

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT**  
**PROPOSED 2011 BUDGET AND WORK PLAN**  
**TO**  
**CITY COUNCIL**  
**FOR APPROVAL AT THE**  
**OCTOBER 25, 2010 COUNCIL MEETING**

## Accountant's 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 and Debt Service Funds, for the year ending December 31, 2011, including the forecasted estimate of comparative information for the year ending December 31, 2010, 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 examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures and fund balances or assumptions. 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 or circumstances occurring after the date of this report.

The actual historical information for the year 2009 is presented for comparative purposes only. Such information is taken from the 2009 audit report of the District for the year ended December 31, 2009, as prepared by L. Paul Goedecke, P.C., dated March 16, 2010, 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  
\_\_\_\_\_, 2010

*PRELIMINARY DRAFT – SUBJECT TO REVISION*

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT  
SUMMARY  
FORECASTED 2011 BUDGET AS PROPOSED  
WITH 2009 ACTUAL AND 2010 ESTIMATED  
For the Years Ended and Ending December 31,**

10/11/2010

	ACTUAL 2009	BUDGET 2010	ACTUAL 6/30/2010	ESTIMATED 2010	PROPOSED 2011
BEGINNING FUND BALANCES	\$ 168,822	\$ 441,669	\$ 500,621	\$ 500,621	\$ 494,198
REVENUES					
1 Property taxes	736,478	573,560	473,999	573,560	575,493
2 Specific ownership taxes	47,487	34,422	13,677	33,701	34,520
3 Net investment income	3,212	380	592	1,184	815
4 Bond issuance	2,215,000	-	-	-	-
Total revenues	<u>3,002,177</u>	<u>608,362</u>	<u>488,268</u>	<u>608,445</u>	<u>610,828</u>
TRANSFERS IN	<u>23,627</u>	<u>25,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total funds available	<u>3,194,626</u>	<u>1,075,031</u>	<u>988,889</u>	<u>1,113,066</u>	<u>1,105,026</u>
EXPENDITURES					
5 General and administration					
6 Accounting	35,546	23,000	12,804	23,000	23,000
7 Audit	2,700	2,700	2,700	2,700	2,700
8 City administrative fee	-	5,000	-	5,000	5,000
9 County Treasurer's fees	7,365	5,730	4,740	5,736	5,755
10 Insurance	8,323	10,000	-	10,432	11,000
11 Legal	48,098	20,000	26,153	40,000	25,000
12 Miscellaneous	5,180	200	102	200	200
13 Repayment of Developer advance	20,000	50,000	50,000	50,000	50,000
14 Operations and maintenance					
15 Contingency	-	6,396	-	-	22,987
16 Fence repairs	-	-	-	7,000	7,500
17 Landscape maintenance	115,912	117,300	37,882	103,000	106,000
18 Repairs and maintenance	-	13,100	6,960	7,000	8,500
19 Snow removal	1,903	11,800	-	10,000	11,800
20 System development charge	-	50,000	-	-	60,000
21 Utilities	2,371	1,200	624	1,300	1,500
22 Winter watering	1,994	2,600	-	2,500	2,600
23 Debt Service					
24 Bond interest	43,624	-	-	-	-
25 Contingency	-	16,469	-	-	12,350
26 Loan interest	-	79,405	44,038	86,400	73,508
27 Loan issue costs	119,661	-	-	-	-
28 Loan principal	-	260,000	-	260,000	270,000
29 Paying agent fees	150	600	-	600	600
30 Payment to refunding escrow	2,257,551	-	-	-	-
Total expenditures	<u>2,670,378</u>	<u>675,500</u>	<u>186,003</u>	<u>614,868</u>	<u>700,000</u>
TRANSFERS OUT	<u>23,627</u>	<u>25,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,694,005</u>	<u>700,500</u>	<u>186,003</u>	<u>618,868</u>	<u>700,000</u>
ENDING FUND BALANCES	<u>\$ 500,621</u>	<u>\$ 374,531</u>	<u>\$ 802,886</u>	<u>\$ 494,198</u>	<u>\$ 405,026</u>
EMERGENCY RESERVE	\$ 8,700	\$ 7,700	\$ 6,000	\$ 8,000	\$ 8,000
DEBT SERVICE RESERVE	172,897	172,897	172,897	172,897	172,897
TOTAL RESERVE	<u>\$ 181,597</u>	<u>\$ 180,597</u>	<u>\$ 178,897</u>	<u>\$ 180,897</u>	<u>\$ 180,897</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

10/11/2010

	ACTUAL 2009	BUDGET 2010	ACTUAL 6/30/2010	ESTIMATED 2010	PROPOSED 2011
<b>ASSESSED VALUATION - DENVER</b>					
Residential	\$ 17,242,130	\$ 11,300,470	\$ 11,300,470	\$ 11,300,470	\$ 11,311,000
Commercial	4,421,640	4,816,380	4,816,380	4,816,380	4,816,380
Vacant land	590	590	590	590	590
Personal Property	662,530	728,800	728,800	728,800	582,710
State Assessed	350,600	802,100	802,100	802,100	996,800
Certified Assessed Value	<u>\$ 22,677,490</u>	<u>\$ 17,648,340</u>	<u>\$ 17,648,340</u>	<u>\$ 17,648,340</u>	<u>\$ 17,707,480</u>
<b>MILL LEVY</b>					
GENERAL FUND	10.500	12.500	12.500	12.500	12.500
DEBT SERVICE FUND	22.000	20.000	20.000	20.000	20.000
Total Mill Levy	<u>32.500</u>	<u>32.500</u>	<u>32.500</u>	<u>32.500</u>	<u>32.500</u>
<b>PROPERTY TAXES</b>					
GENERAL FUND	\$ 238,114	\$ 220,604	\$ 220,604	\$ 220,604	\$ 221,344
DEBT SERVICE FUND	498,905	352,967	352,967	352,967	354,150
Levied property taxes	737,019	573,571	573,571	573,571	575,493
Adjustments to actual/rounding	(541)	(11)	(99,572)	(8)	-
Refund and abatements	-	-	-	(3)	-
Budgeted Property Taxes	<u>\$ 736,478</u>	<u>\$ 573,560</u>	<u>\$ 473,999</u>	<u>\$ 573,560</u>	<u>\$ 575,493</u>
<b>BUDGETED PROPERTY TAXES</b>					
GENERAL FUND	\$ 237,956	\$ 220,600	\$ 182,300	\$ 220,600	\$ 221,343
DEBT SERVICE FUND	498,522	352,960	291,699	352,960	354,150
	<u>\$ 736,478</u>	<u>\$ 573,560</u>	<u>\$ 473,999</u>	<u>\$ 573,560</u>	<u>\$ 575,493</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT  
GENERAL FUND  
FORECASTED 2011 BUDGET AS PROPOSED  
WITH 2009 ACTUAL AND 2010 ESTIMATED  
For the Years Ended and Ending December 31,**

10/11/2010

	ACTUAL 2009	BUDGET 2010	ACTUAL 6/30/2010	ESTIMATED 2010	PROPOSED 2011
BEGINNING FUND BALANCES	\$ 139,708	\$ 148,725	\$ 160,284	\$ 160,284	\$ 147,271
REVENUES					
1 Property taxes	237,956	220,600	182,300	220,600	221,343
2 Specific ownership taxes	47,487	34,422	13,677	33,701	34,520
3 Net investment income	3,175	380	512	1,024	615
Total revenues	<u>288,618</u>	<u>255,402</u>	<u>196,489</u>	<u>255,325</u>	<u>256,478</u>
Total funds available	<u>428,326</u>	<u>404,127</u>	<u>356,773</u>	<u>415,609</u>	<u>403,749</u>
EXPENDITURES					
General and administration					
4 Accounting	35,546	23,000	12,804	23,000	23,000
5 Audit	2,700	2,700	2,700	2,700	2,700
6 City administrative fee	-	5,000	-	5,000	5,000
7 County Treasurer's fees	2,388	2,204	1,823	2,206	2,213
8 Insurance	8,323	10,000	-	10,432	11,000
9 Legal	48,098	20,000	26,153	40,000	25,000
10 Miscellaneous	5,180	200	102	200	200
11 Repayment of Developer advance	20,000	50,000	50,000	50,000	50,000
Operations and maintenance					
12 Contingency	-	6,396	-	-	22,987
13 Fence repairs	-	-	-	7,000	7,500
14 Landscape maintenance	115,912	117,300	37,882	103,000	106,000
15 Repairs and maintenance	-	13,100	6,960	7,000	8,500
16 Snow removal	1,903	11,800	-	10,000	11,800
17 System development charge	-	50,000	-	-	60,000
18 Utilities	2,371	1,200	624	1,300	1,500
19 Winter watering	1,994	2,600	-	2,500	2,600
Total expenditures	<u>244,415</u>	<u>315,500</u>	<u>139,048</u>	<u>264,338</u>	<u>340,000</u>
TRANSFERS OUT					
DEBT SERVICE FUND	23,627	25,000	-	4,000	-
Total transfers out	<u>23,627</u>	<u>25,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>268,042</u>	<u>340,500</u>	<u>139,048</u>	<u>268,338</u>	<u>340,000</u>
ENDING FUND BALANCES	<u>\$ 160,284</u>	<u>\$ 63,627</u>	<u>\$ 217,725</u>	<u>\$ 147,271</u>	<u>\$ 63,749</u>
EMERGENCY RESERVE	<u>\$ 8,700</u>	<u>\$ 7,700</u>	<u>\$ 6,000</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>
TOTAL RESERVE	<u>\$ 8,700</u>	<u>\$ 7,700</u>	<u>\$ 6,000</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT  
DEBT SERVICE FUND  
FORECASTED 2011 BUDGET AS PROPOSED  
WITH 2009 ACTUAL AND 2010 ESTIMATED  
For the Years Ended and Ending December 31,**

10/11/2010

	ACTUAL 2009	BUDGET 2010	ACTUAL 6/30/2010	ESTIMATED 2010	PROPOSED 2011
BEGINNING FUND BALANCES	\$ 29,114	\$ 292,944	\$ 340,337	\$ 340,337	\$ 346,927
REVENUES					
1 Property taxes	498,522	352,960	291,699	352,960	354,150
2 Net investment income	37	-	80	160	200
3 Bond issuance	2,215,000	-	-	-	-
Total revenues	<u>2,713,559</u>	<u>352,960</u>	<u>291,779</u>	<u>353,120</u>	<u>354,350</u>
TRANSFERS IN					
GENERAL FUND	23,627	25,000	-	4,000	-
Total transfers in	<u>23,627</u>	<u>25,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Total funds available	<u>2,766,300</u>	<u>670,904</u>	<u>632,116</u>	<u>697,457</u>	<u>701,277</u>
EXPENDITURES					
General and administration					
4 County Treasurer's fees	4,977	3,526	2,917	3,530	3,542
Debt Service					
5 Bond interest	43,624	-	-	-	-
6 Contingency	-	16,469	-	-	12,350
7 Loan interest	-	79,405	44,038	86,400	73,508
8 Loan issue costs	119,661	-	-	-	-
9 Loan principal	-	260,000	-	260,000	270,000
10 Paying agent fees	150	600	-	600	600
11 Payment to refunding escrow	2,257,551	-	-	-	-
Total expenditures	<u>2,425,963</u>	<u>360,000</u>	<u>46,955</u>	<u>350,530</u>	<u>360,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,425,963</u>	<u>360,000</u>	<u>46,955</u>	<u>350,530</u>	<u>360,000</u>
ENDING FUND BALANCES	<u>\$ 340,337</u>	<u>\$ 310,904</u>	<u>\$ 585,161</u>	<u>\$ 346,927</u>	<u>\$ 341,277</u>
DEBT SERVICE RESERVE	<u>\$ 172,897</u>	<u>\$ 172,897</u>	<u>\$ 172,897</u>	<u>\$ 172,897</u>	<u>\$ 172,897</u>
TOTAL RESERVE	<u>\$ 172,897</u>	<u>\$ 172,897</u>	<u>\$ 172,897</u>	<u>\$ 172,897</u>	<u>\$ 172,897</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

# **GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT**

## **2011 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, 2009, 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.

# **GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT**

## **2011 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **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 2011 the revenue from a total of 32.500 mills. The calculation of taxes is displayed on page 3 of the budget.

##### **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 6.0% 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 0.5%.



# **GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT**

## **2011 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **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.

##### **Landscape 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.

##### **Repayment of Developer Advance**

In accordance with a memorandum of understanding with the Developer in 1995, the District has documented claims for cash advances and expenditures made on behalf of the District by the Developer and acquisition of assets from the Developer or related parties. The District is to reimburse the Developer at such time that the District has funds not otherwise required for debt service or operations of the District. The obligation is subject to annual appropriation by the District Board. At December 31, 2010, the outstanding and unreimbursed contingent liability for these advances or acquisitions is expected to total \$110,071. Included within the 2011 appropriation is an estimated reimbursement of \$50,000.

##### **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 2011 are provided based on the debt amortization schedule from the Series 2009 Refunding Bonds (discussed under Debt and Leases).

# **GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT**

## **2011 BUDGET**

### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

#### **Debt and Leases**

On November 20, 2009, the District refunded and paid \$585,000 of General Obligation Refunding and Improvement Bonds, Series 1998 dated September 1, 1998 with an interest rate of 6.00% and advance refunded and defeased (debt legally satisfied) \$1,630,000 of General Obligation Refunding Bonds, Series 2004, dated August 26, 2004 with an interest rate of 2.00% to 3.40% by the issuance of \$2,215,000 General Obligation Refunding Bonds with an interest rate of 3.76%. The defeased bonds are not considered a liability of the District since sufficient funds were deposited in an escrow account for the purpose of paying the principal and interest of the defeased bonds when due. The outstanding principal balance of the 1998 Series and 2004 Series bonds is \$-0-.

The District refunded the 1998 Series bonds and 2004 Series bonds to reduce interest costs and effect other economies. The refunding of the 1998 Series bonds and 2004 Series bonds resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$65,890. The District's refunding of the Series 1998 bonds and 2004 Series bonds reduced its debt service requirements by two years. The total new debt service requirements as of the date of issue have increased approximately \$54,250 over the next 7 years. The Series 1998 Bonds were callable at the option of the District on or after December 1, 2008, at par without redemption premium and were redeemed on November 20, 2009. The Series 2004 Bonds were callable at the option of the District on or after December 1, 2009, at par without redemption premium and were redeemed on that date.

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.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT**

**2011 BUDGET**

**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Debt Service Reserve**

The District maintains a Debt Service Reserve of \$ 172,897, 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 2011, 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, 2010**

**\$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>
2011	\$ 270,000	\$ 73,508	\$ 343,508
2012	280,000	63,356	343,356
2013	290,000	52,828	342,828
2014	300,000	41,924	341,924
2015	315,000	30,644	345,644
2016	500,000	18,800	518,800
	<u>\$ 1,955,000</u>	<u>\$ 281,060</u>	<u>\$ 2,236,060</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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

**Gateway Village GID Work Plan – 2011**  
As of 9-24-10

I)	Repair work:	
	A) Miscellaneous repair work to landscape area, channel, etc:	8,500
	B) Repair work to District fencing:	7,500
II)	Maintenance:	
	A) All Phase maintenance contract (10-01-09 thru 9-30-10- Chambers Road Streetscapes):	16,200
	B) All Phase maintenance contract (5-01-10 thru 4-30-11- Boling Dr. & Chambers Rd), estimated watering costs and miscellaneous:	47,700
	C) HOA maintenance contract (4-01-10 thru 3-31-11), watering costs, and miscellaneous reimbursements*:	42,100
	D) Snow removal:	
	(Labor - 82.50 hours @ \$53.00/hr.):	4,373
	(Blade - 82.50 @ \$90.00/hr.):	7,427
	E) Utilities estimate:	1,500
	F) Winter watering (\$850+ per event x 3 events):	<u>2,600</u>
	<b>Total 2011 Work Plan Budget</b>	<b><u>\$137,900</u></b>

\*Beginning in 2006, the District agreed to pay certain landscaping costs for shared maintenance performed by the HOA pursuant to the monthly landscaping contract. In addition, the District has contributed towards other HOA maintenance costs such as fencing repair. The costs paid to the HOA in 2008 totaled \$53,883. The costs paid to the HOA in 2009 totaled \$55,339. The costs paid to the HOA through September 24, 2010 total \$31,301 and are projected to total \$42,100 for 2010 as indicated above.