

**ANNUAL REPORT FOR CALENDAR YEAR 2023
BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1**

The Beebe Draw Farms Metropolitan District No. 1 (the “District”) hereby submits this annual report, as required pursuant to Section VII of the Amended and Restated Service Plan of the District approved on March 16, 2011 (the “Service Plan”). This annual report is being submitted to satisfy the reporting requirement for the year 2023 concerning activities completed between January 1, 2023 and December 31, 2023.

Reporting of Significant Events.

- 1. Boundary changes made or proposed to the Districts' boundaries as of December 31 of the prior year.**
There have been no boundary changed for the year ending December 31 of the prior year.
- 2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.**
No Intergovernmental Agreements with other governmental entities were either entered into or proposed as of December 31 of the prior year.
- 3. Copies of the Districts' rules and regulations, if any, as of December 31 of the prior year.**
The District has not adopted any rules and regulations.
- 4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.**
During the report year of 2023, the District was not involved in any litigation.
- 5. Status of the construction of the Public Improvements as of December 31 of the prior year.**
Public Improvements were not constructed in 2023.
- 6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the County as of December 31 of the prior year.**
No facilities or improvements were dedicated to or accepted by the County in 2023.
- 7. The estimated assessed valuation of the District for the current year.**
The estimated assessed valuation of the District for the current year is \$10,208,470.
- 8. Current year budgets including a description of the Public Improvements, if any, to be constructed in such year.**
The District’s 2024 Budget is attached hereto as Exhibit A.

EXHIBIT A

BEEBE DRAW FARMS METRO DISTRICT NO. 1
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2024

**BEEBE DRAW METRO DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 12,543	\$ 13,819	\$ 17,740
REVENUES			
Property taxes	270,995	311,536	408,339
Specific ownership taxes	16,039	13,365	16,334
Conservation Trust Fund proceeds	2,287	2,000	2,000
Interest income	5,347	14,478	1,950
Other revenue	1	10,726	-
Total revenues	<u>294,669</u>	<u>352,105</u>	<u>428,623</u>
Total funds available	<u>307,212</u>	<u>365,924</u>	<u>446,363</u>
EXPENDITURES			
General Fund	293,393	348,184	409,238
Total expenditures	<u>293,393</u>	<u>348,184</u>	<u>409,238</u>
Total expenditures and transfers out requiring appropriation	<u>293,393</u>	<u>348,184</u>	<u>409,238</u>
ENDING FUND BALANCES	<u>\$ 13,819</u>	<u>\$ 17,740</u>	<u>\$ 37,125</u>
EMERGENCY RESERVE	\$ 1,800	\$ 2,800	\$ 2,500
AVAILABLE FOR OPERATIONS	(443)	-	17,235
SPECIAL REVENUE RESERVE 1	12,462	14,940	17,390
TOTAL RESERVE	<u>\$ 13,819</u>	<u>\$ 17,740</u>	<u>\$ 37,125</u>

**BEEBE DRAW METRO DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 5,089,820	\$ 5,660,570	\$ 7,603,770
Commercial	430	220	-
Agricultural	840	800	1,820
State assessed	340	9,580	1,930
Vacant land	791,820	513,910	750,900
Personal property	251,500	442,150	343,980
Oil & Gas	640,110	1,229,950	1,506,070
	6,774,860	7,857,180	10,208,470
Certified Assessed Value	\$ 6,774,860	\$ 7,857,180	\$ 10,208,470

MILL LEVY

General	40.000	40.000	40.000
Total mill levy	40.000	40.000	40.000

PROPERTY TAXES

General	\$ 270,994	\$ 314,287	\$ 408,339
Levied property taxes	270,994	314,287	408,339
Refunds and abatements	1	(2,751)	-
Budgeted property taxes	\$ 270,995	\$ 311,536	\$ 408,339

BUDGETED PROPERTY TAXES

General	\$ 270,995	\$ 311,536	\$ 408,339
	\$ 270,995	\$ 311,536	\$ 408,339

**BEEBE DRAW METRO DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,533	\$ 1,357	\$ 2,800
REVENUES			
Property taxes	270,995	311,536	408,339
Specific ownership taxes	16,039	13,365	16,334
Interest income	5,182	14,000	1,500
Other revenue	1	10,726	-
Total revenues	<u>292,217</u>	<u>349,627</u>	<u>426,173</u>
Total funds available	<u>294,750</u>	<u>350,984</u>	<u>428,973</u>
EXPENDITURES			
General and administrative			
Accounting	17,531	23,000	17,000
County Treasurer's fee	4,070	4,675	6,125
Directors' fees	1,400	2,300	1,000
Insurance	3,489	4,675	5,000
District management	8,300	10,487	16,000
Legal	7,146	10,439	15,000
Miscellaneous	-	4,276	1,500
Payroll taxes	-	262	400
Election	16,262	33,626	-
Contingency	-	-	2,000
Transfer to Authority - General Fund O&M	200,256	214,578	266,958
Transfer to Authority - Amenities Fund (2019 D2 - Included lots)	2,306	2,689	5,610
Transfer to Authority - Amenities Fund (2011 boundary lots)	4,682	26,423	50,206
Transfer to Authority - Infrastructure Fund (2019 D2 Included lots)	27,951	10,754	22,439
Operations and maintenance			
Total expenditures	<u>293,393</u>	<u>348,184</u>	<u>409,238</u>
Total expenditures and transfers out requiring appropriation	<u>293,393</u>	<u>348,184</u>	<u>409,238</u>
ENDING FUND BALANCES	<u>\$ 1,357</u>	<u>\$ 2,800</u>	<u>\$ 19,735</u>
EMERGENCY RESERVE	\$ 1,800	\$ 2,800	\$ 2,500
AVAILABLE FOR OPERATIONS	(443)	-	17,235
TOTAL RESERVE	<u>\$ 1,357</u>	<u>\$ 2,800</u>	<u>\$ 19,735</u>

No assurance provided. See summary of significant assumptions.

**BEEBE DRAW METRO DISTRICT NO. 1
SPECIAL REVENUE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 10,010	\$ 12,462	\$ 14,940
REVENUES			
Conservation Trust Fund proceeds	2,287	2,000	2,000
Interest income	165	478	450
Total revenues	2,452	2,478	2,450
Total funds available	12,462	14,940	17,390
EXPENDITURES			
General and administrative			
Operations and maintenance			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ 12,462	\$ 14,940	\$ 17,390

No assurance provided. See summary of significant assumptions.

**BEEBE DRAW FARMS METRO DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court Weld County on April 12, 2011, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established as part of a "Multiple District Structure" for the community. The District operates under a Service Plan approved by Weld County on January 27, 2012. The District's service area is located entirely within Weld County, Colorado.

The District was established to provide financing for the acquisition, construction and installation of public improvements including, but not limited to, streets, sanitary sewer, storm sewer, drainage, water, and parks and trails, and to provide the operation and maintenance of these improvements.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The Districts previously entered into that certain First Amendment to Authority Establishment Agreement, effective December 11, 2012. At elections of the qualified electors of the Districts, duly called and held on May 2, 2023, in accordance with law and pursuant to due notice (the "May 2023 Election"), a majority of those qualified to vote and voting at such elections, voted as follows:

- a. Broadband Authorization Question. Electors in both Districts authorized their respective District to provide all services, and to provide, purchase, lease, construct, maintain, operate, and finance facilities permitted by Title 29, Article 27 of the Colorado Revised Statutes, described as "Advanced Services," Telecommunications Services," and "Cable Television Services," including any new and improved high bandwidth services (the "Broadband Extension Services").
- b. Multiple Fiscal Year IGA Mill Levy Question. Electors in both Districts approved a further amendment to the Establishment Agreement to authorize the Authority to provide Broadband Extension Services.
- c. Broadband Services – Additional O&M Mill Levy Applicable to Filing No. 1 of the Corrected First Filing Plat, Weld County, Colorado Recorded in the Real Property Records of Weld County on December 13, 1989 at Reception Number 02200074. District No. 1 electors voted in favor of imposing an additional operations and maintenance mill levy of 3.300 mills (the "Additional O&M Mill Levy") only until Two Hundred Thousand Dollars (\$200,000) has been funded from the Additional O&M Mill Levy to replenish up to One Hundred Thousand Dollars (\$100,000) each to the Authority's Amenities Fund and Infrastructure Fund used for the payment of all or any part of the costs to provide Broadband Extension Services to Filing No. 1 of the Corrected First Filing Plat, Weld County, Colorado Recorded in the Real Property Records of Weld County on December 13, 1989 at Reception Number 02200074 ("Filing No. 1"). As indicated herein, it is the intent of the Districts and the Authority to seek and secure grants to fund the Broadband Extension Services to Filing No. 1.

**BEEBE DRAW FARMS METRO DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (continued)

- d. Than Filing No. 1 of the Corrected First Filing Plat, Weld County, Colorado Recorded in the Real Property Records of Weld County on December 13, 1989 at Reception Number 02200074. The electors of each District voted in favor of increasing their respective Districts' taxes by the imposition of a broadband extension fee or fees imposed in the amount of \$650,000 annually, or by such lesser amount necessary, to pay for the Broadband Extension Services in all future filings after Filing No. 1 ("Future Filings") (the "Broadband Extension Fee").

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

Revenues

Property Taxes

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

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. The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

The Districts are governed by an Amended and Restated Consolidated Service Plan for the Districts approved by the Weld County Board of County Commissioners (the "County") on March 16, 2011 (the "Service Plan"). As contemplated by the Service Plan, the Districts previously entered into that certain Beebe Draw Farms Authority Establishment Agreement By and Between Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Metropolitan District No. 2, effective April 12, 2011, whereby the Authority was established (the "Establishment Agreement").

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**BEEBE DRAW FARMS METRO DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 4% of the property taxes collected. District No. 1 is no longer obligated, pursuant to the District No. 1 Capital Pledge Agreement or the Establishment Agreement, to transfer specific ownership tax revenues to the Authority.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

**BEEBE DRAW FARMS METRO DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Intergovernmental Expenditures

Pursuant to an Intergovernmental Agreement between Beebe Draw Farms Metropolitan Districts No. 1 and Beebe Draw Farms Authority, the District is obligated to impose a mill levy, not to exceed 40.000 mills, subject to certain adjustments, and remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the District, after deducting administrative expenditures, to the Operating District. District No. 1 is no longer obligated, pursuant to the District No. 1 Capital Pledge Agreement or the Establishment Agreement, to transfer specific ownership tax revenues to the Authority.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.