

VAIL SQUARE METROPOLITAN DISTRICT NO. 2

January 14, 2022

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Filed electronically: dlg-filing@state.co.us

RE: Vail Square Metropolitan District No. 2 Budget - LGID #65509

Attached is the 2022 Budget for the Vail Square Metropolitan District No. 2 in Eagle County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 18, 2021. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060, Ext 8.

The mill levy certified to the County Commissioners of Eagle County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 32.000 mills for general obligation debt; 3.000 mills for contractual obligations; 0.000 for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on a net assessed valuation of \$15,115,540, the total property tax revenue is \$529,043.90. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



Title Accountant

Enclosure(s)

VAIL SQUARE METROPOLITAN DISTRICT No. 2

2022 BUDGET MESSAGE

Vail Square Metropolitan District No.2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of roads, drainage facilities, streetscape, water and sewer utilities mains.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2022 BUDGET STRATEGY

Vail Square Metropolitan District No. 2 was formed in late 2005. The District has joined with Vail Square Metropolitan District No.1 and Vail Square Metropolitan District No.3 in adopting a consolidated service plan. Under this consolidated service plan, Vail Square Metro District No. 1 will be the “service district” and Vail Square Metro District Nos. 2 and 3 will be the “financing districts.” As such, Vail Square Metro District No.1 will be responsible for managing the construction, maintenance and operation of facilities and improvements needed for the Vail Square Metro District Nos. 2 and 3 areas. The District and Vail Square Metro District No.3 will be responsible for providing the funding and tax bases needed to support the financing plan for capital improvements.

Vail Square Metropolitan District Nos. 2 and 3 anticipate utilizing the property taxes they collect to pay for a portion of their obligations under the Joint Funding Agreement and the District Facilities Joint Financing, Construction and Service Agreement with Vail Square Metropolitan District No.1.

RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 2

TO ADOPT 2022 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE VAIL SQUARE METROPOLITAN DISTRICT NO.2, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board of Directors of the Vail Square Metropolitan District No. 2 (the “District”) has appointed a budget committee to prepare and submit a proposed 2022 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 18, 2021 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the District for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management’s best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer of the District or the District Administrator of the District and made a part of the public records of the District.

RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2021, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE VAIL SQUARE METROPOLITAN DISTRICT NO. 2, TOWN OF VAIL, EAGLE COUNTY, COLORADO, FOR THE 2022 BUDGET YEAR.

WHEREAS, the Board of Directors of the Vail Square Metropolitan District No. 2 (the "District"), has adopted the annual budget in accordance with the Local Government Budget Law of Colorado, on October 18, 2021 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Board of Directors of the District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations from property tax revenue as approved by voters is \$45,346.62 and;

WHEREAS, the amount of money necessary to balance the budget for voter approved general obligation debt and interest is \$483,697.28 and;

WHEREAS, the 2021 net valuation for assessment for the District, as certified by the County Assessor is \$15,115,540.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District:

Section 1. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2022 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.

Section 3. That for the purpose of meeting all capital expenditures of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all payments for contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of 3.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.
- Section 5. That for the purpose of meeting all payments for general obligation debt and interest of the District during the 2022 budget year, there is hereby levied a tax of 32.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.
- Section 6. That any officer of the District or the District Administrator is hereby authorized and directed to either immediately certify to the Board of County Commissioners of Eagle County, Colorado, the mill levies for the District as hereinabove determined and set, or be authorized and directed to certify to the Board of County Commissioners of Eagle County, Colorado, the mill levies for the District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE VAIL SQUARE METROPOLITAN DISTRICT NO. 2, TOWN OF VAIL, EAGLE COUNTY, COLORADO, FOR THE 2022 BUDGET YEAR.

WHEREAS, the Board of Directors of the Vail Square Metropolitan District (the “District”) has adopted the annual budget in accordance with the Local Government Budget Law of Colorado, on October 18, 2021, and;

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

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current Operating Expenses	<u>\$ 8,700</u>
----------------------------	-----------------

DEBT SERVICE FUND:

Debt Service Expenditures	\$1,027,703
Fund Transfers	<u>\$5,212</u>

TOTAL DEBT SERVICE FUND:	\$1,032,915
--------------------------	-------------

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 2
(CONTINUED)

TO ADOPT 2022 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2022 budget, set the mill levies and to appropriate sums of money were adopted this 18th day of October, 2021.



Officer of the District

VAIL SQUARE METROPOLITAN DISTRICT # 2
 STATEMENT OF NET POSITION
 September 30, 2021

Printed: 29-Nov-21

	GENERAL FUND	DEBT SERVICE	GENERAL FIXED ASSETS & LT DEBT	TOTAL
<u>ASSETS</u>				
Csafe	18,517	275,009	0	293,526
Property Tax Receivable	0	4,632	0	4,632
Accounts Receivable	0	0	0	0
Prepaid Expenses	0	0	0	0
TOTAL ASSETS	18,517	279,642	0	298,158
<u>LIABILITIES</u>				
Accounts Payable	0	230,903	0	230,903
Deferred Property Tax Revenue	0	4,632	0	4,632
Accrued Interest Payable	0	0	0	0
Net Service and Capital Oblig - VSQ No. 1			7,861,591	7,861,591
TOTAL LIABILITIES	0	235,535	7,861,591	8,097,126
<u>DEFERRED INFLOWS</u>				
Deferred Property Tax Revenue	0	0	0	0
TOTAL DEFERRED INFLOWS	0	0	0	0
<u>NET POSITION</u>				
Net of Capital and Service Obligation	0	0	(7,861,591)	(7,861,591)
Fund Balance	18,517	44,106	0	62,623
TOTAL NET POSITION	18,517	44,106	(7,861,591)	(7,798,968)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	18,517	279,642	0	298,158
	=	=	=	=

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

GENERAL FUND	Cal Yr	Cal Yr	Cal Yr	9 Months	9 Months	Variance Favorable (Unfav)	2022	BUDGET ASSUMPTIONS
	2020 <u>Audited</u>	2021 Adopted <u>Budget</u>	2021 Amended	Ended 09/30/21 <u>Actual</u>	Ended 09/30/21 <u>Budget</u>		Adopted <u>Budget</u>	
Assessed Valuation - Net	14,747,380	14,734,340	14,734,340				15,115,540	Nov 2021 Final AV
Assessed Valuation - TIF	13,077,490	13,028,280	13,028,280				13,364,730	Nov 2021 Final AV
Total Gross AV	27,824,870	27,762,620	27,762,620				28,480,270	
	14.4%	14.2%					3%	Percent change
REVENUES								
Vail Sq # 1 Interdistrict Contrib	0	0	0	0	0	0	0	
Interest Income	0	0	0	0	0	0	0	
TOTAL REVENUES	0	0	0	0	0	0	0	
EXPENDITURES								
Audit	4,500	4,500	4,500	4,200	4,500	300	4,500	
Insurance	2,648	3,000	3,000	2,700	3,000	300	3,200	
VSQ 1 Interdistrict Advance repayment	0	0	0	0	0	0	0	
Contingency Allowance	0	1,000	1,000	0	0	0	1,000	
TOTAL EXPENDITURES	7,148	8,500	8,500	6,900	7,500	600	8,700	
REVENUE OVER (UNDER) EXPEND.	(7,148)	(8,500)	(8,500)	(6,900)	(7,500)	600	(8,700)	
OTHER SOURCES AND (USES)								
Xfer Net Int & SO tax fr DS Fund	9,045	14,185	6,045	0	0	0	5,212	
TOTAL OTHER SOURCES & (USES)	9,045	14,185	6,045	0	0	0	5,212	
FUND BALANCE - BEGINNING	23,519	24,509	25,416	25,416	24,509	907	22,961	
FUND BALANCE - ENDING	25,416	30,194	22,961	18,517	17,009	1,508	19,473	

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

DEBT SERVICE FUND	Cal Yr	Cal Yr	Cal Yr	9 Months	9 Months	Variance Favorable (Unfav)	2022	BUDGET ASSUMPTIONS
	2020 Audited	2021 Adopted Budget	2021 Amended	Ended 09/30/21 Actual	Ended 09/30/21 Budget		Adopted Budget	
Assessed Valuation -Net	14,747,380	14,734,340	14,734,340				15,115,540	Nov 2021 Final AV
Assessed Valuation - TIF TOV URA	13,077,490	13,028,280	13,028,280				13,364,730	Nov 2021 Final AV
Total Gross AV	27,824,870	27,762,620	27,762,620				28,480,270	
	14.4%	-0.3%					3%	Percent change
Mill Levy Rates								
IGA Services Mill Levy Rate	3.000	3.000	3.000				3.000	
Capital Pledge Mill Levy Rate	32.000	32.000	32.000				32.000	
Total Mill Levy Rate	35.000	35.000	35.000				35.000	
REVENUES								
Prop Taxes-IGA Serv	44,186	44,203	44,203	43,806	44,201	(395)	45,347	AV x Mill levy
Prop Taxes-TIF IGA Serv	37,681	37,912	39,900	39,006	37,912	1,094	38,891	AV x Mill levy
Prop Taxes-D/S Oblig	471,322	471,499	471,499	467,264	471,499	(4,235)	483,697	AV x Mill levy
Prop Taxes-TIF D/S Oblig	401,931	404,398	425,450	416,059	404,398	11,661	414,841	AV x Mill levy
Specific Ownership Taxes	48,357	43,111	58,863	36,581	28,740	7,840	49,139	5% of Prop tax
Interest Income	1,876	7,000	1,000	683	5,250	(4,567)	1,000	
TOTAL REVENUES	1,005,354	1,008,123	1,040,915	1,003,398	992,000	11,397	1,032,915	
EXPENDITURES								
Xfer Prop Taxes to VSQ #1 - Serv Oblig	42,859	42,877	42,877	41,526	42,875	1,349	43,986	Service mills less Treas Fee
Xfer Prop Taxes to VSQ #1 - Serv TIF TOV	37,681	37,912	39,900	39,006	37,912	(1,094)	38,891	TOV URA
Xfer Prop Taxes to VSQ #1 - D/S Oblig	457,158	457,354	457,354	442,940	457,354	14,414	469,186	DS mills less Treas Fee
Xfer Prop Taxes to VSQ #1 - D/S TIF TOV	401,931	404,398	425,450	416,059	404,398	(11,661)	414,841	TOV URA
Xfer Specific Ownership Tax - D/S	44,212	35,925	53,818	24,411	23,950	(460)	44,927	IGA DS % of SO tax
Treasurer's Fees	15,493	15,471	15,471	15,351	15,471	120	15,871	3% of Prop. Taxes
Contingency			0					
TOTAL EXPENDITURES	999,333	993,937	1,034,870	979,291	981,960	2,669	1,027,703	
REVENUE OVER (UNDER) EXPEND.	6,021	14,185	6,045	24,106	10,040	14,066	5,212	
OTHER SOURCES/(USES)								
Xfer Net Int & SO tax to Gen Fund	(9,045)	(14,185)	(6,045)	0	0	0	(5,212)	
TOTAL OTHER FINANCING SOURCES	(9,045)	(14,185)	(6,045)	0	0	0	(5,212)	
FUND BALANCE - BEGINNING	23,025	20,000	20,000	20,000	20,000	0	20,000	
Reverse contingency			0					
FUND BALANCE - ENDING	20,000	20,000	20,000	44,106	30,040	14,066	20,000	

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Vail Square Metropolitan District No. 2
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Vail Square Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 28,480,270
(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 15,115,540
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/8/2021 for budget/fiscal year 2022
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ -
SUBTOTAL FOR GENERAL OPERATING:	<u>(0.000)</u> mills	<u>\$ -</u>
3. General Obligation Bonds and Interest ^J	<u>32.000</u> mills	\$ 483,697.28
4. Contractual Obligations ^K	<u>3.000</u> mills	\$ 45,346.62
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ -
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ -
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>35.000</u> mills	<u>\$ 529,043.90</u>

Contact person: Kenneth J. Marchetti Daytime phone: (970) 926-6060 x8
(print)
Signed: *Kj Marchetti* Title: District Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

Vail Square Metropolitan District No. 2

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.)

Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: The District entered into a Joint Funding Agreement to facilitate the provision of the Facilities in a timely, efficient and cost-effective manner sufficient to serve the anticipated development within the Financing Districts, the District determined that the Operating District (VSQMD No. 1) enter into a Loan Agreement dated as of July 23, 2008. In order to facilitate the borrowing of the Loan proceeds and in exchange for the Lender making the Loan (the proceeds of which are to be applied, in accordance with the Loan Agreement, to the provision of Facilities), the Financing Districts have entered into the Loan Agreement as additional obligors, and, by the terms of this Agreement, pledged certain revenues to the Lender and covenanted to take certain actions with respect to generating such revenues, for the benefit of the Lender;

Series: 2008
Date of Issue: July 23, 2008
Coupon rate: Variable
Maturity Date: December 1, 2023
Levy: 32.000 Mills
Revenue: \$483,697.28

2. Purpose of Issue:
Series:
Date of Issue:
Coupon rate:
Maturity Date:
Levy:
Revenue:

CONTRACTS^K:

3. Purpose of Contract: The District entered into an agreement for the implementation of principles and objectives set forth in the Service Plan regarding financing, construction, operation and maintenance of the facilities, and administration of the District's affairs pursuant to voter authorization approved at election in November 2005.

Title: District Facilities Joint Financing, Construction and Service Agreement
Date: July 21, 2008
Principal Amount: \$20,000,000
Maturity Date: December 1, 2023
Levy: 3.000 Mills
Revenue: \$45,346.62

4. Purpose of Contract:
Title:
Date:
Principal Amount:
Maturity Date:
Levy:
Revenue:

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