



**CliftonLarsonAllen**

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**Accountant's Compilation Report**

Board of Directors  
Denargo Market Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Denargo Market Metropolitan District No. 1 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Denargo Market Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 7, 2019

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2019 BUDGET**  
**WITH 2017 ACTUAL AND 2018 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/7/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 99,840	\$ 6,754	\$ 8,893
REVENUES			
Interest income	1,837	2,028	2,000
Developer advance	-	21,000	43,000
Other revenue	-	19,000	-
Transfer from District No. 2	454,200	161,629	202,200
Total revenues	456,037	203,657	247,200
Total funds available	555,877	210,411	256,093
EXPENDITURES			
General and administrative			
Accounting	16,700	18,000	20,000
Auditing	9,183	8,606	8,650
Contingency	-	-	938
Directors' fees	1,700	800	1,000
District management	39,247	31,000	35,000
Election expense	-	2,007	-
Insurance and bonds	9,786	10,033	11,500
Legal services	17,778	26,000	30,000
Miscellaneous	2,797	1,969	3,500
Payroll taxes	140	61	77
Security Services	-	-	7,500
Operations and maintenance			
Repairs and maintenance	2,980	5,000	20,000
Landscape & irrigation repairs	19,982	35,000	40,000
Snow removal	13,001	20,000	20,600
Utilities	20,844	19,000	20,000
Street sweeping	-	-	2,000
City of Denver Annual Fee	9,000	9,000	9,000
Site inspection	2,081	12,000	12,000
Site lighting	1,862	2,579	5,000
Locates	410	463	3,200
Debt service			
Repay Dev Adv O&M Interest	144,067	-	-
Repay Dev Adv O&M Principal	237,565	-	-
Total expenditures	549,123	201,518	249,965
Total expenditures and transfers out requiring appropriation	549,123	201,518	249,965
ENDING FUND BALANCE	\$ 6,754	\$ 8,893	\$ 6,128
EMERGENCY RESERVE	\$ -	\$ 5,500	\$ 6,100
TOTAL RESERVE	\$ -	\$ 5,500	\$ 6,100

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2019 BUDGET**  
**WITH 2017 ACTUAL AND 2018 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/7/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
<b>ASSESSED VALUATION</b>			
Vacant land	\$ 30	\$ 30	\$ 30
Certified Assessed Value	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>
<b>MILL LEVY</b>			
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
<b>PROPERTY TAXES</b>			
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED PROPERTY TAXES</b>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1**  
**2019 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation, was formed in June 2010, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Denver, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

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.

**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.

**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 6% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

**Developer Advance**

The District is in the development stage. As such, the portion of the capital expenditures is expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative and Operating Expenditures**

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

**Debt and Leases**

The District doesn't have any debt or leases.

**Reserve Fund**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under the TABOR Amendment.

**This information is an integral part of the accompanying budget.**