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Accountant's Compilation Report

Advisory Board
City Council, City and County of Denver
Gateway Village General Improvement District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Gateway Village General Improvement District for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 Gateway Village General Improvement District.

Greenwood Village, Colorado
_____, 2018

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

9/18/18

	ACTUAL 2017	BUDGET 2018	ACTUAL 6/30/2018	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 360,116	\$ 535,622	\$ 600,479	\$ 600,479	\$ 971,270
REVENUES					
Property taxes	445,340	557,704	548,749	557,704	561,240
Specific ownership tax	33,452	39,039	17,302	34,000	33,674
Interest income	6,910	7,000	7,186	16,000	16,000
Total revenues	<u>485,702</u>	<u>603,743</u>	<u>573,237</u>	<u>607,704</u>	<u>610,914</u>
TRANSFERS IN	<u>100,000</u>	<u>800,000</u>	<u>25,000</u>	<u>800,000</u>	<u>500,000</u>
Total funds available	<u>945,818</u>	<u>1,939,365</u>	<u>1,198,716</u>	<u>2,008,183</u>	<u>2,082,184</u>
EXPENDITURES					
General Fund	157,142	222,000	62,691	176,913	222,000
Capital Projects Fund	88,197	742,200	11,877	60,000	1,269,803
Total expenditures	<u>245,339</u>	<u>964,200</u>	<u>74,568</u>	<u>236,913</u>	<u>1,491,803</u>
TRANSFERS OUT	<u>100,000</u>	<u>800,000</u>	<u>25,000</u>	<u>800,000</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>345,339</u>	<u>1,764,200</u>	<u>99,568</u>	<u>1,036,913</u>	<u>1,991,803</u>
ENDING FUND BALANCES	<u>\$ 600,479</u>	<u>\$ 175,165</u>	<u>\$ 1,099,148</u>	<u>\$ 971,270</u>	<u>\$ 90,381</u>
EMERGENCY RESERVE	\$ 14,600	\$ 18,200	\$ 17,100	\$ 18,000	\$ 18,100
AVAILABLE FOR OPERATIONS	574,076	63,515	1,052,620	192,467	72,281
TOTAL RESERVE	<u>\$ 588,676</u>	<u>\$ 81,715</u>	<u>\$ 1,069,720</u>	<u>\$ 210,467</u>	<u>\$ 90,381</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**Gateway Village General Improvement District
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

9/18/18

	ACTUAL 2017	BUDGET 2018	ACTUAL 6/30/2018	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION					
Residential	\$ 16,338,320	\$ 21,006,390	\$ 21,006,390	\$ 21,006,390	\$ 21,011,400
Commercial	4,248,820	4,922,870	4,922,870	4,922,870	4,922,870
State assessed	1,047,800	1,127,500	1,127,500	1,127,500	1,333,800
Vacant land	150	150	150	150	150
Personal property	833,230	828,280	828,280	828,280	793,760
	<u>22,468,320</u>	<u>27,885,190</u>	<u>27,885,190</u>	<u>27,885,190</u>	<u>28,061,980</u>
Adjustments	65,280	-	-	-	-
Certified Assessed Value	<u>\$ 22,533,600</u>	<u>\$ 27,885,190</u>	<u>\$ 27,885,190</u>	<u>\$ 27,885,190</u>	<u>\$ 28,061,980</u>
MILL LEVY					
General	20.000	20.000	20.000	20.000	20.000
Total mill levy	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>
PROPERTY TAXES					
General	\$ 450,672	\$ 557,704	\$ 557,704	\$ 557,704	\$ 561,240
Levied property taxes	450,672	557,704	557,704	557,704	561,240
Adjustments to actual/rounding	(5,332)	-	(8,955)	-	-
Budgeted property taxes	<u>\$ 445,340</u>	<u>\$ 557,704</u>	<u>\$ 548,749</u>	<u>\$ 557,704</u>	<u>\$ 561,240</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 445,340</u>	<u>\$ 557,704</u>	<u>\$ 548,749</u>	<u>\$ 557,704</u>	<u>\$ 561,240</u>
	<u>\$ 445,340</u>	<u>\$ 557,704</u>	<u>\$ 548,749</u>	<u>\$ 557,704</u>	<u>\$ 561,240</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION
This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

9/18/18

	ACTUAL 2017	BUDGET 2018	ACTUAL 6/30/2018	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 360,116	\$ 499,972	\$ 588,676	\$ 588,676	\$ 210,467
REVENUES					
Property taxes	445,340	557,704	548,749	557,704	561,240
Specific ownership tax	33,452	39,039	17,302	34,000	33,674
Interest income	6,910	7,000	2,684	7,000	7,000
Total revenues	<u>485,702</u>	<u>603,743</u>	<u>568,735</u>	<u>598,704</u>	<u>601,914</u>
Total funds available	<u>845,818</u>	<u>1,103,715</u>	<u>1,157,411</u>	<u>1,187,380</u>	<u>812,381</u>
EXPENDITURES					
General and administrative					
Accounting	18,477	25,000	9,880	25,000	25,000
Audit	2,970	3,000	2,970	2,970	3,000
County Treasurer's fee	4,456	5,577	5,488	5,577	5,612
City Administrative fee	5,000	5,000	-	5,000	5,000
Insurance and bonds	10,066	11,000	-	10,066	11,000
Legal services	29,896	30,000	9,505	25,000	30,000
Miscellaneous	240	300	93	300	300
Contingency	-	15,423	-	-	14,388
Operations and maintenance					
Repairs and maintenance	590	5,000	-	1,000	5,000
Landscaping repairs	2,857	4,000	2,378	5,000	5,000
Irrigation water	19,521	25,000	562	20,000	25,000
Electricity	3,099	4,000	1,352	4,000	4,000
Snow removal	3,241	8,000	1,453	4,000	8,000
Landscape contract - Bolling	18,476	19,000	9,231	19,000	19,000
Landscape contract - Chambers Rd.	11,098	11,500	4,780	11,500	11,500
Winter watering	-	2,700	-	-	2,700
HOA property improvements					
Electricity - HOA	342	2,000	170	500	2,000
Irrigation water - HOA	2,721	10,000	249	5,000	10,000
Landscape contract - HOA	22,445	30,500	13,672	30,500	30,500
Landscaping repairs - HOA	1,647	5,000	908	2,500	5,000
Total expenditures	<u>157,142</u>	<u>222,000</u>	<u>62,691</u>	<u>176,913</u>	<u>222,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>100,000</u>	<u>800,000</u>	<u>25,000</u>	<u>800,000</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>257,142</u>	<u>1,022,000</u>	<u>87,691</u>	<u>976,913</u>	<u>722,000</u>
ENDING FUND BALANCE	<u>\$ 588,676</u>	<u>\$ 81,715</u>	<u>\$ 1,069,720</u>	<u>\$ 210,467</u>	<u>\$ 90,381</u>
EMERGENCY RESERVE	\$ 14,600	\$ 18,200	\$ 17,100	\$ 18,000	\$ 18,100
AVAILABLE FOR OPERATIONS	<u>574,076</u>	<u>63,515</u>	<u>1,052,620</u>	<u>192,467</u>	<u>72,281</u>
TOTAL RESERVE	<u>\$ 588,676</u>	<u>\$ 81,715</u>	<u>\$ 1,069,720</u>	<u>\$ 210,467</u>	<u>\$ 90,381</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

9/18/18

	ACTUAL 2017	BUDGET 2018	ACTUAL 6/30/2018	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ 35,650	\$ 11,803	\$ 11,803	\$ 760,803
REVENUES					
Interest income	-	-	4,502	9,000	9,000
Total revenues	-	-	4,502	9,000	9,000
TRANSFERS IN					
Transfers from other funds	100,000	800,000	25,000	800,000	500,000
Total funds available	100,000	835,650	41,305	820,803	1,269,803
EXPENDITURES					
Capital Projects					
Landscape design	25,949	22,200	11,877	60,000	-
Landscape improvements	-	500,000	-	-	1,000,000
Fence Improvements	-	20,000	-	-	20,000
Streetlight installation	28,093	-	-	-	-
Property Improvements - HOA	34,155	-	-	-	-
Contingency	-	200,000	-	-	249,803
Total expenditures	88,197	742,200	11,877	60,000	1,269,803
Total expenditures and transfers out requiring appropriation	88,197	742,200	11,877	60,000	1,269,803
ENDING FUND BALANCE	\$ 11,803	\$ 93,450	\$ 29,428	\$ 760,803	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The budget has been reviewed by the Advisory Board and submitted to the Members of City Council, City and County of Denver, with the recommendation for their approval.

Services Provided

Gateway Village General Improvement District (District), a quasi-municipal corporation, was organized by Ordinance 551, Series of 1994 of the City Council of the City and County of Denver (the City Council) and is governed pursuant to provisions of the Improvement District Act. The District's service area is located entirely in the City and County of Denver (the City). The City Council constitutes the ex-officio Board of Directors of the District (the Board). At the time of the District's formation, the Board established an advisory board (the Advisory Board) to manage the financial and legal affairs of the District. The composition of the Advisory Board was modified beginning on January 1, 2017. The Advisory Board is composed of the Council Member from the Councilperson District, one City employee and three landowners from properties within the District.

The District was established to provide financing for construction of streets, drainage, safety, parks and recreation facilities, landscaping and police or fire facilities improvements.

On November 8, 1994, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$2,000,000 at an interest rate not to exceed 15% per annum and a mill levy of 20.000 mills for operational and maintenance expense beginning in 1995 and each year thereafter. On November 3, 1998, the electors authorized an additional \$1,000,000 at an effective interest not to exceed 10% per annum. At December 31, 2016, the District has no remaining authorized but unissued indebtedness.

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

Revenues

Property Taxes

Property taxes are levied by the District's Board. The levy is based on assessed valuations determined by the City Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the Denver City Council to put the tax lien on the individual properties as of January 1 of the following year. The City 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 City Treasurer remits the taxes collected monthly to the District.

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the City Treasurer primarily on vehicle licensing within the City as a whole. The taxes are allocated by the City Treasurer to all taxing entities within the City. The budget assumes that the District's share will be equal to approximately 6% of the total 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 2.00%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, and insurance.

Operations and maintenance

The land included within the District is subject to a Memorandum of Agreement dated June 30, 1995, related to the annexation of the property to the City. Provisions of the Agreement provide that the City agrees to maintain the streets, storm drainage, and parks within the annexed area at the City's expense. However, the District has budgeted to maintain the storm drainage canal and certain streetscapes within the District at the conclusion of the construction warranty period, which began in 2001. Beginning in 2006, the District agreed to pay certain landscaping costs maintained by the Home Owners' Association (HOA). Those costs include monthly landscaping maintenance and repairs, sprinkler repairs, snow removal, water and electricity.

County Treasurer's Fees

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

Debt Service

The District has no debt obligations.

Capital Outlay

The District anticipates infrastructure improvements as noted on the Capital Projects fund page of the budget.

Debt and Leases

The District has no debt nor capital or operating leases.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

Gateway Village GID Work Plan - 2019

As of September 18, 2018

I)	Repair work - District:	
	Miscellaneous repair work to District landscape areas, channel, etc.	\$ 5,000
II)	Maintenance:	
	District	
	A) All Phase mainenance contract (1/1/19 thru 12/31/19)	
	Chambers Road Streetscapes	11,500
	Bolling Dr. & Chambers Rd.	19,000
	B) All Phase landscaping repairs for the District	
	- consisting primarily of irrigation repairs	4,000
	C) Utilities estimate - District	4,000
	D) Irrigation water - District	25,000
	HOA*	
	A) HOA maintenance contract (1/1/19 thru 12/31/19)	30,500
	B) All Phase landscaping repairs for the HOA	
	- consisting primarily of irrigation repairs	5,000
	C) Utilities estimate - HOA	2,000
	D) Irrigation water - HOA	10,000
	District and/or HOA	
	A) Snow removal	
	(Labor - 85 hours @ \$53/hr., total rounded up)	4,525
	(Blade - 85 hours @ \$90/hr., total rounded up)	7,675
	B) Winter watering (All Phase)	
	(\$850+ per event x 3 events with 3% increase, rounded up)	2,700
III)	Capital improvements (District):	
	A) Landscape improvements	1,000,000
	B) Fence improvements	20,000
	C) Contingency	249,803
	Total 2019 Work Plan Budget	\$ 1,400,703

*Beginning in 2006, the District agreed to pay certain landscaping costs maintained by the Home Owners' Association. The costs include the monthly landscaping maintenance contract, landscaping repair costs, snow removal, summer and winter watering, and monthly utilities. The costs expected to be paid to the HOA in 2018 is \$38,500.

Prior years annual costs are as follows:

2008 - \$53,883	2009 - \$55,339	2010 - \$43,767	2011 - \$45,361
2012 - \$45,601	2013 - \$40,694	2014 - \$45,745	2015 - \$52,451
2016 - \$41,750	2017 - \$27,155		