

LETTER OF BUDGET TRANSMITTAL


Date: January 3, 2019

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2019 budget and budget message for INVERNESS WATER AND SANITATION DISTRICT in Arapahoe and Douglas Counties, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 5, 2018. If there are any questions on the budget, please contact

Randall S. Warren  
Mulhern MRE, Inc.  
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Englewood, CO 80112  
Telephone number: (303) 649-9857

I, Randall S. Warren, General Manager for the Inverness Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2019 budget.

By:   
Randall S. Warren, General Manager

**RESOLUTION  
TO ADOPT 2019 BUDGET AND APPROPRIATE SUMS OF MONEY  
INVERNESS WATER AND SANITATION DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE INVERNESS WATER AND SANITATION DISTRICT, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019,

WHEREAS, the Board of Directors of the Inverness Water and Sanitation District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at its designated public office, a public hearing was held on December 5, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INVERNESS WATER AND SANITATION DISTRICT OF ARAPAHOE AND DOUGLAS COUNTIES, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Inverness Water and Sanitation District for calendar year 2019.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.


Section 3. 2019 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget does not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 5. 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.

ADOPTED this 5th day of December, 2018.

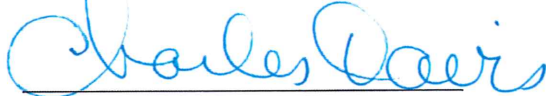
INVERNESS WATER AND  
SANITATION DISTRICT



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President/Vice-President

ATTEST:



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Secretary

**INVERNESS WATER AND SANITATION DISTRICT  
2019 BUDGET MESSAGE**

The attached 2019 Budget for the Inverness Water and Sanitation District (the “District”), approved by the Board of Directors, includes a combined District budget and separate detail budgets for the general fund and the debt fund. The budgetary basis of accounting used is modified accrual.

The District provides the water supply and sanitary sewer services for the residents and businesses within the District. The budget is divided into two funds, the Operations Fund and the Debt Fund.

The District’s general fund budget includes estimated water and sewer service fees and other revenues of \$3,302,000, total operating expenditures of \$3,325,000. The District’s Operating Fund budget includes estimated capital expenditures of \$2,000,000.

The debt fund budget includes estimated property taxes of \$1,560,705 generated from a 4.75 mill levy on the District’s assessed value of \$318,885,615. The District budget anticipates \$300,000 in voluntary debt prepayments in excess of required loan amortization of \$490,000.

The estimated combined fund balances for the District at year-end 2019 total \$6,486,586.

**Inverness Water & Sanitation District  
2019 Operating Fund Budget**

	<b>2017 Actual</b>	<b>2018 Projected</b>	<b>2018 Budget</b>	<b>2019 Budget</b>
<b>Operating Revenues</b>				
Water service fees	1,801,685	1,748,917	1,956,000	1,854,000
Sewer service fees	1,134,676	1,218,711	1,174,000	1,231,000
Other revenues	186,644	210,653	204,000	217,000
<b>Total Operating Revenue</b>	<b>3,123,005</b>	<b>3,178,281</b>	<b>3,334,000</b>	<b>3,302,000</b>
<b>Operating expenditures</b>				
Denver water purchases	631,109	701,733	663,000	700,000
WISE water purchase costs	283,397	308,636	342,000	450,000
Utilities	275,790	209,750	210,000	190,000
ACWWA treatment costs	677,216	727,418	720,000	749,000
Repairs and maintenance	188,737	255,615	235,000	250,000
Chemicals, supplies & materials	38,088	129,088	37,000	96,000
Salaries	233,218	237,300	286,000	210,000
Payroll taxes and benefits	71,476	67,418	88,000	68,000
District management	228,638	201,196	202,000	202,000
District operator management	-	88,000	-	48,000
District billing & accounting	84,623	94,000	116,000	96,000
Legal & other professional services	54,397	49,700	55,000	51,000
Insurance	57,569	59,804	59,000	61,000
Rent	21,938	25,440	23,000	26,000
Office expenses	31,650	28,327	39,000	29,000
Landscaping & snow removal	26,150	18,393	30,000	19,000
Vehicle expenses	9,780	23,885	11,000	20,000
Other	16,874	10,293	16,000	10,000
Water conservation			10,000	-
Contingency			50,000	50,000
<b>Total operating expenditures</b>	<b>2,930,649</b>	<b>3,235,998</b>	<b>3,192,000</b>	<b>3,325,000</b>
<b>Operating revenues less expenditures</b>	<b>192,355</b>	<b>(57,717)</b>	<b>142,000</b>	<b>(23,000)</b>
<b>Non-operating revenues &amp; expenditures</b>				
Tap & development fees	2,349,400	876,186	500,000	200,000
Asset sales	-	-	2,000,000	-
Net investment income	57,992	144,959	40,000	100,000
CWCB loan proceeds	66,796	-	400,000	400,000
Investment in authorities (CCPWA/SMSWA)	(31,118)	(121,216)	-	(100,000)
CCPWA/SMSWA operating costs	(31,118)	(95,843)	(43,000)	(32,000)
Capital expenditures	(1,237,874)	(1,441,693)	(3,244,000)	(2,000,000)
Other	-	-	-	-
<b>Total non-operating revenues &amp; expenditures</b>	<b>1,174,078</b>	<b>(637,608)</b>	<b>(347,000)</b>	<b>(1,432,000)</b>
<b>Net operating fund revenues &amp; expenses</b>	<b>1,366,433</b>	<b>(695,325)</b>	<b>(205,000)</b>	<b>(1,455,000)</b>
<b>Net debt fund revenues &amp; expenses</b>	<b>1,099,368</b>	<b>210,393</b>	<b>(910,249)</b>	<b>737,065</b>
<b>Funds available beginning of year</b>	<b>5,223,651</b>	<b>7,689,453</b>	<b>7,689,453</b>	<b>7,204,521</b>
<b>Funds available end of year</b>	<b>7,689,453</b>	<b>7,204,521</b>	<b>6,574,204</b>	<b>6,486,586</b>

**Inverness Water & Sanitation District  
2019 Debt Fund Budget**

	<b>2017 Actual</b>	<b>2018 Projected</b>	<b>2018 Budget</b>	<b>2019 Budget</b>
<b>Revenues</b>				
Property taxes	1,483,250	1,538,344	1,560,705	1,529,000
Tax equivalent fees	170,864	175,974	173,207	188,000
Specific ownership	135,325	135,271	126,007	139,000
Other revenues	-	-	-	-
<b>Total fund revenues</b>	<b>1,789,439</b>	<b>1,849,589</b>	<b>1,859,919</b>	<b>1,856,000</b>

<b>Expenditures</b>				
2012 issue interest	196,578	185,345	180,000	155,000
2012 issue required principal	470,000	480,000	480,000	490,000
2012 issue prepaid principal	-	900,000	1,800,000	300,000
Colo Conservation Loan interest	715	50,745	99,652	60,000
Colo Conservation Loan principal		-	133,105	40,000
County Treasurer fees	22,286	23,107	23,411	22,935
Paying agent fees	492	-	4,000	1,000
Other expenses/contingency		-	50,000	50,000
<b>Total fund expenses</b>	<b>690,071</b>	<b>1,639,196</b>	<b>2,770,168</b>	<b>1,118,935</b>

<b>Revenues over(under) expenditures</b>	<b>1,099,368</b>	<b>210,393</b>	<b>(910,249)</b>	<b>737,065</b>
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Beginning of period fund balance	-	1,099,368	1,099,368	1,309,761
End of period fund balance	1,099,368	1,309,761	189,120	2,046,826

**Property Tax Detail:**

	<b>2017</b>	<b>2018</b>	<b>2018</b>	<b>2019</b>
<b>Base District Assessed Values:</b>				
Arapahoe County	177,887,376	206,160,905	206,160,905	208,676,755
Douglas County	103,973,770	115,485,070	115,485,070	110,208,860
Total Base District	281,861,146	321,645,975	321,645,975	318,885,615
Mill Levy	5.23	4.75	4.75	4.75
Calculated property taxes	1,474,134	1,527,818	1,527,818	1,514,707
Arapahoe North (sewer only)	13,676,689	15,016,751	15,016,751	13,613,453
Sewer only mill levy	3.95	2.19	2.19	2.19
	54,023	32,887	32,887	29,813
<b>Total calculated taxes</b>	<b>1,528,157</b>	<b>1,560,705</b>	<b>1,560,705</b>	<b>1,544,520</b>