

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	2,244,550	2,241,247	2,193,162
Specific ownership taxes	112,332	108,018	98,692
Interest Income	10,202	12,500	10,000
Other Revenue	3,506	205	38,146
Total revenues	<u>2,370,590</u>	<u>2,361,970</u>	<u>2,340,000</u>
Total funds available	<u>2,370,590</u>	<u>2,361,970</u>	<u>2,340,000</u>
EXPENDITURES			
General Fund	553,239	545,883	620,000
Debt Service Fund	1,817,351	1,816,087	1,720,000
Total expenditures	<u>2,370,590</u>	<u>2,361,970</u>	<u>2,340,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/28/26

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Residential	\$ 39,687,930	\$ 37,819,410	\$ 29,220,080
Commercial	594,800	594,800	609,120
Vacant land	30	30	30
Personal property	5,878,810	5,813,620	5,581,480
Certified Assessed Value	\$ 46,161,570	\$ 44,227,860	\$ 35,410,710

MILL LEVY

General	11.675	11.675	16.019
Debt Service	39.000	39.000	45.916
Total mill levy	50.675	50.675	61.935

PROPERTY TAXES

General	\$ 538,936	\$ 516,360	\$ 567,244
Debt Service	1,800,301	1,724,887	1,625,918
Levied property taxes	\$ 2,339,237	\$ 2,241,247	\$ 2,193,162
Adjustments to actual/rounding	(94,687)	-	-
Budgeted property taxes	\$ 2,244,550	\$ 2,241,247	\$ 2,193,162

BUDGETED PROPERTY TAXES

General	\$ 517,121	\$ 516,360	\$ 567,244
Debt Service	1,727,429	1,724,887	1,625,918
	\$ 2,244,550	\$ 2,241,247	\$ 2,193,162

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/28/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	517,121	516,360	567,244
Specific ownership taxes	25,880	25,818	25,526
Interest Income	6,732	3,500	7,000
Other Revenue	3,506	205	20,230
Total revenues	553,239	545,883	620,000
Total funds available	553,239	545,883	620,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	5,157	5,164	5,672
Miscellaneous	1,454	-	-
Contingency	-	-	20,230
IGA Expenditures - District No. 1	546,628	540,719	594,098
Total expenditures	553,239	545,883	620,000
Total expenditures and transfers out requiring appropriation	553,239	545,883	620,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/28/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,727,429	1,724,887	1,625,918
Specific ownership taxes	86,452	82,200	73,166
Interest Income	3,470	9,000	3,000
Other Revenue	-	-	17,916
Total funds available	1,817,351	1,816,087	1,720,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	17,226	17,249	16,259
Miscellaneous	4,856	-	-
IGA Expenditures - District No. 3	1,795,269	1,798,838	1,685,825
Contingency	-	-	17,916
Total expenditures	1,817,351	1,816,087	1,720,000
Total expenditures and transfers out requiring appropriation	1,817,351	1,816,087	1,720,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2026 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.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (Continued)

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.

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 4.5% 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 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

On November 8, 2023, the District and District No. 3 entered into a Loan Agreement for Series 2023A-1 Limited Tax General Obligation and Improvement Note in the principal amount of \$19,359,000 and Series 2023A-2 Limited Tax General Obligation Refunding and Improvement Note in the principal amount of \$12,906,000.

Proceeds from the Series 2023A-1 and Series 2023A-2 Loan will be used to (i) prepay the District's 2016 Notes, and as a part of the prepayment for District No. 3 to pay Payment Obligations with respect to the Financed Public Improvements that were financed with the proceeds of the 2016 Notes; (ii) finance and reimburse additional public improvements to the portion of the Development that is within the District and District No. 3; and (iii) pay the costs of issuance.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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