

DENARGO MARKET METROPOLITAN DISTRICT NOS. 1, 2 AND 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032
<https://denargo.colorado.gov>

NOTICE OF REGULAR MEETINGS AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expires</u>
Laura H. Newman	President	2023/May 2023
Donald D. Cabrera	Treasurer	2023/May 2023
Jeffrey D. Jones		2025/May 2025
VACANT		2023/May 2025
VACANT		2023/May 2025
Matt Cohrs	Secretary	

DATE: June 21, 2022

TIME: 4:30 p.m.

LOCATION: Zoom Meeting

<https://us02web.zoom.us/j/6464033676?pwd=bzJUOHBHNXNEQ2JYUTJkYkZ0b3B3Zz09>

Phone: 1 253 215 8782

Meeting ID: 646 403 3676

Password: 267458

One tap mobile: +12532158782,,6464033676#

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum, location of meetings and posting of meeting notices. Approve agenda.

C. Review and approve the Minutes of the April 26, 2022 Special Meetings of Denargo Market Metropolitan District No. 1 (“District No. 1”), Denargo Market Metropolitan District No. 2 (“District No. 2”) and Denargo Market Metropolitan District No. 3 (“District No. 3”) (enclosures).

D. Discuss vacancies on the Board. Consider appointment of Todd Wenskoski and Wade Davidson to fill vacant seats on the Boards of Directors. Administer Oaths of Directors.

E. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

F. Consider authorizing interested Board Members to attend the 2022 Special District Association’s Annual Conference in Keystone on September 13, 14 and 15, 2022.

II. PUBLIC COMMENT

A. Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes per person.

III. FINANCIAL MATTERS

A. District No. 1 - Review and consider approval of the payment of claims through the period ending as follows (enclosures):

Fund	Period Ending May 31, 2022	Period Ending June 30, 2022
General	\$ 26,944.94	\$ 31,953.24
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ 660.00	\$ -0-
Total	\$ 27,604.94	\$ 31,953.24

B. District Nos. 1 and 2 - Review and accept the unaudited financial statements through the period ending May 31, 2022 and Schedule of Cash Position updated as of June 13, 2022 (enclosures).

C. District Nos. 1 and 2 - Review and consider approval of 2021 Audits and authorize execution of Representations Letter (enclosures - draft audits).

IV. LEGAL MATTERS

A. Discuss Service Plan Amendments and authorize necessary actions related thereto.

- B. Acknowledge Service Agreement for Cost Verification Services by and between District No. 1 and Schedio Group LLC (to be distributed).
-

V. OTHER MATTERS

- A. Update regarding road conditions and maintenance matters – Wewatta Way.
-

VI. ADJOURNMENT **THE NEXT REGULAR MEETINGS ARE SCHEDULED FOR
SEPTEMBER 20, 2022**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD APRIL 26, 2022

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the “District”) was held on Tuesday, the 26th day of April 2022, at 10:30 a.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public via Zoom.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones
Todd Wenskoski
Wade Davidson

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. It was noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

Confirmation of Quorum, Location of Meeting and Posting of Meeting

Notices: Mr. Cohrs confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning

RECORD OF PROCEEDINGS

the location of the District's Board meeting. It was noted that the District Board meeting was held and properly noticed to be held by video / telephonic means via Zoom. The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Agenda: Mr. Cohrs reviewed with the Board a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: The Board reviewed the Minutes of the February 24, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Minutes of the February 24, 2022 Special Meeting was approved, as presented.

Appointment of Officers: Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Laura H. Newman
Treasurer	Donald D. Cabrera
Secretary	Matt Cohrs
Assistant Secretary	Jeffrey D. Jones
Assistant Secretary	Wade Davidson
Assistant Secretary	Todd T. Wenskoski

**PUBLIC
COMMENT**

There were no public comments.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending Dec. 31, 2021	Period Ending Jan 31, 2022	Period Ending Feb. 28, 2022	Period Ending Mar. 31, 2022
General	\$ 18,695.17	\$ 23,881.36	\$ 53,735.84	\$ 38,030.53
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 18,695.17	\$ 23,881.36	\$ 53,735.84	\$ 38,030.53

Fund	Period Ending April 30, 2022
General	\$ 20,582.49
Debt Service	\$ -0-
Capital Projects	\$ -0-
Total	\$ 20,582.49

It was noted that the invoices for snow removal seemed high. Mr. Cohrs indicated that he will seek proposals from additional snow removal providers in the fall. Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the Board ratified approval of the payment of the claims, as presented.

Unaudited Financial Statements: Ms. Ross reviewed with the Board the unaudited financial statements through the period ending December 31, 2021 and Schedule of Cash Position updated as of February 13, 2022.

Following review, upon motion duly made by Director Wenskoski, seconded by Director Cabrera and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending December 31, 2021 and Schedule of Cash Position updated as of February 13, 2022.

LEGAL MATTERS

Service Plan Amendment: Attorney Williams discussed action items and timing relative to the proposed Service Plan Amendment, noting that she will provide a draft of the Letter of Intent to Director Wenskoski for his review. Following discussion, the Board authorized District Counsel to submit the Letter of Intent to the City and County of Denver, pending resolution of any comments Director Wenskoski may have, and to take other necessary actions relative to the proposed Service Plan Amendment.

May 3, 2022 Election: Attorney Williams advised the Board that the May 3, 2022 Election was cancelled, as allowed by statute, because there were not more candidates than positions available on the Board. It was noted that Jeffrey Jones, Todd Wenskoski and Wade Davidson, were each deemed elected by acclamation to

RECORD OF PROCEEDINGS

3-year terms expiring in May, 2025.

OTHER MATTERS

Proposal for Independent Professional Engineer's Review of Costs Incurred and Verification of Costs Associated with Design and Construction of Public Improvements from Schedio Group LLC ("Schedio Proposal"): The Board discussed the Schedio Proposal. It was noted that Directors Davidson and Cabrera had interviewed Schedio Group LLC and Independent District District Engineering Services, LLC and recommended that the Board proceed with Schedio Group LLC.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board approved the Schedio Proposal.

Proposal for Cost Certification Services from Independent District Engineering Services, LLC: It was noted that the Board determined to approve the Schedio Proposal.

Service Agreement for District Engineering Services with Triunity, Inc.: The Board reviewed the Service Agreement for Engineering Services by and between the District and Triunity, Inc.

Following review, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote carried, with Director Cabrera abstaining, the Board approved the Service Agreement for Engineering Services by and between the District and Triunity, Inc.

Status of Road Conditions: The Board discussed the status of road conditions at Wewatta Way. It was noted that SDMS is in the process of reviewing the damage deposit costs.

Proposal from Consolidated Divisions Inc., d/b/a CDI Environmental Contractor for 2022 Detention Pond Maintenance: The Board discussed rescinding approval of the Proposal from Consolidated Divisions Inc., d/b/a CDI Environmental Contractor for 2022 Detention Pond Maintenance.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board rescinded approval of the Proposal from Consolidated Divisions Inc., d/b/a CDI Environmental Contractor for 2022 Detention Pond Maintenance.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jones, seconded by Director Wenskoski and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD APRIL 26, 2022

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 2 (referred to hereafter as the “District”) was held on Tuesday, the 26th day of April 2022, at 10:30 a.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public via Zoom.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones
Todd Wenskoski
Wade Davidson

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. It was noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

Confirmation of Quorum, Location of Meeting and Posting of Meeting

Notices: Mr. Cohrs confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning

RECORD OF PROCEEDINGS

the location of the District’s Board meeting. It was noted that the District Board meeting was held and properly noticed to be held by video / telephonic means via Zoom. The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District’s boundaries.

Agenda: Mr. Cohrs reviewed with the Board a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: The Board reviewed the Minutes of the February 24, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Minutes of the February 24, 2022 Special Meeting was approved, as presented.

Appointment of Officers: Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Laura H. Newman
Treasurer	Donald D. Cabrera
Secretary	Matt Cohrs
Assistant Secretary	Jeffrey D. Jones
Assistant Secretary	Wade Davidson
Assistant Secretary	Todd T. Wenskoski

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

There were no financial matters to discuss at this time.

LEGAL MATTERS

Service Plan Amendment: Attorney Williams discussed action items and timing relative to the proposed Service Plan Amendment, noting that she will provide a draft of the Letter of Intent to Director Wenskoski for his review. Following discussion, the Board authorized District Counsel to submit the Letter of Intent to the City and County of Denver, pending resolution of any comments Director

RECORD OF PROCEEDINGS

Wenskoski may have, and to take other necessary actions relative to the proposed Service Plan Amendment.

May 3, 2022 Election: Attorney Williams advised the Board that the May 3, 2022 Election was cancelled, as allowed by statute, because there were not more candidates than positions available on the Board. It was noted that Jeffrey Jones, Todd Wenskoski and Wade Davidson, were each deemed elected by acclamation to 3-year terms expiring in May, 2025

OTHER MATTERS

Status of Road Conditions: The Board discussed the status of road conditions at Wewatta Way. It was noted that SDMS is in the process of reviewing the damage deposit costs.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jones, seconded by Director Wenskoski and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3 HELD APRIL 26, 2022

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 3 (referred to hereafter as the “District”) was held on Tuesday, the 26th day of April 2022, at 10:30 a.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public via Zoom.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones
Todd Wenskoski

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. It was noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

Resolution Returning the District to Active Status: The Board reviewed and considered the adoption of a Resolution Returning the District to Active Status and authorizing District Counsel to take all necessary actions in connection therewith.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the Board adopted the Resolution Returning the District to Active Status and authorized District Counsel to take all necessary actions in connection therewith. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Confirmation of Quorum, Location of Meeting and Posting of Meeting Notices: Mr. Cohrs confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. It was noted that the District Board meeting was held and properly noticed to be held by video / telephonic means via Zoom. The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Jones, seconded by Director Newman, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://denargo.colorado.gov> or if posting on the website is unavailable, notice will be posted on west side of Denargo Street just south of Wewatta Way on the southern boundary of Tract F.

Agenda: Mr. Cohrs reviewed with the Board a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Agenda was approved, as presented.

Minutes: The Board reviewed the Minutes of the September 17, 2019 Special Meeting.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Minutes of the September 17, 2019 Special Meeting was approved, as presented.

Insurance Requirements: The Board discussed the insurance requirements (public officials' liability, general liability, workers' compensation, comprehensive crime) and considered authorization for District staff to obtain proposals for

RECORD OF PROCEEDINGS

insurance coverage through the Colorado Special Districts Property and Liability Pool and authorize membership in the Special District Association (“SDA”).

Following discussion, upon motion duly made by Director Newman, seconded by Director Cabrera and, upon vote, unanimously carried, the Board authorized District staff to obtain proposals for insurance coverage through the Colorado Special Districts Property and Liability Pool and authorized membership in the SDA.

Agency Services Agreements between the District and T. Charles Wilson Insurance Service: The Board considered approval of an Agency Services Agreement between the District and T. Charles Wilson Insurance Service.

Following discussion, upon motion duly made by Director Newman, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved an Agency Service Agreement between the District and T. Charles Wilson Insurance Service.

Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting 24-Hour Notices: The Board discussed the Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

Mr. Cohrs reviewed the business to be conducted in 2022 to meet the statutory compliance requirements. The Board determined to meet on June 21, September 20 and November 15, 2022 at 4:30 p.m., via Zoom meeting.

Following discussion, upon motion duly made by Director Newman, seconded by Director Cabrera and, upon vote, unanimously carried, the Board adopted the Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

District Website: The Board discussed the status of the addition of the District to the website for Denargo Market Metropolitan District Nos. 1 and 2 and authorized necessary actions in connection therewith.

Section 32-1-809, C.R.S. (Transparency Notice) Reporting Requirements and Mode of Eligible Elector Notification: The Board discussed Section 32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022 and directed staff to post the Transparency Notice on the Special District Association’s website and the District website.

RECORD OF PROCEEDINGS

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Application for Exemption from Audit for 2019: The Board reviewed the 2019 Application for Exemption from Audit.

Following discussion, upon motion duly made by Director Newman, seconded by Director Cabrera and, upon vote, unanimously carried, the Board ratified approval of the preparation, execution and filing of the Application for Exemption from Audit for 2019.

2022 Budget: The Board entered into discussion regarding preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board acknowledged the appointment of the District Accountant to prepare the 2022 Budget.

2022 Budget Hearing: The President opened the public hearing to consider the proposed 2022 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received and the President closed the public hearing.

Ms. Ross reviewed the proposed 2022 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2022 Budget and Appropriate Sums of Money. Upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Resolution to Adopt the 2022 Budget and Appropriate Sums of Money was adopted, as discussed, and execution of the Certification of Budget was authorized. Mr. Cohrs was authorized to transmit the Certification of Budget to the Division of Local Government not later than ninety (90) days following the District's Return to Active Status. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

2023 Budget and 2022 Application for Exemption from Audit: The Board entered into discussion regarding preparation of the 2023 Budget and the 2022 Application for Exemption from Audit.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget and the 2022 Application for Exemption from Audit.

LEGAL MATTERS

Resolution Calling a Regular Election for Directors on May 3, 2022: Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the Board acknowledged the adoption of the Resolution Calling a Regular Election for Directors on May 3, 2022. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Election Update: Attorney Williams advised the Board that the May 3, 2022 Election was cancelled, as allowed by statute, because there were not more candidates than positions available on the Board. It was noted that Jeffrey Jones, Todd Wenskoski and Wade Davidson, were each deemed elected by acclamation to 3-year terms expiring in May, 2025.

McGeady Becher P.C. Records Retention Policy: Attorney Williams presented the update to the McGeady Becher P.C. Document Retention Policy to the Board. Following discussion, upon a motion duly made by Director Newman, seconded by Director Jones, and upon vote, unanimously carried, the Board acknowledged the update and directed a copy of the approved updated McGeady Becher P.C. Document Retention Policy be attached to the Minutes for this meeting. Accordingly, a copy of the updated McGeady Becher P.C. Document Retention Policy is attached hereto and incorporated herein by reference.

First Amendment to Resolution No. 2019-06-03; Resolution Regarding Colorado Open Records Act Requests: The Board reviewed and considered the approval of the First Amendment to Resolution No. 2019-06-03; Resolution Regarding Colorado Open Records Act Requests.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the First Amendment to Resolution No. 2019-06-03; Resolution Regarding Colorado Open Records Act Requests. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Service Plan Amendment: Attorney Williams discussed action items and timing relative to the proposed Service Plan Amendment, noting that she will provide a draft of the Letter of Intent to Director Wenskoski for his review. Following discussion, the Board authorized District Counsel to submit the Letter of Intent to the City and County of Denver, pending resolution of any comments Director

RECORD OF PROCEEDINGS

Wenskoski may have, and to take other necessary actions relative to the proposed Service Plan Amendment.

Public Hearing on the Petition for Inclusion of Property Owned by JV Denargo, LLC: The Board opened the public hearing to consider the Petition received from JV Denargo, LLC to Include Real Property (approximately 7.679 acres) into the District boundaries.

It was noted that publication of Notice stating that the Board would consider approving the inclusion of the Real Property owned by JV Denargo, LLC into the District was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following discussion, the Board considered the adoption of the Resolution for Inclusion of Real Property into the District as set forth in the Petition. Upon motion duly made by Director Wenskoski, seconded by Director Jones, and upon vote unanimously carried, the Board adopted the Resolution for Inclusion of Real Property. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

OTHER MATTERS

There were no other matters to discuss at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jones, seconded by Director Wenskoski and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

McGeady Becher P.C. Document Retention Policy

Types of Documents

In representing you we will, or may, take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, and cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the “**Record**”). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District - such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

RECORD OF PROCEEDINGS

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded, or our has representation terminated, we deliver to you or the District's designee the original, printed Record, together with any original documents we have accepted for safekeeping, provided our fees and costs have been paid in full.

If you do not designate someone to receive these records, we will deliver them to a then- current officer or director of the District. If we are unable to deliver these documents for any reason, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days of our concluding that an authorized recipient cannot be readily located.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.

Denargo Market Metropolitan District No. 1

May-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	5068886	4/6/2022	4/21/2022	\$ 476.66	Landscape & options	107816
Brightview Landscape Services	7838527	4/1/2022	4/16/2022	\$ 1,065.00	Landscape & options	107816
Brightview Landscape Services	5074960	4/12/2022	4/27/2022	\$ 208.96	Landscape & irrigation repairs	107810
CliftonLarsonAllen, LLP	3221894	3/31/2022	3/31/2022	\$ 840.05	Accounting	107000
Colorado Lighting Inc	537040	4/26/2022	5/26/2022	\$ 237.94	Site lighting	107803
Colorado Lighting Inc	NI103802	4/11/2022	5/11/2022	\$ 20.00	Site lighting	107803
Denver Water	3250 April 2022	4/12/2022	5/3/2022	\$ 24.20	Utilities	107701
Denver Water	3150 April 2022	4/12/2022	5/3/2022	\$ 24.20	Utilities	107701
Diversified Underground	25586	4/30/2022	5/30/2022	\$ 595.00	Locates	107804
Mcgeady Becher P.C	1057W 3-2022	3/31/2022	3/31/2022	\$ 3,690.00	Legal services	107460
Schedio GRoup LLC	220102-1214	5/1/2022	5/12/2022	\$ 660.00	Engineering	307584
Special District Management Services	D2 4-2022	4/30/2022	4/30/2022	\$ 29.60	Election expense	107581
Special District Management Services	D2 4-2022	4/30/2022	4/30/2022	\$ 330.80	District management	107440
Special District Management Services	D1 4-2022	4/30/2022	4/30/2022	\$ 59.20	Election expense	107581
Special District Management Services	D1 4-2022	4/30/2022	4/30/2022	\$ 3,502.99	District management	107440
Triunity Engineering & Management	100517-21	4/13/2022	4/13/2022	\$ 7,384.00	Site inspection	107802
Triunity Engineering & Management	100517-22	5/3/2022	5/3/2022	\$ 7,653.00	Site inspection	107802
Utility Notification Center	222040461	4/30/2022	4/30/2022	\$ 24.70	Locates	107804
Xcel Energy	775445274	4/12/2022	5/2/2022	\$ 99.27	Utilities	107701
Xcel Energy	776252439	4/18/2022	5/6/2022	\$ 309.97	Utilities	107701
				\$ 27,235.54		

Denargo Market Metropolitan District No. 1
May-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
	\$ 26,575.54		\$ 660.00	\$ 27,235.54
Disbursements			\$ -	\$ -
Payroll	\$ 369.40	\$ -	\$ -	\$ 369.40
Total Disbursements from Checking Acct	\$ 26,944.94	\$ -	\$ 660.00	\$ 27,604.94

Denargo Market Metropolitan District No. 1

June-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	5123440	5/20/2022	6/4/2022	\$ 670.00	Landscape & irrigation repairs	107810
Brightview Landscape Services	5131371	5/27/2022	5/27/2022	\$ 900.00	Landscape & options	107816
Brightview Landscape Services	7870094	5/1/2022	5/16/2022	\$ 1,065.00	Landscape & options	107816
Brightview Landscape Services	7904543	5/25/2022	6/9/2022	\$ 748.24	Landscape & options	107816
Brightview Landscape Services	7890934	5/5/2022	5/6/2022	\$ 537.04	Landscape & options	107816
Brightview Landscape Services	7917739	6/1/2022	6/16/2022	\$ 1,065.00	Landscape & options	107816
City and County of Denver	SD FEE 22-011	6/1/2022	6/15/2022	\$ 6,000.00	City of Denver Annual Fee	107800
CliftonLarsonAllen, LLP	3280943	4/30/2022	4/30/2022	\$ 3,801.05	Accounting	107000
Colorado Lighting Inc	NI104869	5/12/2022	6/11/2022	\$ 20.00	Site lighting	107803
Colorado Lighting Inc	NI105961	6/1/2022	7/1/2022	\$ 20.00	Site lighting	107803
Denver Metro Protective Services	22-060293	6/1/2022	7/1/2022	\$ 60.00	Security	107570
Denver Water	3150 May 2022	5/12/2022	6/2/2022	\$ 24.20	Utilities	107701
Denver Water	3250 May 2022	5/12/2022	6/2/2022	\$ 24.20	Utilities	107701
Diversified Underground	25762	5/31/2022	6/30/2022	\$ 425.00	Locates	107804
Mcgeady Becher P.C	1057W 4-2022	4/30/2022	4/30/2022	\$ 6,506.04	Legal services	107460
Special District Management Services	D2 5-2022	5/31/2022	5/31/2022	\$ 88.80	Election expense	107581
Special District Management Services	D2 5-2022	5/31/2022	5/31/2022	\$ 30.20	District management	107440
Special District Management Services	D3 5-2022	5/31/2022	5/31/2022	\$ 88.80	Election expense	107581
Special District Management Services	D3 5-2022	5/31/2022	5/31/2022	\$ 44.40	District management	107440
Special District Management Services	D1 5-2022	5/31/2022	5/31/2022	\$ 118.40	Election expense	107581
Special District Management Services	D1 5-2022	5/31/2022	5/31/2022	\$ 1,250.45	District management	107440
Triunity Engineering & Management	100517.23	6/1/2022	6/1/2022	\$ 8,280.75	Site inspection	107802
Utility Notification Center	222050455	5/31/2022	5/31/2022	\$ 18.20	Locates	107804
Xcel Energy	779484390	5/11/2022	6/1/2022	\$ 38.46	Utilities	107701
Xcel Energy	780281200	5/17/2022	6/7/2022	\$ 129.01	Utilities	107701
				\$ 31,953.24		

Denargo Market Metropolitan District No. 1
June-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
	\$ 31,953.24			\$ 31,953.24
Disbursements			\$ -	\$ -
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 31,953.24	\$ -	\$ -	\$ 31,953.24

DENARGO MARKET METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

MAY 31, 2022

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2022

	General	Capital Projects	Total
ASSETS			
Cash - Checking	\$ 37,564	\$ -	\$ 37,564
Colotrust	43,270	134,400	177,670
Due from District No. 2	199,929	-	199,929
TOTAL ASSETS	\$ 280,763	\$ 134,400	\$ 415,163
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 59,639	\$ 660	\$ 60,299
Payroll taxes payable	107	-	107
Total Liabilities	59,746	660	60,406
FUND BALANCES			
Total Fund Balances	221,017	133,740	354,757
TOTAL LIABILITIES AND FUND BALANCES	\$ 280,763	\$ 134,400	\$ 415,163

These financial statements should be read only in connection with the accompanying accountant's compilation report.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2022

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Permit fees	\$ 5,000	\$ 17,045	\$ 12,045
Transfer from District No. 2	328,738	238,325	(90,413)
Interest income	1,000	297	(703)
TOTAL REVENUES	<u>334,738</u>	<u>255,667</u>	<u>(79,071)</u>
EXPENDITURES			
Street sweeping	1,000	-	1,000
Streets and sidewalk	27,000	-	27,000
Utilities	15,000	1,103	13,897
City of Denver annual fee	6,000	-	6,000
Site inspection	24,000	27,918	(3,918)
Sight lighting	5,000	338	4,662
Locates	3,500	4,826	(1,326)
Landscape & irrigation repairs	35,000	3,538	31,462
Detention Pond Cleanup	10,000	-	10,000
Snow removal	25,000	40,692	(15,692)
Landscape & options	55,000	5,325	49,675
Accounting	35,000	13,493	21,507
Auditing	9,000	-	9,000
Directors' fees	2,500	1,100	1,400
Dues and licenses	1,300	1,147	153
Insurance and bonds	11,800	11,360	440
District management	57,000	19,588	37,412
Legal services	35,000	29,709	5,291
Miscellaneous	2,500	1,056	1,444
Security	7,500	320	7,180
Payroll taxes	200	23	177
Election expense	2,300	1,729	571
Repairs and maintenance	25,000	-	25,000
Contingency	12,400	-	12,400
TOTAL EXPENDITURES	<u>408,000</u>	<u>163,265</u>	<u>244,735</u>
NET CHANGE IN FUND BALANCES	(73,262)	92,402	165,664
FUND BALANCES - BEGINNING	<u>88,195</u>	<u>128,613</u>	<u>40,418</u>
FUND BALANCES - ENDING	<u>\$ 14,933</u>	<u>\$ 221,015</u>	<u>\$ 206,082</u>

These financial statements should be read only in connection with the accompanying accountant's compilation report.

SUPPLEMENTARY INFORMATION

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2022**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Impact Fees	\$ -	\$ 134,400	\$ 134,400
TOTAL REVENUES	<u>-</u>	<u>134,400</u>	<u>134,400</u>
EXPENDITURES			
Engineering	-	660	(660)
TOTAL EXPENDITURES	<u>-</u>	<u>660</u>	<u>(660)</u>
NET CHANGE IN FUND BALANCES	-	133,740	133,740
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 133,740</u>	<u>\$ 133,740</u>

This supplementary information should be read only in connection with the accompanying accountant's compilation report.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2022 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.

Interest Income

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

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.

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.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
May 31, 2022
Updated as of June 13, 2022

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>First Bank - Checking Account</u>			
Balance as of 05/31/22	\$ 37,563.67	\$ -	\$ 37,563.67
Subsequent activities:			
06/01/22 Vouchers payable - bill.com	(26,318.09)	(660.00)	(26,318.09)
06/03/22 Denver Water	(48.40)	-	(48.40)
<i>Anticipated Transfer</i>	-	<i>660.00</i>	-
<i>Anticipated Balance</i>	<u>11,197.18</u>	<u>-</u>	<u>11,197.18</u>
<u>ColoTrust</u>			
Balance as of 05/31/22	43,269.54	134,400.00	177,669.54
Subsequent activities:			
<i>Anticipated transfer to checking</i>		(660.00)	(660.00)
<i>Anticipated transfer from Denargo No. 2</i>	<i>199,929.29</i>	-	<i>199,929.29</i>
<i>Anticipated Balance</i>	<u>243,198.83</u>	<u>133,740.00</u>	<u>376,938.83</u>
<i>Total Anticipated Balance</i>	<u>\$ 254,396.01</u>	<u>\$ 133,740.00</u>	<u>\$ 388,136.01</u>

Yield information:

ColoTrust - 0.7911% (05/31/22)

DENARGO MARKET METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS

MAY 31, 2022

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2022

	General	Debt Service	Total
ASSETS			
Colotrust	\$ 193,678	\$ 241,986	\$ 435,664
Zion - 2016B Project Fund	-	255,016	255,016
Zion - 2016B Loan Payment Account	-	39,911	39,911
Zion - Capitalized Interest Fund	-	1	1
Zion - Loan Fees Fund	-	5,649	5,649
Zion - Loan Payment Account	-	439,786	439,786
Zion - Surplus Fund	-	4,382	4,382
Receivable from County Treasurer	6,251	18,900	25,151
TOTAL ASSETS	\$ 199,929	\$ 1,005,631	\$ 1,205,560
 LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Due to District No. 1	\$ 199,929	\$ -	\$ 199,929
Total Liabilities	199,929	-	199,929
 FUND BALANCES			
Total Fund Balances	-	1,005,631	1,005,631
TOTAL LIABILITIES AND FUND BALANCES	\$ 199,929	\$ 1,005,631	\$ 1,205,560

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2022

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ -	\$ 120	\$ 120
Property taxes	316,094	233,238	(82,856)
Specific ownership tax	15,805	7,299	(8,506)
TOTAL REVENUES	<u>331,899</u>	<u>240,657</u>	<u>(91,242)</u>
EXPENDITURES			
County Treasurer's fee	3,161	2,332	829
Transfers to District No. 1	328,738	238,325	90,413
TOTAL EXPENDITURES	<u>331,899</u>	<u>240,657</u>	<u>91,242</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FIVE MONTHS ENDED MAY 31, 2022

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 500	\$ 468	\$ (32)
Property taxes	955,667	705,164	(250,503)
Specific ownership tax	47,783	22,067	(25,716)
TOTAL REVENUES	1,003,950	727,699	(276,251)
EXPENDITURES			
Bond Interest - 2016A	328,089	-	328,089
Bond Interest - 2016B	41,098	-	41,098
Bond principal 2016A	150,000	-	150,000
Bond principal 2016B	18,327	-	18,327
Contingency	4,429	-	4,429
County Treasurer's fee	9,557	7,052	2,505
Paying Agent Fees	4,500	1,500	3,000
TOTAL EXPENDITURES	556,000	8,552	547,448
NET CHANGE IN FUND BALANCES	447,950	719,147	271,197
FUND BALANCES - BEGINNING	533,664	286,484	(247,180)
FUND BALANCES - ENDING	\$ 981,614	\$ 1,005,631	\$ 24,017

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 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 5% of the property taxes collected.

Interest Income

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

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.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2016A and 2016B Bonds (discussed under Debts and Leases).

Debt and Leases

Series 2016 Bonds

\$10,000,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan, Series 2016A, dated September 29, 2016 {the Series 2016A Loan} as evidenced by a Loan Agreement between the District and ZB, N.A. dba Vectra Bank, Colorado {the Bank}.

Proceeds from the sale of the Series 2016A Loan were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016A Loan and (iii) funding a portion of interest to accrue on the Series 2016A Loan.

Interest is payable on each June 1 and December 1 beginning on June 1, 2017 and continuing through December 1, 2046, based on a 360-day year and actual number of days elapsed in any applicable period.

The Series 2016A Loan is a variable rate loan in which the rate resets as follows:

(a) From September 29, 2016 to the First Rate Reset Date, being December 1, 2021, interest is at the rate of 3.4425% per annum.

(b) Thereafter, on each five-year anniversary being, December 1, 2026; December 1, 2031; December 1, 2036; and December 1, 2041, interest is equal to the Bank Qualified Tax-Exempt Rate, as defined in the Loan Agreement, computed by the Bank, on each such Rate Reset Date.

The Series 2016A Loan is secured by and payable solely from Pledged Revenues, which include: the (a) Required Mill Levy; (b) Specific Ownership Taxes; (c) System Development Fees; (d) Additional Revenue, if any; and (e) any other legally available moneys.

The Required Mill Levy is equal to an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of and interest on the Series 2016A Loan as the same become due and payable in the succeeding collection year but not greater than 40 mills and not less than the Minimum Mill Levy, defined as the lesser of (a) 30 mills or (b) the number of mills necessary to produce tax revenue in the applicable loan year in an amount which, when combined with the other net revenue budgeted to be received in such loan year, will cause the Debt Service Ratio, as defined in the Loan Agreement, to equal 1.25 times, provided that the foregoing maximum mill levy and Minimum Mill Levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after March 8, 2010 (being the date of the Service Plan) so that to the extent possible, the actual revenues generated by such minimum and maximum mill levies are neither diminished nor enhanced as a result of such changes.

Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The Series 2016A Loan is subject to prepayment on the following dates and under the following conditions:

(a) No Prepayment. During the first and second years after the closing date and during the first and second years of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan shall not be prepaid. Specifically, the 2016A Loan may not be prepaid during the following periods:

- (i) from the Closing Date to but not including September 29, 2018;
- (ii) December 1, 2021 to but not including December 1, 2023;
- (iii) December 1, 2026 to but not including December 1, 2028;
- (iv) December 1, 2031 to but not including December 1, 2033;
- (v) December 1, 2036 to but not including December 1, 2038; and
- (vi) December 1, 2041 to but not including December 1, 2043.

(b) Prepayment with 1% Prepayment Fee. During the third year after the closing date and during the third year of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current loan balance plus accrued and unpaid interest thereon to the date of such prepayment, together with a prepayment fee equal to 1.0% of the loan balance during the following periods:

- (i) September 29, 2018 to but not including September 29, 2019;
- (ii) December 1, 2023 to but not including, December 1, 2024;
- (iii) December 1, 2028 to but not including December 1, 2029;
- (iv) December 1, 2033 to but not including December 1, 2034;
- (v) December 1, 2038 to but not including December 1, 2039; and
- (vi) December 1, 2043 to but not including December 1, 2044.

(c) Prepayment at Par. During the fourth and fifth years after the closing date and during the fourth and fifth years occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current Loan Balance plus accrued and unpaid interest thereon to the date of such prepayment, without prepayment fee, premium or penalty; provided, during the following periods:

- (i) September 29, 2019 to but not including December 1, 2021;
- (ii) December 1, 2024 to but not including December 2026;
- (iii) December 1, 2029 to but not including December 1, 2031;
- (iv) December 1, 2034 to but not including December 1, 2036;
- (v) December 1, 2039 to but not including December 1, 2041; and
- (vi) December 1, 2044 through and including the Maturity Date.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

\$8,000,000 Limited Tax {Convertible to Unlimited Tax} Taxable General Obligation Advancing Improvement Loan, Series 2016B, dated September 29, 2016 (the Series 2016B Loan) as evidenced by a Loan Agreement with the Bank, with a maturity date of December 1, 2046. The 2016B Loan is further evidenced by the 2016B-1 and 2016B-2 Notes.

The District is authorized to request advances from the Bank on the Series 2016B Loan only under the following circumstances:

1. Inclusion of additional property into the District - Real property has been legally included within the boundaries of the District after September 29, 2016. Additional property included in the District after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.
2. True-Up of Assessed Valuation - After receipt of the final certified assessed valuation for 2017 from the Denver County Assessor, if the Assessed Value of the District No. 2 Property has increased from the projected assessed valuation of \$14,315,606 for 2017 that was the basis for the funding of the 2016A Loan on September 29, 2016.
3. Real property has been legally included within the boundaries of District No. 1 or District No. 3 after September 29, 2016 and there exists a pledge to the Bank of additional revenue. Property included in the boundaries of District No. 1 and/or District No. 3 after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.

The District may make advance requests once each calendar quarter in amounts not less than \$250,000 for Construction Buildings and Completed Buildings. There shall be no minimum amount for Advance Requests relating to Contributed Land or to True-Up of Assessed Valuations.

The Series 2016B Loan is a variable rate loan with interest accruing at the taxable rate as follows: For advances made:

Prior to December 1, 2017 - 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2017 and November 30, 2018 - 3.00% plus the four-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2018 and November 30, 2019 - 3.00% plus the three-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2019 and November 30, 2020 - 3.00% plus the two-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

On or after December 1, 2020 and November 30, 2021 - 3.00% plus the one-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

Thereafter, on each rate reset on December 1, 2021, and each 5-year anniversary of such date until maturity, interest is 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance

On December 9, 2016, the District entered into a Loan Pricing and Purchase Agreement whereby the interest rate on the 20168-1 Note was changed to the Bank Qualified Tax Exempt Rate, which is equal to the taxable rate, as defined above, multiplied by 75%.

The Series 2016B Loan is secured by and payable solely from the same Pledged Revenues as the Series 2016A Loan and follow the same prepayment conditions as the Series 2016A Loan. The Series 2016B Loan is parity debt to the Series 2016A Loan.

On December 27, 2017, the District received advances amounting to \$440,147. The advances are evidenced by the 2016B-1 and 2016B-2 Notes amounting to \$50,001 and \$390,146, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure and operating costs incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016B advances and (iii) funding a portion of interest to accrue on the Series 2016B-1 and 2016B-2 Notes.

On June 21, 2019, the District received advances amounting to \$489,456. The advances are evidenced by the 2016B-2 Notes amounting to \$319,009 and \$170,447, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the District formation costs; (ii) reimbursing District operating costs and (iii) paying the costs of issuance of the Series 2016B-2 advances.

Reserve Fund

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all operating funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's Budget.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

**\$10,000,000
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016A
Interest Rate of 3.4425%
Payable June 1 and December 1
Principal Payable December 1**

Year Ending December 31,	Principal	Interest	Total
2022	\$ 150,000	\$ 328,089	\$ 478,089
2023	175,000	322,853	497,853
2024	175,000	317,614	492,614
2025	200,000	310,638	510,638
2026	150,000	303,657	453,657
2027	175,000	298,422	473,422
2028	200,000	293,114	493,114
2029	225,000	285,333	510,333
2030	225,000	277,480	502,480
2031	250,000	269,627	519,627
2032	300,000	261,616	561,616
2033	300,000	250,431	550,431
2034	325,000	239,959	564,959
2035	350,000	228,615	578,615
2036	400,000	216,992	616,992
2037	425,000	202,438	627,438
2038	450,000	187,604	637,604
2039	475,000	171,898	646,898
2040	525,000	155,744	680,744
2041	550,000	136,995	686,995
2042	600,000	117,798	717,798
2043	625,000	96,856	721,856
2044	700,000	75,247	775,247
2045	725,000	50,610	775,610
2046	725,000	25,305	750,305
	\$ 9,400,000	\$ 5,424,935	\$ 14,824,935

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

**\$50,001
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016B-1
Interest Rate of 4.0875%
Payable June 1 and December 1
Principal Payable December 1**

Year Ending December 31,	Principal	Interest	Total
2022	\$ 750	\$ 1,948	\$ 2,698
2023	875	1,917	2,792
2024	875	1,886	2,761
2025	1,000	1,844	2,844
2026	750	1,803	2,553
2027	875	1,772	2,647
2028	1,000	1,740	2,740
2029	1,125	1,694	2,819
2030	1,125	1,647	2,772
2031	1,250	1,601	2,851
2032	1,500	1,553	3,053
2033	1,500	1,487	2,987
2034	1,625	1,425	3,050
2035	1,750	1,357	3,107
2036	2,000	1,288	3,288
2037	2,125	1,202	3,327
2038	2,250	1,114	3,364
2039	2,375	1,021	3,396
2040	2,625	925	3,550
2041	2,750	813	3,563
2042	3,000	699	3,699
2043	3,125	575	3,700
2044	3,500	447	3,947
2045	3,625	300	3,925
2046	3,626	150	3,776
	\$ 47,001	\$ 32,208	\$ 79,209

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

**\$879,602
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016B-2
Interest Rate from 3.8875 to 5.45%
Payable June 1 and December 1
Principal Payable December 1**

Year Ending December 31,	Principal		Interest		Total	
2022	\$	17,577	\$	39,150	\$	56,727
2023		19,065		38,313		57,378
2024		19,549		37,501		57,050
2025		21,136		36,464		57,600
2026		19,770		35,448		55,218
2027		21,357		34,513		55,870
2028		22,926		33,588		56,514
2029		24,612		32,400		57,012
2030		25,308		31,218		56,526
2031		27,014		30,004		57,018
2032		29,688		28,782		58,470
2033		30,519		27,262		57,781
2034		32,327		25,784		58,111
2035		34,171		24,215		58,386
2036		37,002		22,612		59,614
2037		38,953		20,742		59,695
2038		40,922		18,832		59,754
2039		42,933		16,825		59,758
2040		45,952		14,756		60,708
2041		48,076		12,453		60,529
2042		51,212		10,082		61,294
2043		48,933		7,550		56,483
2044		45,341		5,157		50,498
2045		47,031		2,925		49,956
2046		12,878		626		13,504
	\$	804,252	\$	587,202	\$	1,391,454

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
Schedule of Cash Position
May 31, 2022
Updated as of June 13, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Colostrust</u>			
Balance as of 05/31/22	\$ 193,677.91	\$ 241,986.11	\$ 435,664.02
Subsequent activities:			
06/10/22 - Ptax distribution	6,251.38	18,900.22	25,151.60
<i>Anticipated Transfer to Denargo No. 1</i>	(199,929.29)	-	(199,929.29)
<i>Anticipated Transfer to Pledged Revenue Fund</i>	-	(260,886.33)	(260,886.33)
<i>Anticipated Balance</i>	-	-	-
<u>Zions Bank - Pledged Revenue Account</u>			
Balance as of 05/31/22	-	-	-
Subsequent activities:			
<i>Anticipated transfer from CT</i>		260,886.33	260,886.33
<i>Anticipated Balance</i>	-	260,886.33	260,886.33
<u>Zions - Loan Payment Account</u>			
Balance as of 05/31/22	-	439,785.88	439,785.88
Subsequent activities:			
06/01/22 - Debt service interest payment	-	(163,238.83)	(163,238.83)
<i>Anticipated Balance</i>	-	276,547.05	276,547.05
<u>Zions Bank - 2016 Surplus Fund</u>			
Balance as of 05/31/22	-	4,382.37	4,382.37
<i>Anticipated Balance</i>	-	4,382.37	4,382.37
<u>Zions Bank - 2016 Loan Fees Fund</u>			
Balance as of 05/31/22	-	5,649.45	5,649.45
<i>Anticipated Balance</i>	-	5,649.45	5,649.45
<u>Zions Bank - 2016B Cap Interest Account</u>			
Balance as of 05/31/22	-	0.60	0.60
<i>Anticipated Balance</i>	-	0.60	0.60
<u>Zions Bank - 2016B Project Fund</u>			
Balance as of 05/31/22	-	255,016.14	255,016.14
<i>Anticipated Balance</i>	-	255,016.14	255,016.14
<u>Zions Bank - 2016B Loan Payment Account</u>			
Balance as of 05/31/22	-	39,911.24	39,911.24
Subsequent activities:			
06/01/22 - 2016B-1 Debt service interest payment	-	(11,643.79)	(11,643.79)
06/01/22 - 2016B-2 Debt service interest payment	-	(816.21)	(816.21)
<i>Anticipated Balance</i>	-	27,451.24	-
<i>Anticipated Balance</i>	\$ -	\$ 829,933.18	\$ 802,481.94

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

DENARGO MARKET METROPOLITAN DISTRICT #2
Property Taxes Reconciliation
2022

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 6,235.47	\$ -	\$ -	6,235.47	0.00%	0.00%	4,515.50	0.00%	0.00%
February	144,089.75	-	5,594.48	-	(1,440.89)	148,243.34	11.33%	11.33%	147,782.83	13.29%	13.29%
March	454,884.76	-	6,834.24	-	(4,548.84)	457,170.16	35.77%	47.10%	329,810.99	30.14%	43.43%
April	319,126.18	-	5,649.08	-	(3,191.26)	321,584.00	25.09%	72.19%	313,163.06	28.57%	72.00%
May	20,301.56	-	5,053.04	-	(203.00)	25,151.60	1.60%	73.79%	24,212.79	1.83%	73.83%
June						-	0.00%	73.79%	286,698.07	26.17%	100.00%
July						-	0.00%	73.79%	5,338.79	0.00%	100.00%
August						-	0.00%	73.79%	6,153.22	0.00%	100.00%
September						-	0.00%	73.79%	4,933.09	0.00%	100.00%
October						-	0.00%	73.79%	5,055.38	0.00%	100.00%
November						-	0.00%	73.79%	5,634.53	0.00%	100.00%
December						-	0.00%	73.79%	4,102.66	0.00%	100.00%
	\$ 938,402.25	\$ -	\$ 29,366.31	\$ -	\$ (9,383.99)	\$ 958,384.57	73.79%	73.79%	\$ 1,137,400.91	100.00%	100.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
\$ 316,094.00	24.85%	\$ 233,238.26	73.79%
955,667.00	75.15%	705,163.99	73.79%
<u>\$ 1,271,761.00</u>	<u>100.00%</u>	<u>\$ 938,402.25</u>	<u>73.79%</u>

Property Tax

General Fund	\$ 316,094.00	24.85%	\$ 233,238.26	73.79%
Debt Service	955,667.00	75.15%	705,163.99	73.79%
	<u>\$ 1,271,761.00</u>	<u>100.00%</u>	<u>\$ 938,402.25</u>	<u>73.79%</u>

Specific Ownership Tax

General Fund	\$ 15,805.00	24.85%	\$ 7,298.95	46.18%
Debt Service	47,783.00	75.15%	22,067.36	46.18%
	<u>\$ 63,588.00</u>	<u>100.00%</u>	<u>\$ 29,366.31</u>	<u>46.18%</u>

Treasurer's Fees

General Fund	\$ 3,161.00	24.85%	\$ 2,332.37	73.79%
Debt Service	9,557.00	75.15%	7,051.62	73.78%
	<u>\$ 12,718.00</u>	<u>100.00%</u>	<u>\$ 9,383.99</u>	<u>73.79%</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 1
City and County of Denver, Colorado**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITOR’S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7

INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 170,851
Cash and Investments - Restricted	9,300
Due from District No. 2	1,021
Prepaid Insurance	900
Capital Assets, Net of Accumulated Depreciation	3,758,265
Total Assets	3,940,337
LIABILITIES	
Accounts Payable	52,999
Payroll Taxes Payable	459
Total Liabilities	53,458
NET POSITION	
Investment in Capital Assets	3,758,265
Restricted for:	
Emergency Reserves	9,300
Unrestricted	119,314
Total Net Position	\$ 3,886,879

See accompanying Notes to Basic Financial Statements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position
Primary Government:	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities: General Government	Expenses	-	-	-
Total Governmental Activities	\$ 541,700	\$ 309,482	\$ -	\$ (232,218)
	\$ 541,700	\$ 309,482	\$ -	(232,218)
	GENERAL REVENUES			
Interest Income				96
Total General Revenues				96
	CHANGE IN NET POSITION			(232,122)
Net Position - Beginning of Year				4,119,001
NET POSITION - END OF YEAR				\$ 3,886,879

See accompanying Notes to Basic Financial Statements.

(2)

DRAFT. NO ASSURANCE PROVIDED ON THESE FINANCIAL STATEMENTS.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General
ASSETS	
Cash and Investments	\$ 170,851
Cash and Investments - Restricted	9,300
Due from District No. 2	1,021
Prepaid Insurance	900
Total Assets	\$ 182,072
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 52,999
Payroll Taxes Payable	459
Total Liabilities	53,458
FUND BALANCES	
Nonspendable for:	
Prepaid Expenses	900
Restricted for:	
Emergency Reserves	9,300
Assigned to:	
Subsequent Year's Expenditures	73,262
Unassigned	45,152
Total Fund Balances	128,614
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 fund financial statements.	3,758,265
Net Position of Governmental Activities	\$ 3,886,879

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	Total Governmental Funds
REVENUES	
Interest Income	\$ 96
Permit Fees	26,387
Transfer from District No. 2	283,095
Total Revenues	309,578
EXPENDITURES	
Current:	
Accounting	32,095
Auditing	8,500
City of Denver Annual Fee	6,000
Detention Pond Cleanup	9,000
Director's Fees	2,700
District Management	52,544
Dues and Licenses	1,140
Insurance and Bonds	10,517
Landscape and Irrigation Repairs	44,237
Landscape and Options	40,030
Legal Services	30,753
Locates	3,516
Miscellaneous	2,315
Payroll Taxes	237
Repairs and Maintenance	27,704
Security	3,965
Site Lighting	1,678
Site Inspection	48,062
Snow Removal	22,135
Streets and Sidewalk	15,334
Utilities	8,407
Total Expenditures	370,869
NET CHANGE IN FUND BALANCES	(61,291)
Fund Balances - Beginning of Year	189,905
FUND BALANCES - END OF YEAR	\$ 128,614

See accompanying Notes to Basic Financial Statements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
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, 2021**

Net Change in Fund Balances - Governmental Funds \$ (61,291)

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/amortization 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, net of depreciation/amortization, in the current period.

Depreciation Expense (170,831)

Changes in Net Position of Governmental Activities \$ (232,122)

See accompanying Notes to Basic Financial Statements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 2,000	\$ 96	\$ (1,904)
Permit Fees	-	26,387	26,387
Transfer from District No. 2	281,900	283,095	1,195
Total Revenues	<u>283,900</u>	<u>309,578</u>	<u>25,678</u>
EXPENDITURES			
Current:			
Accounting	24,500	32,095	(7,595)
Auditing	4,500	8,500	(4,000)
City of Denver Annual Fee	6,000	6,000	-
Contingency	54,623	-	54,623
Detention Pond Cleanup	10,000	9,000	1,000
Director's Fees	1,000	2,700	(1,700)
District Management	45,000	52,544	(7,544)
Dues and Licenses	-	1,140	(1,140)
Insurance and Bonds	11,800	10,517	1,283
Landscape and Irrigation Repairs	35,000	44,237	(9,237)
Landscape and Options	95,725	40,030	55,695
Legal Services	30,000	30,753	(753)
Locates	3,500	3,516	(16)
Miscellaneous	2,500	2,315	185
Payroll Taxes	77	237	(160)
Repairs and Maintenance	25,000	27,704	(2,704)
Security	7,500	3,965	3,535
Site Lighting	5,000	1,678	3,322
Site Inspection	24,000	48,062	(24,062)
Snow Removal	25,000	22,135	2,865
Street Sweeping	1,000	-	1,000
Streets and Sidewalk	27,000	15,334	11,666
Utilities	15,000	8,407	6,593
Total Expenditures	<u>453,725</u>	<u>370,869</u>	<u>82,856</u>
NET CHANGES IN FUND BALANCES	(169,825)	(61,291)	108,534
Fund Balance - Beginning of Year	<u>197,976</u>	<u>189,905</u>	<u>(8,071)</u>
FUND BALANCE - END OF YEAR	<u>\$ 28,151</u>	<u>\$ 128,614</u>	<u>\$ 100,463</u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Organization

Denargo Market Metropolitan District No. 1 (the District, District No. 1, or Management District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by recorded order and decree of the District Court for the City and County of Denver (the City) 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 boundaries are located entirely within the City. The District is one of three related districts: Denargo Market Metropolitan Districts Nos. 1, 2, and 3 (the Districts). As of December 31, 2020, the Districts have the same membership of their respective Boards of Directors. Pursuant to the Service Plan, Districts Nos. 2 and 3 are referred to as the Financing Districts or Taxing Districts and District No. 1 is the Management District.

The District, in its capacity as the Management District, is responsible for managing, implementing, and coordinating the financing, acquisition, construction, completion, operation and maintenance of all public infrastructure and services within and without the project known as Denargo Market. The Financing Districts provide the funding for the improvements and the tax base needed to support ongoing operations of the Districts.

The Taxing District's are responsible for supporting the Management District in managing, implementing and coordinating the financing, acquisition, construction, completion, and maintenance of the Improvements (as defined in the Service Plan), some of which may ultimately be transferred to the City or other governmental entity, and the provision of related services within and without the boundaries of the Districts and the Service Area (as defined in the Service Plan).

The District has no employees and all operations and administrative functions are contracted.

The District 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 District is not financially accountable to any other organization, nor is the District a component unit of any other primary governmental entity.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District 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 District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. 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 instead as general revenues.

Separate financial statements are provided for 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 government 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 property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District'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 District'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 District 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

Capital Assets

Capital assets, which include property and equipment, are reported by the District. Capital assets are defined by the District 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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 fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Streets	30 years
Sidewalks	30 years
Street Lights	30 years
Parks	30 years

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

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 District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 170,851
Cash and Investments - Restricted	9,300
Total Cash and Investments	<u>\$ 180,151</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 36,223
Investments	143,928
Total Cash and Investments	<u>\$ 180,151</u>

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, 2021, the District had a bank balance of \$36,685 and a carrying balance of \$36,223.

Investments

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District 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 District 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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND 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, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 143,928

COLOTRUST

The District 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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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. 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 is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS

An Analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets, Being Depreciated				
Streets	\$ 2,542,371	-	-	\$ 2,542,371
Parks	2,582,542	-	-	2,582,542
Total Capital Assets, Being Depreciated	5,124,913	-	-	5,124,913
Less: Accumulated Depreciation For:				
Streets	(593,222)	(84,746)	-	(677,968)
Parks	(602,595)	(86,085)	-	(688,680)
Total Accumulated Depreciation	(1,195,817)	(170,831)	-	(1,366,648)
Total Capital Assets, Being Depreciated, Net	3,929,096	(170,831)	-	3,758,265
Capital Assets, Net	<u>\$ 3,929,096</u>	<u>\$ (170,831)</u>	<u>\$ -</u>	<u>\$ 3,758,265</u>

Depreciation expense was charged for functions/programs of the District as follows:

Governmental Activities	<u>\$ 170,831</u>
-------------------------	-------------------

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 AUTHORIZED DEBT

On May 4, 2010, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$256,155,000 at an interest rate not to exceed 18% per annum. On May 6, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$307,386,000 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 4, 2010	Amount Authorized on May 6, 2014	Series 2010 Subordinate Note	Authorized But Unissued
Streets	\$ 25,615,500	\$ 25,615,500	-	\$ 51,231,000
Parks and Recreation	25,615,500	25,615,500	-	51,231,000
Water	25,615,500	25,615,500	-	51,231,000
Sanitation	25,615,500	25,615,500	-	51,231,000
Transportation	25,615,500	25,615,500	-	51,231,000
Mosquito Control	25,615,500	25,615,500	-	51,231,000
Traffic and Safety Controls	25,615,500	25,615,500	-	51,231,000
Operations and Maintenance	25,615,500	25,615,500	-	51,231,000
Refundings	25,615,500	25,615,500	-	51,231,000
Intergovernmental Agreements	25,615,500	25,615,500	-	51,231,000
Television Relay and Translation	-	25,615,500	-	25,615,500
Security Services and Improvements	-	25,615,500	-	25,615,500
Debt Issuances	-	-	(7,191,918)	(7,191,918)
Total	<u>\$ 256,155,000</u>	<u>\$ 307,386,000</u>	<u>\$ (7,191,918)</u>	<u>\$ 556,349,082</u>

Pursuant to the Service Plan, the District is permitted to issue bonded indebtedness of up to \$22,612,500; provided however that the total debt authorization of \$22,612,500 may increase by an additional \$3,000,000 with the prior written approval of the Manager of Finance of the City and County of Denver.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 6 DISTRICT AGREEMENTS

Memorandum of Understanding

A Memorandum of Understanding was entered into on October 29, 2010, and amended on August 22, 2016, by and among the District, District No. 2 and District No. 3 (MOU). The MOU acknowledges that District No. 1 shall provide for the financing, construction, design, operation and maintenance of the Improvements, as well as the overall administration of the Districts and further acknowledges that the District has the authority to enter into agreement(s) and other obligations with the developer of the Property to provide for the financing of such services. The First Amendment to MOU acknowledges District No. 2 will issue debt to repay the Developer Note (which has since been paid off) and District No. 2 and District No. 3 (at such time as it has real property within its boundaries) will impose an operation mill levy to fund the Districts' services provided by the District. The First Amendment to MOU acknowledges that the Districts will enter into an IGA detailing such services ("District IGA").

The First Amendment to MOU also provides that the District IGA shall provide for District No. 2 and District No. 3 to remit revenues to the District for all costs incurred by the District pursuant to the First Amendment to MOU based on an allocable basis to be set forth in the District IGA. The District IGA also provides for the District and District No. 3 to reimburse District No. 2 for any debt issued by District No. 2 for public improvements based in allocable basis to be set forth in the District IGA.

During the year ending December 31, 2021, District No. 2 transferred a total of \$283,095 representing property and specific ownership taxes collected by District No. 2.

NOTE 7 NET POSITION

The District has a net position consisting of two components – investment in capital assets, restricted and unrestricted.

Investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. As of December 31, 2021, the District had investment in capital assets calculated as follows:

	Governmental Activities
Investment in Capital Assets	
Capital Assets, Net	\$ 3,758,265
Investment in Capital Assets	\$ 3,758,265

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 NET POSITION (CONTINUED)

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulation of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021 as follows:

Restricted Net Position:	
Emergency Reserves	\$ 9,300
Total Restricted Net Position	<u>\$ 9,300</u>

NOTE 8 RELATED PARTY

Some members of the Board of Directors of the District may be or have been employees, consultants, owners of, or otherwise associated with the current developer of the property located within the Districts, JV Denargo LLC (Current Developer), and may have conflicts of interest in dealing with the District. Additionally, one of the directors is employed by the City and as such, may have conflicts of interest in dealing with the District. Specific details of transactions with the Current Developer regarding advances and debt are described elsewhere in these footnotes.

NOTE 9 RISK MANAGEMENT

The District 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 natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (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 District pays annual premiums to the Pool for general and automobile liability, public officials, auto physical damage and worker's compensation coverage. In the event aggregate 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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 which 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.

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.

On May 4, 2010, the voters approved the District to increase property taxes \$3,000,000 annually for the purpose of paying the District's operations and maintenance expenses and \$6,000,000 (up to 10 mills) for paying the costs associated with regional improvements as required by the City, without regard to any spending, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution or any other property tax limitation or law.

Additionally, the voters authorized the District to collect, retain and spend all revenues received by the District during 2011 and all subsequent years as voter-approved revenue changes without regard to any spending, revenue raising or other limitation.

On May 6, 2014, the voters approved the District to increase property taxes \$3,000,000 annually for the purpose of paying the District's operations and maintenance expenses up and \$6,000,000 (up to 10 mills) for paying the costs associated with regional improvements as required by the City, without regard to any spending, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution or any other property tax limitation or law.

Additionally, the voters authorized the District to collect, retain and spend all revenues received by the District during 2014 and all subsequent years as voter-approved revenue changes without regard to any spending, revenue raising, or other limitation.

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 and qualification as an Enterprise will require judicial interpretation.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	26

INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 283,403
Receivable - County Treasurer	4,103
Property Taxes Receivable	<u>1,271,761</u>
Total Assets	<u>1,559,267</u>
LIABILITIES	
Due to District No. 1	1,021
Accrued Interest Payable	29,449
Noncurrent Liabilities:	
Due Within One Year	167,794
Due in More Than One Year	<u>9,834,449</u>
Total Liabilities	<u>10,032,713</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>1,271,761</u>
Total Deferred Inflows of Resources	<u>1,271,761</u>
NET POSITION	
Unrestricted	<u>(9,745,207)</u>
Total Net Position	<u><u>\$ (9,745,207)</u></u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
Administration	\$ 285,806	\$ -	\$ -	\$ -	\$ (285,806)
Interest and Related Costs on Long-Term Debt	384,096	-	-	-	(384,096)
Total Governmental Activities	\$ 669,902	\$ -	\$ -	\$ -	(669,902)
 GENERAL REVENUES					
Property Taxes					1,089,038
Specific Ownership Taxes					59,254
Net Investment Income					138
Total General Revenues					1,148,430
 CHANGE IN NET POSITION					
					478,528
Net Position - Beginning of Year					(10,223,735)
 NET POSITION - END OF YEAR					
					\$ (9,745,207)

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments - Restricted	\$ -	\$ 283,403	\$ 283,403
Accounts Receivable - County Treasurer	1,021	3,082	4,103
Property Taxes Receivable	316,094	955,667	1,271,761
Total Assets	<u>\$ 317,115</u>	<u>\$ 1,242,152</u>	<u>\$ 1,559,267</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to District No. 1	\$ 1,021	\$ -	\$ 1,021
Total Liabilities	1,021	-	1,021
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	316,094	955,667	1,271,761
Total Deferred Inflows of Resources	316,094	955,667	1,271,761
FUND BALANCES			
Restricted For:			
Debt Service	-	286,485	286,485
Total Fund Balances	-	286,485	286,485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 317,115</u>	<u>\$ 1,242,152</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Notes Payable	(10,002,243)
Accrued Interest Payable	(29,449)

Net Position of Governmental Activities	<u>\$ (9,745,207)</u>
---	-----------------------

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 271,058	\$ 817,980	\$ 1,089,038
Specific Ownership Taxes	14,748	44,506	59,254
Net Investment Income	-	138	138
Total Revenues	285,806	862,624	1,148,430
EXPENDITURES			
Current:			
County Treasurer's Fee	2,711	-	2,711
Transfers to District No. 1	283,095	-	283,095
Debt Service:			
Paying Agent Fees	-	4,500	4,500
Note Interest - 2016A	-	332,452	332,452
Note Interest - 2016B	-	41,908	41,908
County Treasurer's Fee	-	8,180	8,180
Note Principal 2016A	-	125,000	125,000
Note Principal 2016B	-	266,228	266,228
Total Expenditures	285,806	778,268	1,064,074
NET CHANGE IN FUND BALANCES	-	84,356	84,356
Fund Balances - Beginning of Year	-	202,129	202,129
FUND BALANCES - END OF YEAR	\$ -	\$ 286,485	\$ 286,485

See accompanying Notes to Basic Financial Statements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
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, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 84,356

Amounts reported for governmental activities in the statement of activities are different because:

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Note Principal 2016A Payment	125,000
Note Principal 2016B Payment	266,228

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Note Interest - Change in Liability	1,746
Nonuse Fee Payable - Change in Liability	<u>1,198</u>

Net Position - Governmental Activities \$ 478,528

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 271,058	\$ 271,058	\$ 271,058	\$ -
Specific Ownership Tax	13,553	15,000	14,748	(252)
Total Revenues	<u>284,611</u>	<u>286,058</u>	<u>285,806</u>	<u>(252)</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	2,711	2,711	2,711	-
Transfers to District No. 1	281,900	282,303	283,095	(792)
Contingency	-	1,044	-	1,044
Total Expenditures	<u>284,611</u>	<u>286,058</u>	<u>285,806</u>	<u>252</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Denargo Market Metropolitan District No. 2 (the District, or District No. 2), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by recorded order and decree of the District Court for the City and County of Denver (the City) 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 boundaries are located entirely within the City. The District is one of three related districts: Denargo Market Metropolitan Districts Nos. 1, 2, and 3 (the Districts). As of December 31, 2020, the Districts have the same membership of their respective Boards of Directors. Pursuant to the Service Plan, Districts Nos. 2 and 3 are referred to as the Financing Districts or Taxing Districts and District No. 1 is the Management District.

The Management District is responsible for managing, implementing, and coordinating the financing, acquisition, construction, completion, operation and maintenance of all public infrastructure and services within and without the project known as Denargo Market. The Financing Districts provide the funding for the improvements and the tax base needed to support ongoing operations of the Districts.

The District, in its capacity as a Financing District, or Taxing District, is responsible for supporting the Management District in managing, implementing and coordinating the financing, acquisition, construction, completion and maintenance of the Improvements (as defined in the Service Plan), some of which may ultimately be transferred to the City or other governmental entity, and the provision of related services within and without the boundaries of the Districts and the Service Area (as defined in the Service Plan).

The District has no employees and all operations and administrative functions are contracted.

The District 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 District is not financially accountable to any other organization, nor is the District a component unit of any other primary governmental entity.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District 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 District. Governmental activities are normally supported by taxes and special assessment fees.

The statement of net position reports all financial and capital resources of the District. 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 instead as general revenues.

Separate financial statements are provided for 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. Property taxes are recognized as revenues in the year for which they are levied. Other items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 District considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

The General Fund is the District'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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Budgets

In accordance with the State Budget Law, the District'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 level and lapses at year-end. The District 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.

The District has amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

The District 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.

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 July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes monthly to the District.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies for reporting in this category. Accordingly, the item, property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District'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.

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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 283,403
Total Cash and Investments	\$ 283,403

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 267,043
Investments	16,360
Total Cash and Investments	\$ 283,403

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, 2021, the District's cash deposits had a bank balance and a carrying balance of \$267,043.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District 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.

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

At December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 16,360

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District 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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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. 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 is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
Notes from Direct Borrowings and Direct Placements					
Limited Tax General Obligation Improvement Loan, Series 2016A	\$ 9,525,000	\$ -	\$ (125,000)	\$ 9,400,000	\$ 150,000
Limited Tax General Obligation Improvement Loan, Series 2016B-1	47,626	-	(625)	47,001	750
Limited Tax General Obligation Improvement Loan, Series 2016B-2	820,845	-	(265,603)	555,242	17,044
Total	<u>\$ 10,393,471</u>	<u>\$ -</u>	<u>\$ (391,228)</u>	<u>\$ 10,002,243</u>	<u>\$ 167,794</u>

\$10,000,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan, Series 2016A, dated September 29, 2016 (the Series 2016A Loan) as evidenced by a Loan Agreement between the District and ZB, N.A. dba Vectra Bank, Colorado (the Bank).

Proceeds from the sale of the Series 2016A Loan were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016A Loan and (iii) funding a portion of interest to accrue on the Series 2016A Loan.

Interest is payable on each June 1 and December 1 beginning on June 1, 2017 and continuing through December 1, 2046, based on a 360-day year and actual number of days elapsed in any applicable period.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2016A Loan is a variable rate loan in which the rate resets as follows:

(a) From September 29, 2016 to the First Rate Reset Date, being December 1, 2021, interest is at the rate of 3.4425% per annum.

(b) Thereafter, on each five-year anniversary being, December 1, 2026; December 1, 2031; December 1, 2036; and December 1, 2041, interest is equal to the Bank Qualified Tax-Exempt Rate, as defined in the Loan Agreement, computed by the Bank, on each such Rate Reset Date.

The Series 2016A Loan is secured by and payable solely from Pledged Revenues, which include: the (a) Required Mill Levy; (b) Specific Ownership Taxes; (c) System Development Fees; (d) Additional Revenue, if any; and (e) any other legally available moneys.

The Required Mill Levy is equal to an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of and interest on the Series 2016A Loan as the same become due and payable in the succeeding collection year but not greater than 40 mills and not less than the Minimum Mill Levy, defined as the lesser of (a) 30 mills or (b) the number of mills necessary to produce tax revenue in the applicable loan year in an amount which, when combined with the other net revenue budgeted to be received in such loan year, will cause the Debt Service Ratio, as defined in the Loan Agreement, to equal 1.25 times, provided that the foregoing maximum mill levy and Minimum Mill Levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after March 8, 2010 (being the date of the Service Plan) so that to the extent possible, the actual revenues generated by such minimum and maximum mill levies are neither diminished nor enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation.

The Series 2016A Loan is subject to prepayment on the following dates and under the following conditions:

(a) *No Prepayment.* During the first and second years after the closing date and during the first and second years of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan shall not be prepaid. Specifically, the 2016A Loan may not be prepaid during the following periods:

- (i) from the Closing Date to but not including September 29, 2018;
- (ii) December 1, 2021 to but not including December 1, 2023;
- (iii) December 1, 2026 to but not including December 1, 2028;
- (iv) December 1, 2031 to but not including December 1, 2033;
- (v) December 1, 2036 to but not including December 1, 2038; and
- (vi) December 1, 2041 to but not including December 1, 2043.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

(b) *Prepayment with 1% Prepayment Fee.* During the third year after the closing date and during the third year of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current loan balance plus accrued and unpaid interest thereon to the date of such prepayment, together with a prepayment fee equal to 1.0% of the loan balance during the following periods:

- (i) September 29, 2018 to but not including September 29, 2019;
- (ii) December 1, 2023 to but not including, December 1, 2024;
- (iii) December 1, 2028 to but not including December 1, 2029;
- (iv) December 1, 2033 to but not including December 1, 2034;
- (v) December 1, 2038 to but not including December 1, 2039; and
- (vi) December 1, 2043 to but not including December 1, 2044.

(c) *Prepayment at Par.* During the fourth and fifth years after the closing date and during the fourth and fifth years occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current Loan Balance plus accrued and unpaid interest thereon to the date of such prepayment, without prepayment fee, premium or penalty; provided, during the following periods:

- (i) September 29, 2019 to but not including December 1, 2021;
- (ii) December 1, 2024 to but not including December 2026;
- (iii) December 1, 2029 to but not including December 1, 2031;
- (iv) December 1, 2034 to but not including December 1, 2036;
- (v) December 1, 2039 to but not including December 1, 2041; and
- (vi) December 1, 2044 through and including the Maturity Date.

The Series 2016A Loan will mature as follows (interest amounts do not reflect any potential effect of a rate change on any given Rate Reset Dates):

2016A Note:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Notes from Direct Borrowings</u>		
	<u>and Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 150,000	\$ 328,089	\$ 478,089
2023	175,000	322,853	497,853
2024	175,000	317,614	492,614
2025	200,000	310,638	510,638
2026	150,000	303,657	453,657
2027-2031	1,075,000	1,423,976	2,498,976
2032-2036	1,675,000	1,197,613	2,872,613
2037-2041	2,425,000	854,679	3,279,679
2042-2046	3,375,000	365,816	3,740,816
Total	<u>\$ 9,400,000</u>	<u>\$ 5,424,935</u>	<u>#REF!</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$8,000,000 Limited Tax (Convertible to Unlimited Tax) Taxable General Obligation Advancing Improvement Loan, Series 2016B, dated September 29, 2016 (the Series 2016B Loan) as evidenced by a Loan Agreement with the Bank, with a maturity date of December 1, 2046. The 2016B Loan is further evidenced by the 2016B-1 and 2016B-2 Notes.

The District is authorized to request advances from the Bank on the Series 2016B Loan only under the following circumstances:

1. Inclusion of additional property into the District – Real property has been legally included within the boundaries of the District after September 29, 2016. Additional property included in the District after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction of Buildings; and (3) Completed Buildings.
2. True-Up of Assessed Valuation – After receipt of the final certified assessed valuation for 2017 from the Denver County Assessor, if the Assessed Value of the District No. 2 Property has increased from the projected assessed valuation of \$14,315,606 for 2017 that was the basis for the funding of the 2016A Loan on September 29, 2016.
3. Real property has been legally included within the boundaries of District No. 1 or District No. 3 after September 29, 2016 and there exists a pledge to the Bank of additional revenue. Property included in the boundaries of District No. 1 and/or District No. 3 after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction of Buildings; and (3) Completed Buildings.

The District may make advance requests once each calendar quarter in amounts not less than \$250,000 for Construction of Buildings and Completed Buildings. There shall be no minimum amount for Advance Requests relating to Contributed Land or to True-Up of Assessed Valuations.

The Series 2016B Loan is a variable rate loan with interest accruing at the taxable rate as follows:

For advances made:

Prior to December 1, 2017 – 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2017 and November 30, 2018 – 3.00% plus the four-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2018 and November 30, 2019 – 3.00% plus the three-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

On or after December 1, 2019 and November 30, 2020 – 3.00% plus the two-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2020 and November 30, 2021 – 3.00% plus the one-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

Thereafter, on each rate reset on December 1, 2021, and each five-year anniversary of such date until maturity, interest is 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On December 9, 2016, the District entered into a Loan Pricing and Purchase Agreement whereby the interest rate on the 2016B-1 Note was changed to the Bank Qualified Tax Exempt Rate (as defined in the Loan Pricing and Purchase Agreement), and which is equal to the taxable rate, as defined above, multiplied by 75%.

The Series 2016B Loan is secured by and payable solely from the same Pledged Revenues as the Series 2016A Loan and follow the same prepayment conditions as the Series 2016A Loan. The Series 2016B Loan is parity debt to the Series 2016A Loan.

On December 27, 2017, the District received advances amounting to \$440,147. The advances are evidenced by the 2016B-1 and 2016B-2 Notes amounting to \$50,001 and \$390,146, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure and operating costs incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016B advances and (iii) funding a portion of interest to accrue on the Series 2016B-1 and 2016B-2 Notes.

On June 21, 2019, the District received advances amounting to \$489,456. The advances are evidenced by the 2016B-2 Notes amounting to \$319,009 and \$170,447, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the District formation costs; (ii) reimbursing District operating costs and (iii) paying the costs of issuance of the Series 2016B-2 advances.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2016B-1 Note will mature as follows (interest amounts do not reflect any potential effect of a rate change on any given Rate Reset Dates):

2016B-1 Note:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Notes from Direct Borrowings</u>		
	<u>and Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 750	\$ 1,948	\$ 2,698
2023	875	1,917	2,792
2024	875	1,886	2,761
2025	1,000	1,844	2,844
2026	750	1,803	2,553
2027-2031	5,375	8,454	13,829
2032-2036	8,375	7,110	15,485
2037-2041	12,125	5,075	17,200
2042-2046	16,876	2,171	19,047
Total	<u>\$ 47,001</u>	<u>\$ 32,208</u>	<u>\$ 79,209</u>

The Series 2016B-2 Notes will mature as follows (interest amounts do not reflect any potential effect of a rate change on any given Rate Reset Dates):

2016B-2 Note:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Notes from Direct Borrowings</u>		
	<u>and Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 17,044	\$ 23,352	\$ 40,395
2023	18,503	22,650	41,153
2024	18,957	21,944	40,901
2025	20,514	21,100	41,614
2026	19,116	20,248	39,364
2027-2031	117,390	88,221	205,612
2032-2036	158,764	60,525	219,288
2036-2041	180,935	23,053	203,988
2042-2046	4,019	187	4,205
Total	<u>\$ 555,241</u>	<u>\$ 281,279</u>	<u>\$ 836,520</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On May 4, 2010, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$256,155,000 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 4, 2010	Series 2016A Loan (1)	Series 2016B Loan	Authorized but Unissued
Streets	\$ 25,615,500	\$ 3,600,000	\$ 337,752	\$ 21,677,748
Parks and Recreation	25,615,500	3,700,000	18,501	21,896,999
Water	25,615,500	800,000	4,000	24,811,500
Sanitation	25,615,500	1,900,000	9,500	23,706,000
Transportation	25,615,500	-	-	25,615,500
Mosquito Control	25,615,500	-	-	25,615,500
Traffic and Safety Controls	25,615,500	-	-	25,615,500
Operations and Maintenance	25,615,500	-	559,850	25,055,650
Refundings	25,615,500	-	-	25,615,500
Intergovernmental Agreements	25,615,500	-	-	25,615,500
Total	<u>\$ 256,155,000</u>	<u>\$ 10,000,000</u>	<u>\$ 929,603</u>	<u>\$ 245,225,397</u>

(1) Estimated – The 2016A Loan does not include detailed information related to authorized indebtedness. Amounts are allocated by District purpose (i.e., streets, traffic, and safety controls, etc.) for the debt issuance.

Pursuant to the Service Plan, the Districts are permitted to issue bonded indebtedness up to \$22,612,500; provided however that the total debt authorization of \$22,612,500 may increase by an additional \$3,000,000 with the prior written approval of the Manager of Finance of the City.

NOTE 5 DISTRICT AGREEMENTS

Memorandum of Understanding

A Memorandum of Understanding was entered into on October 29, 2010, and amended on August 22, 2016, by and among the District, District No. 1 and District No. 3 (MOU). The MOU acknowledges that District No. 1 shall provide for the financing, construction, design, operation, and maintenance of the Improvements, as well as the overall administration of the Districts and further acknowledges that District No. 1 has the authority to enter into agreement(s) and other obligations with the developer of the Property to provide for the financing of such services. The District issued the 2016A Loan to repay the 2010 Note and the District and District No. 3 will impose an operations mill levy to fund the Districts' services provided by District No. 1. The MOU acknowledges that the Districts will enter into an IGA detailing such services (District IGA). The MOU further provides that the District IGA will require District No. 1 and District No. 3 to reimburse the District for any debt issued by the District for public improvements on an allocable basis.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 DISTRICT AGREEMENTS (CONTINUED)

Memorandum of Understanding (Continued)

The First Amendment to MOU acknowledges the District will issue debt to repay the Developer Note (which has since been paid off) and the District and District No. 3 (at such time it has real property within its boundaries) will impose an operation mill levy to fund the Districts' services provided by District No. 1. The First Amendment to MOU acknowledges that the Districts will enter into an IGA detailing such services ("District IGA").

The First Amendment to MOU also provides that the District IGA shall provide for the District and District No. 3 to remit all revenues to District No. 1 for all costs incurred by District No. 1 pursuant to the First Amendment to MOU based on an allocable basis to be set forth in the District IGA. The District IGA also provides for District No. 1 and District No. 3 to reimburse the District for any debt issued by the District for public improvements based in allocable basis to be set forth in the District IGA.

During the year ending December 31, 2021, the District transferred \$283,095 to District No. 1, representing property and specific ownership taxes collected by the District.

Capital Pledge Agreement

On October 29, 2010, the District entered into a Capital Pledge Agreement (the Pledge Agreement) with District No. 1 and District No. 3. The terms of the Pledge Agreement call for the District and District No. 3 (the Taxing Districts) to pledge revenues, consisting of property taxes, specific ownership taxes, and facilities fees, towards the payment of the \$22,612,500 Subordinate Nonrevolving Line of Credit Note, Series 2010 (the 2010 Note) between District No. 1 and Denargo Market, L.P. The 2010 Note was subsequently reissued to Denargo Market Development, LLC (the "Developer") and such 2010 Note was further Amended and Restated, but has now been paid off. The Taxing Districts agreed to impose the Capital Levies upon the direction of District No. 1 for 30 years after the direction of District No. 1 in the amount of the Capital Levies as determined by District No. 1; provided however that the Capital Levy cannot exceed 35 mills for each Taxing District, provided that in the event the method of calculating assessed valuation is changed after March 8, 2010, the maximum mill levy will be increased or decreased to reflect such changes. If the Notes are held by an owner who does not qualify as a "financial institution or an institutional investor" as defined in §32-1-103 (6.5), C.R.S., or does not otherwise meet the requirements of §32-1-1101(6)(a) C.R.S., then the Capital Levy shall not be subject to adjustment.

The Series 2016A Loan repaid amounts outstanding to the Developer under the 2010 Note and accordingly, the 2010 Note was amended and restated to an amount not to exceed \$500,000, reflecting amounts due to the Developer following the issuance of the Series 2016A Loan and use of the proceeds thereof to pay down the 2010 Note (the Amended Note).

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 DISTRICT AGREEMENTS (CONTINUED)

Capital Pledge Agreement

On September 29, 2016, the Districts entered into an Amendment to and Subordination of Capital Pledge Agreement (the Subordination Agreement). The Subordination Agreement states that any and all obligations of the Districts under the Pledge Agreement are fully subordinate and shall be performed and payable only on a subordinate basis to the 2016 Loan (see Note 4). The Parties further acknowledge that any proceeds received in the future from the Series 2016B Loan shall be used first to repay the Amended Note and at such time as the Amended Note is paid in full, the Pledge Agreement shall terminate and be of no further force and effect.

District No. 1 and the Taxing Districts entered into a Termination of Capital Pledge Agreements dated September 15, 2020 whereby any and all obligations of District No. 1 and the Taxing Districts under the Capital Pledge Agreement and the Subordination Agreement were terminated.

NOTE 6 NET POSITION

The District has net position consisting of one component – unrestricted.

Unrestricted net position represents assets that do not have any third-party limitations on their use. The District's unrestricted net position as of December 31, 2021 is (\$9,746,524). This deficit amount was a result of the District being responsible for the repayment of debt obligations issued for public improvements, which were conveyed to other entities.

NOTE 7 RELATED PARTY

Some of the members of the Board of Directors of the District may be or have been employees, consultants, owners of, or otherwise associated with the current developer of the property located within the Districts, JV Denargo LLC (Current Developer), and may have conflicts of interest in dealing with the District. Additionally, one of the directors is employed by the City and as such, may have conflicts of interest in dealing with the District. Specific details of transactions with the Current Developer regarding advances and debt are described elsewhere in these footnotes.

NOTE 8 RISK MANAGEMENT

The District 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 natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for general and automobile liability, public officials, auto physical damage, and worker's compensation coverage. In the event aggregate 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 9 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 which 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.

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 transfers its net operating revenue to Denargo Market Metropolitan District No. 1 pursuant to the Memorandum of Understanding, as amended. Therefore, the Emergency Reserves related to the District's revenues are captured in the financial statements of Denargo Market Metropolitan District No. 1.

On May 4, 2010, the voters approved the District to increase property taxes \$3,000,000 annually for the purpose of paying the District's operations and maintenance expenses and \$6,000,000 (up to 10 mills) for paying the costs associated with regional improvements as required by the City, without regard to any spending, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution or any other property tax limitation or law.

Additionally, the voters authorized the District to collect, retain and spend all revenues received by the District during 2011 and all subsequent years as voter-approved revenue changes without regard to any spending, revenue raising or other limitation.

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 and qualification as an Enterprise will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 817,980	\$ 817,980	\$ 817,980	\$ -
Specific Ownership Tax	40,899	42,116	44,506	2,390
Net Investment Income	5,300	192	138	(54)
Total Revenues	<u>864,179</u>	<u>860,288</u>	<u>862,624</u>	<u>2,336</u>
EXPENDITURES				
Debt Service:				
County Treasurer's Fee	8,180	8,180	8,180	-
Contingency	3,177	21,755	-	21,755
Paying Agent Fees	2,000	4,500	4,500	-
Nonuse Fees	16,000	-	-	-
Note Interest - 2016A	332,452	332,452	332,452	-
Note Interest - 2016B	41,885	41,885	41,908	(23)
Note Principal 2016A	125,000	125,000	125,000	-
Note Principal 2016B	16,736	266,228	266,228	-
Total Expenditures	<u>545,430</u>	<u>800,000</u>	<u>778,268</u>	<u>21,732</u>
NET CHANGE IN FUND BALANCES	318,749	60,288	84,356	24,068
Fund Balance - Beginning of Year	<u>220,581</u>	<u>202,129</u>	<u>202,129</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 539,330</u></u>	<u><u>\$ 262,417</u></u>	<u><u>\$ 286,485</u></u>	<u><u>\$ 24,068</u></u>

OTHER INFORMATION

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Total	Levied	Collected	
2017	\$ 8,578,320	7.816	32.184	40.000	\$ 343,133	\$ 343,133	100.00 %
2018	15,393,320	10.000	30.000	40.000	615,727	612,244	99.43
2019	19,349,160	10.000	30.000	40.000	773,967	773,967	100.00
2020	25,546,900	11.000	30.209	41.209	1,052,762	1,037,847	98.58
2021	24,641,650	11.000	33.195	44.195	1,089,038	1,089,038	100.00
Estimated for Year Ending December 31, 2022	\$ 28,735,810	11.000	33.257	44.257	\$ 1,271,761		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: City and County of Denver Assessor and Treasurer.