repayment on series 2016A bonds	85,000
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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 Series 2015A Bond premium	5,107
Increase in accrued bond interest payable	(1,018,220)

Changes in net position of governmental activities	(\$ 1,042,901)
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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, 2020

	Original Budget	Amended Budget	Actual Amounts	Positive / (Negative) Variance with Amend Budget
REVENUES				
Property taxes	\$ 251,188	\$ 251,188	\$ 250,992	(\$ 196)
Specific ownership taxes	5,024	5,024	8,814	3,790
Net investment income	750	750	237	(531)
Total revenues	<u>256,962</u>	<u>256,962</u>	<u>260,043</u>	<u>3,081</u>
EXPENDITURES				
General and administration	12,559	20,200	20,196	4
Other district expenses	-	-	-	-
Total expenditures	<u>12,559</u>	<u>20,200</u>	<u>20,196</u>	<u>4</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>244,403</u>	<u>236,762</u>	<u>239,847</u>	<u>3,085</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from BVMD1	(244,403)	(228,262)	(231,427)	(3,165)
Transfers to debt fund	-	(8,500)	(8,420)	80
Total other financing sources (uses)	<u>(244,403)</u>	<u>(236,762)</u>	<u>(239,847)</u>	<u>(3,085)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-	-
FUND BALANCE – END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2020

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 organization 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

These notes are an integral part of the accompanying financial statements.

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 of the governmental funds.

The Contractual Obligation Fund is used to account for financial resources expended on specific non-recurring contractual obligations.

These notes are an integral part of the accompanying financial statements.

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 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 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

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. In 2019, 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

These notes are an integral part of the accompanying financial statements.

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, 2020, the District collected facility fees for 20 Residential Units.

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, 2020 are comprised of property taxes due from Adams 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.

These notes are an integral part of the accompanying financial statements.

- **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, 2020 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments – unrestricted	\$	-
Cash and investments – restricted		1,873,629
Total cash and investments	\$	1,873,629

Cash and investments as of December 31, 2020 consist of the following:

Deposits with financial institutions	\$	6,989
Investments		1,866,640
Total cash and investments	\$	1,873,629

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, 2020, the District's cash deposits had a bank and carrying balance of \$6,989.

These notes are an integral part of the accompanying financial statements.

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, 2020, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 16,447
Morgan Stanley Government Money Market Fund	Weighted Average Under 60 Days	1,850,193
		\$ 1,866,640

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

These notes are an integral part of the accompanying financial statements.

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, 2020:

	<u>Balance at Dec. 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at Dec. 31, 2020</u>	<u>Due within one year</u>
Series 2016A G.O. Bonds	\$ 31,260,000	\$ -	(\$ 85,000)	\$ 31,175,000	\$ 285,000
Accrued Interest – Series 2016A G.O. Bonds	-	1,767,988	(1,767,988)	-	-
Series 2016B G.O. Bonds	13,330,000	-	-	13,330,000	-
Accrued Interest – Series 2016B G.O. Bonds	2,827,861	1,018,220	-	3,846,081	-
Series 2016A Bond Premium	54,510	-	(5,107)	49,403	-
Total	\$ 47,472,371	\$2,786,208	(\$1,858,095)	\$ 48,400,484	\$ 285,000

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.

These notes are an integral part of the accompanying financial statements.

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 2021 is 7.15%, which caused the Senior Required Mill Levy for 2021 to be either 41.748 mills or 48.428 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 2021. Level B Revenue consists of (1) property tax revenue generated from the Required Mill Levy of 41.748 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:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 01, 2021, to November 30, 2022	3.0%	\$ 937,800
December 01, 2022, to November 30, 2023	2.0%	\$ 625,200
December 01, 2023, to November 30, 2024	1.0%	\$ 312,600
December 01, 2024, and thereafter	0.0%	\$ -

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 285,000	\$ 1,763,313	\$ 2,048,313
2022	385,000	1,747,637	2,132,637
2023	410,000	1,726,463	2,136,463
2024	475,000	1,703,912	2,178,912
2025	500,000	1,677,788	2,177,788
2026 to 2030	3,365,000	7,912,913	11,277,913
2031 to 2035	5,015,000	6,816,211	11,831,211
2036 to 2040	7,270,000	5,183,337	12,453,337
2041 to 2045	10,290,000	2,769,775	13,059,775
2046	3,180,000	182,850	3,362,850
Total	\$ 31,260,000	\$ 31,484,199	\$ 62,659,199

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

These notes are an integral part of the accompanying financial statements.

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, 2020, the balance in the District's surplus fund exceeded \$1 million and, therefore, BVMD1 did not contribute any Capital Levy Revenue to the District in 2020. Per the District's 2021 budget, the balance in the surplus fund is expected to decline to \$1,078,532 by the end of 2021.

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, 2021, to December 14, 2022	3.0%	\$ 399,900
December 15, 2022, to December 14, 2023	2.0%	\$ 266,600
December 15, 2023, to December 14, 2024	1.0%	\$ 133,000
December 15, 2024, and thereafter	0.0%	\$ -

These notes are an integral part of the accompanying financial statements.

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 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 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 2021 is 0.000 mills (i.e. 41.748 mills less the Senior Required Mill Levy).

Debt Authorization

Debt Authorization – Service Plan

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.

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 2020 was 7.15%, which caused the Maximum Overlapping Mill Levy for 2020 to be 55.108.

Entities subject to Maximum Overlapping Mill Levy restriction	2020 Mill Levy
District – Debt mill levy	39.883
District – Operating mill levy	6.000
GID mill levy	6.000
Collective mill levy	51.883
Maximum mill levy	55.108
(Over) / Under max mill levy	3.225

As of December 31, 2020, total remaining debt issuance authorization under the District’s Amended and Restated Service Plan is as follows:

These notes are an integral part of the accompanying financial statements.

Authorized maximum debt issuance per Service Plan	\$ 48,700,000
Less:	
2008 A&B Bonds	(47,750,000)
2008D Subordinate Bonds	(2,200,000)
Unused, authorized debt issuance as of Dec. 31, 2020	\$ 598,000

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
Subtotal	220,550,000	84,000,000	41,500,000	346,050,000
Refunding of debt	38,000,000	28,000,000	41,500,000	107,500,000
Total	\$258,550,000	\$ 112,000,000	\$ 83,000,000	\$ 453,550,000

	Total Voter- Authorized Debt	Series 2008 A, B and D Bonds	Series 2011, 2013 and 2016 Bonds	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
Subtotal	346,050,000	(49,950,000)	-	296,100,000
Refunding of debt	107,500,000	-	-	107,500,000
Total	\$453,550,000	(\$ 49,950,000)	\$ -	\$ 403,600,000

These notes are an integral part of the accompanying financial statements.

Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District's electors will expire as follows:

- \$197,607,500 will expire in November 2024 - 20 years after the original debt authorization election.
- \$71,857,500 will expire in November 2026 - 20 years after the original debt authorization election.
- \$26,635,000 will expire in November 2026 - 20 years after the original debt authorization election.
- Debt refunding authorization will expire when the District's current general obligation debt is paid down to a balance of \$400,000 or less

NOTE 5 – NET POSITION (DEFICIT)

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2020 in the general fund, debt service fund and contractual obligation fund totaled \$0, \$5,898, and \$0, respectively.

Restricted Net Position

The District's restricted net position as of December 31, 2020 in the general fund, debt service fund and contractual obligation fund totaled \$0, \$1,878,144 and \$0, 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, 2020 totaled (\$48,400,484). 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.

These notes are an integral part of the accompanying financial statements.

- 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	2017	2018	2019	2020
Gross revenue – BVMD1 (Note A)	\$ 566,358	\$ 605,561	\$ 844,210	\$1,031,929	\$ 941,884
BV Metro 1 expenditures	(1,050,782)	(1,096,756)	(952,690)	(1,163,785)	(1,165,511)
BVMD1 net (expense)/revenue	(484,424)	(491,195)	(108,480)	(131,856)	(223,627)
District funding provided to BVMD1	218,039	219,543	191,977	215,987	247,900
Funds provided to BVMD1 in excess of IGA funding commitment	\$ -	\$ -	\$ 83,497	\$ 84,131	\$ 24,273

As of December 31, 202, cumulative overpayments to BVMD1 under the IGA is \$191,907.

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.

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 (55.108 mills as adjusted). The District is committed to levying up to 37.500 mills (41.748 mills as adjusted) to fund the repayment of the District’s debt and levying 6.000 mills (6.680 mills as adjusted) to fund the District’s operations. The GID is permitted to levy no more than 10.000 mills (11.133 mills as adjusted) to fund the GID’s operations and maintenance expenses.

NOTE 7 – RELATED PARTIES

For the 12-month period ended December 31, 2020, the District’s sole director reported no conflicts of interest arising from his participation on the District’s board.

These notes are an integral part of the accompanying financial statements.

Two agreement 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.

These notes are an integral part of the accompanying financial statements.

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 seeks 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 related to certain transactions related to the issuance and refinancing of the District's long-term debt. On July 28, 2020, the Court entered judgment in favor of one of the defendants, Hypo Real Estate Capital Corp. ("Hypo"), and against the District as to the District's claims. In connection with the entry of judgment, the District entered into a stipulated

These notes are an integral part of the accompanying financial statements.

agreement with Hypo to pay certain costs and attorney fees in the sum of \$40,000.00 on or before April 15, 2021, or \$100,000 if paid thereafter. The Court also referred certain claims to arbitration and has dismissed certain claims against some of the other defendants. The action remains pending at this time against the remaining defendants.

NOTE 11 – SUBSEQUENT EVENTS

Effective January 01, 2021, in connection with the District adopting its 2021 budget, the District also changed its method for recognizing and funding the District. Because (1) the District provides no services to District residents and property owners and (2) the District's sole function is to manage the repayment of the District's debts, all costs incurred by the District are considered direct collection costs supporting the repayment of the District's debts and will be funded from the District's debt fund.

On April 07, 2021, the District paid \$40,000 due under the settlement agreement with Hypo.

SUPPLEMENTARY INFORMATION

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
12-Month Period Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Amend Budget
REVENUES			
Property taxes	\$ 1,669,688	\$1,668,388	(\$ 1,300)
Specific ownership taxes	33,394	58,558	25,164
Facility fees	103,000	103,000	-
Net investment income	32,500	7,448	(25,052)
Total revenues	<u>1,838,582</u>	<u>1,837,394</u>	<u>(1,188)</u>
EXPENDITURES			
Collection fees – County Treasurer	83,484	83,492	(8)
Indirect collection costs	-	-	-
Bond paying agent fees	6,100	6,100	-
Contingency	5,000	-	5,000
Debt service			
Bond interest – 2016A Series Bonds	1,767,988	1,767,988	-
Bond interest – 2016B Series Bonds	-	-	-
Bond principal – 2016A Series Bonds	85,000	85,000	-
Total expenditures	<u>1,947,572</u>	<u>1,942,580</u>	<u>4,992</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(108,990)</u>	<u>(105,186)</u>	<u>3,804</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) from BVMD1	-	(18,022)	(18,022)
Transfers in (out)	-	8,420	8,420
Total other financing sources (uses)	<u>-</u>	<u>(9,602)</u>	<u>(9,602)</u>
NET CHANGE IN FUND BALANCE	<u>(108,990)</u>	<u>(114,788)</u>	<u>(5,798)</u>
FUND BALANCE – BEGINNING OF YEAR	<u>1,966,950</u>	<u>1,998,830</u>	<u>31,880</u>
FUND BALANCE – END OF YEAR	<u>\$ 1,857,960</u>	<u>\$1,884,042</u>	<u>\$ 26,082</u>
2016A Bond Reserve Fund		\$ 654,179	
2016A Bond Surplus Fund		1,195,999	
Other restricted cash balances		33,864	
TOTAL RESTRICTED CASH		<u>\$1,884,042</u>	

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
CONTRACTUAL OBLIGATIONS FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
 12-Month Period Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Amend Budget
REVENUES			
Net investment income	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Administrative costs	-	-	-
Payments due under contractual obligations	-	-	-
Total expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	\$ -	\$ -	\$ -

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2020

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

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2021	\$ 285,000	\$ 1,763,313	5.50% – 5.75%	\$ 2,048,313
2022	385,000	1,747,637	5.50% – 5.75%	2,132,637
2023	410,000	1,726,463	5.50% – 5.75%	2,136,463
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
	\$ 31,175,000	\$31,484,199		\$ 62,659,199

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

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, 2020

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)	
2017	\$ 36,709,840	6.000	37.500	\$1,596,900	\$1,601,032	100.3%
2018	32,332,190	6.000	39.606	1,475,200	1,474,564	99.9%
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	[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, 2020

	2021 Mill Levy *	2020 Mill Levy**	Change
Base Village Metropolitan District No. 2	42.776	45.883	(3.107)
Snowmass- Wildcat Fire Protection District	10.080	9.865	0.215
Aspen School District	8.844	8.880	(0.036)
Pitkin County	7.657	7.521	0.136
Town of Snowmass	7.566	7.364	0.202
Town of Snowmass Village General Imp. District	6.004	6.000	0.004
Snowmass Water and Sanitation District	5.999	5.969	0.030
Colorado Mountain College	4.013	4.013	-
Roaring Fork Transportation District	2.650	2.650	-
Aspen Valley Hospital District	2.297	2.606	(0.309)
Pitkin County Library District	1.436	1.377	0.059
Colorado River Water Conservation District	0.502	0.235	0.267
Aspen Historic Park & Recreation District	0.300	0.300	-
Total Mill Levy	100.124	102.663	(2.539)

* -- For property tax collections in 2021

** -- For property tax collections in 2020

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

HISTORICAL DEBT RATIOS

December 31, 2020

	2016	2017	2018	2019	2020
General Obligation Bonds	\$ 44,590,000	\$ 44,590,000	\$ 44,590,000	\$ 44,590,000	\$ 44,505,000
Accrued, unpaid interest - Bonds	\$ 65,860	\$ 1,065,201	\$ 1,961,410	\$ 2,827,861	\$ 3,846,081
Other TABOR debt	\$ -	\$ -	\$ -	\$ -	\$ -
Combined assessed property values within the District	\$ 36,709,840	\$ 32,332,190	\$ 36,423,750	\$ 41,864,650	\$ 44,457,740
Ratio of debt to assessed property values	121.6%	141.2%	127.8%	113.3%	108.8%