

DENARGO MARKET METROPOLITAN DISTRICT NOS. 1, 2 AND 3

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

NOTICE OF WORK SESSION AND AGENDA

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

DATE: October 30, 2023
TIME: 4:00 p.m.
PLACE: Zoom Meeting

You can attend the work session virtually in any of the following ways:

1. To attend via Zoom videoconference, use the link below.

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

2. To attend via telephone, dial 1-253-215-8782 and enter the following additional information:

**Meeting ID: 546 911 9353
Passcode: 912873**

I. ADMINISTRATIVE MATTERS

- A. Confirm quorum, location of meeting and posting of meeting notice. Approve Agenda.
-

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 (enclosures).
-

IX. ADJOURNMENT **THE NEXT REGULAR MEETINGS / BUDGET HEARINGS ARE SCHEDULED FOR NOVEMBER 14, 2023.**

DENARGO MARKET METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 128,614	\$ 179,269	\$ 208,817	\$ 208,817	\$ 267,564
REVENUES					
Permit fees	24,839	25,000	4,047	15,000	15,000
Impact fees	134,400	-	-	-	-
Interest income	3,272	2,000	4,357	8,000	12,094
Developer advance	-	-	-	15,000,000	9,500,453
Other revenue	462	-	-	-	-
Transfer from District No. 2	331,323	930,653	355,809	414,677	1,096,018
Transfer from District No. 3	-	147,026	139,957	15,147,076	9,289,718
Total revenues	<u>494,296</u>	<u>1,104,679</u>	<u>504,170</u>	<u>30,584,753</u>	<u>19,913,283</u>
Total funds available	<u>622,910</u>	<u>1,283,948</u>	<u>712,987</u>	<u>30,793,570</u>	<u>20,180,847</u>
EXPENDITURES					
General Fund	381,346	536,000	219,563	444,006	606,631
Capital Projects Fund	32,747	604,400	45,549	30,082,000	19,121,000
Total expenditures	<u>414,093</u>	<u>1,140,400</u>	<u>265,112</u>	<u>30,526,006</u>	<u>19,727,631</u>
Total expenditures and transfers out requiring appropriation	<u>414,093</u>	<u>1,140,400</u>	<u>265,112</u>	<u>30,526,006</u>	<u>19,727,631</u>
ENDING FUND BALANCES	<u>\$ 208,817</u>	<u>\$ 143,548</u>	<u>\$ 447,875</u>	<u>\$ 267,564</u>	<u>\$ 453,216</u>
EMERGENCY RESERVE	\$ 10,800	\$ 17,600	\$ 15,200	\$ 17,600	\$ 24,400
AVAILABLE FOR OPERATIONS	96,364	125,948	376,571	230,311	428,816
TOTAL RESERVE	<u>\$ 107,164</u>	<u>\$ 143,548</u>	<u>\$ 391,771</u>	<u>\$ 247,911</u>	<u>\$ 453,216</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION					
Vacant land	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Personal property	530	9,100	9,100	9,100	12,000
	<u>560</u>	<u>9,130</u>	<u>9,130</u>	<u>9,130</u>	<u>12,030</u>
Adjustments	-	-	-	-	-
Certified Assessed Value	<u>\$ 560</u>	<u>\$ 9,130</u>	<u>\$ 9,130</u>	<u>\$ 9,130</u>	<u>\$ 12,030</u>
 MILL LEVY					
General	0.000	0.000	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
 PROPERTY TAXES					
General	\$ -	\$ -	\$ -	\$ -	\$ -
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED PROPERTY TAXES					
General	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 128,614	\$ 94,869	\$ 107,164	\$ 107,164	\$ 247,911
REVENUES					
Interest income	3,272	2,000	4,357	8,000	12,000
Permit fees	24,839	25,000	4,047	15,000	15,000
Other revenue	462	-	-	-	-
Transfer from District No. 2	331,323	410,653	355,809	414,677	572,018
Transfer from District No. 3	-	147,026	139,957	147,076	212,918
Total revenues	<u>359,896</u>	<u>584,679</u>	<u>504,170</u>	<u>584,753</u>	<u>811,936</u>
Total funds available	<u>488,510</u>	<u>679,548</u>	<u>611,334</u>	<u>691,917</u>	<u>1,059,847</u>
EXPENDITURES					
General and administrative					
Accounting	35,038	40,250	26,947	47,000	52,000
Auditing	8,500	9,000	8,900	8,900	14,400
City of Denver Annual Fee	6,000	9,000	-	9,000	9,000
Directors' fees	2,600	2,500	800	2,400	3,000
Dues and membership	1,297	2,000	1,651	1,651	2,000
Insurance	12,890	14,500	14,577	14,577	16,000
District management	51,894	49,000	25,987	52,000	54,000
Legal	45,072	50,000	24,989	50,000	55,000
Miscellaneous	37,007	2,500	1,114	1,114	2,500
Security	2,680	7,500	1,640	5,000	30,000
Payroll taxes	199	200	61	184	230
Election	2,348	3,000	25,028	27,180	-
Contingency	-	11,550	-	-	11,501
Operations and maintenance					
Repairs and maintenance	2,295	25,000	1,025	5,000	25,000
Landscape & irrigation repairs	2,965	35,000	264	10,000	35,000
Detention Pond Cleanup	-	10,000	-	10,000	10,000
Landscape & Options	19,580	55,000	13,076	35,000	35,000
Street Sweeping	-	1,000	-	1,000	1,000
Trash	-	-	-	-	10,000
Towing	-	-	-	-	10,000
Site lighting	1,192	5,000	2,366	5,000	5,000
Site inspection	59,472	118,000	45,828	85,000	120,000
Locates	9,950	11,000	4,664	8,000	15,000
Streets repairs and maintenance	-	10,000	-	10,000	10,000
Snow removal	76,107	50,000	17,862	50,000	75,000
Utilities	4,260	15,000	2,784	6,000	6,000
Total expenditures	<u>381,346</u>	<u>536,000</u>	<u>219,563</u>	<u>444,006</u>	<u>606,631</u>
Total expenditures and transfers out requiring appropriation	<u>381,346</u>	<u>536,000</u>	<u>219,563</u>	<u>444,006</u>	<u>606,631</u>
ENDING FUND BALANCES	<u>\$ 107,164</u>	<u>\$ 143,548</u>	<u>\$ 391,771</u>	<u>\$ 247,911</u>	<u>\$ 453,216</u>
EMERGENCY RESERVE	\$ 10,800	\$ 17,600	\$ 15,200	\$ 17,600	\$ 24,400
AVAILABLE FOR OPERATIONS	96,364	125,948	376,571	230,311	428,816
TOTAL RESERVE	<u>\$ 107,164</u>	<u>\$ 143,548</u>	<u>\$ 391,771</u>	<u>\$ 247,911</u>	<u>\$ 453,216</u>

No assurance provided. See summary of significant assumptions.

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

10/12/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 84,400	\$ 101,653	\$ 101,653	\$ 19,653
REVENUES					
Interest income	-	-	-	-	94
Developer advance	-	-	-	15,000,000	9,500,453
Impact fees	134,400	-	-	-	-
Transfer from District No. 2	-	520,000	-	-	524,000
Transfer from District No. 3	-	-	-	15,000,000	9,076,800
Total revenues	<u>134,400</u>	<u>520,000</u>	<u>-</u>	<u>30,000,000</u>	<u>19,101,347</u>
Total funds available	<u>134,400</u>	<u>604,400</u>	<u>101,653</u>	<u>30,101,653</u>	<u>19,121,000</u>
EXPENDITURES					
General and Administrative					
Accounting	-	-	-	20,000	30,000
Legal	17,073	-	12,158	32,000	30,000
Miscellaneous	15,000	-	-	-	-
Contingency	-	-	-	-	94
Capital Projects					
Repay developer advance	-	-	-	15,000,000	9,500,453
Engineering	674	-	117	30,000	60,000
Capital outlay	-	604,400	33,274	15,000,000	9,500,453
Total expenditures	<u>32,747</u>	<u>604,400</u>	<u>45,549</u>	<u>30,082,000</u>	<u>19,121,000</u>
Total expenditures and transfers out requiring appropriation	<u>32,747</u>	<u>604,400</u>	<u>45,549</u>	<u>30,082,000</u>	<u>19,121,000</u>
ENDING FUND BALANCES	<u>\$ 101,653</u>	<u>\$ -</u>	<u>\$ 56,104</u>	<u>\$ 19,653</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

Services Provided

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

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

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

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

Revenues

Transfers from Other Districts

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

Developer Advances

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

Interest Income

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

Expenditures

Administrative and Operating Expenditures

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

Capital Expenditures

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

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

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget.

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

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

Services Provided

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

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

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

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

Revenues

Property Taxes

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

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

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

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

Revenues (Continued)

Specific Ownership Taxes

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

Interest Income

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

Expenditures

County Treasurer Fees

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

Transfer to Other Districts

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

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

Debt and Leases

Series 2023 Loan

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

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget

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

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

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

10/12/23

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

No assurance provided. See summary of significant assumptions.

Services Provided

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

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

Revenues

Property Taxes

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

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

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

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

Specific Ownership Taxes

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

Expenditures

County Treasurer Fees

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

Transfer to Other Districts

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

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

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

This information is an integral part of the accompanying budget.