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## Accountant's Compilation Report

Board of Directors  
Colorado International Center Metropolitan District No. 14  
City and County of Denver, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Colorado International Center Metropolitan District No. 14 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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 the Colorado International Center Metropolitan District No. 14.

Greenwood Village, Colorado  
December 26, 2017

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14  
SUMMARY**

**2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

12/26/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 4,775,926	\$ 4,795,164	\$ 434,487
REVENUES			
1 Property taxes	500,564	493,272	974,712
2 Specific ownership taxes	44,255	49,300	85,272
3 Net investment income	27,241	27,200	5,300
4 Other income	-	1,084	7,836
5 Bond issuance	-	-	30,232,000
6 Regional mill levy	166,855	164,424	243,678
Total revenues	738,915	735,280	31,548,798
TRANSFERS IN	165,192	163,043	9,868,748
Total funds available	5,680,033	5,693,487	41,852,033
EXPENDITURES			
7 General and administration			
8 Contingency	-	1,084	1,397
9 County Treasurer's fees	1,112	1,100	1,620
10 General funds - Transfer to DHP@DIA	115,164	116,816	172,204
11 Miscellaneous	10	-	-
12 Debt service			
13 Contingency	-	1,033	2,205
14 County Treasurer's fees	3,893	3,840	8,120
15 Loan interest - Series 2015	316,406	334,127	-
16 Loan interest - Series 2018	-	-	960,266
17 Loan issue costs	13,050	-	-
18 Loan principal - Series 2015	260,000	260,000	-
19 Miscellaneous	18	-	-
20 Paying agent fees	8,355	11,000	10,000
21 Payment to refunding escrow	-	-	9,934,409
22 Regional			
23 Contingency	-	2,284	4,631
24 Cost of issuance	-	-	1,104,640
25 County Treasurer's fees - Regional mill levy	1,669	1,640	2,440
26 CP Reg Fund - Transfer to DHP@DIA	-	4,363,033	19,499,850
Total expenditures	719,677	5,095,957	31,701,782
TRANSFERS OUT	165,192	163,043	9,868,748
Total expenditures and transfers out requiring appropriation	884,869	5,259,000	41,570,530
ENDING FUND BALANCES	\$ 4,795,164	\$ 434,487	\$ 281,503
DEBT SERVICE	\$ 306,600	\$ 306,600	\$ -
SURPLUS FUND	144,696	127,795	281,503
TOTAL RESERVE	\$ 451,296	\$ 434,395	\$ 281,503

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

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/26/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - DENVER</b>			
Commercial	\$ 8,611,730	\$ 9,884,230	\$ 13,566,910
Industrial	-	-	959,640
Agricultural	60	-	-
Vacant Land	432,880	-	1,960
Personal Property	1,243,480	1,077,370	1,716,690
Other	838,070	-	-
Certified Assessed Value	<u>\$ 11,126,220</u>	<u>\$ 10,961,600</u>	<u>\$ 16,245,200</u>
<b>MILL LEVY</b>			
GENERAL FUND	10.000	10.000	10.000
DEBT SERVICE FUND	35.000	35.000	50.000
REGIONAL MILL LEVY	15.000	15.000	15.000
Total Mill Levy	<u>60.000</u>	<u>60.000</u>	<u>75.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 111,262	\$ 109,616	\$ 162,452
DEBT SERVICE FUND	389,418	383,656	812,260
REGIONAL MILL LEVY	166,893	164,424	243,678
Levied property taxes	667,573	657,696	1,218,390
Adjustments to actual/rounding	(154)	-	-
Budgeted Property Taxes	<u>\$ 667,419</u>	<u>\$ 657,696</u>	<u>\$ 1,218,390</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 111,236	\$ 109,616	\$ 162,452
DEBT SERVICE FUND	389,328	383,656	812,260
REGIONAL MILL LEVY	166,855	164,424	243,678
	<u>\$ 667,419</u>	<u>\$ 657,696</u>	<u>\$ 1,218,390</u>

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**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14  
GENERAL FUND**

**2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

12/26/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ (2,329)	\$ -	\$ -
REVENUES			
1 Property taxes	111,236	109,616	162,452
2 Specific ownership taxes	7,376	8,200	11,372
3 Net investment income	3	100	-
4 Other income	-	1,084	1,397
Total revenues	118,615	119,000	175,221
Total funds available	116,286	119,000	175,221
EXPENDITURES			
General and administration			
5 Contingency	-	1,084	1,397
6 County Treasurer's fees	1,112	1,100	1,620
7 General funds - Transfer to DHP@DIA	115,164	116,816	172,204
8 Miscellaneous	10	-	-
Total expenditures	116,286	119,000	175,221
Total expenditures and transfers out requiring appropriation	116,286	119,000	175,221
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14  
DEBT SERVICE FUND**

**2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

12/26/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 458,406	\$ 451,296	\$ 434,395
REVENUES			
1 Property taxes	389,328	383,656	812,260
2 Specific ownership taxes	36,879	41,100	73,900
3 Net investment income	3,213	5,300	5,200
4 Other income	-	-	2,000
Total revenues	429,420	430,056	893,360
TRANSFERS IN			
CAPITAL PROJECTS FUND - REGIONAL	165,192	163,043	9,868,748
Total transfers in	165,192	163,043	9,868,748
Total funds available	1,053,018	1,044,395	11,196,503
EXPENDITURES			
Debt service			
5 Contingency	-	1,033	2,205
6 County Treasurer's fees	3,893	3,840	8,120
7 Loan interest - Series 2015	316,406	334,127	-
8 Loan interest - Series 2018	-	-	960,266
9 Loan issue costs	13,050	-	-
10 Loan principal - Series 2015	260,000	260,000	-
11 Miscellaneous	18	-	-
12 Paying agent fees	8,355	11,000	10,000
13 Payment to refunding escrow	-	-	9,934,409
Total expenditures	601,722	610,000	10,915,000
Total expenditures and transfers out requiring appropriation	601,722	610,000	10,915,000
ENDING FUND BALANCES	\$ 451,296	\$ 434,395	\$ 281,503
DEBT SERVICE	\$ 306,600	\$ 306,600	\$ -
SURPLUS FUND	144,696	127,795	281,503
TOTAL RESERVE	\$ 451,296	\$ 434,395	\$ 281,503

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

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**CAPITAL PROJECTS FUND - REGIONAL**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/26/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 4,319,849	\$ 4,343,868	\$ 92
REVENUES			
1 Net investment income	24,025	21,800	100
2 Other income	-	-	4,439
3 Bond issuance	-	-	30,232,000
4 Regional mill levy	166,855	164,424	243,678
Total revenues	190,880	186,224	30,480,217
Total funds available	4,510,729	4,530,092	30,480,309
EXPENDITURES			
Regional			
5 Contingency	-	2,284	4,631
6 Cost of issuance	-	-	1,104,640
7 County Treasurer's fees - Regional mill levy	1,669	1,640	2,440
8 CP Reg Fund - Transfer to DHP@DIA	-	4,363,033	19,499,850
Total expenditures	1,669	4,366,957	20,611,561
TRANSFERS OUT			
DEBT SERVICE FUND	165,192	163,043	9,868,748
Total transfers out	165,192	163,043	9,868,748
Total expenditures and transfers out requiring appropriation	166,861	4,530,000	30,480,309
ENDING FUND BALANCES	\$ 4,343,868	\$ 92	\$ -

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

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Colorado International Center Metropolitan District No. 14, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in the City and County of Denver, Colorado. Colorado International Center Metropolitan District No. 14 was organized in conjunction with two other metropolitan districts, Denver High Point at DIA Metropolitan District (the Management District) and Colorado International Center Metropolitan District No. 13 (collectively, the Districts). Colorado International Center Metropolitan District No. 14 contains the commercial property within the Districts and Colorado International Center Metropolitan District No. 13 contains the residential property within the Districts. The District was established to provide streets, safety protection, water, sewer and storm drainage, transportation, mosquito control, fire protection, park and recreation facilities, and improvements for the use and benefit of the taxpayers of the District.

On May 2, 2006, the District's voters authorized total general obligation indebtedness of \$1,530,400,000 for the above listed facilities and powers. Per the District's service plan, the District is prohibited from issuing debt in excess of \$157,800,000 for District improvements and \$90,200,000 for Regional Improvements.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**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.

Per terms of the District's Series 2015 Loan (see Debt and Leases below), the District's maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund], and for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 35 mills. As of December 31, 2016, the adjusted maximum mill levy for debt service is 50.000 mills. The total maximum mill levy that may be pledged to debt service is 65 mills, which includes the regional improvements mill levy. For 2018, it is assumed the Required Mill Levy will be pledged to the anticipated Series 2018 bonds (see below).

The calculation of the taxes levied is displayed in the Budget at the adopted mill levy of 75.000 mills, which includes the general fund mill levy and the regional improvements mill levy (see below).

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Regional Improvements Mill Levy**

The District is required to impose a mill levy of 15.000 for payment of the planning, designing, permitting, construction, acquisition and financing of the regional improvements described in the City Intergovernmental Agreement between the Management District and the City and County of Denver and the Service Plan for the District. The Management District is also responsible for 17% of Gateway Regional Metropolitan District's service plan project costs and certain Town Center Metropolitan District obligations, which are also considered regional improvements. The Regional mill levy for the District is currently pledged toward payment of the Series 2015 Loan but will be pledged toward payment of the anticipated Series 2018 bonds (see below).

**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 7% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

**Bond Issuance**

In 2018 the District anticipates the issuance of Limited Tax General Obligation Cash Flow Bonds for the purpose of refunding the District's Series 2015 Loan and to provide funding for public infrastructure or repayment of developer advances (see Debt and Leases below).

**Expenditures**

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.0% of property tax collections.

**Transfer to Denver High Point at DIA**

On June 28, 2007, the District entered into an agreement with Colorado International Center District No. 13 and Denver High Point at DIA Metropolitan District (Management District). The Management District will own, operate, maintain, finance and construct facilities benefiting all of the Districts and that District Nos. 13 and 14 (the Denver Districts) will contribute to the costs of construction, operation, and maintenance of such facilities. The Denver Districts will transfer all available funds from the imposition of a mill levy for operations and maintenance to the Management District in compliance with this agreement. For 2018, the District has also budgeted a transfer of project funds from an anticipated bond issuance to the Management District for the purpose of acquiring public infrastructure or the repayment of developer advances.



**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

**Debt Service**

Interest payments are provided based on the estimated cash available for the District's anticipated Series 2018 bonds. Since the anticipated bonds are cash flow bonds, no debt amortization schedule is provided with this budget.

**Capital Expenditures**

Capital expenditures are included in the budget. The District will transfer the project funds from the anticipated bond issuance to the Management District to fund infrastructure improvements or repay developer advances.

**Debt and Leases**

**Tax-Free Loan - Refunding and Improvement Drawdown Issue, Series 2015.** On December 30, 2015, the District issued a bank loan in the amount of \$10,400,000 for the purpose of refunding the District's Series 2010 bonds and for providing new capital funds. The total amount of the loan is \$12,185,000, accounting for future drawdowns which have not yet occurred.. The 2015 Loan bears interest at a rate of 3.25%. Interest is payable on June 1 and December 1 of each year beginning on December 1, 2016. The loan will mature on December 30, 2022, with principal payments due on December 1, beginning on December 1, 2016. A debt to maturity schedule is provided on page 12 of the Budget.

The 2015 Loan is secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy and the Regional Mill Levy, net of the cost of collection; Specific Ownership Taxes attributable to the Required Mill Levy and the Regional Mill Levy; and any other legally available monies of the District credited to the Bond Fund. Under certain circumstances, moneys on deposit in the Surplus Fund, if any, will be used to pay the Loan.

The Required Mill Levy is defined as a mill levy imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of and interest on the 2015 Loan but not in excess of 50 mills, and for so long as the Loan is outstanding, not less than 35 mills. Such minimum and maximum mill levies will be adjusted for changes occurring after March 13, 2006, in the ratio of actual value to assessed value of property within the District. Once the Debt to Assessed Ratio is 50% or less and the assessed value of all taxable property in the District is \$70,000,000 or greater, the mill levy may be imposed in an amount sufficient to pay debt service on the Series 2015 Loan without limitation of rate (less amounts received from the Regional Mill Levy).

The Regional Mill Levy means the regional mill levy imposed by the District in the amount of 15 mills; provided however, that in the event the method of calculating assessed valuation is or was changed after March 13, 2006, the minimum and maximum mill levies provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the regional mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

The 2015 Loan is also secured by a Reserve Fund in the required amount of \$306,600 and a Surplus Fund up to a maximum amount of \$640,000. At any time the Reserve Fund balance is equal to the Reserve Requirement and the Surplus Fund balance is equal to the Surplus Fund Maximum Balance, the District may prepay all or part of the principal amount of the 2015 Loan prior to the Maturity Date, in whole or in part, on any Business Day, such date being the Prepayment Date, provided at least three (3) Business Days' written notice is provided by the District to the Bank and the Custodian and such prepayment includes payment of the Prepayment Fee due to the Bank as a result of such prepayment. All prepayments shall be in an amount of at least \$10,000 or, if less, the remaining entire principal balance of the 2015 Loan.

**Series 2018 Limited Tax General Obligation Cash Flow Bonds**

The District anticipates issuing approximately \$30,232,000 of bonds in early 2018. Details of the issuance are unknown at this time. For budget purposes, it is estimated that the interest rate will be 7% per annum and that a required mill levy of 65 mills and associated specific ownership taxes will be pledged toward payment of the bonds. The bonds will be structured as cash flow bonds. Therefore, interest and principal will be paid only as funds are available. Any amount unpaid at the maturity date will remain outstanding and continue to accrue and compound interest. Proceeds of the bonds are anticipated to refund the District's Series 2015 loan (see above), provide funding for public infrastructure or repayment of developer advances, and fund the cost of issuance of the bonds.

**Developer Advances**

A portion of the District's debt is comprised of developer advances, which are not general obligation debt. As of December 31, 2017, the District had \$43,491 in outstanding developer advances and interest accrued at 8%. Repayment of advances is subject to annual appropriation if and when eligible funds become available.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to the Management District, which pays for all of the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget. Therefore, the Emergency Reserve for these funds is reflected in the budget of the Management District.

**This information is an integral part of the accompanying budget.**

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2017**

**\$12,185,000**  
**Tax-Free Loan**  
**Refunding and Improvement Drawdown Issue**  
**Dated December 30, 2015**  
**Fixed Interest Rate 3.25%**  
**Interest Payable June 1 and December 1**  
**Principal Due December 1**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	300,000	325,560	625,560
2019	300,000	315,674	615,674
2020	310,000	306,627	616,627
2021	315,000	295,574	610,574
2022	320,000	285,194	605,194
2022*	8,335,000	21,821	8,356,821
	<u>\$ 9,880,000</u>	<u>\$ 1,550,450</u>	<u>\$ 11,430,450</u>

\* Maturity date is December 30, 2022

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