

BEEBE DRAW FARMS AUTHORITY

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**A copy of the agenda/meeting packet is available at the Beebe Draw Farms website at
www.colorado.gov/beebedrawfarms**

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term Expires:</u>
Paul “Joe” Knopinski	President	June 2023
Sharon Dillon	Vice President	June 2023
William Caldwell	Secretary	June 2024
Diane Mead	Asst. Secretary	June 2023
Lisa A. Johnson	Secretary	

DATE: October 12, 2022

TIME: 6:00 P.M.

PLACE: Hybrid Meeting:

Pelican Lake Ranch Community Info and Sales Center
16502 Beebe Draw Farms Parkway
Platteville, CO 80641

Or Microsoft Teams via link or telephonic:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MWNjMzdHMTctNmU2NS00MzRlTgyMzMtZmU0ZmQ0NGM4Mml2%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%22d42bab28-fbd8-4e65-a395-965cf9ef152f%22%7d

Dial In: 720-547-5281, Conference ID: 179 868 154#

1. ADMINISTRATIVE MATTERS

- A. Present Disclosures and Potential Conflicts of Interest.
- B. Approve Agenda and confirm posting of meeting notices.
- C. Consider Approval of Resolution No. 2022-10-01, First Amendment to Amended and Restated Meeting Resolution (enclosed – 001)
- D. FIRST READING:
 - 1.
- E. SECOND READING:

1.

F. 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 September 19, 2022 and September 22, 2022 Special Meeting (enclosed – 002 & 003).
2. Ratify approval of payment of claims through the period ending September 30, 2022, as follows (to be distributed).
3. Consider acceptance of July 31, 2022 Financial Statements and October 2022 Cash Position Schedule (to be distributed under separate cover).

3. PUBLIC COMMENT

A.

4. FINANCIAL MATTERS

A. Consider acceptance/ratify acceptance of 2021 Audit (enclosed - 004)

B. FIRST READING:

1. Acknowledge receipt of 2023 draft budgets from Beebe Draw Farms Metro Districts Nos. 1-2 (to be distributed). Review BBDFFA 2023 draft budget and confirm date to hold public hearing to consider adoption of 2023 budget on November 9, 2022 (to be distributed)

C. SECOND READING:

D. EMERGENCY READING

1.

5. OPERATIONS & MAINTENANCE

A. Status of reserve analysis

B. FIRST READING

1.

D. SECOND READING:

E. EMERGENCY READING:

6. CAPITAL AMENITIES

A. FIRST READING:

1.

B. SECOND READING:

1. Update on path project along Beebe Draw Farms Parkway review of bids received.

2. Continued discussion on fiber optics research, cost and community interest.

C. EMERGENCY READING:

1.

7. INFRASTRUCTURE MATTERS

A. Filing No. 2:

1.

B. FIRST READING:

1.

C. SECOND READING:

1.

D. EMERGENCY READING:

1.

8. LEGAL MATTERS



A. FIRST READING:

Beebe Draw Farms Authority

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1.

C. SECOND READING:

1. Public Hearing regarding Participation in the Family and Medical Leave Insurance Program
2. Consider Adoption of Resolution 2022-10-02 Declining Participation in the Colorado Paid Family Medical Leave Insurance Program (enclosed - 005).

D. EMERGENCY READING:

1.

9. OTHER BUSINESS

A.

10. ADJOURNMENT:

THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 9, 2022.

RESOLUTION NO. 2022-10-01
OF THE BOARD OF DIRECTORS OF BEEBE DRAW FARMS AUTHORITY
FIRST AMENDMENT
TO AMENDED AND RESTATED MEETING RESOLUTION

WHEREAS, the Beebe Draw Farms Authority (the “Authority”) is an authority and separate legal entity created pursuant to Section 29-1-203, C.R.S. and the Authority Establishment Agreement, by and between Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Metropolitan District No. 2 (the “AEA”); and

WHEREAS, pursuant to Section 3.4(d)(2) of the AEA, regular meetings of the Board of Directors of the Authority (the “Board”) shall be held at such place, on such date, and at such hour as the Authority Board shall, by resolution or motion, establish from time to time, and in accordance with the requirements for special districts under the Special District Act; and

WHEREAS, on November 10, 2021, the Board adopted Resolution No. 2021-11-04, the Amended and Restated Meeting Resolution, to designate, among other things, the time and place of all regular meetings of the Board (“Meeting Resolution”); and

WHEREAS, as provided in the Meeting Resolution, regular meetings of the Board are held in a hybrid manner with an option to attend in-person or virtually; and

WHEREAS, the Board desires to amend the Meeting Resolution as set forth herein to change the physical location at which it holds meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BEEBE DRAW FARMS AUTHORITY THAT:

1. Paragraph 1 of the Meeting Resolution is hereby deleted and replaced in its entirety with the following:

The Board hereby determines to hold regular meetings on the second Wednesday of January, March, May, July September, October, and November at 6:00 p.m. The location of all regular meetings will be in person at the Pelican Lake Ranch Community Info and Sales Center, 16502 Beebe Draw Farms Parkway, Platteville, CO 80641, and virtually via MS Teams or other virtual platform. The meeting notice of all meetings of the Board will include the method or procedure, including the conference number or link, by which members of the public can attend the meeting virtually.

2. Except as set forth above, the Meeting Resolution is not amended or modified hereby. This Resolution shall take effect on the date and time of adoption and shall remain effective until otherwise supplemented or amended by the Board.

(Signature page follows.)

ADOPTED AND APPROVED THIS 12th DAY OF OCTOBER 2022.

BEEBE DRAW FARMS AUTHORITY

Paul “Joe” Knopinski, President

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BEEBE DRAW FARMS AUTHORITY
HELD
SEPTEMBER 19, 2022**

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the Beebe Draw Farms Authority (referred to hereafter as the “Authority”) was convened on Monday, the 19th day of September 2022, at 6:00 P.M. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Paul “Joe” Knopinski
William Caldwell
Sharon Dillon
Diane Mead

Also In Attendance Were:

Lisa Johnson, Shauna D’Amato and Terri Boroviak; CliftonLarsonAllen LLP
Alan Pogue; Icenogle Seaver Pogue, P.C.

Eric Wernsman, Catrena Rosentreader and Brenda Lewis (Beebe Draw Farms MD No. 1)
Christine Hethcock (Beebe Draw Farms MD No. 2)

Tina Wernsman, Crystal Clark, Ed & Mary Jo Farrell, Melanie Briggs, Carol Satersmoen, John and Kim Coleman, Ed Hermann and other members of the public

**ADMINISTRATIVE
MATTERS**

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State.

Ms. Johnson noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that Director Knopinski’s Disclosure Statement has been filed.

Agenda, Confirmation of Notice Posting: Ms. Johnson distributed for the Board’s review and approval a proposed agenda for the Authority’s special meeting.

Following discussion, upon motion duly made by Director Mead, seconded by Director Caldwell and, upon vote, unanimously carried, the agenda was approved as submitted. Ms. Johnson noted meeting notices were posted as required.

Acknowledge the resignation of Christine Hethcock from the Board of Directors and acknowledge appointment of Diane Mead (Beebe Draw Farms MD No. 2) to the Authority Board: The Board acknowledged the resignation of Christine Hethcock and the appointment of Diane Mead to the Authority Board.

Appointment of Officers: Upon a motion duly made by Director Dillon, seconded by Director Caldwell and, upon vote, unanimously carried, the Board appointed the following slate of officers:

President – Joe Knopinski
 Vice President – Bill Caldwell
 Treasurer – Sharon Dillon
 Assistant Secretary – Diane Mead

FIRST READING:

1. **Discuss Authority meeting protocol:** President Knopinski summarized that after a recent meeting, Ms. Hethcock, Attorney Pogue, Ms. Johnson and he met to discuss meeting protocols to be presented to the Board for consideration in the future. He presented a list of protocols that were initially presented to Director Caldwell for his review prior to the meeting. President Knopinski then shared the response received from Director Caldwell. Discussion ensued.

SECOND READING: None.

EMERGENCY READING: None.

**CONSENT
AGENDA**

The Board considered the following items and actions:

- Minutes of the August 17, 2022 Meeting.
- Payment of claims totaling \$86,833.63
- July 31, 2022 Financial Statements and Cash Position Schedule

The Board reviewed the Consent Agenda items and determined that Director Dillon will be the Board member designated to review and approve the monthly claims. Following review and discussion, upon motion duly made by Director Dillon, seconded by President Knopinski and, upon vote, unanimously carried, the Board approved and/or ratified approval of the

Consent Agenda with the removal of the July 31, 2022 financial statements.

PUBLIC COMMENT

Ms. Clark addressed the Board regarding the conveyance of land by the Authority back to REI in April 2022. She asked when the land will be conveyed back and then asked about the RV storage facility and if that will be conveyed back to the Authority as well. Ms. Clark then inquired about the access to Lake Christina and had questions regarding language in the Authority Establishment Agreement. She asked if the entirety of the transaction was reviewed by legal counsel.

Ms. Hethcock responded that the issue with the RV storage facility was that the County would not allow the Authority to operate a public storage facility. She explained that by transferring it back to REI, REI can offer it as a private amenity to the community. She then addressed the question about when the buffer zones will be conveyed back. Access to Lake Christina was addressed and access was granted with the transaction via an easement access.

Attorney Pogue responded to the comments about the Authority Establishment Agreement and the legality of the transaction.

FINANCIAL MATTERS

Status of 2021 Audit: Upon a motion duly made by President Knopinski, seconded by Director Dillon and, upon vote, unanimously carried, the Board authorized that Directors Caldwell or Dillon and Director Mead to serve on the committee to review and approve the 2021 audit and filing subject to final review by legal counsel and a clean, unmodified opinion from the auditor. The 2021 audit will then be presented to the Board at the October Board meeting.

FIRST READING: None.

SECOND READING: None.

EMERGENCY READING: None.

OPERATIONS AND MAINTENANCE

Repairs to Gate House: Director Caldwell noted that the Gate House repairs are 95% complete and lights will need to be replaced in the future.

Reserve Analysis: It was noted that the reserve analysis is a work in progress.

FIRST READING:

- 1. Consider allowing use of facilities for Community Trunk or Treat:**
The Board discussed the request to use the Sales and Info Center for the annual Trunk or Treat event and supported it. Director Caldwell will work to ensure that he or another Authority Board member will attend to open and close the facility.

2. **Update on committee to draft Rules and Regulations:** Ms. Clark volunteered to chair the committee and she will work with Ms. Johnson on additional committee members.
3. **Update on request to reduce speed to 25 mph along Beebe Draw Farms Parkway:** The Board discussed the request as well as the enforcement concerns. No action was taken.

SECOND READING:

1. **Continued discussion on fiber optics research, cost and community interest:** Ms. Johnson confirmed the desired next steps in the fiber optics research. The Board agreed that the next steps would be to schedule a few public outreach meetings to discuss with the community. Mr. Farrell reported that a public meeting in January would work well. He would also like to see an informational newsletter sent to residents by the end of the year and volunteered to draft the communication. Ms. Lewis introduced the possibility of securing grant monies. Mr. Farrell is also aware of potential grant opportunities. He would also like to see the Board budget funds for this project in 2023.

EMERGENCY READING: None.

**CAPITAL
AMENITIES**

FIRST READING: None.

SECOND READING:

1. **Update on path project along Beebe Draw Farms Parkway and consider establishing a committee to review the bids when received:** It was noted that engineering design is complete and the bids will be solicited soon. Following discussion, upon a motion duly made by President Knopinski, seconded by Director Dillon and, upon vote, unanimously carried, the Board authorized Director Caldwell, Ms. Farrell and potentially Mr. Wernsman to serve on the committee to review the bids and make a recommendation to the Board.

EMERGENCY READING: None.

**INFRASTRUCTURE
MATTERS**

Filing No. 2: Ms. Hethcock provided an update on the status of development of Filing 2.

FIRST READING: None.

SECOND READING: None.

EMERGENCY READING: None.

LEGAL MATTERS**FIRST READING:**

1. **FAMLI program:** Attorney Pogue presented the information related to FAMLI program. The Board reviewed the information and will consider it at a future Board meeting.

SECOND READING: None.

EMERGENCY READING: None.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, President Knopinski adjourned the meeting at 8:32 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BEEBE DRAW FARMS AUTHORITY
HELD
SEPTEMBER 22, 2022**

A special meeting of the Board of Directors (referred to hereafter as the “Board”) of the Beebe Draw Farms Authority (referred to hereafter as the “Authority”) was convened on Thursday, the 22nd day of September 2022, at 9:00 A.M. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

William Caldwell
Sharon Dillon
Diane Mead

Director Joe Knopinski was absent and excused.

Also In Attendance Were:

Lisa Johnson, Shauna D’Amato, Michael Cronic and Terri Boroviak;
CliftonLarsonAllen LLP

Christine Hethcock (Beebe Draw Farms MD No. 2)

**ADMINISTRATIVE
MATTERS**

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State.

Ms. Johnson noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that Directors Caldwell, Dillon, Mead, and Knopinski’s Disclosure Statements have been filed.

Agenda, Confirmation of Notice Posting: Ms. Johnson distributed for the Board’s review and approval a proposed agenda for the Authority’s special meeting.

Following discussion, upon motion duly made by Director Dillon, seconded by Director Caldwell and, upon vote, unanimously carried, the agenda was approved as submitted. Ms. Johnson noted meeting notices were posted as required.

FINANCIAL
MATTERS

Discussion and Review of 2023 Budgets: The Board and staff discussed information needed to draft the 2023 Budget. The Board determined to hold a special meeting/work session to continue the preparation of the 2023 Budget on October 7, 2022 at 11:00 a.m.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

**BEEBE DRAW FARMS AUTHORITY
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**BEEBE DRAW FARMS AUTHORITY
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YEAR ENDED DECEMBER 31, 2021**

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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

**BEEBE DRAW FARMS AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 892,550
Cash and Investments - Restricted	6,218,244
Due from District No. 1	130,148
Due from District No. 2	71,311
Prepaid Expenses	1,965
Capital Assets:	
Capital Assets, Not Being Depreciated	5,903,449
Capital Assets Being Depreciated, Net	5,275,044
Total Assets	<u>18,492,711</u>
LIABILITIES	
Accounts Payable	<u>61,509</u>
Total Liabilities	<u>61,509</u>
NET POSITION	
Net Investment in Capital Assets	11,178,493
Restricted for:	
Emergency Reserves	11,900
Amenities	1,108,442
Capital Infrastructure	5,653,874
Unrestricted	<u>478,493</u>
Total Net Position	<u><u>\$ 18,431,202</u></u>

See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 789,154	\$ 14,116	\$ 369,308	\$ 851,690	\$ 445,960
Total Governmental Activities	<u>\$ 789,154</u>	<u>\$ 14,116</u>	<u>\$ 369,308</u>	<u>\$ 851,690</u>	445,960
GENERAL REVENUES					
Net Investment Income					1,665
Other Revenue					<u>10,387</u>
Total General Revenues					<u>12,052</u>
CHANGE IN NET POSITION					
					458,012
Net Position - Beginning of Year					<u>17,973,190</u>
NET POSITION - END OF YEAR					
					<u>\$ 18,431,202</u>

See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Amenities Fund	Capital Infrastructure	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 892,550	\$ -	\$ -	\$ 892,550
Cash and Investments - Restricted	11,900	960,181	5,246,163	6,218,244
Due from District 1	(18,076)	60,216	88,008	130,148
Due from District 2	(336,437)	88,045	319,703	71,311
Prepaid Expenses	1,965	-	-	1,965
Total Assets	<u>\$ 551,902</u>	<u>\$ 1,108,442</u>	<u>\$ 5,653,874</u>	<u>\$ 7,314,218</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	61,509	-	-	61,509
Due to District 1	-	-	-	-
Due to District 2	-	-	-	-
Total Liabilities	<u>61,509</u>	<u>-</u>	<u>-</u>	<u>61,509</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	1,965	-	-	1,965
Restricted for:				
Emergency Reserves	11,900	-	-	11,900
Amenities	-	1,108,442	-	1,108,442
Capital Infrastructure	-	-	5,653,874	5,653,874
Assigned to:				
Repair and Replacement Reserve	99,313	-	-	99,313
Discretionary Fund	138,112	-	-	138,112
O&M Reserve Fund	181,385	-	-	181,385
Subsequent Year's Expenditures	55,912	-	-	55,912
Unassigned	1,806	-	-	1,806
Total Fund Balances	<u>490,393</u>	<u>1,108,442</u>	<u>5,653,874</u>	<u>7,252,709</u>
Total Liabilities and Fund Balances	<u>\$ 215,465</u>	<u>\$ 1,108,442</u>	<u>\$ 5,653,874</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.

Capital Assets, Net

11,178,493

Net Position of Governmental Activities

\$ 18,431,202

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, 2021

	General	Amenities Fund	Capital Infrastructure	Total Governmental Funds
REVENUES				
Developer Rent	\$ 1,626	\$ -	\$ -	\$ 1,626
Pool Fees	12,490	-	-	12,490
Interest Income	-	221	1,444	1,665
Other Revenue	10,387	-	-	10,387
Intergovernmental Revenue - District 1	187,766	28,221	16,966	232,953
Intergovernmental Revenue - District 2	181,542	18,677	74,677	274,896
Intergovernmental revenue - Dist 2 Cap Pledge 2051	-	2,449	9,795	12,244
Intergovernmental revenue - Dist 2 Cap Pledge 2055	-	1,781	7,124	8,905
Water Tap Fees	-	-	692,000	692,000
Total Revenues	393,811	51,349	802,006	1,247,166
EXPENDITURES				
Current:				
Accounting	18,361	-	-	18,361
Audit	5,000	-	-	5,000
Director's Fees	800	-	-	800
Insurance and Bonds	30,169	-	-	30,169
Legal	36,816	-	22,521	59,337
Payroll Taxes	10,591	-	-	10,591
Management	64,386	-	-	64,386
Miscellaneous	5,225	-	-	5,225
Property Management	50,051	-	-	50,051
Operations and Maintenance:				
Physical Facilities	42,318	-	-	42,318
Aquatic Facilities	28,765	-	-	28,765
Parks and Open Space	17,204	-	-	17,204
Roads, Trails, and Ditches	45,900	-	-	45,900
Other	10,197	-	-	10,197
Capital Replacement and Reserve	125,258	-	-	125,258
Engineering / Planning	-	-	23,294	23,294
Infrastructure	-	-	1,536,000	1,536,000
Total Expenditures	491,041	-	1,581,815	2,072,856
NET CHANGE IN FUND BALANCES	(97,230)	51,349	(779,809)	(825,690)
Fund Balances - Beginning of Year	587,623	1,057,093	6,433,683	8,078,399
FUND BALANCES - END OF YEAR	<u>\$ 490,393</u>	<u>\$ 1,108,442</u>	<u>\$ 5,653,874</u>	<u>\$ 7,252,709</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, 2021

Net Change in Fund Balances - Governmental Funds	\$ (825,690)
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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.

Current Year Capital Assets	1,559,294
Depreciation	<div style="border-top: 1px solid black; display: inline-block;">(275,592)</div>

Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 458,012</div>
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**BEEBE DRAW FARMS AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Developer Rent	\$ 1,626	\$ 1,626	\$ -
Pool Fees	7,600	12,490	4,890
RV Parking Fees	3,000	-	(3,000)
Interest Income	3,000	-	(3,000)
Other Revenue	-	10,387	10,387
Intergovernmental Revenue - District 1	186,412	187,766	1,354
Intergovernmental Revenue - District 2	177,032	181,542	4,510
Total Revenues	378,670	393,811	15,141
EXPENDITURES			
Administration:			
Accounting	27,000	18,361	8,639
Audit	6,000	5,000	1,000
Director's Fees	3,300	800	2,500
Insurance and Bonds	25,000	30,169	(5,169)
Legal	37,000	36,816	184
Payroll Taxes	4,965	10,591	(5,626)
Management	33,000	64,386	(31,386)
Miscellaneous	2,000	5,225	(3,225)
Project Management	1,000	-	1,000
Property Management	60,000	50,051	9,949
Training	6,000	-	6,000
Operations and Maintenance:			
Physical Facilities	41,971	42,318	(347)
Aquatic Facilities	27,500	28,765	(1,265)
Parks and Open Space	7,500	17,204	(9,704)
Roads, Trails, and Ditches	2,000	45,900	(43,900)
Other	11,200	10,197	1,003
Capital Replacement and Reserve	169,000	125,258	43,742
Capital Repair and Replacement Contingency	25,000	-	25,000
Emergency Reserve	12,316	-	12,316
Total Expenditures	501,752	491,041	10,711
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(123,082)	(97,230)	25,852
Fund Balance - Beginning of Year	541,892	587,623	45,731
FUND BALANCE - END OF YEAR	<u>\$ 418,810</u>	<u>\$ 490,393</u>	<u>\$ 71,583</u>

See accompanying Notes to Basic Financial Statements.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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 are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the Authority. The Authority has determined that Developer advances are not considered as revenue susceptible to accrual. 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.

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.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports 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 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.

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.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 892,550
Cash and Investments - Restricted	6,218,244
Total Cash and Investments	<u>\$ 7,110,794</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 7,110,794
Total Cash and Investments	<u>\$ 7,110,794</u>

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, 2021, the Authority's cash deposits had a bank balance of \$7,110,794.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

On September 10, 2019, the Authority adopted a Resolution Establishing and 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

As of December 31, 2021, the Authority had no investments.

BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Water Capacity	\$ 815,660	\$ 1,525,000	\$ -	\$ 2,340,660
Land	1,639,760	-	-	1,639,760
Construction in Progress	1,923,029	-	-	1,923,029
Total Capital Assets, Not Being Depreciated	4,378,449	1,525,000	-	5,903,449
Capital Assets, Being Depreciated:				
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	2,737,186	23,294	-	2,760,480
Irrigation and Landscape	143,085	11,000	-	154,085
Total Capital Assets, Being Depreciated	9,912,377	34,294	-	9,946,671
Less Accumulated Depreciation for:				
Roads	(1,801,482)	(126,252)	-	(1,927,734)
Water Distribution Facilities	(893,851)	(43,056)	-	(936,907)
Offsite Water Facilities	(300,000)	-	-	(300,000)
Maintenance Facility Building	(76,608)	(25,536)	-	(102,144)
Recreation Facilities / Equipment	(1,237,052)	(73,044)	-	(1,310,096)
Irrigation and Landscape	(87,042)	(7,704)	-	(94,746)
Total Accumulated Depreciation	(4,396,035)	(275,592)	-	(4,671,627)
Governmental Activities Capital Assets, Net	<u>\$ 9,894,791</u>	<u>\$ 1,283,702</u>	<u>\$ -</u>	<u>\$ 11,178,493</u>

Water system capacity is provided for 229 water taps of which 163 have been applied as of December 31, 2021, leaving 66 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. In 2021, an additional 25 shares of CBT were purchased and dedicated to CWCWD. 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 \$275,592 was charged to the general government function on the statement of activities.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS

As of December 31, 2021, the Authority had no long-term obligations.

NOTE 5 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, 2021, the Authority had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 11,178,493
Net Investment in Capital Assets	<u>\$ 11,178,493</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, 2021, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 11,900
Amenities	1,108,442
Capital Infrastructure	5,653,874
Total Restricted Net Position	<u>\$ 6,774,216</u>

NOTE 6 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 collected in 2021 was \$1,626.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 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 \$26,125,508 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.

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. As of December 31, 2021 the Authority has collected \$-0- on behalf of this agreement.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 AGREEMENTS AND COMMITMENTS (CONTINUED)

Capital Pledge Agreement

District No. 2 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 and 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.

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.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 AGREEMENTS AND COMMITMENTS (CONTINUED)

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. 2) 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 the agreement are not subject to the 80/20 split further described in the AEA.

NOTE 8 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.

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.

**BEEBE DRAW FARMS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 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 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.

SUPPLEMENTARY INFORMATION

**BEEBE DRAW FARMS AUTHORITY
AMENITIES FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest income	\$ 10,000	\$ 221	\$ (9,779)
Intergovernmental Revenue - District 1	27,113	28,221	1,108
Intergovernmental Revenue - District 2	18,229	18,677	448
Intergovernmental Revenue - Dist 2 Cap Pledge 2051	2,368	2,449	-
Intergovernmental Revenue - Dist 2 Cap Pledge 2055	1,722	1,781	59
Total Revenues	59,432	51,349	(8,164)
EXPENDITURES			
Fitness Center	80,000	-	80,000
ATV/Gun Range	80,000	-	80,000
Trail Along Beebe Draw Parkway	50,000	-	50,000
Total Expenditures	210,000	-	210,000
NET CHANGE IN FUND BALANCES	(150,568)	51,349	201,836
Fund Balance - Beginning of Year	1,041,575	1,057,093	15,518
FUND BALANCE - END OF YEAR	<u>\$ 891,007</u>	<u>\$ 1,108,442</u>	<u>\$ 217,354</u>

**BEEBE DRAW FARMS AUTHORITY
CAPITAL INFRASTRUCTURE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 40,000	\$ 1,444	\$ (38,556)
Intergovernmental Revenue - District 1	16,300	16,966	666
Intergovernmental Revenue - District 2	72,915	74,677	1,762
Intergovernmental Revenue - Dist 2 Cap Pledge 2051	9,473	9,795	322
Intergovernmental Revenue - Dist 2 Cap Pledge 2055	6,889	7,124	235
Water Tap feesF	450,000	692,000	242,000
Total Revenues	595,577	802,006	206,429
EXPENDITURES			
Legal	75,000	22,521	52,479
Engineering / Planning	100,000	23,294	76,706
Infrastructure - Water Capacity	250,000	1,536,000	(1,286,000)
Contingency	3,000,000	-	3,000,000
Total Expenditures	3,425,000	1,581,815	1,843,185
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,829,423)	(779,809)	2,049,614
Fund Balance - Beginning of Year	6,072,882	6,433,683	360,801
FUND BALANCE - END OF YEAR	<u>\$ 3,243,459</u>	<u>\$ 5,653,874</u>	<u>\$ 2,410,415</u>

RESOLUTION NO. 2022-10-02

THE BEEBE DRAW FARMS AUTHORITY

**RESOLUTION DECLINING PARTICIPATION IN THE COLORADO PAID FAMILY AND
MEDICAL LEAVE INSURANCE PROGRAM**

WHEREAS, Beebe Draw Farms Authority (the “Authority”) is an authority and separate legal entity duly created pursuant to C.R.S. §§ 29-1-203; and

WHEREAS, in November of 2020, Colorado voters approved Proposition 118, codified at Part 5, Article 13.3 of Title 8, C.R.S., establishing a state insurance plan providing paid leave for Colorado workers during certain life circumstances to be known as the Family and Medical Leave Insurance Program (“FAMLI”); and

WHEREAS, under FAMLI, employers and their employees are both responsible for funding the program and may split the cost 50/50, with the premiums set at 0.9% of the employee’s wage and 0.45% each paid by the employer and employee; and

WHEREAS, the premiums required for FAMLI will be collected starting January 1, 2023, and benefits will begin January 1, 2024; and

WHEREAS, the Authority, as a local government pursuant to C.R.S. §§ 8-13.3-503(14) and 29-1-304.5(3)(b), may decline to participate in FAMLI following a public hearing and vote of its Board of Directors (the “Board”) pursuant to C.R.S. § 8-13.3-522; and

WHEREAS, should the Authority decline to participate in FAMLI, its employees will still have the option to participate in the program and remit premiums to the State; and

WHEREAS, notice of the October 12, 2022 meeting of the Board and the public hearing on the decision of whether to participate in FAMLI was duly provided; and

WHEREAS, in accordance with the regulations adopted by the Colorado Department of Labor and Employment and codified at 7 CCR 1107-2 (the “Regulations”), advance written notice was provided to Authority employees including information regarding the vote process and opportunity to submit comments to the Board; and

WHEREAS, at a public meeting held on October 12, 2022, the Board held a public hearing on the decision of whether to participate in FAMLI.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BEEBE DRAW FARMS AUTHORITY AS FOLLOWS:

Section 1. The Board finds and determines that, with regard to the public hearing on the decision of whether to participate in FAMLI, notice was duly given, and the public hearing was conducted in accordance with the Regulations.

Section 2. By _____ vote, the Board hereby declines any and all participation in FAMLI.

Section 3. The Board authorizes and directs its legal counsel to file a copy of this Resolution with the FAMLI Division by January 1, 2023 and to take all actions necessary and appropriate to effectuate this Resolution and the decision of the Board to decline any and all participation in FAMLI.

Section 4. The Board directs its staff to bring the matter of revisiting the decision to decline participation in FAMLI before a future Board by no later than eight years from the date of this Resolution.

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ADOPTED AND APPROVED THE 12TH day of OCTOBER 2022.

BEEBE DRAW FARMS AUTHORITY

By: _____
Paul “Joe” Knopinski