

BEEBE DRAW FARMS AUTHORITY
Weld County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**BEEBE DRAW FARMS AUTHORITY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITOR'S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
AMENITIES FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	20
CAPITAL INFRASTRUCTURE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	21



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Board of Directors
Beebe Draw Farms Authority
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Beebe Draw Farms Authority (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Beebe Draw Farms Authority as of December 31, 2023, and the respective changes in financial position and the respective 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 Authority 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 (GAAP), 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 Authority'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 GAAS 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 GAAS, 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 Authority'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 Authority'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 the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are 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 Authority's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

October 2, 2024

BASIC FINANCIAL STATEMENTS

**BEEBE DRAW FARMS AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 411,151
Cash and Investments - Restricted	4,525,521
Accounts Receivable	1,819
Prepaid Insurance	34,861
Due from District 1	170,371
Due from District 2	395,189
Security Deposit	148,066
Capital Assets:	
Capital Assets, Not Being Depreciated	6,068,569
Capital Assets Being Depreciated, Net	6,890,384
Total Assets	<u>18,645,931</u>
LIABILITIES	
Accounts Payable	103,311
Credit Card Payable	7,207
Due to District 2	47,068
Due to District 1	15,813
Accrued Interest	51
Total Liabilities	<u>173,450</u>
NET POSITION	
Net Investment in Capital Assets	12,958,953
Restricted for:	
Emergency Reserve	18,000
Capital Infrastructure	4,022,002
Amenities	1,063,355
Unrestricted	<u>410,171</u>
Total Net Position	<u><u>\$ 18,472,481</u></u>

See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
STATEMENT OF ACTIVITES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) and Changes in
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Position
					Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 879,951	\$ 15,849	\$ 444,358	\$ 219,087	\$ (200,657)
Total Governmental Activities	<u>\$ 879,951</u>	<u>\$ 15,849</u>	<u>\$ 444,358</u>	<u>\$ 219,087</u>	<u>(200,657)</u>
GENERAL REVENUES					
Interest Income					249,619
Other Revenue					10,287
Total General Revenues					<u>259,906</u>
CHANGES IN NET POSITION					59,248
Net Position - Beginning of Year					<u>18,413,233</u>
NET POSITION - END OF YEAR					<u><u>\$ 18,472,481</u></u>

See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Amenities	Capital Infrastructure	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 411,151	\$ -	\$ -	\$ 411,151
Cash and Investments - Restricted	14,500	982,488	3,528,533	4,525,521
Accounts Receivable	1,819	-	-	1,819
Due from District 1	-	85,456	84,915	170,371
Due from District 2	-	123,971	271,218	395,189
Prepaid Insurance	34,861	-	-	34,861
Security Deposit	-	-	148,066	148,066
Total Assets	<u>\$ 462,331</u>	<u>\$ 1,191,915</u>	<u>\$ 4,032,732</u>	<u>\$ 5,686,978</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 26,953	\$ 65,679	\$ 10,679	\$ 103,311
Accrued Interest	-	-	51	51
Due to District 2	-	47,068	-	47,068
Due to District 1	-	15,813	-	15,813
Credit Card Payable	7,207	-	-	7,207
Total Liabilities	<u>34,160</u>	<u>128,560</u>	<u>10,730</u>	<u>173,450</u>
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	34,861	-	-	34,861
Restricted for:				
Emergency Reserves	14,500	3,500	-	18,000
Amenities	-	1,059,855	-	1,059,855
Capital Projects	-	-	4,022,002	4,022,002
Assigned to:				
Subsequent Year's Expenditures	28,767	-	-	28,767
Unassigned	350,043	-	-	350,043
Total Fund Balances	<u>428,171</u>	<u>1,063,355</u>	<u>4,022,002</u>	<u>5,513,528</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 462,331</u>	<u>\$ 1,191,915</u>	<u>\$ 4,032,732</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				12,958,953
Net Position of Governmental Activities				<u>\$ 18,472,481</u>

See accompanying Notes to Basic Financial Statements.

BEEBE DRAW FARMS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Amenities	Capital Infrastructure	Total Governmental Funds
REVENUES				
Interest Income	\$ 11,802	\$ 51,823	\$ 185,994	\$ 249,619
Pool Fees	14,030	-	-	14,030
Other Revenue	10,287	-	-	10,287
Intergovernmental Revenue - District 1	214,578	28,702	10,754	254,034
Intergovernmental Revenue - District 2	229,780	29,799	119,198	378,777
Intergovernmental Revenue - District 2 (2051)	-	2,840	11,358	14,198
Intergovernmental Revenue - District 2 (2055)	-	3,287	13,149	16,436
Developer Rent	1,819	-	-	1,819
Total Revenues	482,296	116,451	340,453	939,200
EXPENDITURES				
General and Administrative:				
Accounting	74,537	-	550	75,087
Auditing	6,061	-	-	6,061
Directors' Fees	2,584	-	-	2,584
District Management	66,748	1,740	1,740	70,228
Dues And Membership	1,710	-	-	1,710
Engineering	-	-	36,464	36,464
Fiber Optics - Legal	9,667	62,881	-	72,548
Fiber Optics - Admin	13,317	5,106	-	18,423
HR Services	3,564	-	-	3,564
Insurance	32,951	-	-	32,951
Legal	30,032	-	2,900	32,932
Miscellaneous	257	-	-	257
Payroll Fees	2,953	-	-	2,953
Payroll Taxes	4,505	-	-	4,505
Property Management Wages	42,736	-	-	42,736
Operations and Maintenance:				
Physical Facilities	57,255	-	-	57,255
Aquatic Facilities	30,219	-	-	30,219
Parks and Open Space	13,966	-	-	13,966
Roads, Trails, and Ditches	20,950	-	-	20,950
Other	22,101	-	-	22,101
Capital Replacement & Reserve	5,838	-	-	5,838
Capital R&R Contingency	25,000	-	-	25,000
Trail Along Beebe Draw Pkwy	-	106,114	-	106,114
Infrastructure	-	-	189,433	189,433
Total Expenditures	466,951	175,841	231,087	873,879
NET CHANGE IN FUND BALANCES	15,345	(59,390)	109,366	65,321
Fund Balances - Beginning of Year	412,826	1,122,745	3,912,636	5,448,207
FUND BALANCES - END OF YEAR	<u>\$ 428,171</u>	<u>\$ 1,063,355</u>	<u>\$ 4,022,002</u>	<u>\$ 5,513,528</u>

See accompanying Notes to Basic Financial Statements.

BEEBE DRAW FARMS AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 65,321
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	342,671
Depreciation Expense	<u>(348,744)</u>

Changes in Net Position of Governmental Activities	<u>\$ 59,248</u>
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See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Interest Income	\$ 9,200	\$ 11,803	\$ 11,802	\$ (1)
Pool Fees	18,000	14,030	14,030	
Reimbursed Expenditures	-	358	-	(358)
Other Revenue	732	10,287	10,287	-
Intergovernmental Revenue - District 1	216,476	214,578	214,578	-
Intergovernmental Revenue - District 2	251,416	229,780	229,780	-
Developer Rent	1,800	-	1,819	1,819
Total Revenues	497,624	480,836	482,296	1,460
EXPENDITURES				
Administration:				
Accounting	40,000	74,537	74,537	-
Auditing	6,000	6,061	6,061	-
Banking Fees	400	-	-	-
Community Admin Assistant	3,000	-	-	-
Directors' Fees	3,300	2,584	2,584	-
District Management	42,000	73,782	66,748	7,034
Dues And Membership	-	-	1,710	(1,710)
Fiber Optics - Legal	-	9,667	9,667	-
Fiber Optics - Admin	-	13,317	13,317	-
HR Services	-	-	3,564	(3,564)
Insurance	30,000	32,951	32,951	-
Legal	30,000	30,032	30,032	-
Legal - Oil and Gas	5,000	-	-	-
Miscellaneous	2,800	10,257	257	10,000
Payroll Fees	3,500	2,953	2,953	-
Payroll Taxes	5,000	4,505	4,505	-
Property Management Wages	42,000	42,736	42,736	-
Training	4,000	-	-	-
Operations and Maintenance:				
Physical Facilities	53,600	56,159	57,255	(1,096)
Aquatic Facilities	31,700	30,219	30,219	-
Parks and Open Space	20,200	13,966	13,966	-
Roads, Trails, and Ditches	24,500	20,950	20,950	-
Other	7,000	18,814	22,101	(3,287)
Capital Replacement & Reserve	31,000	5,838	5,838	-
Capital R&R Contingency	25,000	25,000	25,000	-
Total Expenditures	410,000	474,328	466,951	7,377
NET CHANGE IN FUND BALANCE	87,624	6,508	15,345	8,837
Fund Balance - Beginning of Year	354,007	412,826	412,826	-
FUND BALANCE - END OF YEAR	<u>\$ 441,631</u>	<u>\$ 419,334</u>	<u>\$ 428,171</u>	<u>\$ 8,837</u>

See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Beebe Draw Farms Authority (the Authority), is an authority and separate legal entity duly created pursuant to Section 29-1-203, C.R.S, and was established pursuant to the Beebe Draw Farms Authority Establishment Agreement by and between Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Metropolitan District No. 2, dated and effective April 12, 2011, as amended pursuant to the First Amendment to Authority Establishment Agreement dated December 11, 2012, and as may be further amended from time to time. The Authority's service area is located in Weld County, Colorado (the County). The service area of the Authority consists of the boundaries of Beebe Draw Farms Metropolitan District No. 1 (District No. 1) and Beebe Draw Farms Metropolitan District No. 2 (District No. 2), collectively the "Districts". The purpose of the Authority is to effect the development and operations and maintenance of the public improvements for the benefit of the Districts, the residents and property owners within the Districts. The Authority is governed by a Board of Directors consisting of four members of which two members are appointed by District No. 1 and two members are appointed by District No. 2. Each director serves a term of two years. The Authority's primary source of revenue is transfers from the Districts.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Authority are described as follows:

Government-Wide and Fund Financial Statements

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

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the Authority. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows 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 as general revenues.

Separate financial statements are provided for the 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 Authority 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 intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the Authority. Expenditures, other than long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The Authority reports the following major governmental funds:

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

The Capital Infrastructure Fund is used to account for the costs incurred by the Authority for planning, designing, constructing, financing, and acquiring public improvements on the undeveloped projects.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The Amenities Fund is used to account for the costs incurred by the Authority for planning, designing, constructing, financing, and acquiring public improvements or enhancement to developed projects.

Budgets

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

The Authority amended its annual budget for the year ended December 31, 2023.

Pooled Cash and Investments

The Authority 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 and investments.

Capital Assets

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

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

The Authority owns, operates, and maintains all public improvements, unless and until the public improvements are dedicated to the County or another appropriate governmental entity for perpetual ownership and maintenance.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related Fixed Assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Roads	35 Years
Recreation Facilities / Equipment	20 to 40 Years
Water Distribution and Offsite Water Facilities	20 to 30 Years
Irrigation and Landscape Improvements	20 Years
Maintenance Facility Building	40 Years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has no items that qualifies for reporting in this category.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the Authority'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: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Authority's practice 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	\$ 411,151
Cash and Investments - Restricted	<u>4,525,521</u>
Total Cash and Investments	<u><u>\$ 4,936,672</u></u>

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

Deposits with Financial Institutions	\$ 87,014
Investments	<u>4,849,658</u>
Total Cash and Investments	<u><u>\$ 4,936,672</u></u>

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 Authority's cash deposits had a bank and a carrying balance of \$87,014.

Investments

On September 10, 2019, the Authority adopted a Resolution Establishing an Authority Investment Policy, which sets forth the Authority's policies for the prudent investment of available Authority funds in accordance with state law.

The Authority generally limits its concentration of investments to those which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Authority is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to 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.

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

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

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2023, the Authority had an investment in COLOTRUST totaling \$4,849,658.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust) an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Water Acquisition (CBT Shares)	\$ 4,170,660	\$ -	\$ -	\$ 4,170,660
Land	1,639,760	-	-	1,639,760
Construction in Progress	32,252	225,897	-	258,149
Total Capital Assets, Not Being Depreciated	5,842,672	225,897	-	6,068,569
Capital Assets, Being Depreciated:				
Roads	6,286,610	-	-	6,286,610
Water Distribution Facilities	1,292,161	-	-	1,292,161
Offsite Water Facilities	300,000	-	-	300,000
Maintenance Facility Building	1,114,925	-	-	1,114,925
Community Center	68,516	-	-	68,516
Recreation Facilities/Equipment	2,925,972	116,774	-	3,042,746
Irrigation and Landscape	154,085	-	-	154,085
Total Capital Assets, Being Depreciated	12,142,269	116,774	-	12,259,043
Less Accumulated Depreciation for:				
Roads	(2,108,526)	(179,628)	-	(2,288,154)
Water Distribution Facilities	(979,963)	(43,056)	-	(1,023,019)
Offsite Water Facilities	(300,000)	-	-	(300,000)
Maintenance Facility Building	(130,020)	(27,876)	-	(157,896)
Community Center	(1,716)	(1,716)	-	(3,432)
Recreation Facilities/Equipment	(1,397,240)	(88,764)	-	(1,486,004)
Irrigation and Landscape	(102,450)	(7,704)	-	(110,154)
Total Accumulated Depreciation	(5,019,915)	(348,744)	-	(5,368,659)
Total Capital Assets, Being Depreciated, Net	7,122,354	(231,970)	-	6,890,384
Governmental Activities Capital Assets, Net	<u>\$ 12,965,026</u>	<u>\$ (6,073)</u>	<u>\$ -</u>	<u>\$ 12,958,953</u>

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Water system capacity is provided for 229 water shares of which 163 have been applied as of December 31, 2023, leaving 66 water shares available to connect for future lots. In 2019, in addition to full taps which utilize one Colorado Big Thompson(CBT) share, the Authority and Central Weld County Water District (CWCWD) began offering "budget" or ½ taps, which utilize ½ of a CBT share, and which come with a lesser annual allotment of water as compared to full taps. Going forward it is anticipated that the majority of homeowners will opt in for the ½ Budget Tap allowing the 66 CBT shares to provide water for approximately 130 homes.

Depreciation expense of \$348,744 was charged to the general government function on the statement of activities.

NOTE 5 LONG-TERM OBLIGATIONS

As of December 31, 2023, the Authority had no long-term obligations.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the Authority had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 12,958,953
Net Investment in Capital Assets	<u>\$ 12,958,953</u>

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Authority had a restricted net position as of December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 18,000
Capital Infrastructure	4,022,002
Amenities	1,063,355
Total Restricted Net Position	<u>\$ 5,103,357</u>

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION (CONTINUED)

As of December 31, 2023, the Authority's unrestricted net position totaled \$410,171.

NOTE 7 RELATED PARTIES

The Developer of real property within the service area of the Authority is R.E.I. Limited Liability Company, successor in interest to Beebe Draw Farms, Ltd. Certain members of the Board are associated with the Developer. The Developer rents office space in an Authority facility from the Authority on a year-by-year basis. Total amount of office rent invoiced in 2023 was \$1,819 and is included in accounts receivable.

NOTE 8 AGREEMENTS AND COMMITMENTS

Beebe Draw Farms Authority Establishment Agreement (AEA)

Effective April 12, 2011, that certain Authority Establishment Agreement (AEA), as amended December 11, 2012, was entered into by and between District No. 1 and District No. 2, whereby the Authority was created. The Districts, through the Authority, will provide for financing the operations and maintenance of the existing public improvements as well as providing for financing, constructing and operating and maintaining additional public improvements. In no case shall the mill levy imposed by the Districts for debt service and operations and maintenance exceed their respective mill levy caps.

Pursuant to the AEA, District No. 1 agreed to impose the "Required Mill Levy" (as defined in the AEA) until 2018 and to transfer such revenues to the Authority for deposit into either the Infrastructure Account or the Amenities Account (as defined in the AEA). For tax collection year 2011 and thereafter, the Districts agreed to transfer all revenues from the "O&M Mill Levy" (as defined in the AEA) (the O&M Mill Levy) less the Districts' administrative costs to the Authority for deposit into the Authority's O&M account.

For tax collection year 2011 and each year thereafter, District No. 2 transfers 100% of all revenues from the Development Fees (if any) (as defined in the AEA) into the Infrastructure Account and 80% of all revenues from the District No. 2 Required Mill Levy and Specific Ownership Tax Revenues into the Authority Infrastructure Account. Also, for tax collection year 2011 and each year thereafter, District No. 2 transfers 20% of all revenues from the District No. 2 Required Mill Levy and Specific Ownership Tax Revenues into the Authority Amenity Account. Upon consent of both District No. 1 and District No. 2, the 80%/20% split described above may be adjusted upward or downward in any given year.

District No. 2 shall be authorized to provide for the financing, design, acquisition, construction, and operations and maintenance of additional public improvements the estimated costs, which approximate \$26,106,000 and as adjusted for inflation approximate \$36,000,000, which would be financed through Bonds issued by District No. 2 in an amount not to exceed \$36,000,000.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

Right of Way Grant

On August 15, 2019, the Authority entered into a Pipeline Right of Way purchase agreement with DCP Operating Company, LP (Grantee) allowing the Grantee the right, privilege, and easement for the purpose of a pipeline for the transportation of oil, gas, petroleum products, water, and other products deemed necessary by the Grantee at the cost of \$30 per linear foot and \$1,000 per bore pit. The Authority has collected \$-0- on behalf of this agreement in 2023.

Capital Pledge Agreement

District No. 1 and District No. 2 have an Amended and Restated Consolidated Service Plan for Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Metropolitan District No. 2 approved by the Weld County Board of County Commissioners on March 16, 2011 (Amended and Restated Service Plan). Pursuant to the Amended and Restated Service Plan, and subject to the conditions of the Amended and Restated Service Plan, on June 14, 2011, District No. 1 entered into an Initial District No. 1 Capital Pledge Agreement with the Authority and with the support of District No. 2 (the Initial District No. 1 Capital Pledge Agreement), and District No. 2 entered into an Initial District No. 2 Capital Pledge Agreement with the Authority (the Initial District No. 2 Capital Pledge Agreement and collectively with the Initial District No. 1 Capital Pledge Agreement, the Original Capital Pledge Agreements).

The Original Capital Pledge Agreements are debt instruments with a principal amount of \$1,500,000 on behalf of District No. 1 and \$26,125,508 on behalf of District No. 2 plus an interest rate of fifteen percent (15%). The mill levy for payment of this obligation is capped at forty (40) mills for District No. 1 and fifty (50) mills for District No. 2, minus the 1998 Bond Mill Levy for each year and less the Operating and Maintenance Mill Levy for each year, to be imposed for collection beginning in 2012 and ending in tax collection year 2018 for District No. 1 and tax collection year 2051 for District No. 2. The total debt repayment will be the lesser of the \$1,500,000 for District No. 1 (District No. 1 Payment Obligation) and the lesser of the \$26,125,508 for District No. 2 (District No. 2 Payment Obligation), plus 15% interest accrued per annum or the total revenue that flows from the imposition of the forty (40) or fifty (50) mills, minus the 1998 Bond Mill Levy and the Operating and Maintenance Mill Levy, over the term of the mill levy imposition.

On December 20, 2012, with the support of District No. 2, District No. 1 and the Authority entered into that certain First Amendment to District No. 1 Capital Pledge Agreement (First Amended Capital Pledge Agreement), wherein the Authority consented to the issuance of District No. 1's 2012 Bonds and waived any limitations set forth in the Original Capital Pledge Agreement to the extent necessary for District No. 1 to issue its 2012 Bonds.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

Capital Pledge Agreement (Continued)

As contemplated in the AEA, on August 4, 2016, District No. 2 and the Authority entered into that certain District No. 2 Capital Pledge Agreement (First Exclusion)(First Exclusion Capital Pledge Agreement) for the purpose of refunding in full District No. 2's Payment Obligation under the District No. 2 Initial Capital Pledge Agreement and continuing to provide for the funding of Actual Capital Costs (as defined in the First Exclusion Capital Pledge Agreement) through the imposition by District No. 2 of an ad valorem property tax mill levy of fifty (50) mills, minus the 1998 Bond Mill Levy and the Operating and Maintenance Mill Levy, over the term of the mill levy imposition.

The principal portion of the Payment Obligation represented by the First Exclusion Capital Pledge Agreement bears an interest rate that is lower than the rate of interest borne by the Principal Portion of the Payment Obligation represented by the District No. 2 Initial Capital Pledge Agreement, and as a result, no additional electoral authorization was required with respect to the First Exclusion Capital Pledge Agreement.

Developer Fee and Water Tap Fee Agreement

On December 8, 1998, District No. 1 entered into a Developer Fee and Water Tap Fee Agreement with the Developer pursuant to which the Developer shall pay certain fees to District No. 2 (as assignee of District No. 1) on or before the date of transfer or sale of a lot.

On December 5, 2000, this agreement was amended (collectively with the December 8, 1998 Agreement, the Developer and Water Tap Fee Agreement) pursuant to which the Developer agreed to prepay up to \$627,500 in fees at the rate of \$16,000 per lot, to District No. 2 (as assignee of District No. 1) by December 31, 2001 or, if later, within 10 days of a written demand by District No. 1 to the Developer for such funds as needed to make all required construction payments for improvements to Milton Lake.

In November 2016, the Board of Directors determined to eliminate the developer fee at this time provided that any previous payments received be retained by the District, and assigned to the Authority.

Pursuant to the AEA, all fees collected pursuant to this agreement for tax year 2011 and each year thereafter, shall be collected by District No. 2, 100% of which shall be transferred into the Authority's Capital Infrastructure Account. Pursuant to the AEA, fees collected from the agreement are not subject to the 80/20 split further described in the AEA.

NOTE 9 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 RISK MANAGEMENT (CONTINUED)

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations that apply to the state of Colorado and all local governments.

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

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

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

SUPPLEMENTARY INFORMATION

**BEEBE DRAW FARMS AUTHORITY
AMENITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 10,000	\$ 51,823	\$ 41,823
Intergovernmental Revenue - District 1	28,955	28,702	(253)
Intergovernmental Revenue - District 2	32,164	29,799	(2,365)
Intergovernmental Revenue - District 2 (2051)	2,720	2,840	120
Intergovernmental Revenue - District 2 (2055)	3,151	3,287	136
Total Revenues	<u>76,990</u>	<u>116,451</u>	<u>39,461</u>
EXPENDITURES			
Contingency	100,000	-	100,000
District Management	-	1,740	(1,740)
Fiber Optics Project	150,000	-	150,000
Fiber Optics - Legal	-	62,881	(62,881)
Fiber Optics - Admin	-	5,106	(5,106)
Multi-Purpose Path	328,000	-	328,000
Trail Along Beebe Draw Pkwy	-	106,114	(106,114)
Total Expenditures	<u>578,000</u>	<u>175,841</u>	<u>402,159</u>
NET CHANGE IN FUND BALANCE	(501,010)	(59,390)	441,620
Fund Balance - Beginning of Year	<u>1,181,569</u>	<u>1,122,745</u>	<u>(58,824)</u>
FUND BALANCE - END OF YEAR	<u>\$ 680,559</u>	<u>\$ 1,063,355</u>	<u>\$ 382,796</u>

**BEEBE DRAW FARMS AUTHORITY
CAPITAL INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Water Tap Fees	\$ 120,000	\$ -	\$ (120,000)
Interest Income	50,000	185,994	135,994
Intergovernmental Revenue - District 1	10,849	10,754	(95)
Intergovernmental Revenue - District 2	128,657	119,198	(9,459)
Intergovernmental Revenue - District 2 (2051)	10,881	11,358	477
Intergovernmental Revenue - District 2 (2055)	12,602	13,149	547
Total Revenues	<u>332,989</u>	<u>340,453</u>	<u>7,464</u>
EXPENDITURES			
Accounting	-	550	(550)
Engineering	200,000	36,464	163,536
District Management	-	1,740	(1,740)
Legal	25,000	2,900	22,100
Infrastructure	3,500,000	189,433	3,310,567
Contingency	520,624	-	520,624
Total Expenditures	<u>4,245,624</u>	<u>231,087</u>	<u>4,014,537</u>
NET CHANGE IN FUND BALANCE	(3,912,635)	109,366	4,022,001
Fund Balance - Beginning of Year	<u>3,912,635</u>	<u>3,912,636</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 4,022,002</u>	<u>\$ 4,022,002</u>