# BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2

## 2013 Budget Message

### Introduction

The budget reflects the projected spending plan for the 2013 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District.

The District's assessed value increased by 24% to $46,398,670 in 2012 due primarily to revaluation of oil and gas properties in the District. The District's mill levy increased to 46.000 mills for tax collection in the 2013 fiscal year with all mills certified to the General Fund.

The District was formed May 1999 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements within the District and Beebe Draw Farms Metropolitan District No. 1.

### Budgetary Basis of Accounting

The District uses Funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. The District's General Fund and Debt Service Funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

### Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, audit, elections, and other expenses related to statutory operations of a local government. The General Fund transfers to Beebe Draw Farms Authority all annual revenues net of certain operating expenditures under the Authority Establishment Agreement.

### Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

**BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2**
**Assessed Value, Property Tax and Mill Levy Information**

| | 2011 Actual | 2012 Adopted Budget | 2013 Adopted Budget |
|---|---|---|---|
| **Assessed Valuation** | $ 19,999,510 | $ 37,402,430 | $ 46,398,670 |
| **Mill Levy** | | | |
| General Fund | 43.000 | 45.000 | 46.000 |
| Debt Service Fund | - | - | - |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| **Total Mill Levy** | 43.000 | 45.000 | 46.000 |
| **Property Taxes** | | | |
| General Fund | $ 859,979 | $ 1,683,109 | $ 2,134,339 |
| Debt Service Fund | - | - | - |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| **Actual/Budgeted Property Taxes** | **$ 859,979** | **$ 1,683,109** | **$ 2,134,339** |

**BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2**
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| Debt Service Fund | - | - | - |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| **Actual/Budgeted Property Taxes** | **$ 859,979** | **$ 1,683,109** | **$ 2,134,339** |

**BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2**

**GENERAL FUND**
**2013 ADOPTED BUDGET**
**with 2011 Actual, 2012 Adopted, 2012 Amended, and 2012 Estimated**

| | 2011 Actual | 2012 Adopted Budget | 2012 Amended Budget | 2012 Estimated | 2013 Adopted Budget |
|---|---|---|---|---|---|
| **BEGINNING FUND BALANCE** | 1,614,281 | - | - | - | - |
| **REVENUE** | | | | | |
| Property Taxes | 833,606 | 1,683,109 | 1,695,038 | 1,695,038 | 2,134,339 |
| Specific Ownership Taxes | 61,870 | 100,987 | 148,662 | 105,000 | 128,060 |
| Developer Rent | 1,308 | - | - | - | - |
| Lake Christina Rental Fee | 100 | - | - | - | - |
| Pool Fees | 2,584 | - | - | - | - |
| RV Parking Fees | 90 | - | - | - | - |
| Reservoir Lease Rev. | 33,890 | - | - | - | - |
| Interest | 1,816 | - | 300 | 300 | - |
| Other Income | 4,875 | - | 6,000 | 6,000 | - |
| Exclusion Cost Reimbursements | 830 | - | - | - | - |
| Transfer From Dist. No. 1 | 39,200 | - | - | - | - |
| Loan Repayment | 125,000 | - | - | - | - |
| **Total Revenue** | 1,105,170 | 1,784,096 | 1,850,000 | 1,806,338 | 2,262,399 |
| **Total Funds Available** | 2,719,451 | 1,784,096 | 1,850,000 | 1,806,338 | 2,262,399 |
| **EXPENDITURES** | | | | | |
| O&M - General and Administrative | | | | | |
| Accounting | 18,263 | 2,500 | 4,000 | 4,000 | 2,500 |
| Audit Fees | 6,379 | 7,000 | 5,700 | 6,400 | 6,000 |
| Director's Fees | 3,234 | 1,000 | 700 | 700 | 800 |
| Payroll Taxes | 3,607 | 77 | 561 | 561 | 61 |
| Election Costs | - | 1,000 | 677 | 750 | - |
| Miscellaneous | 3,795 | 1,500 | 2,200 | 2,200 | 1,639 |
| Treasurer's Fee | 15,842 | 25,247 | 25,426 | 25,426 | 32,015 |
| Other Repairs/Maintenance | 1,626 | - | - | - | - |
| Vehicle/Equipment | 1,713 | - | - | - | - |
| Insurance and Bonds | 8,882 | 1,000 | 2,500 | 2,500 | 2,625 |
| Legal Services | 68,995 | 2,500 | 1,500 | 1,500 | 2,500 |
| Legal services - Kutak Rock | 5,283 | - | - | - | - |
| Statutory Compliance | 756 | - | 50 | 50 | - |
| Management | 44,001 | 2,500 | 3,000 | 3,000 | 2,500 |
| Facilities Management | 20,991 | - | - | - | - |
| Reservoir Lease | 37,656 | - | - | - | - |
| Total General and Administrative | 241,022 | 44,324 | 46,314 | 47,087 | 50,640 |

**BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2**

**GENERAL FUND**
**2013 ADOPTED BUDGET**
**with 2011 Actual, 2012 Adopted, 2012 Amended, and 2012 Estimated**

| | 2011 Actual | 2012 Adopted Budget | 2012 Amended Budget | 2012 Estimated | 2013 Adopted Budget |
|---|---|---|---|---|---|
| O&M - District No. 1 Expenses | | | | | |
| Directors Fees | 1,500 | - | - | - | - |
| Payroll Taxes | 164 | - | - | - | - |
| Insurance and Bonds | 3,416 | - | - | - | - |
| Total District No. 1 Expenses | 5,080 | - | - | - | - |
| O&M - Physical Facilities | | | | | |
| Community Center/Gatehouse | 2,687 | - | - | - | - |
| Nature Preserve | 1,800 | - | - | - | - |
| Sport Court | 1,777 | - | - | - | - |
| Utilities | 5,813 | - | - | - | - |
| Total Physical Facilities | 12,076 | - | - | - | - |
| O&M - Aquatic Facilities | | | | | |
| Community Pool | 21,620 | - | - | - | - |
| Total Aquatic Facilities | 21,620 | - | - | - | - |
| Amenities | | | | | |
| Other | 8,525 | - | - | - | - |
| Total Amenities | 8,525 | - | - | - | - |
| O&M - Parks and Open Space | | | | | |
| Landscape Maintenance | 4,962 | - | - | - | - |
| Mosquito Control | 4,260 | - | - | - | - |
| Weed Control | 1,842 | - | - | - | - |
| Total Parks and Open Space | 11,064 | - | - | - | - |
| O&M - Roads, Trails and Ditches | | | | | |
| Road Maintenance - Paved | 2,025 | - | - | - | - |
| Total Roads, Trails and Ditches | 2,025 | - | - | - | - |

**BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 2**

**GENERAL FUND**
**2013 ADOPTED BUDGET**
**with 2011 Actual, 2012 Adopted, 2012 Amended, and 2012 Estimated**

| | 2011 Actual | 2012 Adopted Budget | 2012 Amended Budget | 2012 Estimated | 2013 Adopted Budget |
|---|---|---|---|---|---|
| Infrastructure | | | | | |
| Engineering/Planning | 913 | - | - | - | - |
| Total Infrastructure | 913 | - | - | - | - |
| **Total O&M Expenditures** | 302,324 | 44,324 | 46,314 | 47,087 | 50,640 |
| Transfers to Authority | | | | | |
| Transfers to Other Funds | 32,100 | - | - | - | - |
| Initial Amenities Funding | 400,000 | - | - | - | - |
| O&M Reserve | 200,000 | - | - | - | - |
| Repair & Maint. Reserve | 125,000 | - | - | - | - |
| Discretionary Fund | 20,000 | - | - | - | - |
| Total Transfers to Authority | 777,100 | - | - | - | - |
| Emergency Reserve | - | 53,523 | 54,040 | 54,190 | 67,872 |
| Other Transfers & Expenditures | - | 53,523 | 54,040 | 54,190 | 67,872 |
| **Total Available for Distribution** | 1,640,026 | 1,686,249 | 1,749,646 | 1,705,061 | 2,143,887 |
| Trans. to Infrastructure Fund | 1,219,612 | - | 1,119,648 | 1,080,135 | 1,434,639 |
| Trans. to Amenities Fund | 315,853 | - | 279,911 | 270,034 | 358,660 |
| Transfer to Authority O&M | 104,562 | 1,686,249 | 350,087 | 354,893 | 350,588 |
| **Total Expenditures Requiring Appropriation** | 2,719,451 | 1,784,096 | 1,850,000 | 1,806,338 | 2,262,399 |
| **ENDING FUND BALANCE** | - | - | - | - | - |

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Beebe Draw Farms Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2013, duly adopted at a meeting of the Board of Directors of the Beebe Draw Farms Metropolitan District No. 2 held on November 13, 2012.

By: _____
Secretary