

BEEBE DRAW FARMS METRO DISTRICT NO. 2
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2026

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2
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	\$ (66,647)	\$ 7,444	\$ 59,140
REVENUES			
Property taxes	489,238	310,529	2,562,841
Property taxes - 2051	20,962	20,661	21,452
Property taxes - 2055	25,206	27,375	27,940
Specific ownership taxes	17,399	12,584	102,514
Specific ownership taxes - 2051	757	837	858
Specific ownership taxes - 2055	913	1,109	1,118
Interest Income	21,158	9,341	4,800
Other Revenue	5,998	30,496	5,000
Total revenues	581,631	412,932	2,726,523
Total funds available	514,984	420,376	2,785,663
EXPENDITURES			
General and administrative			
Accounting	29,725	23,149	26,250
County Treasurer's Fee	8,122	5,379	39,183
Directors' fees	2,500	700	1,200
Dues and Membership	303	579	650
Insurance	3,270	3,605	4,400
District management	15,713	11,819	26,250
Legal	53,015	24,111	31,500
Miscellaneous	-	612	3,624
Payroll taxes	191	54	92
Election	68	6,012	200
Filing 2 Project Planning	-	4,080	5,000
Transfer to Authority - O&M	251,362	231,179	545,266
Transfer to Authority - Amenities	28,655	9,991	419,910
Transfer to Authority - Infrastructure	114,615	39,966	1,679,639
Total expenditures	507,539	361,236	2,783,164
Total expenditures and transfers out requiring appropriation	507,539	361,236	2,783,164
ENDING FUND BALANCES	\$ 7,444	\$ 59,140	\$ 2,500
EMERGENCY RESERVE	\$ 5,700	\$ 2,883	\$ 2,500
AVAILABLE FOR OPERATIONS	1,744	56,257	-
TOTAL RESERVE	\$ 7,444	\$ 59,140	\$ 2,500

See summary of significant assumptions.

BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2
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			
Agricultural	30,690	30,690	31,510
State assessed	720	270	610
Vacant land	131,990	131,990	132,410
Personal property	1,067,780	456,300	982,950
Oil & Gas	8,380,870	5,593,110	50,109,330
Certified Assessed Value	<u>\$ 9,612,050</u>	<u>\$ 6,212,360</u>	<u>\$ 51,256,810</u>
MILL LEVY			
General	50.000	50.000	50.000
Total mill levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>
PROPERTY TAXES			
General	\$ 480,603	\$ 310,618	\$ 2,562,841
Levied property taxes	480,603	310,618	2,562,841
Refunds and abatements	8,635	(89)	-
Budgeted property taxes	<u>\$ 489,238</u>	<u>\$ 310,529</u>	<u>\$ 2,562,841</u>
ASSESSED VALUATION			
Residential	\$ 1,466,810	\$ 1,505,820	\$ 1,583,970
State assessed	290	220	300
Vacant land	35,540	35,540	37,410
Personal property	77,440	70,020	81,400
Oil & Gas	73,530	9,600	40
Certified Assessed Value	<u>\$ 1,653,610</u>	<u>\$ 1,621,200</u>	<u>\$ 1,703,120</u>
MILL LEVY			
Cap Pledge - 2051	12.648	12.744	12.596
Total mill levy	<u>12.648</u>	<u>12.744</u>	<u>12.596</u>
PROPERTY TAXES			
Cap Pledge - 2051	\$ 20,915	\$ 20,661	\$ 21,452
Levied property taxes	20,915	20,661	21,452
Refunds and abatements	47	-	-
Budgeted property taxes	<u>\$ 20,962</u>	<u>\$ 20,661</u>	<u>\$ 21,452</u>
ASSESSED VALUATION			
Residential	\$ 1,639,450	\$ 1,846,890	\$ 1,928,360
State assessed	730	430	620
Vacant land	254,770	254,770	213,230
Personal property	73,830	44,150	63,340
Oil & Gas	36,620	38,180	37,690
Certified Assessed Value	<u>\$ 2,005,400</u>	<u>\$ 2,184,420</u>	<u>\$ 2,243,240</u>
MILL LEVY			
Cap Pledge - 2055	11.133	12.532	12.455
Total mill levy	<u>11.133</u>	<u>12.532</u>	<u>12.455</u>
PROPERTY TAXES			
Cap Pledge - 2055	\$ 22,326	\$ 27,375	\$ 27,940
Levied property taxes	22,326	27,375	27,940
Refunds and abatements	2,880	-	-
Budgeted property taxes	<u>\$ 25,206</u>	<u>\$ 27,375</u>	<u>\$ 27,940</u>
BUDGETED PROPERTY TAXES			
General	\$ 489,238	\$ 310,529	\$ 2,562,841
Cap Pledge - 2051	20,962	20,661	21,452
Cap Pledge - 2055	25,206	27,375	27,940
	<u>\$ 535,406</u>	<u>\$ 358,565</u>	<u>\$ 2,612,233</u>

See summary of significant assumptions.

BEEBE DRAW FARMS METRO DISTRICT NO. 2
2026 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 for the City of 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 operates under a Service Plan approved by the City on January 27, 2012. The District's service area is located in 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 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 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

**BEEBE DRAW FARMS METRO DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

SERVICES PROVIDED (Continued)

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.

- d. Broadband Extension Fees Applicable to Any Filing in the Districts' Service Area Other 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**BEEBE DRAW FARMS METRO DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

REVENUES (Continued)

Property Taxes (Continued)

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.

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.

For property tax collection year 2026, HB24B-1001 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.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest rates.

**BEEBE DRAW FARMS METRO DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

EXPENDITURES

General and Administrative Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

County Treasurer's Fees

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

Transfer to Other Districts

Pursuant to an Intergovernmental Agreement between Beebe Draw Farms Authority and the District; the District is obligated to impose a mill levy, not to exceed 50.000 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

The District anticipates transferring bond proceeds to Beebe Draw Farms Authority to pay for capital expenditures. Formal agreements outlining these obligations will be provided at the time of bond issuance.

DEBT AND LEASES

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

RESERVES

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.