

**GATEWAY VILLAGE GENERAL
IMPROVEMENT DISTRICT
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Gateway Village General Improvement District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Gateway Village General Improvement District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP
March 17, 2021

BASIC FINANCIAL STATEMENTS

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 334,521
Cash and Investments - Restricted	20,800
Receivable - County Treasurer	2,362
Property Taxes Receivable	652,459
Prepaid Expenses	6,167
Capital Assets, Net	1,181,200
Capital Assets, Not Being Depreciated	
Construction in Progress	537,735
Total Assets	2,735,244
LIABILITIES	
Accounts Payable	149,067
Retainage Payable	26,887
Total Liabilities	175,954
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	652,459
Total Deferred Inflows of Resources	652,459
NET POSITION	
Net Investment in Capital Assets	1,718,935
Restricted For:	
Emergency Reserves	20,800
Unrestricted	167,096
Total Net Position	\$ 1,906,831

See accompanying Notes to Basic Financial Statements.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 170,525	\$ 163,996	\$ 334,521
Cash and Investments - Restricted	20,800	-	20,800
Receivable - County Treasurer	2,362	-	2,362
Property Taxes Receivable	652,459	-	652,459
Prepaid Expenses	6,167	-	6,167
	<u>\$ 852,313</u>	<u>\$ 163,996</u>	<u>\$ 1,016,309</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 11,958	\$ 137,109	\$ 149,067
Retainage Payable	-	26,887	26,887
Total Liabilities	<u>11,958</u>	<u>163,996</u>	<u>175,954</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	652,459	-	652,459
Total Deferred Inflows of Resources	<u>652,459</u>	<u>-</u>	<u>652,459</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	6,167	-	6,167
Restricted For:			
Emergencies (TABOR)	20,800	-	20,800
Assigned to:			
Subsequent Year's Expenditures	32,418	-	32,418
Unassigned	128,511	-	128,511
Total Fund Balances	<u>187,896</u>	<u>-</u>	<u>187,896</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 852,313</u>	<u>\$ 163,996</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

1,718,935

Net Position of Governmental Activities

\$ 1,906,831

See accompanying Notes to Basic Financial Statements.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 654,676	\$ -	\$ 654,676
Specific Ownership Taxes	33,914	-	33,914
Net Investment Income	2,390	1,180	3,570
Other Revenue	1,823	-	1,823
Total Revenues	<u>692,803</u>	<u>1,180</u>	<u>693,983</u>
EXPENDITURES			
Accounting	22,899	-	22,899
Audit	3,250	-	3,250
County Treasurer's Fee	6,550	-	6,550
District Management	12,000	-	12,000
Insurance and Bonds	12,056	-	12,056
Legal Services	30,603	-	30,603
Miscellaneous	1,947	-	1,947
Landscape Repairs	23,952	-	23,952
Irrigation Water	24,547	-	24,547
Electricity	295	-	295
Snow Removal	2,672	-	2,672
Irrigation Water - HOA	12,000	-	12,000
Electricity - HOA	1,028	-	1,028
Landscape Contract	43,128	-	43,128
Storm Drainage	56	-	56
Landscape Design	-	11,847	11,847
Landscape Improvements	-	592,533	592,533
Total Expenditures	<u>196,983</u>	<u>604,380</u>	<u>801,363</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	495,820	(603,200)	(107,380)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(446,922)	446,922	-
Total Other Financing Sources (Uses)	<u>(446,922)</u>	<u>446,922</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	48,898	(156,278)	(107,380)
Fund Balances - Beginning of Year	<u>138,998</u>	<u>156,278</u>	<u>295,276</u>
FUND BALANCES - END OF YEAR	<u>\$ 187,896</u>	<u>\$ -</u>	<u>\$ 187,896</u>

See accompanying Notes to Basic Financial Statements.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (107,380)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital related activity in the current period.

Capital Outlay	604,380
Depreciation	(40,731)
	604,380
	(40,731)

Change in Net Position of Governmental Activities \$ 456,269

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 655,334	\$ 654,676	\$ (658)
Specific Ownership Taxes	39,320	33,914	(5,406)
Net Investment Income	1,395	2,390	995
Other Revenue	-	1,823	1,823
Total Revenues	<u>696,049</u>	<u>692,803</u>	<u>(3,246)</u>
EXPENDITURES			
Accounting	28,000	22,899	5,101
Audit	3,000	3,250	(250)
County Treasurer's Fee	6,553	6,550	3
District Management	12,000	12,000	-
Insurance and Bonds	15,000	12,056	2,944
Legal Services	45,000	30,603	14,397
Miscellaneous	300	1,947	(1,647)
Landscape Repairs	15,000	23,952	(8,952)
Irrigation Water	25,000	24,547	453
Electricity	3,000	295	2,705
Snow Removal	8,000	2,672	5,328
Irrigation Water - HOA	-	12,000	(12,000)
Electricity - HOA	-	1,028	(1,028)
Landscape Contract	43,128	43,128	-
Storm Drainage	1,000	56	944
Contingency	10,019	-	10,019
Total Expenditures	<u>215,000</u>	<u>196,983</u>	<u>18,017</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	481,049	495,820	14,771
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>(500,000)</u>	<u>(446,922)</u>	<u>53,078</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(446,922)</u>	<u>53,078</u>
NET CHANGE IN FUND BALANCE	(18,951)	48,898	67,849
Fund Balance - Beginning of Year	<u>111,480</u>	<u>138,998</u>	<u>27,518</u>
FUND BALANCE - END OF YEAR	<u>\$ 92,529</u>	<u>\$ 187,896</u>	<u>\$ 95,367</u>

See accompanying Notes to Basic Financial Statements.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Gateway Village General Improvement District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, 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 is located entirely in the City and County of Denver (the City) and all District services are provided within its boundaries. 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 comprised of the City's Manager of Public Works (or designated representative), the City Council District member who represents the district that overlaps a majority of the District, and three registered electors of 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.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is a component unit of the City for financial statement reporting purposes.

The District has no employees and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the Charter of the City, the Board holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The Board can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

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. Consequently, the District's costs related to capital assets have been removed from the District's capital asset records. However, the District has budgeted to maintain the storm drainage canal and certain streetscapes within the District.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Landscape Improvements	20 Years
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Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 334,521
Cash and Investments - Restricted	20,800
Total Cash and Investments	<u>\$ 355,321</u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 11,067
Investments	344,254
Total Cash and Investments	<u>\$ 355,321</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the District’s cash deposits had a bank and carrying balance of \$11,067.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 344,254

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 1,155,286	\$ 604,380	\$ 1,221,931	\$ 537,735
Total Capital Assets, Not Being Depreciated	<u>1,155,286</u>	<u>604,380</u>	<u>1,221,931</u>	<u>537,735</u>
Capital Assets, Being Depreciated:				
Landscape Improvements	-	1,221,931	-	1,221,931
Total Capital Assets, Being Depreciated	-	1,221,931	-	1,221,931
Less Accumulated Depreciation For:				
Landscape Improvements	-	(40,731)	-	(40,731)
Total Accumulated Depreciation	<u>-</u>	<u>(40,731)</u>	<u>-</u>	<u>(40,731)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>1,181,200</u>	<u>-</u>	<u>1,181,200</u>
Capital Assets, Net	<u>\$ 1,155,286</u>	<u>\$ 1,785,580</u>	<u>\$ 1,221,931</u>	<u>\$ 1,718,935</u>

For the year ended December 31, 2020, depreciation expense of \$40,731 was charged to the District's general government activities.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS

The District has no long-term obligations for the year ended December 31, 2020.

Authorized Debt

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, 2020, the District has no remaining authorized but unissued indebtedness.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:

Capital Assets, Net	\$ 1,718,935
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Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020, as follows:

Restricted Net Position:

Emergency Reserve	\$ 20,800
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NOTE 7 RELATED PARTIES

City

Two City employees serve on the Advisory Board. Per rules and regulations adopted by the City in 2019, Title 31 districts are not required to reimburse the City for employee time and expense devoted to the operation of the District.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 AGREEMENTS AND COMMITMENTS

Landscaping Services Agreement

On April 1, 2006, the District entered into a landscaping services agreement with Gateway Village Homeowners Association (the HOA) in an effort to consolidate the costs of the landscaping services in order to reduce the financial effect of either assessments or taxes to the homeowners. The HOA will perform, or cause to be performed, the landscaping for certain parks, streetscape and drainage areas. The District will reimburse the HOA for services provided upon the District's behalf.

Cooperative Landscaping Agreement

On August 8, 2006, the District entered into a cooperative agreement for landscaping services with the City. The District performs maintenance and landscaping services on behalf of the City for certain streetscape and storm drainage improvements in accordance with all the rules, regulations, and restrictions which may be imposed by the City. Any construction, repair, or modification of the improvements shall be done to the then-current standards of the Department of Public Works. The District pays monthly water utility bills for water used on the landscaping. The City shall cooperate with the District to facilitate the waiver of any water tap development fees. All landscape improvements that are constructed or installed shall be owned by the City.

The Agreement was amended in 2007 to add new landscape improvements to the original agreement.

Fence Maintenance Agreement

On September 21, 2015, the District entered into a fence maintenance agreement with the HOA. Prior to this agreement, the District had reimbursed the HOA for replacement of perimeter fencing within the District (the HOA Fence). This Agreement provides funding to the HOA for the maintenance and repair of the HOA Fence. The HOA will be responsible for maintaining and repairing the HOA Fence. The District shall reimburse the HOA for costs associated with the maintenance and repair of the HOA Fence. The maintenance and repair costs may include monies owed to the fence maintenance and repair company, landscaping costs, and other fees and costs associated with the administration of the HOA Fence. Reimbursement of these costs is subject to annual appropriation by the District. Any maintenance and repair costs in excess of the District's annual appropriated amount shall be the responsibility of the HOA.

NOTE 9 INTERFUND TRANSFERS

The transfer from the General Fund to the Capital Projects Fund in the amount of \$446,922 was to fund capital expenditures.

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for these risks of loss. Claims, expenditures, and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There have been no claims in the past three fiscal years.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 8, 1994, a majority of the District's electors approved the following ballot question:

Shall Gateway Village General Improvement District, City and County of Denver, Colorado's taxes be increased by \$75,000 annually from the imposition of ad valorem property taxes at a rate of 20 mills in 1995 and each year thereafter, for the payment of operational and maintenance expenses of the District, and shall the revenues from such taxes and any earnings from the investment thereof be collected and spent without limitation by any revenue or spending limits, and without affecting the District's ability to collect or spend any other revenues or funds, under Article X, Section 20 of the Colorado Constitution or any other law?

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of December 31, 2020, the District had no unexpended construction related contract commitments and an unpaid retainage payable balance of \$26,887.

SUPPLEMENTARY INFORMATION

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 755	\$ 1,180	\$ 425
Total Revenues	<u>755</u>	<u>1,180</u>	<u>425</u>
EXPENDITURES			
Landscape Design	10,000	11,847	(1,847)
Landscape Improvements	544,762	592,533	(47,771)
Contingency	55,727	-	55,727
Total Expenditures	<u>610,489</u>	<u>604,380</u>	<u>6,109</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(609,734)	(603,200)	6,534
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	500,000	446,922	(53,078)
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>446,922</u>	<u>(53,078)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(109,734)	(156,278)	(46,544)
Fund Balance - Beginning of Year	<u>109,734</u>	<u>156,278</u>	<u>46,544</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GATEWAY VILLAGE GENERAL IMPROVEMENT DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2020**

<u>Year Ended December 31,</u>		Assessed Valuation for Property Tax Levy	Mills Levied	<u>Total Property Taxes</u>		Percent Collected to Levied
<u>Assessment Year</u>	<u>Collection Year</u>			<u>Levied</u>	<u>Collected</u>	
2015	2016	\$ 22,513,240	25.700	\$ 578,590	\$ 578,488	100.00 %
2016	2017	22,533,600	20.000	450,672	445,340	98.90
2017	2018	27,885,190	20.000	557,704	558,317	100.20
2018	2019	27,993,980	20.000	559,879	559,878	100.00
2019	2020	32,766,700	20.000	655,334	654,676	99.90
Estimated for the Year Ending December 31, 2020		2021	\$ 32,622,940	20.000	\$ 652,459	

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.