

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT No. 14

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO.14
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 22,339,448	\$ 13,827,141	\$ 33,880,946
REVENUES			
Bond proceeds	-	31,508,000	-
Property taxes	1,856,424	1,862,415	2,135,176
Specific ownership tax	126,712	116,401	133,446
Interest income	8,408	155,350	626,500
Facilities Fees	-	1,000,000	500,000
Regional Mill levy	464,106	465,611	533,803
Other revenue	-	2,722	6,302
Intergovernmental Revenue - CIC No. 13	92,076	235,306	379,420
Total revenues	2,547,726	35,345,805	4,314,647
TRANSFERS IN	449,684	461,151	461,151
Total funds available	25,336,858	49,634,097	38,656,744
EXPENDITURES			
General Fund	326,435	329,000	381,449
Debt Service	5,168,908	5,163,000	5,200,000
Capital Projects - Regional	5,564,690	9,800,000	20,100,000
Total expenditures	11,060,033	15,292,000	25,681,449
TRANSFERS OUT	449,684	461,151	461,151
Total expenditures and transfers out requiring appropriation	11,509,717	15,753,151	26,142,600
ENDING FUND BALANCES	\$ 13,827,141	\$ 33,880,946	\$ 12,514,144

No assurance provided. See summary of significant assumption.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO.14
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
----------------	-------------------	----------------

ASSESSED VALUATION

Agricultural	\$ 11,730	\$ 11,090	\$ 8,760
Commercial	27,472,960	23,683,180	24,019,810
Industrial vacant land	866,150	2,566,680	3,552,100
Personal property	1,266,890	1,966,270	2,538,560
Residential	-	1,305,020	4,593,350
State assessed	25,110	29,800	90,050
Vacant land	1,422,480	1,330,430	-
Certified Assessed Value	<u>\$ 31,065,320</u>	<u>\$ 30,892,470</u>	<u>\$ 34,802,630</u>

MILL LEVY

General	10.000	10.048	10.225
Debt Service	50.000	50.239	51.126
Regional	15.000	15.072	15.338
Total mill levy	<u>75.000</u>	<u>75.359</u>	<u>76.689</u>

PROPERTY TAXES

General	\$ 310,653	\$ 310,408	\$ 355,857
Debt Service	1,553,266	1,552,007	1,779,319
Regional	465,980	465,611	533,803
Levied property taxes	<u>2,329,899</u>	<u>2,328,026</u>	<u>2,668,979</u>
Adjustments to actual/rounding	(9,369)	-	-
Budgeted property taxes	<u>\$ 2,320,530</u>	<u>\$ 2,328,026</u>	<u>\$ 2,668,979</u>

BUDGETED PROPERTY TAXES

General	\$ 309,404	\$ 310,408	\$ 355,857
Debt Service	1,547,020	1,552,007	1,779,319
Regional Mill Levy	464,106	465,611	533,803
	<u>\$ 2,320,530</u>	<u>\$ 2,328,026</u>	<u>\$ 2,668,979</u>

No assurance provided. See summary of significant assumption.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO.14
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	309,404	310,408	355,857
Specific ownership tax	16,895	15,520	17,790
Interest income	136	350	1,500
Other revenue	-	2,722	6,302
Total revenues	<u>326,435</u>	<u>329,000</u>	<u>381,449</u>
Total funds available	<u>326,435</u>	<u>329,000</u>	<u>381,449</u>
EXPENDITURES			
County Treasurer's fee	3,095	3,100	3,560
Contingency	-	2,922	6,336
Transfers to Denver High Point at DIA	323,340	322,978	371,553
Total expenditures	<u>326,435</u>	<u>329,000</u>	<u>381,449</u>
Total expenditures and transfers out requiring appropriation	<u>326,435</u>	<u>329,000</u>	<u>381,449</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumption.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO.14
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 15,168,504	\$ 12,204,488	\$ 9,404,135
REVENUES			
Property taxes	1,547,020	1,552,007	1,779,319
Specific ownership tax	109,817	100,881	115,656
Interest income	6,295	65,000	125,000
Intergovernmental Revenue - CIC No. 13	92,076	183,608	295,136
Total revenues	1,755,208	1,901,496	2,315,111
TRANSFERS IN			
Transfers from CP - Regional Fund	449,684	461,151	461,151
Total transfers in	449,684	461,151	461,151
Total funds available	17,373,396	14,567,135	12,180,397
EXPENDITURES			
Bond principal - Series 2018	-	-	5,000
Bond interest - Series 2018	5,110,694	5,110,694	5,110,694
Bond issue costs	39,237	27,399	-
Paying agent fees	3,500	4,000	6,000
County Treasurer's fee	15,477	15,520	17,790
Contingency	-	5,387	60,516
Total expenditures	5,168,908	5,163,000	5,200,000
Total expenditures and transfers out requiring appropriation	5,168,908	5,163,000	5,200,000
ENDING FUND BALANCE	\$ 12,204,488	\$ 9,404,135	\$ 6,980,397
SURPLUS FUND	\$ 12,204,488	\$ 9,404,135	\$ 6,980,397
TOTAL RESERVE	\$ 12,204,488	\$ 9,404,135	\$ 6,980,397

No assurance provided. See summary of significant assumption.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO.14
CAPITAL PROJECTS FUND - REGIONAL
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUNDS AVAILABLE	\$ 7,170,944	\$ 1,622,653	\$ 24,476,811
REVENUES			
Bond proceeds	-	31,508,000	-
Regional Mill levy	464,106	465,611	533,803
Interest income	1,977	90,000	500,000
Facilities Fees	-	1,000,000	500,000
Intergovernmental Revenue - CIC No. 13	-	51,698	84,284
Total revenues	466,083	33,115,309	1,618,087
Total funds available	7,637,027	34,737,962	26,094,898
EXPENDITURES			
Regional			
County Treasurer's Fee - Regional Mill Levy	4,643	4,660	5,340
Transfers to DHP at DIA	5,560,047	8,000,000	20,000,000
Bond issue costs	-	1,286,320	-
Bond issue discount - Series 2022B	-	472,620	-
Contingency	-	36,400	94,660
Total expenditures	5,564,690	9,800,000	20,100,000
TRANSFERS OUT			
Transfer to DS Fund	449,684	461,151	461,151
Total expenditures and transfers out requiring appropriation	6,014,374	10,261,151	20,561,151
ENDING FUNDS AVAILABLE	\$ 1,622,653	\$ 24,476,811	\$ 5,533,747

No assurance provided. See summary of significant assumption.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Colorado International Center Metropolitan District No. 14 (the District), 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. The District 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 (CIC 13) (collectively, the Districts). The District contains the commercial property within the Districts and CIC 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 has no employees, and all administrative functions are contracted.

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 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.

Per the terms of the District's Subordinate Limited Tax General Obligation Bonds, Series 2022 (the 2022 Subordinate Bonds) (see Debt and Leases Below), the District's maximum required mill levy for debt service is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Pursuant to the 2022 Subordinate Bonds, the District's required mill levy is 50.000 mills, less the amount of the required mill levy under the District's Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018 (the 2018 Bonds and, together with the 2022 Subordinate Bonds, the Bonds), or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of, premium, if any, and interest on the 2022 Subordinate Bonds in full. As of December 31, 2023, the adjusted maximum mill levy for debt service is 51.126 mills. The total maximum mill levy that may be pledged to debt service is 66.464 mills, which includes the regional improvements mill levy.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes (continued)

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 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed in the Budget at the adopted mill levy of 76.689 mills, which includes the general fund mill levy, and the regional improvements mill levy (see below).

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 17.00% 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 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 5.00% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on prevailing interest rates.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.00% of property tax collections.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Intergovernmental expenditures - Denver High Point at DIA

On June 28, 2007, the District entered into an agreement with CIC 13 and the Management District. The Management District will own, operate, maintain, finance and construct facilities benefiting all of the Districts and that the District and CIC 13 (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.

Debt Service

Interest payments are provided based on the debt amortization schedule from the Series 2018 and Series 2022 Bonds.

Capital Expenditures

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

Debt and Leases

Series 2018 Limited Tax General Obligation Refunding and Improvement Bonds

On April 12, 2018, the District issued \$87,135,000 of Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018 (the 2018 Bonds). The proceeds from the sale of the 2018 Bonds, combined with available funds of the Districts, were used to: (i) fund public improvements related to the development of property in the District and CIC; (ii) fund capitalized interest on the 2018 Bonds; (iii) refund amounts outstanding under the 2015 Loan; (iv) fund a portion of the Surplus Fund; and, (v) pay the costs of issuing the 2018 Bonds.

The 2018 Bonds bear interest at rates of 5.625% (\$3,395,000, maturing on December 1, 2032) and 5.875% (\$83,740,000, maturing on December 1, 2046), and are payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The 2018 Bonds fully mature on December 1, 2046.

Pursuant to the Indenture, the 2018 Bonds are secured by and payable from pledged revenue, net of any costs of collection, which includes: (1) all Property Tax Revenues derived from the District's imposition of the Required Mill Levy and the Regional Mill Levy; (2) all Capital Fees which include the Facilities Fees; (3) all Specific Ownership Taxes received as a result of the imposition of the Required Mill Levy and the Regional Mill Levy; (4) all PILOT Revenues; and (5) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund (Pledged Revenue).

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

Series 2018 Limited Tax General Obligation Refunding and Improvement Bonds (continued)

Pursuant to the FFCOA, the District and CIC 13 entered into a Capital Pledge Agreement dated April 12, 2018 (Pledge Agreement). Pursuant to the Pledge Agreement, the 2018 Bonds are also secured by and payable from CIC 13 pledged revenue, net any costs of collection, which includes: (1) all CIC 13 Property Tax Revenues derived from CIC 13's imposition of the Required Mill Levy and the Regional Mill Levy; (2) all CIC 13 Capital Fees which includes the Facilities Fees; (3) all CIC 13 Specific Ownership Taxes received as a result of the imposition of the CIC 13 Required Mill Levy and the CIC 13 Regional Mill Levy; (4) all CIC 13 PILOT Revenues; and (5) any other legally available moneys which CIC 13 determines, in its absolute discretion, to credit to the Bond Fund (CIC 13 Pledged Revenue).

Pursuant to the Pledge Agreement, CIC 13 has covenanted to impose a Required Mill Levy of 50.000 mills (subject to adjustment) and a Regional Mill Levy of 15.000 mills (subject to adjustment). The Pledge Agreement defines CIC 13 Property Tax Revenues as, generally, all moneys derived from imposition by CIC 13 of the CIC 13 Required Mill Levy and the CIC 13 Regional Mill Levy.

The Pledge Agreement also identifies a Mill Levy Allocation Standard, which explains how the District's Required Mill Levy and CIC 13's Required Mill Levy are set in relationship to each other in certain circumstances and generally requires that, if the mill levies are reduced, they shall be reduced using a prorating method that keeps the mill levies in the same proportion to each other.

Amounts on deposit in the Surplus Fund also secure payment of the 2018 Bonds. The Surplus Fund was funded from bond proceeds in the amount of \$8,713,500, from available funds of the Districts, and from the Pledged Revenue and CIC 13 Pledged Revenue up to the Maximum Surplus Amount. The Maximum Surplus Amount means: (a) prior to the Partial Release Test Satisfaction Date, the amount of \$17,427,000; and (b) after the Partial Release Test Satisfaction Date, the amount of \$8,713,500 (which is equal to the initial deposit to the Surplus Fund from bond proceeds). The Partial Release Test Satisfaction Date means the first date on which the Senior Debt to Assessed Ratio is 50.00% or less.

Pledged Revenue and CIC 13 Pledged Revenue that is not needed to pay debt service on the 2018 Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount. Pursuant to the Indenture, amounts on deposit in the Surplus Fund (if any) on the maturity date of the Bonds shall be applied to the payment of the Bonds. The availability of such amount shall be considered in calculating the Required Mill Levy and the Regional Mill Levy required to be imposed in December 2045. The Surplus Fund will be terminated upon the repayment of the 2018 Bonds and any excess moneys therein will be applied to any legal purpose of the District.

Series 2022 Subordinate Limited Tax General Obligation Bonds

On February 7, 2022, the District issued Subordinate Limited Tax General Obligation Bonds, Series 2022 (the 2022 Subordinate Bonds) with a par amount of \$31,508,000. Proceeds from the sale of the Bonds were used to: (i) finance or reimburse a portion of the costs of acquiring, constructing, and installing public infrastructure improvements related to the development; (ii) fund capitalized interest on the Bonds; (iii) fund a Reserve Fund; and (iv) pay the costs of issuing the Bonds.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 14
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Series 2022 Subordinate Limited Tax General Obligation Bonds (continued)

The Bonds bear interest at the rate of 7.50%, and are structured as “cash flow” bonds, meaning that there are no scheduled payment of principal on the Bonds other than at Maturity. Instead, principal is payable on December 15 from the available subordinate pledged revenue, if any, pursuant to a mandatory redemption, commencing on December 15, 2022. The Bonds mature on December 15, 2051. Pursuant to the Indenture, the 2022 Subordinate Bonds are secured by and payable from the Subordinate Pledged Revenue, net of the collection costs of the City and County of Denver and any tax refunds or abatements authorized by or on behalf of the City and County of Denver, which includes: (1) the Subordinate Property Tax Revenues; (2) any Subordinate Specific Ownership Tax Revenues; (3) the Subordinate Property Tax Revenues; (3) the Subordinate Capital Fee Revenue, if any; (4) any Subordinate PILOT Revenue; and (5) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. Revenues derived pursuant to the CIC 13 Pledge Agreement are not pledged to the 2022 Subordinate 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, 2021, the District had \$51,260 in outstanding developer advances and interest accrued at 8.00%. Repayment of advances is subject to annual appropriation if and when eligible funds become available. See below for the anticipated developer advance activity.

	Balance 12/31/2021	Additions*	Deletions*	Balance 12/31/2022*	Additions*	Deletions*	Balance 12/31/2023*
Developer advances							
Principal	\$ 24,261	\$ -	\$ -	\$ 24,261	\$ -	\$ -	\$ 24,261
Interest	26,999	1,941	-	28,940	1,941	-	30,881
	<u>\$ 51,260</u>	<u>\$ 1,941</u>	<u>\$ -</u>	<u>\$ 53,201</u>	<u>\$ 1,941</u>	<u>\$ -</u>	<u>\$ 55,142</u>

* Estimated

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 TABOR eligible funds received by the District are transferred to the Management District, which pays for all the District’s operations and maintenance costs, an Emergency Reserve is not reflected in the District’s budget. 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.