

VAIL SQUARE METROPOLITAN DISTRICT NO. 3

January 13, 2023

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. 3 Budget - LGID #65510

Attached is the 2023 Budget for the Vail Square Metropolitan District No. 3 in Eagle County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 3, 2022. 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; 18.875 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 \$12,752,300, the total property tax revenue is \$278,956.56. 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 District Administrator/Accountant

Enclosure(s)

VAIL SQUARE METROPOLITAN DISTRICT No. 3

2023 BUDGET MESSAGE

Vail Square Metropolitan District No.3 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.

2023 BUDGET STRATEGY

Vail Square Metropolitan District No.3 was formed in late 2005. The District has joined with Vail Square Metropolitan District No.1 and Vail Square Metropolitan District No. 2 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. 2 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. 3

TO ADOPT 2023 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE VAIL SQUARE METROPOLITAN DISTRICT NO.3, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the Vail Square Metropolitan District No. 3 (the “District”) has appointed a budget committee to prepare and submit a proposed 2023 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 3, 2022 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. 3
(CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE VAIL SQUARE METROPOLITAN DISTRICT NO. 3, TOWN OF VAIL, EAGLE COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Vail Square Metropolitan District No. 3, (the "District") has adopted the annual budget in accordance with the Local Government Budget Law of Colorado, on October 3, 2022 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 \$ 38,256.90 and;

WHEREAS, the amount of money necessary to balance the budget for voter approved general obligation debt and interest is \$240,699.66 and;

WHEREAS, the 2022 net valuation for assessment for the District, as certified by the County Assessor is \$12,752,300.

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 2023 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 2022.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.

Section 3. That for the purpose of meeting all capital expenditures of the District during the 2023 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 2022.

RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 3
(CONTINUED)

TO SET MILL LEVIES (CONTINUED)

- Section 4. That for the purpose of meeting all payments for contractual obligations of the District during the 2023 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 2022.
- Section 5. That for the purpose of meeting all payments for general obligation debt and interest of the District during the 2023 budget year, there is hereby levied a tax of 18.875 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- 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.

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RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 3
(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. 3, TOWN OF VAIL, EAGLE COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Vail Square Metropolitan District No. 3 (the “District”) has adopted the annual budget in accordance with the Local Government Budget Law of Colorado, on October 3, 2022, 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>\$ 9,400</u>
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DEBT SERVICE FUND:

Debt Service Expenditures	\$540,043
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Fund Transfers	<u>\$ 6,146</u>
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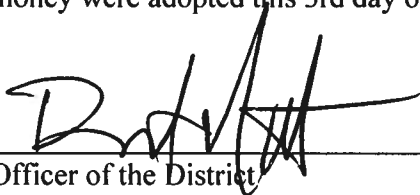
TOTAL DEBT SERVICE FUND	\$546,189
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RESOLUTIONS OF VAIL SQUARE METROPOLITAN DISTRICT NO. 3
(CONTINUED)

TO ADOPT 2023 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 3rd day of October, 2022.



Officer of the District

VAIL SQUARE METROPOLITAN DISTRICT # 3
 STATEMENT OF NET POSITION
 August 31, 2022

Printed: 14-Dec-22

	GENERAL FUND	DEBT SERVICE	GENERAL FIXED ASSETS & LT DEBT	TOTAL
ASSETS				
Csafe	200	5,324	0	5,524
Property Tax Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Prepaid Expenses	0	0	0	0
TOTAL ASSETS	200	5,324	0	5,524
LIABILITIES				
Accounts Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Net Service & Capital Oblig - VSQ No. 1	0		1,429,899	1,429,899
TOTAL LIABILITIES	0	0	1,429,899	1,429,899
DEFERRED INFLOWS				
Deferred Property Tax Revenue		0		0
TOTAL DEFERRED INFLOWS	0	0	0	0
NET POSITION				
Net Capital and Service Obligation	0	0	(1,429,899)	(1,429,899)
Fund Balance	200	5,324	0	5,524
TOTAL NET POSITION	200	5,324	(1,429,899)	(1,424,375)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	200	5,324	0	5,524
	=	=	=	=

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	8 Months	8 Months	Modified	2023	BUDGET ASSUMPTIONS
	2021 Audited	2022 Adopted Budget	2022 Amended	Ended 08/31/22 Actual	Ended 08/31/22 Budget	Accrual Variance Favorable (Unfav)	Adopted Budget	
Assessed Valuation - Net	15,787,780	12,776,220	12,776,220				12,752,300	Nov 22 FINAL AV
Assessed Valuation - TIF	14,000,070	11,296,380	11,296,380				11,278,670	Nov 22 FINAL AV
Total Gross AV	29,787,850	24,072,600	24,072,600				24,030,970	
	0%	-19%					0%	Percent change
REVENUES								
Vail Sq # 1 InterDistrict Contrib	835	4,840	91	5,901	4,840	1,061	3,254	
Interest Income	0	0	0	0	0	0	0	
TOTAL REVENUES	835	4,840	91	5,901	4,840	1,061	3,254	
EXPENDITURES								
Audit	3,200	3,200	3,200	3,200	3,200	0	3,200	
Insurance	2,701	3,200	2,700	2,701	3,200	499	3,200	
Contingency Allowance	0	3,000	500	0	0	0	3,000	
TOTAL EXPENDITURES	5,901	9,400	6,400	5,901	6,400	499	9,400	
REVENUE OVER (UNDER) EXPEND.	(5,066)	(4,560)	(6,309)	0	(1,560)	1,560	(6,146)	
OTHER SOURCES AND (USES)								
Xfer Net Int & SO tax fr DS Fund	5,066	4,560	6,309	0	0	0	6,146	
TOTAL OTHER SOURCES & (USES)	5,066	4,560	6,309	0	0	0	6,146	
FUND BALANCE - BEGINNING	200	200	200	200	200	0	200	
FUND BALANCE - ENDING	200	200	200	200	(1,360)	1,560	200	
	=	=	=	=	=	=	=	

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

VAIL SQUARE METROPOLITAN DISTRICT # 3
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

Printed: 12/14/22

Modified
 Accrual
 Basis

DEBT SERVICE FUND	Cal Yr	Cal Yr	Cal Yr	8 Months	8 Months	Variance	2023	BUDGET
	2021	2022	2022	Ended	Ended		Adopted	
	Audited	Adopted	Amended	08/31/22	08/31/22	Favorable	Budget	
		Budget		Actual	Budget	(Unfav)		
Assessed Valuation - Net	15,778,220	12,776,220	12,776,220				12,752,300	Nov 22 FINAL AV
Assessed Valuation - TIF	13,951,280	11,296,380	11,296,380				11,278,670	Nov 22 FINAL AV
Total Gross AV	29,729,500	24,072,600	24,072,600				24,030,970	
	0%	-19%					0%	Percent change
Mill Levy Rates								
IGA Services Mill Levy Rate	3.000	3.000	3.000				3.000	
Capital Pledge Mill Levy Rate	18.875	18.875	18.875				18.875	
Total Mill Levy Rate	21.875	21.875	21.875				21.875	
REVENUES								
Prop Taxes-IGA Serv	47,332	38,329	38,375	38,375	38,329	46	38,257	AV x Mill levy
Prop Taxes-TIF IGA Serv	40,601	32,872	32,872	0	32,872	(32,872)	32,821	AV x Mill levy
Prop Taxes - D/S Oblig	297,799	241,151	241,443	241,443	241,151	292	240,700	AV x Mill levy
Prop Taxes - TIF D/S Oblig	255,446	206,823	206,823	0	206,823	(206,823)	206,498	AV x Mill levy
Allowance for potential abatements		0	0			0	0	
Specific Ownership Taxes	35,647	25,959	35,067	16,391	20,456	(4,065)	25,914	5% of Prop tax
Interest Income	36	1,000	1,500	870	667	204	2,000	
TOTAL REVENUES	676,862	546,134	556,080	297,079	540,297	(243,218)	546,190	
EXPENDITURES								
Xfer Prop Taxes to VSQ #1 - Serv Oblig	45,912	37,179	37,224	37,224	37,179	(45)	37,109	Service mills less treas fee
Xfer Prop Taxes to VSQ #1 - Serv TIF	40,601	32,872	32,872	0	32,872	32,872	32,821	TOV URA
Xfer Prop Taxes to VSQ #1 - D/S Oblig	288,865	233,917	234,200	234,200	233,917	(283)	233,479	DS mills less treas fee
Xfer Prop Taxes to VSQ #1 - D/S TIF	255,446	206,823	206,823	0	206,823	206,823	206,498	TOV URA
Allowance for potential abatements		0	0			0	0	
Xfer Specific Ownership Tax - D/S	30,758	22,399	30,258	11,938	16,782	4,844	21,768	IGA D/S % of SO
Treasurer's Fees	10,354	8,384	8,395	8,395	8,384	(10)	8,369	3% of Prop. Taxes
Contingency		0	0			0	0	
TOTAL EXPENDITURES	671,937	541,574	549,771	291,756	535,957	244,201	540,043	
REVENUE OVER (UNDER) EXPEND.	4,925	4,560	6,309	5,323	4,341	983	6,146	
OTHER SOURCES/(USES)								
Xfer Int & Net SO tax to Gen Fund	(5,066)	(4,560)	(6,309)	0	0	0	(6,146)	
TOTAL OTHER FINANCING SOURCES	(5,066)	(4,560)	(6,309)	0	0	0	(6,146)	
FUND BALANCE - BEGINNING	141	0	0	0	0	0	0	
Reverse Contingency		0	0			0	0	
FUND BALANCE - ENDING	0	0	0	5,324	4,341	983	0	
	=	=	=	=	=	=	=	

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. 3
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Vail Square Metropolitan District No. 3
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 24,030,970
(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: \$ 12,752,300
(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: 12/6/2022 for budget/fiscal year 2023
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
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>18.875</u> mills	\$ 240,699.66
4. Contractual Obligations ^K	<u>3.000</u> mills	\$ 38,256.90
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>21.875</u> mills	<u>\$ 278,956.56</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. 3

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: 18.875 Mills
Revenue: \$240,699.66

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: \$38,256.90

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.