

**BEEBE DRAW FARMS AUTHORITY**

8390 E. Crescent Pkwy., Suite 300  
Greenwood Village, Colorado 80111  
Tel: 303-779-5710 Fax: 303-779-0348

**A copy of the agenda/meeting packet is available at the Beebe Draw Farms website at  
[www.colorado.gov/beebedrawfarms](http://www.colorado.gov/beebedrawfarms)**

**NOTICE OF SPECIAL MEETING AND AGENDA**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term Expires:</u>
Paul “Joe” Knopinski	President	June 2021
Christine Hethcock	Vice-President	June 2020
Josh Freeman	Treasurer	June 2021
Eric Wernsman	Assistant Secretary	June 2020
Lisa A. Johnson	Secretary	

DATE: June 30, 2020

TIME: 6:00 P.M.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THESE DISTRICTS' BOARD MEETINGS WILL BE HELD BY VIDEO/TELEPHONIC MEANS WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON.

**Join Microsoft Teams Meeting**

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_YzI4YmExYmEtNTEwYi00ZDlhLWI3YWQtY2U3NTk5YmYxYT-Rm%40thread.v2/0?context=%7b%22id%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22oid%22%3a%2262885ec9-7d59-4b05-a57e-3bbd03bc38b1%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzI4YmExYmEtNTEwYi00ZDlhLWI3YWQtY2U3NTk5YmYxYT-Rm%40thread.v2/0?context=%7b%22id%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22oid%22%3a%2262885ec9-7d59-4b05-a57e-3bbd03bc38b1%22%7d)

+1 720-547-5281 United States, Denver (Toll)  
Conference ID: 800 818 475#

**1. ADMINISTRATIVE MATTERS**

A. Present Disclosures and Potential Conflicts of Interest.

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B. Approve Agenda and confirm posting of meeting notices.

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C. Acknowledge the appointment of one Board member from District No. 1 and one Board member from District No. 2 to the Authority Board of Directors.

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## D. Appointment of Officers:

President \_\_\_\_\_  
 Vice-President \_\_\_\_\_  
 Secretary \_\_\_\_\_  
 Treasurer \_\_\_\_\_  
 Assistant Secretary \_\_\_\_\_  
 \_\_\_\_\_

## E. FIRST READING:

1. \_\_\_\_\_

## F. SECOND READING:

1. Ratify approval of sending Board Members to the 2020 SDA Virtual Conference.
- \_\_\_\_\_

## G. EMERGENCY READING:

1. \_\_\_\_\_

## 2. CONSENT AGENDA

These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

1. Review and approve Minutes of the May 13, 2020 Special Meeting (to be distributed).
2. Ratify approval of payment of claims through the period ending June 11, 2020, as follows (enclosed - 003):

General Fund	\$	22,104.70
Infrastructure Fund	\$	-0-
Amenities Fund	\$	-0-
<b>Total Claims:</b>	<b>\$</b>	<b><u>22,104.70</u></b>

3. Consider approval of the Unaudited Financial Statements for the period ending May 31, 2020 (enclosed - 004).
- \_\_\_\_\_

## 3. FINANCIAL MATTERS

- A. Review and consider acceptance of the 2019 Audited Financial Statements and authorize execution of the management representation letter (enclosed – 005).
- \_\_\_\_\_

## B. FIRST READING:

1. \_\_\_\_\_

## C. SECOND READING:

1. \_\_\_\_\_

## D. EMERGENCY READING

1. \_\_\_\_\_

## 4. PUBLIC COMMENT

A. \_\_\_\_\_

## 5. OPERATIONS &amp; MAINTENANCE

A. Status of installation of fencing and no trespassing signs (agenda placeholder – no update is expected).

\_\_\_\_\_

B. Status of Agreement from homeowner regarding temporary access to RV Storage Facility and Lake Christina.

\_\_\_\_\_

## C. FIRST READING:

1. \_\_\_\_\_

## D. SECOND READING:

1. \_\_\_\_\_

## E. EMERGENCY READING:

1. \_\_\_\_\_

## 6. CAPITAL AMENITIES

A. \_\_\_\_\_

## B. FIRST READING:

1. \_\_\_\_\_

## C. SECOND READING:

1. Discuss the community survey results on interest in use of Authority property for ATV designated riding or shooting range.
- 

## D. EMERGENCY READING:

1. \_\_\_\_\_

## 7. INFRASTRUCTURE

## A. Filing No. 1:

1. \_\_\_\_\_

## B. FIRST READING:

1. \_\_\_\_\_

## C. SECOND READING:

1. \_\_\_\_\_

## D. EMERGENCY READING:

1. \_\_\_\_\_

## 8. LEGAL MATTERS

- A. Discuss Correspondence from Legal Counsel to Mr. Coleman Regarding Drainage (enclosed – 005a – 005c)
- 

- B. Update regarding 2019 crack seal project with PLMRME
- 

## C. FIRST READING:

1. \_\_\_\_\_

## D. SECOND READING:

1. Status of the Amenity Rules and Regulations
-

## E. EMERGENCY READING:

1. \_\_\_\_\_

F. **ADJOURN TO EXECUTIVE SESSION, IF NECESSARY, FOR THE FOLLOWING ITEM(S):**

1. Pursuant to Sections 24-6-402(4)(b) and 24-6-402(4)(e) C.R.S. for the purpose of receiving legal advice and to determine positions relative to matters that may be subject to negotiations concerning FRICO settlement communications related to Case No. 2020 CV 030090.

\_\_\_\_\_

## 9. OTHER BUSINESS

A. \_\_\_\_\_

## 10. ADJOURNMENT:

**THE NEXT REGULAR MEETING IS SCHEDULED FOR AUGUST 12, 2020.**

Beebe Draw Authority  
June-20

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
American Turf & Tree Care	196865	5/18/2020	6/11/2020	\$ -	Tree Maintenance	1-755-00
Atmos Energy	3046107398 6-20	5/28/2020	6/11/2020	\$ 181.11	Utilities	1-719-00
B&C Refuse	E5923	6/1/2020	6/11/2020	\$ 62.00	Community Center/Gatehouse	1-711-00
Central Weld County Water District	6075 6-20	5/26/2020	6/11/2020	\$ 17.82	Utilities	1-719-00
Central Weld County Water District	6060 6-20	5/26/2020	6/11/2020	\$ 102.99	Utilities	1-719-00
Central Weld County Water District	6003 6-20	5/26/2020	6/11/2020	\$ -	Utilities	1-719-00
Central Weld County Water District	6053 6-20	5/26/2020	6/11/2020	\$ 112.22	Utilities	1-719-00
Central Weld County Water District	6004 6-20	5/26/2020	6/11/2020	\$ -	Utilities	1-719-00
Centurylink	186B 5/20	5/4/2020	6/11/2020	\$ 116.34	Telephone	1-719-00
Colorado RE, LLC	BDFA-44	6/1/2020	6/11/2020	\$ 800.00	Engineering/Planning	3-770-00
Crestone Consultants, LLC	20-05-002	6/3/2020	6/11/2020	\$ 3,441.25	Engineering/Planning	3-770-00
Eric Wernsman	Reimbursement 6/20	6/10/2020	6/11/2020	\$ 426.20	Landscape Maintenance	1-748-00
FirstBank	20-May	5/28/2020	6/11/2020	\$ 147.00	Miscellaneous	1-648-00
FirstBank	20-May	5/28/2020	6/11/2020	\$ 117.02	Telephone	1-719-00
FirstBank	20-May	5/28/2020	6/11/2020	\$ 1,566.61	Community Center/Gatehouse	1-711-00
Goodell Machinery & Construction	20112	6/10/2020	6/11/2020	\$ 2,123.00	Road Maintenance - Dirt	1-763-00
Norton & Smith, P.C	1370.0101 5/20	5/31/2020	6/11/2020	\$ 7,476.50	Legal Services	1-675-00
Special District Management Services, Inc	5/31/2020	5/31/2020	6/11/2020	\$ 3,482.00	Management	1-680-00
Special District Management Services, Inc	5/31/2020	5/31/2020	6/11/2020	\$ 1,260.00	Accounting	1-614-00
Special District Management Services, Inc	5/31/2020	5/31/2020	6/11/2020	\$ 50.23	Miscellaneous	1-648-00
UNCC	220050093	5/31/2020	6/11/2020	\$ 4.47	Other Repairs/Maintenance	1-660-00
United Power	2600 5/1-6/1	6/1/2020	6/11/2020	\$ 22.75	Utilities	1-719-00
United Power	2600 4/1-5/1	5/1/2020	6/11/2020	\$ 19.24	Utilities	1-719-00
Xcel Energy	686784994	6/1/2020	6/11/2020	\$ 344.36	Utilities	1-719-00
Xcel Energy	686320666	5/27/2020	6/11/2020	\$ 50.21	Utilities	1-719-00
Xcel Energy	686350640	5/27/2020	6/11/2020	\$ 109.62	Utilities	1-719-00
Xcel Energy	686498541	5/28/2020	6/11/2020	\$ 71.76	Utilities	1-719-00

\$ 22,104.70

Beebe Draw Authority  
June-20

	General	Debt	Capital	Amenities	Totals
Disbursements	\$ 17,863.45	\$ -	\$ 4,241.25		\$ 22,104.70
					\$ -
					\$ -
					\$ -
<u>Total Disbursements from Checkin</u>	<u>\$17,863.45</u>	<u>\$0.00</u>	<u>\$4,241.25</u>	<u>\$0.00</u>	<u>\$22,104.70</u>

Beebe Draw Farms Authority

Financial Statements

May 31, 2020



**SIMMONS & WHEELER, P.C.**

Certified Public Accountants

304 Inverness Way South, Suite 490, Englewood, CO 80112

(303) 689-0833

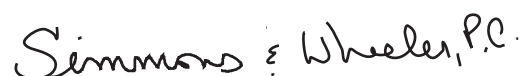
ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Beebe Draw Farms Authority

Management is responsible for the accompanying financial statements of each major fund of Beebe Draw Farms Authority, as of and for the period ended May 31, 2020, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the five months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Beebe Draw Farms Authority because we performed certain accounting services that impaired our independence.



June 25, 2020  
Englewood, Colorado

Beebe Draw Farms Authority  
Combined Balance Sheet  
May 31, 2020

See Accountant's Compilation Report

	General <u>Fund</u>	Infrastructure <u>Fund</u>	Amenities <u>Fund</u>	Account <u>Groups</u>	Total <u>All Funds</u>
<b>Assets</b>					
Current assets					
Cash in checking	\$ 333,802	\$ -	\$ -	\$ -	\$ 333,802
Cash in savings	-	6,238,658	691,726	-	6,930,384
Due from District 1	137,867	23,412	98,847	-	260,126
Due from District 2	234,105	114,737	32,292	-	381,134
Due From Other Funds	-	-	-	-	-
Prepaid expenses	235	-	-	-	235
	<u>706,009</u>	<u>6,376,807</u>	<u>822,865</u>	<u>-</u>	<u>7,905,681</u>
Other assets					
Improvements	-	-	-	10,221,746	10,221,746
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,221,746</u>	<u>10,221,746</u>
	<u>\$ 706,009</u>	<u>\$ 6,376,807</u>	<u>\$ 822,865</u>	<u>\$ 10,221,746</u>	<u>\$ 18,127,427</u>
<b>Liabilities and Equity</b>					
Current liabilities					
Accounts Payable	\$ 22,267	\$ -	\$ -	\$ -	\$ 22,267
Retainage	-	75,012	-	-	75,012
	<u>22,267</u>	<u>75,012</u>	<u>-</u>	<u>-</u>	<u>97,279</u>
Bonds Payable	-	-	-	-	-
Total liabilities	<u>22,267</u>	<u>75,012</u>	<u>-</u>	<u>-</u>	<u>97,279</u>
Fund Equity					
Investment in improvements	-	-	-	10,221,746	10,221,746
Fund balance (deficit)	683,742	6,301,795	822,865	-	7,808,402
	<u>683,742</u>	<u>6,301,795</u>	<u>822,865</u>	<u>10,221,746</u>	<u>18,030,148</u>
	<u>\$ 706,009</u>	<u>\$ 6,376,807</u>	<u>\$ 822,865</u>	<u>\$ 10,221,746</u>	<u>\$ 18,127,427</u>

Beebe Draw Farms Authority  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For The Five Months Ended May 31, 2020  
General Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Developer Rent	\$ 1,626	\$ -	\$ (1,626)
Pool Fees	7,600	-	(7,600)
RV Parking Fees	3,000	1,650	(1,350)
Interest	3,000	-	(3,000)
Other Income	-	15,313	15,313
Transfer from District No. 1	178,059	76,889	(101,170)
Transfer from District No. 2	237,805	62,499	(175,306)
Transfer from Amenities	-	-	-
Total Revenue	431,090	156,351	(274,739)
<b>General and Administrative</b>			
Accounting	27,000	14,590	12,410
Audit Fees	6,000	-	6,000
Director's Fees	3,300	-	3,300
Payroll Taxes	4,965	3,190	1,775
Miscellaneous	2,000	2,467	(467)
Training	6,000	-	6,000
Insurance and Bonds	22,000	22,629	(629)
Legal Services	27,000	23,194	3,806
Legal services - Oil and gas	2,000	-	2,000
Management	33,000	12,747	20,253
Project Management	1,000	53	947
Property Mgmt Wages	60,000	8,900	51,100
Admin staff wages	-	-	-
Total General and Administrative	194,265	87,770	106,495
<b>Physical Facilities</b>			
Maintenace Facility Maintenance	2,000	-	2,000
Community Center/Gatehouse	5,000	10,988	(5,988)
Equestrian Facility	750	-	750
Ground Lease	2,884	-	2,884
Nature Preserve	1,000	-	1,000
RV Storage	500	-	500
Sport Court	1,500	-	1,500
Utilities	26,000	8,660	17,340
Total Physical Facilities	39,634	19,648	19,986
<b>Aquatic Facilities</b>			
Community Pool	17,000	-	17,000
Pool and tile repair	3,000	-	3,000
Lake Christina/Fish Stocking	10,000	-	10,000
Lake Christina Mntc/Habitat	7,000	-	7,000
Total Aquatic Facilities	37,000	-	37,000

Beebe Draw Farms Authority  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For The Five Months Ended May 31, 2020  
General Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
<b>Parks and Open Space</b>			
Park/Recreation Facilities	1,000	-	1,000
Landscaping Improvements	5,000	-	5,000
Signage	1,000	-	1,000
Play Equipment	-	-	-
Landscape Maintenance	6,000	426	5,574
Rodent Control	6,500	-	6,500
Tree Maintenance	4,750	-	4,750
Total Parks and Open Space	24,250	426	23,824
<b>Roads, Trails and Ditches</b>			
Riding/Walking Trails	4,000	-	4,000
Nature Trail at Lake Christina	4,000	-	4,000
Road Maintenance - Dirt	500	2,123	(1,623)
Road Maintenance - Paved	8,000	1,280	6,720
Total Roads, Trails and Ditches	16,500	3,403	13,097
<b>O&amp;M - Other Expenses</b>			
Other Repairs/Maintenance	10,000	234	9,766
Vehicle/Equipment	78,000	66,084	11,916
	88,000	66,318	21,682
<b>Other Items/ Reserve Funds</b>			
Emergency Reserve	11,656	-	11,656
Capital Repl. and Res.	5,000	-	5,000
Capital R&R Contingency	25,000	-	25,000
Total Expenditures	441,305	177,565	263,740
O&M Reserve Fund	350,000	-	350,000
Capital Repair & Replacement Reserve	260,878	-	260,878
Discretionary Funds	164,953	-	164,953
Total Funds To Be Appropriated	1,217,136	177,565	1,039,571
Revenue in Excess of Expenditures	(786,046)	(21,214)	764,832
Beginning Fund Balance	750,302	704,956	(45,346)
Ending Funding Balance	\$ (35,744)	\$ 683,742	\$ 719,486

Beebe Draw Farms Authority  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For The Five Months Ended May 31, 2020  
Infrastructure Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Transfer from District No. 1	\$ 20,886	\$ 13,057	\$ (7,829)
Transfer from District No. 2	129,320	47,499	(81,821)
Transfer from District No. 2 - Cap Pledge 2051	8,576	5,340	(3,236)
Transfer from District No. 2 - Cap Pledge 2055	5,299	3,931	(1,368)
Water Tap Fees	450,000	141,000	(309,000)
Right of Way Revenue	-	806	806
Interest Income	40,000	-	(40,000)
Total Revenue	<u>654,081</u>	<u>211,633</u>	<u>(442,448)</u>
<b>General and Administrative</b>			
Engineering/Planning	100,000	10,542	89,458
Legal	75,000	-	75,000
Infrastructure	250,000	6,402	243,598
Contingency	1,000,000	-	1,000,000
Total Expenditures	<u>1,425,000</u>	<u>16,944</u>	<u>1,408,056</u>
Revenue in Excess of Expenditures	(770,919)	194,689	(1,850,504)
Beginning Fund Balance	<u>5,371,276</u>	<u>6,107,106</u>	<u>(15,790)</u>
Ending Funding Balance	<u>\$ 4,600,357</u>	<u>\$ 6,301,795</u>	<u>\$ (1,866,294)</u>

Beebe Draw Farms Authority  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For The Five Months Ended May 31, 2020  
Amenities Fund

See Accountant's Compilation Report

	Annual Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Transfer from District No. 1	\$ 27,999	\$ 55,128	\$ 27,129
Transfer from District No. 2	32,330	3,410	(28,920)
Transfer from District No. 2 - Cap Pledge 2051	2,144	1,336	(808)
Transfer from District No. 2 - Cap Pledge 2055	1,325	983	(342)
Right of Way Revenue	-	201	201
Interest Income	10,000	-	(10,000)
Other Income	-	-	-
Total Revenue	<u>73,798</u>	<u>61,058</u>	<u>(12,740)</u>
<b>General and Administrative</b>			
Transfers Out	-	-	-
Fitness Center	80,000	-	80,000
ATV & Gun Range	80,000	-	80,000
Trail along Beebe Draw Parkway	50,000	-	50,000
Contingency	-	-	-
Total Expenditures	<u>210,000</u>	<u>-</u>	<u>210,000</u>
Revenue in Excess of Expenditures	(136,202)	61,058	(222,740)
Beginning Fund Balance	<u>994,723</u>	<u>761,807</u>	<u>(232,916)</u>
Ending Funding Balance	<u>\$ 858,521</u>	<u>\$ 822,865</u>	<u>\$ (455,656)</u>

BEEBE DRAW FARMS AUTHORITY

Financial Statements

Year Ended December 31, 2019

with

Independent Auditor's Report

## C O N T E N T S

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# Beebe Draw Farms Authority

## BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2019

	General	Capital Infrastructure	Amenities	Total	Adjustments	Statement of Net Position
<b>ASSETS</b>						
Cash	\$ 577,843	\$ -	\$ -	\$ 577,843	\$ -	\$ 577,843
Cash - restricted	11,656	5,906,385	898,934	6,816,975	-	6,816,975
Due from District No. 1	60,978	10,355	43,719	115,052	-	115,052
Due from District No. 2	171,606	67,239	17,292	256,137	-	256,137
Prepaid expenses	235	-	-	235	-	235
Capital assets not being depreciated	-	-	-	-	4,310,874	4,310,874
Capital assets, net of accumulated depreciation	-	-	-	-	5,827,844	5,827,844
Total Assets	<u>\$ 822,318</u>	<u>\$ 5,983,979</u>	<u>\$ 959,945</u>	<u>\$ 7,766,242</u>	<u>10,138,718</u>	<u>17,904,960</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 117,362	\$ -	\$ -	\$ 117,362	-	117,362
Retainage payable	-	75,012	-	75,012	-	75,012
Total Liabilities	<u>117,362</u>	<u>75,012</u>	<u>-</u>	<u>192,374</u>	<u>-</u>	<u>192,374</u>
<b>FUND BALANCES/NET POSITION</b>						
Fund Balances:						
Nonspendable:						
Prepays	235	-	-	235	(235)	-
Restricted:						
Emergencies	11,656	-	-	11,656	(11,656)	-
Capital infrastructure	-	5,908,967	-	5,908,967	(5,908,967)	-
Amenities	-	-	959,945	959,945	(959,945)	-
Assigned:						
Repair and replacement reserve	164,421	-	-	164,421	(164,421)	-
Discretionary Fund	102,166	-	-	102,166	(102,166)	-
O&M Reserve Fund	350,000	-	-	350,000	(350,000)	-
Unassigned	<u>76,478</u>	<u>-</u>	<u>-</u>	<u>76,478</u>	<u>(76,478)</u>	<u>-</u>
Total Fund Balances	<u>704,956</u>	<u>5,908,967</u>	<u>959,945</u>	<u>7,573,868</u>	<u>(7,573,868)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 822,318</u>	<u>\$ 5,983,979</u>	<u>\$ 959,945</u>	<u>\$ 7,766,242</u>		
Net Position:						
Net investment in capital assets					10,138,718	10,138,718
Restricted for:						
Emergencies					11,656	11,656
Capital infrastructure					5,908,967	5,908,967
Amenities					959,945	959,945
Unrestricted					<u>693,300</u>	<u>693,300</u>
Total Net Position					<u>\$ 17,712,586</u>	<u>\$ 17,712,586</u>

The notes to the financial statements are an integral part of these statements.

# Beebe Draw Farms Authority

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2019

	<u>General</u>	<u>Capital Infrastructure</u>	<u>Amenities</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
General and Administration						
Accounting and audit	\$ 38,453	\$ -	\$ -	\$ 38,453	\$ -	\$ 38,453
Depreciation	-	-	-	-	257,901	257,901
Directors fees and payroll taxes	2,476	-	-	2,476	-	2,476
Miscellaneous	15,869	-	-	15,869	-	15,869
Insurance and bonds	20,559	-	-	20,559	-	20,559
Legal	42,031	-	-	42,031	-	42,031
Insurance claims expense	161,095	-	-	161,095	-	161,095
Facilities management	38,176	-	-	38,176	-	38,176
Project management	773	-	-	773	-	773
Property management	66,447	-	-	66,447	-	66,447
Physical facilities	44,549	-	-	44,549	-	44,549
Aquatic facilities	19,132	-	-	19,132	-	19,132
Bridge design and fee	-	-	15,500	15,500	-	15,500
Parks and open space	18,157	-	-	18,157	-	18,157
Roads trails and ditches	3,765	-	-	3,765	-	3,765
Other	35,385	-	-	35,385	-	35,385
Capital replacement and reserve	20,630	-	-	20,630	-	20,630
Discretionary funds	6,594	-	-	6,594	-	6,594
Infrastructure	-	584,621	-	584,621	(584,621)	-
Engineering and Planning	-	57,131	-	57,131	-	57,131
Total Expenditures	<u>534,091</u>	<u>641,752</u>	<u>15,500</u>	<u>1,191,343</u>	<u>(326,720)</u>	<u>864,623</u>
<b>GENERAL REVENUES</b>						
Transfer from District No. 1	96,357	16,363	69,085	181,805	-	181,805
Transfer from District No. 2	280,371	201,590	50,396	532,357	-	532,357
Transfer from District No. 2 - Cap Pledge 2051	-	6,274	1,569	7,843	-	7,843
Transfer from District No. 2 - Cap Pledge 2055	-	3,754	939	4,693	-	4,693
Pool fees	6,325	-	-	6,325	-	6,325
Rv Parking fees	5,740	-	-	5,740	-	5,740
Interest income	-	85,006	-	85,006	-	85,006
Right of way revenue	-	179,568	44,892	224,460	-	224,460
Water Tap fees	-	408,000	-	408,000	-	408,000
Other income	390	-	-	390	-	390
Total General Revenues	<u>389,183</u>	<u>900,555</u>	<u>166,881</u>	<u>1,456,619</u>	<u>-</u>	<u>1,456,619</u>
NET CHANGES IN FUND BALANCES	(144,908)	258,803	151,381	265,276	(265,276)	
CHANGE IN NET POSITION					591,996	591,996
<b>FUND BALANCES/NET POSITION:</b>						
BEGINNING OF YEAR	<u>849,864</u>	<u>5,650,164</u>	<u>808,564</u>	<u>7,308,592</u>	<u>9,811,998</u>	<u>17,120,590</u>
END OF YEAR	<u>\$ 704,956</u>	<u>\$ 5,908,967</u>	<u>\$ 959,945</u>	<u>\$ 7,573,868</u>	<u>\$ 10,138,718</u>	<u>\$ 17,712,586</u>

The notes to the financial statements are an integral part of these statements.

# Beebe Draw Farms Authority

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Transfer from District No. 1	\$ 97,927	\$ 96,357	\$ (1,570)
Transfer from District No. 2	318,779	280,371	(38,408)
Developer rent	1,626	-	(1,626)
Pool fees	7,000	6,325	(675)
RV Parking fees	5,000	5,740	740
Interest income	2,500	-	(2,500)
Other income	-	390	390
Total Revenues	<u>432,832</u>	<u>389,183</u>	<u>(43,649)</u>
<b>EXPENDITURES</b>			
Administration			
Accounting and audit	36,000	38,453	2,453
Directors fees and payroll taxes	7,517	2,476	(5,041)
Miscellaneous	8,000	15,869	7,869
Insurance and bonds	19,000	20,559	1,559
Legal	27,000	42,031	15,031
Insurance claims expense	-	161,095	161,095
Legal oil and gas	2,000	-	(2,000)
Facilities management	25,000	38,176	13,176
Project management	2,000	773	(1,227)
Property managemnt	57,000	66,447	9,447
Physical facilities	35,557	44,549	8,992
Aquatic facilities	37,000	19,132	(17,868)
Parks and open space	34,750	18,157	(16,593)
Roads trails and ditches	20,500	3,765	(16,735)
Other	18,000	35,385	17,385
Capital replacement and reserve	155,500	20,630	(134,870)
Discretionary funds	-	6,594	6,594
Capital repair & replacement contingency	25,000	-	(25,000)
Emergency Reserve	<u>11,011</u>	<u>-</u>	<u>(11,011)</u>
Total Expenditures	<u>520,835</u>	<u>534,091</u>	<u>13,256</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(88,003)	(144,908)	(30,393)
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>666,343</u>	<u>849,864</u>	<u>183,521</u>
END OF YEAR	<u>\$ 578,340</u>	<u>\$ 704,956</u>	<u>\$ 153,128</u>

The notes to the financial statements are an integral part of these statements.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019Note 1: Summary of Significant Accounting Policies

The accounting policies of the Beebe Draw Farms Authority (“Authority”), located in Weld County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The Authority was established pursuant to C.R.S. 29-1-203. 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 District No. 2. Each director shall serve a term of two years. The Authority’s primary source of revenue is transfers from the Districts.

As required by GAAP, these financial statements present the activities of the Authority, which is legally separate and financially independent of other state and local governments. The Authority follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The Authority is not financially accountable for any other organization. The Authority has no component units as defined by the GASB.

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the Authority. The statement of net position reports all financial and capital resources of the Authority. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the Authority is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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 the 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 material sources of revenue subject to accrual are transfers from the Districts and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The Authority reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources not accounted for and reported in another fund.

## BEEBE DRAW FARMS AUTHORITY

### Notes to Financial Statements December 31, 2019

Capital Project Infrastructure Fund – The Capital Project 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.

Capital Project Amenities Fund – The Capital Project 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.

#### Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the Authority's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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 appropriation is at the total fund expenditures level and lapses at year end.

#### Assets, Liabilities and Net Position

##### Fair Value of Financial Instruments

The Authority's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The Authority estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

##### Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

##### Estimates

The preparation of these financial statements in conformity with GAAP requires the Authority management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has no items that qualify for reporting in this category.

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets 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 using the straight-line method. Depreciation on property that will remain assets of the Authority is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Roads	35 years
Recreation Facilities	20 - 40 years
Water Distribution System	20 - 30 years
Irrigation improvements	20 years
Maintenance Facility	40 years

Depreciation expense for the year ended December 31, 2019 was \$257,901.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

## BEEBE DRAW FARMS AUTHORITY

### Notes to Financial Statements December 31, 2019

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact. The Nonspendable Fund Balance of \$235 in the General Fund relates to prepaid expenses.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$11,656 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Capital Infrastructure Fund in the amount of \$5,908,967 is restricted for the payment of the costs for infrastructure capital improvements within the Authority.

The restricted fund balance in the Amenities Fund in the amount of \$959,945 is restricted for the payment of the costs for amenity capital improvements within the Authority.

#### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Authority's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

#### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund all other funds can report negative amounts.

#### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Authority reports three categories of net position, as follows:



## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Authority.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Authority will use the most restrictive net position first.

Note 2: Cash

As of December 31, 2019, cash is classified in the accompanying financial statements as follows:  
Statement of Net Position:

Cash	\$ 577,843
Cash - restricted	<u>6,816,975</u>
Total	\$ <u>7,394,818</u>

Cash and cash equivalents as of December 31, 2019, consist of the following:

Deposits with financial institutions	\$ <u>7,394,818</u>
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DepositsCustodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The Authority follows state statutes for deposits. None of the Authority’s deposits were exposed to custodial credit risk.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019Investments

As of December 31, 2019, the Authority had no investments.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2019, follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 1,270,833	\$ 584,621	\$ -	\$ 1,855,454
Water Capacity	815,660	-	-	815,660
Land	1,639,760	-	-	1,639,760
Total capital assets not being depreciated	3,726,253	584,621	-	4,310,874
<u>Capital assets being depreciated</u>				
Roads	4,418,415	-	-	4,418,415
Water distribution Facilities	1,292,161	-	-	1,292,161
Offsite water facilities	300,000	-	-	300,000
Maintenance Facility Building	1,021,530	-	-	1,021,530
Recreation facilities/ equipment	2,671,102	-	-	2,671,102
Irrigation and landscape	143,085	-	-	143,085
Total capital assets being depreciated	9,846,293	-	-	9,846,293
Less accumulated depreciation	(3,760,548)	(257,901)	-	(4,018,449)
Net capital assets being depreciated	6,085,745	(257,901)	-	5,827,844
Government type assets, net	<u>\$ 9,811,998</u>	<u>\$ 326,720</u>	<u>\$ -</u>	<u>\$ 10,138,718</u>

Depreciation expense for the year 2019 is \$257,901.

Water system capacity is provided for 204 water taps of which 155 have been connected as of December 31, 2019, leaving 49 available to connect for future lots.

As of December 31, 2019, the Authority had a total of 49 prepaid Colorado Big-Thompson (CBT) water shares that can be utilized for 49 taps that can be purchased from Central Weld County Water District (CWCWD) by end users. As water taps are purchased by lot owners from CWCWD, CWCWD remits to the Authority an amount specified by the Authority. During 2019 the amount the Authority charged for tap hook-ups was \$12,000.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019Note 4: Other AgreementsBeebe 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.

As a part of the AEA, District No. 1 has agreed to impose the District Required Mill Levy until 2018 and to transfer such revenues to the Authority for deposit into either the Infrastructure Account or the Amenities Account. For tax collection year 2011 and thereafter the Districts shall transfer all revenues from the operations and maintenance mill levy less the Districts direct operations and maintenance costs to the Authority.

Commencing in tax collection year 2011 and each year thereafter, District No. 2 shall transfer revenues from the Required O&M Mill Levy into the Authority O&M Account, less the Direct District No. 2 Administrative Costs. For tax collection year 2011 and each year thereafter, District No. 2 shall transfer 100% of all revenues from the Development Fees (if any) 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 shall transfer 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 \$26,125,508 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 Financial Statements December 31, 2019

#### 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.

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.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019

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 the District 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 this agreement are not subject to the 80/20 split further described in the AEA.

Note 5: Related Parties

The primary developer of real property within the service area of the Authority is R.E.I. Limited Liability Company (“Developer”), successor in interest to Beebe Draw Farms, Ltd. Certain members of the Board are associated with the Developer. During 2019, the Developer leased the clubhouse, aka Community Information and Sales Center from the Authority for \$2,800. On November 9, 2011, the Authority entered into a five year ground lease with the Developer for the equestrian facility commencing January 1, 2011 and ending on December 31, 2016 in the amount of \$2,500 per year. The lease in 2019 was \$2,800.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

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

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 Authority’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.

On November 7, 2006, and November 3, 2015, a majority of the Authority’s electors authorized the Authority to collect and spend or retain in a reserve all currently levied taxes and fees of the Authority without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the Authority may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The Authority has elected to participate in the Colorado Special Authoritys Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Authority pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the Authority may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

## BEEBE DRAW FARMS AUTHORITY

Notes to Financial Statements  
December 31, 2019Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;

## SUPPLEMENTAL INFORMATION



# Beebe Draw Farms Authority

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL INFRASTRUCTURE FUND For the Year Ended December 31, 2019

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Transfer from District No. 1	\$ 17,074	\$ 16,363	\$ (711)
Transfer from District No. 2	412,015	201,590	(210,425)
Transfer from District No. 2 - Cap Pledge 2051	-	6,274	6,274
Transfer from District No. 2 - Cap Pledge 2055	-	3,754	3,754
Water Tap fees	440,000	408,000	(32,000)
Interest income	40,000	85,006	45,006
Right of way revenue	-	179,568	179,568
Total Revenues	<u>909,089</u>	<u>900,555</u>	<u>(8,534)</u>
EXPENDITURES			
Engineering and Planning	100,000	57,131	42,869
Infrastructure	250,000	584,621	(334,621)
Legal	75,000	-	75,000
Contingency	<u>5,041,888</u>	<u>-</u>	<u>5,041,888</u>
Total Expenditures	<u>5,466,888</u>	<u>641,752</u>	<u>4,825,136</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,557,799)	258,803	4,816,602
FUND BALANCE:			
BEGINNING OF YEAR	<u>4,557,799</u>	<u>5,650,164</u>	<u>1,092,365</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 5,908,967</u>	<u>\$ 5,908,967</u>

The notes to the financial statements are an integral part of these statements.

# Beebe Draw Farms Authority

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - AMENITIES FUND

For the Year Ended December 31, 2019

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES			
Transfer from District No. 1	\$ 71,514	\$ 69,085	\$ (2,429)
Transfer from District No. 2	103,004	50,396	(52,608)
Transfer from District No. 2 - Cap Pledge 2051	-	1,569	1,569
Transfer from District No. 2 - Cap Pledge 2055	-	939	939
Right of way revenue	-	44,892	44,892
Interest income	-	-	-
Other income	-	-	-
Total Revenues	<u>174,518</u>	<u>166,881</u>	<u>(7,637)</u>
EXPENDITURES			
Bridge design and fee	<u>-</u>	<u>15,500</u>	<u>(15,500)</u>
Total Expenditures	<u>-</u>	<u>15,500</u>	<u>(15,500)</u>
NET CHANGE IN FUND BALANCE	174,518	151,381	(23,137)
FUND BALANCE:			
BEGINNING OF YEAR	<u>768,165</u>	<u>808,564</u>	<u>40,399</u>
END OF YEAR	<u>\$ 942,683</u>	<u>\$ 959,945</u>	<u>\$ 17,262</u>

The notes to the financial statements are an integral part of these statements.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION - UNAUDITED



Christopher H. Wisher  
Attorney at Law

2955 Inca Street, Unit 1L  
Denver, Colorado 80202

303-502-7688  
[cwisher@wisherlawllc.com](mailto:cwisher@wisherlawllc.com)

May 6, 2020

Icenogle Seaver Pogue  
Attn: Alan D. Pogue – Attorney  
4725 S. Monoco Street, Suite 360  
Denver, CO 80237

RE: Beebe Draw Farms Authority – Fairbanks Drive South - Drainage Issues

Dear Mr. Pogue:

This letter is in response to your correspondence dated April 23, 2020.

Thank you for reaching out regarding this matter. As mentioned in prior correspondence between myself and the Authority, my client would like to pursue a resolution with regards to the drainage issues on Lot 75 and the surrounding lots. It should be noted that this is an issue that effects the community as a whole, not just my clients.

While we appreciate your proposal, we do not feel that said proposal is an adequate solution. First, as outlined in our previous letter, Weld County Public Works has stated as follows: 1) the community developer was responsible for constructing drainage conveyances that direct drainage away from homes, and to the surrounding drainage ponds, and 2) that the community Homeowners Association is responsible for maintaining all community drainage conveyances. This is relevant for two reasons: 1) expenses associated with correcting the drainage issues, including installation of any necessary culvert under the drives, are not the responsibility of my client, and 2) the legal liability of Beebe Draw Farms Authority with regards to community drainage is ongoing (thus, a “one-time” solution is not acceptable). Second, and perhaps more importantly, the actual mitigation actions proposed are inadequate. Specifically, should all water flow be detoured to the swale between Lot 75 and 76, that swell would be overburdened and lead to future drainage issues.

As noted by Reid W. Bond, P.E., an expert in the area of water flow and drainage conveyance, in order to properly manage drainage in the area, some waterflow must be directed to the east between Lots 74 and 75. In order to accomplish this, two modifications are needed: 1) the dirt berm on the southwest corner of Lot 74 must be removed/modified, and 2) a well defined drainage ditch (such as that on the west side of the cul-de-sac) must be established on the east side of the cul-de-sac. Said resolution would not only be likely to resolve the issue at hand, but it would also ensure that the drainage management efforts of the Authority fall within industry recognized professional standards.

Thus, we propose the following occur at the expense of the Authority:

- A well-defined drainage ditch be established on the east side of the cul-de-sac between Lots 74 and 75;
- The dirt berm at the corner of Lot 74 be removed and or altered as not to restrict eastward water flow;

- Culverts be installed under the drives of Lot 75;
- Provide erosion control along the front of Lot 75 (to repair prior damages caused);
- In meeting all of the above criteria, use materials that compliment the property/neighborhood (obtain input of my client and surrounding neighbors)

Furthermore, in response to your client's allegations that the owner of Lot 76 has complained about increased damage following my client's garage construction, this does not seem to be the case. My client has communicated directly with the Lot 76 owner, and they deny informing the Authority of any said damage. As previously stated, the construction of my client's garage has not had any impact on the drainage in the area.

We look forward to your response and continued discussions regarding this matter.

Regards-



Christopher H. Wisner  
Wisher Law, LLC  
(303) 502-7688  
cwisher@wisherlawllc.com



Christopher H. Wisher  
Attorney at Law

2955 Inca Street, Unit 11  
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303-502-7688  
[cwisher@wisherlawllc.com](mailto:cwisher@wisherlawllc.com)

February 24, 2020

Beebe Draw Farms Authority  
Lisa A. Johnson – Authority Manager  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228

RE: Drainage Issues

Dear Ms. Johnson:

My firm represents John and Kim Coleman, homeowners residing at 16489 Fairbanks Drive South, Platteville, Colorado 80651. This letter is in response to your letters dated June 10, 2019 and July 3, 2019, as well as any subsequent electronic/email correspondence.

As well documented in the ongoing correspondence between my clients and the Beebe Draw Farms Authority, inadequate drainage has resulted in gradual, yet continuing, damage to their property, Lot 75, and that of their neighbor, Lot 76. Weld County Public Works, by way of County engineer Hayley Balzano, has stated as follows: 1) the community Developer was responsible for constructing drainage conveyances that direct drainage away from homes, and to the surrounding drainage ponds, and 2) that the community Homeowners Association is responsible for maintaining all community drainage conveyances.

In a report prepared by Reid W. Bond, P.E., an expert in the area of water flow and drainage conveyance, Mr. Bond describes a situation in which two factors are contributing the damaging flow of water. First, a 2-3 foot unnatural dirt berm constructed in the southwest corner of Lot 74 is restricting drainage flow to the east (along the Lot 74 and 75 property lines). Secondly, unlike the west side of the cul-de-sac, there is no well-defined drainage ditch located on the east side of the cul-de-sac. Mr. Bond goes on to describe a viable solution to the damaging flows.

My office is especially concerned with your notion that the construction of my clients' garage in any way changed the drainage flow, and/or caused damage to surrounding property. The beforementioned report generated by Mr. Bond, not only addresses the cause of, and alternatives to, the current drainage flow in the area, but also speaks directly to your notion that said garage contributes to surrounding property damage and/or alters the drainage flow across said property. Mr. Bond's expert report discredits any said notion, specifically stating that the garage: 1) is 18 inches lower than the south edge of the pavement, 2) is approximately 145 feet south of the pavement, and 3) is downstream from where the highlighted erosion damage is occurring. The actions and/or activities of my clients' have in no way created and/or led to damage to their property or others. Notions to the contrary are potentially damaging to my clients and will be combated by all means legally viable.

Proper and adequate drainage is in the interest of all homeowners, not just my clients. As is such, it is the responsibility of the Beebe Draw Farms Authority to allow for, and contribute to, discussions surrounding conditions negatively affecting the community or its' residents. This is especially true given that maintenance of onsite drainage conveyances is the legal duty of the Authority. My client, as an affected homeowner, seeks nothing more than reasonable discussion regarding the impacting issue and productive transit towards a reasonable/amicable solution.

Should you have any questions for me directly, please feel free to reach out via phone or email.

Regards-

Christopher H. Wisher  
Wisher Law, LLC  
(303) 502-7688  
[cwisher@wisherlawllc.com](mailto:cwisher@wisherlawllc.com)

**BEEBE DRAW FARMS AUTHORITY**

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

July 3, 2019

***VIA US MAIL***

John Coleman  
16489 Fairbanks Drive S  
Platteville, CO 80651

**Re: Drainage into Neighbor's Lot from Garage Construction**

Dear Mr. Coleman,

The letter is in follow up to my previous letter to you dated June 10, 2019. Following your comments to the Board of Directors of the Beebe Draw Farms Authority (the "Authority") at its June 18, 2019 meeting, we reexamined the issue of the increased drainage and runoff affecting your and your neighbor's properties.

Our findings remain consistent with the statements in my earlier letter; namely, that we do not believe this is a matter appropriate for the Authority. We have concluded that the drainage improvements in the Authority's service area, including those affecting Lots 75 and 76, were installed in accordance with the drainage plan approved by Weld County.

In fact, there have been no issues over the last twenty years that Fairbanks Drive South has been installed. Drainage in the community flows as it was designed, and it is up to each lot owner to ensure that proper drainage is maintained so that water will not be directed onto neighboring lots causing a drainage problem for others. The installation of the garage on your property most likely reduced the capacity of the historic channel carrying water southward from your property and Fairbanks Drive South, and increased the runoff from your lot into the neighboring lot. We suggest taking action so that water is not sent into your neighbor's lot in manner or quantity that does more harm than prior to construction of the garage.

In fact, you stated at the June 18 meeting that the prior owner experienced drainage problems on the lot. Ms. Hethcock has informed me that she contacted the prior owner of Lot 76, who reported that he experienced no drainage problems.

Given the foregoing, it is still the Authority's position that the drainage issues affecting your lot are not a matter appropriate for the Authority to address. We note, however, that we have not yet received the reports from Weld County that you mentioned in your comments to the Authority Board on June 18 and will review those when available.

Sincerely,

Lisa A. Johnson  
Authority Manager

**BEEBE DRAW FARMS AUTHORITY**

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

June 10, 2019

***VIA US MAIL***

John Coleman  
16489 Fairbanks Drive S  
Platteville, CO 80651

**Re: Drainage into Neighbor's Lot from Garage Construction**

Dear Mr. Coleman,

As manager of the Beebe Draw Farms Authority, I have been notified about increased drainage and runoff from your property, Lot 75, onto your neighbor's property, Lot 76, resulting from the construction of a garage on your property. We do not believe this is a matter appropriate for the Authority. However, we appreciate the need to resolve this issue and respectfully suggest it be referred to the Beebe Draw Farms Property Owners Association.

Sincerely,

Lisa A. Johnson  
Authority Manager





## ICENOGLE SEAVER POGUE

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April 23, 2020

### VIA EMAIL AND U.S. MAIL

Christopher H. Wisher  
Wisher Law, LLC  
2955 Inca Street, Unit 1L  
Denver, CO 80202  
cwisher@wisherlawllc.com

### **Re: Drainage at 16489 Fairbanks Drive South (Lot 75)**

Dear Mr. Wisher,

This law firm serves as general counsel to the Beebe Draw Farms Authority (the "Authority"). I am writing in response to your February 24, 2020 letter to Lisa Johnson concerning the above-referenced matter.

As indicated in both your letter and the July 16, 2019 report prepared for your clients by Reid W. Bond, P.E., your clients believe that inadequate drainage on Fairbanks Drive South has resulted in gradual damage to their property, 16489 Fairbanks Drive South ("Lot 75"), including stormwater flows across the two driveways on Lot 75 and concentrated drainage causing erosion and drainage onto the adjoining Lot 76.

The Authority is willing to complete the improvements described below to address the drainage issue affecting Lot 75 if your clients agree to complete certain other improvements on Lot 75. In particular, the Authority will:

- Regrade the area south of the driveway serving Lot 74 to capture the drainage coming through the culvert under the Lot 74 driveway and route it in a swale to the driveways serving Lot 75;
- On the south side of the driveways serving Lot 75, pick up the drainage and route it in a swale to the graded swale on the lot line between Lot 75 and Lot 76; and
- Provide one-time erosion control in the area where previous drainage flows have caused erosion along the front of Lot 75.

The Authority will provide or cause to be provided the above-described improvements in its absolute discretion and makes no representation that the improvements will stop or reduce the erosion on Lot 75. The improvements are intended to accommodate nuisance flows, not greater flows, and not 100-year storm events.

*Alan D. Pogue* | *APogue@isp-law.com* | *Direct 303.867.3006*

4725 S. Monaco St., Suite 360 | Denver, CO 80237 | 303.292.9100 | fax 303.292.9101 | [www.isp-law.com](http://www.isp-law.com)



## ICENOGLE SEAVER POGUE

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The Authority is willing to provide the above-described improvements if your clients will agree to do the following:

- Provide and install a culvert under both driveways on Lot 75 of similar size to the culvert under the Lot 74 driveways to match drainage flows from the swale proposed in the first bullet point, above; and
- Mitigate added drainage flows caused by installation of the driveway and secondary garage building on Lot 75.

Regardless of whether the secondary garage building has caused drainage problems on Lot 75, the owner of Lot 76 has reported to the Authority that since the driveway and secondary garage building were installed, drainage flows during heavy rainfalls have negatively affected Lot 76, with water being directed to the Lot 76 fence line.

If these terms are acceptable, I will prepare an agreement setting forth the understanding of the parties. Please contact me with any questions. I look forward to hearing from you.

Sincerely,

ICENOGLE SEAVER POGUE  
A Professional Corporation



Alan D. Pogue

Cc: Board of Directors, Beebe Draw Farms Authority  
Judy Leyshon, Authority Manager