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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, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, 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
_____, 2019

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 6/30/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 600,479	\$ 971,270	\$ 961,101	\$ 961,101	\$ 221,214
REVENUES					
Property taxes	558,317	559,879	552,205	559,879	655,291
Specific ownership taxes	32,207	33,593	21,626	33,593	39,317
Interest income	18,878	16,000	14,172	25,800	2,150
Other revenue	2,010	-	-	-	-
Total revenues	<u>611,412</u>	<u>609,472</u>	<u>588,003</u>	<u>619,272</u>	<u>696,758</u>
TRANSFERS IN	<u>800,000</u>	<u>500,000</u>	<u>2,553</u>	<u>500,000</u>	<u>500,000</u>
Total funds available	<u>2,011,891</u>	<u>2,080,742</u>	<u>1,551,657</u>	<u>2,080,373</u>	<u>1,417,972</u>
EXPENDITURES					
General Fund	180,835	222,000	128,967	210,045	215,000
Capital Projects Fund	69,955	1,269,803	192,069	1,149,114	610,489
Total expenditures	<u>250,790</u>	<u>1,491,803</u>	<u>321,036</u>	<u>1,359,159</u>	<u>825,489</u>
TRANSFERS OUT	<u>800,000</u>	<u>500,000</u>	<u>2,553</u>	<u>500,000</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,050,790</u>	<u>1,991,803</u>	<u>323,589</u>	<u>1,859,159</u>	<u>1,325,489</u>
ENDING FUND BALANCES	<u>\$ 961,101</u>	<u>\$ 88,939</u>	<u>\$ 1,228,068</u>	<u>\$ 221,214</u>	<u>\$ 92,483</u>
EMERGENCY RESERVE	\$ 18,400	\$ 18,000	\$ 17,400	\$ 18,100	\$ 20,900
AVAILABLE FOR OPERATIONS	200,853	70,939	648,558	93,380	71,583
TOTAL RESERVE	<u>\$ 219,253</u>	<u>\$ 88,939</u>	<u>\$ 665,958</u>	<u>\$ 111,480</u>	<u>\$ 92,483</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 6/30/2019	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION					
Residential	\$ 21,006,390	\$ 21,011,400	\$ 21,011,400	\$ 21,011,400	\$ 24,893,120
Commercial	4,922,870	4,922,870	4,922,870	4,922,870	5,669,390
State assessed	1,127,500	1,265,800	1,265,800	1,265,800	1,305,900
Vacant land	150	150	150	150	150
Personal property	828,280	793,760	793,760	793,760	895,980
Certified Assessed Value	<u>\$ 27,885,190</u>	<u>\$ 27,993,980</u>	<u>\$ 27,993,980</u>	<u>\$ 27,993,980</u>	<u>\$ 32,764,540</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	\$ 557,704	\$ 559,879	\$ 559,879	\$ 559,879	\$ 655,291
Levied property taxes	557,704	559,879	559,879	559,879	655,291
Adjustments to actual/rounding	613	-	(7,674)	-	-
Budgeted property taxes	<u>\$ 558,317</u>	<u>\$ 559,879</u>	<u>\$ 552,205</u>	<u>\$ 559,879</u>	<u>\$ 655,291</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 558,317</u>	<u>\$ 559,879</u>	<u>\$ 552,205</u>	<u>\$ 559,879</u>	<u>\$ 655,291</u>
	<u>\$ 558,317</u>	<u>\$ 559,879</u>	<u>\$ 552,205</u>	<u>\$ 559,879</u>	<u>\$ 655,291</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 6/30/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 588,676	\$ 210,467	\$ 219,253	\$ 219,253	\$ 111,480
REVENUES					
Property taxes	558,317	559,879	552,205	559,879	655,291
Specific ownership taxes	32,207	33,593	21,626	33,593	39,317
Interest income	18,878	7,000	4,394	8,800	1,395
Other revenue	2,010	-	-	-	-
Total revenues	<u>611,412</u>	<u>600,472</u>	<u>578,225</u>	<u>602,272</u>	<u>696,003</u>
Total funds available	<u>1,200,088</u>	<u>810,939</u>	<u>797,478</u>	<u>821,525</u>	<u>807,483</u>
EXPENDITURES					
General and administrative					
Accounting	28,628	25,000	19,726	27,500	28,000
Audit	2,970	3,000	2,970	2,970	3,000
County Treasurer's fee	5,588	5,599	5,523	5,599	6,553
City administrative fee	3,000	5,000	-	-	-
Insurance and bonds	11,524	11,000	11,845	11,845	15,000
District management	-	-	-	4,000	12,000
Legal services	26,295	30,000	42,700	60,000	45,000
Miscellaneous	154	300	96	192	300
Contingency	-	14,401	-	-	10,019
Operations and maintenance					
Repairs and maintenance	2,510	5,000	-	-	-
Landscape repairs and maintenance	5,349	5,000	4,842	6,500	15,000
Irrigation water	16,226	25,000	2,457	7,500	25,000
Electricity	312	4,000	94	400	3,000
Snow removal	1,921	8,000	4,837	5,500	8,000
Landscape contract - Bolling	18,462	19,000	9,231	19,000	-
Landscape contract - Chambers Rd.	11,032	11,500	4,780	22,589	-
Winter watering	-	2,700	-	-	-
Storm drainage	1,331	-	1,433	1,500	1,000
Landscape contract	-	-	-	-	43,128
HOA property improvements					
Irrigation timers	1,018	2,000	490	950	-
Irrigation water - HOA	8,535	10,000	1,459	3,500	-
Landscape contract - HOA	28,431	30,500	16,484	30,500	-
Landscape repairs - HOA	7,549	5,000	-	-	-
Total expenditures	<u>180,835</u>	<u>222,000</u>	<u>128,967</u>	<u>210,045</u>	<u>215,000</u>
TRANSFERS OUT					
Transfers to other fund	<u>800,000</u>	<u>500,000</u>	<u>2,553</u>	<u>500,000</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>980,835</u>	<u>722,000</u>	<u>131,520</u>	<u>710,045</u>	<u>715,000</u>
ENDING FUND BALANCE	<u>\$ 219,253</u>	<u>\$ 88,939</u>	<u>\$ 665,958</u>	<u>\$ 111,480</u>	<u>\$ 92,483</u>
EMERGENCY RESERVE	\$ 18,400	\$ 18,000	\$ 17,400	\$ 18,100	\$ 20,900
AVAILABLE FOR OPERATIONS	200,853	70,939	648,558	93,380	71,583
TOTAL RESERVE	<u>\$ 219,253</u>	<u>\$ 88,939</u>	<u>\$ 665,958</u>	<u>\$ 111,480</u>	<u>\$ 92,483</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 6/30/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 11,803	\$ 760,803	\$ 741,848	\$ 741,848	\$ 109,734
REVENUES					
Interest income	-	9,000	9,778	17,000	755
Total revenues	-	9,000	9,778	17,000	755
TRANSFERS IN					
Transfers from other funds	800,000	500,000	2,553	500,000	500,000
Total funds available	811,803	1,269,803	754,179	1,258,848	610,489
EXPENDITURES					
Landscape design	25,139	-	10,160	25,000	10,000
Landscape improvements	40,165	1,000,000	181,909	1,124,114	544,762
Fence improvements	-	20,000	-	-	-
Engineering	4,651	-	-	-	-
Contingency	-	249,803	-	-	55,727
Total expenditures	69,955	1,269,803	192,069	1,149,114	610,489
Total expenditures and transfers out requiring appropriation	69,955	1,269,803	192,069	1,149,114	610,489
ENDING FUND BALANCE	\$ 741,848	\$ -	\$ 562,110	\$ 109,734	\$ -

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
2020 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. The District paid off all of its existing debt at the end of 2016. 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
2020 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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

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. From 2006 to 2019, the District agreed to pay certain landscaping costs for property in the District maintained by the Home Owners' Association (HOA). Those costs include monthly landscaping maintenance and repairs, sprinkler repairs, snow removal, water and electricity. In conjunction with the District's capital improvements to the detention ponds, monument areas, drainage channel and streetscapes that began in 2019, in September 2019 the District leased certain HOA property in exchange for providing ongoing maintenance to the newly created park spaces and improved landscape.

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.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no debt nor capital or operating leases.

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.