

DENVER GATEWAY CENTER METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Denver Gateway Center Metropolitan District
Denver, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Denver Gateway Center Metropolitan District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Fiscal Focus Partners, LLC

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure obligation information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 24, 2024

BASIC FINANCIAL STATEMENTS

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 302,728
Cash and Investments - Restricted	2,676,163
Property Tax Receivable	1,549,688
Receivable from County Treasurer	2,568
Capital Assets:	
Capital Assets Not Being Depreciated	<u>19,245,987</u>
Total Assets	<u>23,777,134</u>
LIABILITIES	
Accounts Payable	203,573
Retainage Payable	127,393
Accrued Bond Interest	106,698
Noncurrent Liabilities:	
Due Within One Year	275,000
Due in More Than One Year	<u>28,435,676</u>
Total Liabilities	<u>29,148,340</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>1,549,688</u>
Total Deferred Inflows of Resources	<u>1,549,688</u>
NET POSITION	
Restricted for:	
Emergency Reserve	5,600
Net Position - Unrestricted	<u>(6,926,494)</u>
Total Net Position	<u><u>\$ (6,920,894)</u></u>

See accompanying Notes to Basic Financial Statements.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 150,557	\$ -	\$ -	\$ -	\$ (150,557)
Interest on Long-Term Debt and Related Costs	1,727,898	-	-	-	(1,727,898)
Total Governmental Activities	\$ 1,878,455	\$ -	\$ -	\$ -	(1,878,455)
GENERAL REVENUES					
Property Taxes					786,137
Specific Ownership Taxes					36,299
Interest Income					206,574
Total General Revenues and Transfers					1,029,010
CHANGES IN NET POSITION					(849,445)
Net Position - Beginning of Year					(6,071,449)
NET POSITION - END OF YEAR					\$ (6,920,894)

See accompanying Notes to Basic Financial Statements.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 302,728	\$ -	\$ -	\$ 302,728
Cash and Investments - Restricted	5,600	996,040	1,674,523	2,676,163
Receivable from County Treasurer	509	2,059	-	2,568
Property Tax Receivable	159,504	1,390,184	-	1,549,688
Total Assets	\$ 468,341	\$ 2,388,283	\$ 1,674,523	\$ 4,531,147
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 17,861	\$ -	\$ 185,712	\$ 203,573
Retainage Payable	-	-	127,393	127,393
Total Liabilities	17,861	-	313,105	330,966
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	159,504	1,390,184	-	1,549,688
Total Deferred Inflows of Resources	159,504	1,390,184	-	1,549,688
FUND BALANCES				
Restricted for:				
Emergency Reserves	5,600	-	-	5,600
Debt Service	-	998,099	-	998,099
Capital Projects	-	-	1,189,253	1,189,253
Committed:				
Capital Projects	-	-	172,165	172,165
Assigned to:				
Subsequent Year's Expenditures	6,176	-	-	6,176
Unassigned	279,200	-	-	279,200
Total Fund Balances	290,976	998,099	1,361,418	2,650,493
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 468,341	\$ 2,388,283	\$ 1,674,523	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

19,245,987

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Bond Interest

(2,046,916)

Accrued Developer Advance Interest

(30,458)

Bonds Payable

(26,650,000)

Developer Advance Payable

(90,000)

Net Position of Governmental Activities

\$ (6,920,894)

See accompanying Notes to Basic Financial Statements.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 155,826	\$ 630,311	\$ -	\$ 786,137
Specific Ownership Taxes	7,195	29,104	-	36,299
Interest Income	23,452	79,627	103,495	206,574
Total Revenues	<u>186,473</u>	<u>739,042</u>	<u>103,495</u>	<u>1,029,010</u>
EXPENDITURES				
Current:				
Accounting	35,608	-	7,743	43,351
Auditing	5,750	-	-	5,750
County Treasurer's Fee	1,567	6,338	-	7,905
District Management	21,997	-	-	21,997
Denver Annual Review Fee	3,000	-	-	3,000
Drainage Maintenance	6,500	-	-	6,500
Dues and Membership	427	-	-	427
Election	1,875	-	-	1,875
Insurance	3,614	-	-	3,614
Irrigation	1,305	-	-	1,305
Landscaping	26,606	-	-	26,606
Legal	20,776	-	5,092	25,868
Miscellaneous	8,697	-	-	8,697
Debt Service:				
Bond Interest	-	1,288,350	-	1,288,350
Bond Principal	-	145,000	-	145,000
Paying Agent Fees	-	6,000	-	6,000
Capital Projects:				
Capital Construction	-	-	888,199	888,199
Total Expenditures	<u>137,722</u>	<u>1,445,688</u>	<u>901,034</u>	<u>2,484,444</u>
NET CHANGE IN FUND BALANCES	48,751	(706,646)	(797,539)	(1,455,434)
Fund Balances - Beginning of Year	<u>242,225</u>	<u>1,704,745</u>	<u>2,158,957</u>	<u>4,105,927</u>
FUND BALANCES - END OF YEAR	<u>\$ 290,976</u>	<u>\$ 998,099</u>	<u>\$ 1,361,418</u>	<u>\$ 2,650,493</u>

See accompanying Notes to Basic Financial Statements.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (1,455,434)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 888,199

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal 145,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability (421,810)

Accrued Interest on Developer Advance - Change in Liability (5,400)

Changes in Net Position of Governmental Activities \$ (849,445)

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 156,856	\$ 155,826	\$ (1,030)
Specific Ownership Taxes	7,843	7,195	(648)
Interest Income	10,901	23,452	12,551
Total Revenues	<u>175,600</u>	<u>186,473</u>	<u>10,873</u>
EXPENDITURES			
Accounting	32,500	35,608	(3,108)
Auditing	5,700	5,750	(50)
Contingency	15,381	-	15,381
County Treasurer's Fee	1,569	1,567	2
Denver Annual Review Fee	3,000	3,000	-
Drainage Maintenance	27,950	6,500	21,450
District Management	23,000	21,997	1,003
Dues and Membership	600	427	173
Election	4,000	1,875	2,125
Insurance	4,500	3,614	886
Irrigation	15,500	1,305	14,195
Landscaping	21,500	26,606	(5,106)
Legal	25,000	20,776	4,224
Miscellaneous	5,000	8,697	(3,697)
Total Expenditures	<u>185,200</u>	<u>137,722</u>	<u>47,478</u>
NET CHANGE IN FUND BALANCE	(9,600)	48,751	58,351
Fund Balance - Beginning of Year	<u>282,777</u>	<u>242,225</u>	<u>(40,552)</u>
FUND BALANCE - END OF YEAR	<u>\$ 273,177</u>	<u>\$ 290,976</u>	<u>\$ 17,799</u>

See accompanying Notes to Basic Financial Statements.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

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 of the City and County of Denver (the City) on October 17, 1997 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised statutes). The District operates under the Amended and Restated Service Plan dated August 23, 2004. The District's service area is located in the City and County of Denver. The District was established to provide financing for the design, acquisition, installation, construction, and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation improvements and services.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

It is the policy of the City to accept maintenance responsibility for all capital improvements within the City after a minimum two-year warranty period, except for certain landscaping, park and recreation, and storm drainage improvements specified in the District's Service Plan, upon the District's completion and conveyance of such improvements provided they meet the City's specifications.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 302,728
Cash and Investments - Restricted	<u>2,676,163</u>
Total Cash and Investments	<u><u>\$ 2,978,891</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 119,395
Investments	<u>2,859,496</u>
Total Cash and Investments	<u><u>\$ 2,978,891</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

On December 31, 2023, the District's cash deposits had a bank balance of \$119,395 and a carrying balance of \$119,395.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS +)	Weighted-Average Under 60 Days	\$ 2,859,496
Total		<u>\$ 2,859,496</u>

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 18,357,788	\$ 888,199	\$ -	\$ 19,245,987
Governmental Activities Capital Assets, Net	<u>\$ 18,357,788</u>	<u>\$ 888,199</u>	<u>\$ -</u>	<u>\$ 19,245,987</u>

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable					
Genreal Obligation Bonds					
Series 2018A - Bonds	\$ 23,085,000	\$ -	\$ 145,000	\$ 22,940,000	\$ 275,000
Series 2018B - Bonds					
Principal	3,710,000	-	-	3,710,000	-
Unpaid Interest	1,517,743	422,475	-	1,940,218	-
Developer Advances:					
Principal - Operating	90,000	-	-	90,000	-
Interest - Operating	25,058	5,400	-	30,458	-
Total Long-Term Obligations	\$ 28,427,801	\$ 427,875	\$ 145,000	\$ 28,710,676	\$ 275,000

The details of the District's long-term obligations are as follows:

General Obligation Limited Tax Bonds, Series 2018A (2018A Senior Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2018B (2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the Bonds) dated July 3, 2018

Bond Details

The District issued the Bonds on July 3, 2018, in the par amounts of \$23,115,000 for the 2018A Senior Bonds and \$3,710,000 for the 2018B Subordinate Bonds. Proceeds from the sale of the Bonds were applied to fund and reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements and to pay the costs of issuance of the Bonds. Proceeds of the 2018A Senior Bonds were also applied to pay and cancel the District's Series 2016 Loan, fund the Senior Reserve Fund, and fund capitalized interest.

The 2018A Senior Bonds were issued as two term bonds bearing interest at 5.50% and 5.625%, respectively, payable semi-annually on June 1 and December 1, beginning on December 1, 2018. The first term bond has annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2020, and matures on December 1, 2038. The second term bond has annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2039, and matures on December 1, 2048. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semiannually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law and its electoral authorization.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Limited Tax Bonds, Series 2018A (2018A Senior Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2018B (2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the Bonds) dated July 3, 2018 (Continued)

Bond Details (Continued)

The 2018B Subordinate Bonds were issued at the rate of 7.875% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The 2018B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually on each December 15. In the event that the Subordinate Pledged Revenue is insufficient to pay the 2018B Subordinate Bonds, the unpaid principal will remain outstanding until the Termination Date of December 16, 2058 and will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the 2018B Subordinate Bonds equals the amount permitted by law and its electoral authorization. In the event any amount due and owing on the 2018B Subordinate Bonds remains outstanding on the Termination Date, such amount shall be deemed discharged and no longer be due and outstanding.

Optional Redemption

The 2018A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, at a redemption price of the principal amount redeemed plus accrued interest to the redemption date, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2023, to November 30, 2024	3.00%
December 1, 2024, to November 30, 2025	2.00
December 1, 2025, to November 30, 2026	1.00
December 1, 2026, and Thereafter	0.00

The 2018B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, and on any date thereafter, at a redemption price of the principal amount redeemed plus accrued interest to the redemption date, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 2026, and thereafter	0.00

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Limited Tax Bonds, Series 2018A (2018A Senior Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2018B (2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the Bonds) dated July 3, 2018 (Continued)

Security

The 2018A Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which includes (i) property taxes generated by the imposition of the Senior Required Mill Levy; (ii) the Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (iv) all PILOT Revenue, if any; and (v) any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

The 2018A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which was funded from proceeds of the 2018A Senior Bonds in the amount of the Required Reserve of \$1,906,375, and by the Senior Surplus Fund, which will be funded from Senior Pledged Revenue that is not needed to pay debt service on the 2018A Senior Bonds in any year, up to the Maximum Surplus Amount of \$2,311,500. The Senior Surplus Fund is to be maintained as long as any 2018A Senior Bonds remain outstanding. When no 2018A Senior Bonds are outstanding, any moneys in the Senior Surplus Fund are required to be remitted to the District for application to any lawful purpose of the District.

As of December 31, 2023, the balance in the Senior Reserve Fund was \$974,385 and the balance in the Senior Surplus Fund was \$410.

The 2018B Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes (i) property taxes generated by the imposition of the Subordinate Required Mill Levy; (ii) Subordinate Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (iv) all Subordinate PILOT Revenue, if any; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Limited Tax Bonds, Series 2018A (2018A Senior Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2018B (2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the Bonds) dated July 3, 2018 (Continued)

Required Mill Levy

Pursuant to the Senior Indenture, the District has covenanted to impose a Senior Required Mill Levy in an amount sufficient to generate revenues, when combined with Senior Pledged Revenue on deposit in the Senior Bond Fund (not including the Senior Reserve Fund or the Senior Surplus Fund) and any Senior PILOT Revenue, to pay the 2018A Senior Bonds and to fund the Senior Reserve Fund up to the Required Reserve, but not in excess of 50 mills (subject to adjustment) less the Operations Deduction, and, at any time the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment) less the Operations Deduction, or such lesser mill levy which, when combined with the Senior Pledged Revenue on deposit in the Senior Bond Fund and any Senior PILOT Revenue related to such mill levy, will permit the District to fully fund the Senior Bond Fund for the next Bond Year and pay the 2018A Senior Bonds, to fund the Senior Reserve Fund up to the Required Reserve, and to fund the Senior Surplus Fund up to the Maximum Surplus Amount. If, on or after August 23, 2004, there are changes in the ratio of actual valuation to assessed valuation, then the minimum and maximum mill levies shall be increased or decreased to offset such changes.

The District's Service Plan limits the District's imposition of ad valorem taxes for all purposes (debt service and operations) to 50 mills (subject to adjustment). Both the Senior Indenture and the Subordinate Indenture contemplate that the debt service mill levy imposed will be reduced by the operations mill levy. The Operations Deduction is the mill levy imposed each year in an amount sufficient, when combined with the Specific Ownership Tax related to such mill levy, to generate revenues in an amount up to: (a) for collection year 2019, \$152,500; and (b) for each fiscal year thereafter, an amount up to (i) the maximum Operations Deduction for the prior year, plus (ii) 1.7% of the maximum Operations Deduction for the prior fiscal year.

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy each year in the amount of (i) 50 mills (subject to adjustment) less the amount of the Senior Bond Mill Levy (which means the mill levy required to be imposed in connection with any Senior Bonds) and the Operations Deduction; or (ii) such lesser mill levy which, after the deduction of the Senior Bond Mill Levy and the Operations Deduction, and when combined with other Subordinate Pledged Revenue available in the Subordinate Bond Fund and any Subordinate PILOT Revenue expected to be received with respect to such mill levy, will permit the District to fully fund the Subordinate Bond Fund for the next Bond Year and pay all of the principal of and interest on the 2018B Subordinate Bonds in full. As a result, the Subordinate Required Mill Levy will equal zero until such time as the Senior Bond Mill Levy together with the Operations Deduction equals less than 50 mills (subject to adjustment).

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Limited Tax Bonds, Series 2018A (2018A Senior Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2018B (2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the Bonds) dated July 3, 2018 (Continued)

Restricted Project Funds

Proceeds of \$2,318,000 from the sale of the 2018A Senior Bonds have been deposited to the Restricted Account of the Senior Project Fund and proceeds of \$975,000 from the sale of the 2018B Subordinate Bonds have been deposited to the Restricted Account of the Subordinate Project Fund. Such Restricted Accounts will only be available for acquisition of public improvements if released from the applicable Restricted Account in accordance with the Senior Indenture and Subordinate Indenture, as applicable. If any amounts on deposit in such Restricted Accounts are not released by the date specified in the applicable Indenture, then such amounts are to be applied to debt service on the bonds through a mandatory excess proceeds redemption.

Annual principal and interest payments required to retire long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Bonded Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 275,000	\$ 1,280,375	\$ 1,555,375
2025	285,000	1,265,250	1,550,250
2026	335,000	1,249,575	1,584,575
2027	350,000	1,231,150	1,581,150
2028	400,000	1,211,900	1,611,900
2029-2033	2,555,000	5,691,825	8,246,825
2034-2038	3,800,000	4,859,400	8,659,400
2039-2043	5,415,000	3,635,157	9,050,157
2044-2048	9,525,000	1,878,469	11,403,469
Total	<u>\$ 22,940,000</u>	<u>\$ 22,303,101</u>	<u>\$ 45,243,101</u>

Events of Default of the Senior and Subordinate Bonds

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Senior and Subordinate Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior and Subordinate Indenture. Acceleration of the Bonds shall not be an available remedy for an Event of Default.

Authorized Debt

On November 3, 1998, the District's electorate authorized total indebtedness of \$12,650,000 for the above listed facilities. The election also approved an annual increase in property taxes of \$100,000, at a rate not to exceed 30 mills, to pay the District's operation and maintenance costs.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

On November 2, 2004, the District's electorate authorized total indebtedness of \$103,750,000 for infrastructure improvements at an interest rate not to exceed 18% and \$20,750,000 for refunding the District's debt or other obligations. The election also approved an annual increase in property taxes of \$500,000, at a rate not to exceed 50 mills, to pay the District's operation and maintenance costs.

On November 8, 2016, the District's electorate authorized total indebtedness of \$185,000,000 for infrastructure improvements at an interest rate not to exceed 18% and \$120,000,000 for refunding the District's debt or other obligations. The election also approved an annual increase in property taxes of \$500,000, at a rate not to exceed 50 mills, to pay the District's operation and maintenance costs.

	Amount Authorized	Authorization Used		Remaining at
	November 3, 2004*	2016 Loan	2018 A&B Bonds	December 31, 2020*
Streets	\$ 20,750,000	\$ 1,200,000	\$ 12,888,938	\$ 6,661,062
Water	20,750,000	528,000	3,854,895	16,367,105
Sewer	20,750,000	672,000	1,606,167	18,471,833
Parks and Recreation	20,750,000	-	-	20,750,000
Traffic Safety	20,750,000	-	-	20,750,000
Public Transportation	-	-	-	-
Security Services	-	-	-	-
Refunding	20,750,000	-	1,086,413	19,663,587
Total	<u>\$ 124,500,000</u>	<u>\$ 2,400,000</u>	<u>\$ 19,436,413</u>	<u>\$ 102,663,587</u>

* Notwithstanding the amounts voted in each category, the 2004 election only permits a total of \$20,750,000 in debt to be issued for all improvements (exclusive of debt issued for refunding purposes).

	Amount Authorized	Authorization Used	Remaining at
	November 8, 2016	2018 A&B Bonds	December 31, 2020*
Streets	\$ 30,000,000	\$ -	\$ 30,000,000
Water	30,000,000	-	30,000,000
Sewer	30,000,000	3,572,981	26,427,019
Parks and Recreation	30,000,000	3,815,606	26,184,394
Traffic Safety	30,000,000	-	30,000,000
Public Transportation	30,000,000	-	30,000,000
Security Services	5,000,000	-	5,000,000
Refunding	120,000,000	-	120,000,000
Total	<u>\$ 305,000,000</u>	<u>\$ 7,388,587</u>	<u>\$ 297,611,413</u>

Pursuant to the Amended and Restated Service Plan dated August 23, 2004, the District can issue bond indebtedness of up to \$20,750,000. In addition, the maximum total mill levy for the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value property within the District.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

In 2018, the City approved an increase in the Maximum Debt Limit from \$20,750,000 to \$40,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area within the limitations of the District's Service Plan.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted net position.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023, as follows:

Restricted Net Position:

TABOR Reserve	\$ 5,600
Total Restricted Net Position	<u>\$ 5,600</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTIES

The Developers of the property which constitutes the District are Gateway Center Joint Venture, a Colorado General Partnership, 64th and Tower LLC, a Colorado limited liability company and BBF Gateway LLC, a Colorado limited liability company. All four members of the Board of Directors are officers, employees, or associated with the Developers and may have conflicts of interest in dealing with the District. During 2023, the District paid \$88,484 in construction management fees to BBF Gateway, LLC.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS AND COMMITMENTS

Advance and Reimbursement Agreements

Operations Funding – Denver Gateway Center Joint Venture

On December 13, 2016, the District entered into an Advance and Reimbursement Agreement with Denver Gateway Center Joint Venture (DGCJV) to repay advances made by DGCJV for operations and maintenance (O&M) costs. The District agreed to repay DGCJV for such O&M advances plus accrued interest at the rate of 6% per annum. At December 31, 2023, outstanding DGCJV advances were \$90,000 with accrued interest of \$30,458.

Operations Funding – 64th and Tower

On November 13, 2019, the District entered into an Advance and Reimbursement Agreement to repay advances made by 64th and Tower LLC (64th and Tower) for operations and maintenance (O&M) costs. The District agrees to repay 64th and Tower for such O&M advances plus simple interest accrued at the rate of 7% per annum. At December 31, 2023, there were no outstanding advances under this agreement.

Capital Facilities – 64th and Tower

On November 13, 2019, the District entered into an Advance and Reimbursement Agreement to repay advances and/or costs incurred by 64th and Tower LLC (64th and Tower) for certain verified capital improvement costs. The District agrees to repay 64th and Tower for such capital improvement advances plus simple interest accruing at the rate of 7% per annum from the date the cost is incurred by 64th and Tower. Advance payments will be applied first against accrued and unpaid interest and then to the principal amount due. At December 31, 2023, there were no outstanding advances under this agreement.

Operations Funding – BBF Gateway

On November 13, 2019, the District entered into an Advance and Reimbursement Agreement to repay advances made by BBF Gateway LLC (BBF) for operations and maintenance (O&M) costs. The District agrees to repay BBF for such O&M advances plus simple interest accrued at the rate of 7% per annum. At December 31, 2023, there were no outstanding advances under this agreement.

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS AN COMMITMENTS (CONTINUED)

Advance and Reimbursement Agreements (Continued)

Capital Facilities – BBF Gateway

On November 13, 2019, the District entered into an Advance and Reimbursement Agreement to repay advances and /or costs incurred by BBF Gateway LLC (BBF) for certain verified capital improvement costs. The District agrees to repay BBF for such capital improvement advances plus simple interest accruing at the rate of 7% per annum from the date the cost is incurred BBF. Advance payments will be applied first against accrued and unpaid interest and them to the principal amount due. At December 31, 2023, there were no outstanding advances under this agreement.

Intergovernmental Advance and Reimbursement Agreement

In October 2020, the District entered into the Intergovernmental Advance and Reimbursement Agreement (IGA) with Denver Gateway Meadows Metropolitan District (Meadows) to repay advances made by the District for operating and capital infrastructure costs. Meadows agreed to repay the District for such advances plus accrued interest at the rate of 6% up to the date of the IGA and 3% after the date of the IGA. In the event Meadows has not fully paid or reimbursed the District for any advances with interest prior to January 1, 2035, any outstanding amount shall be deemed to be forever released, discharged, forgiven, and satisfied in full. As of December 31, 2023 outstanding operating advances under the agreement totaled \$108,587 and accrued interest totaled \$24,755; outstanding capital advances totaled \$37,637 and accrued interest totaled \$10,072.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

DENVER GATEWAY CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 3, 2004, the District's voters authorized the District to increase property taxes \$500,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitutions (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

On November 8, 2016, the District's voters authorized the District to increase property taxes \$500,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitutions (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend, or retain all revenue without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of December 31, 2023, the District had unexpended construction related contract commitments of approximately \$172,165.

SUPPLEMENTARY INFORMATION

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 634,476	\$ 630,311	\$ (4,165)
Specific Ownership Taxes	31,724	29,104	(2,620)
Interest Income	54,500	79,627	25,127
Total Revenues	<u>720,700</u>	<u>739,042</u>	<u>18,342</u>
EXPENDITURES			
County Treasurer's Fee	6,345	6,338	7
Paying Agent Fees	6,000	6,000	-
Bond Interest	1,288,350	1,288,350	-
Bond Principal	145,000	145,000	-
Contingency	44,305	-	44,305
Total Expenditures	<u>1,490,000</u>	<u>1,445,688</u>	<u>44,312</u>
NET CHANGE IN FUND BALANCE	(769,300)	(706,646)	62,654
Fund Balance - Beginning of Year	<u>1,780,538</u>	<u>1,704,745</u>	<u>(75,793)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,011,238</u></u>	<u><u>\$ 998,099</u></u>	<u><u>\$ (13,139)</u></u>

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 88,500	\$ 103,495	\$ 14,995
Total Revenues	<u>88,500</u>	<u>103,495</u>	<u>14,995</u>
EXPENDITURES			
Accounting	15,000	7,743	7,257
Engineering	85,000	27,695	57,305
Capital Construction	3,720,006	768,690	2,951,316
Consulting / Project Management	75,000	91,814	(16,814)
Contingency	280,000	-	280,000
District Management	30,000	-	30,000
Legal	15,000	5,092	9,908
Streetscape	300,000	-	300,000
Total Expenditures	<u>4,520,006</u>	<u>901,034</u>	<u>3,618,972</u>
NET CHANGE IN FUND BALANCE	(4,431,506)	(797,539)	3,633,967
Fund Balance - Beginning of Year	<u>4,431,506</u>	<u>2,158,957</u>	<u>(2,272,549)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 1,361,418</u></u>	<u><u>\$ 1,361,418</u></u>

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

<u>Bonds/Loans and Interest Maturing in the Year Ending December 31,</u>	\$23,115,000 General Obligation Refunding & Improvement Bonds Interest Rate - Assumes 5.500% for 20 Years, 5.625% Thereafter Series 2018A Dated July 2, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2024	\$ 275,000	\$ 1,280,375	\$ 1,555,375
2025	285,000	1,265,250	1,550,250
2026	335,000	1,249,575	1,584,575
2027	350,000	1,231,150	1,581,150
2028	400,000	1,211,900	1,611,900
2029	420,000	1,189,900	1,609,900
2030	480,000	1,166,800	1,646,800
2031	500,000	1,140,400	1,640,400
2032	565,000	1,112,900	1,677,900
2033	590,000	1,081,825	1,671,825
2034	660,000	1,049,375	1,709,375
2035	690,000	1,013,075	1,703,075
2036	765,000	975,125	1,740,125
2037	805,000	933,050	1,738,050
2038	880,000	888,775	1,768,775
2039	930,000	840,375	1,770,375
2040	1,015,000	788,063	1,803,063
2041	1,070,000	730,969	1,800,969
2042	1,170,000	670,781	1,840,781
2043	1,230,000	604,969	1,834,969
2044	1,335,000	535,781	1,870,781
2045	1,410,000	460,688	1,870,688
2046	1,525,000	381,375	1,906,375
2047	1,610,000	295,594	1,905,594
2048	3,645,000	205,031	3,850,031
Total	\$ 22,940,000	\$ 22,303,101	\$ 45,243,101

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended <u>December 31,</u>	Assessed <u>Valuation</u>	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General <u>Operations</u>	Debt <u>Service</u>	Levied	Collected	
2019	\$ 6,154,880	23.597	26.403	\$ 307,744	\$ 307,744	100.00 %
2020	8,605,740	16.876	33.124	430,287	424,189	98.58
2021	9,980,850	15.195	34.805	499,042	504,057	101.00
2022	13,101,750	11.772	38.228	655,088	584,740	89.26
2023	14,968,650	10.479	42.387	791,333	786,137	99.34
Estimated for Year Ending December 31, 2024	\$ 27,586,300	5.782	50.394	\$ 1,549,688		

Note:
Property taxes collected in any one year include collection of delinquent property

CONTINUING DISCLOSURE

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Year Ended December 31,	Assessed Valuation	Total Mills Levied		
		General Operations	Debt Service	Total
2018/2019	\$ 6,154,880	23.597	26.403	50.000
2019/2020	8,605,740	16.876	33.124	50.000
2020/2021	9,980,850	15.195	34.805	50.000
2021/2022	13,101,750	11.772	38.228	50.000
2022/2023	14,968,650	10.479	42.387	52.866
2023/2024	27,586,300	5.782	50.394	56.176

2023 Assessed and "Actual" Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of Actual Valuation
Commercial	\$ 10,171,760	36.88 %	\$ 37,936,900	13.99 %
Residential	15,021,390	54.45	224,647,900	82.85
Agricultural	370	-	1,400	-
State Assessed	362,790	1.32	1,300,350	0.48
Vacant Land	1,565,300	5.67	5,609,500	2.07
Personal Property	464,690	1.68	1,665,545	0.61
Total	<u>\$ 27,586,300</u>	<u>100.00 %</u>	<u>\$ 271,161,595</u>	<u>100.00 %</u>

Historical Property Tax Collections of the District

Levy/Collection Year	Total Taxes Levied	Total Taxes Collected	Percent of Taxes Collected
2018/2019	\$ 307,744	\$ 307,744	100.00%
2019/2020	430,287	424,189	98.58
2020/2021	499,042	504,057	101.00
2021/2022	655,088	584,740	89.26
2022/2023	791,333	786,137	99.34
2023/2024	1,549,688	N/A	N/A

2023 Mill Levies Affecting Properties within the District

Taxing Entity	2023 Mill Levy
City and County of Denver	25.775
Denver School District No. 1	50.711
Urban Drainage and Flood Control District	1.000
Gateway Regional Metropolitan District	16.000
Total Overlapping Mill Levy	93.486
The District	56.176
Total Mill Levy	<u>149.662</u>

**DENVER GATEWAY CENTER METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Largest Taxpayers in the District for 2023

<u>Taxpayer Name</u>	<u>2023 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Camber Ivy Owner LLC	\$ 5,836,580	21.16 %
Terrapin Tower Road LLC	3,758,770	13.63
BTC IV Denver Gateway II LLC	3,411,470	12.37
Echelon Gateway LLC	3,117,820	11.30
Argonne SP LLC	2,438,070	8.84
DHIC-Gateway LLC	1,923,450	6.97
Alpine Hospitality INC	1,636,000	5.93
DIA Hospitality LLC	1,444,950	5.24
DIA Investments LLC	564,250	2.05
Airport Hotel LLC	351,230	1.27
Total	<u>\$ 24,482,590</u>	<u>88.76 %</u>