

DENARGO MARKET METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Laura H. Newman	President	2023/May 2023
Donald D. Cabrera	Treasurer	2023/May 2023
Todd T. Wenskoski	Asst. Secretary	2022/May 2022
Jeffrey D. Jones	Asst. Secretary	2022/May 2022
David H. Smith	Asst. Secretary	2022/May 2022
Ann E. Finn	Secretary	

DATE: November 17, 2020

TIME: 4:30 p.m.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY CONFERENCE CALL AND ZOOM MEETING WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE VIA THE FOLLOWING CALL-IN INFORMATION:

CONFERENCE CALL NUMBER: **1-877-261-8991**
PASSCODE: **6168588**

THIS MEETING MAY ALSO BE ATTENDED VIA ZOOM AND CAN BE JOINED THROUGH THE DIRECTIONS BELOW:

<https://us02web.zoom.us/j/86431341658?pwd=UXY3UXRISHFWcDJoOHNUdzBZbFZlQT09>

Phone: 1 (253) 215-8782 or 1 (669) 900-6833

Meeting ID: 864 3134 1658

Password: 514426

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum, approve Agenda, confirm location of the meeting and posting of meeting notice.

- C. Review and approve the Minutes of the June 16, 2020 Special Meeting (enclosure).

- D. Consider Regular Meeting dates for 2021 (suggested dates are June 15, 2021 and November 16, 2021 at 4:30 p.m.). Review and consider adoption of Resolution No. 2020-11-___; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).

- E. Discuss §32-1-809, C.R.S., reporting requirements (Transparency Notice) and mode of eligible elector notification (2021 SDA Website).

II. PUBLIC COMMENT

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

III. FINANCIAL MATTERS

- A. Consider engagement of Dazzio & Associates, PC for preparation of 2020 Audit in the amount of \$4,500 (enclosure).

- B. Review and accept the unaudited financial statements through the period ending September 30, 2020 and Schedule of Cash Position as of September 30, 2020 (enclosure).

- C. Conduct Public Hearing to consider Amendment to 2020 Budget (if necessary) and consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures.

- D. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolution to Adopt the 2021 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2021 Budget, and resolutions).

- E. Discuss and consider adoption of Resolution Authorizing Adjustment of the District Mill Levy in accordance with the Colorado Constitution, Article X, Section 3 (enclosure).
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- F. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- G. Consider appointment of District Accountant to prepare the 2022 Budget.
-

IV. LEGAL MATTERS

- A. _____

V. OTHER MATTERS

- A. Confirm annual meeting for property owners and overlapping entities (enclosure-notice of meeting that was published on October 2, 2020).
-

VI. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2020.**

Additional Enclosures:

- Denver to Extend Waiver of Interest on Late Payment of Property Taxes Notice from the City and County of Denver's Department of Finance

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD JUNE 16, 2020

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 2 (referred to hereafter as the “District”) was held on Tuesday, the 16th day of June, 2020, at 4:30 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held and properly noticed to be held via telephone conference. The meeting was open to the public telephonically.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Todd T. Wenskoski
Jeffrey D. Jones
David H. Smith

Also In Attendance Were:

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

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

Matt Vigil; CliftonLarsonAllen LLP

Steve Dazzio, CPA; Dazzio & Associates, P.C. (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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. Attorney Williams 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

RECORD OF PROCEEDINGS

incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

ADMINISTRATIVE MATTERS

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

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

Meeting Location: 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. Following discussion, and upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, this meeting was conducted by teleconference and public participation was encouraged via teleconference. The Board further noted that notice providing the time, date and teleconference information was duly posted and that no objections, or requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Status of the District's Website: Ms. Finn noted that the District's website has been established.

May 5, 2020 Election: Ms. Finn advised the Board that the May 5, 2020 election was cancelled, pursuant to Section 1-13.5-513, C.R.S. because there were not more candidates than positions available on the Board of Directors. It was noted that Directors Newman and Cabrera were deemed elected to 3-year terms ending in May, 2023.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the following officers were appointed:

President	Laura H. Newman
Treasurer	Donald D. Cabrera
Secretary	Ann E. Finn
Assistant Secretary	Jeffrey D. Jones
Assistant Secretary	David H. Smith
Assistant Secretary	Todd T. Wenskoski

Minutes: The Board reviewed the Minutes of the November 19, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Newman and, upon vote, unanimously carried, the Minutes of the November 19, 2019 Regular Meeting were approved, as presented.

First Amendment to Resolution No. 2019-11-01; Resolution Establishing Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting 24-Hour Notices: The Board reviewed the First Amendment to Resolution No. 2019-11-01; Resolution Establishing Regular Meeting Dates, Times and Location, Establishing a District Website and Designating Locations for Posting of 24-Hour Notices.

Ms. Finn advised the Board that the purpose of the First Amendment was to change the meeting location to AMLI Denargo Market Apartment Complex (Conference Room), 2525 Wewatta Way, Denver, Colorado 80216.

Following discussion, upon motion duly made by Director Newman, seconded by Director Cabrera and, upon vote, unanimously carried, the Board approved the First Amendment to Resolution No. 2019-11-01; Resolution Establishing Regular Meeting Dates, Times and Location, Establishing a District Website and Designating Locations for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

2020 SDA Annual Conference: Ms. Finn advised the Board that the 2020 SDA Annual Conference would be virtual this year and asked the Board Members to notify her if they would like to attend the conference.

PUBLIC COMMENT

There were no public comments.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Unaudited Financial Statements: Mr. Vigil reviewed with the Board the unaudited financial statements through the period ending March 31, 2020 and Schedule of Cash Position, updated as of June 11, 2020.

Following review, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending March 31, 2020 and Schedule of Cash Position, updated as of June 11, 2020.

2019 Audit: Mr. Dazzio reviewed with the Board the 2019 Audit.

Following review and discussion, upon motion duly made by Director Cabrera, seconded by Director Jones, and upon vote, unanimously carried, the Board approved the 2019 Audited Financial Statements and authorized execution of the Representations Letter with changes as noted, and subject to General Counsel's final review and a clean opinion.

Preparation of the 2021 Budget: The Board discussed preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget. The Board determined to hold the public hearing to consider adoption of the 2021 Budget on November 17, 2020, at 4:30 p.m., at the AMLI Denargo Market Apartment Complex (Conference Room), 2525 Wewatta Way, Denver, Colorado 80216.

LEGAL MATTERS

There were no legal matters to discuss.

OTHER MATTERS

There were no other matters to discuss.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and upon vote, unanimously carried the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2020 - 11 - ____

**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, 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 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.

C. 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.

D. 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.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which 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 meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place 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), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), 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.

3. That regular meetings of the District Board for the year 2021 shall be held on June 15, 2021 and November 16, 2021 at 4:30 p.m., at the AMLI Denargo Market Apartment Complex, 2525 Wewatta Way in the City and County of Denver, Colorado.

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

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

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

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

8. 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) At the park located at the intersection of 28th Street and Delgany Street.

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

[SIGNATURE PAGE FOLLOWS]

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

RESOLUTION APPROVED AND ADOPTED on NOVEMBER 17th, 2020.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary



Dazzio & Associates, PC

Certified Public Accountants

October 1, 2020

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, 2020.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, 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, 2020.

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 auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole 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

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, and they may bill you for responding to this inquiry.

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.

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. 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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with 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 \$4,500. 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 Denargo Market Metropolitan District No. 2'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 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,

Duggio & Associates, P.C.

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

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Zion - 2016B COI Fund	\$ -	\$ 4	\$ 4
Zion - 2016B Loan Payment Account	-	46,011	46,011
Colotrust	1,325	233,684	235,009
Zion - Capitalized Interest Fund	-	1	1
Zion - Loan Payment Account	-	320,897	320,897
Zion Bank Loan Fees Fund	-	2	2
Receivable from County Treasurer	1,429	3,925	5,354
Zion - Surplus Fund	-	4,976	4,976
TOTAL ASSETS	<u>\$ 2,754</u>	<u>\$ 609,500</u>	<u>\$ 612,254</u>
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Due to District No. 1	\$ 2,754	\$ -	\$ 2,754
Total Liabilities	<u>2,754</u>	<u>-</u>	<u>2,754</u>
FUND BALANCES			
Total Fund Balances	<u>-</u>	<u>609,500</u>	<u>609,500</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,754</u>	<u>\$ 609,500</u>	<u>\$ 612,254</u>

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 281,016	\$ 277,035	\$ (3,981)
Specific ownership tax	16,861	10,745	(6,116)
TOTAL REVENUES	<u>297,877</u>	<u>287,780</u>	<u>(10,097)</u>
EXPENDITURES			
County Treasurer's fee	2,810	2,770	40
Transfers to District No. 1	295,067	285,009	10,058
TOTAL EXPENDITURES	<u>297,877</u>	<u>287,779</u>	<u>10,098</u>
NET CHANGE IN FUND BALANCES	-	1	1
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

SUPPLEMENTARY INFORMATION

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 5,300	\$ 1,135	\$ (4,165)
Property taxes	771,746	760,812	(10,934)
Specific ownership tax	46,305	29,509	(16,796)
TOTAL REVENUES	<u>823,351</u>	<u>791,456</u>	<u>(31,895)</u>
EXPENDITURES			
Bond interest 2016A	340,363	170,181	170,182
Bond interest 2016B	44,578	21,471	23,107
Bond principal 2016A	200,000	-	200,000
Bond principal 2016B	19,028	-	19,028
County Treasurer's fee	7,717	7,608	109
Non use fees	16,000	8,688	7,312
Paying agent fees	2,000	3,000	(1,000)
TOTAL EXPENDITURES	<u>629,686</u>	<u>210,948</u>	<u>418,738</u>
NET CHANGE IN FUND BALANCES	193,665	580,508	386,843
FUND BALANCES - BEGINNING	<u>80,981</u>	<u>28,992</u>	<u>(51,989)</u>
FUND BALANCES - ENDING	<u><u>\$ 274,646</u></u>	<u><u>\$ 609,500</u></u>	<u><u>\$ 334,854</u></u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

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

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

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

Revenues

Property Taxes

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Interest Income

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

Expenditures

Administrative and Operating Expenditures

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (Continued)

Debt Service

Principal and interest payments in 2020 are provided based on the debt amortization schedule from the Series 2016A and 2016B Bonds (discussed under Debts and Leases).

Debt and Leases

Series 2016 Bonds

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

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

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

\$8,000,000 Limited Tax {Convertible to Unlimited Tax} Taxable General Obligation Advancing Improvement Loan, Series 201GB, dated September 29, 2016 (the Series 2016B Loan) as evidenced by a Loan Agreement with the Bank, with a maturity date of December 1, 2046. The 2016B Loan is further evidenced by the 2016B-1 and 2016B-2 Notes.

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

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

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

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

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

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

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

During June 2019 the District drew an additional \$308,983 against its existing Series 2016B loan. The new proceeds from the loan were used to pay off in its entirety the outstanding principal and interest that was due under the Series 2016 B-1 and Series 2016 B-2 Loans.

Reserve Fund

Emergency Reserve

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2

Schedule of Cash Position

September 30, 2020

Updated as of November 09, 2020

	General Fund	Debt Service Fund	Total
<u>Colotrust</u>			
Balance as of 09/30/20	\$ 1,324.80	\$ 233,683.93	\$ 235,008.73
Subsequent activities:			
10/09/20 - PTAX	1,429.14	3,924.80	5,353.94
10/30/20 - Transfer to District No. 1	(2,753.94)	-	(2,753.94)
10/31/20 - Interest income	-	36.97	36.97
Anticipated Transfer to Pledged Revenue Fund	-	(237,645.70)	(237,645.70)
	-	-	-
<i>Anticipated Balance</i>	-	-	-
<u>Zions Bank - Pledged Revenue Account</u>			
Balance as of 09/30/20	-	0.01	0.01
Subsequent activities:			
Anticipated Trasfer from CT		237,645.70	237,645.70
	-	237,645.71	237,645.71
<i>Anticipated Balance</i>	-	237,645.71	237,645.71
<u>Zions - Loan Payment Account</u>			
Balance as of 09/30/20	-	320,896.97	320,896.97
Subsequent activities:			
Anticipated 12/01 Debt Service Payment	-	(184,932.84)	(184,932.84)
	-	135,964.13	135,964.13
<i>Anticipated Balance</i>	-	135,964.13	135,964.13
<u>Zions Bank - 2016 Surplus Fund</u>			
Balance as of 09/30/20	-	4,976.31	4,976.31
<i>Anticipated Balance</i>	-	4,976.31	4,976.31
<u>Zions Bank - 2016 Loan Fees Fund</u>			
Balance as of 09/30/20	-	1.69	1.69
<i>Anticipated Balance</i>	-	1.69	1.69
<u>Zions Bank - 2016B Cap Interest Account</u>			
Balance as of 09/30/20	-	0.60	0.60
<i>Anticipated Balance</i>	-	0.60	0.60
<u>Zions Bank - 2016B COI Fund</u>			
Balance as of 09/30/20	-	4.03	4.03
<i>Anticipated Balance</i>	-	4.03	4.03
<u>Zions Bank - 2016B Loan Payment Account</u>			
Balance as of 09/30/20	-	46,010.66	46,010.66
<i>Anticipated Balance</i>	-	46,010.66	46,010.66
<i>Anticipated Balance</i>	\$ -	\$ 424,603.13	\$ 424,603.13

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

DENARGO MARKET METROPOLITAN DISTRICT #2
Property Taxes Reconciliation
2020

	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	\$ -	\$ -	\$ 5,444.23	\$ -	\$ -	5,444.23	0.00%	0.00%	2,623.50	0.00%	0.00%
February	135,036.75	-	5,500.98	-	(1,350.37)	139,187.36	12.83%	12.83%	125,982.30	15.11%	15.11%
March	173,576.63	-	2,639.69	-	(1,735.77)	174,480.55	16.49%	29.31%	141,393.39	17.97%	33.08%
April	413,627.57	-	1,636.10	-	(4,136.27)	411,127.40	39.29%	68.60%	249,571.93	32.01%	65.09%
May	14,435.51	-	5,043.05	-	(144.36)	19,334.20	1.37%	69.98%	18,308.64	1.84%	66.92%
June	301,170.82	-	4,296.27	-	(3,011.71)	302,455.38	28.61%	98.58%	257,382.02	33.08%	100.00%
July	-	-	5,377.43	-	-	5,377.43	0.00%	98.58%	4,561.18	0.00%	100.00%
August	-	-	4,963.05	-	-	4,963.05	0.00%	98.58%	4,787.55	0.00%	100.00%
September	-	-	5,353.94	-	-	5,353.94	0.00%	98.58%	4,288.87	0.00%	100.00%
October	-	-	-	-	-	-	0.00%	98.58%	5,003.69	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	98.58%	4,206.66	0.00%	100.00%
December	-	-	-	-	-	-	0.00%	98.58%	4,196.59	0.00%	100.00%
	\$ 1,037,847.28	\$ -	\$ 40,254.74	\$ -	\$ (10,378.48)	\$ 1,067,723.54	98.58%	98.58%	\$ 822,306.32	100.00%	100.00%

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

General Fund	\$ 281,016.00	26.69%	\$ 277,034.78	98.58%
Debt Service	771,746.00	73.31%	760,812.50	98.58%
	<u>\$ 1,052,762.00</u>	<u>100.00%</u>	<u>\$ 1,037,847.28</u>	<u>98.58%</u>

Specific Ownership Tax

General Fund	\$ 16,861.00	26.69%	\$ 10,745.26	63.73%
Debt Service	46,305.00	73.31%	29,509.48	63.73%
	<u>\$ 63,166.00</u>	<u>100.00%</u>	<u>\$ 40,254.74</u>	<u>63.73%</u>

Treasurer's Fees

General Fund	\$ 2,810.00	26.69%	\$ 2,770.35	98.59%
Debt Service	7,717.00	73.31%	7,608.13	98.59%
	<u>\$ 10,527.00</u>	<u>100.00%</u>	<u>\$ 10,378.48</u>	<u>98.59%</u>

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

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 24, 2020

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 2020:

1. Previous year's NET TOTAL TAXABLE assessed valuation:	1.	\$25,546,900
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.	\$24,540,010
3. LESS TIF District Increment, If any:	3.	\$0
4. Current year's NET TOTAL TAXABLE assessed valuation:	4.	\$24,540,010
5. New Construction*: <small>New Construction is defined as: Taxable real property structures and the personal property connected with the structure.</small>	5.	\$1,200,360
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.):	11.	\$0

*Jurisdiction must submit respective certifications (Forms DLG 52 & 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

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 2020:

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.	\$324,498,000
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.	\$15,189,700
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.	
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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, 2021

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/14/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 6,031	\$ 80,981	\$ 28,992	\$ 28,992	\$ 218,945
REVENUES					
Property taxes	773,967	1,052,762	1,037,847	1,052,762	1,090,533
Specific ownership tax	56,080	63,166	24,560	63,166	54,527
Interest income	5,394	5,300	794	1,588	5,300
Proceeds from Loan	489,456	-	-	-	-
Total revenues	1,324,897	1,121,228	1,063,201	1,117,516	1,150,360
Total funds available	1,330,928	1,202,209	1,092,193	1,146,508	1,369,305
EXPENDITURES					
General Fund	206,650	297,877	272,935	297,877	283,437
Debt Service Fund	1,095,286	629,686	207,948	629,686	545,340
Total expenditures	1,301,936	927,563	480,883	927,563	828,777
Total expenditures and transfers out requiring appropriation	1,301,936	927,563	480,883	927,563	828,777
ENDING FUND BALANCES	\$ 28,992	\$ 274,646	\$ 611,310	\$ 218,945	\$ 540,528

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/14/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION					
Residential	\$ 18,878,110	\$ 25,097,960	\$ 25,097,960	\$ 25,097,960	\$ 23,164,200
State assessed	355,500	350,300	350,300	350,300	350,300
Vacant land	-	-	-	-	151,730
Personal property	115,550	98,640	98,640	98,640	873,780
Certified Assessed Value	<u>\$ 19,349,160</u>	<u>\$ 25,546,900</u>	<u>\$ 25,546,900</u>	<u>\$ 25,546,900</u>	<u>\$ 24,540,010</u>
MILL LEVY					
General	10.000	11.000	11.000	11.000	11.000
Debt Service	30.000	30.209	30.209	30.209	33.439
Total mill levy	<u>40.000</u>	<u>41.209</u>	<u>41.209</u>	<u>41.209</u>	<u>44.439</u>
PROPERTY TAXES					
General	\$ 193,492	\$ 281,016	\$ 281,016	\$ 281,016	\$ 269,940
Debt Service	580,475	771,746	771,746	771,746	820,593
Budgeted property taxes	<u>\$ 773,967</u>	<u>\$ 1,052,762</u>	<u>\$ 1,052,762</u>	<u>\$ 1,052,762</u>	<u>\$ 1,090,533</u>
BUDGETED PROPERTY TAXES					
General	\$ 193,492	\$ 281,016	\$ 281,016	\$ 281,016	\$ 269,940
Debt Service	580,475	771,746	771,746	771,746	820,593
	<u>\$ 773,967</u>	<u>\$ 1,052,762</u>	<u>\$ 1,052,762</u>	<u>\$ 1,052,762</u>	<u>\$ 1,090,533</u>

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/14/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (862)	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	193,492	281,016	277,035	281,016	269,940
Specific ownership tax	14,020	16,861	6,556	16,861	13,497
Total revenues	<u>207,512</u>	<u>297,877</u>	<u>283,591</u>	<u>297,877</u>	<u>283,437</u>
Total funds available	<u>206,650</u>	<u>297,877</u>	<u>283,591</u>	<u>297,877</u>	<u>283,437</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	1,935	2,810	2,770	2,810	2,699
Transfers to District No. 1	204,715	295,067	270,165	295,067	280,738
Total expenditures	<u>206,650</u>	<u>297,877</u>	<u>272,935</u>	<u>297,877</u>	<u>283,437</u>
Total expenditures and transfers out requiring appropriation	<u>206,650</u>	<u>297,877</u>	<u>272,935</u>	<u>297,877</u>	<u>283,437</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,656</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

10/14/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 6,893	\$ 80,981	\$ 28,992	\$ 28,992	\$ 218,945
REVENUES					
Property taxes	580,475	771,746	760,812	771,746	820,593
Specific ownership tax	42,060	46,305	18,004	46,305	41,030
Interest income	5,394	5,300	794	1,588	5,300
Proceeds from loan	489,456	-	-	-	-
Total revenues	1,117,385	823,351	779,610	819,639	866,923
Total funds available	1,124,278	904,332	808,602	848,631	1,085,868
EXPENDITURES					
General and administrative					
County Treasurer's fee	5,805	7,717	7,608	7,717	8,206
Paying Agent Fees	4,500	2,000	-	2,000	2,000
Cost of issuance	5,895	-	-	-	-
Non use fees	14,886	16,000	8,688	16,000	16,000
Note Interest - 2016A	345,541	340,363	170,181	340,363	332,452
Note Interest - 2016B	32,985	44,578	21,471	44,578	41,885
Transfers to District No. 1	472,971	-	-	-	-
Contingency	-	-	-	-	3,061
Debt Service					
Note principal 2016A	175,000	200,000	-	200,000	125,000
Note principal 2016B	37,703	19,028	-	19,028	16,736
Total expenditures	1,095,286	629,686	207,948	629,686	545,340
Total expenditures and transfers out requiring appropriation	1,095,286	629,686	207,948	629,686	545,340
ENDING FUND BALANCE	\$ 28,992	\$ 274,646	\$ 600,654	\$ 218,945	\$ 540,528

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

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

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

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

Revenues

Property Taxes

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

Specific Ownership Taxes

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

Interest Income

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

Expenditures

Administrative and Operating Expenditures

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (Continued)

Debt Service

Principal and interest payments in 2021 are provided based on the debt amortization schedule from the Series 2016A and 2016B Bonds (discussed under Debts and Leases).

Debt and Leases

Series 2016 Bonds

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

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

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

\$8,000,000 Limited Tax {Convertible to Unlimited Tax} Taxable General Obligation Advancing Improvement Loan, Series 201GB, dated September 29, 2016 (the Series 2016B Loan) as evidenced by a Loan Agreement with the Bank, with a maturity date of December 1, 2046. The 2016B Loan is further evidenced by the 2016B-1 and 2016B-2 Notes.

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

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

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

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

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

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

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

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

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

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

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

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

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

During June 2019 the District drew an additional \$308,983 against its existing Series 2016B loan. The new proceeds from the loan were used to pay off in its entirety the outstanding principal and interest that was due under the Series 2016 B-1 and Series 2016 B-2 Loans.

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

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

Year Ending December 31,	Principal	Interest	Total
2021	\$ 125,000	\$ 332,452	\$ 457,452
2022	150,000	328,089	478,089
2023	175,000	322,853	497,853
2024	175,000	317,614	492,614
2025	200,000	310,638	510,638
2026	150,000	303,657	453,657
2027	175,000	298,422	473,422
2028	200,000	293,114	493,114
2029	225,000	285,333	510,333
2030	225,000	277,480	502,480
2031	250,000	269,627	519,627
2032	300,000	261,616	561,616
2033	300,000	250,431	550,431
2034	325,000	239,959	564,959
2035	350,000	228,615	578,615
2036	400,000	216,992	616,992
2037	425,000	202,438	627,438
2038	450,000	187,604	637,604
2039	475,000	171,898	646,898
2040	525,000	155,744	680,744
2041	550,000	136,995	686,995
2042	600,000	117,798	717,798
2043	625,000	96,856	721,856
2044	700,000	75,247	775,247
2045	725,000	50,610	775,610
2046	725,000	25,305	750,305
	\$ 9,525,000	\$ 5,757,387	\$ 15,282,387

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

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

Year Ending December 31,	Principal	Interest	Total
2021	\$ 625	\$ 1,974	\$ 2,599
2022	750	1,948	2,698
2023	875	1,917	2,792
2024	875	1,886	2,761
2025	1,000	1,844	2,844
2026	750	1,803	2,553
2027	875	1,772	2,647
2028	1,000	1,740	2,740
2029	1,125	1,694	2,819
2030	1,125	1,647	2,772
2031	1,250	1,601	2,851
2032	1,500	1,553	3,053
2033	1,500	1,487	2,987
2034	1,625	1,425	3,050
2035	1,750	1,357	3,107
2036	2,000	1,288	3,288
2037	2,125	1,202	3,327
2038	2,250	1,114	3,364
2039	2,375	1,021	3,396
2040	2,625	925	3,550
2041	2,750	813	3,563
2042	3,000	699	3,699
2043	3,125	575	3,700
2044	3,500	447	3,947
2045	3,625	300	3,925
2046	3,626	150	3,776
	\$ 47,626	\$ 34,182	\$ 81,808

No assurance provided. See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

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

Year Ending December 31,	Principal	Interest	Total
2021	\$ 16,111	\$ 39,911	\$ 56,022
2022	17,577	39,150	56,727
2023	19,065	38,313	57,378
2024	19,549	37,501	57,050
2025	21,136	36,464	57,600
2026	19,770	35,448	55,218
2027	21,357	34,513	55,870
2028	22,926	33,588	56,514
2029	24,612	32,400	57,012
2030	25,308	31,218	56,526
2031	27,014	30,004	57,018
2032	29,688	28,782	58,470
2033	30,519	27,262	57,781
2034	32,327	25,784	58,111
2035	34,171	24,215	58,386
2036	37,002	22,612	59,614
2037	38,953	20,742	59,695
2038	40,922	18,832	59,754
2039	42,933	16,825	59,758
2040	45,952	14,756	60,708
2041	48,076	12,453	60,529
2042	51,212	10,082	61,294
2043	48,933	7,550	56,483
2044	45,341	5,157	50,498
2045	47,031	2,925	49,956
2046	12,878	626	13,504
	\$ 820,363	\$ 627,113	\$ 1,447,476

No assurance provided. See summary of significant assumptions.

RESOLUTION NO. 2020 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2021 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 2021 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, 2020, 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 17, 2020, 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 2021 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 17th day of November, 2020.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, Ann Finn, 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 2021, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 2 held on November 17, 2020.

By: _____
Secretary

RESOLUTION NO. 2020 - 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 2021 annual budget in accordance with the Local Government Budget Law on November 17, 2020; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2021 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 2021 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 2021 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 17th day of November, 2020.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2020-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF DENARGO MARKET
METROPOLITAN DISTRICT NO. 2 AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO
CONSTITUTION, ARTICLE X, SECTION 3**

A. Denargo Market Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Service Plan approved by the City Council of the City and County of Denver, Colorado, on March 8, 2010 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. In addition to the debt service mill levy, the Service Plan authorizes a maximum mill levy of ten (10) mills for Operations and Maintenance (“**Limited Operating Levy**”).

D. The Service Plan and Article X, Section 3 of the Colorado Constitution, (the “**Gallagher Amendment**”) authorize adjustment of the Limited Operating Levy to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation as of March 8, 2010, so that to the extent possible, the actual revenues generated by the Limited Operating Levy 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. On or before December 1 of the year before any fiscal year in which an adjustment is made to the Limited Operating Levy, the District shall provide the calculation of any such adjustment to the Limited Operating Levy to the Manager of Finance for the City and County of Denver.

E. The Service Plan and Gallagher Amendment provide that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The Colorado General Assembly (the “**General Assembly**”) passed House Bill 17-1349, signed by the Governor of Colorado on June 15, 2017, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property tax years commencing on and after January 1, 2017, until the next property tax year that the General Assembly determined to adjust the ratio of valuation for assessment for residential real property.

G. In 2019, the General Assembly passed Senate Bill 19-255, signed by the Governor of Colorado on June 3, 2019, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%) for property tax years commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

H. The Board of Directors of the District (the “**Board**”), authorized by the Service Plan and the Gallagher Amendment, determined it to be in the best interest of the District, its residents, users, property owners, and the public to adopt Resolution 2019-11-02, which adjusted the Limited Operating Levy to mitigate the effect of the 2019 statutory change in the ratio of valuation for assessment from 7.20% to 7.15%, so that actual tax revenues were neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment for residential real property.

I. In order to mitigate the effect of the 2019 statutory change in the ratio of valuation for assessment for residential real property from 7.20% to 7.15%, so that actual tax revenues are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public to further adjust the Limited Operating Levy.

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

1. The Board hereby authorizes the adjustment of the Limited Operating Levy to reflect the 2019 statutory change in the ratio of valuation for assessment for residential real property to 7.15%.

2. The Gallagher Amendment allows for a mill levy imposition of 11 mills for the Limited Operating Levy (the “**Adjusted Operating Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment to 7.15% pursuant to the authority granted by the Service Plan and the Gallagher Amendment.

3. The Adjusted Operating Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Denver County Assessor and the Manager of Finance for the City and County of Denver on or before December 15, 2020, for collection in 2021.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO
CONSTITUTION, ARTICLE X, SECTION 3]**

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 17, 2020.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**

President

Attest:

Secretary

**NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF THE
DENARGO MARKET METROPOLITAN DISTRICT NOS. 1 AND 2**

NOTICE is hereby given that a meeting of the Board of Directors of the Denargo Market Metropolitan District Nos. 1 and 2, of the City and County of Denver, State of Colorado, shall be held at 4:30 p.m. on Tuesday, November 17, 2020. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting will be held by conference call at 1-877-261-8991 and when prompted, dial in the passcode of 6168588.

The address of the Districts' office where the names and addresses of the Board of Directors and their officers may be obtained is Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, and the office telephone number is 303-987-0835, fax number is 303-987-2032 and e-mail address is receptionist@sdmsi.com.

The City and County of Denver maintains a file regarding the Districts.

DENARGO MARKET METROPOLITAN
DISTRICT NOS. 1 AND 2

By: /s/ Ann E. Finn
Secretary

Published: October 2, 2020 in The Daily Journal



TO: Executives and Board Officers of City and County of Denver Local Taxing Jurisdictions

FROM: Brendan J. Hanlon, Chief Financial Officer, City and County of Denver

DATE: July 29, 2020

RE: Denver to Extend Waiver of Interest on Late Payment of Property Taxes

This notice is being sent to all special district email addresses on file within the Department of Finance.

On June 14, Colorado Governor Jared Polis signed House Bill 20-1421, allowing municipalities to reduce, waive, or suspend interest associated with the late payment of property taxes. On July 1st, the Mayor announced his intention to propose a resolution to City Council to continue providing relief to property owners by taking full advantage of the bill.

On July 27, 2020 Denver City Council approved a resolution authorizing full interest waiver associated with the late payment of property taxes beginning July 1 through Oct. 1, 2020.

The Treasury Division will temporarily waive accrual of interest for delinquent payment of property taxes for the period between July 1, 2020 and October 1, 2020.

Property tax relief efforts have been underway since early April, when the Governor issued Executive Orders allowing late interest to be waived for the second half of March and all of April. Late interest is still due for the month of May and June, as the power to waive interest for those months was not granted by the State.

cc: Steve Ellington, Treasurer
Laura Perry, Capital Planning and Programming Director
Michael Kerrigan, Financial Analyst Specialist

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