

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 286,485	\$ 524,838	\$ -
REVENUES			
Property taxes	1,271,761	1,588,707	2,339,237
Specific ownership taxes	65,135	79,435	116,962
Interest income	15,168	33,118	9,117
Other revenue	-	-	2,684
Transfers from District No. 3	-	10,000,000	-
Total revenues	<u>1,352,064</u>	<u>11,701,260</u>	<u>2,468,000</u>
TRANSFERS IN	<u>500,000</u>	-	-
Total funds available	<u>2,138,549</u>	<u>12,226,098</u>	<u>2,468,000</u>
EXPENDITURES			
General Fund	334,488	418,626	570,000
Debt Service Fund	779,223	11,285,564	1,898,000
Capital Projects Fund	-	521,908	-
Total expenditures	<u>1,113,711</u>	<u>12,226,098</u>	<u>2,468,000</u>
TRANSFERS OUT	<u>500,000</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>1,613,711</u>	<u>12,226,098</u>	<u>2,468,000</u>
ENDING FUND BALANCES	<u>\$ 524,838</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 27,204,790	\$ 27,969,040	\$ 39,687,930
Commercial	-	-	594,800
State assessed	457,300	5,159,300	-
Vacant land	435,790	588,850	30
Personal property	637,930	741,270	5,878,810
Certified Assessed Value	\$ 28,735,810	\$ 34,458,460	\$ 46,161,570

MILL LEVY

General	11.000	11.459	11.675
Debt Service	33.257	34.646	39.000
Total mill levy	44.257	46.105	50.675

PROPERTY TAXES

General	\$ 316,094	\$ 394,859	\$ 538,936
Debt Service	955,667	1,193,848	1,800,301
Levied property taxes	1,271,761	1,588,707	2,339,237
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 1,271,761	\$ 1,588,707	\$ 2,339,237

BUDGETED PROPERTY TAXES

General	\$ 316,094	\$ 394,859	\$ 538,936
Debt Service	955,667	1,193,848	1,800,301
	\$ 1,271,761	\$ 1,588,707	\$ 2,339,237

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	316,094	394,859	538,936
Specific ownership taxes	16,189	19,743	26,947
Interest income	2,205	4,024	4,117
Total revenues	<u>334,488</u>	<u>418,626</u>	<u>570,000</u>
Total funds available	<u>334,488</u>	<u>418,626</u>	<u>570,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,165	3,949	5,389
Contingency	-	-	4,117
Transfers to District No. 1	331,323	414,677	560,494
Total expenditures	<u>334,488</u>	<u>418,626</u>	<u>570,000</u>
Total expenditures and transfers out requiring appropriation	<u>334,488</u>	<u>418,626</u>	<u>570,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 286,485	\$ 22,524	\$ -
REVENUES			
Property taxes	955,667	1,193,848	1,800,301
Specific ownership taxes	48,946	59,692	90,015
Interest income	10,649	9,500	5,000
Other revenue	-	-	2,684
Transfers from District No. 3	-	10,000,000	-
Total revenues	<u>1,015,262</u>	<u>11,263,040</u>	<u>1,898,000</u>
Total funds available	<u>1,301,747</u>	<u>11,285,564</u>	<u>1,898,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,567	11,938	18,003
Paying agent fees	4,500	4,500	-
Transfers to District No. 3	-	430,000	1,877,313
Contingency	-	490,471	2,684
Debt Service			
Loan Interest 2016A	327,375	322,151	-
Loan Interest 2016B	24,987	24,261	-
Loan Principal 2016A	150,000	9,400,000	-
Loan Principal 2016B	262,794	602,243	-
Total expenditures	<u>779,223</u>	<u>11,285,564</u>	<u>1,898,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,279,223</u>	<u>11,285,564</u>	<u>1,898,000</u>
ENDING FUND BALANCES	<u>\$ 22,524</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 502,314	\$ -
REVENUES			
Interest income	2,314	19,594	-
Total revenues	<u>2,314</u>	<u>19,594</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>500,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>502,314</u>	<u>521,908</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Transfers to District No. 1	-	521,908	-
Total expenditures	<u>-</u>	<u>521,908</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>521,908</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 502,314</u>	<u>\$ -</u>	<u>\$ -</u>

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2024 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 and County of Denver, on June 30, 2010, 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 March 8, 2010. 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, traffic, safety, transportation, 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.

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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (Continued)

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.

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 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on average projected fund balance with a 4% rate of return.

Expenditures

County Treasurer Fees

County Treasurer's fees have been computed at 1% of property tax collections.

Transfer to Other Districts

Pursuant to a Memorandum of Understanding entered into on October 29, 2010, and amended on August 22, 2016 by and among the District, District No. 1 and District No. 3, the Districts are obligated to impose an operations mill levy and remit property taxes derived from such mill levy, to District No. 1 to fund the Districts' services provided by District No. 1.

The District is obligated to impose a mill levy, not to exceed 40 mills, subject to certain adjustments, and remit property taxes derived from such mill levy, together with facilities fees and a portion of specific ownership taxes applicable to property within the District to District No. 3 for repayment of the 2023 Loan issuance.

Debt and Leases

Series 2023 Loan

The District is entering into a Loan Agreement with District No. 3 and NBH Bank and Midwestone Bank, for the purposes of refunding the 2016 Loan, and to provide for the financing of public improvements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Fund

Emergency Reserve

Pursuant to the MOU, District No. 1 has provided for Emergency Reserves for District No. 1-3; therefore, and Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget