



BASE VILLAGE METRO DISTRICT NO. 2

SNOWMASS, COLORADO



FINANCIAL STATEMENTS

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Base Village Metropolitan District No. 2

Pitkin County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Base Village Metropolitan District No. 2 (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Information

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

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

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is written in a cursive style and is underlined with a single horizontal line.

Castle Pines, Colorado
September 23, 2024

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

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

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

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

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

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

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

	General Fund	Debt Service Fund	Total Government Funds
ASSETS			
Cash and investments	\$ 448,689	\$ -	\$ 448,689
Cash and investments - Restricted	-	2,051,106	2,051,106
Accounts receivable – spec ownership taxes	720	5,270	5,990
Accounts receivable - capital facility fees	-	-	-
Property taxes receivable	-	3,305,900	3,305,900
Prepaid expenses	-	8,700	8,700
TOTAL ASSETS	\$ 449,409	\$ 5,370,976	\$ 5,820,385
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 1,000	\$ 1,000
Accrued liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	-	3,305,900	3,305,900
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	3,306,900	3,306,900
FUND BALANCES			
Restricted:			
Emergencies (TABOR)	-	-	-
Debt service	-	2,055,376	2,055,376
Contractual obligations	-	-	-
Non-spendable	-	8,700	8,700
Unrestricted	449,409	-	449,409
TOTAL FUND BALANCES	449,409	2,064,076	2,513,485
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 449,409	\$ 5,370,976	
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			(43,425,000)
Bond premium			(41,185)
Accrued interest payable			(7,559,858)
Net position of governmental activities			\$ (48,512,558)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
Administrative costs	\$ -	\$ -	\$ -
Collection fees – County Treasurer	14,100	14,105	(5)
Contingency	400,700	-	400,700
Total General and Administration	<u>\$ 414,800</u>	<u>\$ 14,105</u>	<u>\$ 400,695</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, 2023

NOTE 1 – DEFINITION OF REPORTING ENTITY

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

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

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

Budgets

In accordance with Colorado State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

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

Investments are carried at net asset value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Specific Ownership Taxes

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

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

Capital Facility Fees

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Bond Premiums

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

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

Equity

Net Position

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

Fund Balance

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

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

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

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

NOTE 3 – CASH AND INVESTMENTS

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

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

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

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

Deposits with Financial Institutions

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

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

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

Investments

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

The District generally limits its concentration of investments to those listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to

concentration risk disclosure requirements or subject to investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

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

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

CSAFE

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

Morgan Stanley Government Money Market Fund

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

NOTE 4 – LONG-TERM DEBT

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

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

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.

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

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

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

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

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

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

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

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

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

Capital Pledge Agreement between the District and BVMD1

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

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

Series 2016B Subordinate General Obligation Bonds

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

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

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

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

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

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

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

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

Debt Authorization – Service Plan

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

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

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

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

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

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	2023 Reverse TABOR Election	Remaining Voter- Authorized Debt
Street improvements	\$41,300,000	(\$21,248,750)	\$ -	\$(20,051,250)	\$ -
Park and recreational facilities	87,800,000	(3,342,500)	-	(84,457,500)	-
Public transportation system	39,300,000	(24,165,000)	-	(15,135,000)	-
Intergovernmental agreements	66,000,000	-	-	(66,000,000)	-
Operations and maintenance	3,750,000	-	-	(3,750,000)	-
Traffic and safety controls	1,800,000	-	-	(1,800,000)	-
Fire protection facilities	2,000,000	(1,193,750)	-	(806,250)	-
Mosquito control	100,000	-	-	(100,000)	-
Private contractual obligations	66,000,000	-	-	(66,000,000)	-
Mortgages, liens and encumbrances	38,000,000	-	-	(38,000,000)	-
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)	-

NOTE 5 – NET POSITION (DEFICIT)

Non-Spendable Net Position

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

Restricted Net Position

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

Unassigned Net Position

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

NOTE 6 – AGREEMENTS

Intergovernmental Agreement with BVMD1

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

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

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

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

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

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

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

Intergovernmental Agreement with GID

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

NOTE 7 – RELATED PARTIES

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

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

NOTE 8 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution—referred to as the Taxpayer's Bill of Rights (TABOR)—contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

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

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

NOTE 10 – LITIGATION

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

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

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

SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

BASE VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023

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

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

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, 2023

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

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

OTHER SUPPLEMENTARY INFORMATION

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

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

* -- For property tax collections in 2023

** -- For property tax collections in 2024

BASE VILLAGE METROPOLITAN DISTRICT NO. 2

HISTORICAL DEBT RATIOS

December 31, 2023

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