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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

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, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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
_____, 2017

PRELIMINARY DRAFT - SUBJECT TO REVISION

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
SUMMARY**

**2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

10/3/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ 492,993	\$ 312,848	\$ 360,116	\$ 360,116	\$ 535,622
REVENUES					
1 Property taxes	578,488	450,672	293,572	450,672	556,676
2 Specific ownership taxes	38,450	31,547	12,692	30,461	38,967
3 Net investment income	5,090	3,200	2,423	5,000	7,000
Total revenues	622,028	485,419	308,687	486,133	602,643
TRANSFERS IN	11,897	100,000	100,000	150,000	800,000
Total funds available	1,126,918	898,267	768,803	996,249	1,938,265
EXPENDITURES					
4 General and administration					
5 Accounting	22,352	25,000	9,562	25,000	25,000
6 Audit	2,700	2,700	2,970	2,970	3,000
7 City administrative fee	5,000	5,000	5,000	5,000	5,000
8 Contingency	-	17,453	-	-	15,433
9 County Treasurer's fees	3,495	4,507	2,936	4,507	5,567
10 Insurance	10,059	11,000	-	11,000	11,000
11 Legal	26,643	25,000	15,775	30,000	30,000
12 Miscellaneous	230	300	120	300	300
13 Debt service					
14 County Treasurer's fees	2,300	-	-	-	-
15 Loan interest	18,852	-	-	-	-
16 Loan principal	500,000	-	-	-	-
17 Paying agent fees	150	-	-	-	-
18 Capital projects					
19 Contingency	-	35,000	-	-	200,000
20 Fence improvements	58,853	-	-	22,000	20,000
21 Landscape design	-	10,000	-	22,350	22,200
22 Landscape improvements	-	50,000	-	25,000	500,000
23 Reserve analysis	-	5,000	-	5,000	-
24 Streetlight installation	-	-	-	30,000	-
25 Tree replacements	-	-	-	10,000	-
26 District property improvements					
27 Electricity	1,415	500	1,874	4,000	4,000
28 Irrigation water	23,872	25,940	2,321	25,000	25,000
29 Landscape contract - Bolling	18,551	19,000	9,238	19,000	19,000
30 Landscape contract - Chambers	11,102	11,500	4,886	11,500	11,500
31 Landscaping repairs	3,376	3,900	1,866	4,000	4,000
32 Repairs and maintenance	-	5,000	930	5,000	5,000
33 Snow removal	4,205	8,000	2,070	8,000	8,000
34 Winter watering	-	2,700	-	-	2,700
35 HOA property improvements					
36 Electricity	969	2,000	172	1,000	2,000
37 Irrigation	7,706	10,000	111	7,000	10,000
38 Landscape contract	24,969	30,500	14,968	30,500	30,500
39 Landscaping repairs	8,106	5,000	716	2,500	5,000
Total expenditures	754,905	315,000	75,515	310,627	964,200
TRANSFERS OUT	11,897	100,000	100,000	150,000	800,000
Total expenditures and transfers out requiring appropriation	766,802	415,000	175,515	460,627	1,764,200
ENDING FUND BALANCES	\$ 360,116	\$ 483,267	\$ 593,288	\$ 535,622	\$ 174,065
EMERGENCY RESERVE	\$ 11,800	\$ 14,600	\$ 9,300	\$ 14,600	\$ 18,100
TOTAL RESERVE	\$ 11,800	\$ 14,600	\$ 9,300	\$ 14,600	\$ 18,100

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,**

10/3/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
ASSESSED VALUATION - DENVER					
Residential	\$ 16,333,980	\$ 16,338,320	\$ 16,338,320	\$ 16,338,320	\$ 21,006,390
Commercial	4,270,890	4,248,820	4,248,820	4,248,820	4,922,870
Vacant Land	150	150	150	150	150
Personal Property	935,470	833,230	833,230	833,230	828,470
State Assessed	972,750	1,047,800	1,047,800	1,047,800	1,127,500
Adjustment	-	65,280	65,280	65,280	(51,600)
Certified Assessed Value	<u>\$ 22,513,240</u>	<u>\$ 22,533,600</u>	<u>\$ 22,533,600</u>	<u>\$ 22,533,600</u>	<u>\$ 27,833,780</u>
MILL LEVY					
GENERAL FUND	15.500	20.000	20.000	20.000	20.000
DEBT SERVICE FUND	10.200	-	-	-	-
Total Mill Levy	<u>25.700</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>
PROPERTY TAXES					
GENERAL FUND	\$ 348,955	\$ 450,672	\$ 450,672	\$ 450,672	\$ 556,676
DEBT SERVICE FUND	229,635	-	-	-	-
Levied property taxes	578,590	450,672	450,672	450,672	556,676
Adjustments to actual/rounding	(102)	-	(157,100)	-	-
Budgeted Property Taxes	<u>\$ 578,488</u>	<u>\$ 450,672</u>	<u>\$ 293,572</u>	<u>\$ 450,672</u>	<u>\$ 556,676</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 348,886	\$ 450,672	\$ 293,572	\$ 450,672	\$ 556,676
DEBT SERVICE FUND	229,602	-	-	-	-
	<u>\$ 578,488</u>	<u>\$ 450,672</u>	<u>\$ 293,572</u>	<u>\$ 450,672</u>	<u>\$ 556,676</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

10/3/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ 189,396	\$ 312,848	\$ 360,116	\$ 360,116	\$ 499,972
REVENUES					
1 Property taxes	348,886	450,672	293,572	450,672	556,676
2 Specific ownership taxes	38,450	31,547	12,692	30,461	38,967
3 Net investment income	5,090	3,200	2,423	5,000	7,000
Total revenues	<u>392,426</u>	<u>485,419</u>	<u>308,687</u>	<u>486,133</u>	<u>602,643</u>
TRANSFERS IN					
DEBT SERVICE FUND	11,897	-	-	-	-
Total transfers in	<u>11,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>593,719</u>	<u>798,267</u>	<u>668,803</u>	<u>846,249</u>	<u>1,102,615</u>
EXPENDITURES					
General and administration					
4 Accounting	22,352	25,000	9,562	25,000	25,000
5 Audit	2,700	2,700	2,970	2,970	3,000
6 City administrative fee	5,000	5,000	5,000	5,000	5,000
7 Contingency	-	17,453	-	-	15,433
8 County Treasurer's fees	3,495	4,507	2,936	4,507	5,567
9 Insurance	10,059	11,000	-	11,000	11,000
10 Legal	26,643	25,000	15,775	30,000	30,000
11 Miscellaneous	230	300	120	300	300
Capital projects					
12 Fence improvements	58,853	-	-	-	-
District property improvements					
13 Electricity	1,415	500	1,874	4,000	4,000
14 Irrigation water	23,872	25,940	2,321	25,000	25,000
15 Landscape contract - Bolling	18,551	19,000	9,238	19,000	19,000
16 Landscape contract - Chambers	11,102	11,500	4,886	11,500	11,500
17 Landscaping repairs	3,376	3,900	1,866	4,000	4,000
18 Repairs and maintenance	-	5,000	930	5,000	5,000
19 Snow removal	4,205	8,000	2,070	8,000	8,000
20 Winter watering	-	2,700	-	-	2,700
HOA property improvements					
21 Electricity	969	2,000	172	1,000	2,000
22 Irrigation	7,706	10,000	111	7,000	10,000
23 Landscape contract	24,969	30,500	14,968	30,500	30,500
24 Landscaping repairs	8,106	5,000	716	2,500	5,000
Total expenditures	<u>233,603</u>	<u>215,000</u>	<u>75,515</u>	<u>196,277</u>	<u>222,000</u>
TRANSFERS OUT					
CAPITAL PROJECTS FUND	-	100,000	100,000	150,000	800,000
Total transfers out	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>800,000</u>
Total expenditures and transfers out requiring appropriation	<u>233,603</u>	<u>315,000</u>	<u>175,515</u>	<u>346,277</u>	<u>1,022,000</u>
ENDING FUND BALANCES	<u>\$ 360,116</u>	<u>\$ 483,267</u>	<u>\$ 493,288</u>	<u>\$ 499,972</u>	<u>\$ 80,615</u>
EMERGENCY RESERVE	<u>\$ 11,800</u>	<u>\$ 14,600</u>	<u>\$ 9,300</u>	<u>\$ 14,600</u>	<u>\$ 18,100</u>
TOTAL RESERVE	<u>\$ 11,800</u>	<u>\$ 14,600</u>	<u>\$ 9,300</u>	<u>\$ 14,600</u>	<u>\$ 18,100</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
2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

10/3/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ 303,597	\$ -	\$ -	\$ -	\$ -
REVENUES					
1 Property taxes	229,602	-	-	-	-
Total revenues	<u>229,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>533,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Debt service					
2 County Treasurer's fees	2,300	-	-	-	-
3 Loan interest	18,852	-	-	-	-
4 Loan principal	500,000	-	-	-	-
5 Paying agent fees	150	-	-	-	-
Total expenditures	<u>521,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT					
GENERAL FUND	11,897	-	-	-	-
Total transfers out	<u>11,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>533,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
FORECASTED 2018 BUDGET AS PROPOSED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

10/3/2017

	ACTUAL 2016	BUDGET 2017	ACTUAL 6/30/2017	ESTIMATED 2017	PROPOSED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 35,650
REVENUES					
Total revenues	-	-	-	-	-
TRANSFERS IN					
GENERAL FUND	-	100,000	100,000	150,000	800,000
Total transfers in	-	100,000	100,000	150,000	800,000
Total funds available	-	100,000	100,000	150,000	835,650
EXPENDITURES					
Capital projects					
1 Contingency	-	35,000	-	-	200,000
2 Fence improvements	-	-	-	22,000	20,000
3 Landscape design	-	10,000	-	22,350	22,200
4 Landscape improvements	-	50,000	-	25,000	500,000
5 Reserve analysis	-	5,000	-	5,000	-
6 Streetlight installation	-	-	-	30,000	-
7 Tree replacements	-	-	-	10,000	-
Total expenditures	-	100,000	-	114,350	742,200
Total expenditures and transfers out requiring appropriation	-	100,000	-	114,350	742,200
ENDING FUND BALANCES	\$ -	\$ -	\$ 100,000	\$ 35,650	\$ 93,450

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
2018 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.

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.

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 7% of the total property taxes collected.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

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

There are no debt service payments this year. All debt was paid off on December 1, 2016.

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.

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 - 2018
As of October 3, 2017

I) Repair work - District:		
Miscellaneous repair work to District landscape areas, channel, etc.	\$	5,000
II) Maintenance:		
District		
A) All Phase maintenance contract (1/1/18 thru 12/31/18)		
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 (1/1/18 thru 12/31/18)		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 design		22,200
B) Landscape improvements		500,000
C) Fence improvements		20,000
D) Contingency		200,000
Total 2018 Work Plan Budget	\$	873,100

*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 2017 is \$41,000.

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			