

DENARGO MARKET METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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NOTICE OF WORK SESSION AND AGENDA

| <u>Board of Directors</u> | <u>Office</u> | <u>Term/Expires</u> |
|---------------------------|-----------------|---------------------|
| Laura H. Newman | President | 2020/May 2020 |
| Donald D. Cabrera | Treasurer | 2020/May 2020 |
| Jeffrey D. Jones | Asst. Secretary | 2022/May 2022 |
| David H. Smith | Asst. Secretary | 2022/May 2022 |
| Todd T. Wenskoski | Asst. Secretary | 2022/May 2022 |
| Ann E. Finn | Secretary | |

DATE: **October 28, 2019**

TIME: 4:30 p.m.

PLACE: The Waterford RiNo (Conference Room)
2797 Wewatta Way
Denver, Colorado 80216

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting and posting of meeting notices.

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. Budget Work Session (enclosure – draft 2020 Budget).

1. Discuss Service Agreements for 2020 operation and maintenance services.

2. Discuss adopting Rules and Regulations concerning signage, parking, etc.

IV. OTHER MATTERS

A. _____

V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
NOVEMBER 19, 2019 (BUDGET HEARING).**



CliftonLarsonAllen LLP
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Denargo Market Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Denargo Market Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Denargo Market Metropolitan District No. 1.

Greenwood Village, Colorado
_____, 2019



An independent member of Nexia International

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

10/14/19

| | ACTUAL 2018 | BUDGET 2019 | ACTUAL 6/30/2019 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------|----------------|---------------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ 6,755 | \$ 8,893 | \$ 9,909 | \$ 9,909 | \$ 25,149 |
| REVENUES | | | | | |
| Interest income | 3,679 | 2,000 | 12 | 24 | 2,000 |
| Developer advance | - | 43,000 | 14,294 | - | - |
| Other revenue | 19,127 | - | - | - | - |
| Permit fees | - | - | 30,000 | 30,000 | - |
| Transfer from District No. 2 | 161,230 | 202,200 | 197,953 | 204,246 | 279,037 |
| Total revenues | 184,036 | 247,200 | 242,259 | 234,270 | 281,037 |
| Total funds available | 190,791 | 256,093 | 252,168 | 244,179 | 306,186 |
| EXPENDITURES | | | | | |
| General and administrative | | | | | |
| Accounting | 20,733 | 20,000 | 13,616 | 20,000 | 20,000 |
| Auditing | 8,606 | 8,650 | - | 8,650 | 9,000 |
| Contingency | - | 938 | - | - | - |
| Directors' fees | 1,100 | 1,000 | - | 500 | 1,000 |
| District management | 42,302 | 35,000 | 24,756 | 45,000 | 45,000 |
| Election expense | 2,007 | - | - | - | - |
| Insurance and bonds | 10,033 | 11,500 | 11,246 | 11,246 | 11,800 |
| Legal services | 28,907 | 30,000 | 15,066 | 30,000 | 30,000 |
| Miscellaneous | 1,838 | 3,500 | 1,233 | 2,500 | 2,500 |
| Payroll taxes | 84 | 77 | - | 34 | 77 |
| Security | - | 7,500 | 1,280 | 2,500 | 2,500 |
| Operations and maintenance | | | | | |
| Repairs and maintenance | - | 20,000 | 6,562 | 13,000 | 20,000 |
| Landscape & irrigation repairs | 31,988 | 40,000 | 16,364 | 35,000 | 40,000 |
| Snow removal | 11,721 | 20,600 | 14,561 | 20,000 | 20,000 |
| Utilities | 10,338 | 20,000 | 2,700 | 15,000 | 15,000 |
| Street sweeping | - | 2,000 | - | 1,000 | 2,000 |
| City of Denver Annual Fee | 6,000 | 9,000 | 6,000 | 6,000 | 6,000 |
| Site inspection | 1,995 | 12,000 | 2,030 | 4,100 | 12,000 |
| Site lighting | 2,104 | 5,000 | 694 | 1,300 | 5,000 |
| Locates | 1,126 | 3,200 | 1,533 | 3,200 | 3,500 |
| Total expenditures | 180,882 | 249,965 | 117,641 | 219,030 | 245,377 |
| Total expenditures and transfers out requiring appropriation | 180,882 | 249,965 | 117,641 | 219,030 | 245,377 |
| ENDING FUND BALANCE | \$ 9,909 | \$ 6,128 | \$ 134,527 | \$ 25,149 | \$ 60,809 |
| EMERGENCY RESERVE | \$ 5,600 | \$ 6,100 | \$ 6,900 | \$ 7,100 | \$ 8,500 |
| TOTAL RESERVE | \$ 5,600 | \$ 6,100 | \$ 6,900 | \$ 7,100 | \$ 8,500 |

This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

10/14/19

| | ACTUAL 2018 | BUDGET 2019 | ACTUAL 6/30/2019 | ESTIMATED 2019 | BUDGET 2020 |
|--------------------------------|----------------|----------------|---------------------|-------------------|----------------|
| ASSESSED VALUATION | | | | | |
| Vacant land | \$ 30 | \$ 30 | \$ 30 | \$ 30 | \$ 30 |
| Certified Assessed Value | \$ 30 | \$ 30 | \$ 30 | \$ 30 | \$ 30 |
| MILL LEVY | | | | | |
| Total mill levy | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| PROPERTY TAXES | | | | | |
| Budgeted property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| BUDGETED PROPERTY TAXES | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ - |

This financial information should be read only in connection with the accompanying accountant's
 compilation report and summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
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.

Interest Income

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

Developer Advance

The District is in the development stage. As such, the portion of the capital expenditures is expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Expenditures

Administrative and Operating Expenditures

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

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2020 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.