

DENARGO MARKET METROPOLITAN DISTRICT NOS. 2 AND 3

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

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expires</u>
Laura H. Newman		2027/May 2027
Jeffrey D. Jones	Asst. Secretary	2025/May 2025
Todd T. Wenskoski		2025/May 2025
Wade Davidson		2027/May 2027
VACANT		2025/May 2025
Ann Finn	Secretary	

DATE: June 8, 2023

TIME: 8:00 a.m.

LOCATION: Zoom Meeting

<https://us02web.zoom.us/j/81056620865?pwd=WjhYZUtlMTYzbGxaZ2ZxdUpZSGtGZz09>

Phone: 1 (719) 359-4580

Meeting ID: 810 5662 0865

Password: 946822

One tap mobile: +17193594580,,81056620865#,,, *946822#

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum, location of meeting and posting of meeting notice for Denargo Market Metropolitan District No. 2 (“**District No. 2**”). Approve agenda.

C. Confirm quorum, location of meeting and posting of meeting notice and designate 24-hour posting location for Denargo Market Metropolitan District No. 3 (**District No. 3**”). Approve agenda.

D. Review and approve the Minutes of the March 22, 2023 Special Meeting for District No. 2 and the November 15, 2022 Regular Meeting for District No. 3 (enclosures).

E. Discuss results of the May 2, 2023 Regular Elections (enclosures).

F. Consider appointment of Officers:

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

II. CONSENT AGENDA – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event, the item will be removed from the Consent Agenda and considered on the Regular Agenda.

III. 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.

IV. FINANCIAL MATTERS

A. **District No. 2** - Review and accept the Unaudited Financial Statements through the period ending March 31, 2023 and Schedule of Cash Position (to be distributed).

B. **District No. 2** - Consider approval of 2022 Audit and authorize execution of Representations Letter (enclosure).

C. **District No. 3** - Ratify approval of the preparation, execution and filing of the Application for Exemption from Audit for 2022 (enclosure).

V. LEGAL MATTERS

A. Discuss matters related to proposed loan or bond issuance.

1. Establish a Bond Committee and appoint Committee Members.

2. Discuss and consider approval of the engagement of Bond Counsel.

3. Review proposals and consider approval of the engagement of RBC Capital Markets, LLC as Underwriter (to be distributed).
-

- B. **District No. 2** - Discuss matters related to possible November 7, 2023 special election.
-

- C. Discuss legislative changes that may impact the Districts / Annual Meeting requirement.
-

VI. OTHER

- A. **District No. 2** – Consider cancellation of the June 20, 2023 Regular Meeting.
-

- VII. ADJOURNMENT **THE NEXT REGULAR MEETING FOR DISTRICT NO. 2 IS SCHEDULED FOR JUNE 20, 2023 AND FOR DISTRICT NO. 3 IS SCHEDULED FOR NOVEMBER 14, 2023.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD MARCH 22, 2023

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 22nd day of March 2023, at 4:30 p.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Jeffrey D. Jones
Todd T. Wenskoski (for a portion of the meeting)
Wade Davidson

Also In Attendance Were:

Ann Finn; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Erica Montague, Esq; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

Mike Kuyper; Triunity Engineering & Management & Management, Inc.

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.

RECORD OF PROCEEDINGS

Confirmation of Quorum, Location of Meeting and Posting of Meeting

Notices: Ms. Finn 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 Newman, seconded by Director Jones 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 at the park located at the intersection of 28th Street and Delgany Street.

Agenda: Ms. Finn reviewed with the Board a proposed Agenda for the District's Special Meeting.

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

Minutes: The Board reviewed the Minutes of the November 15, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote unanimously carried, the Minutes of the November 15, 2022 Regular Meeting were approved.

May 2, 2023 Regular Election: Attorney Williams reported to the Board the May 2, 2023 Election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were not more candidates than positions available on the Board of Directors.

Appointment of District Treasurer: The Board discussed the appointment of a District Treasurer.

Following discussion, upon motion duly made by Director Davidson, seconded by Director Jones and, upon vote unanimously carried, the Board appointed Director Wenskoski as the District Treasurer.

RECORD OF PROCEEDINGS

CONSENT AGENDA

There were no items on the consent agenda.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Unaudited Financial Statements: Ms. Ross reviewed the unaudited financial statements through the period ending December 31, 2022 and Schedule of Cash Position updated as of February 20, 2023 with the Board.

Following review, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote unanimously carried, the Board accepted the unaudited financial statements through the period ending December 31, 2022 and Schedule of Cash Position updated as of February 20, 2023.

Resolution Regarding Continuing Disclosure Policies and Procedures: Attorney Williams presented the Resolution Regarding Continuing Disclosure Policies and Procedures to the Board.

Following review, upon motion duly made by Director Wenskoski, seconded by Director Jones and, upon vote unanimously carried, the Board adopted the Resolution Regarding Continuing Disclosure Policies and Procedures

LEGAL MATTERS

Service Plan Amendment: Attorney Williams informed the Board that a public hearing for approval of the proposed Service Plan Amendment by Denver City Council will be held on March 28, 2023.

Amended & Restated Resolution Calling May 2, 2023 Election: The Board entered into discussion regarding an Amended & Restated Resolution Calling May 2, 2023 Election.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote unanimously carried, the adopted the Amended & Restated Resolution Calling May 2, 2023 Election.

OPEARATION AND MAINTENANCE

There were no operation and maintenance matters at this time.

CAPITAL MATTERS

There were no capital matters at this time.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3 HELD NOVEMBER 15, 2022

A Regular 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 15th day of November 2022, at 4:30 p.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

Ann Finn; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Erica Montague, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

Shannon Cox Baker; Pennrose, LLC (for a portion of the meeting)

Mike Kuyper and Matt; Triunity Engineering & Management, Inc. (for a portion of the meeting)

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. Director Wenskoski noted for the record that his company, Livable Cities Studio, Inc. has been engaged by Pennrose, LLC to provide landscape architecture services on the 2700 Wewatta Project. There were no additional disclosures made by the

RECORD OF PROCEEDINGS

Directors present at the meeting and the Board 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: Ms. Finn 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.

Agenda: Ms. Finn reviewed with the Board a proposed Agenda for the District's Regular Meeting.

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

Resolution of Appreciation for Donald D. Cabrera: Ms. Finn presented a Resolution of Appreciation for Donald D. Cabrera.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Resolution of Appreciation for Donald D. Cabrera.

Minutes: The Board reviewed the Minutes of the September 20, 2022 Regular Meeting and November 1, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote unanimously carried, the Minutes of the September 20, 2022 Regular Meeting and November 1, 2022 Special Meeting were approved, as presented.

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.

RECORD OF PROCEEDINGS

Ms. Finn reviewed the business to be conducted in 2023 to meet the statutory compliance requirements. The Board determined to meet on November 14, 2023 at 4:30 p.m., via Zoom meeting.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman 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.

CONSENT AGENDA

The Board considered the following actions:

- Authorize posting of the Transparency Notice on the Special District Association website, in compliance with requirements of Section 32-1-809, C.R.S.

Following discussion, upon motion duly made by Director Wenskoski, seconded by Director Newman and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

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

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend 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 this public hearing. No public comments were received, and the public hearing was closed.

Following discussion, it was determined that an Amendment to the 2022 Budget was not necessary.

2023 Budget Hearing: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written

RECORD OF PROCEEDINGS

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 estimated year-end 2022 revenues and expenditures and the proposed 2023 estimated revenues and expenditures.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board adopted the Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and the Resolution to Set Mill Levies (General Fund: 10.000 mills; Total: 10.000 mills), as discussed, and execution of the Certification of Budget was authorized. Ms. Finn was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. A copy of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

DLG-70 Certification of Tax Levies Form (“Certification”): The Board considered authorizing the District Accountant to prepare and the appointment of Director Newman to sign the Certification for transmittal to the Assessor and other interested parties.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare the Certification and for Director Newman to execute same for transmittal to the Denver Assessor and other interested parties. The Board further authorized Director Newman to approve bank fund transfers, as necessary.

CliftonLarsonAllen LLP Statements of Work by and between the District and CliftonLarsonAllen LLP for 2023 Accounting Services: The Board reviewed the CliftonLarsonAllen LLP Statements of Work.

Following review, upon motion duly made by Director Wenskoski, seconded by Director Newman and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP Statements of Work by and between the District and CliftonLarsonAllen LLP for 2023 Accounting Services.

2022 Application for Exemption from Audit: The Board reviewed the requirements for an Audit.

Following discussion, upon motion duly made by Director Jones, seconded by Director Davidson and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare, route for execution and file a 2022 Application for Exemption from Audit.

RECORD OF PROCEEDINGS

2024 Budget Preparation: The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director Jones, seconded by Director Davidson and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget.

LEGAL MATTERS

Resolution Calling a Regular Election on May 2, 2023, Appointing the Designated Election Official (“DEO”), and Authorizing the DEO to Perform all Tasks Required for the Conduct of Mail Ballot Election (“Election Resolution”): The Board discussed the Election Resolution.

Following discussion, upon motion duly made by Director Newman, seconded by Director Wenskoski and, upon vote, unanimously carried, the Board adopted the Election Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Service Plan Amendment: Attorney Williams updated the Board regarding timing for submittal of the proposed Service Plan Amendment for review by the City Council of the City and County of Denver.

OPERATION AND MAINTENANCE

None.

OTHER MATTERS

Pennrose, LLC (2700 Wewatta Way) Project: Ms. Cox Baker updated the Board regarding the status of the Pennrose, LLC (2700 Wewatta Way) Project, noting the closing on the property is scheduled for December 8, 2022 with construction to begin December 12, 2022.

Relocation of Xcel/Comcast/District pedestals onto the City and County of Denver ROW: The Board entered into discussion regarding the relocation of the District’s pedestal.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote carried, with Director Wenskoski abstaining, the Board authorized the District to engage Hooper Corporation, or another contractor to relocate the District’s pedestal, for an amount not to exceed \$15,000.

Establishment of a Construction Committee: The Board entered into discussion regarding the establishment of a Construction Committee.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote carried, with Director Wenskoski abstaining, the Board appointed Directors Newman and Davidson to the Construction Committee.

Construction Oversight/Site Inspections/Development Application Reviews (Triunity): Mr. Kuyper updated the Board regarding status of recent plan reviews for the 2700 Wewatta Project.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

**NOTICE OF CANCELLATION OF
REGULAR ELECTION
BY THE DESIGNATED ELECTION
OFFICIAL**

NOTICE IS HEREBY GIVEN by Denargo Market Metropolitan District No. 2, City and County of Denver, Colorado, that at the close of business on the sixty-third day before the election there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 2, 2023, is hereby canceled pursuant to Section 1-13.5-513, C.R.S.

The following candidates are declared elected:

Laura Newman, 4-year term ending May 4, 2027;
Wade Davidson, 4-year term ending May 4, 2027;
Todd Wenskoski, 2-year term ending May 6, 2025;
and
Vacant, 2-year term ending May 6, 2025.

DATED this 1st day of March, 2023.

/s/ Sarah E.E. Shepherd

Designated Election Official for the
Denargo Market Metropolitan District No. 2
c/o McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203-1254
Phone: 303-592-4380

Published in: *The Daily Journal*
Published on: March 28, 2023

**AVISO DE CANCELACIÓN DE LA ELECCIÓN
REGULAR POR PARTE DEL FUNCIONARIO
ELECTORAL DESIGNADO**

POR MEDIO DEL PRESENTE DOCUMENTO el Distrito Metropolitano Denargo Market N° 2, ciudad y condado de Denver, Colorado, notifica que al cierre del horario del sexagésimo tercer día antes de la elección no había más candidatos para director que los puestos a ser ocupados, lo cual incluye a los candidatos que están presentando declaraciones juradas de intención para ser candidatos de denominación directa; por consiguiente, la elección a celebrarse el 2 de mayo de 2023, queda por medio del presente cancelada, de conformidad con la Sección 1-13.5-513, C.R.S.

Los siguientes candidatos son declarados electos:

Laura Newman, mandato de 4 años que finaliza el 4 de mayo de 2027;
Wade Davidson, mandato de 4 años que finaliza el 4 de mayo de 2027;
Todd Wenskoski, mandato de 2 años que finaliza el 6 de mayo de 2025; y
Vacante, mandato de 2 años que finaliza el 6 de mayo de 2025.

FECHADO este 1st día de marzo de 2023.

/s/ Sarah E.E. Shepherd

Funcionario electoral designado para el
Distrito Metropolitano Denargo Market N° 2
c/o McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203-1254
Teléfono: 303-592-4380

**BOARD OF CANVASSERS CERTIFICATE OF
ELECTION RESULTS FOR THE REGULAR ELECTION
HELD MAY 2, 2023**

Sections 1-13.5-1305 and 32-1-104(1), C.R.S.

Denargo Market Metropolitan District No. 3

City and County of Denver, Colorado

Each of the undersigned members of the board of canvassers of the Denargo Market Metropolitan District No. 3 certifies that the following is a true and correct statement of the results of the Mail Ballot Election for the above-named District, at which time the eligible electors of the District voted as indicated on the attached Judges' Certificate of Election Returns, and as a result of which the eligible electors elected to office the following Directors:

Ballot Issue 600:

For Each Candidate Elected to Office:

Name:	Address:	Term:
<u>Todd Thomas Wenskoski</u>	<u>1301 N. Adams Street Denver, CO 80206</u>	<u>To the Next Regular Election</u>
<u>No candidate for this office</u>	<u>Not Applicable</u>	<u>To the Next Regular Election</u>
<u>Laura Haley Newman</u>	<u>4563 N. Winona Court Denver, CO 80212</u>	<u>To the Second Regular Election</u>
<u>Wade Scott Davidson</u>	<u>5510 Balsam Street Arvada, CO 80002</u>	<u>To the Second Regular Election</u>

For Each Question/Issue Submitted (see attached copy of ballot):

	For (words and numeric)	Against (words and numeric)
Ballot Issue 6A:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6B:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6C:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6D:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6E:	<u>Five (5)</u>	<u>Zero (0)</u>

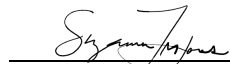
Ballot Issue 6F:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6G:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6H:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6I:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6J:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6K:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6L:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6M:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6N:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6O:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6P:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6Q:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6R:	<u>Five (5)</u>	<u>Zero (0)</u>

Dated this 8th day of May, 2023.

(Signed) Jennifer Pino
Designated Election Official

(Signed) 
Canvasser

Paula J. Williams
Contact Person for District

(Signed) 
Canvasser

450 E. 17th Avenue, Suite 400
Denver, Colorado 80203-1254

Business Address

303-592-4380

Telephone Number

Procedural Instructions: Prepare and deliver a Certificate of Election to those candidates receiving the highest number of votes. Deposit one copy with the clerk and recorder of each county in which the special district is located. This must be available for public inspection in the office of the Designated Election Official.

Send 1 copy to: **Division of Local Government**
1313 Sherman Street, Room 521
Denver, CO 80203

Provide a list of all current directors to the division, including addresses, within 30 days after the election.

JUDGES' CERTIFICATE OF ELECTION RETURNS

Sections 1-13.5-613, C.R.S.

IT IS HEREBY CERTIFIED by the undersigned, who conducted the independent mail ballot election for the Denargo Market Metropolitan District No. 3, in the City and County of Denver and State of Colorado, on May 2, 2023, that after qualifying by swearing and subscribing to their Oaths of Office, they opened the polls at 7:00 a.m., and that they kept the polls open continuously until the hour of 7:00 p.m., on said date, after which they counted the ballots cast for directors of said District and for any ballot issues and ballot questions submitted.

The votes cast for and against each ballot question submitted were as follows:

Ballot Question 600:

		(words and numeric)
Candidate for Director	No. of Votes	<u>Five (5)</u>
Todd Thomas Wenskoski	No. of Votes	<u>Zero (0)</u>
No candidate for this office	No. of Votes	<u>Five (5)</u>
Laura Haley Newman	No. of Votes	<u>Five (5)</u>
Wade Scott Davidson	No. of Votes	<u>Five (5)</u>

	YES	NO
Ballot Issue 6A:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6B:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6C:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6D:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6E:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6F:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6G:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6H:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6I:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6J:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6K:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6L:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6M:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6N:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6O:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6P:	<u>Five (5)</u>	<u>Zero (0)</u>
Ballot Issue 6Q:	<u>Five (5)</u>	<u>Zero (0)</u>

	<u>YES</u>	<u>NO</u>
Ballot Issue 6R:	<u>Five (5)</u>	<u>Zero (0)</u>

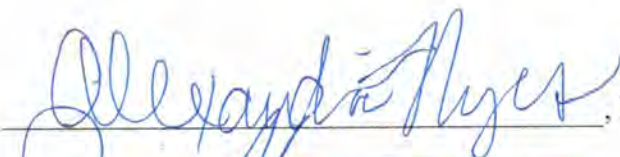


(words and numeric)

It is hereby identified and specified that:

Number of ballots voted:	Five (5)
Number of ballots delivered to electors:	Seven (7)
Number of UOCAVA ballots delivered to electors:	Zero (0)
Number of ballots not delivered to electors (extra ballots):	Two (2)
Number of unofficial and substitute ballots voted:	Zero (0)
Number of spoiled ballots:	Zero (0)
Number of ballots returned as undeliverable:	Zero (0)

That all of said ballots were cast at said election by those electors of the District who were registered to vote pursuant to the "Uniform Election Code of 1992", Articles 1 to 13 of Title 1, C.R.S., and who either is a resident of the District or who or whose spouse owns taxable real or personal property situated within the boundaries of the District, whether said person resides within the District or not, and that no person possessing proper qualifications was refused the privilege of voting at said election.

Certified by:

	, Election Judge
	, Election Judge
	, Election Judge

May 2, 2023

No. _____

OFFICIAL BALLOT FOR DENARGO MARKET METROPOLITAN DISTRICT NO. 3

MAY 2, 2023

Jennifer Pino

Facsimile Signature of Designated Election Official

To request a ballot in Spanish, contact the Designated Election Official, Jennifer Pino, at jpino@specialdistrictlaw.com; Telephone: 303-592-4380.

Para solicitar un boleta electoral en español, póngase en contacto con el Funcionario Electoral Designado, Jennifer Pino, en jpino@specialdistrictlaw.com; Teléfono: 303-592-4380.

WARNING

Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

SECTION 1-13.5-1105(4)(B), C.R.S.

This may not be your only ballot. Other elections may be held by other political subdivisions by mail or by polling place. Refer to the ballot instructions for complete information on voting. Review your ballot. Be sure you have voted on every office and issue.

To vote, place a crossmark (X) at the right of the name of each candidate. For write-in candidates, print name on blank line and then place a crossmark (X) at the right of that name.

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT QUESTION 600:

VOTE FOR NOT MORE THAN TWO DIRECTORS TO SERVE UNTIL THE NEXT REGULAR ELECTION:

Todd Thomas Wenskoski
There is no candidate for this office.

VOTE FOR NOT MORE THAN TWO DIRECTORS TO SERVE UNTIL THE SECOND REGULAR ELECTION:

Laura Haley Newman
Wade Scott Davidson

For each ballot issue or question place a crossmark (X) in the appropriate box directly following the ballot issue or question.

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6A:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$5,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, OPERATIONS, MAINTENANCE, AND CAPITAL EXPENSES, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION TO PAY SUCH EXPENSES AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2023 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6B:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$6,000,000 ANNUALLY (FIRST FULL FISCAL YEAR INCREASE) AND BY THE ADDITIONAL AMOUNTS THAT ARE RAISED ANNUALLY THEREAFTER BY THE IMPOSITION OF AN AD VALOREM PROPERTY TAX MILL LEVY EACH YEAR ON ALL TAXABLE PROPERTY OF THE DISTRICT UP TO FIFTEEN (15) MILLS, PROVIDED THAT SUCH MILL LEVY RATE MAY BE ADJUSTED BY THE BOARD OF DIRECTORS TO TAKE INTO ACCOUNT LEGISLATIVE OR CONSTITUTIONALLY IMPOSED ADJUSTMENTS IN ASSESSED VALUES OR THE METHOD OF THEIR CALCULATION OCCURRING AFTER MARCH 8, 2010 SO THAT, TO THE EXTENT POSSIBLE, THE ACTUAL REVENUES GENERATED BY SUCH MILL LEVY ARE NEITHER DIMINISHED NOR ENHANCED AS A RESULT OF SUCH CHANGES, FOR THE PURPOSE OF PAYING COSTS ASSOCIATED WITH REGIONAL INFRASTRUCTURE IMPROVEMENTS AS REQUIRED BY THE CITY AND COUNTY OF DENVER PUBLIC WORKS DEPARTMENT AND SERVICES FOR THE DISTRICT'S TAXPAYERS, RESIDENTS AND INHABITANTS AND SHALL THE REVENUE FROM SUCH TAXES AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2023 AND IN EACH YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301 C.R.S., IN ANY YEAR, OR ANY OTHER LAW, WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT

MAY BE AMENDED IN THE FUTURE WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6C:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$5,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, OPERATIONS, MAINTENANCE, AND CAPITAL EXPENSES, BY THE IMPOSITION OF A FEE OR FEES IMPOSED, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION TO PAY SUCH EXPENSES AND SHALL THE PROCEEDS OF SUCH FEES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2023 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6D:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$5,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY FOR THE PAYMENT OF SUCH AMOUNTS DUE PURSUANT TO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS OR OTHER CONTRACTS, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION FOR THE PAYMENT OF SUCH AMOUNTS DUE, AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2023 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR

EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6E:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$142,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY TO PAY FOR REGIONAL IMPROVEMENTS FOR WHICH THE DISTRICT IS OBLIGATED PURSUANT TO ITS SERVICE PLAN, ONE OR MORE INTERGOVERNMENTAL AGREEMENTS OR OTHER CONTRACTS, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, TO PAY THE COSTS OF SUCH REGIONAL IMPROVEMENTS, AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2023 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6F:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO CURBS, GUTTERS, CULVERTS, AND OTHER DRAINAGE FACILITIES, UNDERGROUND CONDUITS, SIDEWALKS,

TRAILS, PUBLIC PARKING LOTS, STRUCTURES AND FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN OVERPASSES, RETAINING WALLS, FENCING, ENTRY MONUMENTATION, STREETSCAPING, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, AND A SAFETY PROTECTION SYSTEM THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, SIGNALIZATION, SIGNING AND STRIPING, AREA IDENTIFICATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6G:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE

THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATION FACILITIES, IMPROVEMENTS AND PROGRAMS, INCLUDING BUT NOT LIMITED TO COMMUNITY PARKS, BIKE PATHS AND PEDESTRIAN WAYS, FENCING, TRAILS, REGIONAL TRAILS, FIELDS, TOT LOTS, OPEN SPACE, CULTURAL ACTIVITIES, COMMON AREAS, COMMUNITY RECREATION CENTERS, INDOOR AND OUTDOOR ATHLETIC FIELDS AND COURTS, OUTDOOR LIGHTING, EVENT FACILITIES, IRRIGATION FACILITIES, LAKES, WATER BODIES, SWIMMING POOLS, PUBLIC FOUNTAINS AND SCULPTURES, ART, GARDENS, LANDSCAPING, WEED CONTROL, AND OTHER ACTIVE AND PASSIVE RECREATIONAL FACILITIES, IMPROVEMENTS AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES
NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6H:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION AND DISTRIBUTION SYSTEM FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, AND TO PROVIDE ALL NECESSARY OR PROPER TREATMENT WORKS AND FACILITIES, EQUIPMENT, AND APPURTENANCES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO WELLS, WATER PUMPS, WATER LINES, WATER FEATURES, PURIFICATION PLANTS, PUMP STATIONS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, METERS, WATER TAPS, IRRIGATION FACILITIES, CANALS, DITCHES, WATER RIGHTS, FLUMES, PARTIAL FLUMES, HEADGATES, DROP STRUCTURES, STORAGE RESERVOIRS AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT

LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6I:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SANITATION SYSTEM WHICH MAY CONSIST OF STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, OR SOLID WASTE DISPOSAL FACILITIES OR WASTE SERVICES, AND ALL NECESSARY OR PROPER EQUIPMENT AND APPURTENANCES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO TREATMENT PLANTS AND FACILITIES, COLLECTION MAINS AND LATERALS, LIFT STATIONS, TRANSMISSION LINES, CANALS, SLUDGE HANDLING, REUSE AND DISPOSAL FACILITIES, AND/OR STORM SEWER, FLOOD AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, INCLUDING DETENTION/RETENTION PONDS, BOX CULVERTS AND ASSOCIATED IRRIGATION FACILITIES, EQUIPMENT, LAND, EASEMENTS AND SEWER TAPS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS

A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES
NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6J:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, OR PURSUANT TO CONTRACT, INCLUDING BUT NOT LIMITED TO PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PARKING LOTS, STRUCTURES, ROOFS, COVERS AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND ALL NECESSARY EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES OR SYSTEMS, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED

TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6K:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, MOSQUITO CONTROL AND ERADICATION FACILITIES, IMPROVEMENTS, PROGRAMS, EQUIPMENT AND SUPPLIES NECESSARY FOR THE ELIMINATION OF MOSQUITOES, INCLUDING BUT NOT LIMITED TO THE ELIMINATION OR TREATMENT OF BREEDING GROUNDS AND PURCHASE, LEASE, CONTRACTING OR OTHER USE OF EQUIPMENT OR SUPPLIES FOR MOSQUITO CONTROL WITHIN THE BOUNDARIES OF THE DISTRICT, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS

MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES
NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6L:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SAFETY PROTECTION SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING BUT NOT LIMITED TO TRAFFIC SIGNALS AND SIGNAGE, AND CONSTRUCTING UNDERPASSES OR OVERPASSES AT RAILROAD CROSSINGS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE

ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES
NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6M:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, SECURITY SERVICES AND IMPROVEMENTS INCLUDING, BUT NOT LIMITED TO, PERIMETER AND INTERIOR SECURITY PATROLS, CONSTRUCTION OF SAFETY BARRIERS OR OTHER PROTECTIVE MEASURES, ACQUISITION OF SECURITY EQUIPMENT, PROTECTION OF PROPERTY FROM UNLAWFUL DAMAGE OR DESTRUCTION, AND OTHER SECURITY IMPROVEMENTS WHICH MAY BE NECESSARY FOR THE ORDERLY CONDUCT OF DISTRICT AFFAIRS AND FOR PROTECTION OF THE HEALTH, SAFETY, AND WELFARE OF THE DISTRICT RESIDENTS, TAXPAYERS, OFFICERS, AND EMPLOYEES, INCLUSIVE OF THE GENERAL PUBLIC, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, AND LAND AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME, OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY

IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6N:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE DISTRICT'S OPERATING AND MAINTENANCE EXPENSES, OR ADVANCES OF OPERATING AND MAINTENANCE EXPENSES MADE TO THE DISTRICT, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, SUCH DEBT TO BE INCURRED AT ONE TIME OR FROM TIME TO TIME AND TO MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, AND TO CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AND BE MADE PAYABLE FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING WITHOUT LIMITATION AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE DEBT; ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SHALL THE PROCEEDS OF THE DEBT, THE REVENUES FROM SUCH TAXES, ANY OTHER REVENUES USED TO PAY THE DEBT, AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED

REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES
NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 60:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DISTRICT'S DEBT, BUT NOT TO EXCEED THE MAXIMUM NET EFFECTIVE INTEREST RATE OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; ALL OF THE ABOVE AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE

AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6P:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 DEBT BE INCREASED \$142,000,000 WITH A REPAYMENT COST OF \$908,800,000, AND SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 TAXES BE INCREASED \$908,800,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO CONSIST OF INTERGOVERNMENTAL AGREEMENTS OR OTHER CONTRACTS WITHOUT LIMIT AS TO TERM WITH ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE, GOVERNMENTAL UNITS, GOVERNMENTALLY-OWNED ENTERPRISES, OR OTHER PUBLIC ENTITIES, WHICH CONTRACTS WILL CONSTITUTE MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS AND WHICH WILL OBLIGATE THE DISTRICT TO PAY, REIMBURSE OR FINANCE THE COSTS OF FINANCING, DESIGNING, ACQUIRING, CONSTRUCTING, COMPLETING OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, ANY PUBLIC IMPROVEMENT WHICH THE DISTRICT IS LAWFULLY AUTHORIZED TO PROVIDE, ALL AS MAY BE PROVIDED IN SUCH CONTRACTS, SUCH CONTRACT OBLIGATIONS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, BE REFINANCED AT A NET EFFECTIVE INTEREST RATE NOT TO EXCEED THE MAXIMUM NET EFFECTIVE INTEREST RATE WITHOUT ADDITIONAL VOTER APPROVAL AND CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE; AND IN CONNECTION THEREWITH SHALL AD VALOREM PROPERTY TAXES BE LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE OBLIGATIONS OF THE CONTRACTS WHEN DUE, AND SHALL THE PROCEEDS OF THE CONTRACTS, THE REVENUES FROM ALL TAXES, FROM REVENUE SHARING AGREEMENTS, ANY OTHER REVENUES USED TO PAY THE OBLIGATIONS OF THE CONTRACTS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT

MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6Q:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE, GOVERNMENTAL UNITS, GOVERNMENTALLY-OWNED ENTERPRISES, OR OTHER PUBLIC ENTITIES FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, PUBLIC IMPROVEMENT FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS?

YES

NO

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BALLOT ISSUE 6R:

SHALL DENARGO MARKET METROPOLITAN DISTRICT NO. 3 BE AUTHORIZED TO ENTER INTO ONE OR MORE MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS EVIDENCED BY AN INTERGOVERNMENTAL AGREEMENT OR AGREEMENTS CONCERNING THE PROVISION OF PUBLIC IMPROVEMENTS WITH A REGIONAL AUTHORITY OR ONE OR MORE OTHER POLITICAL SUBDIVISIONS OR GOVERNMENTALLY-OWNED ENTERPRISES, CONTAINING SUCH TERMS AND CONDITIONS AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE TO BE NECESSARY AND APPROPRIATE AND PROVIDING FOR PAYMENTS BY THE DISTRICT IN AN AGGREGATE AMOUNT NOT TO EXCEED \$908,800,000 OF TAX

REVENUES DERIVED FROM AN AD VALOREM MILL LEVY IMPOSED BY THE DISTRICT ON ALL TAXABLE PROPERTY?

YES

NO

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2022**

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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 3,035
Cash and Investments - Restricted	521,782
Receivable - County Treasurer	4,067
Property Taxes Receivable	1,588,707
Total Assets	2,117,591
LIABILITIES	
Due to District No. 1	4,046
Accrued Interest Payable	28,008
Noncurrent Liabilities:	
Due Within One Year	194,378
Due in More Than One Year	9,395,071
Total Liabilities	9,621,503
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	1,588,707
Total Deferred Inflows of Resources	1,588,707
NET POSITION	
Restricted for:	
Debt Service	22,524
Capital Projects	502,314
Unrestricted	(9,617,457)
Total Net Position	\$ (9,092,619)

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

		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	\$ 334,488	\$ -	\$ -	\$ -	\$ (334,488)
Interest and Related Costs on Long-Term Debt	365,073	-	-	-	(365,073)
Total Governmental Activities	\$ 699,561	\$ -	\$ -	\$ -	(699,561)
 GENERAL REVENUES					
Property Taxes					1,271,761
Specific Ownership Taxes					65,135
Net Investment Income					15,168
Total General Revenues					1,352,064
 CHANGE IN NET POSITION					
					652,503
Net Position - Beginning of Year					(9,745,122)
 NET POSITION - END OF YEAR					 (9,092,619)

See accompanying Notes to Basic Financial Statements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 3,035	\$ -	\$ -	\$ 3,035
Cash and Investments - Restricted	-	19,468	502,314	521,782
Receivable from County Treasurer	1,011	3,056	-	4,067
Property Taxes Receivable	394,859	1,193,848	-	1,588,707
Total Assets	\$ 398,905	\$ 1,216,372	\$ 502,314	\$ 2,117,591
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to District No. 1	\$ 4,046	\$ -	\$ -	\$ 4,046
Total Liabilities	4,046	-	-	4,046
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	394,859	1,193,848	-	1,588,707
Total Deferred Inflows of Resources	394,859	1,193,848	-	1,588,707
FUND BALANCES				
Restricted For:				
Debt Service	-	22,524	-	22,524
Capital Projects	-	-	502,314	502,314
Total Fund Balances	-	22,524	502,314	524,838
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 398,905	\$ 1,216,372	\$ 502,314	
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				(9,589,449)
Accrued Interest Payable				(28,008)
Net Position of Governmental Activities				\$ (9,092,619)

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 316,094	\$ 955,667	\$ -	\$ 1,271,761
Specific Ownership Taxes	16,189	48,946	-	65,135
Net Investment Income	2,205	10,649	2,314	15,168
Total Revenues	<u>334,488</u>	<u>1,015,262</u>	<u>2,314</u>	<u>1,352,064</u>
EXPENDITURES				
Current:				
County Treasurer's Fee	3,165	-	-	3,165
Debt Service:				
Paying Agent Fees	-	4,500	-	4,500
Note Interest - 2016A	-	327,375	-	327,375
Note Interest - 2016B	-	24,987	-	24,987
County Treasurer's Fee	-	9,567	-	9,567
Note Principal 2016A	-	150,000	-	150,000
Note Principal 2016B	-	262,794	-	262,794
Transfers to District No. 1	331,323	-	-	331,323
Total Expenditures	<u>334,488</u>	<u>779,223</u>	<u>-</u>	<u>1,113,711</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	236,039	2,314	238,353
OTHER FINANCING SOURCES (USES)				
Transfers in/(out)	-	(500,000)	500,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(263,961)	502,314	238,353
Fund Balances - Beginning of Year	<u>-</u>	<u>286,485</u>	<u>-</u>	<u>286,485</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 22,524</u>	<u>\$ 502,314</u>	<u>\$ 524,838</u>

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, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 238,353

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	150,000
Note Principal 2016B Payment	262,794

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	<u>1,356</u>
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Net Position - Governmental Activities \$ 652,503

See accompanying Notes to Basic Financial Statements.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 316,094	\$ 316,094	\$ 316,094	\$ -
Specific Ownership Tax	15,805	15,805	16,189	384
Net Investment Income	-	1,500	2,205	705
Other Revenue	-	11,601	-	(11,601)
Total Revenues	331,899	345,000	334,488	(10,512)
EXPENDITURES				
Current:				
Transfers to District No. 1	328,738	330,234	331,323	(1,089)
County Treasurer's Fees	3,161	3,165	3,165	-
Contingency	-	11,601	-	11,601
Total Expenditures	331,899	345,000	334,488	10,512
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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, 2022

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, 2022

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.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of equipment and facilities.

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, 2022.

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, 2022

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, 2022**

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, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 3,035
Cash and Investments - Restricted	<u>521,782</u>
Total Cash and Investments	<u><u>\$ 524,817</u></u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 512,605
Investments	<u>12,212</u>
Total Cash and Investments	<u><u>\$ 524,817</u></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, 2022, the District's cash deposits had a bank balance and a carrying balance of \$512,605.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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	\$ 12,212

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investing Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper.

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

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Governmental Activities:					
Notes from Direct Borrowings and Direct Placements					
Limited Tax General Obligation Improvement Loan, Series 2016A	\$ 9,400,000	\$ -	\$ (150,000)	\$ 9,250,000	\$ 175,000
Limited Tax General Obligation Improvement Loan, Series 2016B-1	47,001	-	(750)	46,251	875
Limited Tax General Obligation Improvement Loan, Series 2016B-2	555,242	-	(262,044)	293,198	18,503
Total	<u>\$ 10,002,243</u>	<u>\$ -</u>	<u>\$ (412,794)</u>	<u>\$ 9,589,449</u>	<u>\$ 194,378</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.

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 series 2016A Loan is collateralized by the Revenue Fund, Loan Fees Fund, Loan Payment Fund & Surplus Fund held by the Custodian.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2016A Loan does not have any unused lines of credit. The 2016A loan is not subject to acceleration. To the extent principal is not paid when due, principal shall remain outstanding until paid. To the extent interest is not paid when due, such unpaid interest shall compound semi-annually on each June 1 and December 1 at the default interest rate. Events of default occur if the District fails to Impose the 2016A Required Mill Levy, or to apply the 2016A Pledged Revenues as required by the 2016A Loan Agreement and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Loan Agreement.

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, 2022

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):

<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>	
2023	\$ 175,000	\$ 322,151	\$ 497,151
2024	175,000	316,922	491,922
2025	200,000	309,961	509,961
2026	150,000	302,996	452,996
2027	175,000	297,772	472,772
2028-2032	1,200,000	1,384,148	2,584,148
2033-2037	1,800,000	1,135,954	2,935,954
2038-2042	2,600,000	768,362	3,368,362
2043-2046	2,775,000	247,477	3,022,477
Total	<u>\$ 9,250,000</u>	<u>\$ 5,085,742</u>	<u>\$ 14,335,742</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

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. The Series 2016B Loan is collateralized by all funds held by the Custodian.

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.

The Advance Termination Date for the Series 2016B Loan was December 28, 2020. \$7,070,397 of the credit line is unused and no longer available. The 2016B loan is not subject to acceleration. To the extent principal is not paid when due, principal shall remain outstanding until paid. To the extent interest is not paid when due, such unpaid interest shall compound semi-annually on each June 1 and December 1 at the default interest rate. Events of default occur if the District fails to Impose the 2016B Required Mill Levy, or to apply the 2016B Pledged Revenues as required by the 2016B Loan Agreement and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Loan Agreement.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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):

<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>	
2023	\$ 875	\$ 1,611	\$ 2,486
2024	875	1,585	2,460
2025	1,000	1,550	2,550
2026	750	1,515	2,265
2027	875	1,489	2,364
2028-2032	6,000	6,921	12,921
2033-2037	9,000	5,680	14,680
2038-2042	13,000	3,842	16,842
2043-2046	13,876	1,237	15,113
Total	<u>\$ 46,251</u>	<u>\$ 25,429</u>	<u>\$ 71,680</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):

<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>	
2023	\$ 18,503	\$ 12,339	\$ 30,842
2024	18,957	11,605	30,562
2025	20,514	10,789	31,303
2026	19,116	9,937	29,053
2027	20,668	9,154	29,822
2028-2032	125,518	31,788	157,306
2033-2037	69,921	6,318	76,239
Total	<u>\$ 293,197</u>	<u>\$ 91,931</u>	<u>\$ 385,128</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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, 2022

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, 2022, the District transferred \$331,323 to District No. 1, representing property and specific ownership taxes collected by the District.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation, the District had restricted net position as of December 31, 2022 as follows:

Restricted Net Position:	
Debt Service	\$ 22,524
Capital Projects	502,314
Total Restricted Net Position	<u>\$ 524,838</u>

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, 2022 is (\$9,617,457). 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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District 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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 955,667	\$ 955,667	\$ 955,667	\$ -
Specific Ownership Tax	47,783	47,783	48,946	1,163
Net Investment Income	500	5,500	10,649	5,149
Total Revenues	<u>1,003,950</u>	<u>1,008,950</u>	<u>1,015,262</u>	<u>6,312</u>
EXPENDITURES				
Debt Service:				
County Treasurer's Fee	9,557	9,567	9,567	-
Contingency	4,429	4,434	-	4,434
Paying Agent Fees	4,500	4,500	4,500	-
Note Interest - 2016A	328,089	328,089	327,375	714
Note Interest - 2016B	41,098	25,000	24,987	13
Note Principal 2016A	150,000	150,000	150,000	-
Note Principal 2016B	18,327	268,327	262,794	5,533
Total Expenditures	<u>556,000</u>	<u>789,917</u>	<u>779,223</u>	<u>10,694</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	447,950	219,033	236,039	17,006
OTHER FINANCING SOURCES (USES)				
Transfer To Denargo MD No. 1	-	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	447,950	(280,967)	(263,961)	17,006
Fund Balance - Beginning of Year	<u>533,664</u>	<u>286,485</u>	<u>286,485</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 981,614</u>	<u>\$ 5,518</u>	<u>\$ 22,524</u>	<u>\$ 17,006</u>

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	2,314	\$ 2,314
Total Revenues	-	2,314	2,314
EXPENDITURES			
Total Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	-	500,000	(500,000)
Total Other Financing Sources (Uses)	-	500,000	(500,000)
NET CHANGE IN FUND BALANCES	-	502,314	502,314
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 502,314</u>	<u>\$ 502,314</u>

OTHER INFORMATION

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

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	
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
2022	28,735,810	11.000	33.257	44.257	1,271,761	1,271,761	100.00
Estimated for Year Ending December 31, 2023	\$ 34,458,460	11.459	34.646	46.105	\$ 1,588,707		

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.

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM**NAME OF GOVERNMENT
ADDRESS

Denargo Market Metropolitan District No. 3

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON
PHONE
EMAIL

Jason Carroll

303-779-5710

Jason.Carroll@claconnect.com

For the Year Ended
12/31/22
or fiscal year ended:**PART 1 - CERTIFICATION OF PREPARER**

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Jason Carroll

Accountant for the District

CliftonLarsonAllen LLP

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

303-779-5710

January 24, 2023

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types**GOVERNMENTAL**
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**
(CASH OR BUDGETARY BASIS)

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No		
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2	Is the debt repayment schedule attached? If no, MUST explain: N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3	Is the entity current in its debt service payments? If no, MUST explain: N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Lease Liabilities	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much?		
	Date the debt was authorized:		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased?		
	What is the original date of the lease?		
	Number of years of lease?		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What are the annual lease payments?		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
5-3		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

N/A

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? \$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ -

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

	Please answer the following question by marking in the appropriate box	Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If no, MUST explain:

PART 10 - GENERAL INFORMATION

	Please answer the following questions by marking in the appropriate boxes.	Yes	No
10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date of formation: <input style="width: 450px; height: 15px;" type="text"/>		
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Please list the NEW name & PRIOR name: <input style="width: 600px; height: 15px;" type="text"/>		
10-3	Is the entity a metropolitan district? Please indicate what services the entity provides: <input style="width: 600px; height: 15px;" type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10-4	Does the entity have an agreement with another government to provide services? List the name of the other governmental entity and the services provided: <input style="width: 600px; height: 15px;" type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	See below		
10-5	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during Date Filed: <input style="width: 450px; height: 15px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	See below		
10-6	Does the entity have a certified Mill Levy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):		
	Bond Redemption mills		-
	General/Other mills		-
	Total mills		-

Please use this space to provide any explanations or comments:

10-3: The District was created to build or acquire public infrastructure for water, sanitation, storm, street improvements, safety protection, fire protection, park and recreation, transportation improvements, and other facilities and services. The District was organized in conjunction with other Districts to provide community services.

10-4: The Denargo Market Metropolitan District No. 1 is established to provide construction, administration, and operation and maintenance services for all of the Denargo districts. Denargo Market Metropolitan Districts Nos. 2-3 are the financing districts and generate the tax revenues for operations and for debt service.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Laura H. Newman	I Laura H. Newman, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <small>DocuSigned by:</small> <u>Laura Newman</u> Date: <u>05/21/2023</u> My term Expires: May 2023
Board Member 2	Jeffrey D. Jones	I Jeffrey D. Jones, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <small>DocuSigned by:</small> <u>Jeffrey D. Jones</u> Date: <u>05/20/2023</u> My term Expires: May 2025
Board Member 3	Wade Davidson	I Wade Davidson, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <small>DocuSigned by:</small> <u>Wade Davidson</u> Date: <u>05/21/2023</u> My term Expires: May 2025
Board Member 4	Todd T. Wenskoski	I Todd T. Wenskoski, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2025
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348
CLAcconnect.com

Accountant's Compilation Report

Board of Directors
Denargo Market Metropolitan District No. 3
Denver, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Denargo Market Metropolitan District No. 3 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Denargo Market Metropolitan District No. 3.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Greenwood Village, Colorado
January 30, 2023

Certificate Of Completion

Envelope Id: D95E915BBDBB4DD8AD16F39CACC1AD00	Status: Completed
Subject: Complete with DocuSign: Denargo Market MD No. 3 Audit Exemption 2022.pdf	
Client Name: Denargo Market Metropolitan District No. 3	
Client Number: A195351	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	CJ Cook
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	cj.cook@claconnect.com
	IP Address: 50.169.146.162

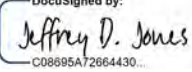
Record Tracking

Status: Original 2/20/2023 5:04:28 PM	Holder: CJ Cook cj.cook@claconnect.com	Location: DocuSign
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Signer Events

Jeffrey D. Jones
jeffjones@formativco.com
Senior Vice President, Investments
Security Level: Email, Account Authentication (None)

Signature

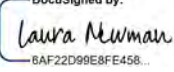
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C08695A72664430...
Signature Adoption: Pre-selected Style
Using IP Address: 67.176.82.191

Timestamp

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Viewed: 2/20/2023 5:15:46 PM
Signed: 2/20/2023 5:16:33 PM

Electronic Record and Signature Disclosure:
Accepted: 9/28/2021 10:12:09 AM
ID: 495965d4-099e-4781-94b2-8712f60b9a4f

Laura Newman
lnewman@goco.com
President
Golub & Company
Security Level: Email, Account Authentication (None)

DocuSigned by:

6AF22D99E8FE458...
Signature Adoption: Pre-selected Style
Using IP Address: 38.104.242.42

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Viewed: 2/21/2023 6:36:42 AM
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Electronic Record and Signature Disclosure:
Accepted: 3/13/2020 1:52:36 PM
ID: d14c3943-d657-4054-950e-b8b8060b93aa

Wade Davidson
wdavidson@goco.com
Security Level: Email, Account Authentication (None)

DocuSigned by:

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Signature Adoption: Pre-selected Style
Using IP Address: 67.190.37.213

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Viewed: 2/21/2023 8:56:52 AM
Signed: 2/21/2023 8:58:02 AM

Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	2/21/2023 8:56:52 AM
Signing Complete	Security Checked	2/21/2023 8:58:02 AM
Completed	Security Checked	2/21/2023 12:44:54 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

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