

LETTER OF BUDGET TRANSMITTAL

Date: January 30<sup>th</sup>, 2018  
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2018 budget and budget message for HAVANA WATER AND SANITATION DISTRICT in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15<sup>th</sup>, 2017. If there are any questions on the budget, please contact:

Mr. Matthew Urkoski, District Manager  
CliftonLarsonAllen LLP  
8390 E. Crescent Pkwy., Suite 500  
Greenwood Village, CO 80111  
Tel.: (303) 779-4525  
Fax: (303) 773-2050

I, Matthew Urkoski, as District Manager of the Havana Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2018 budget.

By: \_\_\_\_\_  


STATE OF COLORADO  
COUNTY OF ARAPAHOE  
HAVANA WATER AND SANITATION DISTRICT  
2018 BUDGET RESOLUTION

RESOLUTION NO. 2017-11-04

The Board of Directors of the Havana Water and Sanitation District, Arapahoe County, Colorado held a regular meeting at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, on Wednesday, November 15, 2017 at the hour of 5:00 P.M.

The following members of the Board of Directors were present:

President:	Howard Buchalter
Treasurer:	Richard G. Keene
Assistant Secretary:	William J. Kirven
Assistant Secretary:	Bernard F. Gehris
Assistant Secretary:	Dan Marks

Also present were

Patrick Shannon, Matt Urkoski & Gigi Pangindian; CliftonLarsonAllen LLP  
Tamara Seaver; Icenogle Seaver Pogue, P.C.  
Mark Klee; Tetra Tech  
Margaret Piccinelli; Resident

Matt Urkoski reported that, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a regular meeting of the Board of Directors of the District and that a notice of regular meeting was posted at three places within the boundaries of the District and at the Arapahoe County Clerk and Recorder's Office in Arapahoe County, Colorado, and to the best of his knowledge, remains posted to the date of this meeting. An original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference.

2017-11-04

Thereupon, Director Keene introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2018 TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE HAVANA WATER AND SANITATION DISTRICT, ARAPAHOE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2018 AND ENDING ON THE LAST DAY OF DECEMBER 2018.

WHEREAS, the Board of Directors (the "Board") of the Havana Water and Sanitation District (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2017; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, November 9, 2017 in The Villager, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division of Local Government (the "Division") pursuant to §29-1-302(1), C.R.S.

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Wednesday, November 15, 2017 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to § 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to § 32-1-1201, the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAVANA WATER AND SANITATION DISTRICT, ARAPAHOE COUNTY, COLORADO:

Section 1. Summary of 2018 Revenues and 2018 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2018, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto as Exhibit B, is approved and adopted as the budget of the District for fiscal year 2018. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section shall be ratified by the Board of Directors at the next regular meeting.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by William J. Kirven, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division.

Section 5. 2018 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$594,125 and that the 2017 valuation for assessment, as certified by the Arapahoe County Assessor, is \$140,554,725. That for the purposes of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a tax of 4.227 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 6. 2018 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$0.00 and that the 2017 valuation for assessment, as certified by the Arapahoe County Assessor, is \$140,554,725. That for the purposes

of meeting all debt retirement expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 7. 2018 Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction. That the foregoing budget indicates that the amount of money from a temporary general property tax credit/temporary mill levy rate reduction necessary to balance the budget is <\$37,247> and that the 2017 valuation for assessment, as certified by the Arapahoe County Assessor, is \$140,554,725. That for the purposes of the District during the 2018 budget year, there is hereby levied a temporary general property tax credit/temporary mill levy rate reduction of 0.265 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

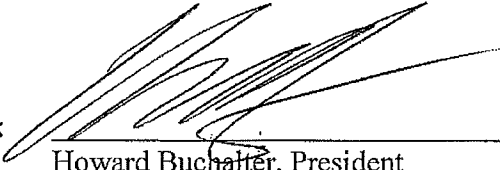
Section 8. Certification to County Commissioners. That the Secretary of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**

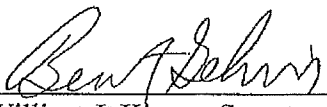
The foregoing Resolution was seconded by Director Kirven.

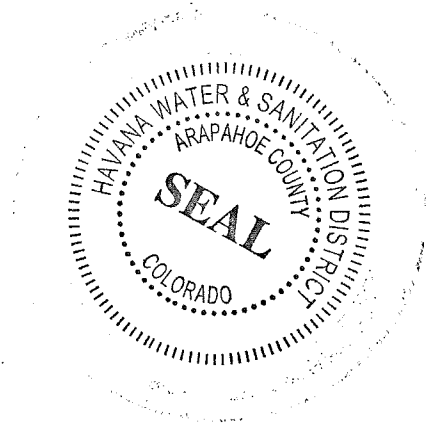
RESOLUTION APPROVED AND ADOPTED THIS 15TH DAY OF NOVEMBER 2017.

HAVANA WATER AND SANITATION DISTRICT

By:   
Howard Buchalter, President

ATTEST:

  
\_\_\_\_\_  
William J. Kirven, Secretary  
Bernard Gehring, Asst Secretary



2017-11-04

STATE OF COLORADO  
COUNTY OF ARAPAHOE  
HAVANA WATER AND SANITATION DISTRICT

I, William J. Kirven, hereby certify that I am a director and the duly elected and qualified Secretary of the Havana Water and Sanitation District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a regular meeting of the Board of Directors of the Havana Water and Sanitation District held on Wednesday, November 15, 2017, at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2018; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 15th day of November, 2017.



~~William J. Kirven, Secretary~~

*Barnard Gehris, Asst Secretary*

[SEAL]



2017-11-04

**EXHIBIT A**

Affidavit of Publication  
Notice as to Proposed 2018 Budget



**NOTICE AS TO PROPOSED 2018 BUDGET AND HEARING  
AND NOTICE AS TO AMENDED 2017 BUDGET AND HEARING  
HAVANA WATER AND SANITATION DISTRICT**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **HAVANA WATER AND SANITATION DISTRICT** for the ensuing year of 2018. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado 80111, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Havana Water and Sanitation District to be held at 5:00 p.m. on Wednesday, November 15, 2017 at 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado.

**NOTICE IS FURTHER GIVEN** that an amended budget has been submitted to the **HAVANA WATER AND SANITATION DISTRICT** for the year of 2017. A copy of such amended budget has been filed in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado 80111, where same is open for public inspection. Such amended budget will be considered at a hearing at the regular meeting of the Havana Water and Sanitation District to be held at 5:00 p.m. on Wednesday, November 15, 2017 at 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado.

Any interested elector within the Havana Water and Sanitation District may inspect the proposed 2018 budget and 2017 amended budget, and file or register any objections at any time prior to the final adoption of the 2018 budget and 2017 amended budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
HAVANA WATER AND SANITATION DISTRICT

By: Matthew Urkoski  
District Manager

Publish In: The Villager  
Publish On: November 9, 2017

# LEGAL NOTICES

## The VILLAGER

November 9, 2017

### PUBLISHER'S AFFIDAVIT

STATE OF COLORADO,)

) SS.

COUNTY OF ARAPAHOE)

I Gerri Sweeney, do solemnly affirm that I am the Publisher of THE VILLAGER; that the same is a weekly newspaper published in Greenwood Village, County of Arapahoe, State of Colorado, and has a general circulation therein; that said newspaper has been continuously and uninterruptedly published in said County of Arapahoe for a period of at least 52 consecutive weeks prior to the first publication of the annexed notice, that said newspaper is entered in the post office at Englewood, Colorado, as periodical class mail matter and that said newspaper is a newspaper within the meaning of the Act of General Assembly of the State of Colorado, approved March 30, 1923, and entitled "Legal Notice and Advertisements," with other Acts relating to the printing and publishing of legal notice and advertisements. That the annexed notice was published in the regular and entire issue of said newspaper for a period of ONE consecutive insertions that the first publication of said notice was in the issue of said newspaper dated:

NOVEMBER 9, 2017

and the last publication of said notice, was in the issue of said newspaper dated:

NOVEMBER 9, 2017

  
\_\_\_\_\_  
Publisher

Subscribed and affirmed to before me, a Notary Public.  
This 9th day of November A.D., 2017

  
\_\_\_\_\_  
Notary Public

My Commission expires:

BECKY OSTERWALD  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20164030293  
MY COMMISSION EXPIRES AUGUST 9, 2020

NOTICE AS TO PROPOSED 2018 BUDGET AND HEARING AND NOTICE AS TO AMENDED 2017 BUDGET AND HEARING HAVANA WATER AND SANITATION DISTRICT

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the HAVANA WATER AND SANITATION DISTRICT for the ensuing year of 2018. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado 80111, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Havana Water and Sanitation District to be held at 5:00 p.m. on Wednesday, November 15, 2017 at 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado.

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BY ORDER OF THE BOARD OF DIRECTORS:  
HAVANA WATER AND SANITATION DISTRICT

By: Matthew Urkoski  
District Manager

Published in The Villager  
Published: November 9, 2017  
Legal # 7817

**EXHIBIT B**

Budget Document  
Budget Message



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Havana Water and Sanitation District  
Arapahoe County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balance/funds available of the Havana Water and Sanitation 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 Havana Water and Sanitation District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 26, 2018

**HAVANA WATER AND SANITATION DISTRICT**  
**SUMMARY**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/26/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES/AVAILABLE	\$ 2,950,474	\$ 3,042,456	\$ 2,000,769
<b>REVENUES</b>			
1 Property taxes	489,031	521,754	556,878
2 Specific ownership taxes	37,513	42,598	50,120
3 Net investment income	20,260	30,000	20,500
4 Reimbursed expenditures	1,332	-	-
5 Other income	-	1,079	-
6 Lease income	15,180	15,560	16,698
7 Sewer service fees	812,121	649,000	649,000
8 Sewer tap fees	6,670	-	-
9 Reimbursed expenditures - Metro	175,029	-	-
10 Note proceeds	-	1,761,300	-
11 Reimbursed expenditures - Castlewood	27,482	22,022	22,022
Total revenues	<u>1,584,618</u>	<u>3,043,313</u>	<u>1,315,218</u>
<b>TRANSFERS IN</b>			
	<u>102,000</u>	<u>67,000</u>	<u>66,000</u>
Total funds available	<u>4,637,092</u>	<u>6,152,769</u>	<u>3,381,987</u>
<b>EXPENDITURES</b>			
12 General and administration			
13 Accounting	18,000	18,000	18,500
14 Audit	5,630	5,780	5,800
15 Contingency	-	-	6,019
16 County Treasurer's fees	7,341	7,826	8,353
17 Customer billing	24,843	24,000	24,700
18 Director fees	2,800	2,700	3,000
19 District management	13,756	13,390	37,400
20 Dues and membership	989	716	1,200
21 Election	1,495	-	1,500
22 Engineering	18,599	9,000	51,500
23 Insurance	25,868	11,354	12,500
24 Landscape maintenance	750	1,200	6,000
25 Legal	31,188	19,000	30,000
26 Miscellaneous	2,199	2,250	3,000
27 Postage/printing	2,587	5,400	5,400
28 Repair and maintenance	75,928	110,000	120,000
29 Storage rent	3,000	3,600	3,600
30 Telephone	4,730	4,500	6,000
31 Operations and maintenance			
32 Contingency	-	14,336	-
33 Sewer treatment	770,423	263,164	364,287
34 Utilities	62,010	42,000	50,000
35 Debt service			
36 Bond interest	138,469	112,000	-
37 Bond principal	230,000	3,200,000	-
38 Note interest	-	-	32,891
39 Note principal	-	-	238,600
40 Note transaction costs	-	67,000	-
41 Paying agent fees	1,500	1,500	-
42 Capital projects			
43 Contingency	-	3,284	-
44 Engineering - capital	20,240	43,000	-
45 Major repairs/capital improvements	21,435	82,000	-
46 Management - capital	8,856	18,000	-
47 Reserve for capital improvements	-	-	300,000
Total expenditures	<u>1,492,636</u>	<u>4,085,000</u>	<u>1,330,250</u>
<b>TRANSFERS OUT</b>			
	<u>102,000</u>	<u>67,000</u>	<u>66,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,594,636</u>	<u>4,152,000</u>	<u>1,396,250</u>
ENDING FUND BALANCES/AVAILABLE	<u>\$ 3,042,456</u>	<u>\$ 2,000,769</u>	<u>\$ 1,985,737</u>
EMERGENCY RESERVE	\$ 16,700	\$ 18,000	\$ 19,300
DEBT SERVICE RESERVE	371,070	-	-
RESERVE FOR FUTURE EXPENDITURES	<u>2,654,686</u>	<u>1,982,769</u>	<u>1,966,437</u>
TOTAL RESERVE	<u>\$ 3,042,456</u>	<u>\$ 2,000,769</u>	<u>\$ 1,985,737</u>

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

**HAVANA WATER AND SANITATION DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

1/26/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - ARAPAHOE</b>			
Residential	\$ 112,922,012	\$ 112,943,848	\$ 119,472,187
Commercial	9,271,851	10,706,893	14,852,771
Vacant Land	3,352,381	3,114,885	3,111,449
Personal Property	979,415	1,063,099	1,219,350
State Assessed	1,707,840	1,735,270	1,897,730
Natural Resources	-	-	1,238
Certified Assessed Value	<u>\$ 128,233,499</u>	<u>\$ 129,563,995</u>	<u>\$ 140,554,725</u>
<b>MILL LEVY</b>			
GENERAL FUND	4.227	4.227	4.227
Temporary Mill Levy reduction	(0.411)	(0.200)	(0.265)
Total Mill Levy	<u>3.816</u>	<u>4.027</u>	<u>3.962</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 542,043	\$ 547,667	\$ 594,125
Temporary Mill Levy reduction	(52,704)	(25,913)	(37,247)
Levied property taxes	489,339	521,754	556,878
Adjustments to actual/rounding	(308)	-	-
Budgeted Property Taxes	<u>\$ 489,031</u>	<u>\$ 521,754</u>	<u>\$ 556,878</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 489,031	\$ 521,754	\$ 556,878
	<u>\$ 489,031</u>	<u>\$ 521,754</u>	<u>\$ 556,878</u>

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

**HAVANA WATER AND SANITATION DISTRICT**  
**GENERAL FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/26/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 1,378,499	\$ 1,541,703	\$ 1,687,694
<b>REVENUES</b>			
1 Property taxes	489,031	521,754	556,878
2 Specific ownership taxes	37,513	42,598	50,120
3 Net investment income	10,772	17,000	17,000
4 Reimbursed expenditures	1,332	-	-
5 Other income	-	1,079	-
6 Lease income	15,180	15,560	16,698
7 Sewer tap fees	1,610	-	-
Total revenues	<u>555,438</u>	<u>597,991</u>	<u>640,696</u>
Total funds available	<u>1,933,937</u>	<u>2,139,694</u>	<u>2,328,390</u>
<b>EXPENDITURES</b>			
General and administration			
8 Accounting	18,000	18,000	18,500
9 Audit	5,630	5,780	5,800
10 Contingency	-	-	6,019
11 County Treasurer's fees	7,341	7,826	8,353
12 Customer billing	24,843	24,000	24,700
13 Director fees	2,800	2,700	3,000
14 District management	13,756	13,390	37,400
15 Dues and membership	989	716	1,200
16 Election	1,495	-	1,500
17 Engineering	18,599	9,000	51,500
18 Insurance	25,868	11,354	12,500
19 Landscape maintenance	750	1,200	6,000
20 Legal	31,188	19,000	30,000
21 Miscellaneous	2,199	2,250	3,000
22 Postage/printing	2,587	5,400	5,400
23 Repair and maintenance	75,928	110,000	120,000
24 Storage rent	3,000	3,600	3,600
25 Telephone	4,730	4,500	6,000
Capital projects			
26 Contingency	-	3,284	-
27 Engineering - capital	20,240	43,000	-
28 Major repairs/capital improvements	21,435	82,000	-
29 Management - capital	8,856	18,000	-
30 Reserve for capital improvements	-	-	300,000
Total expenditures	<u>290,234</u>	<u>385,000</u>	<u>644,472</u>
<b>TRANSFERS OUT</b>			
ENTERPRISE FUND	102,000	67,000	66,000
Total transfers out	<u>102,000</u>	<u>67,000</u>	<u>66,000</u>
Total expenditures and transfers out requiring appropriation	<u>392,234</u>	<u>452,000</u>	<u>710,472</u>
ENDING FUND BALANCES	<u>\$ 1,541,703</u>	<u>\$ 1,687,694</u>	<u>\$ 1,617,918</u>
EMERGENCY RESERVE	\$ 16,700	\$ 18,000	\$ 19,300
RESERVE FOR FUTURE EXPENDITURES	<u>1,525,003</u>	<u>1,669,694</u>	<u>1,598,618</u>
TOTAL RESERVE	<u>\$ 1,541,703</u>	<u>\$ 1,687,694</u>	<u>\$ 1,617,918</u>

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

**HAVANA WATER AND SANITATION DISTRICT  
ENTERPRISE FUND  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUNDS AVAILABLE	\$ 1,571,975	\$ 1,500,753	\$ 313,075
REVENUES			
1 Net investment income	9,488	13,000	3,500
2 Sewer service fees	812,121	649,000	649,000
3 Sewer tap fees	5,060	-	-
4 Reimbursed expenditures - Metro	175,029	-	-
5 Note proceeds	-	1,761,300	-
6 Reimbursed expenditures - Castlewood	27,482	22,022	22,022
Total revenues	<u>1,029,180</u>	<u>2,445,322</u>	<u>674,522</u>
TRANSFERS IN			
GENERAL FUND	102,000	67,000	66,000
Total transfers in	<u>102,000</u>	<u>67,000</u>	<u>66,000</u>
Total funds available	<u>2,703,155</u>	<u>4,013,075</u>	<u>1,053,597</u>
EXPENDITURES			
Operations and maintenance			
7 Contingency	-	14,336	-
8 Sewer treatment	770,423	263,164	364,287
9 Utilities	62,010	42,000	50,000
Debt Service			
10 Bond interest	138,469	112,000	-
11 Bond principal	230,000	3,200,000	-
12 Note interest	-	-	32,891
13 Note principal	-	-	238,600
14 Note transaction costs	-	67,000	-
15 Paying agent fees	1,500	1,500	-
Total expenditures	<u>1,202,402</u>	<u>3,700,000</u>	<u>685,778</u>
Total expenditures and transfers out requiring appropriation	<u>1,202,402</u>	<u>3,700,000</u>	<u>685,778</u>
ENDING FUNDS AVAILABLE	<u>\$ 1,500,753</u>	<u>\$ 313,075</u>	<u>\$ 367,819</u>
DEBT SERVICE RESERVE	\$ 371,070	\$ -	\$ -
RESERVE FOR FUTURE EXPENDITURES	1,129,683	313,075	367,819
TOTAL RESERVE	<u>\$ 1,500,753</u>	<u>\$ 313,075</u>	<u>\$ 367,819</u>
DEBT COVERAGE RATIO		<u>1.59</u>	<u>1.20</u>

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



**HAVANA WATER AND SANITATION DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District provides sewer services to its residents. The City and County of Denver provide water services.

The District has no employees and all operations and 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. 29-1-1058. For financial statement reporting under generally accepted accounting principles (GAAP), the District uses the full accrual basis of accounting. Consequently the terminology of "Funds Available" is used in the budget to distinguish the difference from GAAP accounting for Fund Balance. Funds Available represents each fund's current assets less its current liabilities except for the current portion of long-term debt. In addition, the budget separates individual funds, which are included as one entity in the GAAP presentation.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Net Investment Income**

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

**Sewer Service Fees**

The District bills its customers for wastewater services at a semi-annual rate of \$121 per single-family tap equivalent. There is no rate adjustment anticipated for purposes of the District's 2018 Budget.

**HAVANA WATER AND SANITATION DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Lease Income**

In 2018, the District will receive \$1,391.50 monthly from AT&T pursuant to a Lease Agreement.

**Reimbursed Expenditures**

The District anticipates collecting \$22,022 from Castlewood Water and Sanitation District for its share in the costs of sewage treatment.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, billing, insurance, meeting and other expenditures. Certain engineering fees and routine maintenance costs are also included in the budget.

**Operations and Maintenance**

The District pays Metro Wastewater Reclamation District for the treatment of sewage collected within the District. Anticipated costs of utilities are also included in the Operating Expenses of the Enterprise Fund.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Wastewater System Enterprise Revenue Refunding Note, Series 2017. See attached debt service schedule.

**Debt and Leases**

On September 27, 2007, the District issued \$5,000,000 in Wastewater System Enterprise Revenue Bonds Series 2007 ("Bonds"). The Bonds were special and limited obligations of the Enterprise, payable solely from the revenues of the wastewater system, after deduction of operation and maintenance costs. The Bonds were not payable from the proceeds of general property taxes. The Bonds were due December 1, 2027, with interest rates of 3.55% - 4.20%, paid semiannually on March 15 and September 15. Bonds maturing on and after September 15, 2018 are subject to redemption prior to maturity, at the option of the District, on September 15, 2017 or any date thereafter, in whole or in part, in integral multiples of \$5,000, from such maturities as selected by the District, at a redemption price equal to the principal amount plus accrued interest. The Bonds maturing September 17, 2027 were subject to mandatory sinking fund redemption at a price equal to the principal amount plus accrued interest to the redemption date. The Series 2007 Bonds were issued to finance certain improvements which benefit the District, fund the Reserve Fund and pay the costs of issuing the Bonds.

**HAVANA WATER AND SANITATION DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

On October 2, 2017, the Bonds were fully paid by issuing the Wastewater System Enterprise Revenue Refunding Note, Series 2017 (“Note”) with a principal amount of \$1,761,300. The Board has determined that it would be beneficial to the District and its residents to undertake the refunding of the Bonds and to finance such refunding with a loan from a financial institution.

The loan or Note is a special revenue obligation of the Enterprise payable solely from, and secured by an irrevocable and non-exclusive first lien on, the net revenue derived by the Enterprise from the ownership, operation and use of the wastewater system, after payment of the costs of operating and maintaining the wastewater system. The Note is not payable from the proceeds of general property taxes. The Note matures on September 15, 2024, and will bear an interest rate of 1.96% per annum to be paid semi-annually every March 15 and September 15. The Note is subject to redemption prior to maturity, at the option of the Enterprise, on September 15 of each year, in the maximum annual principal amount of \$50,000, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium. The proceeds from Note were used to redeem the Bonds and pay for loan transaction costs.

*Maintenance of Rates, Fees and Charges*

In connection with the Note, the Enterprise will establish, maintain, enforce and collect rates, fees and charges for services furnished by or the use of the wastewater system to create gross revenue each fiscal year sufficient to pay operating costs and to create a net revenue in an amount equal to not less than 120% of the maximum annual debt service requirements on the Note and any outstanding parity obligations plus an amount required to make up any deficiencies in debt service reserve funds created in respect to any outstanding parity obligations. The Enterprise’s 2018 budget meets this coverage requirement.

The District has no operating or capital lease.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of General Fund’s fiscal year spending for 2018, as defined under TABOR.

**Reserve for future expenditures**

The District has also provided a reserve for future operating contingencies and improvements. Such reserve is an integral part of Ending Fund Balance/Funds Available.

**This information is an integral part of the accompanying budget**

**HAVANA WATER AND SANITATION DISTRICT  
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$1,761,300**

**Wastewater System Enterprise Revenue Refunding Note, Series 2017**

**Principal Due September 15**

**Interest 1.960%**

**Payable March 15 and September 15**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 238,600	\$ 32,891	\$ 271,491
2019	241,600	29,845	271,445
2020	246,400	25,110	271,510
2021	251,200	20,280	271,480
2022	256,100	15,357	271,457
2023	261,100	10,337	271,437
2024	266,300	5,219	271,519
	<u>\$ 1,761,300</u>	<u>\$ 139,039</u>	<u>\$ 1,900,339</u>

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

**EXHIBIT C**

Certification of Tax Levy

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of ARAPAHOE COUNTY, Colorado.

On behalf of the HAVANA WATER & SANITATION DISTRICT,  
 (taxing entity)<sup>A</sup>  
 the BOARD OF DIRECTORS,  
 (governing body)<sup>B</sup>  
 of the HAVANA WATER & SANITATION DISTRICT,  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 140,554,725 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 140,554,725 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

Submitted: 12/05/2017 for budget/fiscal year 2018.  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>4.227</u> mills	\$ <u>594,125</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>0.265</u> > mills	\$ < <u>37,247</u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>3.962</u> mills</b>	<b>\$ <u>556,878</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>3.962</u> mills</b>	<b>\$ <u>556,878</u></b>

Contact person: (print) Gigi Pangindian Daytime phone: (303) 779-5710

Signed: Gigi Pangindian Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- 1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
- 2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

- 3. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
- 4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Havana Water and Sanitation District of Arapahoe County, Colorado on this 15th day of November 2017.



~~William J. Kirven, Secretary~~

Bernard Gehru, Asst Secretary

SEAL

