

BEEBE DRAW FARMS METRO DISTRICT NO. 1

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2026

**BEEBE DRAW METRO DISTRICT NO. 1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 11,535 | \$ 21,560 | \$ 60,762 |
| REVENUES | | | |
| Property taxes | 408,511 | 372,867 | 382,431 |
| Specific ownership taxes | 14,783 | 13,706 | 15,297 |
| Conservation Trust Fund proceeds | 2,000 | 1,951 | 2,000 |
| Interest Income | 13,665 | 8,317 | 1,260 |
| Other Revenue | 11,710 | 900 | - |
| Total revenues | 450,668 | 397,741 | 400,988 |
| Total funds available | 462,203 | 419,301 | 461,750 |
| EXPENDITURES | | | |
| General Fund | 440,643 | 358,539 | 389,774 |
| Total expenditures | 440,643 | 358,539 | 389,774 |
| Total expenditures and transfers out requiring appropriation | 440,643 | 358,539 | 389,774 |
| ENDING FUND BALANCES | \$ 21,560 | \$ 60,762 | \$ 71,976 |
| EMERGENCY RESERVE | \$ 3,600 | \$ 1,951 | \$ 3,100 |
| AVAILABLE FOR OPERATIONS | (238) | 37,882 | 45,247 |
| SPECIAL REVENUE RESERVE 1 | 18,198 | 20,929 | 23,629 |
| TOTAL RESERVE | \$ 21,560 | \$ 60,762 | \$ 71,976 |

See summary of significant assumptions.

BEEBE DRAW METRO DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/30/26

| ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|----------------|-------------------|----------------|
|----------------|-------------------|----------------|

ASSESSED VALUATION

| | | | |
|--------------------------|----------------------|---------------------|---------------------|
| Residential | \$ 7,603,770 | \$ 7,850,220 | \$ 8,181,110 |
| Agricultural | 1,820 | - | 1,950 |
| State assessed | 1,930 | 2,050 | 1,770 |
| Vacant land | 750,900 | 750,900 | 675,070 |
| Personal property | 343,980 | 293,300 | 247,390 |
| Oil & Gas | 1,506,070 | 393,700 | 453,480 |
| Certified Assessed Value | <u>\$ 10,208,470</u> | <u>\$ 9,290,170</u> | <u>\$ 9,560,770</u> |

MILL LEVY

| | | | |
|-----------------|---------------|---------------|---------------|
| General | 40.000 | 40.000 | 40.000 |
| Total mill levy | <u>40.000</u> | <u>40.000</u> | <u>40.000</u> |

PROPERTY TAXES

| | | | |
|-------------------------|-------------------|-------------------|-------------------|
| General | \$ 408,339 | \$ 371,607 | \$ 382,431 |
| Levied property taxes | 408,339 | 371,607 | 382,431 |
| Refunds and abatements | 172 | 1,260 | - |
| Budgeted property taxes | <u>\$ 408,511</u> | <u>\$ 372,867</u> | <u>\$ 382,431</u> |

BUDGETED PROPERTY TAXES

| | | | |
|---------|-------------------|-------------------|-------------------|
| General | \$ 408,511 | \$ 372,867 | \$ 382,431 |
| | <u>\$ 408,511</u> | <u>\$ 372,867</u> | <u>\$ 382,431</u> |

See summary of significant assumptions.

**BEEBE DRAW METRO DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|---------------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ (3,863) | \$ 3,362 | \$ 39,833 |
| REVENUES | | | |
| Property taxes | 408,511 | 372,867 | 382,431 |
| Specific ownership taxes | 14,783 | 13,706 | 15,297 |
| Interest Income | 12,865 | 7,537 | 560 |
| Other Revenue | 11,710 | 900 | - |
| Total revenues | 447,868 | 395,010 | 398,288 |
| Total funds available | 444,005 | 398,372 | 438,121 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 25,094 | 19,713 | 26,250 |
| County Treasurer's Fee | 6,310 | 5,579 | 5,736 |
| Directors' fees | 3,300 | 1,500 | 2,000 |
| Dues and Membership | 313 | 585 | 615 |
| Insurance | 3,840 | 3,946 | 5,500 |
| District management | 23,845 | 15,425 | 26,250 |
| Legal | 48,212 | 18,171 | 26,250 |
| Miscellaneous | - | 1,325 | 1,211 |
| Payroll taxes | 284 | 115 | 153 |
| Election | - | 843 | - |
| Transfer to Authority - General Fund O&M | 266,958 | 291,337 | 101,705 |
| Transfer to Authority - Amenities Fund (2019 D2 - Included lots) | 4,518 | - | 73,707 |
| Transfer to Authority - Amenities Fund (2011 boundary lots) | 39,896 | - | 18,427 |
| Transfer to Authority - Infrastructure Fund (2019 D2 Included lots) | 18,073 | - | 101,970 |
| Total expenditures | 440,643 | 358,539 | 389,774 |
| Total expenditures and transfers out requiring appropriation | 440,643 | 358,539 | 389,774 |
| ENDING FUND BALANCES | \$ 3,362 | \$ 39,833 | \$ 48,347 |
| EMERGENCY RESERVE | \$ 3,600 | \$ 1,951 | \$ 3,100 |
| AVAILABLE FOR OPERATIONS | (238) | 37,882 | 45,247 |
| TOTAL RESERVE | \$ 3,362 | \$ 39,833 | \$ 48,347 |

See summary of significant assumptions.

**BEEBE DRAW METRO DISTRICT NO. 1
SPECIAL REVENUE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 15,398 | \$ 18,198 | \$ 20,929 |
| REVENUES | | | |
| Conservation Trust Fund proceeds | 2,000 | 1,951 | 2,000 |
| Interest Income | 800 | 780 | 700 |
| Total revenues | 2,800 | 2,731 | 2,700 |
| Total funds available | 18,198 | 20,929 | 23,629 |
| EXPENDITURES | | | |
| Total expenditures | - | - | - |
| Total expenditures and transfers out requiring appropriation | - | - | - |
| ENDING FUND BALANCES | \$ 18,198 | \$ 20,929 | \$ 23,629 |

See summary of significant assumptions.

BEEBE DRAW FARMS METRO DISTRICT NO. 1
2026 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

**BEEBE DRAW FARMS METRO DISTRICT NO. 1
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

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.

- 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
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2026, HB24B-001 set the assessment rates and actual value reductions as follows:

| Category | Rate | Category | Rate |
|---------------------------|--------|-----------------------|--------|
| Single-Family Residential | 6.25% | Agricultural Land | 27.00% |
| Multi-Family Residential | 6.25% | Renewable Energy Land | 27.00% |
| Commercial | 27.00% | Vacant Land | 27.00% |
| Industrial | 27.00% | Personal Property | 27.00% |
| Lodging | 27.00% | State Assessed | 27.00% |
| | | 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 historical interest rates.

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
2026 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.