

DENARGO MARKET METROPOLITAN DISTRICT NOS. 1, 2 AND 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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<https://denargo.colorado.gov>

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expires</u>
Laura H. Newman	President	2027/May 2027
Jeffrey D. Jones	Treasurer	2025/May 2025
Todd T. Wenskoski	Asst. Secretary	2025/May 2025
Wade Davidson	Asst. Secretary	2027/May 2027
Michael Kuyper		2025/May 2025
David Solin	Secretary	

DATE: November 14, 2023

TIME: 4:30 p.m.

LOCATION: Zoom Meeting

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Phone: 1-253-215-8782

Meeting ID: 546 911 9353

Password: 912873

One tap mobile: +12532158782,,5469119353#,,, *912873# US

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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

C. Review and approve the Minutes of the September 19, 2023 Regular Meeting of Denargo Market Metropolitan District No. 1 (“District No. 1”) (enclosure).

D. Review and approve the Minutes of the October 5, 2023 Special Meeting and the October 30, 2023 Work Session of District No. 1 and Denargo Market Metropolitan District Nos. 2 and 3 (“District No. 2”, “District No. 3” and collectively with District No. 1, the “Districts”) (enclosures).

E. Consider appointment of officers.

President:

Secretary:

Treasurer:

Assistant Secretary:

Assistant Secretary:

Assistant Secretary:

F. Discuss business to be conducted in 2024 and location (**virtual and/or physical**) or meetings. Consider regular meeting dates for 2024 (suggested dates are March 12, 2024, June 18, 2024, September 17, 2024 and November 12, 2024 at 4:30 p.m. via Zoom Meeting). Review and consider adoption of Resolutions Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosures).

G. Insurance Discussion

1. Cyber Security and Increased Crime Coverage.
2. Establish Insurance Committee to make final determinations regarding insurance, if necessary.
3. Authorize renewal of Districts' insurance and Special District Association (SDA) memberships for 2024.

II. PUBLIC COMMENT

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

III. FINANCIAL MATTERS

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

Fund	Period Ending Sept. 30, 2023	Period Ending Oct. 31, 2023
General	\$ 29,262.16	\$ 72,693.80
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ 369.40
Total	\$ 29,262.16	\$ 73,063.20

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- B. District Nos. 1- 3 - Review and accept the unaudited financial statements through the period ending September 30, 2023 and Schedule of Cash Position updated as of October 20, 2023 (enclosure).

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- C. Conduct Public Hearings to consider amendment of the Districts’ 2023 Budgets. If necessary, consider adoption of Resolution(s) to Amend the 2023 Budget(s).

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- D. Conduct Public Hearings on the proposed 2024 Budgets and consider adoption of Resolutions to Adopt the 2024 Budgets and Appropriate Sums of Money and Resolutions to Set Mill Levies (enclosures – preliminary AV, draft 2024 Budget, and Resolutions).

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- E. Authorize District Accountant to prepare and sign the DLG-70 Certification of Tax Levies forms (“Certifications”). Direct District Accountant to file the Certifications with the Assessor and/or Board of County Commissioners and other interested parties.

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- F. Discuss and consider adoption of Resolution(s) Authorizing Adjustment of the Districts’ Mill Levy in Accordance with the Service Plan, if necessary.

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- G. Consider appointment of the District Accountant to prepare the 2025 Budgets.

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- H. Consider approval of Engagement Letters by and between each of the respective Districts and Dazzio & Associates P.C. for preparation of 2023 Audits (enclosures).
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- I. Review and consider approval of Special Districts Master Service Agreement(s) and Special Districts Preparation Statement of Work(s) (SOW) between the Districts and CliftonLarsonAllen LLP for 2024 Accounting Services (enclosures).

- J. Review and consider acceptance of Cost Verification Report, prepared by Schedio Group, LLC (to be distributed).

- K. Authorize reimbursement to JV Denargo LLC pursuant to 2022-2025 Facilities Funding and Acquisition Agreement by and between District No. 1 and JV Denargo LLC.

IV. LEGAL MATTERS

- A. Discuss requirements of Section 32-1-809, C.R.S., and direct staff regarding compliance for 2024 (District Transparency Notice).

- B. Discuss and consider adoption of Resolutions Amending Policy on Colorado Open Records Act Requests (enclosures).

- C. Discuss and consider adoption of Resolution of the Board of Directors of District No. 1 Adopting Second Amended and Restated Rules and Regulations for Construction Activity (to be distributed).

- D. Discuss status of Temporary Construction Easement Agreement by and between District No. 1 and JV LODO Denargo LLC.

- E. Report on results of November 7, 2023 Election for District No. 2.

V. OPERATION AND MAINTENANCE

- A. Ratify approval of Service Agreement for Snow Removal Services by and between District No. 1 and BrightView Landscape Services, Inc. (to be distributed).

- B. Ratify approval of Service Agreement for Site Lighting Maintenance by and between District No. 1 and Colorado Lighting, Inc. (to be distributed).
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VI. OTHER MATTERS

- A. _____

VII. ADJOURNMENT **THERE ARE NO REGULAR MEETINGS SCHEDULED FOR THE REMAINDER OF 2023.**

Additional Enclosure:

- Notice of rate increase from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD SEPTEMBER 19, 2023

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the “District”) was held on Tuesday, the 19th day of September 2023, at 4:30 p.m. The District Board meeting was held and properly noticed to be held via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. (for a portion of the meeting) and Kate Olson, Esq.;
McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

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

RECORD OF PROCEEDINGS

Confirmation of Quorum, Location of Meeting and Posting of Meeting

Notices: Mr. Solin 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 (Zoom). The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District’s boundaries.

Agenda: Mr. Solin presented a proposed Agenda for the District's Regular Meeting.

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

Minutes: The Board reviewed the Minutes of the June 20, 2023 Regular Meeting and July 19, 2023 Special Meeting.

Following discussion, upon motion duly made by Director Newman, seconded by Director Davidson and, upon vote unanimously carried, the Minutes of the June 20, 2023 Regular Meeting and July 19, 2023 Special Meeting were approved.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

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

Fund	Period Ending June 30, 2023	Period Ending July 31, 2023	Period Ending August 31, 2023
General	\$ 44,559.94	\$ 47,060.93	\$ 24,713.79
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total	\$ 44,559.94	\$ 47,060.93	\$ 24,713.79

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote unanimously carried, the Board ratified approval of the payment of the claims, as presented.

Unaudited Financial Statements and Schedule of Cash Position: Ms. Ross presented the unaudited financial statements through the period ending June 30,

RECORD OF PROCEEDINGS

2023 and the schedule of cash position, dated August 25, 2023.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote unanimously carried, the Board accepted the unaudited financial statements, dated June 30, 2023 and the schedule of cash position, dated August 25, 2023.

Proposed Bond Issuance: Attorney Williams and Director Jones discussed a proposed bond issuance by Denargo Market Metropolitan District No. 2 or 3, noting that they are working with bond counsel to determine structure of the deal, including which will be the issuing district.

LEGAL MATTERS

Temporary Construction Easement Agreement: The Board reviewed and considered approval of a Temporary Construction Easement Agreement by and between the District and JV LoDo Denargo LLC.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote unanimously carried, the Board approved the Temporary Construction Easement Agreement by and between the District and JV LoDo Denargo LLC, subject to confirmation that as-builts are included as a deliverable pursuant to the terms of the Agreement.

Amendment to Amended and Restated Rules and Regulations for Construction Activity: The Board discussed the proposed Amendment to the Amended and Restated Rules and Regulations for Construction Activity, noting that requested revisions are in process. No action was taken by the Board.

OPERATION AND MAINTENANCE

Service Agreement for Towing Services by and between the District and Villalobos Towing LLC: The Board considered approval of a Service Agreement for Towing Services by and between the District and Villalobos Towing LLC.

Following discussion, upon motion duly made by Director Davidson, seconded by Director Wenskoski and, upon vote unanimously carried, the Board approved a Service Agreement for Towing Services by and between the District and Villalobos Towing LLC.

Service Agreement for Asphalt Services by and between the District and Rose Paving, LLC: The Board considered approval of a Service Agreement for Asphalt Services by and between the District and Rose Paving, LLC.

Following discussion, upon motion duly made by Director Davidson, seconded by Director Wenskoski and, upon vote unanimously carried, the Board approved

RECORD OF PROCEEDINGS

a Service Agreement for Asphalt Services by and between the District and Rose Paving, LLC.

Service Agreement for Security Consulting Services by and between the District and Jpden Consulting LLC: The Board considered approval of a Service Agreement for Security Consulting Services by and between the District and Jpden Consulting LLC.

Following discussion, upon motion duly made by Director Davidson, seconded by Director Wenskoski and, upon vote unanimously carried, the Board approved a Service Agreement for Security Consulting by and between the District and Jpden Consulting LLC.

Service Agreement for Security Services by and between the District and United States Protective Services Agency: The Board considered approval of a Service Agreement for Security Services by and between the District and United States Protective Services Agency.

Following discussion, upon motion duly made by Director Davidson, seconded by Director Wenskoski and, upon vote unanimously carried, the Board approved a Service Agreement for Security Services by and between the District and United States Protective Services Agency.

CAPITAL MATTERS

Construction Oversight Reports/Site Inspections/Development Application Reviews: Mr. Solin reported to the Board on construction oversight reports, site inspections, and development application reviews. Director Davidson updated the Board regarding the status of the Tier 2 and Tier 3 encroachment filing with the City and County of Denver (the “City”) for improvements located within the City’s right of way.

Status of Permits and Damage Deposits: Mr. Solin reported that all work currently in process has been permitted.

OTHER MATTERS

Status of Development Within the District: Director Davidson provided a brief update to the Board.

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 Davidson and, upon vote unanimously carried, the meeting was adjourned at 5:58 p.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 5, 2023

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the “District”) was held on Thursday, the 5th day of October 2023, at 10:00 a.m. The District Board meeting was held at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, CO 80203 and via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

Dalton Kelley; Butler Snow LLP (for a portion of the meeting)

Michael Persichitte and Lauren Hartman (for a portion of the meeting); RBC Capital Markets, LLC

Michael Kuyper; Triunity, 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. Mr. Solin 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 applicable disclosures were 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

Notice: Mr. Solin 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, at the offices of McGeady Becher P.C., with Attorney Olson attending in person at the physical meeting location and all other attendees attending by video / telephonic means (Zoom). The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed, were received from taxpaying electors within the District’s boundaries.

Agenda: Mr. Solin presented a proposed Agenda for the District’s Special Meeting.

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

Appointment of Director: The Board discussed the vacancy on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy was published in a newspaper having general circulation in the District and that no Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication. As such, eligible elector Michael Kuyper, was nominated to serve on the Board.

Following discussion, upon motion duly made by Director Newman, seconded by Director Wenskoski and, upon vote unanimously carried, the Board appointed Michael Kuyper to fill the vacant seat on the Board. The District Manager was directed to coordinate administration of the Oath of Director.

Appointment of Officers: The Board deferred discussion of this matter.

There were no public comments.

**PUBLIC
COMMENT**

**FINANCIAL
MATTERS**

Reimbursement to JV Denargo LLC pursuant to 2022-2025 Facilities Funding and Acquisition Agreement by and between District No. 1 and JV Denargo LLC: The Board deferred discussion of this matter.

RECORD OF PROCEEDINGS

LEGAL MATTERS

Annual Statutory “Town Hall” Meeting Schedule: Attorney Williams discussed the statutory meeting requirement and suggested that this meeting be held prior to the next regular board meeting scheduled on November 14, 2023 at 4:30 p.m.

Budget Work Session: Attorney Williams inquired as to the need for a budget work session in advance of the District’s budget hearing. Following discussion, the District Manager was directed to coordinate a budget work session prior to the District’s next regular meeting / budget hearing.

OPERATION AND MAINTENANCE

There were no operation and maintenance matters discussed at this time.

CAPITAL MATTERS

There were no capital matters discussed at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote unanimously carried, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 5, 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 Thursday, the 5th day of October 2023, at 10:00 a.m. The District Board meeting was held at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, CO 80203 and via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

Dalton Kelley; Butler Snow LLP (for a portion of the meeting)

Michael Persichitte and Lauren Hartman (for a portion of the meeting); RBC Capital Markets, LLC

Michael Kuyper; Triunity, 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. Mr. Solin 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 applicable disclosures were made by the Board members prior to this meeting in accordance with the statutes.

RECORD OF PROCEEDINGS

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. Mr. Solin 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 applicable disclosures were made by the Board members prior to this meeting in accordance with the statutes.

Confirmation of Quorum, Location of Meeting and Posting of Meeting Notices: Mr. Solin 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, at the offices of McGeady Becher P.C., with Attorney Olson attending in person at the physical meeting location and all other attendees attending by video / telephonic means (Zoom). The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed, were received from taxpaying electors within the District's boundaries.

Agenda: Mr. Solin presented a proposed Agenda for the District's Special Meeting.

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

Appointment of Director: The Board discussed the vacancy on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy was published in a newspaper having general circulation in the District and that no Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication. As such, eligible elector Michael Kuyper, was nominated to serve on the Board.

Following discussion, upon motion duly made by Director Newman, seconded by Director Wenskoski and, upon vote unanimously carried, the Board appointed Michael Kuyper to fill the vacant seat on the Board. The District Manager was directed to coordinate administration of the Oath of Director.

Appointment of Officers: The Board deferred discussion of this matter.

RECORD OF PROCEEDINGS

PUBLIC COMMENT There were no public comments.

FINANCIAL MATTERS **Resolution authorizing the incurrence of general obligation indebtedness in the form of the District’s execution and delivery of the Loan Agreement and pledging certain ad valorem property tax revenues thereunder, including performance thereunder, and approving, ratifying and confirming other necessary actions in connection therewith (“Authorizing Resolution”):**
Attorney Kelley presented the Authorizing Resolution for Board review.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones, and upon vote unanimously carried by roll call, the Board adopted the Authorizing Resolution and appointed a Bond Committee consisting of Director Newman and Director Jones to make determinations related to the rate lock and any other necessary actions.

LEGAL MATTERS **Annual Statutory “Town Hall” Meeting Schedule:** Attorney Williams discussed the statutory meeting requirement and suggested that this meeting be held prior to the next regular board meeting scheduled on November 14, 2023 at 4:30 p.m.

Budget Work Session: Attorney Williams inquired as to the need for a budget work session in advance of the District’s budget hearing. Following discussion, the District Manager was directed to coordinate a budget work session prior to the District’s next regular meeting / budget hearing.

OPERATION AND MAINTENANCE There were no operation and maintenance matters discussed at this time.

CAPITAL MATTERS There were no capital matters discussed at this time.

ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote unanimously carried, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3 HELD OCTOBER 5, 2023

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 3 (referred to hereafter as the “District”) was held on Thursday, the 5th day of October 2023, at 10:00 a.m. The District Board meeting was held at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, CO 80203 and via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

Dalton Kelley; Butler Snow LLP (for a portion of the meeting)

Michael Persichitte and Lauren Hartman (for a portion of the meeting); RBC Capital Markets, LLC

Michael Kuyper; Triunity, 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. Mr. Solin 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 applicable disclosures were made by the Board members prior to this meeting in accordance with the statutes

RECORD OF PROCEEDINGS

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. Mr. Solin 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 applicable disclosures were made by the Board members prior to this meeting in accordance with the statutes.

Confirmation of Quorum, Location of Meeting and Posting of Meeting Notices: Mr. Solin 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, at the offices of McGeady Becher P.C., with Attorney Olson attending in person at the physical meeting location and all other attendees attending by video / telephonic means (Zoom). The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed, were received from taxpaying electors within the District's boundaries.

Agenda: Mr. Solin presented a proposed Agenda for the District's Special Meeting.

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

Appointment of Director: The Board discussed the vacancy on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy was published in a newspaper having general circulation in the District and that no Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication. As such, eligible elector Michael Kuyper, was nominated to serve on the Board.

Following discussion, upon motion duly made by Director Newman, seconded by Director Wenskoski and, upon vote unanimously carried, the Board appointed Michael Kuyper to fill the vacant seat on the Board. The District Manager was directed to coordinate administration of the Oath of Director.

Appointment of Officers: The Board deferred discussion of this matter.

RECORD OF PROCEEDINGS

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

2023 Budget Amendment: The President opened the public hearing to consider the Resolution to Amend the 2023 Budget for the District and discuss related issues.

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

Following review, upon motion duly made by Director Newman, seconded by Director Wenskoski and, upon vote unanimously carried, the Board adopted the Resolution to Amend the 2023 Budget.

2023 Loan Issuance:

Engagement Letter for Bond Counsel Services by and between the District and Butler Snow LLP: The Board reviewed the Engagement Letter for Bond Counsel Services by and between the District and Butler Snow LLP.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Engagement Letter for Bond Counsel Services with Butler Snow LLP.

Bank Solicitor Agreement by and between the District and RBC Capital Markets, LLC: The Board reviewed the Bank Solicitor Agreement by and between the District and RBC Capital Markets, LLC.

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote unanimously carried, the Board approved the Bank Solicitor Agreement by and between the District and RBC Capital Markets, LLC.

Independent Municipal Advisor Services: The Board reviewed proposals for Independent Municipal Advisor Services from MuniCap, Inc. and LRB Public Finance Advisors.

Following discussion, upon motion duly made by Director Jones, seconded by Director Wenskoski and, upon vote unanimously carried, the Board approved an Engagement Letter for Independent Municipal Advisor

RECORD OF PROCEEDINGS

Services by and between the District and MuniCap, Inc.

Resolution authorizing the issuance of general obligation indebtedness in the form of the District's Limited Tax General Obligation Refunding and Improvement Note, Series 2023A-1 and Limited Tax General Obligation Refunding and Improvement Note, Series 2023A-2, in a combined original principal amount not to exceed \$35,000,000, and the execution and delivery of a Loan Agreement by and among the District as Borrower; Denargo Market Metropolitan District No. 2, as Financing District; NBH Bank, as Lender; and Midwest One Bank, as Lender (the "Loan Agreement"); including performance thereunder, and approving, ratifying and confirming other necessary actions and all documents, agreements and certificates in connection therewith ("Resolution): Attorney Kelley provided an overview of the Bond Resolution and the terms of the underlying transaction.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote unanimously carried by roll call, the Board adopted the Resolution and authorized the Bond Committee, consisting of Director Newman and Director Jones, to make determinations related to the rate lock and any other necessary actions related to the transaction.

LEGAL MATTERS

Annual Statutory "Town Hall" Meeting Schedule: Attorney Williams discussed the statutory meeting requirement and suggested that this meeting be held prior to the next regular board meeting scheduled on November 14, 2023 at 4:30 p.m.

Budget Work Session: Attorney Williams inquired as to the need for a budget work session in advance of the District's budget hearing. Following discussion, the District Manager was directed to coordinate a budget work session prior to the District's next regular meeting / budget hearing.

OPERATION AND MAINTENANCE

There were no operation and maintenance matters discussed at this time.

CAPITAL MATTERS

There were no capital matters discussed at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote unanimously carried, the meeting was adjourned at 11:30 a.m.

RECORD OF PROCEEDINGS

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A WORK SESSION OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 30, 2023

A Work Session of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the “District”) was held on Monday, the 30th day of October 2023, at 4:00 p.m. The Work Session was held and properly noticed to be held via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Jeffrey D. Jones
Todd T. Wenskoski
Wade Davidson
Michael Kuyper

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Confirmation of Quorum, Location of Meeting and Posting of Meeting

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

Agenda: Mr. Solin presented a proposed Agenda for the District's Work Session.

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

RECORD OF PROCEEDINGS

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

Budget Work Session: Ms. Ross discussed the District's proposed 2024 budget with Board. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Davidson, seconded by Director Newman and, upon vote unanimously carried, the Work Session was adjourned at 5:34 p.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A WORK SESSION OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 30, 2023

A Work Session 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 Monday, the 30th day of October 2023, at 4:00 p.m. The Work Session was held and properly noticed to be held via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Jeffrey D. Jones
Todd T. Wenskoski
Wade Davidson
Michael Kuyper

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Confirmation of Quorum, Location of Meeting and Posting of Meeting

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

Agenda: Mr. Solin presented a proposed Agenda for the District's Work Session.

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

RECORD OF PROCEEDINGS

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

Budget Work Session: Ms. Ross discussed the District's proposed 2024 budget with Board. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Davidson, seconded by Director Newman and, upon vote unanimously carried, the Work Session was adjourned at 5:34 p.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A WORK SESSION OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3 HELD OCTOBER 30, 2023

A Work Session 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 Monday, the 30th day of October 2023, at 4:00 p.m. The Work Session was held and properly noticed to be held via video / telephonic means (Zoom). The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Jeffrey D. Jones
Todd T. Wenskoski
Wade Davidson
Michael Kuyper

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

ADMINISTRATIVE MATTERS

Confirmation of Quorum, Location of Meeting and Posting of Meeting

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

Agenda: Mr. Solin presented a proposed Agenda for the District's Work Session.

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

RECORD OF PROCEEDINGS

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

Budget Work Session: Ms. Ross discussed the District's proposed 2024 budget with Board. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Davidson, seconded by Director Newman and, upon vote unanimously carried, the Work Session was adjourned at 5:34 p.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2023-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 1 (the “**District**”), City and County of Denver, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

2. That regular meetings of the District Board for the year 2024 shall be held on March 12, 2024, June 18, 2024, September 17, 2024 and November 12, 2024 at 4:30 p.m., via Zoom Meeting.

That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

3. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

4. That the District has established the following District Website, <https://denargo.colorado.gov/>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On west side of Denargo Street just south of Wewatta Way on the southern boundary of Tract F

5. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 14, 2023.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 1**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2023-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 2 (the “**District**”), City and County of Denver, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

2. That regular meetings of the District Board for the year 2024 shall be held on March 12, 2024, June 18, 2024, September 17, 2024 and November 12, 2024 at 4:30 p.m., via Zoom Meeting.

That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

3. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

4. That the District has established the following District Website, <https://denargo.colorado.gov/>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On west side of Denargo Street just south of Wewatta Way on the southern boundary of Tract F

5. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 14, 2023.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2023-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 3 (the “**District**”), City and County of Denver, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

2. That regular meetings of the District Board for the year 2024 shall be held on March 12, 2024, June 18, 2024, September 17, 2024 and November 12, 2024 at 4:30 p.m., via Zoom Meeting.

That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

3. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

4. That the District has established the following District Website, <https://denargo.colorado.gov/>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On west side of Denargo Street just south of Wewatta Way on the southern boundary of Tract F

5. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on November 14, 2023.

DENARGO MARKET METROPOLITAN DISTRICT NO. 3

By: _____
President

Attest:

Secretary

Denargo Market Metropolitan District No. 1
September-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	8569112	9/1/2023	9/16/2023	\$ 1,556.00	Landscape & irrigation repairs	7585-45240-00007
CliftonLarsonAllen, LLP	3870880	9/12/2023	9/12/2023	\$ 3,413.87	Accounting	7000
Colorado Lighting Inc	NI268756	9/5/2023	10/5/2023	\$ 20.00	Site lighting	7801-45240
Denver Metro Protective Services	23-090292	9/1/2023	10/1/2023	\$ 180.00	Security	7570
Denver Metro Protective Services	23-070503	7/5/2023	8/4/2023	\$ 260.00	Security	7570
Denver Water	3250 August 2023	8/14/2023	9/5/2023	\$ 25.70	Utilities	7701
Denver Water	3150 August 2023	8/14/2023	9/5/2023	\$ 25.70	Utilities	7701
Diversified Underground	28269	8/31/2023	9/30/2023	\$ 215.00	Locates	7804-45240
Manager of Finance	SD FEE 23-011	6/1/2023	7/31/2023	\$ -	Depreciation Expense	7860
Mcgeady Becher P.C	1057W 07-2023	7/31/2023	7/31/2023	\$ 5,748.10	Legal	7460
Mcgeady Becher P.C	1057W 07-2023	7/31/2023	7/31/2023	\$ 2,152.00	Election	7581
Special District Management Services	D2 08-2023	8/31/2023	8/31/2023	\$ 540.20	District management	7440
Special District Management Services	D1 08-2023	8/31/2023	8/31/2023	\$ 3,929.64	District management	7440
Special District Management Services	D3 08-2023	8/31/2023	8/31/2023	\$ 272.40	District management	7440
Triunity Engineering & Management	100517-37	8/24/2023	8/24/2023	\$ 9,349.50	Site inspection	7802-45240
Utility Notification Center	223080455	8/31/2023	8/31/2023	\$ 18.06	Locates	7804-45240
Wastewater Management Division	02274-00-114-000 8-2023	8/29/2023	10/7/2023	\$ 880.31	Miscellaneous	7480
Wastewater Management Division	02274-00-120-000 8-2023	8/29/2023	10/7/2023	\$ 235.72	Miscellaneous	7480
Xcel Energy	841435524	8/18/2023	9/8/2023	\$ 179.25	Utilities	7701
Xcel Energy	840449796	8/11/2023	8/31/2023	\$ 260.71	Utilities	7701
				\$ 29,262.16		

Denargo Market Metropolitan District No. 1
September-23

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 29,262.16			\$ 29,262.16
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 29,262.16	\$ -	\$ -	\$ 29,262.16

Denargo Market Metropolitan District No. 1
October-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	8612503	10/1/2023	10/16/2023	\$ 1,556.00	Landscape & irrigation repairs	7585-45240-00007
CliftonLarsonAllen, LLP	3911901	10/12/2023	10/12/2023	\$ 3,656.68	Accounting	7000
Colorado Lighting Inc	552443	9/21/2023	10/21/2023	\$ 747.72	Site lighting	7801-45240
Colorado Lighting Inc	NI271551	9/29/2023	10/29/2023	\$ 20.00	Site lighting	7801-45240
Colorado Special District Property & Liability Pool	24WC-61280-0699	8/14/2023	8/14/2023	\$ 450.00	Insurance	7360
Colorado Special District Property & Liability Pool	24WC-61159-0284	8/14/2023	8/14/2023	\$ 450.00	Insurance	7360
Colorado Special District Property & Liability Pool	24PL-61280-1740	9/5/2023	9/5/2023	\$ 2,076.00	Insurance	7360
Colorado Special District Property & Liability Pool	24WC-61095-0629	8/14/2023	8/14/2023	\$ 450.00	Insurance	7360
Colorado Special District Property & Liability Pool	24PL-61159-1007	9/5/2023	9/5/2023	\$ 2,139.00	Insurance	7360
Denver Metro Protective Services	23-100282	10/2/2023	11/1/2023	\$ 20.00	Security	7570
Denver Water	3150 September 2023	9/13/2023	10/4/2023	\$ 25.70	Utilities	7701
Denver Water	3250 September 2023	9/13/2023	10/10/2023	\$ 25.70	Utilities	7701
Diversified Underground	28436	9/30/2023	10/30/2023	\$ 395.00	Locates	7804-45240
Dodge Data & Analytics	40516455	10/12/2023	10/12/2023	\$ 69.36	Miscellaneous	7480
Dodge Data & Analytics	40516429	10/12/2023	10/12/2023	\$ 59.16	Miscellaneous	7480
Jpden Consulting	100	10/3/2023	10/3/2023	\$ 210.00	Security	7570
Manager of Finance	SD FEE 23-011	6/1/2023	7/31/2023	\$ -	Depreciation Expense	7860
Mcgeady Becher P.C	1057W 08-2023	8/31/2023	8/31/2023	\$ 7,586.45	Legal	7460
Mcgeady Becher P.C	1057W 08-2023	8/31/2023	8/31/2023	\$ 1,640.50	Election	7581
Mcgeady Becher P.C	1057W 09-2023	9/30/2023	9/30/2023	\$ 19,067.38	Legal	7460
Mcgeady Becher P.C	1057W 09-2023	9/30/2023	9/30/2023	\$ 2,997.18	Election	7581
Rose Paving LLC	PS-INV136841	10/9/2023	11/8/2023	\$ 5,052.17	Repairs and maintenance	7582
Special District Management Services	D2 09-2023	9/30/2023	9/30/2023	\$ 283.20	District management	7440
Special District Management Services	D1 09-2023	9/30/2023	9/30/2023	\$ 9,130.93	District management	7440
Special District Management Services	D3 09-2023	9/30/2023	9/30/2023	\$ 256.00	District management	7440
T Charles Wilson Insurance Service	13272	9/14/2023	9/14/2023	\$ 595.00	Insurance	7360
T Charles Wilson Insurance Service	13273	9/14/2023	9/14/2023	\$ 595.00	Insurance	7360
Triunity Engineering & Management	100517-38	9/20/2023	9/20/2023	\$ 12,667.50	Site inspection	7802-45240
Utility Notification Center	223090456	9/30/2023	9/30/2023	\$ 30.96	Locates	7804-45240
Xcel Energy	845355823	9/18/2023	10/6/2023	\$ 199.12	Utilities	7701
Xcel Energy	845380127	9/18/2023	10/6/2023	\$ 15.16	Utilities	7701
Xcel Energy	844563480	9/12/2023	10/2/2023	\$ 226.93	Utilities	7701
				\$ 72,693.80		

Denargo Market Metropolitan District No. 1
October-23

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 72,693.80			\$ 72,693.80
Payroll	\$ 369.40	\$ -	\$ -	\$ 369.40
Total Disbursements from Checking Acct	\$ 73,063.20	\$ -	\$ -	\$ 73,063.20

DENARGO MARKET METRO DISTRICT NO. 1

FINANCIAL STATEMENTS

September 30, 2023

Denargo Market Metro District No. 1
Balance Sheet - Governmental Funds
September 30, 2023

	General	Capital Projects	Total
Assets			
Checking Account	\$ 17,163.29	\$ -	\$ 17,163.29
Colotrust	338,818.96	56,104.39	394,923.35
Due from District No. 2	52,780.94	-	52,780.94
Due from District No. 3	6,189.35	-	6,189.35
Prepaid Insurance	1,190.00	-	1,190.00
Total Assets	\$ 416,142.54	\$ 56,104.39	\$ 472,246.93
Liabilities			
Accounts Payable	\$ 49,770.43	\$ -	\$ 49,770.43
Payroll Liabilities			
Payroll Taxes Payable	260.10	-	260.10
Total Payroll Liabilities	260.10	-	260.10
Total Liabilities	50,030.53	-	50,030.53
Fund Balances	366,112.01	56,104.39	422,216.40
Liabilities and Fund Balances	\$ 416,142.54	\$ 56,104.39	\$ 472,246.93

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

Denargo Market Metro District No. 1
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ 2,000.00	\$ 9,402.22	\$ (7,402.22)
Permit fees	25,000.00	4,463.90	20,536.10
Transfer from District No. 2	410,653.00	408,590.39	2,062.61
Transfer from District No. 3	147,026.00	146,140.21	885.79
Total Revenue	<u>584,679.00</u>	<u>568,596.72</u>	<u>16,082.28</u>
Expenditures			
Accounting	40,250.00	35,662.77	4,587.23
Auditing	9,000.00	8,900.00	100.00
Directors' fees	2,500.00	1,600.00	900.00
Dues and membership	2,000.00	1,651.00	349.00
Insurance	14,500.00	14,847.00	(347.00)
District management	49,000.00	45,500.82	3,499.18
Legal	50,000.00	45,087.32	4,912.68
Miscellaneous	2,500.00	2,230.06	269.94
Security	7,500.00	2,630.00	4,870.00
Payroll taxes	200.00	122.40	77.60
Election	3,000.00	32,760.76	(29,760.76)
Repairs and maintenance	25,000.00	1,025.00	23,975.00
Landscape & irrigation repairs	35,000.00	264.22	34,735.78
Detention Pond Cleanup	10,000.00	-	10,000.00
Landscape Maintenance	55,000.00	17,743.50	37,256.50
Streets repairs and maintenance	10,000.00	-	10,000.00
Street Sweeping	1,000.00	-	1,000.00
Snow removal	50,000.00	17,862.00	32,138.00
Utilities	15,000.00	4,221.27	10,778.73
City of Denver Annual Fee	9,000.00	-	9,000.00
Site lighting	5,000.00	4,111.28	888.72
Site inspection	118,000.00	67,844.50	50,155.50
Locates	11,000.00	5,585.11	5,414.89
Contingency	11,550.00	-	11,550.00
Total Expenditures	<u>536,000.00</u>	<u>309,649.01</u>	<u>226,350.99</u>
Net Change in Fund Balances	48,679.00	258,947.71	(210,268.71)
Fund Balance - Beginning	94,869.00	107,164.30	(12,295.30)
Fund Balance - Ending	<u>\$ 143,548.00</u>	<u>\$ 366,112.01</u>	<u>\$ (222,564.01)</u>

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

SUPPLEMENTARY INFORMATION

Denargo Market Metro District No. 1
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Transfer from District No. 2	\$ 520,000.00	\$ -	\$ 520,000.00
Total Revenue	<u>520,000.00</u>	<u>-</u>	<u>520,000.00</u>
Expenditures			
Legal	-	12,157.61	(12,157.61)
Engineering	-	117.00	(117.00)
Capital outlay	604,400.00	33,274.00	571,126.00
Total Expenditures	<u>604,400.00</u>	<u>45,548.61</u>	<u>558,851.39</u>
Net Change in Fund Balances	(84,400.00)	(45,548.61)	(38,851.39)
Fund Balance - Beginning	84,400.00	101,653.00	(17,253.00)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 56,104.39</u>	<u>\$ (56,104.39)</u>

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
June 30, 2023
Updated as of October 23, 2023

	General Fund	Capital Projects Fund	Total
<u>First Bank - Checking Account</u>			
Balance as of 09/30/23	\$ 17,163.29	\$ -	\$ 17,163.29
Subsequent activities:			
10/03/23 Xcel	(226.93)	-	(226.93)
10/05/23 Denver Water	(51.40)	-	(51.40)
10/10/23 Xcel	(199.12)	-	(199.12)
Anticipated activities:			
Transfer from Colotrust	62,000.00	-	62,000.00
Bill.com Payables	(62,121.39)	-	(62,121.39)
<i>Anticipated Balance</i>	16,564.45	-	16,564.45
 <u>ColoTrust</u>			
Balance as of 09/30/23	338,818.96	56,104.39	394,923.35
Anticipated activities:			
Anticipated transfer to 1st Bank	(62,000.00)	-	(62,000.00)
Anticipated transfer from Denargo 2	52,780.94	-	52,780.94
Anticipated transfer from Denargo 3	6,189.35	-	6,189.35
<i>Anticipated Balance</i>	335,789.25	56,104.39	391,893.64
<i>Total Anticipated Balance</i>	\$ 352,353.70	\$ 56,104.39	\$ 408,458.09

Yield information:

ColoTrust - 5.5058% (09/30/23)

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

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Revenues

Transfers from Other Districts

The District anticipates the collection of taxes in Districts Nos. 2 and 3 which will be transferred to fund operations of District No. 1.

Interest Income

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

Expenditures

Administrative and Operating Expenditures

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

Debt and Leases

The District doesn't have any debt or leases.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Fund

Emergency Reserve

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

DENARGO MARKET METRO DISTRICT NO. 2

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

Denargo Market Metro District No. 2
Balance Sheet - Governmental Funds
September 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Colostrust	\$ 51,349.37	\$ 19.94	\$ -	\$ 51,369.31
Zion - 2016B Loan Payment	-	12.86	-	12.86
Zion - Capitalized Interest	-	0.60	-	0.60
Zion - 2016B Project Fund	-	-	517,868.42	517,868.42
Zion - Loan Payment	-	1,031.09	-	1,031.09
Zion - Pledged Revenue	-	1,075,198.48	-	1,075,198.48
Zion - Loan Fees	-	1,228.62	-	1,228.62
Zion - Surplus Fund	-	7,032.32	-	7,032.32
Receivable from County Treasurer	1,431.57	4,328.32	-	5,759.89
Total Assets	<u>\$ 52,780.94</u>	<u>\$ 1,088,852.23</u>	<u>\$ 517,868.42</u>	<u>\$ 1,659,501.59</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to District No. 1	52,780.94	-	-	52,780.94
Total Liabilities	<u>52,780.94</u>	<u>-</u>	<u>-</u>	<u>52,780.94</u>
Fund Balances	<u>-</u>	<u>1,088,852.23</u>	<u>517,868.42</u>	<u>1,606,720.65</u>
Liabilities and Fund Balances	<u>\$ 52,780.94</u>	<u>\$ 1,088,852.23</u>	<u>\$ 517,868.42</u>	<u>\$ 1,659,501.59</u>

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

Denargo Market Metro District No. 2
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 394,859.00	\$ 394,859.09	\$ (0.09)
Specific ownership taxes	19,743.00	13,735.73	6,007.27
Interest income	-	3,943.56	(3,943.56)
Other revenue	10,398.00	-	10,398.00
Total Revenue	<u>425,000.00</u>	<u>412,538.38</u>	<u>12,461.62</u>
Expenditures			
County Treasurer's fee	3,949.00	3,948.57	0.43
Contingency	10,398.00	-	10,398.00
Transfers to District No. 1	410,653.00	408,590.39	2,062.61
Total Expenditures	<u>425,000.00</u>	<u>412,538.96</u>	<u>12,461.04</u>
Net Change in Fund Balances	-	(0.58)	0.58
Fund Balance - Beginning	-	0.58	(0.58)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SUPPLEMENTARY INFORMATION

Denargo Market Metro District No. 2
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 1,193,848.00	\$ 1,193,848.31	\$ (0.31)
Specific ownership taxes	59,692.00	41,529.69	18,162.31
Interest income	7,411.00	14,978.01	(7,567.01)
Total Revenue	<u>1,260,951.00</u>	<u>1,250,356.01</u>	<u>10,594.99</u>
Expenditures			
County Treasurer's fee	11,938.00	11,938.45	(0.45)
Paying agent fees	4,500.00	4,500.00	-
Loan Interest 2016A	322,151.00	160,633.96	161,517.04
Loan Interest 2016B	24,261.00	6,955.83	17,305.17
Loan Principal 2016A	175,000.00	-	175,000.00
Loan Principal 2016B	19,378.00	-	19,378.00
Contingency	17,772.00	-	17,772.00
Total Expenditures	<u>575,000.00</u>	<u>184,028.24</u>	<u>390,971.76</u>
Net Change in Fund Balances	685,951.00	1,066,327.77	(380,376.77)
Fund Balance - Beginning	5,518.00	22,524.46	(17,006.46)
Fund Balance - Ending	<u>\$ 691,469.00</u>	<u>\$ 1,088,852.23</u>	<u>\$ (397,383.23)</u>

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

Denargo Market Metro District No. 2
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ 10,000.00	\$ 15,554.85	\$ (5,554.85)
Total Revenue	<u>10,000.00</u>	<u>15,554.85</u>	<u>(5,554.85)</u>
Expenditures			
Transfers to District No. 1	520,000.00	-	520,000.00
Total Expenditures	<u>520,000.00</u>	<u>-</u>	<u>520,000.00</u>
Net Change in Fund Balances	(510,000.00)	15,554.85	(525,554.85)
Fund Balance - Beginning	510,000.00	502,313.57	7,686.43
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 517,868.42</u>	<u>\$ (517,868.42)</u>

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
Schedule of Cash Position
September 30, 2023
Updated as of October 20, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Colotrust</u>				
Balance as of 09/30/2023	\$ 51,349.37	\$ 19.94	\$ -	\$ 51,369.31
Subsequent activities:				
10/10/23 Ptax distribution	1,431.57	4,328.32	-	5,759.89
Anticipated activities:				
Pledged revenue transfer	-	(4,348.26)	-	(4,348.26)
Transfer to D1	(52,780.94)	-	-	(52,780.94)
<i>Anticipated Balance</i>	<u>0.00</u>	<u>-</u>	<u>-</u>	<u>0.00</u>
<u>Zions Bank - Pledged Revenue Account</u>				
Balance as of 09/30/2023	-	1,075,198.48	-	1,075,198.48
Subsequent activities:				
Anticipated activities:				
Pledged Revenue Transfer	-	4,348.26	-	4,348.26
<i>Anticipated Balance</i>	<u>-</u>	<u>1,079,546.74</u>	<u>-</u>	<u>1,079,546.74</u>
<u>Zions - Loan Payment Account</u>				
Balance as of 09/30/2023	-	1,031.09	-	1,031.09
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>1,031.09</u>	<u>-</u>	<u>1,031.09</u>
<u>Zions Bank - 2016 Surplus Fund</u>				
Balance as of 09/30/2023	-	7,032.32	-	7,032.32
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>7,032.32</u>	<u>-</u>	<u>7,032.32</u>
<u>Zions Bank - 2016 Loan Fees Fund</u>				
Balance as of 09/30/2023	-	1,228.62	-	1,228.62
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>1,228.62</u>	<u>-</u>	<u>1,228.62</u>
<u>Zions Bank - 2016B Cap Interest Account</u>				
Balance as of 09/30/2023	-	0.60	-	0.60
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>0.60</u>	<u>-</u>	<u>0.60</u>
<u>Zions Bank - 2016B Project Fund</u>				
Balance as of 09/30/2023	-	-	517,868.42	517,868.42
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>517,868.42</u>	<u>517,868.42</u>
<u>Zions Bank - 2016B Loan Payment Account</u>				
Balance as of 09/30/2023	-	12.86	-	12.86
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>12.86</u>	<u>-</u>	<u>12.86</u>
<i>Anticipated Balances</i>	<u>\$ 0.00</u>	<u>\$ 1,088,852.23</u>	<u>\$ 517,868.42</u>	<u>\$ 1,606,720.65</u>

Yield information:

ColoTrust - 5.5058% (9/30/23)

DENARGO MARKET METROPOLITAN DISTRICT #2
Property Taxes Reconciliation
2023

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 143,030.63	\$ -	\$ 6,062.76	\$ -	\$ (1,430.30)	147,663.09	9.00%	9.00%	6,235.47	0.00%	0.00%
February	1.38	-	6,387.14	-	(0.01)	6,388.51	0.00%	9.00%	148,243.34	11.33%	11.33%
March	189,110.73	-	8,210.56	-	(1,891.10)	195,430.19	11.90%	20.91%	457,170.16	35.77%	47.10%
April	686,457.40	-	5,889.50	-	(6,864.55)	685,482.35	43.21%	64.12%	321,584.00	25.09%	72.19%
May	237,965.90	-	6,099.08	-	(2,379.65)	241,685.33	14.98%	79.09%	25,151.60	1.60%	73.79%
June	143,030.63	-	5,245.30	-	(1,430.31)	146,845.62	9.00%	88.10%	335,720.73	26.21%	100.00%
July	189,110.73	-	5,347.75	-	(1,891.10)	192,567.38	11.90%	100.00%	5,535.59	0.00%	100.00%
August	-	-	6,263.44	-	-	6,263.44	0.00%	100.00%	6,536.82	0.00%	100.00%
September	-	-	5,759.89	-	-	5,759.89	0.00%	100.00%	5,399.65	0.00%	100.00%
October	-	-	-	-	-	-	0.00%	100.00%	5,168.14	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	100.00%	4,794.28	0.00%	100.00%
December	-	-	-	-	-	-	0.00%	100.00%	4,067.12	0.00%	100.00%
	\$ 1,588,707.40	\$ -	\$ 55,265.42	\$ -	\$ (15,887.02)	\$ 1,628,085.80	100.00%	100.00%	\$ 1,325,606.90	100.00%	100.00%

	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax				
General Fund	11.459 \$ 394,859.00	24.85%	\$ 394,859.10	100.00%
Debt Service	34.646 1,193,848.00	75.15%	1,193,848.30	100.00%
	\$ 1,588,707.00	100.00%	\$ 1,588,707.40	100.00%

Specific Ownership Tax

General Fund	\$ 19,743.00	24.85%	\$ 13,735.73	69.57%
Debt Service	59,692.00	75.15%	41,529.69	69.57%
	\$ 79,435.00	100.00%	\$ 55,265.42	69.57%

Treasurer's Fees

General Fund	\$ 3,949.00	24.85%	\$ 3,948.58	99.99%
Debt Service	11,938.00	75.15%	11,938.44	100.00%
	\$ 15,887.00	100.00%	\$ 15,887.02	100.00%

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2 SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on average projected fund balance with a 2% rate of return.

Expenditures

County Treasurer Fees

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

Transfer to Other Districts

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

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2016A and 2016B Bonds (discussed under Debts and Leases).

Debt and Leases

Series 2016 Bonds

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

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

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

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

Debt and Leases (Continued)

Series 2016 Bonds (Continued)

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

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

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Series 2016 Bonds (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.

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

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

1. Inclusion of additional property into the District - Real property has been legally included within the boundaries of the District after September 29, 2016. Additional property included in the District after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Series 2016 Bonds (Continued)

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

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

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

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

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

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

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

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

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

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

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

Debt and Leases (continued)

Series 2016 Bonds (Continued)

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

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

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

Reserve Fund

Emergency Reserve

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

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$10,000,000 General Obligation Limited Tax Convertible to Unlimited Tax Bonds Dated September 29, 2016 Series 2016A Interest Rate of 3.4425% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
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	200,000	292,476	492,476
2029	225,000	284,711	509,711
2030	225,000	276,875	501,875
2031	250,000	269,039	519,039
2032	300,000	261,046	561,046
2033	300,000	249,884	549,884
2034	325,000	239,436	564,436
2035	350,000	228,117	578,117
2036	400,000	216,520	616,520
2037	425,000	201,997	626,997
2038	450,000	187,196	637,196
2039	475,000	171,523	646,523
2040	525,000	155,405	680,405
2041	550,000	136,696	686,696
2042	600,000	117,541	717,541
2043	625,000	96,645	721,645
2044	700,000	75,083	775,083
2045	725,000	50,499	775,499
2046	725,000	25,250	750,250
	\$ 9,250,000	\$ 5,085,742	\$ 14,335,742

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

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$50,001 General Obligation Limited Tax Convertible to Unlimited Tax Bonds Dated September 29, 2016 Series 2016B-1 Interest Rate of 4.0875% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
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	1,000	1,462	2,462
2029	1,125	1,424	2,549
2030	1,125	1,384	2,509
2031	1,250	1,345	2,595
2032	1,500	1,305	2,805
2033	1,500	1,249	2,749
2034	1,625	1,197	2,822
2035	1,750	1,141	2,891
2036	2,000	1,083	3,083
2037	2,125	1,010	3,135
2038	2,250	936	3,186
2039	2,375	858	3,233
2040	2,625	777	3,402
2041	2,750	683	3,433
2042	3,000	588	3,588
2043	3,125	483	3,608
2044	3,500	375	3,875
2045	3,625	253	3,878
2046	3,626	126	3,752
	\$ 46,251	\$ 25,429	\$ 71,680

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

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$879,602 General Obligation Limited Tax Convertible to Unlimited Tax Bonds Dated September 29, 2016 Series 2016B-2 Interest Rate of 3.8875% - 5.45% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2023	\$ 18,503	\$ 22,650	\$ 41,153
2024	18,957	21,944	40,901
2025	20,514	21,100	41,614
2026	19,116	20,248	39,364
2027	20,668	19,465	40,133
2028	22,199	18,665	40,864
2029	23,849	17,696	41,545
2030	24,505	16,706	41,211
2031	26,169	15,690	41,859
2032	28,796	14,642	43,438
2033	29,583	13,396	42,979
2034	31,342	12,159	43,501
2035	33,134	10,846	43,980
2036	35,908	9,482	45,390
2037	37,805	7,942	45,746
2038	39,713	6,346	46,059
2039	41,661	4,668	46,330
2040	40,298	2,914	43,212
2041	21,458	1,183	22,641
2042	4,019	187	4,205
	\$ 538,197	\$ 257,927	\$ 796,125

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

DENARGO MARKET METRO DISTRICT NO. 3

FINANCIAL STATEMENTS

JUNE 30, 2023

**Denargo Market Metro District No. 3
Balance Sheet - Governmental Funds
September 30, 2023**

	General	Total
Assets		
Colotrust	\$ 5.94	\$ 5.94
Receivable from County Treasurer	6,183.41	6,183.41
Total Assets	\$ 6,189.35	\$ 6,189.35
Liabilities		
Accounts Payable	\$ -	\$ -
Due to District 1	6,189.35	6,189.35
Total Liabilities	6,189.35	6,189.35
Liabilities and Fund Balances	\$ 6,189.35	\$ 6,189.35

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

Denargo Market Metro District No. 3
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 141,371.00	\$ 141,370.50	\$ 0.50
Specific ownership taxes	7,069.00	6,183.41	885.59
Other revenue	6,560.00	-	6,560.00
Total Revenue	<u>155,000.00</u>	<u>147,553.91</u>	<u>7,446.09</u>
Expenditures			
County Treasurer's fee	1,414.00	1,413.70	0.30
Contingency	6,560.00	-	6,560.00
Transfer to District No. 1	147,026.00	146,140.21	885.79
Total Expenditures	<u>155,000.00</u>	<u>147,553.91</u>	<u>7,446.09</u>
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SUPPLEMENTARY INFORMATION

DENARGO MARKET METROPOLITAN DISTRICT NO. 3
Schedule of Cash Position
September 30, 2023
Updated as of October 20, 2023

	General Fund
<u>Colotrust</u>	
Balance as of 09/30/23	\$ 5.94
Subsequent activities:	
10/10/2023 Ptax Collection	6,183.41
<i>Anticipated activities:</i>	
<i>Anticipated Transfer to D1</i>	<u>(6,189.35)</u>
<i>Anticipated Balance</i>	<u>\$ -</u>
<u>Yield information:</u>	
ColoTrust - 5.5058% (9/30/23)	

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

DENARGO MARKET METROPOLITAN DISTRICT #3
Property Taxes Reconciliation
2023

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%	0.00%	-	0.00%	0.00%
February	141,364.50	-	-	-	(1,413.64)	139,950.86	100.00%	100.00%	-	0.00%	0.00%
March	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
April	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
May	6.00	-	-	-	(0.06)	5.94	0.00%	100.00%	-	0.00%	0.00%
June	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
July	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
August	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
September	-	-	6,183.41	-	-	6,183.41	0.00%	100.00%	-	0.00%	0.00%
October	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
November	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
December	-	-	-	-	-	-	0.00%	100.00%	-	0.00%	0.00%
	\$ 141,370.50	\$ -	\$ 6,183.41	\$ -	\$ (1,413.70)	\$ 146,140.21	100.00%	100.00%	\$ -	0.00%	0.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
--------------	-------------	--------------------------	------------------------------

Property Tax

General Fund	10.000	\$ 141,371.00	100.00%	\$ 141,370.50	100.00%
		<u>\$ 141,371.00</u>	<u>100.00%</u>	<u>\$ 141,370.50</u>	<u>100.00%</u>

Specific Ownership Tax

General Fund		\$ 7,069.00	100.00%	\$ 6,183.41	87.47%
		<u>\$ 7,069.00</u>	<u>100.00%</u>	<u>\$ 6,183.41</u>	<u>87.47%</u>

Treasurer's Fees

General Fund		\$ 1,414.00	100.00%	\$ 1,413.70	99.98%
		<u>\$ 1,414.00</u>	<u>100.00%</u>	<u>\$ 1,413.70</u>	<u>99.98%</u>

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 3 SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Expenditures

County Treasurer Fees

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

Transfer to Other Districts

Pursuant to a Memorandum of Understanding entered into on October 29, 2010, and amended on August 22, 2016 by and among the District, District No. 1 and District No. 2, the Districts are obligated to impose an operations mill levy and remit property taxes derived from such mill levy, to District No. 1 to fund the Districts' services provided by District No. 1.

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

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

CERTIFICATION OF VALUATION BY COUNTY ASSESSOR

Name of Jurisdiction DENARGO MARKET METROPOLITAN DISTRICT NO. 1 New Entity? Yes No

IN Denver COUNTY, COLORADO on August 18, 2023

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS ("5.5%" LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S., and no later than August 25, the Assessor certifies the TOTAL VALUATION FOR ASSESSMENT for the taxable year 2023:

- | | | |
|--|-----|-----------------|
| 1. Previous year's NET TOTAL TAXABLE assessed valuation: | 1. | <u>\$9,130</u> |
| 2. Current year's GROSS TOTAL TAXABLE assessed valuation:
This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art, X, Sec. 20(8)(b), Colo. Constitution. | 2. | <u>\$12,030</u> |
| 3. LESS TIF District Increment, If any: | 3. | <u>\$0</u> |
| 4. Current year's NET TOTAL TAXABLE assessed valuation: | 4. | <u>\$12,030</u> |
| 5. New Construction*:
New Construction is defined as: Taxable real property structures and the personal property connected with the structure. | 5. | <u>\$0</u> |
| 6. Increased production of producing mine*: | 6. | <u>\$0</u> |
| 7. Annexations/Inclusions: | 7. | <u>\$0</u> |
| 8. Previously exempt Federal property*: | 8. | <u>\$0</u> |
| 9. New primary oil or gas production from any producing oil and gas leasehold or land
(29-1-301(1)(b), C.R.S.):
Jurisdiction must apply (Form DLG 52B) to the division of Local Government before the value can be treated as growth in the limit calculation. | 9. | <u>\$0</u> |
| 10. Taxes collected last year on omitted property as of August 1 (29-1-301(1)(a), C.R.S.): | 10. | <u>\$0</u> |
| 11. Taxes abated and refunded as of August 1 (29-1-301(1)(a), C.R.S. and (39-10-114(1)(a)(I)(B), C.R.S.):
*Jurisdiction must submit respective certifications (Form DLG 52 & 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation. | 11. | <u>\$0</u> |

USE FOR "TABOR LOCAL GROWTH" CALCULATIONS ONLY

In accordance with the provisions of Art. X, Sec. 20, Colo. Cons., and 39-5-121(2)(b), C.R.S., the Assessor certifies the TOTAL ACTUAL VALUATION for the taxable year 2023:

- | | | |
|--|-----|--------------|
| 1. Current year's total actual value of ALL REAL PROPERTY:
This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property. | 1. | <u>\$100</u> |
| ADDITIONS to taxable real property | | |
| 2. Construction of taxable real property improvements:
Construction is defined as newly constructed taxable real property structures. | 2. | <u>\$0</u> |
| 3. Annexation/Inclusions: | 3. | <u>\$0</u> |
| 4. Increased mining production:
Includes production from new mines and increases in production of existing producing mines. | 4. | <u>\$0</u> |
| 5. Previously exempt property: | 5. | <u>\$0</u> |
| 6. Oil or gas production from a new well: | 6. | <u>\$0</u> |
| 7. Taxable real property omitted from the previous year's tax warrant:
If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property. | 7. | <u>\$0</u> |
| DELETIONS from taxable real property: | | |
| 8. Destruction of taxable real property improvements: | 8. | <u>\$0</u> |
| 9. Disconnections/Exclusions: | 9. | <u>\$0</u> |
| 10. Previously taxable property: | 10. | <u>\$0</u> |

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

- | | | |
|--|----|-----------------------------|
| 1. Total actual value of all taxable property: | 1. | <u> </u> |
|--|----|-----------------------------|

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/9/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 128,614	\$ 179,269	\$ 208,817	\$ 208,817	\$ 276,564
REVENUES					
Permit fees	24,839	25,000	4,464	15,000	15,000
Impact fees	134,400	-	-	-	-
Interest income	3,272	2,000	9,402	8,000	12,094
Developer advance	-	-	-	15,000,000	9,500,453
Other revenue	462	-	-	-	-
Transfer from District No. 2	331,323	930,653	408,590	414,677	1,096,018
Transfer from District No. 3	-	147,026	146,140	15,147,076	9,289,718
Total revenues	<u>494,296</u>	<u>1,104,679</u>	<u>568,596</u>	<u>30,584,753</u>	<u>19,913,283</u>
Total funds available	<u>622,910</u>	<u>1,283,948</u>	<u>777,413</u>	<u>30,793,570</u>	<u>20,189,847</u>
EXPENDITURES					
General Fund	381,346	536,000	309,649	435,006	613,000
Capital Projects Fund	32,747	604,400	45,549	30,082,000	19,121,000
Total expenditures	<u>414,093</u>	<u>1,140,400</u>	<u>355,198</u>	<u>30,517,006</u>	<u>19,734,000</u>
Total expenditures and transfers out requiring appropriation	<u>414,093</u>	<u>1,140,400</u>	<u>355,198</u>	<u>30,517,006</u>	<u>19,734,000</u>
ENDING FUND BALANCES	<u>\$ 208,817</u>	<u>\$ 143,548</u>	<u>\$ 422,215</u>	<u>\$ 276,564</u>	<u>\$ 455,847</u>
EMERGENCY RESERVE	\$ 10,800	\$ 17,600	\$ 17,100	\$ 17,600	\$ 24,400
AVAILABLE FOR OPERATIONS	96,364	125,948	349,011	239,311	431,447
TOTAL RESERVE	<u>\$ 107,164</u>	<u>\$ 143,548</u>	<u>\$ 366,111</u>	<u>\$ 256,911</u>	<u>\$ 455,847</u>

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/9/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Vacant land	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Personal property	530	9,100	9,100	9,100	12,000
	<u>560</u>	<u>9,130</u>	<u>9,130</u>	<u>9,130</u>	<u>12,030</u>
Adjustments	-	-	-	-	-
Certified Assessed Value	<u>\$ 560</u>	<u>\$ 9,130</u>	<u>\$ 9,130</u>	<u>\$ 9,130</u>	<u>\$ 12,030</u>
MILL LEVY					
General	0.000	0.000	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES					
General	\$ -	\$ -	\$ -	\$ -	\$ -
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES					
General	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/9/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 128,614	\$ 94,869	\$ 107,164	\$ 107,164	\$ 256,911
REVENUES					
Interest income	3,272	2,000	9,402	8,000	12,000
Permit fees	24,839	25,000	4,464	15,000	15,000
Other revenue	462	-	-	-	-
Transfer from District No. 2	331,323	410,653	408,590	414,677	572,018
Transfer from District No. 3	-	147,026	146,140	147,076	212,918
Total revenues	<u>359,896</u>	<u>584,679</u>	<u>568,596</u>	<u>584,753</u>	<u>811,936</u>
Total funds available	<u>488,510</u>	<u>679,548</u>	<u>675,760</u>	<u>691,917</u>	<u>1,068,847</u>
EXPENDITURES					
General and administrative					
Accounting	35,038	40,250	35,663	47,000	52,000
Auditing	8,500	9,000	8,900	8,900	14,400
City of Denver Annual Fee	6,000	9,000	-	-	9,000
Directors' fees	2,600	2,500	1,600	2,400	3,000
Dues and membership	1,297	2,000	1,651	1,651	2,000
Insurance	12,890	14,500	14,847	14,577	16,000
District management	51,894	49,000	45,501	52,000	54,000
Legal	45,072	50,000	45,087	50,000	55,000
Miscellaneous	37,007	2,500	2,230	1,114	2,500
Payroll taxes	199	200	122	184	230
Election	2,348	3,000	32,761	27,180	-
Contingency	-	11,550	-	-	11,670
Operations and maintenance					
Repairs and maintenance	2,295	25,000	1,025	5,000	25,000
Security	2,680	7,500	2,630	5,000	30,000
Landscape & irrigation repairs	2,965	35,000	264	10,000	35,000
Detention Pond Cleanup	-	10,000	-	10,000	5,000
Landscape Maintenance	19,580	55,000	17,744	35,000	35,000
Street Sweeping	-	1,000	-	1,000	1,000
Trash	-	-	-	-	31,200
Site lighting	1,192	5,000	4,111	5,000	5,000
Site inspection	59,472	118,000	67,845	85,000	120,000
Locates	9,950	11,000	5,585	8,000	15,000
Streets repairs and maintenance	-	10,000	-	10,000	10,000
Snow removal	76,107	50,000	17,862	50,000	75,000
Utilities	4,260	15,000	4,221	6,000	6,000
Total expenditures	<u>381,346</u>	<u>536,000</u>	<u>309,649</u>	<u>435,006</u>	<u>613,000</u>
Total expenditures and transfers out requiring appropriation	<u>381,346</u>	<u>536,000</u>	<u>309,649</u>	<u>435,006</u>	<u>613,000</u>
ENDING FUND BALANCES	<u>\$ 107,164</u>	<u>\$ 143,548</u>	<u>\$ 366,111</u>	<u>\$ 256,911</u>	<u>\$ 455,847</u>
EMERGENCY RESERVE	\$ 10,800	\$ 17,600	\$ 17,100	\$ 17,600	\$ 24,400
AVAILABLE FOR OPERATIONS	96,364	125,948	349,011	239,311	431,447
TOTAL RESERVE	<u>\$ 107,164</u>	<u>\$ 143,548</u>	<u>\$ 366,111</u>	<u>\$ 256,911</u>	<u>\$ 455,847</u>

No assurance provided. See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

11/9/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 84,400	\$ 101,653	\$ 101,653	\$ 19,653
REVENUES					
Interest income	-	-	-	-	94
Developer advance	-	-	-	15,000,000	9,500,453
Impact fees	134,400	-	-	-	-
Transfer from District No. 2	-	520,000	-	-	524,000
Transfer from District No. 3	-	-	-	15,000,000	9,076,800
Total revenues	134,400	520,000	-	30,000,000	19,101,347
Total funds available	134,400	604,400	101,653	30,101,653	19,121,000
EXPENDITURES					
General and Administrative					
Accounting	-	-	-	20,000	30,000
Legal	17,073	-	12,158	32,000	30,000
Miscellaneous	15,000	-	-	-	-
Contingency	-	-	-	-	94
Capital Projects					
Repay developer advance	-	-	-	15,000,000	9,500,453
Engineering	674	-	117	30,000	60,000
Capital outlay	-	604,400	33,274	15,000,000	9,500,453
Total expenditures	32,747	604,400	45,549	30,082,000	19,121,000
Total expenditures and transfers out requiring appropriation	32,747	604,400	45,549	30,082,000	19,121,000
ENDING FUND BALANCES	\$ 101,653	\$ -	\$ 56,104	\$ 19,653	\$ -

No assurance provided. See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Revenues

Transfers from Other Districts

Intergovernmental revenues are transfers from Districts Nos. 2 and 3. The district will coordinate the payment of administrative expenditures for these two districts, as well as the districts own administrative expenditures. District No. 1 also provides for the construction of certain public improvements.

Developer Advances

A portion of the capital expenditures are expected to be funded by the developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from Bond proceeds and other legally available revenue.

Interest Income

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

Expenditures

Administrative and Operating Expenditures

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

Capital Expenditures

The District anticipates infrastructure improvements as noted in the capital projects fund.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget.

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 1 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 14, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Denargo Market Metropolitan District No. 1 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 14th day of November, 2023.

Secretary

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 1 held on November 14, 2023.

By: _____
Secretary

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 1 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on November 14, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 1:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of the City and County of Denver, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 14th day of November, 2023.

Secretary

EXHIBIT A
(Certification of Tax Levies)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 1, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 1 held on November 14, 2023.

Secretary

CERTIFICATION OF VALUATION BY COUNTY ASSESSOR

Name of Jurisdiction DENARGO MARKET METROPOLITAN DISTRICT NO 2 New Entity? Yes No

IN Denver COUNTY, COLORADO on August 18, 2023

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS ("5.5%" LIMIT) ONLY
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In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S., and no later than August 25, the Assessor certifies the TOTAL VALUATION FOR ASSESSMENT for the taxable year 2023:

1. Previous year's NET TOTAL TAXABLE assessed valuation:	1.	\$34,458,460
2. Current year's GROSS TOTAL TAXABLE assessed valuation: <small>This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art, X, Sec. 20(8)(b), Colo. Constitution.</small>	2.	\$46,689,580
3. LESS TIF District Increment, If any:	3.	\$0
4. Current year's NET TOTAL TAXABLE assessed valuation:	4.	\$46,689,580
5. New Construction*: <small>New Construction is defined as: Taxable real property structures and the personal property connected with the structure.</small>	5.	\$0
6. Increased production of producing mine*:	6.	\$0
7. Annexations/Inclusions:	7.	\$0
8. Previously exempt Federal property*:	8.	\$0
9. New primary oil or gas production from any producing oil and gas leasehold or land (29-1-301(1)(b), C.R.S.): <small>Jurisdiction must apply (Form DLG 52B) to the division of Local Government before the value can be treated as growth in the limit calculation.</small>	9.	\$0
10. Taxes collected last year on omitted property as of August 1 (29-1-301(1)(a), C.R.S.):	10.	\$0
11. Taxes abated and refunded as of August 1 (29-1-301(1)(a), C.R.S. and (39-10-114(1)(a)(I)(B), C.R.S.): <small>*Jurisdiction must submit respective certifications (Form DLG 52 & 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.</small>	11.	\$0

USE FOR "TABOR LOCAL GROWTH" CALCULATIONS ONLY

In accordance with the provisions of Art. X, Sec. 20, Colo. Cons., and 39-5-121(2)(b), C.R.S., the Assessor certifies the TOTAL ACTUAL VALUATION for the taxable year 2023:

1. Current year's total actual value of ALL REAL PROPERTY: <small>This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.</small>	1.	\$594,738,900
ADDITIONS to taxable real property		
2. Construction of taxable real property improvements: <small>Construction is defined as newly constructed taxable real property structures.</small>	2.	\$0
3. Annexation/Inclusions:	3.	\$0
4. Increased mining production: <small>Includes production from new mines and increases in production of existing producing mines.</small>	4.	\$0
5. Previously exempt property:	5.	\$0
6. Oil or gas production from a new well:	6.	\$0
7. Taxable real property omitted from the previous year's tax warrant: <small>If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.</small>	7.	\$0
DELETIONS from taxable real property:		
8. Destruction of taxable real property improvements:	8.	\$0
9. Disconnections/Exclusions:	9.	\$0
10. Previously taxable property:	10.	\$0

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
--

1. Total actual value of all taxable property:	1.	\$1,450
--	----	---------

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$1,450

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

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

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 286,485	\$ 515,518	\$ 524,838	\$ 524,838	\$ 520,314
REVENUES					
Property taxes	1,271,761	1,588,707	1,399,596	1,588,707	2,392,205
Specific ownership taxes	65,135	79,435	37,894	79,435	119,610
Interest income	15,168	17,411	19,272	31,524	15,820
Other revenue	-	10,398	-	-	16,051
Transfers from District No. 3	-	-	-	10,000,000	-
Total revenues	<u>1,352,064</u>	<u>1,695,951</u>	<u>1,456,762</u>	<u>11,699,666</u>	<u>2,543,686</u>
TRANSFERS IN	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,138,549</u>	<u>2,211,469</u>	<u>1,981,600</u>	<u>12,224,504</u>	<u>3,064,000</u>
EXPENDITURES					
General Fund	334,488	425,000	359,288	418,626	580,000
Debt Service Fund	779,223	575,000	179,607	11,285,564	1,960,000
Capital Projects Fund	-	520,000	-	-	524,000
Total expenditures	<u>1,113,711</u>	<u>1,520,000</u>	<u>538,895</u>	<u>11,704,190</u>	<u>3,064,000</u>
TRANSFERS OUT	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,613,711</u>	<u>1,520,000</u>	<u>538,895</u>	<u>11,704,190</u>	<u>3,064,000</u>
ENDING FUND BALANCES	<u>\$ 524,838</u>	<u>\$ 691,469</u>	<u>\$ 1,442,705</u>	<u>\$ 520,314</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Residential	\$ 27,204,790	\$ 27,969,040	\$ 27,969,040	\$ 27,969,040	\$ 39,689,264
Commercial	-	-	-	-	594,800
State assessed	457,300	5,159,300	5,159,300	5,159,300	5,184,200
Vacant land	435,790	588,850	588,850	588,850	30
Personal property	637,930	741,270	741,270	741,270	826,770
Certified Assessed Value	<u>\$ 28,735,810</u>	<u>\$ 34,458,460</u>	<u>\$ 34,458,460</u>	<u>\$ 34,458,460</u>	<u>\$ 46,295,064</u>
MILL LEVY					
General	11.000	11.459	11.459	11.459	11.673
Debt Service	33.257	34.646	34.646	34.646	40.000
Total mill levy	<u>44.257</u>	<u>46.105</u>	<u>46.105</u>	<u>46.105</u>	<u>51.673</u>
PROPERTY TAXES					
General	\$ 316,094	\$ 394,859	\$ 394,859	\$ 394,859	\$ 540,402
Debt Service	955,667	1,193,848	1,193,848	1,193,848	1,851,803
Levied property taxes	<u>1,271,761</u>	<u>1,588,707</u>	<u>1,588,707</u>	<u>1,588,707</u>	<u>2,392,205</u>
Adjustments to actual/rounding	-	-	(189,111)	-	-
Budgeted property taxes	<u>\$ 1,271,761</u>	<u>\$ 1,588,707</u>	<u>\$ 1,399,596</u>	<u>\$ 1,588,707</u>	<u>\$ 2,392,205</u>
BUDGETED PROPERTY TAXES					
General	\$ 316,094	\$ 394,859	\$ 347,858	\$ 394,859	\$ 540,402
Debt Service	955,667	1,193,848	1,051,738	1,193,848	1,851,803
	<u>\$ 1,271,761</u>	<u>\$ 1,588,707</u>	<u>\$ 1,399,596</u>	<u>\$ 1,588,707</u>	<u>\$ 2,392,205</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	316,094	394,859	347,857	394,859	540,402
Specific ownership taxes	16,189	19,743	9,418	19,743	27,020
Interest income	2,205	-	2,012	4,024	2,578
Other revenue	-	10,398	-	-	10,000
Total revenues	<u>334,488</u>	<u>425,000</u>	<u>359,287</u>	<u>418,626</u>	<u>580,000</u>
Total funds available	<u>334,488</u>	<u>425,000</u>	<u>359,287</u>	<u>418,626</u>	<u>580,000</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	3,165	3,949	3,479	3,949	5,404
Contingency	-	10,398	-	-	2,578
Transfers to District No. 1	331,323	410,653	355,809	414,677	572,018
Total expenditures	<u>334,488</u>	<u>425,000</u>	<u>359,288</u>	<u>418,626</u>	<u>580,000</u>
Total expenditures and transfers out requiring appropriation	<u>334,488</u>	<u>425,000</u>	<u>359,288</u>	<u>418,626</u>	<u>580,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 286,485	\$ 5,518	\$ 22,524	\$ 22,524	\$ -
REVENUES					
Property taxes	955,667	1,193,848	1,051,739	1,193,848	1,851,803
Specific ownership taxes	48,946	59,692	28,476	59,692	92,590
Interest income	10,649	7,411	7,529	9,500	9,556
Other revenue	-	-	-	-	6,051
Transfers from District No. 3	-	-	-	10,000,000	-
Total revenues	<u>1,015,262</u>	<u>1,260,951</u>	<u>1,087,744</u>	<u>11,263,040</u>	<u>1,960,000</u>
Total funds available	<u>1,301,747</u>	<u>1,266,469</u>	<u>1,110,268</u>	<u>11,285,564</u>	<u>1,960,000</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	9,567	11,938	10,517	11,938	18,518
Paying agent fees	4,500	4,500	1,500	4,500	-
Transfers to District No. 3	-	-	-	430,000	1,935,431
Contingency	-	17,772	-	490,471	6,051
Debt Service					
Loan Interest 2016A	327,375	322,151	160,634	322,151	-
Loan Interest 2016B	24,987	24,261	6,956	24,261	-
Loan Principal 2016A	150,000	175,000	-	9,400,000	-
Loan Principal 2016B	262,794	19,378	-	602,243	-
Total expenditures	<u>779,223</u>	<u>575,000</u>	<u>179,607</u>	<u>11,285,564</u>	<u>1,960,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,279,223</u>	<u>575,000</u>	<u>179,607</u>	<u>11,285,564</u>	<u>1,960,000</u>
ENDING FUND BALANCES	<u>\$ 22,524</u>	<u>\$ 691,469</u>	<u>\$ 930,661</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 510,000	\$ 502,314	\$ 502,314	\$ 520,314
REVENUES					
Interest income	2,314	10,000	9,731	18,000	3,686
Total revenues	<u>2,314</u>	<u>10,000</u>	<u>9,731</u>	<u>18,000</u>	<u>3,686</u>
TRANSFERS IN					
Transfers from other funds	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>502,314</u>	<u>520,000</u>	<u>512,045</u>	<u>520,314</u>	<u>524,000</u>
EXPENDITURES					
General and Administrative					
Transfers to District No. 1	-	520,000	-	-	524,000
Total expenditures	<u>-</u>	<u>520,000</u>	<u>-</u>	<u>-</u>	<u>524,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>520,000</u>	<u>-</u>	<u>-</u>	<u>524,000</u>
ENDING FUND BALANCES	<u>\$ 502,314</u>	<u>\$ -</u>	<u>\$ 512,045</u>	<u>\$ 520,314</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Interest Income

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

Expenditures

County Treasurer Fees

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

Transfer to Other Districts

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

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

Debt and Leases

Series 2023 Loan

The District is entering into a Loan Agreement with District No. 2 and NBH Bank and Midwestone Bank, for the purposes of refunding the 2016 Loan, and to provide for the financing of public improvements.

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 14, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Denargo Market Metropolitan District No. 2 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 14th day of November, 2023.

Secretary

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 2 held on November 14, 2023.

By: _____
Secretary

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 2 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on November 14, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of City and County of Denver, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 14th day of November, 2023.

Secretary

EXHIBIT A
(Certification of Tax Levies)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 2 held on November 14, 2023.

Secretary

DENARGO MARKET METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**DENAGO MARKET METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 9,100,000
REVENUES					
Property taxes	-	141,371	141,371	141,371	971,800
Specific ownership taxes	-	7,069	-	7,069	48,590
Interest income	-	-	-	50	180,975
Other revenue	-	206,560	-	200,000	3,075
Transfers from District 2	-	430,000	-	430,000	1,935,431
Loan Issuance	-	35,000,000	-	35,000,000	-
Total revenues	-	35,785,000	141,371	35,778,490	3,139,871
TRANSFERS IN	-	10,000,000	-	10,000,000	-
Total funds available	-	45,785,000	141,371	45,778,490	12,239,871
EXPENDITURES					
General Fund	-	155,000	141,371	148,490	218,000
Debt Service Fund	-	10,630,000	-	10,430,000	2,600,000
Capital Projects Fund	-	16,160,000	-	16,100,000	9,076,800
Total expenditures	-	26,945,000	141,371	26,678,490	11,894,800
TRANSFERS OUT	-	10,000,000	-	10,000,000	-
Total expenditures and transfers out requiring appropriation	-	36,945,000	141,371	36,678,490	11,894,800
ENDING FUND BALANCES	\$ -	\$ 8,840,000	\$ -	\$ 9,100,000	\$ 345,071

No assurance provided. See summary of significant assumptions.

DENAGO MARKET METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2 2024
ASSESSED VALUATION					
Vacant land	\$ -	\$ 14,135,340	\$ 14,135,340	\$ 14,135,340	\$ 19,276,790
State assessed	30	600	600	600	360
Personal property	-	1,110	1,110	1,110	-
Certified Assessed Value	<u>\$ 30</u>	<u>\$ 14,137,050</u>	<u>\$ 14,137,050</u>	<u>\$ 14,137,050</u>	<u>\$ 19,277,150</u>
MILL LEVY					
General	10.000	10.000	10.000	10.000	10.412
Debt Service	0.000	0.000	0.000	0.000	40.000
Total mill levy	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>50.412</u>
PROPERTY TAXES					
General	\$ -	\$ 141,371	\$ 141,371	\$ 141,371	\$ 200,714
Debt Service	-	-	-	-	771,086
Levied property taxes	<u>-</u>	<u>141,371</u>	<u>141,371</u>	<u>141,371</u>	<u>971,800</u>
Budgeted property taxes	<u>\$ -</u>	<u>\$ 141,371</u>	<u>\$ 141,371</u>	<u>\$ 141,371</u>	<u>\$ 971,800</u>
BUDGETED PROPERTY TAXES					
General	\$ -	\$ 141,371	\$ 141,371	\$ 141,371	\$ 200,714
Debt Service	-	-	-	-	771,086
	<u>\$ -</u>	<u>\$ 141,371</u>	<u>\$ 141,371</u>	<u>\$ 141,371</u>	<u>\$ 971,800</u>

No assurance provided. See summary of significant assumptions.

DENAGO MARKET METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	-	141,371	141,371	141,371	200,714
Specific ownership taxes	-	7,069	-	7,069	10,036
Interest income	-	-	-	50	4,175
Other revenue	-	6,560	-	-	3,075
Total revenues	-	155,000	141,371	148,490	218,000
Total funds available	-	155,000	141,371	148,490	218,000
EXPENDITURES					
General and administrative					
County Treasurer's fee	-	1,414	1,414	1,414	2,007
Contingency	-	6,560	-	-	3,075
Transfer to District No. 1	-	147,026	139,957	147,076	212,918
Total expenditures	-	155,000	141,371	148,490	218,000
Total expenditures and transfers out requiring appropriation	-	155,000	141,371	148,490	218,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

DENAGO MARKET METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 200,000
REVENUES					
Property taxes	-	-	-	-	771,086
Specific ownership taxes	-	-	-	-	38,554
Transfers from District 2	-	430,000	-	430,000	1,935,431
Other revenue	-	200,000	-	200,000	-
Total revenues	-	630,000	-	630,000	2,745,071
TRANSFERS IN					
Transfers from other funds	-	10,000,000	-	10,000,000	-
Total funds available	-	10,630,000	-	10,630,000	2,945,071
EXPENDITURES					
General and administrative					
County Treasurer's fee	-	-	-	-	7,711
Paying agent fees	-	-	-	-	3,000
Transfer to District No. 2	-	10,000,000	-	10,000,000	-
Contingency	-	200,000	-	-	198,218
Debt Service					
Loan Interest	-	430,000	-	430,000	2,391,071
Total expenditures	-	10,630,000	-	10,430,000	2,600,000
Total expenditures and transfers out requiring appropriation	-	10,630,000	-	10,430,000	2,600,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ 200,000	\$ 345,071

No assurance provided. See summary of significant assumptions.

**DENAGO MARKET METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 8,900,000
REVENUES					
Interest income	-	-	-	-	176,800
Loan Issuance	-	35,000,000	-	35,000,000	-
Total revenues	-	35,000,000	-	35,000,000	176,800
Total funds available	-	35,000,000	-	35,000,000	9,076,800
EXPENDITURES					
General and Administrative					
Accounting	-	20,000	-	-	-
Bond issue costs	-	600,000	-	600,000	-
Legal	-	20,000	-	-	-
Contingency	-	500,000	-	500,000	-
Capital Projects					
Engineering	-	20,000	-	-	-
Transfer to District No. 1	-	15,000,000	-	15,000,000	9,076,800
Total expenditures	-	16,160,000	-	16,100,000	9,076,800
TRANSFERS OUT					
Transfers to other fund	-	10,000,000	-	10,000,000	-
Total expenditures and transfers out requiring appropriation	-	26,160,000	-	26,100,000	9,076,800
ENDING FUND BALANCES	\$ -	\$ 8,840,000	\$ -	\$ 8,900,000	\$ -

No assurance provided. See summary of significant assumptions.

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Expenditures

County Treasurer Fees

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

Transfer to Other Districts

Pursuant to a Memorandum of Understanding entered into on October 29, 2010, and amended on August 22, 2016 by and among the District, District No. 1 and District No. 2, the Districts are obligated to impose an operations mill levy and remit property taxes derived from such mill levy, to District No. 1 to fund the Districts' services provided by District No. 1.

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget.

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 3 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 14, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 3:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Denargo Market Metropolitan District No. 3 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 14th day of November, 2023.

Secretary

EXHIBIT A
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 3 held on November 14, 2023.

By: _____
Secretary

RESOLUTION NO. 2023-11-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 3 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on November 14, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 3:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of the City and County of Denver, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 14th day of November, 2023.

Secretary

EXHIBIT A
(Certification of Tax Levies)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District 3, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District 3 held on November 14, 2023.

Secretary



October 6, 2023

To the Board of Directors and Management
Denargo Market Metropolitan District No. 1
c/o Special District Management Services
141 Union Blvd., Suite 150
Lakewood, CO 80228

We are pleased to confirm our understanding of the services we are to provide Denargo Market Metropolitan District No. 1 (the District) for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2023.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Capital Projects Fund

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those

used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of Denargo Market Metropolitan District No. 1.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

DENARGO MARKET METROPOLITAN DISTRICT NO. 1

McGeady Becher, P.C.
450 E 17th Avenue, Suite 400
Denver, CO 80203-121

Our auditors, Dazzio & Associates, PC, 8200 S. Quebec St., Suite A3259, Centennial, Colorado, 80112,, are conducting an audit of our financial statements at December 31, 2023 and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of Denargo Market Metropolitan District No. 1 in the form of legal consultation or representation.

Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$5,000 individually or in the aggregate. The description of each matter should include:

- 1) the nature of the litigation;
- 2) the progress of the matter to date;
- 3) how management of the District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- 4) an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 450, Contingencies*.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of *FASB Accounting Standards Codification 450, Contingencies* (excerpts of

which can be found in the ABA's *Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of December 31, 2023, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Very truly yours,

Denargo Market Metropolitan District No. 1



Dazzio & Associates, PC
Certified Public Accountants

October 6, 2023

To the Board of Directors and Management
Denargo Market Metropolitan District No. 2
c/o Special District Management Services
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Denargo Market Metropolitan District No. 2 (the District) for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2023.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Capital Projects Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of Denargo Market Metropolitan District No. 2.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

DENARGO MARKET METROPOLITAN DISTRICT NO. 2

McGeady Becher, P.C.
450 E 17th Avenue, Suite 400
Denver, CO 80203-121

Our auditors, Dazzio & Associates, PC, 8200 S. Quebec St., Suite A3259, Centennial, Colorado, 80112,, are conducting an audit of our financial statements at December 31, 2023 and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of Denargo Market Metropolitan District No. 2 in the form of legal consultation or representation.

Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$5,000 individually or in the aggregate. The description of each matter should include:

- 1) the nature of the litigation;
- 2) the progress of the matter to date;
- 3) how management of the District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- 4) an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 450, Contingencies*.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of *FASB Accounting Standards Codification 450, Contingencies* (excerpts of

which can be found in the ABA's *Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of December 31, 2023, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Very truly yours,

Denargo Market Metropolitan District No. 2



October 9, 2023

To the Board of Directors and Management
Denargo Market Metropolitan District No. 3
c/o Special District Management Services
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Denargo Market Metropolitan District No. 3 (the District) for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2023.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Capital Projects Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received

in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District’s financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of Denargo Market Metropolitan District No. 3.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

DENARGO MARKET METROPOLITAN DISTRICT NO. 3

McGeady Becher, P.C.
450 E 17th Avenue, Suite 400
Denver, CO 80203-121

Our auditors, Dazzio & Associates, PC, 8200 S. Quebec St., Suite A3259, Centennial, Colorado, 80112,, are conducting an audit of our financial statements at December 31, 2023 and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of Denargo Market Metropolitan District No. 3 in the form of legal consultation or representation.

Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$5,000 individually or in the aggregate. The description of each matter should include:

- 1) the nature of the litigation;
- 2) the progress of the matter to date;
- 3) how management of the District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- 4) an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 450, Contingencies*.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of *FASB Accounting Standards Codification 450, Contingencies* (excerpts of

which can be found in the ABA's *Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of December 31, 2023, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Very truly yours,

Denargo Market Metropolitan District No. 3



Special Districts Master Services Agreement

Denargo Market Metro District No. 1
141 Union Blvd., Ste. 150, Lakewood, CO, 80028
MSA Date: October 15, 2023

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Denargo Market Metro District No. 1 (“you,” “your,” “board of directors” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Board of director responsibilities

The board of directors of the district acknowledge and understand that our role is to provide the services identified in one or more SOWs issued per this MSA and that the board of directors of the district has certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its role in management of the district.

Responsibilities and limitations related to nonattest services

For all nonattest services we may provide to you, you agree to oversee all management services; evaluate

the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services. CLA and the district agree that the foregoing sentence is not intended and shall not be construed to be a limitation of liability for the benefit of CLA nor an exculpatory clause for the benefit of CLA. CLA is and will remain liable to the district for CLA's negligence and gross negligence in the work that it performs under this MSA or under any SOW.

Fees and terms

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures permitted by this MSA through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other Fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one percent (1.00%), which is an annual percentage rate of 12%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable if and as provided by Colorado law.

Limitation of remedies

Each party agrees that in no event shall the other party be liable for any indirect, special, incidental, consequential, punitive or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages related to CLA's acts or omissions in performance of our duties under the terms of this MSA or any SOW issued under this MSA.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. Any legal or equitable action brought by the district to recover on a dispute shall be commenced within the applicable statute of limitations under Colorado state statutes and case law.

CLA shall be authorized to the following cash access services:

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
 - Paper checks – we will prepare the checks for your approval and wet ink signature
 - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments
 - ACH/Wire – we will use this method as needed/as requested, with your approval

We understand that you will designate one or more members of the board of directors to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above
- Take deposits to the bank that include cash
- If applicable, have access to cash-in-kind assets, such as coupons
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function

Board of Directors' responsibilities relevant to CLA's access to your cash

All members of your board of directors are responsible for the processes below; however, we understand that you will designate one or more board of directors to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments
- Approve all new vendors and customers added to the accounting system
- Approve non-recurring wires to external parties
- Pre-approve for recurring wires, then board of directors will ratify approval
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid

- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations

Other provisions

Except as expressly permitted by the “Consent” section of this agreement, CLA shall not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by the Colorado Open Records Act, Section 24-72-200.1 et seq., C.R.S. (“CORA”).

Insurance:

CLA shall acquire and maintain in full force and effect, during the entire term of the MSA, the insurance coverages set forth in below in order to protect the district including its board of directors, and CLA from claims that arise out of or result from the operations under this MSA by the CLA or its affiliates or by anyone acting on their behalf or for which they may be liable. Failure to maintain the insurance policies shall be a material breach of this MSA and the district may request certificates of insurance reflecting the coverages outlined below.

- A.** Workers’ Compensation Insurance
- B.** Commercial General Liability Insurance
- C.** Commercial Automobile Liability Insurance
- D.** General Professional Liability
- E.** Network Security (Cyber) Liability Insurance

F. Excess/Umbrella Liability Coverage

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will assume fiduciary responsibility on the district's behalf during the course of this agreement only if provided in SOWs issued under this MSA; and the parties, in entering into this MSA, do not intend to create an overarching fiduciary relationship.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Annual Appropriation and Budget

The district does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. CLA expressly understands and agrees that the district's obligations under this MSA shall extend only to monies appropriated for the purposes of this MSA by the board of directors and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this MSA shall be construed or interpreted as a delegation of governmental powers by the district, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the district or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this MSA shall be construed to pledge or to create a lien on any class or source of district funds. The district's obligations under this MSA exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this MSA.

Governmental Immunity

Nothing in this MSA shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the district, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the district and, in particular, governmental immunity afforded or available to the district pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S.

No Third-Party Beneficiaries

It is expressly understood and agreed that enforcement of the terms and conditions of this MSA, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained

in this MSA shall give or allow any such claim or right of action by any third party. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this MSA shall be deemed to be an incidental beneficiary only.

Personal Identifying Information

During the performance of this MSA, the district may disclose Personal Identifying Information to CLA. “Personal Identifying Information” means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver’s license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., CLA agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to CLA; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

CLA agrees to report within twenty-four (24) hours to the district’s board of directors any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this MSA “Data Security Incident” is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to, CLA systems; (b) inability to access business and other proprietary information, data, or the CLA systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Denargo Market Metro District No. 1 information, excluding Personal Identifying Information, in these cost comparison, performance indicator, and/or benchmarking reports.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Colorado law requires special districts to maintain websites and further requires that certain documents which may be prepared by CLA to be uploaded to those websites. CLA specifically acknowledges and agrees that the district may upload to its website any documents prepared by CLA for the district and further, that those documents may be used in public meetings hosted by or to which the district is a party.

Counterpart Execution

This MSA may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Electronic Signatures

The parties consent to the use of electronic signatures pursuant to the Uniform Electronic Transactions Act, Sections 24-71.3-101, et seq., Colorado Revised Statutes, as may be amended from time to time. The MSA, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the district. The parties agree not to deny the legal effect or enforceability of the MSA solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the MSA in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

MSA Modification

The MSA may not be amended, altered, or otherwise changed except by a written agreement signed by authorized representatives of the parties.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

CliftonLarsonAllen LLP

Jason Carroll
Managing Principal of Office
303-265-7835
jason.carroll@CLAconnect.com

Response

This MSA correctly sets forth the understanding of Denargo Market Metro District No. 1 and is accepted by:

CLA
CliftonLarsonAllen LLP

Jason Carroll

Jason Carroll, Managing Principal of Office

SIGNED 11/10/2023, 9:54:11 AM MST

Client

ORG:

NAME:

TITLE:

SIGN:

DATE:

Multiple Entities

CLA Client ID	Entity Name
A195352	Denargo Market Metro District No. 2
A195351	Denargo Market Metro District No. 3



Special Districts Preparation Statement of Work

Date: October 18, 2023

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Denargo Market Metro District No. 1 (“you,” “your,” “board of directors” or “the district”) dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2024 in connection with that agreement.

Scope of professional services

Jason Carroll is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed development fee records

- Process accounts payable including the preparation and issuance of checks for approval by the board of directors
- Prepare billings, record billings, enter cash receipts, and track revenues
- Reconcile certain accounts regularly and prepare journal entries
- Prepare depreciation schedules
- Prepare quarterly financial statements and supplementary information, but not perform a compilation with respect to those financial statements; additional information is provided below
- Prepare a schedule of cash position to monitor the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of directors and in accordance with state law
- At the direction of the board of directors, assist with the coordination and execution of banking and investment transactions and documentation
- Prepare the annual budget and assist with the filing of the annual budget
- Assist the district's board of directors in monitoring actual expenditures against appropriation/budget
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors
- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required
- Review claims for reimbursement from related parties prior to the board of directors' review and approval
- Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness
 - Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW

- These procedures may not satisfy district policies, procedures, and agreements' requirements
 - Note: our procedures should not be relied upon as the final authorization for this transaction
- Attend board meetings as requested
 - Be available during the year to consult with you on any accounting matters related to the district
 - Review and approve monthly reconciliations and journal entries prepared by staff
 - Reconcile complex accounts monthly and prepare journal entries
 - Analyze financial statements and present to management and the board of directors
 - Develop and track key business metrics as requested and review periodically with the board of directors
 - Document accounting processes and procedures
 - Continue process and procedure improvement implementation
 - Report on cash flows
 - Assist with bank communications
 - Perform other non-attest services

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services - financial statements

We will prepare the quarterly financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services - annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast. References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a)** Prepare quarterly financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.
- b)** As requested, apply accounting and financial reporting expertise to assist you in the presentation of your quarterly financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c)** Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d)** Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material

modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.

- e) If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f) If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the quarterly financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of directors of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of directors of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the 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 and may not be suitable for another

purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation on the Application for Exemption from Audit (if an audit is not required), we will not issue report on the Application for Exemption from Audit as a result of this engagement.

No assurance statements

The quarterly financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For business type activities, the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management’s responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district’s operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a) The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b) The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c) The presentation of the supplementary information.
- d) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e) The prevention and detection of fraud.
- f) To ensure that the entity complies with the laws and regulations applicable to its activities.
- g) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h) To provide us with the following:
 - i) Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii) Additional information that may be requested for the purpose of the engagement.
 - iii) Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the board treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees and terms

Billing rates guaranteed through **December 31, 2024**:

Services performed by	Rate per hour
Principal	\$300-\$600
Consulting CFO	\$290-\$400
Consulting Controller	\$240-\$380
Assistant Controller	\$210-\$290
Senior	\$150-\$220
Staff	\$130-\$190
Administrative Support	\$120-\$170

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial

statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the “Act”). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Authority to Execute

The entity executing this SOW represents that it is duly authorized to do so and on behalf of itself and the entities listed on the Multiple Entities List.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Jason Carroll
Managing Principal of Office
303-265-7835
jason.carroll@CLAconnect.com

Response

This SOW correctly sets forth the understanding of Denargo Market Metro District No. 1 and is accepted by:

CLA
CliftonLarsonAllen LLP

Jason Carroll

Jason Carroll, Managing Principal of Office

SIGNED 10/18/2023, 5:50:09 PM MDT

Client

ORG:

NAME:

TITLE:

SIGN:

DATE:

Multiple Entities

CLA Client ID	Entity Name
A195352	Denargo Market Metro District No. 2
A195351	Denargo Market Metro District No. 3

RESOLUTION NO. 2023-11-
DENARGO MARKET METROPOLITAN DISTRICT NO. 1
AMENDING POLICY ON COLORADO OPEN RECORDS ACT REQUESTS

A. On November 19, 2013, Denargo Market Metropolitan District No. 1 (the “**District**”) adopted Resolution No. 2013-11-04 Regarding Colorado Open Records Act Requests, as amended (the “**Resolution**”), in which the District adopted a policy related to Colorado Open Records Act Requests (the “**Policy**”).

B. In 2023, the Colorado General Assembly enacted Senate Bill 23-286, which provided for certain changes in the law related to Colorado Open Records Act Requests.

C. The District desires to amend the Policy due to the legislative changes set forth in Senate Bill 23-286.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 1, City and County of Denver, Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendments to Policy. The Policy is hereby amended as follows:

(a) Amendment to Section 3 of the Resolution. Section 3 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“3. Within the period specified in Section 24-72-203(3)(a), C.R.S., as amended from time to time, the Official Custodian shall notify the record requester that a copy of the record is available, but will only be sent to the requester once the custodian either receives payment or makes arrangements for receiving payment for all costs associated with records transmission and for all other fees lawfully allowed, unless recovery of all or any portion of such costs or fees has been waived by the Official Custodian, or where prohibited or limited by law. Upon either receiving such payment or making arrangements to receive such payment at a later date, the Official Custodian shall provide the record(s) to the requester as soon as practicable, but no more than three (3) business days after receipt of, or making arrangements to receive, such payment.”

(b) Amendment to Section 5 of the Resolution. Section 5 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“5. The Official Custodian shall not charge a per-page fee for providing records in a digital or electronic format.”

(c) Amendment to Section 7 of the Resolution. Section 7 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“7. All requests for copies or inspection of public records of the District shall be submitted to the Official Custodian in writing. Such requests shall be delivered by the Official Custodian to the District’s legal counsel for review and legal advice regarding the lawful availability of records requested and related matters, including without limitation, whether to deny inspection or production of certain records or information for reasons set forth in Sections 24-72-204(2) and (3), C.R.S., as amended from time to time. The District may, from time to time, designate specific records for which written requests are not required and with respect to which review by legal counsel is not required; i.e., service plans, rules and regulations, minutes, etc. Such designations shall occur in the minutes of the meetings of the District.”

3. Except as expressly set forth herein, the Resolution continues to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2023-11-____]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 14, 2023.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 1**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2023-11-
DENARGO MARKET METROPOLITAN DISTRICT NO. 2
AMENDING POLICY ON COLORADO OPEN RECORDS ACT REQUESTS

A. On November 19, 2013, Denargo Market Metropolitan District No. 2 (the “**District**”) adopted Resolution No. 2013-11-05 Regarding Colorado Open Records Act Requests, as amended (the “**Resolution**”), in which the District adopted a policy related to Colorado Open Records Act Requests (the “**Policy**”).

B. In 2023, the Colorado General Assembly enacted Senate Bill 23-286, which provided for certain changes in the law related to Colorado Open Records Act Requests.

C. The District desires to amend the Policy due to the legislative changes set forth in Senate Bill 23-286.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 2, City and County of Denver, Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendments to Policy. The Policy is hereby amended as follows:

(a) Amendment to Section 3 of the Resolution. Section 3 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“3. Within the period specified in Section 24-72-203(3)(a), C.R.S., as amended from time to time, the Official Custodian shall notify the record requester that a copy of the record is available, but will only be sent to the requester once the custodian either receives payment or makes arrangements for receiving payment for all costs associated with records transmission and for all other fees lawfully allowed, unless recovery of all or any portion of such costs or fees has been waived by the Official Custodian, or where prohibited or limited by law. Upon either receiving such payment or making arrangements to receive such payment at a later date, the Official Custodian shall provide the record(s) to the requester as soon as practicable, but no more than three (3) business days after receipt of, or making arrangements to receive, such payment.”

(b) Amendment to Section 5 of the Resolution. Section 5 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“5. The Official Custodian shall not charge a per-page fee for providing records in a digital or electronic format.”

(c) Amendment to Section 7 of the Resolution. Section 7 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“7. All requests for copies or inspection of public records of the District shall be submitted to the Official Custodian in writing. Such requests shall be delivered by the Official Custodian to the District’s legal counsel for review and legal advice regarding the lawful availability of records requested and related matters, including without limitation, whether to deny inspection or production of certain records or information for reasons set forth in Sections 24-72-204(2) and (3), C.R.S., as amended from time to time. The District may, from time to time, designate specific records for which written requests are not required and with respect to which review by legal counsel is not required; i.e., service plans, rules and regulations, minutes, etc. Such designations shall occur in the minutes of the meetings of the District.”

3. Except as expressly set forth herein, the Resolution continues to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2023-11-____]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 14, 2023.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2023-11-
DENARGO MARKET METROPOLITAN DISTRICT NO. 3
AMENDING POLICY ON COLORADO OPEN RECORDS ACT REQUESTS

A. On June 26, 2019, Denargo Market Metropolitan District No. 3 (the “**District**”) adopted Resolution No. 2019-06-03 Regarding Colorado Open Records Act Requests, as amended (the “**Resolution**”), in which the District adopted a policy related to Colorado Open Records Act Requests (the “**Policy**”).

B. In 2023, the Colorado General Assembly enacted Senate Bill 23-286, which provided for certain changes in the law related to Colorado Open Records Act Requests.

C. The District desires to amend the Policy due to the legislative changes set forth in Senate Bill 23-286.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 3, City and County of Denver, Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendments to Policy. The Policy is hereby amended as follows:

(a) Amendment to Section 3 of the Resolution. Section 3 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“3. Within the period specified in Section 24-72-203(3)(a), C.R.S., as amended from time to time, the Official Custodian shall notify the record requester that a copy of the record is available, but will only be sent to the requester once the custodian either receives payment or makes arrangements for receiving payment for all costs associated with records transmission and for all other fees lawfully allowed, unless recovery of all or any portion of such costs or fees has been waived by the Official Custodian, or where prohibited or limited by law. Upon either receiving such payment or making arrangements to receive such payment at a later date, the Official Custodian shall provide the record(s) to the requester as soon as practicable, but no more than three (3) business days after receipt of, or making arrangements to receive, such payment.”

(b) Amendment to Section 5 of the Resolution. Section 5 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“5. The Official Custodian shall not charge a per-page fee for providing records in a digital or electronic format.”

(c) Amendment to Section 7 of the Resolution. Section 7 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“7. All requests for copies or inspection of public records of the District shall be submitted to the Official Custodian in writing. Such requests shall be delivered by the Official Custodian to the District’s legal counsel for review and legal advice regarding the lawful availability of records requested and related matters, including without limitation, whether to deny inspection or production of certain records or information for reasons set forth in Sections 24-72-204(2) and (3), C.R.S., as amended from time to time. The District may, from time to time, designate specific records for which written requests are not required and with respect to which review by legal counsel is not required; i.e., service plans, rules and regulations, minutes, etc. Such designations shall occur in the minutes of the meetings of the District.”

3. Except as expressly set forth herein, the Resolution continues to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2023-11-____]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 14, 2023.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 3**

By: _____
President

Attest:

Secretary



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: October 12, 2023

RE: Notice of 2024 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by (6.0%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.