BEEBE DRAW FARMS AUTHORITY
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

BEEBE DRAW FARMS AUTHORITY
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Board of Directors
Beebe Draw Farms Authority
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Beebe Draw Farms Authority (the "Authority"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Beebe Draw Farms Authority as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

August 12, 2026

BASIC FINANCIAL STATEMENTS

BEEBE DRAW FARMS AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 463,712
Cash and Investments - Restricted	4,632,948
Accounts Receivable	40,775
Prepaid Insurance	36,390
Due from District 1	11,939
Due from District 2	5,988
Security Deposit	148,066
Capital Assets:	
Capital Assets, Not Being Depreciated	6,635,116
Capital Assets Being Depreciated, Net	6,605,203
Total Assets	18,580,137
LIABILITIES	
Accounts Payable	92,734
Credit Card Payable	623
Total Liabilities	93,357
NET POSITION	
Net Investment in Capital Assets	13,240,319
Restricted for:	
Emergency Reserve	18,500
Capital Infrastructure	3,895,313
Amenities	887,031
Unrestricted	445,617
Total Net Position	$ 18,486,780

See accompanying Notes to Basic Financial Statements.

BEEBE DRAW FARMS AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 916,060	$ 21,496	$ 522,516	$ 49,957	$ (322,091)
Total Governmental Activities	$ 916,060	$ 21,496	$ 522,516	$ 49,957	(322,091)
GENERAL REVENUES					
Interest Income					228,727
Other Revenue					3,367
Total General Revenues					232,094
CHANGES IN NET POSITION					(89,997)
Net Position - Beginning of Year					18,576,777
NET POSITION - END OF YEAR					$ 18,486,780

See accompanying Notes to Basic Financial Statements.

BEEBE DRAW FARMS AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Amenities	Capital Infrastructure	Total Governmental Funds
ASSETS				
Cash and Investments	$ 463,712	$ -	$ -	$ 463,712
Cash and Investments - Restricted	17,000	887,830	3,728,118	4,632,948
Accounts Receivable	1,800	-	38,975	40,775
Due from District 1	11,939	-	-	11,939
Due from District 2	3,533	491	1,964	5,988
Prepaid Insurance	36,390	-	-	36,390
Security Deposit	-	-	148,066	148,066
Total Assets	534,374	$ 888,321	$ 3,917,123	$ 5,339,818
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 69,634	$ 1,290	$ 21,810	$ 92,734
Credit Card Payable	623	-	-	623
Total Liabilities	70,257	1,290	21,810	93,357
FUND BALANCES				
Nonspendable:				
Prepaid Expense	36,390	-	-	36,390
Restricted for:				
Emergency Reserve	17,000	1,500	-	18,500
Amenities	-	885,531	-	885,531
Capital Projects	-	-	3,895,313	3,895,313
Assigned to:				
Subsequent Year's Expenditures	3,025	-	-	3,025
Unassigned	407,702	-	-	407,702
Total Fund Balances	464,117	887,031	3,895,313	5,246,461
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 534,374	$ 888,321	$ 3,917,123	
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.				13,240,319
Net Position of Governmental Activities				$ 18,486,780

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, 2025

	General	Amenities	Capital Infrastructure	Total Governmental Funds
REVENUES				
Interest Income	$ 17,385	$ 37,234	$ 174,108	$ 228,727
Pool Fees	19,696	-	-	19,696
Other Revenue	3,367	-	-	3,367
Intergovernmental Revenue - District 1	291,337	-	-	291,337
Intergovernmental Revenue - District 2	231,179	-	-	231,179
Intergovernmental Revenue - District 2 (2051)	-	4,297	17,190	21,487
Intergovernmental Revenue - District 2 (2055)	-	5,694	22,776	28,470
Developer Rent	1,800	-	-	1,800
Water Tap Fees	-	-	68,000	68,000
Total Revenues	564,764	47,225	282,074	894,063
EXPENDITURES				
General and Administrative:				
Accounting	73,150	-	5,250	78,400
Auditing	12,996	-	-	12,996
Directors' Fees	4,900	-	-	4,900
District Management	72,035	-	-	72,035
Dues And Membership	701	-	-	701
Engineering	-	-	14,009	14,009
HR Services	1,800	-	-	1,800
Insurance	34,118	-	-	34,118
Legal	62,287	-	-	62,287
Miscellaneous	3,676	-	-	3,676
Payroll Fees	2,140	-	-	2,140
Payroll Taxes	6,158	-	-	6,158
Property Management Wages	57,626	-	-	57,626
Administrative - Out-Of-Scope	18,134	-	-	18,134
Community Admin Assistant	5,017	-	-	5,017
Website	3,832	-	-	3,832
Playground	-	2,160	-	2,160
Cameras	-	3,200	-	3,200
Training	1,116	-	-	1,116
Operations and Maintenance:				
Physical Facilities	49,612	-	-	49,612
Aquatic Facilities	20,613	-	-	20,613
Parks and Open Space	15,404	-	-	15,404
Roads, Trails, and Ditches	36,133	-	-	36,133
O&M - Other Expenses	22,778	-	-	22,778
Capital Replacement & Reserve	21,497	-	-	21,497
Capital R&R Contingency	10,481	-	-	10,481
Trail Along Beebe Draw Pkwy	-	44,428	-	44,428
Infrastructure	-	-	625,113	625,113
Total Expenditures	536,204	49,788	644,372	1,230,364
NET CHANGE IN FUND BALANCES	28,560	(2,563)	(362,298)	(336,301)
Fund Balances - Beginning of Year	435,557	889,594	4,257,611	5,582,762
FUND BALANCES - END OF YEAR	$ 464,117	$ 887,031	$ 3,895,313	$ 5,246,461

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, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (336,301)
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. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	614,165
Depreciation Expense	(367,861)
Changes in Net Position of Governmental Activities	$ (89,997)

See accompanying Notes to Basic Financial Statements.

BEEBE DRAW FARMS AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 14,555	$ 17,385	$ 2,830
Pool Fees	18,410	19,696	1,286
Other Revenue	625	3,367	2,742
Intergovernmental Revenue - District 1	291,337	291,337	-
Intergovernmental Revenue - District 2	231,179	231,179	-
Developer Rent	1,800	1,800	-
Total Revenues	557,906	564,764	6,858
EXPENDITURES			
Administration:			
Accounting	73,500	73,150	350
Auditing	12,825	12,996	(171)
Directors' Fees	5,600	4,900	700
District Management	71,400	72,035	(635)
Dues And Membership	1,200	701	499
HR Services	2,000	1,800	200
Insurance	41,939	34,118	7,821
Legal	60,000	62,287	(2,287)
Miscellaneous	803	3,676	(2,873)
Community Admin Assistant	9,500	5,017	4,483
Payroll Fees	3,500	2,140	1,360
Payroll Taxes	5,000	6,158	(1,158)
Administrative - CORA Requests	9,000	-	9,000
Administrative - Out-Of-Scope	5,000	18,134	(13,134)
Property Management Wages	59,190	57,626	1,564
Website	5,000	3,832	1,168
Engineering	8,000	-	8,000
Training	-	1,116	(1,116)
Operations and Maintenance:			
Physical Facilities	76,513	49,612	26,901
Aquatic Facilities	41,216	20,613	20,603
Parks and Open Space	21,700	15,404	6,296
Roads, Trails, and Ditches	35,500	36,133	(633)
O&M - Other Expenses	22,000	22,778	(778)
Capital Replacement & Reserve	113,600	21,497	92,103
Capital R&R Contingency	26,175	10,481	15,694
Total Expenditures	710,161	536,204	173,957
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(152,255)	28,560	180,815
OTHER FINANCING SOURCES			
Transfers From Other Funds	12,580	-	(12,580)
Total Other Financing Sources	12,580	-	(12,580)
NET CHANGE IN FUND BALANCE	(139,675)	28,560	168,235
Fund Balance - Beginning of Year	441,851	435,557	(6,294)
FUND BALANCE - END OF YEAR	$ 302,176	$ 464,117	$ 161,941

See accompanying Notes to Basic Financial Statements.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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 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 intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the Authority. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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 Capital 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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The Authority adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and Investments	$	463,712
Cash and Investments - Restricted		4,632,948
Total Cash and Investments	$	5,096,660

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	$	25,015
Investments		5,071,645
Total Cash and Investments	$	5,096,660

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, 2025, the Authority's cash deposits had a bank and a carrying balance of $25,015.

Investments

On September 10, 2019, the Authority adopted a Resolution Establishing an 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2025, the Authority had an investment in COLOTRUST totaling $5,071,645.

COLOTRUST

The Authority invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust) an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Authority records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31,2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Water Acquisition (CBT Shares)	$ 4,170,660	$ -	$ 68,000	$ 4,102,660
Land	1,639,760	-	-	1,639,760
Construction in Progress	270,074	622,622	-	892,696
Total Capital Assets, Not Being Depreciated	6,080,494	622,622	68,000	6,635,116
Capital Assets, Being Depreciated:				
Roads	6,286,610	-	-	6,286,610
Water Distribution Facilites	1,292,161	-	-	1,292,161
Offsite Water Facilities	300,000	-	-	300,000
Maintenance Facility Building	1,114,925	-	-	1,114,925
Community Center	82,166	-	-	82,166
Recreation Facilities/Equipment	3,407,631	49,943	-	3,457,574
Irrigation and Landscape	154,085	9,600	-	163,685
Total Capital Assets, Being Depreciated	12,637,578	59,543	-	12,697,121
Less Accumulated Depreciation for:				
Roads	(2,467,782)	(179,628)	-	(2,647,410)
Water Distribution Facilities	(1,066,075)	(43,056)	-	(1,109,131)
Offsite Water Facilities	(300,000)	-	-	(300,000)
Maintenance Facility Building	(185,772)	(27,876)	-	(213,648)
Community Center Improvements	(5,344)	(2,052)	-	(7,396)
Recreation Facilities/Equipment	(1,583,194)	(109,313)	-	(1,692,507)
Irrigation and Landscape	(115,890)	(5,936)	-	(121,826)
Total Accumulated Depreciation	(5,724,057)	(367,861)	-	(6,091,918)
Total Capital Assets, Being Depreciated, Net	6,913,521	(308,318)	-	6,605,203
Governmental Activities Capital Assets, Net	$ 12,994,015	$ 314,304	$ 68,000	$ 13,240,319

NOTE 4 CAPITAL ASSETS (CONTINUED)

Water system capacity is provided for 259 water shares of which 164 have been applied as of December 31, 2025, leaving 95 water shares 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. Going forward it is anticipated that the majority of homeowners will opt in for the ½ Budget Tap allowing the 65 CBT shares to provide water for approximately 130 homes.

Depreciation expense of $367,861 was charged to the general government function on the statement of activities.

NOTE 5 LONG-TERM OBLIGATIONS

As of December 31, 2025, the Authority had no long-term obligations.

NOTE 6 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, 2025, the Authority had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 13,240,319
Net Investment in Capital Assets	$ 13,240,319

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, 2025, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	$ 18,500
Capital Infrastructure	3,895,313
Amenities	887,031
Total Restricted Net Position	$ 4,800,844

NOTE 6 NET POSITION (CONTINUED)

As of December 31, 2025, the Authority's unrestricted net position totaled $445,617.

NOTE 7 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 invoiced and received for 2025 was $1,800.

NOTE 8 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 $26,106,000 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.

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

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. The Authority has collected $-0- on behalf of this agreement in 2025.

Capital Pledge Agreement

District No. 1 and District No. 2 have an Amended and Restated Consolidated Service Plan for Beebe Draw Farms Metropolitan District No. 1 and Beebe Draw Farms Metropolitan District No. 2 approved by the Weld County Board of County Commissioners on March 16, 2011 (Amended and Restated Service Plan). Pursuant to the Amended and Restated Service Plan, and subject to the conditions of the Amended and Restated Service Plan, on June 14, 2011, District No. 1 entered into an Initial District No. 1 Capital Pledge Agreement with the Authority and with the support of District No. 2 (the Initial District No. 1 Capital Pledge Agreement), and District No. 2 entered into an Initial District No. 2 Capital Pledge Agreement with the Authority (the Initial District No. 2 Capital Pledge Agreement and collectively with the Initial District No. 1 Capital Pledge Agreement, the Original Capital Pledge Agreements).

The Original Capital Pledge Agreements are debt instruments with a principal amount of $1,500,000 on behalf of District No. 1 and $26,125,508 on behalf of District No. 2 plus an interest rate of fifteen percent (15%). The mill levy for payment of this obligation is capped at forty (40) mills for District No. 1 and fifty (50) mills for District No. 2, minus the 1998 Bond Mill Levy for each year and less the Operating and Maintenance Mill Levy for each year, to be imposed for collection beginning in 2012 and ending in tax collection year 2018 for District No. 1 and tax collection year 2051 for District No. 2. The total debt repayment will be the lesser of the $1,500,000 for District No. 1 (District No. 1 Payment Obligation) and the lesser of the $26,125,508 for District No. 2 (District No. 2 Payment Obligation), plus 15% interest accrued per annum or the total revenue that flows from the imposition of the forty (40) or fifty (50) mills, minus the 1998 Bond Mill Levy and the Operating and Maintenance Milly 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 it's 2012 Bonds.

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

Capital Pledge Agreement (Continued)

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.

Developer Fee and Water Tap Fee Agreement

On December 8, 1998, District No. 1 entered into a Developer Fee and Water Tap Fee Agreement with the Developer pursuant to which the Developer shall pay certain fees to District No. 2 (as assignee of District No. 1) on or before the date of transfer or sale of a lot.

On December 5, 2000, this agreement was amended (collectively with the December 8, 1998 Agreement, the Developer and Water Tap Fee Agreement) pursuant to which the Developer agreed to prepay up to $627,500 in fees at the rate of $16,000 per lot, to District No. 2 (as assignee of District No. 1) by December 31, 2001 or, if later, within 10 days of a written demand by District No. 1 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.

Second Amended and Restated Improvement Acquisition and Reimbursement Agreement

On October 15, 2025, the Authority entered into the Second Amended and Restated Improvement Acquisition, Advance and Reimbursement Agreement with REI LLC (the "Developer"), under which the Developer agrees to fund or construct certain public improvements eligible for reimbursement by the Authority.

NOTE 8 AGREEMENTS AND COMMITMENTS (CONTINUED)

Second Amended and Restated Improvement Acquisition and Reimbursement Agreement (Continued)

The Developer may advance funds or incur costs on behalf of the Authority up to a maximum principal amount of $1,500,000 through December 31, 2027

The Authority issued a Subordinate Promissory Note dated October 15, 2025, bearing interest at a rate equal to the prime rate plus 3%, not to exceed 8.5%, with a maturity date of July 14, 2062.

Repayment of the note is contingent upon the availability of legally available revenues, is subject to annual appropriation, and is subordinate to certain other obligations. The note does not constitute a general obligation of the Authority, and failure to repay due to lack of funds does not constitute a default. Any unpaid balance at maturity will be discharged.

NOTE 9 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.

NOTE 10 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 that 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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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 District'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, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 40,000	$ 37,234	$ (2,766)
Intergovernmental Revenue - District 2 (2051)	4,297	4,297	-
Intergovernmental Revenue - District 2 (2055)	5,694	5,694	-
Total Revenues	49,991	47,225	(2,766)
EXPENDITURES			
Contingency	200,000	-	200,000
Fiber Optics Project	200,000	-	200,000
Trail Along Beebe Draw Pkwy	5,000	44,428	(39,428)
Playground	6,000	2,160	3,840
Cameras	3,200	3,200	-
Total Expenditures	414,200	49,788	364,412
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(364,209)	(2,563)	361,646
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	(2,516)	-	2,516
Total Other Financing Sources (Uses)	(2,516)	-	2,516
NET CHANGE IN FUND BALANCE	(366,725)	(2,563)	364,162
Fund Balance - Beginning of Year	889,661	889,594	(67)
FUND BALANCE - END OF YEAR	$ 522,936	$ 887,031	$ 364,095

BEEBE DRAW FARMS AUTHORITY
CAPITAL INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Water Tap Fees	$ -	$ 68,000	$ 68,000
Interest Income	120,000	174,108	54,108
Intergovernmental Revenue - District 2 (2051)	17,190	17,190	-
Intergovernmental Revenue - District 2 (2055)	22,776	22,776	-
Transfer From District 2	3,700,000	-	(3,700,000)
Total Revenues	3,859,966	282,074	(3,577,892)
EXPENDITURES			
Accounting	12,000	5,250	6,750
Engineering	120,000	14,009	105,991
District Management	12,000	-	12,000
Legal	24,000	-	24,000
Infrastructure	7,000,000	625,113	6,374,887
Contingency	939,580	-	939,580
Total Expenditures	8,107,580	644,372	7,463,208
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,247,614)	(362,298)	3,885,316
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	(10,064)	-	10,064
Total Other Financing Sources (Uses)	(10,064)	-	10,064
NET CHANGE IN FUND BALANCE	(4,257,678)	(362,298)	3,895,380
Fund Balance - Beginning of Year	4,257,678	4,257,611	(67)
FUND BALANCE - END OF YEAR	$ -	$ 3,895,313	$ 3,895,313