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Accountant's Compilation Report

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

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Gateway Village General Improvement District for the General Fund and Debt Service Fund for the year ending December 31, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2012 is presented for comparative purposes only. Such information is taken from the 2012 audit report of the District for the year ended December 31, 2012, as prepared by L. Paul Goedecke, P.C., dated March 16, 2013, wherein an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Gateway Village General Improvement District.

Greenwood Village, Colorado
____, 2013

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
SUMMARY
FORECASTED 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 7/31/2013	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 477,629	\$ 510,942	\$ 536,550	\$ 536,550	\$ 567,280
REVENUES					
1 Property taxes	515,974	535,009	526,094	531,009	552,497
2 Specific ownership taxes	35,468	34,776	15,938	34,000	38,675
3 Net investment income	3,692	750	514	750	750
Total revenues	555,134	570,535	542,546	565,759	591,922
Total funds available	1,032,763	1,081,477	1,079,096	1,102,309	1,159,202
EXPENDITURES					
4 General and administration					
5 Accounting	16,893	23,000	8,371	18,000	23,000
6 Audit	2,700	2,700	2,700	2,700	2,700
7 City administrative fee	5,000	5,000	5,000	5,000	5,000
8 Contingency	-	6,037	1,735	2,000	4,535
9 County Treasurer's fees	5,161	5,350	5,262	5,326	5,520
10 Insurance	9,952	10,000	9,952	9,952	11,000
11 Interest Expense - Tax Abatements	3,730	-	-	-	-
12 Legal	11,518	25,000	2,428	10,000	25,000
13 Miscellaneous	150	300	100	200	300
14 Debt service					
15 Contingency	-	15,000	-	-	15,000
16 Loan interest	63,530	52,828	26,399	52,828	41,924
17 Loan principal	280,000	290,000	-	290,000	300,000
18 Paying agent fees	150	600	150	300	600
19 District property improvements					
20 Electricity	2,088	325	263	500	500
21 Irrigation	16,500	25,940	15,500	20,000	25,940
22 Landscape contract Bolling	19,110	18,700	10,902	18,689	18,600
23 Landscape contract Chambers	11,478	11,340	6,434	13,105	11,105
24 Landscaping repairs	2,652	3,900	8,230	15,000	3,900
25 Repairs and maintenance	-	5,000	-	-	5,000
26 Snow removal	212	12,200	-	5,000	12,200
27 Winter watering	-	2,700	-	-	2,700
28 HOA property improvements					
29 Electricity	983	1,000	677	2,000	2,000
30 Irrigation	8,832	9,500	3,153	6,000	9,500
31 Landscape contract	31,610	31,500	17,892	30,429	30,100
32 Landscaping repairs	3,964	4,800	4,559	8,000	4,800
33 Property improvements	-	20,000	-	20,000	100,000
Total expenditures	496,213	582,720	129,707	535,029	660,924
Total expenditures and transfers out requiring appropriation	496,213	582,720	129,707	535,029	660,924
ENDING FUND BALANCES	\$ 536,550	\$ 498,757	\$ 949,389	\$ 567,280	\$ 498,278
EMERGENCY RESERVE	\$ 7,200	\$ 7,300	\$ 6,600	\$ 7,200	\$ 7,600
DEBT SERVICE RESERVE	173,189	173,145	173,189	173,189	173,189
TOTAL RESERVE	\$ 180,389	\$ 180,445	\$ 179,789	\$ 180,389	\$ 180,789

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
For the Years Ended and Ending December 31,**

9/24/2013

	ACTUAL 2012	ESTIMATED 2013	PROPOSED 2014
ASSESSED VALUATION - DENVER			
Residential	\$ 11,599,560	\$ 11,606,660	\$ 11,466,140
Commercial	3,797,970	3,656,960	4,117,180
Vacant Land	590	650	650
Personal Property	239,210	192,830	182,240
State Assessed	767,500	1,004,700	1,233,700
Certified Assessed Value	<u>\$ 16,404,830</u>	<u>\$ 16,461,800</u>	<u>\$ 16,999,910</u>
MILL LEVY			
GENERAL FUND	12.500	12.500	12.500
DEBT SERVICE FUND	20.000	20.000	20.000
Total Mill Levy	<u>32.500</u>	<u>32.500</u>	<u>32.500</u>
PROPERTY TAXES			
GENERAL FUND	\$ 205,060	\$ 205,773	\$ 212,499
DEBT SERVICE FUND	328,097	329,236	339,998
Levied property taxes	533,157	535,009	552,497
Adjustments to actual/rounding	-	-	-
Refund and abatements	(11,605)	(4,000)	-
Budgeted Property Taxes	<u>\$ 515,974</u>	<u>\$ 531,009</u>	<u>\$ 552,497</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 198,444	\$ 204,234	\$ 212,499
DEBT SERVICE FUND	317,530	326,775	339,998
	<u>\$ 515,974</u>	<u>\$ 531,009</u>	<u>\$ 552,497</u>

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
FORECASTED 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/2013

	ACTUAL 2012	BUDGET 2013	ACTUAL 7/31/2013	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 124,263	\$ 183,457	\$ 212,479	\$ 212,479	\$ 262,780
REVENUES					
1 Property taxes	198,444	205,773	202,336	204,234	212,499
2 Specific ownership taxes	35,468	34,776	15,938	34,000	38,675
3 Net investment income	3,661	600	487	700	700
Total revenues	<u>237,573</u>	<u>241,149</u>	<u>218,761</u>	<u>238,934</u>	<u>251,874</u>
Total funds available	<u>361,836</u>	<u>424,606</u>	<u>431,240</u>	<u>451,413</u>	<u>514,654</u>
EXPENDITURES					
General and administration					
4 Accounting	16,893	23,000	8,371	18,000	23,000
5 Audit	2,700	2,700	2,700	2,700	2,700
6 City administrative fee	5,000	5,000	5,000	5,000	5,000
7 Contingency	-	6,037	1,735	2,000	4,535
8 County Treasurer's fees	1,985	2,058	2,024	2,058	2,120
9 Insurance	9,952	10,000	9,952	9,952	11,000
10 Interest Expense - Tax Abatements	3,730	-	-	-	-
11 Legal	11,518	25,000	2,428	10,000	25,000
12 Miscellaneous	150	300	100	200	300
District property improvements					
13 Electricity	2,088	325	263	500	500
14 Irrigation	16,500	25,940	15,500	20,000	25,940
15 Landscape contract Bolling	19,110	18,700	10,902	18,689	18,600
16 Landscape contract Chambers	11,478	11,340	6,434	13,105	11,105
17 Landscaping repairs	2,652	3,900	8,230	15,000	3,900
18 Repairs and maintenance	-	5,000	-	-	5,000
19 Snow removal	212	12,200	-	5,000	12,200
20 Winter watering	-	2,700	-	-	2,700
HOA property improvements					
21 Electricity	983	1,000	677	2,000	2,000
22 Irrigation	8,832	9,500	3,153	6,000	9,500
23 Landscape contract	31,610	31,500	17,892	30,429	30,100
24 Landscaping repairs	3,964	4,800	4,559	8,000	4,800
25 Property improvements	-	20,000	-	20,000	100,000
Total expenditures	<u>149,357</u>	<u>221,000</u>	<u>99,920</u>	<u>188,633</u>	<u>300,000</u>
Total expenditures and transfers out requiring appropriation	<u>149,357</u>	<u>221,000</u>	<u>99,920</u>	<u>188,633</u>	<u>300,000</u>
ENDING FUND BALANCES	<u>\$ 212,479</u>	<u>\$ 203,606</u>	<u>\$ 331,320</u>	<u>\$ 262,780</u>	<u>\$ 214,654</u>
EMERGENCY RESERVE	<u>\$ 7,200</u>	<u>\$ 7,300</u>	<u>\$ 6,600</u>	<u>\$ 7,200</u>	<u>\$ 7,600</u>
TOTAL RESERVE	<u>\$ 7,200</u>	<u>\$ 7,300</u>	<u>\$ 6,600</u>	<u>\$ 7,200</u>	<u>\$ 7,600</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
DEBT SERVICE FUND
FORECASTED 2014 BUDGET AS PROPOSED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

9/24/2013

	ACTUAL 2012	ESTIMATED 2013	PROPOSED 2014
BEGINNING FUND BALANCES	\$ 353,366	\$ 324,071	\$ 304,500
REVENUES			
1 Property taxes	317,530	326,775	339,998
2 Net investment income	31	50	50
Total revenues	317,561	326,825	340,048
Total funds available	670,927	650,896	644,548
EXPENDITURES			
General and administration			
3 County Treasurer's fees	3,176	3,268	3,400
Debt service			
4 Contingency	-	-	15,000
5 Loan interest	63,530	52,828	41,924
6 Loan principal	280,000	290,000	300,000
7 Paying agent fees	150	300	600
Total expenditures	346,856	346,396	360,924
Total expenditures and transfers out requiring appropriation	346,856	346,396	360,924
ENDING FUND BALANCES	\$ 324,071	\$ 304,500	\$ 283,624
DEBT SERVICE RESERVE	\$ 173,189	\$ 173,189	\$ 173,189
TOTAL RESERVE	\$ 173,189	\$ 173,189	\$ 173,189

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
2014 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). The Board established an advisory board (the Advisory Board) to manage the financial and legal affairs of the District. The Advisory Board is composed of one Council Member from the Councilperson District, three City employees 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. 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, 2013, 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.

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.

In accordance with its organization documents and election questions, the District requests that the City Treasurer collect in 2014 the revenue from a total of 32.500 mills. The calculation of taxes is displayed on page 3 of the budget.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2014 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 forecast assumes that the District's share will be equal to approximately 7.0% 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 0.25%.

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

Principal and interest payments in 2014 are provided based on the debt amortization schedule from the Series 2009 Refunding Bonds (discussed under Debt and Leases).

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The \$2,215,000 General Obligation Refunding Bonds, Series 2009, dated November 20, 2009, bear an interest rate of 3.76%, and consist of serial bonds due annually through 2016. The bonds are subject to redemption prior to maturity at the option of the District on any date without premium. The Bonds are secured by the Pledged Revenues and all moneys and earnings thereon held in the Funds or accounts created under the terms of the Indenture. Pledged Revenues consists of revenues derived from the imposition of the Required Mill Levy, the specific ownership tax which is collected as a result of the imposed mill levy, and any other legally available funds.

The District has no capital or operating leases.

Reserves

Debt Service Reserve

The District maintains a Debt Service Reserve of \$173,189, as required with the issuance of the 2009 Bonds.

Emergency Reserves

The District has provided an emergency reserve fund equal to at least 3% of fiscal year spending for 2014, as defined under TABOR.

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2013**

**\$2,215,000 General Obligation
Refunding Bonds
Series 2009
Dated November 20, 2009
Interest Rate 3.76%**

**Interest Payable March 1, June 1,
September 1 and December 1
Principal Payable December 1**

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 300,000	\$ 41,924	\$ 341,924
2015	315,000	30,644	345,644
2016	500,000	18,800	518,800
	<u>\$ 1,115,000</u>	<u>\$ 91,368</u>	<u>\$ 1,206,368</u>

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