

HILLCREST WATER AND SANITATION DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2018

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	I
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	1
Statement of Revenues, Expenses and Change in Net Position	2
Statement of Cash Flows	3
Notes to Financial Statements	4
SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Change in Funds Available - Budget and Actual (Budgetary Basis)	13
Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, - Expenses and Change in Net Position	14
OTHER INFORMATION	
Schedule of Debt Service Requirements to Maturity	15



**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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Independent Auditor's Report

To the Board of Directors
Hillcrest Water and Sanitation District

We have audited the accompanying financial statements of the business-type activities of Hillcrest Water and Sanitation District as of and for the year ended December 31, 2018 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 generally 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 of 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Hillcrest Water and Sanitation District, as of December 31, 2018 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hillcrest Water and Sanitation District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.



Littleton, Colorado
September 26, 2019

BASIC FINANCIAL STATEMENTS

**HILLCREST WATER AND SANITATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2018**

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$ 115,916
Investments - unrestricted	507,895
Investments - restricted	5,312
Accounts receivable	
- Constituents	6,030
- Other governmental entities	7,949
Interest receivable	631
Prepaid expenses	4,511
Total current assets	648,244

Capital Assets, Net

670,798

Total Assets

1,319,042

LIABILITIES

Current Liabilities

Accounts payable	9,558
Loan payable - current portion	25,275
Total current liabilities	34,833

Noncurrent Liabilities

Loan payable - CWR&PDA	397,168
Total noncurrent liabilities	397,168

NET POSITION

Net investment in capital assets	248,355
Restricted	
- Outfall line	5,312
- Operations and maintenance reserve	49,500
- Emergencies	8,900
Unrestricted	574,974
Total net position	\$ 887,041

These financial statements should be read only in connection with
the accompanying notes to financial statements.

HILLCREST WATER AND SANITATION DISTRICT
Statement of Revenues, Expenses and Change in Net Position
Year Ended December 31, 2018

Operating revenues	
Sewer service fees - constituents	\$ 180,885
Sewer service fees - other districts	112,488
Tap fee	1,060
Total operating revenues	294,433
 Operating expenses	
Metro wastewater sewage treatment	157,388
Repairs and maintenance	15,370
Engineering	7,235
Locates	5,912
Depreciation	19,203
Total operating expenses	205,108
Gross operating income	89,325
 General and administrative expenses	
District management, accounting and audit	27,631
Legal	706
Insurance and dues	4,858
Directors' fees	1,900
Election	1,458
Other	1,425
Total general and administrative expenses	37,978
Net income from operations	51,347
 Nonoperating revenues (expense)	
Miscellaneous income	90
Interest income	12,614
Interest expense	(8,821)
Total nonoperating revenues (expense)	3,883
Change in net position	55,230
Net position - beginning of year	831,811
Net position - end of year	\$ 887,041

These financial statements should be read only in connection with
the accompanying notes to financial statements.

HILLCREST WATER AND SANITATION DISTRICT
Statement of Cash Flows
Year Ended December 31, 2018

Cash Flows From Operating Activities		
Receipts from constituents	\$ 184,085	
Receipts from other districts	115,180	
Payments to vendors	<u>(235,303)</u>	
Net cash provided by operating activities	<u>63,962</u>	
Cash Flows from Noncapital Financing Activities		
Other receipts	<u>90</u>	
Net cash provided by noncapital financing activities	<u>90</u>	
Cash Flows from Capital Financing Activities		
Principal paid	(24,777)	
Interest paid	<u>(8,821)</u>	
Net cash required by capital financing activities	<u>(33,598)</u>	
Cash Flows From Investing Activities		
Investments purchased	(45,898)	
Interest received	<u>12,605</u>	
Net cash required by investing activities	<u>(33,293)</u>	
Net Decrease in Cash and Cash Equivalents	(2,839)	
Cash and Equivalents - Beginning of Year	<u>118,755</u>	
Cash and Cash Equivalents - End of Year	<u><u>\$ 115,916</u></u>	
Reconciliation of Operating Income to Cash Flows		
Provided by operating activities		
Net Income from operations	\$ 51,347	
Depreciation	19,203	
Effects of changes in operating assets and liabilities:		
Accounts receivable	4,832	
Prepaid expenses	(351)	
Accounts payable	<u>(11,069)</u>	
Net cash provided by operating activities	<u><u>\$ 63,962</u></u>	

These financial statements should be read only in connection with
the accompanying notes to financial statements.

HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 1 - Definition of Reporting Entity

Hillcrest Water and Sanitation District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to provide a water supply system and a sewer system to an area in Arapahoe County. Currently, the District provides sewer service to its residents. The water service is provided through a Total Service Contract with the Denver Water Department utilizing the water supply system owned by the District (see Notes 4 and 6).

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Note 2 – Summary of Significant Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

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

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and loans is recorded as a reduction in liabilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Operating Revenues and Expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenue, Expenses and Change in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sewer services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, maintenance, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law, the District's Board of Directors 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 District's Board of Directors 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.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Capital Assets

Capital assets, which include water systems and sewer systems, are reported by the District. 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 estimated fair market value at the date of donation.

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 capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Sewer systems	40 years
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HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 3 – Cash and Investments

Cash and investments as of December 31, 2018 are classified in the accompanying Statement of Net Position as follows:

Cash and investments - unrestricted	\$ 115,916
Investments - restricted	5,312
Investments - unrestricted	<u>507,895</u>
Total cash and investments	<u>\$ 629,123</u>

Cash and investments as of December 31, 2018 consist of the following:

Deposits	\$ 115,916
Investments	<u>513,207</u>
Total cash and investments	<u>\$ 629,123</u>

Restricted investments consist of funds held in a separate bank account as a reserve fund for the Outfall Line (See Note 7).

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 equal to 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, 2018, the District's cash deposits, including certificates of deposit, had a total bank balance of \$125,922 and a carrying balance of \$115,916.

Investments

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

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 requirement.

**HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

Note 3 – Cash and Investments (continued)

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

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

The District generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party. The local government investment pool, which includes the Colorado Local Government Liquid Asset Trust (Colotruster) is rated AAAM by S&P Global.

At December 31, 2018, the District had the following investment:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	<u>\$513,207</u>

ColoTrust

During 2018, the District invested in the Colorado Local Government Liquid Asset Trust (Colotruster), 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 Colotruster. Colotruster operates similarly to a money market fund and each share is equal in value to \$1.00. Colotruster 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for Colotruster's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotruster'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 Colotruster. As of December 31, 2018, the District had \$513,207, invested in COLOTRUST PLUS+ in the name of the District. Colotruster is rated AAAM by S&P Global Ratings.

HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 3 – Cash and Investments (continued)

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust at yearend for which the investment valuations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of Colotrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share.

Note 4 – Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

	Balance at December 31, 2017	Increases	Decreases	Balance at December 31, 2018
Capital assets, being depreciated:				
Sewer system	\$ 552,818	-	-	\$ 552,818
Sewer system - 2014	534,107	-	-	534,107
Total capital assets being depreciated	<u>1,086,925</u>	<u>-</u>	<u>-</u>	<u>1,086,925</u>
Less accumulated depreciation for:				
Sewer system	350,199	5,853	-	356,052
Sewer system - 2014	46,725	13,350	-	60,075
Total accumulated depreciation	<u>396,924</u>	<u>19,203</u>	<u>-</u>	<u>416,127</u>
Total capital assets being depreciated, net	<u>\$ 690,001</u>	<u>\$ (19,203)</u>	<u>\$ -</u>	<u>\$ 670,798</u>

**HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

Note 5 – Long-term Obligations

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2018:

	Balance at December 31, 2017	Increases	Decreases	Balance at December 31, 2018	Due Within One Year
Colorado Water Resources and Power Development Authority Loan	\$ 447,220	\$ -	\$ 24,777	\$ 422,443	\$ 25,275

On May 2, 2013, the District entered into the \$639,900 Colorado Water Resources and Power Development Authority Loan, with interest of 2.00%. Principal and interest are due on May 1 and November 1 through November 2033.

The District has pledged all of its available resources for the repayment of the loan. The loan agreement contains a restrictive covenant which requires the District to maintain a three month operating reserve (see Note 6). At December 31, 2018, the management of the District believes it is in compliance with this covenant.

The District's long-term obligations will mature as follows:

	Principal	Interest	Total
2019	\$ 25,275	\$ 8,323	\$ 33,598
2020	25,783	7,815	33,598
2021	26,301	7,297	33,598
2022	26,830	6,768	33,598
2023	27,369	6,229	33,598
2024 - 2028	145,323	22,668	167,991
2029 - 2033	145,561	7,463	153,025
	<u>\$ 422,443</u>	<u>\$ 66,564</u>	<u>\$ 489,007</u>

Note 6 – Net Position

The District has a 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, 2018, the District's net investment in capital assets was \$248,355.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by

**HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

Note 6 – Net Position (continued)

law through constitutional provisions or enabling legislation. The District had restricted net assets as of December 31, 2018 as follows:

Restricted:

Outfall Line (see Note 7)	\$ 5,312
Operations and maintenance reserve (see Note 5)	49,500
Emergency reserve (See Note 9)	<u>8,900</u>
	<u>\$ 63,712</u>

Note 7 – Agreements

Sewage

The District entered into an agreement with Metro Wastewater Reclamation District (Metro) for sewage treatment and disposal. The District pays Metro sewage treatment fees and bills the users for sewer service. In addition, the District collects tap connection fees which are in turn remitted to Metro.

The District has contracted with four other districts to provide sewage transportation and treatment service to them for which they reimburse a portion of the charges paid by the District on the sewage contract noted above. A summary of the 2018 transactions are as follows:

Total annual charge from Denver Metro	\$ 157,388
Reimbursements by other districts:	
Devonshire Heights Water and Sanitation District	11,175
Mansfield Heights Water and Sanitation District	34,783
Cherry Hills North Water and Sanitation District	30,691
Cherry Hills Village Sanitation District	<u>22,034</u>
	<u>98,683</u>
District's net share of charges	<u>\$ 58,705</u>

Water

Residents of the District are provided water service under a Total Service Contract between the District and the Denver Water Department. Under the contract, Denver reads the meters and bills the residents directly and is responsible for all operations, repairs and maintenance and capital improvements to the water system.

Hillcrest Outfall Line

On January 14, 1994, the District, Mansfield Heights Water and Sanitation District (Mansfield) and Cherry Hills North Water and Sanitation District (Cherry Hills North) entered into an intergovernmental agreement to oversee the operation, maintenance, repairs and replacements necessary to maintain the sanitary sewer outfall line known as the Hillcrest Outfall Line.

HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 7 – Agreements (continued)

On October 1, 2009, the District entered into an amended and restated intergovernmental agreement with Mansfield and Cherry Hills North. The agreement gave the District full operational and maintenance responsibility for the Hillcrest Outfall Line, with each of the other districts reimbursing the District for a proportionate share of the cost. Sharing is based on the number of sewer taps for each district as a percentage of the total number of taps for all districts combined. On January 1, 2011, the District entered into the Second Amended and Restated Intergovernmental Agreement with Mansfield, Cherry Hills North, Cherry Hills Village Sanitation District and Devonshire Heights Water and Sanitation District. The agreement amended the operations and maintenance cost sharing percentages. The District's sharing percentage at December 31, 2018 is 37.3%. Amounts contributed by the districts are deposited to a separate outfall reserve fund at ColoTrust. Funds may be withdrawn by the District as needed for the reimbursement of costs. As of December 31, 2018, the reserve fund had a balance of \$5,312.

Note 8 – Risk Management

Except as provided in the Colorado Government Immunity Act, the District may be 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 is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2018. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability and boiler and machinery coverage to its members.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Note 9 – 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 that apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

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.

HILLCREST WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 and qualification as an enterprise will require judicial interpretation.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

HILLCREST WATER AND SANITATION DISTRICT
Schedule of Revenues, Expenditures and Change in
Funds Available - Budget and Actual (Budgetary Basis)
Year Ended December 31, 2018

	Budget Amounts - Original and Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Sewer service fees - residents and commercial properties	\$ 170,500	\$ 180,885	\$ 10,385
Interest	7,500	12,614	5,114
IGA treatment revenue - Note 6	98,683	98,683	-
Outfall IGA - Note 6	15,169	13,805	(1,364)
Tap fee	-	1,060	1,060
Miscellaneous income	2,500	90	(2,410)
Total revenues	<u>294,352</u>	<u>307,137</u>	<u>12,785</u>
Expenditures			
Audit	1,400	374	1,026
Director's fees	2,000	1,900	100
District management and accounting	21,300	24,222	(2,922)
District management - special services	1,000	656	344
Election	6,000	-1,458	4,542
Insurance and bonds	5,000	4,858	142
Legal	10,000	706	9,294
Payroll taxes	153	145	8
Miscellaneous	1,000	910	90
Engineering	14,000	7,235	6,765
Locates	12,000	5,912	6,088
Repairs and maintenance	15,000	10,194	4,806
Metro wastewater sewage treatment - Note 6	157,388	157,388	-
Inspections	2,500	370	2,130
Loan principal and interest	19,151	19,151	-
Outfall Line			
Administration/legal	2,500	2,379	121
Video inspection and maintenance	7,500	5,176	2,324
Engineering	500	-	500
Loan principal and interest	14,447	14,447	-
Total expenditures	<u>292,839</u>	<u>257,481</u>	<u>35,358</u>
Net Change in Funds Available	1,513	49,656	48,143
Funds Available - Beginning of Year	579,660	589,030	9,370
Funds Available - End of Year	<u>\$ 581,173</u>	<u>\$ 638,686</u>	<u>\$ 57,513</u>

Funds available is computed as follows:

Current assets	\$ 648,244
Current liabilities, less current portion of long term debt	(9,558)
	<u>\$ 638,686</u>

**HILLCREST WATER AND SANITATION DISTRICT
 Reconciliation of Budgetary Basis (Actual) to Statement
 of Revenues, Expenses and Change in Net Position
 Year Ended December 31, 2018**

Revenues (budgetary basis)	\$ 307,137
Total revenue per statements of revenues, expenses and change in fund net assets	307,137
 Expenditures (budgetary basis)	 257,481
Depreciation	19,203
Loan principal	(24,777)
Total expenses per statements of revenues, expenses and change in fund net assets	251,907
 Change in Net Position per Statement of Revenues, Expenses and Change in Fund Net Position	 \$ 55,230

OTHER INFORMATION

**HILLCREST WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2018**

**\$639,900 Colorado Water Resources and
Power Development Authority Loan
Dated July 12, 2007
Interest Rate of 2.00%
Principal and Interest Due
May 1 and November 1**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 25,275	\$ 8,323	\$ 33,598
2020	25,783	7,815	33,598
2021	26,301	7,297	33,598
2022	26,830	6,768	33,598
2023	27,369	6,229	33,598
2024	27,919	5,679	33,598
2025	28,481	5,118	33,598
2026	29,053	4,545	33,598
2027	29,637	3,961	33,598
2028	30,233	3,365	33,598
2029	30,840	2,758	33,598
2030	31,460	2,138	33,598
2031	32,093	1,505	33,598
2032	32,738	860	33,598
2033	18,429	202	18,632
	<u>\$ 422,443</u>	<u>\$ 66,564</u>	<u>\$ 489,007</u>