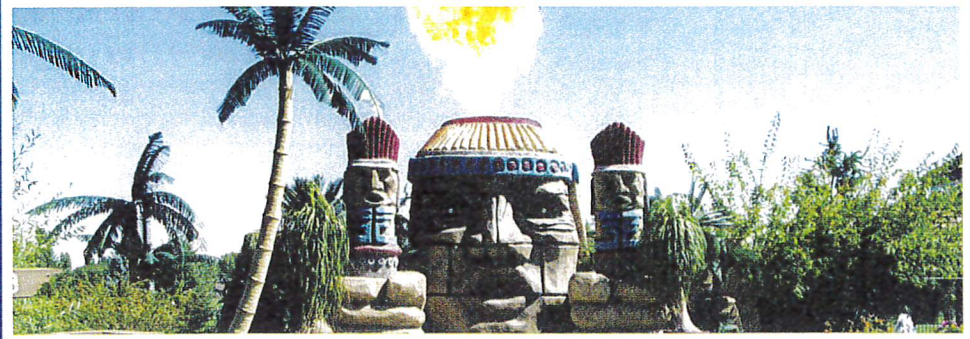




HYLAND HILLS

Park & Recreation District
ADAMS COUNTY, COLORADO



Hyland Hills Park and Recreation District
Adams County, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017

Prepared by: Finance Department
Michael Tilger
Director of Finance
www.hylandhills.org

**HYLAND HILLS PARK AND RECREATION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal years ended December 31, 2018 and 2017**

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Introductory Section

June 14, 2019

To the Citizens, and the Board
of Directors of the Hyland Hills
Park and Recreation District

We are pleased to submit this Comprehensive Annual Financial Report of the Hyland Hills Park and Recreation District, for the fiscal years ended December 31, 2018 and 2017. This report was prepared by the District's Finance Department. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various functions of the District. Additionally, the disclosures necessary to enable the reader to gain an understanding of the District's financial activities are included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and Government Finance Officers Association (GFOA) Certificate. The financial section includes the Management's Discussion and Analysis, the basic financial statements and the auditor's report of the financial statements. Governmental accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes select financial and demographic information generally presented on a multi-year basis.

This report includes all departments of the District. The District provides a full range of recreational services and facilities. These include: the Greg Mastriona Golf Courses at Hyland Hills and the related practice and concession facilities; Adventure Golf and Raceway, a family entertainment center including 54-holes of miniature golf, go-karts, and a ropes course; the Donald E. VanArsdale Gymnastics Center; three outdoor public swimming pools; various recreational programs including athletics, youth programs and adult programs; an outdoor skate park; and Water World, the largest publicly owned waterpark in the United States. The District is also a partner with the City of Westminster in the operation of the MAC (Mature Adult Center), a recreational facility designed primarily for the use and enjoyment of our mature community members; the Carroll Butts Athletic Park which features an indoor sports arena; and the Ice Centre at the Promenade, a state-of-the-art triple surface ice skating facility. Additionally, the District maintains over 750 acres of public park facilities and supports each separate department with general administrative services.

GENERAL INFORMATION

Hyland Hills Park and Recreation District was created in 1955 by legislation, which made Hyland Hills the first park and recreation district in the State of Colorado. Today, Hyland Hills encompasses approximately 23.5 square miles in southwest Adams County and serves a population of approximately 126,000 residents.

A Board of Directors, comprised of five elected officials, governs the District. These officials appoint an Executive Director, who is responsible for managing and operating the District.

ECONOMIC CONDITION AND OUTLOOK

The Denver metro area has seen continued growth for several years now, and the District has been no exception. Our assessed valuation increased to \$9,514,660 for new construction comparable to \$5,325,060 last year, still a good sign that the economy is stable across the area. For a sixth consecutive year, the Colorado foreclosure rate declined. According to the Colorado Division of Housing, the 2018 foreclosure rate was down 14.3% from 2017, with the foreclosure sales number again being the lowest it has been since 2007. Colorado unemployment in 2018 was 3.3%, lower than the national average of 3.9%, a trend that has been evident in Colorado over the past several years, which in turn leads us to believe once again the economy in Colorado, and more importantly in the Denver metro area, continues to be robust and growing.

MAJOR INITIATIVES

During 2018, the District continued work on phase III of a major park development at the south end of our District: Clear Creek Valley Park. The park includes pavilions, a destination playground, a large turf area for outdoor sporting events, and a community garden. Phase III focused on soft trails, lighted volleyball courts and multiple ADA fishing piers. The District will continue to expand the park amenities over the upcoming years. Also in 2018, an older section of Water World was revamped with a new 8 person, penguin themed mat racer, called Glacier Run. At the Greg Mastriona Golf Courses at Hyland Hills, the District revamped a few holes of cart paths by converting them to a concrete path, therefore almost completing the vision of a concrete path along all holes of the Championship Gold Course.

Water World was a winner of one of the top 10 outdoor water parks by USA Today's 10 best section, as well as presented by Trip Advisor with "Best in Colorado" ride for Lazy River. As well, Colorado Community Media, representing multiple local newspapers, awarded Hyland Hills its Best of the Best Awards in various categories: Best Water Park and Best Annual Event (Belly Flop Contest) for Water World; Best Family Entertainment Center for Adventure Golf and Raceway; Best Place to Play Golf for The Greg Mastriona Golf Courses at Hyland Hills; Best Summer Camp for Hyland Hills Summer Camp Program. Additional awards were presented to Hyland Hills Water World by: World Waterpark Association-Best Poster for Glacier Run Attraction; and by Colorado Parent-Family Favorite Award.

FINANCIAL INFORMATION

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Per State Budget Law, the Board of Directors appoints staff to prepare the budget then subsequently reviews the budget and holds public hearings in the fall each year to approve the budget and appropriate funds. The District then monitors the budgetary process through the accounting system that includes built-in checks and balances for purchasing, timely recording of transactions, and routine reconciliation procedures and reporting across the District accounts. Included in the District control procedures are: segregation of authorization, collection and reconciliation functions at the Department level; limited access to all systems (i.e. accounting system, POS systems, IT systems, and others); and routine checks by staff to ensure the integrity of these systems.

As with any system, the inherent limitations of these systems require the District to review and monitor the weaknesses and errors, and react accordingly through revisions or change in structure of the controls. Management and employees are reminded of these controls and constant diligence on their part help in preventing and correcting weaknesses when reviewed.

Long Term Financial Plan. The District's principal investment objectives and long-term planning include, but are not limited to; preservation of capital and protection of investment principal, maintenance of sufficient liquidity to meet anticipated cash flows, and diversification to avoid incurring unreasonable market risks. The District policy states that certain investments cannot exceed a three year term, which helps maintain the overall liquidity of District assets. While keeping these objectives in mind, the District concentrates on conformance with all applicable District policies, and State and Federal regulations. The District continues to see low yields, although somewhat improving, available for investments and the top priority for the District continues to be security of the funds. Therefore, the District continues to hold various investments in multiple institutions to maximize the security and liquidity of these investments, along with searching for the best yields. Conversely, over the past several years, the District has taken advantage of the lower interest rates and made major capital improvements through lease purchases, and has continued to find new ways to refund or pay off debt to improve the overall position of District financials. In 2018, the District entered into a \$2 million lease for a new ride attraction at Water World, and also did a minor refunding of its 2010 General Obligation Bonds in late December, all the while the District continues to replace most capital items by paying cash. As a whole, the District continues to be fiscally responsible by finding ways to reduce expenses, while maximizing our revenue through great customer experiences.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The Board of Directors has retained the accounting firm of *CliftonLarsonAllen, LLP*, for this purpose. The auditors' opinion is included in this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hyland Hills Park and Recreation District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. This was the 24th consecutive year that Hyland Hills Park and Recreation District has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

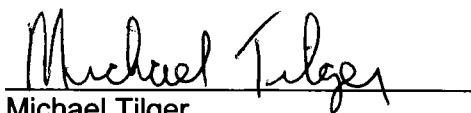
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments. We wish to express appreciation to the entire staff of the Hyland Hills Finance Department for their dedication and support in the preparation of the Comprehensive Annual Financial Report. Sincere appreciation also goes out to the staff of *CliftonLarsonAllen LLP*, whose assistance in the preparation of the financial statements and performance of the audit continue to be both knowledgeable and professional. Finally, we wish to thank the Board of Directors for their interest, support and direction in the financial affairs of the District. Their continuing involvement has enabled Hyland Hills to remain one of the most progressive and successful park and recreation districts in the country.

Sincerely,

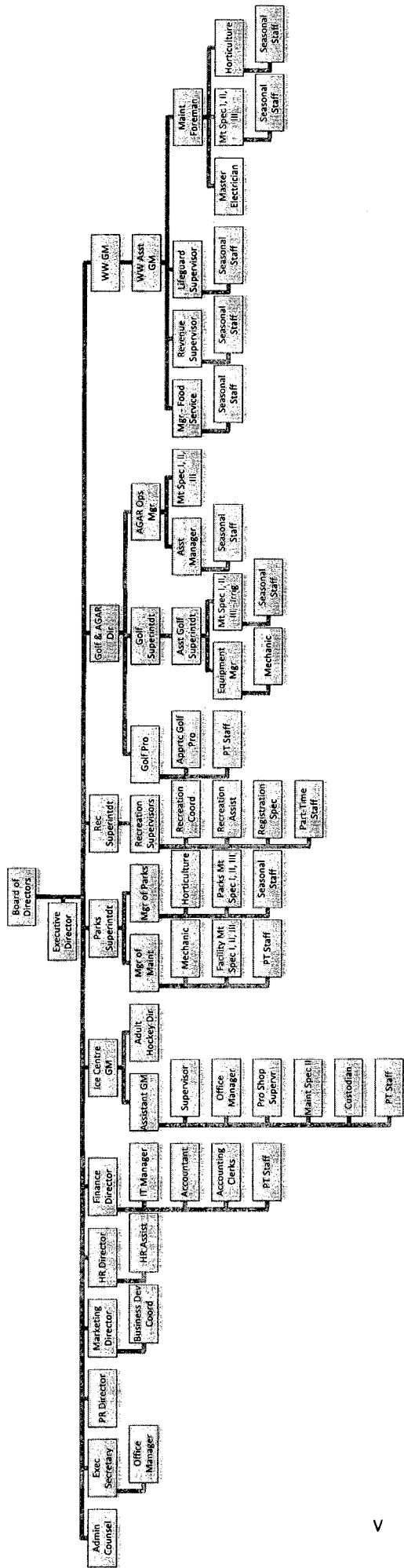


Yvonne Fischbach
Executive Director



Michael Tilger
Director of Finance

Hyland Hills Park & Recreation District Organizational Chart December 2018



**HYLAND HILLS PARK and RECREATION DISTRICT
PRINCIPAL OFFICIALS
December 31, 2018**

Board of Directors

President.....	Thomas Lynch
Vice President.....	Lori Mirelez
Treasurer.....	Robert Landgraf, Jr.
Secretary.....	Christopher Dittman
Past President.....	Donald C. Ciancio, II

Administrative Staff

Executive Director.....	Yvonne Fischbach
Administrative Counsel.....	Richard Fuller
Director of Communications.....	Joann Cortez
Director of Finance.....	Michael Tilger
Director of Golf/Adventure Golf Managing Director.....	Allen Brown
Director of Human Resources.....	Lisa Zaragoza
Director of Marketing.....	Justin Schuvie
Ice Centre Manager.....	Corey Schmidt
Water World General Manager.....	Bob Owens
Parks and Recreation Superintendent.....	Joe Demers



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Hyland Hills Park and Recreation District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Hyland Hills Park and Recreation District
Federal Heights, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Hyland Hills Park and Recreation District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' 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 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 auditors' 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 opinion.

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 7 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hyland Hills Park and Recreation District's basic financial statements. The introductory section, the budgetary comparison schedule and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedule information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

The 2017 financial statements of the Hyland Hills Park and Recreation District were audited by other auditors, whose report dated May 11, 2018, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
June 12, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of the Hyland Hills Park and Recreation District (the District) provides an overview of the District's financial activities for the fiscal year ended December 31, 2018. Please read in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report, and the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$5,511,636 or 10.5 %.
- During the year, the District's operating revenues increased by \$194,041 or 0.8% and operating expenses increased by \$503,131, or 2.5%.
- Water World revenues increased by \$382,297, mainly due to aggressive marketing strategies, while expenses increased by \$458,709 in 2018.
- Adventure Golf had a lower than average attendance year and revenues decreased by \$162,856, while expenses decreased by \$28,725.
- Revenues at the Greg Mastriona Golf Courses at Hyland Hills increased by \$55,924, while expenses increased by \$56,990. These figures are inclusive of the golf concessions operations.

USING THIS FINANCIAL REPORT

This annual financial report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements
- Statistical Information

The financial statements also include notes that provide additional information to some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer important financial information about the District and its activities.

Statements of Net Position

The Statements of Net Position provide information on all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and resulting net position. The Statements of Net Position is one way to measure the District's financial position.

Statements of Revenues, Expenses and Changes in Net Position

This statement measures the results of the District's operations during the past year. The statement presents the income and expenses of the District and enables the reader to determine whether the District has successfully recovered its costs through its user fees and other revenues.

Statements of Cash Flows

The final required financial statement is the Statements of Cash Flows. This statement provides the reader with information about the sources and uses of the District's cash during the year. The statement includes cash activity for operations, non-capital financing activities, capital and related financing activities and investing activities. The statement provides a comprehensive summary to the changes in cash and cash equivalents for the District during the fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that can help answer that question. These two statements report the District's net position and annual changes in net position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving. However, other non-financial factors, such as changes in economic conditions, population changes and, specifically for the District, severe weather changes, must also be considered.

STATEMENTS OF NET POSITION

As part of our analysis, we provide a summary of the District's Statements of Net Position as presented below.

Summarized Statements of Net Position

	<u>2018</u>	<u>Change From 2017</u>	<u>2017</u>	<u>Change From 2016</u>	<u>2016</u>
Current Assets	\$ 29,500,766	\$ 4,538,728	\$ 24,962,038	\$ 3,491,506	\$ 21,470,532
Capital Assets	57,393,495	(192,633)	57,586,128	(369,003)	57,955,131
Other Assets	4,683,931	303,537	4,380,394	279,391	4,101,003
Total Assets	<u>91,578,192</u>	<u>4,649,632</u>	<u>86,928,560</u>	<u>3,401,894</u>	<u>83,526,666</u>
Deferred Outflows of Resources	<u>1,084,688</u>	<u>(354,657)</u>	<u>1,439,345</u>	<u>(354,657)</u>	<u>1,794,002</u>
Total Assets and Deferred Outflows of Resources	<u>92,662,880</u>	<u>4,294,975</u>	<u>88,367,905</u>	<u>3,047,237</u>	<u>85,320,668</u>
Current Liabilities	5,839,796	671,817	5,167,979	192,227	4,975,752
Long-term Liabilities	22,646,144	(2,248,326)	24,894,470	(3,422,547)	28,317,017
Total Liabilities	<u>28,485,940</u>	<u>(1,576,509)</u>	<u>30,062,449</u>	<u>(3,230,320)</u>	<u>33,292,769</u>
Deferred Inflows of Resources	<u>6,069,137</u>	<u>359,848</u>	<u>5,709,289</u>	<u>756,612</u>	<u>4,952,677</u>
Total Liabilities and Deferred Inflows of Resources	<u>34,555,077</u>	<u>(1,216,661)</u>	<u>35,771,738</u>	<u>(2,473,708)</u>	<u>38,245,446</u>
Net Investment in Capital Assets	31,736,090	1,027,628	30,708,462	2,720,530	27,987,932
Restricted	1,874,275	-	1,874,275	-	1,874,275
Unrestricted	<u>24,497,438</u>	<u>4,484,008</u>	<u>20,013,430</u>	<u>2,800,415</u>	<u>17,213,015</u>
Total Net Position	<u>\$ 58,107,803</u>	<u>\$ 5,511,636</u>	<u>\$ 52,596,167</u>	<u>\$ 5,520,945</u>	<u>\$ 47,075,222</u>

As seen in the Statements of Net Position summary, the District's net position increased by \$5,511,636 in 2018, which followed an increase of \$5,520,945 in 2017. Current assets increased \$4,538,728 from 2017, mainly due to an increase in investments and property tax receivables. This followed an increase of current assets from 2016 to 2017 in the amount of \$3,491,506 a reflection of increased cash and investments, and an increase in District year-end receivables. Liabilities and deferred inflows decreased by \$1,216,661 in 2018, which was the partial result from a General Obligation bond refunding completed before year-end, as well as increasing our liabilities with a \$2.0 million lease. This compared to a decrease of \$2,473,708 in 2017 due to a two-fold scenario: a decrease in long term liabilities with a full year of the 2016 bond refunding realized, and a decrease in long term leases through certain leases being paid off.

While the Statements of Net Position show the change in financial position of the District, the Statements of Revenues, Expenses and Changes in Net Position provide the information as to the source of this overall change.

ACTIVITIES

A summary of the District's Statements of Revenues, Expenses and Changes in Net Position:

	<u>2018</u>	<u>Change From 2017</u>	<u>2017</u>	<u>Change From 2016</u>	<u>2016</u>
Operating Revenues					
Fees and Charges	\$ 22,817,345	\$ 87,126	\$ 22,730,219	\$ (585,181)	\$ 23,315,400
Conservation Trust Fund	633,118	18,639	614,479	(65,133)	679,612
Other	151,298	88,276	63,022	(14,549)	77,571
Non-operating Revenues					
Taxes	6,220,547	785,250	5,435,297	81,982	5,353,315
Interest Income	314,037	191,529	122,508	66,809	55,699
Gain(Loss) on Sale of Capital Assets	64,087	34,087	30,000	(126,152)	156,152
Capital Grants and Contributions	388,950	(843,939)	1,232,889	(2,031,643)	3,264,532
Income from Joint Venture	428,445	109,400	319,045	(53,885)	372,930
Total Revenues	31,017,827	470,368	30,547,459	(2,727,752)	33,275,211
Operating Expense	20,457,568	503,131	19,954,437	(433,731)	20,388,168
Depreciation	3,832,302	51,189	3,781,113	32,590	3,748,523
Interest Expense	1,216,321	(74,643)	1,290,964	51,302	1,239,662
Total Expenses	25,506,191	479,677	25,026,514	(349,839)	25,376,353
Change in Net Position	5,511,636	(9,309)	5,520,945	(2,377,913)	7,898,858
Beginning Net Position	52,596,167	5,520,945	47,075,222	7,898,858	39,176,364
Ending Net Position	\$ 58,107,803	\$ 5,511,636	\$ 52,596,167	\$ 5,520,945	\$ 47,075,222

As displayed above, in 2018, the District's ending net position increased by \$5,511,636 from 2017 to 2018, an increase of 10.5% primarily due to District's goal to continue reducing debt and controlling expenses. This percentage was very consistent with the increase of \$5,520,945 between 2017 and 2016, an increase of 11.7%, a result of consistent operations and controlling expenses over the past few years.

The Greg Mastriona Golf Courses at Hyland Hills had a slight increase in revenues in 2018 compared to 2017, due to consistent golf concessions sales, a better than average spring weather season, and continued strategic marketing of open tee time sales. These factors were evident in the increase shown in revenues from 2016 to 2017 as well.

Adventure Golf had a lower than average attendance in 2018 due to late night spring and summer storms, therefore revenues decreased slightly compared to 2017, but we controlled expenses to a minor increase compared to 2017. This followed an increase in revenues from 2016 to 2017 as well, attributed to strategic ticket marketing in 2017.

Total District operating expenses increased slightly in 2018 compared to 2017 as the District continues to repair aging facilities and absorb the mandatory minimum wage increases each year, while still continuing to be expense conscious. As a comparison, operating expenses decreased in 2017 compared to 2016 as the District made a conscious effort to control the task of repairing and maintaining the District facilities in the most cost efficient manner.

CAPITAL ASSETS

At December 31, 2018, the District had over \$57.3 million invested in a broad range of capital assets, net of accumulated depreciation. This figure remained constant as the District completed various construction in progress and with depreciation virtually remaining the same. The following schedule summarizes the District's capital assets, and changes from 2016 to 2017, and 2017 to 2018:

Summary of Capital Assets	2018		2017		2016	
		Change From 2017		Change From 2016		
Buildings	\$ 20,741,570	\$ 182,193	\$ 20,559,377	\$ 34,498	\$ 20,524,879	
Improvements and Land/Water Shares	87,873,322	3,320,332	84,552,990	2,090,735	82,462,255	
Equipment and Furnishings	22,898,560	510,643	22,387,917	453,640	21,934,277	
Construction in Progress	48,368	(523,172)	571,540	361,661	209,879	
Total Capital Assets	131,561,820	3,489,996	128,071,824	2,940,534	125,131,290	
Less Accumulated Depreciation	(74,168,325)	(3,682,629)	(70,485,696)	(3,309,537)	(67,176,159)	
Net Capital Assets	\$ 57,393,495	\$ (192,633)	\$ 57,586,128	\$ (369,003)	\$ 57,955,131	

The District had a few minor construction projects still in progress at the end of 2018: the District is constructing additional irrigation wells at the Greg Mastriona Golf Courses, and are in the beginning phase of improving the ADA trail system near Carl Park. Additional information for the District's Capital Assets is contained in note 4 on pages 18-19.

DEBT ADMINISTRATION

At year-end, the District had \$7,405,366 in outstanding Lease Obligations, which reflects an increase from the previous year, as the District entered into another lease in 2018. In addition, the District had \$18,290,000 in Bonds Payable at the end of 2018, which was comprised of \$13,075,000 in Revenue Bonds and \$5,215,000 in General Obligation Bonds. Additional information for both the bonds and leases are contained in notes 7 and 8 on pages 22 - 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The Board of Directors considers many factors when setting the District's 2019 budget, including user fees and charges. The Board of Directors has appropriated funds for 2019 compared to 2018 and 2017 appropriations as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues			
Fees and Charges	\$ 27,263,100	\$ 26,417,100	\$ 26,675,640
Conservation Trust Fund	500,000	500,000	500,000
Taxes	6,528,037	6,126,289	5,324,677
Interest Income	251,000	89,000	40,500
Other	<u>95,000</u>	<u>93,000</u>	<u>92,000</u>
Total Revenues	<u>34,637,137</u>	<u>33,225,389</u>	<u>32,632,817</u>
Expenses			
Operating Expenses	24,878,235	25,460,321	25,399,828
Conservation Trust Fund	500,000	500,000	500,000
Capital Outlay	2,577,000	477,000	1,247,272
Debt Service	3,489,352	3,097,368	3,092,238
Reserves and Contingencies	<u>23,016,424</u>	<u>17,483,459</u>	<u>16,895,282</u>
Total Expenses	<u>\$ 54,461,011</u>	<u>\$ 47,018,148</u>	<u>\$ 47,134,620</u>

In setting the District's 2019 budget, the economy continues to be the major concern.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Michael Tilger, Director of Finance, at the following:

Hyland Hills Park and Recreation District
8801 N. Pecos St.
Federal Heights, CO 80260
303-428-7488
mtilger@hylandhills.org

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**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS	2018	2017
Cash and Cash Equivalents (Note 3)	\$ 6,693,551	\$ 6,848,688
Investments (Note 3)	14,729,260	10,270,475
Accounts Receivable	629,292	174,654
Grant Receivable	388,950	1,027,892
Due from Ice Centre (Note 6)	294,008	294,515
Prepaid Expense	340,617	307,432
Property Taxes Receivable	6,112,315	5,749,291
Inventories	312,773	289,091
Total Current Assets	<u>29,500,766</u>	<u>24,962,038</u>
NONCURRENT ASSETS		
Capital Assets - Net of Accumulated Depreciation (Note 4)	57,393,495	57,586,128
Investments - Restricted (Notes 3 & 5)	1,874,275	1,874,275
Investment in Joint Venture	2,809,656	2,506,119
Total Noncurrent Assets	<u>62,077,426</u>	<u>61,966,522</u>
Total Assets	<u>91,578,192</u>	<u>86,928,560</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding	1,084,688	1,439,345
Total Assets and Deferred Outflows of Resources	<u>92,662,880</u>	<u>88,367,905</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	1,189,712	1,305,192
Accrued Interest Payable	35,206	42,051
Leases Payable - Current Portion (Note 7)	1,142,831	945,967
Bonds Payable - Current Portion (Note 8)	2,946,239	2,476,580
Unearned Revenue-Other	525,808	398,189
Total Current Liabilities	<u>5,839,796</u>	<u>5,167,979</u>
LONG-TERM LIABILITIES		
Leases Payable (Note 7)	6,262,535	5,605,785
Bonds Payable (Note 8)	16,383,609	19,288,685
Total Long-Term Liabilities	<u>22,646,144</u>	<u>24,894,470</u>
Total Liabilities	28,485,940	30,062,449
DEFERRED INFLOWS OF RESOURCES		
Unearned Revenue-Property Taxes	6,069,137	5,709,289
Total Liabilities and Deferred Inflows of Resources	<u>34,555,077</u>	<u>35,771,738</u>
NET POSITION		
Net Investment in Capital Assets	31,736,090	30,708,462
Restricted for:		
Debt Service (Note 5) (expendable)	1,874,275	1,874,275
Unrestricted	24,497,438	20,013,430
Total Net Position	<u>58,107,803</u>	<u>52,596,167</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 92,662,880</u>	<u>\$ 88,367,905</u>

The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
OPERATING REVENUES		
Fees and Charges Pledged as Security for Revenue Bonds	\$ 22,773,942	\$ 22,687,442
Fees and Charges	43,403	42,777
Conservation Trust Fund	633,118	614,479
Other	151,298	63,022
Total Operating Revenues	23,601,761	23,407,720
OPERATING EXPENSES		
General and Administrative	3,603,579	3,611,350
Parks	1,796,748	1,678,869
Golf Course and Pro Shop	2,007,378	1,945,417
Recreation	1,983,776	2,049,101
Swimming Pools and Aquatics	200,849	191,678
Carroll Butts Athletic Park	301,396	292,411
Golf Course Concessions	228,707	233,678
Water World	9,041,187	8,582,478
Adventure Golf	1,284,104	1,312,829
Conservation Trust Fund	9,844	56,626
Total Operating Expenses	20,457,568	19,954,437
INCOME FROM OPERATIONS BEFORE DEPRECIATION	3,144,193	3,453,283
Depreciation (Note 4)	(3,832,302)	(3,781,113)
NET LOSS FROM OPERATIONS	(688,109)	(327,830)
NON-OPERATING REVENUES (EXPENSES)		
Interest Expense	(1,216,321)	(1,290,964)
Taxes	6,220,547	5,435,297
Interest Income	314,037	122,508
Income from Joint Venture (Note 6)	428,445	319,045
Gain(Loss) on Sale of Capital Assets	64,087	30,000
Total Non-Operating Revenues (Expenses)	5,810,795	4,615,886
Income Before Capital Grants and Contributions	5,122,686	4,288,056
Capital Grants and Contributions	388,950	1,232,889
CHANGE IN NET POSITION	5,511,636	5,520,945
NET POSITION, Beginning of Year	52,596,167	47,075,222
NET POSITION, End of Year	\$ 58,107,803	\$ 52,596,167

The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

CASH FLOW FROM OPERATING ACTIVITIES	<u>2018</u>	<u>2017</u>
Cash Received From Customers	\$ 22,642,131	\$ 22,917,525
Cash Payments for Operations and Supplies for Goods and Services	(10,785,410)	(10,234,184)
Cash Payments to Employees	(9,834,662)	(9,719,745)
Conservation Trust Fund Income	633,118	614,479
Conservation Trust Fund Expense	<u>(9,844)</u>	<u>(56,626)</u>
Net Cash Provided by Operating Activities	<u>2,645,333</u>	<u>3,521,449</u>
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES		
Property Taxes	<u>6,217,371</u>	<u>5,425,243</u>
Net Cash Provided by Non-Capital Financing Activities	<u>6,217,371</u>	<u>5,425,243</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest Paid on Bonds and Leases	(1,088,926)	(1,073,076)
Acquisition of Capital Assets	(3,639,669)	(3,412,110)
Proceeds From Sale of Capital Assets	64,087	30,000
Lease Proceeds Received	2,000,000	-
Bond Proceeds Received	2,775,000	-
Capital Grants and Contributions	1,027,892	2,196,299
Lease Principal Payments Made During the Year	(1,146,386)	(1,052,611)
Bond Principal Payments Made During the Year	<u>(4,990,000)</u>	<u>(2,260,000)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(4,998,002)</u>	<u>(5,571,498)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	2,608,069	3,186,000
Purchase of Investments	(7,066,854)	(6,899,783)
Interest on Investments	314,037	122,508
Distribution from/to Ice Centre	<u>124,909</u>	<u>39,655</u>
Net Cash Used for Investing Activities	<u>(4,019,839)</u>	<u>(3,551,620)</u>
Net (Decrease) in Cash and Cash Equivalents	(155,137)	(176,426)
Cash and Cash Equivalents, Beginning of Year	<u>6,848,688</u>	<u>7,025,114</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,693,551</u>	<u>\$ 6,848,688</u>

The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2018</u>	<u>2017</u>
Operating (Loss)	\$ (688,109)	\$ (327,830)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	3,832,302	3,781,113
Changes in Assets and Liabilities		
Receivables	(454,638)	(103,955)
Due to/from Ice Centre	507	(32,837)
Inventories	(23,683)	(16,146)
Prepaid Expense	(33,185)	2,044
Accounts Payable	(115,480)	(42,016)
Unearned Revenue	<u>127,619</u>	<u>261,076</u>
Net Cash Provided by Operating Activities	<u>2,645,333</u>	<u>3,521,449</u>
 NON-CASH TRANSACTIONS		
Income from Joint Venture	<u>\$ 428,445</u>	<u>\$ 319,045</u>

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The accompanying notes are an integral
part of the financial statements

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hyland Hills Park and Recreation District's (the District) mission is to provide the finest recreational services and park facilities for the residents of its district.

The accounting system of the District is organized as a single enterprise fund. An enterprise fund accounts for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the District is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of physical plant facilities required to provide these services are financed from existing cash resources, the issuance of bonds, and other District funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The District's funds are accounted for using the economic resources measurement focus and the accrual basis of accounting; accordingly, revenues are recognized when earned and measurable, and expenses are recognized in the period incurred.

Operating revenues are those revenues generated directly from the primary activities of the District. Operating expenses are necessary costs to provide these goods or services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Merchandise inventory held for resale is recorded at cost using the FIFO (first-in, first-out) method of valuation.

Investments are recorded at net asset value.

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of 90 days or less (including restricted assets) when purchased to be cash equivalents.

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The District believes that the techniques and assumptions used in establishing these estimates are appropriate.

COMPENSATED ABSENCES

The District provides annual paid vacation leave for all eligible employees. Vacation leave accrued during the first year of District employment may not be taken until the completion of one year's continuous service.

Regular full-time employees accrue sick leave at a rate of one day per month with an unlimited accumulation. Sick leave accumulated in excess of fifty days may be exchanged for special vacation leave at the rate of two days sick leave for one day special vacation leave only after meeting certain criteria.

The District provides that a regular full-time employee may be granted a personal leave of absence with pay up to four days within one calendar year. Per District policy, there are no accrued compensated absences and no time carried forward to subsequent years, therefore, no liability is recorded.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Adams County Treasurer's Office collects property taxes and remits to the District, on a monthly basis, the District's portion of the property taxes based on the District's mill levy.

Annual property taxes are levied by the Adams County Assessor's office on assessed valuation as of January 1, and attached as an enforceable lien on the property at that time. Taxpayers may pay property taxes in two equal installments. One-half of the taxes due will become delinquent March 1, after which date interest will be added as provided by law. The remaining half will become delinquent June 16. If the entire annual tax is paid on or before April 30, no interest will be added.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are recorded at December 31. As the tax is collected in the succeeding year, the unearned revenue is recognized as revenue, and the receivable is reduced.

CAPITAL ASSETS

Purchased capital assets are recorded at acquisition cost. Donated capital assets are recorded at acquisition value at date of transfer. Interest on constructed assets is expensed, not capitalized. Assets with a value of greater than \$5,000 are capitalized and depreciated over the estimated useful life using the straight line method.

Buildings	20 - 50 years
Improvements Other than Buildings	10 - 30 years
Furniture and Equipment	5 - 10 years

LIABILITIES

Long-term liabilities of the District consisting of capitalized leases, revenue obligations, and general obligations are recorded in the enterprise fund. Principal and accrued interests are recorded as liabilities and are reduced as payments are made. Amounts recorded as "current portion" represent principal payable within one year and are reclassified into current portion each year.

BUDGET PROCESS

The District adopts an annual budget at the end of each year for the following calendar year. All appropriations are adopted by the District at the department level.

Unused appropriations expire (lapse) at year-end. Amendment to the budget through supplemental appropriations requires approval of the board of directors, publication of the public hearing dates and proposed supplemental appropriations, the holding of a public hearing, and the filing of the approved supplemental appropriations with the Colorado Division of Local Governments.

The District budgets on a non-GAAP basis. For budget purposes, bond and lease proceeds are considered revenues. Purchase of capital assets and principal payments of debt are shown as expenditures. Depreciation is not budgeted.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported on the balance sheet. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenues that relate to a future period have been recorded as deferred inflows.

NOTE 2: THE REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB), the District has considered the possibility of inclusion of additional entities in its special purpose financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for governmental organizations that are fiscally dependent upon it.

The District does not exercise such authority over any other entity, and therefore no other entities are included in the District's financial statements.

NOTE 3: CASH DEPOSITS AND INVESTMENTS

The cash deposits and investments consist of the following:

	2018	2017
Cash and Cash Equivalents	\$ 6,693,551	\$ 6,848,688
Certificates of Deposit	2,736,389	3,042,972
Colorado Government Liquid Asset Trust (ColoTrust)	13,867,146	9,101,778
Total Cash Deposits and Investments	\$ 23,297,086	\$ 18,993,438

The cash deposits and investment classifications as shown on the balance sheet are as follows:

	2018	2017
Cash and Cash Equivalents - Unrestricted	\$ 6,693,551	\$ 6,848,688
Investments - Unrestricted	14,729,260	10,270,475
Investments - Restricted	1,874,275	1,874,275
Total Cash Deposits and Investments	\$ 23,297,086	\$ 18,993,438

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

CASH DEPOSITS

The District's deposit and investment policy is to follow the Colorado Public Deposit Protection Act (PDPA) and state statute. 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 regulations. At December 31, 2018 and December 31, 2017, State Regulatory Commissioners have indicated that all financial institutions holding deposits for Hyland Hills Park and Recreation District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits.

	2018	
	BOOK	BANK
	BALANCE	BALANCE
Insured	\$ 1,000,000	\$ 1,000,000
Collateralized Deposits	8,398,240	8,499,228
Total Deposits	9,398,240	\$ 9,499,228
Cash on Hand	31,700	
Total Cash and Deposits	\$ 9,429,940	

	2017	
	BOOK	BANK
	BALANCE	BALANCE
Insured	\$ 1,250,000	\$ 1,250,000
Collateralized Deposits	8,605,621	8,606,420
Total Deposits	9,855,621	\$ 9,856,420
Cash on Hand	36,040	
Total Cash and Deposits	\$ 9,891,661	

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

The Board of Directors of the District requires that all investments of the District be made in accordance with its investment policy.

Colorado Statutes specify in which instruments the units of local governments may invest which include:

- Obligations of the United States and certain U.S. government agency's securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The District's investments are categorized below to give an indication of the level of credit risk assumed. The District limits CD maturities to three years or less to reduce credit risk.

		2018		
		Carrying Amount	Maturities Up to 1 Year	Maturities More Than 1 Year
S&P				
Certificates of Deposit	No Rating	\$ 2,736,389	\$ 2,736,389	\$ -
ColoTrust	AAAm	13,867,146	13,867,146	-
		<u>\$ 16,603,535</u>	<u>\$ 16,603,535</u>	<u>\$ -</u>
		2017		
		Carrying Amount	Maturities Up to 1 Year	Maturities More Than 1 Year
S&P				
Certificates of Deposit	No Rating	\$ 3,042,972	\$ 331,085	\$ 2,711,887
ColoTrust	AAAm	9,101,778	9,101,778	-
		<u>\$ 12,144,750</u>	<u>\$ 9,432,863</u>	<u>\$ 2,711,887</u>

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The District has investments in 2018 and 2017 of \$13,867,146 and \$9,101,778, respectively, in Colorado Government Liquid Asset Trust (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. This trust operates similarly to a money market fund, and each share is equal in value to one dollar. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME is rated AAAM by Standard and Poor's. COLOTRUST PLUS+ is rated AAAM by Standard and Poor's and Fitch and Moody's. Both portfolios may invest in 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. Financial statements are available at www.colotrust.com.

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 external investment pool (COLOTRUST) is valued using the NAV per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemptions notice period.

NOTE 4: SUMMARY OF CHANGES IN CAPITAL ASSETS

The changes in capital assets for 2018 are as follows:

	Balance 1/1/2018	Additions	Retirements	Completed Construction	Balance 12/31/2018
Capital Assets, Not Being Depreciated:					
Land/Water Shares	\$ 4,769,985	\$ 45,617	\$ -	\$ -	\$ 4,815,602
Construction in Progress	571,540	48,368	-	(571,540)	48,368
Capital Assets, Being Depreciated:					
Buildings	20,559,377	182,193	-	-	20,741,570
Improvements Other than Buildings	79,783,005	2,703,175	-	571,540	83,057,720
Equipment and Furnishings	22,387,917	660,316	(149,673)	-	22,898,560
Total Capital Assets	<u>128,071,824</u>	<u>3,639,669</u>	<u>(149,673)</u>	<u>-</u>	<u>131,561,820</u>
Accumulated Depreciation:					
Buildings	(10,711,514)	(508,396)	-	-	(11,219,910)
Improvements Other than Buildings	(45,496,752)	(2,310,936)	-	-	(47,807,688)
Equipment and Furnishings	(14,277,430)	(1,012,970)	149,673	-	(15,140,727)
Total Accumulated Depreciation	<u>(70,485,696)</u>	<u>(3,832,302)</u>	<u>149,673</u>	<u>-</u>	<u>(74,168,325)</u>
Net Capital Assets	<u>\$ 57,586,128</u>	<u>\$ (192,633)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,393,495</u>

Depreciation expense for the year ended December 31, 2018 was \$3,832,302.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 4: SUMMARY OF CHANGES IN CAPITAL ASSETS (CONTINUED)

The changes in capital assets for 2017 are as follows:

	Balance 1/1/2017	Additions	Retirements	Completed Construction	Balance 12/31/2017
Capital Assets, Not Being Depreciated:					
Land/Water Shares	\$ 4,551,193	\$ 218,792	\$ -	\$ -	\$ 4,769,985
Construction in Progress	209,879	432,550	-	(70,889)	571,540
Capital Assets, Being Depreciated:					
Buildings	20,524,879	34,498	-	-	20,559,377
Improvements Other than Buildings	77,911,062	1,808,738	-	63,205	79,783,005
Equipment and Furnishings	21,934,277	917,532	(471,576)	7,684	22,387,917
Total Capital Assets	125,131,290	3,412,110	(471,576)	-	128,071,824
Accumulated Depreciation:					
Buildings	(10,195,336)	(516,178)	-	-	(10,711,514)
Improvements Other than Buildings	(43,238,345)	(2,258,407)	-	-	(45,496,752)
Equipment and Furnishings	(13,742,478)	(1,006,528)	471,576	-	(14,277,430)
Total Accumulated Depreciation	(67,176,159)	(3,781,113)	471,576	-	(70,485,696)
Net Capital Assets	\$ 57,955,131	\$ (369,003)	\$ -	\$ -	\$ 57,586,128

Depreciation expense for the year ended December 31, 2017 was \$3,781,113.

NOTE 5: RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments represents debt proceeds and funds set aside for payment of debt and specific purposes as outlined below:

	2018	2017
2010 Revenue Bond Reserve	\$ 371,275	\$ 371,275
2016-A Special Revenue Refunding Bond Reserve	1,013,500	1,013,500
2016-B Special Revenue Refunding Bond Reserve	489,500	489,500
Total Restricted Cash and Investments	\$ 1,874,275	\$ 1,874,275

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 6: JOINT VENTURE

The District is a partner in an intergovernmental agreement with the City of Westminster to jointly operate a three sheet Ice Skating Facility, The Ice Centre at the Promenade. The facility serves more than 450,000 people each year for ice skating programs including figure skating and hockey.

The City of Westminster, through its building authority, financed and constructed the project in 1998. The District operates the facility pursuant to a sub-lease which calls for the District to make lease payments to the City equivalent to one-half of the rental obligation due to the City's building authority. The agreement entitles the District to an undivided fifty percent interest in the Ice Centre, which in the event of default, would be reduced by two percent for each year the lease obligation was not met. The District and the City each receive one-half of the net revenues received from the operation of the Ice Centre. See Note 14 for further discussion.

Complete joint venture financial statements are maintained at the District's Administrative offices, located at 8801 N. Pecos St., Federal Heights, CO 80260.

BALANCE SHEET

	2018	2017
CURRENT ASSETS		
Inventories	\$ 208,706	\$ 177,338
Total Current Assets	208,706	177,338
CAPITAL ASSETS		
Capital Assets - Net of Accumulated Depreciation	8,789,859	8,981,935
Total Capital Assets	8,789,859	8,981,935
OTHER ASSETS		
Capital Replacement Reserve Fund	317,508	314,021
Reserve Fund - Certificates of Participation	995,000	995,000
Total Other Assets	1,312,508	1,309,021
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding	52,303	65,378
Total Deferred Outflows of Resources	52,303	65,378
Total Assets and Deferred Outflows of Resources	10,363,376	10,533,672
LIABILITIES		
Due to District	294,008	294,515
Due to City	58,460	53,673
Premium on Certificates of Participation	26,599	33,248
Certificates of Participation Payable	4,365,000	5,140,000
Total Liabilities	4,744,067	5,521,436
FUND NET POSITION		
Retained Earnings	8,148,268	7,291,378
Disbursement of equity to partners	(2,528,959)	(2,279,142)
Total Fund Net Position	5,619,309	5,012,236
Total Liabilities and Fund Net Position	\$ 10,363,376	\$ 10,533,672

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 6: JOINT VENTURE (CONTINUED)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

REVENUES	<u>2018</u>	<u>2017</u>
Operating Revenues	\$ <u>3,681,642</u>	\$ <u>3,540,283</u>
Total Operating Revenues	<u>3,681,642</u>	<u>3,540,283</u>
EXPENSES		
Operating Expenses	2,289,458	2,352,620
Interest Expense - Certificates of Participation	189,363	213,738
Depreciation Expense	<u>345,932</u>	<u>335,834</u>
Total Operating Expenses	<u>2,824,753</u>	<u>2,902,192</u>
Operating Net Income	<u>856,889</u>	<u>638,091</u>
NET INCOME	<u>\$ 856,889</u>	<u>\$ 638,091</u>

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**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 7: CAPITALIZED LEASES PAYABLE

The District is a lessee in several lease/purchase agreements. A summary of future minimum lease payments follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
2009 Thunder Bay Lease	\$ 124,618	\$ -	\$ -	\$ -
2011 Golf Clubhouse Lease	144,290	144,290	144,289	-
2013 Golf Irrigation Lease	119,938	119,938	119,938	119,938
2014 Golf Irrigation Lease	240,465	240,465	240,465	240,465
2016 WW Ride/GC Irrigation Lease	520,108	520,108	520,108	520,108
2018 WW Ride Lease	<u>241,039</u>	<u>241,040</u>	<u>241,040</u>	<u>241,040</u>
Totals	<u>\$ 1,390,458</u>	<u>\$ 1,265,841</u>	<u>\$ 1,265,840</u>	<u>\$ 1,121,551</u>

The rate of interest for each capital lease obligation follows:

2009 Thunder Bay Lease	[1]
2011 Golf Clubhouse Lease	3.50%
2013 Golf Irrigation Lease	3.45%
2014 Golf Irrigation Lease	3.49%
2016 WW Ride/GC Irrig. Lease	2.84%
2018 WW Ride Lease	3.91%

[1] The interest rate on this lease is tied directly to the 10 year treasury note and adjusted every 2 years, but has a set minimum and maximum rate based on prime rate at the time of lease inception.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

<u>2023</u>	<u>2024-2027</u>	<u>Total</u>	<u>Less Imputed Interest</u>	<u>12/31/2018 Net Present Value of Capitalized Leases</u>	<u>12/31/2017 Net Present Value of Capitalized Leases</u>
\$ -	\$ -	\$ 124,618	\$ (7,054)	\$ 117,564	\$ 235,128
-	-	432,869	(28,622)	404,247	529,988
119,941	-	599,693	(57,396)	542,297	640,149
240,466	240,467	1,442,793	(161,165)	1,281,628	1,470,721
520,108	1,040,216	3,640,756	(380,706)	3,260,050	3,675,766
<u>241,040</u>	<u>964,155</u>	<u>2,169,354</u>	<u>(369,774)</u>	<u>1,799,580</u>	<u>-</u>
<u>\$ 1,121,555</u>	<u>\$ 2,244,838</u>	<u>\$ 8,410,083</u>	<u>\$ (1,004,717)</u>	<u>\$ 7,405,366</u>	<u>\$ 6,551,752</u>

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 7: CAPITALIZED LEASES PAYABLE (CONTINUED)

The amount of capital assets recorded under current capital lease obligations and related accumulated depreciation is as follows:

	2018	2017
2009 Thunder Bay Lease	\$ 1,184,058	\$ 1,184,058
2010 Golf Cart Lease	425,128	425,128
2011 Golf Clubhouse Lease	4,334,455	4,334,455
2012 Gen. Lease Equipment	154,281	154,281
2012 Ent. Lease Equipment	581,232	581,232
2013 Gen. Lease Equipment	119,604	119,604
2013 Ent. Lease Equipment	462,242	462,242
2013 Golf Irrigation Lease	1,639,544	1,639,544
2014 Golf Irrigation Lease	2,377,174	2,377,174
2016 WW Ride/GC Irrigation Lease	4,645,974	4,645,974
2018 WW Ride Lease	2,102,253	-
 Total Capital Assets Under Capital Lease Obligations	 18,025,945	 15,923,692
 Accumulated Depreciation	 (4,172,054)	 (3,375,267)
 Net Capital Assets Under Capital Lease Obligations	 \$ 13,853,891	 \$ 12,548,425

SUMMARY OF CHANGES IN CAPITAL LEASE OBLIGATIONS:

2018					
Capital Leases	BALANCE 1/1/2018	ADDITIONS	RETIREMENTS	BALANCE 12/31/2018	AMOUNTS DUE WITHIN ONE YEAR
	\$ 6,551,752	\$ 2,000,000	\$ 1,146,386	\$ 7,405,366	\$ 1,142,831

2017					
Capital Leases	BALANCE 1/1/2017	ADDITIONS	RETIREMENTS	BALANCE 12/31/2017	AMOUNTS DUE WITHIN ONE YEAR
	\$ 7,604,363	\$ -	\$ 1,052,611	\$ 6,551,752	\$ 945,967

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 8: BONDS PAYABLE

2007 SPECIAL REVENUE REFUNDING AND IMPROVEMENT BONDS

On March 8, 2007, the District issued \$17,090,000 Special Revenue Refunding and Improvement Bonds, series 2007. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 4.00% and 5.00% per annum. Interest is payable semi-annually. Principal payments are made annually, and range from \$380,000 to \$1,670,000, with a maturity date of December 2026.

\$7,715,081 of the proceeds from the issue was used to defease \$7,515,000 of the series 1996 Special Revenue Refunding and Improvement Bonds with an interest rate of 6.75%. The proceeds net of accrued interest, underwriting fees, insurance, and other issuance costs were used to purchase securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the series 1996 bonds. The Bonds were called in April of 2007, and there is no longer any outstanding debt. The refunding provided an economic gain (the difference between the present values of the debt service payments on the refunded and refunding bonds) of \$422,204 and an increase in debt service payments of \$1,652,368.

In August 2016, the 2007 Special Revenue Refunding Bonds were refunded with the 2016-A and 2016-B Special Revenue Refunding Bonds.

2010 SPECIAL REVENUE BONDS

In December 2010, the District issued \$6,895,000 Special Revenue Bonds. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 2.000% and 5.625% per annum. Interest is payable semi-annually. Principal payments range from \$100,000 to \$585,000, with a maturity date of December 2030. The bonds were issued to make improvements to various facilities throughout the District.

In August 2016, \$4,665,000 of the 2010 Special Revenue Bonds were refunded with the 2016-A Special Revenue Refunding Bonds.

2010 GENERAL OBLIGATION REFUNDING BONDS

In April 2010, the District issued \$11,780,000 General Obligation Refunding Bonds. The bonds are a General Obligation of the District and are payable from Ad Valorem property taxes. The bonds earn interest between 2.00% and 4.50% per annum. Interest is payable semi-annually. Bonds mature annually on December 15th. Principal payments range from \$80,000 to \$1,350,000, with a maturity date of December 2022. Bonds maturing on or after December 15, 2021 are subject to prior redemption at the option of the District.

The proceeds from the 2010 issue were placed in an irrevocable trust to be used to advance refund a portion of the 2002 General Obligation Bonds and pay for cost of issuance. At December 31, 2010, the outstanding principal balance of the defeased debt was \$10,995,000. The refunding provided an economic gain (the difference between the present values of the debt service payments on the refunded and refunding bonds) of \$405,214 and a reduction in debt service payments of \$492,638.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 8: BONDS PAYABLE (CONTINUED)

2016-A SPECIAL REVENUE REFUNDING BONDS

In August 2016, the District issued \$10,135,000 Special Revenue Refunding Bonds. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 2.00% and 5.00% per annum. Interest is paid semi-annually. Principal payments are made annually, and range from \$450,000 to \$1,050,000, with a maturity of December 2030.

Proceeds from the issue were used to defease \$5,410,000 of the 2007 Special Revenue Refunding Bonds and \$4,965,000 of the 2010 Special Revenue Bonds. The refunding provided an economic gain (the difference between present values of the debt service payments on the refunded and refunding bonds) of \$787,617 and a decrease of debt service payments of \$1,041,352.

2016-B SPECIAL REVENUE REFUNDING BONDS

In August 2016, the District issued \$4,895,000 Special Revenue Refunding Bonds. The bonds are payable solely from and secured by the net revenues derived by the District through the operation of certain revenue-producing facilities. The bonds earn interest between 0.80% and 3.00% per annum. Interest is paid semi-annually. Principal payments are made annually, and range from \$410,000 to \$500,000, with a maturity of December 2026.

The proceeds from the issue were used to defease \$4,855,000 of the series 2007 Special Revenue Refunding Bonds. The refunding provided economic gain (the difference between present values of the debt service payments on the refunded and refunding bonds) of \$192,889 and a decrease of debt service payments of \$554,483.

2018 GENERAL OBLIGATION REFUNDING BONDS

In December 2018, the District issued \$2,775,000 General Obligation Refunding Bonds. The bonds are a General Obligation of the District and are payable from Ad Valorem property taxes. The bonds earn interest at 3.45% per annum. Interest is payable semi-annually. Bonds mature annually on December 15th. Principal payments range from \$260,000 to \$1,715,000, with a maturity date of December 2022. Bonds maturing on or after December 15, 2021 are subject to prior redemption at the option of the District.

The proceeds from the 2018 issue were placed in an irrevocable trust to be used to advance refund a portion of the 2010 General Obligation Bonds and pay for cost of issuance. At December 31, 2018, the outstanding principal of the defeased debt was \$2,720,616. The refunding provided an economic loss (the difference between present values of the debt service payments on the refunded and refunding bonds) of \$57,618 on a net present value basis and a reduction in debt service payments of \$12,849 over the life of the new debt.

PLEGGED REVENUES

The District has issued General Obligation Bonds and Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within the District; the pledged revenue is supplied by the District.

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt which was met by the District. The debt service coverage, or comparison of pledged revenues net of specific operating expenses, for each pledged debt is outlined in the Pledged Revenue Table in the Statistical Section.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 8: BONDS PAYABLE (CONTINUED)

PLEDGED REVENUES (CONTINUED)

The District has pledged future fees and charges for operating revenue, net of specific operating expenses, to repay \$13,075,000 in outstanding revenue bonds. Proceeds from the bonds provided financing for the construction of capital asset projects or refunded other revenue bonds issued for that purpose. The bonds are payable through 2030. The total principal and interest remaining to be paid on the bonds at December 31, 2018 is \$15,728,383. Principal and interest paid for the current year and total operating net revenues were \$1,691,842 and \$22,773,942, respectively.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 8: BONDS PAYABLE (CONTINUED)

A summary of changes in bonds payable follows:

2018					
<u>Issue</u>	Balance 1/1/2018	Additions	Retirements	Balance 12/31/2018	Amounts Due Within One Year
2010 Special Revenue Bonds	\$ 1,020,000	\$ -	\$ 325,000	\$ 695,000	\$ 340,000
2010 G.O. Refunding Bonds	6,225,000	-	3,785,000	2,440,000	1,195,000
2016-A Refunding Bonds	9,185,000	-	460,000	8,725,000	490,000
2016-B Refunding Bonds	4,075,000	-	420,000	3,655,000	425,000
2018 G.O. Refunding Bonds	-	2,775,000	-	2,775,000	395,000
Premium On Bonds	1,274,015	-	224,335	1,049,680	105,157
Discount on 2010 Special Revenue Bonds	(10,758)	-	(3,586)	(7,172)	(3,586)
Discount on 2016-B Special Revenue Refunding Bonds	(2,992)	-	(332)	(2,660)	(332)
Total Liabilities	<u>\$ 21,765,265</u>	<u>\$ 2,775,000</u>	<u>\$ 5,210,417</u>	<u>\$ 19,329,848</u>	<u>\$ 2,946,239</u>

2017					
<u>Issue</u>	Balance 1/1/2017	Additions	Retirements	Balance 12/31/2017	Amounts Due Within One Year
2010 Special Revenue Bonds	\$ 1,330,000	\$ -	\$ 310,000	\$ 1,020,000	\$ 325,000
2010 G.O. Refunding Bonds	7,315,000	-	1,090,000	6,225,000	1,140,000
2016-A Refunding Bonds	9,635,000	-	450,000	9,185,000	460,000
2016-B Refunding Bonds	4,485,000	-	410,000	4,075,000	420,000
Premium On Bonds	1,409,514	-	135,499	1,274,015	135,499
Discount on 2010 Special Revenue Bonds	(14,345)	-	(3,587)	(10,758)	(3,587)
Discount on 2016-B Special Revenue Refunding Bonds	(3,324)	-	(332)	(2,992)	(332)
Total Liabilities	<u>\$ 24,156,845</u>	<u>\$ -</u>	<u>\$ 2,391,580</u>	<u>\$ 21,765,265</u>	<u>\$ 2,476,580</u>

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 8: BONDS PAYABLE (CONTINUED)

A summary of debt service on bonded indebtedness to maturity follows:

REVENUE BONDS

YEAR	2016-A SPECIAL REVENUE REFUNDING BONDS		2016-B SPECIAL REVENUE REFUNDING BONDS		2010 SPECIAL REVENUE BONDS		TOTAL REVENUE BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2019	\$ 490,000	\$ 327,175	\$ 425,000	\$ 90,902	\$ 340,000	\$ 31,275	\$ 1,255,000	\$ 449,352
2020	500,000	307,575	430,000	83,678	355,000	15,975	1,285,000	407,228
2021	900,000	287,575	435,000	75,078	-	-	1,335,000	362,653
2022	900,000	269,575	450,000	65,725	-	-	1,350,000	335,300
2023	925,000	251,575	460,000	55,150	-	-	1,385,000	306,725
2024-2028	3,970,000	654,375	1,455,000	88,200	-	-	5,425,000	742,575
2029-2030	1,040,000	49,550	-	-	-	-	1,040,000	49,550
TOTAL	\$ 8,725,000	\$ 2,147,400	\$ 3,655,000	\$ 458,733	\$ 695,000	\$ 47,250	\$ 13,075,000	\$ 2,653,383

GENERAL OBLIGATION BONDS

YEAR	2010 GENERAL OBLIGATION REFUNDING BONDS		2018 GENERAL OBLIGATION REFUNDING BONDS		TOTAL GENERAL OBLIGATION BONDS		TOTAL REVENUE AND G/O BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2019	\$ 1,195,000	\$ 101,813	\$ 395,000	\$ 92,546	\$ 1,590,000	\$ 194,359	\$ 2,845,000	\$ 643,711
2020	1,245,000	49,800	405,000	82,110	1,650,000	131,910	2,935,000	539,138
2021	-	-	1,715,000	68,138	1,715,000	68,138	3,050,000	430,791
2022	-	-	260,000	8,970	260,000	8,970	1,610,000	344,270
2023	-	-	-	-	-	-	1,385,000	306,725
2024-2028	-	-	-	-	-	-	5,425,000	742,575
2029-2030	-	-	-	-	-	-	1,040,000	49,550
TOTAL	\$ 2,440,000	\$ 151,613	\$ 2,775,000	\$ 251,764	\$ 5,215,000	\$ 403,377	\$ 18,290,000	\$ 3,056,760

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017

NOTE 9: RECONCILIATION OF REVENUES AND EXPENSES GAAP BASIS TO BUDGETARY BASIS

For financial statement presentation purposes, the District is shown as an enterprise fund. This essentially requires the accounting treatment to be the same as a business whereby revenue is recognized as income when a sale occurs and is earned. Expenses are recognized when incurred. Depreciation is recorded on capitalized equipment and other costs. For budgetary purposes, all receipts are shown as revenue, regardless of whether they are earned revenue or liabilities. Budgetary expenditures are recorded for disbursements, including capital expenditures and debt service payments, regardless of the period those disbursements benefit. Below is a reconciliation of the two methods:

	2018		2017
Total Revenues on Budgetary Basis	\$ 36,271,024	\$	35,759,999
Add - Joint Venture Income	428,445		319,045
Less - Lease Proceeds	(2,000,000)		
Ice Centre at the Promenade Revenues	(3,681,642)		(3,540,283)
Total Revenues on Generally Accepted Accounting Principles Basis	31,017,827		32,538,761
Total Expenditures on Budgetary Basis	31,686,360		30,872,314
Add - Depreciation on Capital Assets	3,832,302		3,781,113
Less - Capital Outlay Expenditures	(3,639,669)		(3,412,110)
Bond Issuance Costs	(41,163)		
Lease Issuance Costs	(15,500)		
Ice Centre at the Promenade Expenditures	(2,824,753)		(2,902,192)
Debt Service			
Bond Principal Payments	(2,345,000)		(2,260,000)
Lease Principal Payments	(1,146,386)		(1,052,611)
Total Expenses on Generally Accepted Accounting Principles Basis	\$ 25,506,191	\$	25,026,514

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 10: DEFINED CONTRIBUTION PLAN

Hyland Hills Park and Recreation District has a defined contribution plan established under IRS Code Section 401(k). Assets of the defined contribution plan are not recorded in the District's financial statements as the assets are not available to the District's general creditors. Principal Financial Group is the insurer of the plan.

Hyland Hills adopted, under board resolution, the defined contribution plan on January 1, 1986. Salaried employees are eligible to participate in the plan after they have completed one year of service. Hourly paid employees are eligible to participate in the plan on the first day of the calendar month following one year of service during which they worked 1,000 hours. The District matches the employee's contributions to the plan up to 6% of the employee's compensation for the pay period. Employee contributions are only limited by the IRS annual limitations. Employer's contributions become fully vested after three years of employment with the District. The District's Board of Directors authorizes District match and District management has the authority to amend or establish plan requirements.

The District, in conjunction with an asset custodian, administers the plan. The District and employees contributed \$221,919 and \$350,719 respectively to the plan in 2018 and \$246,437 and \$394,243 respectively to the plan in 2017. The contribution rate for employees is 7.37% of the covered payroll for 2018 and 8.45% of the covered payroll for 2017. Total payroll for 2018 was \$9,834,662 and payroll covered under the defined contribution plan was \$4,756,144. Total payroll for 2017 was \$9,719,745 and payroll covered under the defined contribution plan is \$4,665,743.

NOTE 11: CONTINGENT LIABILITIES

There are no pending lawsuits in which the District is involved.

NOTE 12: OPERATING LEASES

The District is the lessor in several operating leases with independent companies as detailed below. The leases are cancelable at either parties' discretion and obligate the District for the terms detailed below.

<u>Leased Property</u>	<u>District Facility</u>	<u>Expiration Date</u>	<u>Monthly Rent</u>	<u>Carrying Amount</u>	<u>Accumulated Depreciation</u>
Restaurant Space and Equipment	Golf Course	12/31/2022	\$ 4,300	\$ 3,048,528	\$ 650,346
Restaurant Space	Ice Centre	12/31/2022	5,750	541,931	217,438
Retail Space	Ice Centre	7/31/2020	5,400	311,611	125,027
Wireless Communications Site	Ice Centre	10/31/2019	1,910	40,645	16,308
Wireless Communications Site	Waddell Park	6/20/2020	2,790	1,439	-

NOTE 13: RISK MANAGEMENT

The District is a member of the Colorado Special District Association (SDA) Property and Liability Pool, a separate and independent governmental and legal entity, which was established pursuant to an intergovernmental agreement authorized by state statutes. The purposes of the Pool are to provide property and liability and workers' compensation insurance coverage and risk management services to its municipal members at a reasonable cost.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 13: RISK MANAGEMENT (CONTINUED)

Members can participate actively in policy-making through the Board of Directors, which are nominated and elected by members; involvement on a number of board committees; and participation at annual general membership meetings. Operations are funded by individual membership contributions.

It is the intent of the members of the SDA Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the by-laws, any member of the Pool against stated liability or loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the SDA Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the SDA Pool shall be at all times dedicated to the exclusive benefit of its members. The by-laws shall constitute the substance of the intergovernmental contract among the members. The amount of settlements has not exceeded insurance coverage for any of the three previous years.

NOTE 14: INTERGOVERNMENTAL AGREEMENTS

The District entered into an Intergovernmental Agreement with the City of Westminster whereby Hyland Hills caused the existing structure of a community building acquired in 1992 to be divided into a two unit condominium with the existing parking lot being designated as common area. The City of Westminster purchased from Hyland Hills an undivided one-half interest in Condominium Unit One. Condominium Unit One consists of approximately two-thirds of the existing structure, where the City and the District jointly operate a Senior/Community Center.

During 1997, the District entered into an Intergovernmental Agreement with the City of Westminster whereby the City built a new Ice Arena, called The Ice Centre at the Promenade within the City of Westminster. The District leases and operates the facility. The 142,000 square foot facility is comprised of three full-size sheets of ice, with amenities including locker rooms, concession facilities, a full-line pro shop, restaurant space and retail space. The facility opened to the public during 1999, at which time the District moved all skating operations from its former ice rink to the Ice Centre at the Promenade.

Cash distributions for the Ice Centre are made quarterly to each partner based on cash receipts and disbursements. Certificates of Participation issued to construct the facility are in the City's name and are wholly owned by the City. Hyland Hills has agreed to pay annual rent to the City in an amount equal to one-half of the annual debt service for the Certificates of Participation.

NOTE 15: SIGNIFICANT ECONOMIC DEPENDENCIES

The District is a party in a sponsorship and exclusivity agreement with Pepsi-Cola Metropolitan Bottling Company, Inc. (Pepsi) which was executed in 1999 and expired in 2014. The original agreement provided the District with an annual sponsorship fee of \$240,000, of which \$100,000 was distributed to the Ice Centre at the Promenade. The District provides to Pepsi the exclusive sales and dispensing of only Pepsi's products at all District facilities and the Ice Centre at the Promenade. The District also agrees to designate Pepsi as the "Official Sponsor" of Hyland Hills and provides various advertising signage at its facilities at no additional charge to Pepsi. A new seven year agreement, with an expiration date of February 22, 2021, was signed with Pepsi on February 5, 2014, which allows for a reduced annual sponsorship of \$115,000, of which \$38,500 was distributed to the Ice Centre at the Promenade.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018 AND 2017**

NOTE 16: TAX SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 17: CONSTRUCTION COMMITMENTS

At December 31, the District had commitments for the completion of Phase IV construction at Clear Creek Valley Park in the amount of \$390,000. Also the District had a commitment for construction of an ADA Trail Project at Carl Park in the amount of \$340,000.

NOTE 18: SUBSEQUENT EVENTS

On February 28th, 2019, the District closed on a \$6.9 million dollar purchase; a portion of an existing building, housing a fitness center. The District took control of the fitness center along with its memberships, equipment, etc., and operate as such.

**HYLAND HILLS PARK AND
RECREATION DISTRICT**

**SCHEDULE OF REVENUES AND EXPENDITURES
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

REVENUES	2018		
	ACTUAL	ORIGINAL/ FINAL BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Taxes	\$ 6,220,547	\$ 6,126,289	\$ 94,258
Conservation Trust Fund	633,118	500,000	133,118
Adventure Golf	1,946,733	2,080,600	(133,867)
Golf Course	2,741,806	2,629,600	112,206
Golf Course Concessions	342,447	341,900	547
Carroll Butts Athletic Park (Former Ice Arena)	271,870	322,500	(50,630)
Ice Centre at the Promenade	3,681,642	3,294,800	386,842
Recreation	1,169,732	1,325,300	(155,568)
Swimming Pools and Aquatics	42,601	51,400	(8,799)
Water World	16,275,942	15,870,000	405,942
Interest	314,037	89,000	225,037
Lease Proceeds	2,000,000	-	2,000,000
Other	630,549	594,000	36,549
Total Revenues (Note 9)	<u>36,271,024</u>	<u>33,225,389</u>	<u>3,045,635</u>
EXPENDITURES			
General and Administrative	3,803,579	3,800,179	196,600
Adventure Golf	1,284,104	1,309,860	25,756
Golf Course and Pro Shop	2,007,378	1,933,400	(73,978)
Golf Course Concessions	228,707	260,725	32,018
Carroll Butts Athletic Park (Former Ice Arena)	301,396	322,500	21,104
Ice Centre at the Promenade	2,824,753	3,294,800	470,047
Parks	1,796,748	1,760,110	(36,638)
Recreation	1,983,776	2,002,052	18,276
Swimming Pools and Aquatics	200,849	196,315	(4,534)
Water World	9,041,187	9,122,905	81,718
Reserves and Contingency	-	16,683,459	16,683,459
Capital Outlay	3,639,669	1,383,000	(2,256,669)
Conservation Trust Fund	9,844	500,000	490,156
Debt Service			
Bond Interest	965,878	752,368	(213,510)
Bond Principal Payments	2,345,000	2,345,000	-
Bond Issue Costs	41,163	-	-
Lease Interest	250,443	205,089	(45,354)
Lease Principal Payments	1,146,386	1,146,386	-
Lease Issue Costs	15,500	-	(15,500)
Total Expenditures (Note 9)	<u>\$ 31,686,360</u>	<u>\$ 47,018,148</u>	<u>\$ 15,372,951</u>

See Independent Auditors' Report

2017		
ACTUAL	ORIGINAL/ FINAL BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 5,435,297	\$ 5,324,677	\$ 110,620
614,479	500,000	114,479
2,109,589	1,904,200	205,389
2,681,775	2,538,315	143,460
346,554	313,000	33,554
276,225	359,500	(83,275)
3,540,283	3,116,800	423,483
1,355,519	1,464,450	(108,931)
48,227	50,450	(2,223)
15,893,645	16,914,925	(1,021,280)
122,508	40,500	82,008
-	-	-
3,335,898	106,000	3,229,898
<u>35,759,999</u>	<u>32,632,817</u>	<u>3,127,182</u>
3,611,350	3,974,338	362,988
1,312,829	1,148,686	(164,143)
1,945,417	1,927,923	(17,494)
233,678	254,463	20,785
292,411	359,500	67,089
2,902,192	3,116,800	214,608
1,678,869	1,838,846	159,977
2,049,101	2,114,843	65,742
191,678	184,369	(7,309)
8,582,478	9,181,671	599,193
-	16,895,282	16,895,282
3,412,110	1,247,272	(2,164,838)
56,626	500,000	443,374
1,051,626	832,238	(219,388)
2,260,000	2,260,000	-
-	-	-
239,338	245,778	6,440
1,052,611	1,052,611	-
-	-	-
<u>\$ 30,872,314</u>	<u>\$ 47,134,620</u>	<u>\$ 16,262,306</u>

Statistical Section

STATISTICAL SECTION

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**Hyland Hills Park and Recreation District
Net Position by Component
Last Ten Fiscal Years
(Unaudited)**

Table 1

	As Restated				
	2018	2017	2016	2015	2014
Enterprise Fund					
Net investment in capital assets	\$ 31,736,090	\$ 30,708,462	\$ 27,987,932	\$ 22,706,443	\$ 17,714,026
Restricted	1,874,275	1,874,275	1,874,275	3,570,175	3,125,591
Unrestricted	24,497,438	20,013,430	17,213,015	12,899,746	13,513,866
Total Net Position	\$ 58,107,803	\$ 52,596,167	\$ 47,075,222	\$ 39,176,364	\$ 34,353,483
	2013	2012	2011	2010	2009
Enterprise Fund					
Net investment in capital assets	\$ 16,429,122	\$ 12,861,839	\$ 10,409,550	\$ 9,349,834	\$ 8,070,043
Restricted	2,484,029	2,322,383	6,847,512	9,061,329	5,644,525
Unrestricted	12,258,224	13,220,369	9,444,415	6,195,606	7,714,889
Total Net Position	\$ 31,171,375	\$ 28,404,591	\$ 26,701,477	\$ 24,606,769	\$ 21,429,457

Hyland Hills Park and Recreation District
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

Table 2

	As Restated				
	2018	2017	2016	2015	2014
OPERATING REVENUES					
Fees and Charges Pledged as Security for Revenue Bonds	\$ 22,773,942	\$ 22,687,442	\$ 23,269,480	\$ 22,837,628	\$ 21,518,449
Fees and Charges	43,403	42,777	45,920	58,601	46,676
Conservation Trust Fund	633,118	614,479	679,612	574,511	570,893
Other	151,298	63,022	77,571	59,941	160,225
Total Operating Revenues	23,601,761	23,407,720	24,072,583	23,530,681	22,296,243
OPERATING EXPENSES					
General and Administrative	3,603,579	3,611,350	3,768,060	3,673,816	3,409,976
Parks	1,796,748	1,678,869	1,722,694	1,813,127	1,684,987
Golf Course and Pro Shop	2,007,378	1,945,417	1,808,811	1,851,776	1,900,408
Recreation	1,983,776	2,049,101	2,061,081	2,045,331	1,865,134
Swimming Pools and Aquatics	200,849	191,678	197,322	171,412	183,109
Carroll Butts Athletic Park	301,396	292,411	299,611	302,920	286,423
Golf Course Concessions	228,707	233,678	247,293	228,549	213,290
Water World	9,041,187	8,582,478	8,900,185	9,251,727	8,955,567
Racquetball Courts	-	-	-	-	-
Adventure Golf	1,284,104	1,312,829	1,306,868	1,087,253	1,038,324
Conservation Trust Fund	9,844	56,626	76,243	88,094	150,500
Total Operating Expenses	20,457,568	19,954,437	20,388,168	20,514,005	19,687,718
INCOME FROM OPERATIONS BEFORE DEPRECIATION	3,144,193	3,453,283	3,684,415	3,016,676	2,608,525
Depreciation (Note 4)	(3,832,302)	(3,781,113)	(3,748,523)	(3,512,959)	(3,384,199)
NET LOSS FROM OPERATIONS	(688,109)	(327,830)	(64,108)	(496,283)	(775,674)
NON-OPERATING REVENUES (EXPENSES)					
Interest Expense	(1,216,321)	(1,290,964)	(1,239,662)	(1,476,158)	(1,533,109)
Taxes	6,220,547	5,435,297	5,353,315	4,980,502	4,918,716
Interest Income	314,037	122,508	55,699	27,800	24,594
Income from Joint Venture	428,445	319,045	372,930	314,106	219,924
Gain(Loss) on Sale of Capital Assets	64,087	30,000	156,152	1,500	(27,343)
Total Non-Operating Revenues (Expenses)	5,810,795	4,615,886	4,698,434	3,847,750	3,602,782
Income Before Capital Grants and Contributions	5,122,686	4,288,056	4,634,326	3,351,467	2,827,108
Capital Grants and Contributions	388,950	1,232,889	3,264,532	1,471,414	355,000
CHANGE IN NET POSITION	5,511,636	5,520,945	7,898,858	4,822,881	3,182,108
NET POSITION, Beginning of Year (Restated 1)	52,596,167	47,075,222	39,176,364	34,353,483	31,171,375
NET POSITION, End of Year, (Restated 2)	\$ 58,107,803	\$ 52,596,167	\$ 47,075,222	\$ 39,176,364	\$ 34,353,483

(1) GASB 65 was implemented retroactive to January 1, 2012

(2) Restatement of Net Position, 2016

Table 2

	2013	2012	2011	2010	2009
\$	21,304,021	\$ 22,319,895	\$ 20,639,326	\$ 20,167,045	\$ 18,062,205
	40,058	35,690	47,426	37,890	36,389
	588,567	535,594	516,776	511,797	539,108
	66,971	64,976	61,066	73,703	67,052
	<u>21,999,617</u>	<u>22,956,155</u>	<u>21,264,594</u>	<u>20,790,435</u>	<u>18,704,754</u>
	3,336,733	3,501,842	3,261,170	2,981,985	2,975,048
	1,697,490	1,753,913	1,636,805	1,591,808	1,526,522
	1,880,084	2,068,417	1,942,005	1,918,867	2,040,080
	1,842,573	1,789,034	1,806,856	1,834,208	1,640,587
	181,740	179,933	175,856	169,521	187,137
	298,853	250,320	259,086	317,179	310,935
	166,050	153,625	98,157	117,075	114,900
	8,977,781	9,152,907	8,613,436	8,000,180	7,921,926
	-	-	25,531	55,079	50,737
	874,539	980,184	956,218	864,124	743,098
	70,680	67,824	244,682	81,958	67,828
	<u>19,326,523</u>	<u>19,897,999</u>	<u>19,019,802</u>	<u>17,931,984</u>	<u>17,578,798</u>
	2,673,094	3,058,156	2,244,792	2,858,451	1,125,956
	<u>(3,360,002)</u>	<u>(3,331,536)</u>	<u>(3,378,205)</u>	<u>(3,313,494)</u>	<u>(3,394,084)</u>
	<u>(686,908)</u>	<u>(273,380)</u>	<u>(1,133,413)</u>	<u>(455,043)</u>	<u>(2,268,128)</u>
	(1,737,992)	(1,876,697)	(1,940,441)	(1,541,514)	(1,928,148)
	4,872,292	4,723,401	4,786,405	4,837,548	4,996,212
	33,196	65,398	102,371	119,494	87,973
	287,123	194,041	197,412	102,158	109,672
	(927)	21,200	79,374	4,867	-
	<u>3,453,692</u>	<u>3,127,343</u>	<u>3,225,121</u>	<u>3,522,553</u>	<u>3,265,709</u>
	<u>2,766,784</u>	<u>2,853,963</u>	<u>2,091,708</u>	<u>3,067,510</u>	<u>997,581</u>
	-	-	3,000	109,802	-
	2,766,784	2,853,963	2,094,708	3,177,312	997,581
	<u>28,404,591</u>	<u>25,550,628</u>	<u>24,606,769</u>	<u>21,429,457</u>	<u>20,431,876</u>
\$	<u><u>31,171,375</u></u>	<u><u>28,404,591</u></u>	<u><u>26,701,477</u></u>	<u><u>24,606,769</u></u>	<u><u>21,429,457</u></u>

Hyland Hills Park and Recreation District
Operating Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Table 3

<u>Revenue Source [1]</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Adventure Golf	\$ 1,145,271	\$ 1,204,291	\$ 1,335,029	\$ 1,416,414	\$ 1,384,910
Golf Course	1,894,936	1,956,959	1,839,233	2,042,613	2,190,967
Golf Course Concessions	130,549	138,791	115,862	169,986	228,882
Carroll Butts Athletic Park (Former Ice Arena)	368,303	376,531	363,409	371,210	343,570
Racquetball	25,287	23,490	10,479	-	-
Recreation	1,132,379	1,291,729	1,254,322	1,240,565	1,216,172
Swimming Pools	48,069	48,170	52,476	54,020	48,981
Water World	13,332,521	15,143,817	15,694,655	17,036,872	15,908,101
Conservation Trust Fund	539,108	511,797	516,776	535,594	588,567
Other	88,331	94,860	82,353	88,881	89,467
Total Operating Revenues	\$ 18,704,754	\$ 20,790,435	\$ 21,264,594	\$ 22,956,155	\$ 21,999,617

[1] Revenues are made up entirely of fees and charges for all areas except Conservation Trust Fund and Other

Table 3

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	1,628,393	\$ 1,736,217	\$ 1,962,697	\$ 2,109,589	\$ 1,946,733
	2,267,916	2,434,926	2,504,770	2,681,775	2,741,806
	269,229	303,279	333,186	346,554	342,447
	329,917	347,957	342,036	276,225	271,870
	-	-	-	-	-
	1,332,375	1,374,961	1,401,014	1,355,519	1,169,732
	48,426	45,826	53,881	48,227	42,601
	15,667,534	16,632,751	16,698,496	15,893,645	16,275,942
	570,893	574,511	679,612	614,479	633,118
	181,560	80,253	96,891	81,707	177,512
\$	<u>22,296,243</u>	<u>\$ 23,530,681</u>	<u>\$ 24,072,583</u>	<u>\$ 23,407,720</u>	<u>\$ 23,601,761</u>

Hyland Hills Park and Recreation District
Operating Expenses by Source
Last Ten Fiscal Years
(Unaudited)

Table 4

<u>Expense Source</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General and Administrative	\$ 2,975,048	\$ 2,981,985	\$ 3,261,170	\$ 3,501,842	\$ 3,336,733
Adventure Golf	743,098	864,124	956,218	980,184	874,539
Golf Course and Pro Shop	2,040,080	1,918,867	1,942,005	2,068,417	1,880,084
Golf Course Concessions	114,900	117,075	98,157	153,625	166,050
Carroll Butts Athletic Park (Former Ice Arena)	310,935	317,179	259,086	250,320	298,853
Parks	1,526,522	1,591,808	1,636,805	1,753,913	1,697,490
Racquetball	50,737	55,079	25,531	-	-
Recreation	1,640,587	1,834,208	1,806,856	1,789,034	1,842,573
Swimming Pools	187,137	169,521	175,856	179,933	181,740
Water World	7,921,926	8,000,180	8,613,436	9,152,907	8,977,781
Conservation Trust Fund	67,828	81,958	244,682	67,824	70,680
Total Operating Expenses Before Depreciation	17,578,798	17,931,984	19,019,802	19,897,999	19,326,523
Depreciation (1)	3,394,084	3,313,494	3,378,205	3,331,536	3,360,002
Total Operating Expenses	\$ 20,972,882	\$ 21,245,478	\$ 22,398,007	\$ 23,229,535	\$ 22,686,525

(1) GASB 65 was implemented retroactive to January 1, 2012, which removed amortization expense in years 2012 and forward.

Table 4

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	3,409,976	\$ 3,673,816	\$ 3,768,060	\$ 3,611,350	\$ 3,603,579
	1,038,324	1,087,253	1,306,868	1,312,829	1,284,104
	1,900,408	1,851,776	1,808,811	1,945,417	2,007,378
	213,290	228,549	247,293	233,678	228,707
	286,423	302,920	299,611	292,411	301,396
	1,684,987	1,813,127	1,722,694	1,678,869	1,796,748
	-	-	-	-	-
	1,865,134	2,045,331	2,061,081	2,049,101	1,983,776
	183,109	171,412	197,322	191,678	200,849
	8,955,567	9,251,727	8,900,185	8,582,478	9,041,187
	<u>150,500</u>	<u>88,094</u>	<u>76,243</u>	<u>56,626</u>	<u>9,844</u>
	19,687,718	20,514,005	20,388,168	19,954,437	20,457,568
	<u>3,384,199</u>	<u>3,512,959</u>	<u>3,748,523</u>	<u>3,781,113</u>	<u>3,832,302</u>
\$	<u><u>23,071,917</u></u>	<u><u>24,026,964</u></u>	<u><u>24,136,691</u></u>	<u><u>23,735,550</u></u>	<u><u>24,289,870</u></u>

**Hyland Hills Park and Recreation District
Non-operating Revenues and Expenses
Last Ten Fiscal Years
(Unaudited)**

Table 5

<u>Fiscal Year</u>	<u>Interest (Expense)</u>	<u>Tax Revenues</u>	<u>Interest Income</u>	<u>Gain/(Loss) on Sale of Capital Assets</u>	<u>Grants/Contributions</u>	<u>Income From Joint Venture</u>	<u>Total Non-operating Revenues (Expenses)</u>
2009	\$ (1,928,148)	\$ 4,996,212	\$ 87,973	\$ -	\$ -	\$ 109,672	\$ 3,265,709
2010	(1,541,514)	4,837,548	119,494	4,867	109,802	102,158	3,632,355
2011	(1,940,441)	4,786,405	102,371	79,374	3,000	197,412	3,228,121
2012	(1,876,697)	4,723,401	65,398	21,200	-	194,041	3,127,343
2013	(1,737,992)	4,872,292	33,196	(927)	-	287,123	3,453,692
2014	(1,533,109)	4,918,716	24,594	(27,343)	355,000	219,924	3,957,782
2015	(1,476,158)	4,980,502	27,800	1,500	1,471,414	314,106	5,319,164
2016	(1,239,662)	5,353,315	55,699	156,152 [1]	3,264,532	372,930	7,962,966
2017	(1,290,964)	5,435,297	122,508	30,000	1,232,889	319,045	5,848,775
2018	(1,216,321)	6,220,547	314,037	64,087	388,950	428,445	6,199,745

[1] Restatement of Capital Grants and Contributions, 2016

**Hyland Hills Park and Recreation District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Table 6

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	[1] Outstanding Delinquent Taxes
2008	2009	\$ 4,660,253	\$ 4,639,168	99.55 %	\$ 3,066	\$ 4,642,234	99.61 %	-
2009	2010	4,531,120	4,515,667	99.66	8,307	4,523,974	99.84	-
2010	2011	4,500,965	4,470,503	99.32	10,856	4,481,359	99.56	-
2011	2012	4,452,964	4,389,933	98.58	13,909	4,403,842	98.90	-
2012	2013	4,557,309	4,525,436	99.30	1,601	4,527,037	99.34	-
2013	2014	4,575,251	4,536,366	99.15	13,851	4,550,217	99.45	-
2014	2015	4,581,558	4,561,156	99.55	7,528	4,568,684	99.72	-
2015	2016	4,950,240	4,929,024	99.57	1,166	4,930,190	99.59	-
2016	2017	4,952,677	4,938,165	99.71	2,709	4,940,874	99.76	-
2017	2018	5,709,289	5,696,156	99.77	4,499	5,700,655	99.85	-

[1] Total outstanding delinquent taxes are unknown by the District and are recorded only upon receipt of payment.

**Hyland Hills Park and Recreation District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Table 7

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Estimated Actual Value</u>	<u>Ratio of Total Assessed Value To Total Estimated Actual Value</u>
2009	2010	\$ 806,614,150	5.617	\$ 7,358,558,372	10.96
2010	2011	809,978,230	5.557	7,843,623,223	10.33
2011	2012	796,846,600	5.588	7,182,165,646	11.09
2012	2013	815,655,900	5.587	7,732,262,660	10.55
2013	2014	829,649,190	5.515	7,779,133,029	10.67
2014	2015	823,236,670	5.565	7,782,058,727	10.58
2015	2016	921,422,330	5.372	8,900,309,836	10.35
2016	2017	924,179,930	5.359	8,952,062,246	10.32
2017	2018	1,124,087,030	5.079	12,242,951,010	9.18
2018	2019	1,121,218,780	5.413	12,327,447,016	9.10

Source: Adams County Assessor's Office

Hyland Hills Park and Recreation District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 8

Fiscal Year	Revenue Bonds	General Obligation Bonds	Capital Leases	Total		As a Percent of Personal Income
				Total Amount	Per Capita	
2009	\$ 23,133,047	\$ 13,440,000	\$ 4,384,058	\$ 40,957,105	\$ 348.78	3.05%
2010	24,933,061	12,947,460	4,241,375	42,121,896	355.51	3.09%
2011	23,519,511	12,048,222	6,165,456	41,733,189	389.97	2.85%
2012	21,763,800	11,836,092	5,683,380	39,283,272	360.91	2.52%
2013	20,109,217	10,823,541	3,921,152	34,853,910	295.21	2.13%
2014	18,394,633	9,780,991	5,126,842	33,302,466	278.87	1.89%
2015	16,595,050	8,703,440	4,312,727	29,611,217	242.90	1.57%
2016	16,565,956	7,590,890	7,604,363	31,761,209	256.11	1.61%
2017	15,316,926	6,448,339	6,551,752	28,317,017	226.43	1.37%
2018	14,032,895	5,296,953	7,405,366	26,735,214	211.47	[1]

[1] Amounts of personal income unavailable at time of print.

**Hyland Hills Park and Recreation District
Ratios of Outstanding General Obligation Debt
Last Ten Fiscal Years
(Unaudited)**

Table 9

Fiscal Year	Total					Ratio of General Obligation Debt To Total Estimated Actual Property Value
	2002 General Obligation Bonds	2010 General Obligation Refunding Bonds	2018 General Obligation Refunding Bonds	Total Amount	Per Capita	
2009	\$ 13,440,000	\$ -	\$ -	\$ 13,440,000	\$ 114.45	0.18%
2010	1,660,000	11,515,000	-	13,175,000	111.20	0.17%
2011	845,000	11,435,000	-	12,280,000	114.75	0.17%
2012	-	11,350,000	-	11,350,000	104.28	0.15%
2013	-	10,390,000	-	10,390,000	88.00	0.13%
2014	-	9,400,000	-	9,400,000	78.71	0.12%
2015	-	8,375,000	-	8,375,000	68.70	0.09%
2016	-	7,315,000	-	7,315,000	58.99	0.08%
2017	-	6,225,000	-	6,225,000	49.78	0.05%
2018	-	2,440,000	2,775,000	5,215,000	41.25	0.04%

**Hyland Hills Park and Recreation District
Computation of Direct and Overlapping Debt
December 31, 2018
(Unaudited)**

Table 10

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable to District</u>	<u>Estimated Amount Applicable to District</u>
Overlapping:			
Adams County School District 12	\$ 527,295,000	19.69%	\$ 103,824,386
Westminster Public Schools	58,440,000	98.57%	57,604,308
Adams County Fire Rescue	2,016,287	13.32%	268,569
Subtotal, overlapping debt			<u>\$ 161,697,263</u>
District direct debt			<u>26,735,214</u>
Total direct and overlapping debt			<u>\$ 188,432,477</u>

The following entities overlap the District but have no general obligation debt outstanding: Adams County, City of Arvada, Berkeley Water and Sanitation District, Crestview Water and Sanitation District, City of Federal Heights, City of Thornton, North Lincoln Water and Sanitation District, Regional Transportation District, Urban Drainage and Flood Control District, West Adams County Fire District No. 1, North Pecos Water and Sanitation District, and City of Westminster.

Note: Overlapping governments are those that coincide, at least in part, within the District boundaries. When estimating the governments outstanding debt, it is taken into consideration that not all businesses or residents bear the full debt, only the portion applicable to the District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account, and that not all taxpayers are residents and therefore responsible for repaying debt of each overlapping government.

Sources: Adams County Assessor's Office and the respective entities. The District's direct debt detail can be found in Note 7 and 8.

**Hyland Hills Park and Recreation District
Computation of Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Table 11

Fiscal Year	Operating Revenues	Less Non-Pledged Revenues [1]	Plus Ice Centre Revenues [2]	Plus Interest Revenue [3]	Total Pledged Revenues	Operating Expenses [4]	Less Non-Pledged Expenses [5]
2009	\$ 18,704,754	\$ 575,497	\$ 1,615,154	\$ 77,939	\$ 19,822,350	\$ 17,578,798	\$ 4,824,907
2010	20,790,435	549,687	1,607,632	104,768	21,953,148	17,931,984	4,933,561
2011	21,264,594	564,202	1,556,915	75,505	22,332,812	19,019,802	5,404,914
2012	22,956,155	571,284	1,519,461	46,331	23,950,663	19,897,999	5,627,693
2013	21,999,617	628,625	1,552,880	31,249	22,955,121	19,326,523	5,426,633
2014	22,296,243	617,569	1,585,136	22,727	23,286,537	19,687,718	5,538,475
2015	23,530,681	633,112	1,628,815	25,546	24,551,930	20,514,005	5,946,764
2016	24,072,583	725,532	1,685,885	45,047	25,077,983	20,388,168	5,883,803
2017	23,407,720	657,256	1,770,142	96,230	24,616,836	19,954,437	5,749,135
2018	23,601,761	676,521	1,840,821	266,276	25,032,337	20,457,568	5,758,538

[1] Non-pledged revenues include revenues from senior programs, the Carl Park facility and the Baker facility as well as revenues from the Conservation Trust Fund (Lottery).

[2] Ice Centre revenues reported at District's share of 50% after first year of joint operation in 1999.

[3] Interest revenue exclusive of interest from bond reserve funds.

[4] Total Operating expenses exclusive of depreciation.

[5] Non-pledged expenses include general and administrative, parks, senior programs, the Carl Park facility and the Baker facility, as well as expenses from the Conservation Trust Fund (Lottery).

[6] Ice Centre expenses are reflected at the District's share of 50%, including the District's lease payment obligation to the City of Westminster.

[7] Lease payments expenses exclude the payments on any equipment leases for the General Government Fund.

[8] Principal reflects only scheduled revenue bond debt service payments, not amounts refunded in 2016.

Table 11

	Plus Ice Centre Expenses [6]	Plus Lease Payments [7]	Total Pledged Expenses	Net Available Revenues	Revenue Bond Debt Service			Coverage Ratio
					Principal	Interest	Total	
\$	1,505,483	\$ 970,305	\$ 15,229,679	\$ 4,592,671	\$ 1,190,000	\$ 1,008,710	\$ 2,198,710	2.09
	1,505,474	1,270,603	15,774,500	6,178,648	2,045,000	1,046,880	3,091,880	2.00
	1,359,505	1,287,682	16,262,075	6,070,737	1,535,000	1,127,531	2,662,531	2.28
	1,323,376	1,380,281	16,973,963	6,976,700	1,890,000	1,075,229	2,965,229	2.35
	1,265,757	3,488,446	18,654,093	4,301,028	1,650,000	1,010,175	2,660,175	1.62
	1,365,212	816,095	16,330,550	6,955,987	1,710,000	943,831	2,653,831	2.62
	1,314,708	935,787	16,817,736	7,734,194	1,795,000	860,831	2,655,831	2.91
	1,312,955	1,400,075	17,217,395	7,860,588	1,210,000 [8]	567,772	1,777,772	4.42
	1,451,096	1,268,541	16,924,939	7,691,897	1,170,000	517,663	1,687,663	4.56
	1,412,377	1,394,107	17,505,514	7,526,823	1,205,000	486,843	1,691,843	4.45

**Hyland Hills Park and Recreation District
Demographic Information
Last Ten Fiscal Years
(Unaudited)**

Table 12

Adams County Colorado						
Fiscal Year	[1] Population	[2] Personal Income <i>(Thousands of dollars)</i>	[2] Per Capita Income	[3] Labor Force	[4] School Enrollment	[3] Unemployment Rate
2009	117,428	13,410,531	30,779	221,488	81,645	8.80%
2010	118,483	13,630,218	30,721	224,884	84,428	10.20%
2011	107,017	14,634,652	32,417	229,309	85,951	9.50%
2012	108,846	15,609,561	33,944	234,673	87,096	8.90%
2013	118,066	16,355,498	34,845	232,981	87,120	6.50%
2014	119,419	17,657,959	36,827	239,789	84,340	4.40%
2015	121,909	18,834,014	38,451	245,247	84,284	3.80%
2016	124,013	19,705,966	39,618	253,515	83,921	3.60%
2017	125,056	20,738,261	41,215	261,302	84,676	3.10%
2018	126,427	[5]	[5]	269,911	85,435	3.50%

[1] Division of Local Government - Conservation Trust Fund Administrator. 2011 figure reflects a decrease due to 2010 being a census year.

[2] Bureau of Economic Analysis: revised estimates (2009-2016) updated March, 2019

[3] State Department of Labor

[4] State Department of Education

[5] Information unavailable at time of print

**Hyland Hills Park and Recreation District
Principal Employers of Adams County
2018 and 2009
(Unaudited)**

Table 13

Employer	2018			2009		
	Employees	Rank	Percent of Total County Government	Employees	Rank	Percent of Total County Government
UC Health: University of Colorado Hospital	8,300	1	3.8600%	3,800	2	1.7800%
Children's Hospital Colorado	5,890	2	2.7400%	3,850	1	1.8000%
United Parcel Service	3,290	3	1.5300%	2,100	3	0.9800%
Amazon	3,130	4	1.4600%			
FedEx	1,500	5	0.7000%			
Sturgeon Electric	1,240	6	0.5800%			
ADS Alliance Data Systems	1,020	7	0.4700%			
SROriginals	920	8	0.4300%			
Shamrock Foods	860	9	0.4000%			
Health One: North Suburban Medical Center	810	10	0.3800%	618	9	0.2900%
Avaya				1,318	4	0.6200%
Echo Star Communications				1,100	5	0.5100%
Centura: St. Anthony's Hospital North				750	6	0.3500%
T-Mobile				650	7	0.3000%
Denver Newspaper				625	8	0.2900%
Platte Valley Medical Center				614	10	0.2900%
Total	26,960		12.5500%	15,425		7.2100%
Total County Employment	214,971			213,688		

Source: Adams County Economic Development, Adams County Finance Department

Does not include governmental entities.

**Hyland Hills Park and Recreation District
 Number of Full Time Employees by Department
 Last Ten Fiscal Years
 (Unaudited)**

Table 14

Fiscal Year	Water World And Pools	Adventure Golf	Golf Course	Recreation	Parks	General and Administrative	Ice Centre	Total
2009	17	4	12	12	18	13	11	87
2010	17	3	12	14	17	14	10	87
2011	19	3	12	13	18	15	9	89
2012	19	3	11	14	18	15	8	88
2013	18	4	10	14	17	14	8	85
2014	20	4	10	12	18	16	8	88
2015	20	4	12	13	17	14	8	88
2016	18	4	11	14	15	14	7	83
2017	16	4	12	11	12	14	8	77
2018	19	4	12	11	16	12	8	82

Information obtained through District Human Resources Department

**Hyland Hills Park and Recreation District
Attendance for Recreational Facilities
Last Ten Fiscal Years
(Unaudited)**

Table 15

Fiscal Year	Water World	Adventure Golf	[1] Golf Course	Ice Centre
2009	515,245	170,606	103,844	275,438
2010	545,244	181,040	111,058	263,407
2011	559,377	187,058	106,373	256,229
2012	537,824	187,216	118,806	238,423
2013	494,458	174,303	123,273	235,597
2014	459,691	186,852	135,492	245,360
2015	443,816	200,067	131,933	378,122
2016	434,024	241,408	137,603	436,533
2017	388,843	240,558	139,486	481,035
2018	405,807	215,644	134,561	486,698

[1] Number of nine hole equivalents

Information obtained through various District internal reporting and point-of-sale systems

**Hyland Hills Park and Recreation District
Miscellaneous Statistics
December 31, 2018
(Unaudited)**

Table 16

Date of Incorporation	October 14, 1955
Type of Government	Special District
Area in square miles	23.5
Acres of Parks	457
Acres of Golf Course	300
Acres of Water World	70
Full-time employees	82
Part-time/Seasonal employees	1,600

Hyland Hills Facilities:

Acres of Open Space	136	Indoor Sports Arena	1
Ball Fields	29	Miniature Golf Courses (18 hole)	3
Batting Cage Complex	1	Outdoor Swimming Pools	3
Community Centers	3	Parks	27
Disc Golf Course	1	Pickleball Courts	4
Go-Kart/Bumper Car Facility	1	Racquetball Courts	1
Golf Courses (9 and 18 hole)	4	MAC	1
Golf Practice Facility	1	Skate Park	1
Gymnastics Center	1	Tennis Courts	2
Indoor Ice Arena (sheets of ice)	3	Water Theme Park	1

Program Participants and Facility Visits:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Batting Cages	2,809	7,241	8,229	10,148	8,620	8,650	8,950	8,800	8,900	9,000
Community Center Rentals	24,840	27,840	24,550	21,090	19,844	22,160	28,360	19,200	16,500	15,160
Recreation Club	13,279	13,548	12,005	8,489	7,772	7,852	6,481	6,501	6,444	6,649
Gymnastics	11,039	12,153	10,849	10,695	6,203	9,658	8,000	8,181	7,439	7,527
Junior Golf	278	295	210	209	230	240	288	270	224	241
Preschool	-	960	1,035	2,500	2,500	1,700	1,500	1,273	1,278	1,500
Racquetball	-	-	-	-	-	-	-	1,582	3,507	3,753
Recreation	10,016	8,488	8,568	5,340	4,814	5,000	5,200	4,850	4,500	4,000
MAC	91,297	99,976	99,972	92,016	101,137	98,656	94,482	87,815	81,711	92,176
Special Events	3,937	2,330	1,700	2,000	1,994	1,785	1,800	2,000	3,900	3,800
Sports - Adult	11,168	10,144	10,106	10,303	10,953	11,689	11,673	11,281	11,237	10,855
Sports - Youth	4,315	3,856	2,504	2,316	2,140	1,978	2,025	1,810	1,634	1,417
Sports Camps	333	316	348	366	2,010	365	390	403	375	380
Summer Camp	109	145	180	166	172	142	147	133	141	125
Teen Programs	-	-	-	-	-	-	-	-	80	120

Information obtained through District internal reporting and point-of-sale systems

**Hyland Hills Park and Recreation District
Assessed Valuation of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Table 17

Levy Year	Collection Year	Residential Property Assessment Ratio		Certified Assessed Valuation		
			%	\$	Amount	% Change
2009	2010	7.96	%	\$	806,614,150	(4.1)
2010	2011	7.96			809,978,230	0.4
2011	2012	7.96			796,846,600	(0.2)
2012	2013	7.96			815,655,900	2.4
2013	2014	7.96			829,649,190	1.7
2014	2015	7.96			823,236,670	(0.1)
2015	2016	7.96			921,422,330	12.0
2016	2017	7.96			924,179,930	0.3
2017	2018	7.20			1,124,087,030	17.8
2018	2019	7.20			1,121,218,780	(0.3)

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, and Adams County Assessor's Office

**Hyland Hills Park and Recreation District
District Mill Levies
Last Ten Fiscal Years
(Unaudited)**

Table 18

Levy Year	Collection Year	Mill Levies				Total
		General	Temporary Tax Credit	Bond Redemption	Refunds and Abatements	
2009	2010	3.817	--	1.792	0.008	5.617
2010	2011	3.817	--	1.733	0.007	5.557
2011	2012	3.817	--	1.765	0.006	5.588
2012	2013	3.817	--	1.717	0.053	5.587
2013	2014	3.817	--	1.696	0.002	5.515
2014	2015	3.817	--	1.703	0.045	5.565
2015	2016	3.817	--	1.526	0.029	5.372
2016	2017	3.817	--	1.520	0.022	5.359
2017	2018	3.817	--	1.250	0.012	5.079
2018	2019	3.817	--	1.592	0.004	5.413

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, District Annual Reports and District 2018 Budget

**Hyland Hills Park and Recreation District
Largest District Taxpayers
December 31, 2018
(Unaudited)**

Table 19

<u>Property Owner</u>	<u>2018 Assessed Valuation</u>	
	<u>Amount [1]</u>	<u>Percent of Total District [2]</u>
Public Service CO of Colorado(Xcel) \$	30,958,110	2.70 %
Qwest Corp FKA US West	21,876,160	1.90
Cellco Partnership FKA Verizon	12,550,100	1.10
Centro GA Westminster LLC	9,031,100	0.79
Vintage at Hyland Hills Investors LLC	6,624,000	0.58
Bell Fund VI Westminster LLC	5,963,000	0.52
MAR Legacy Heights LLC	5,109,870	0.44
SNT Environs II LLC	4,837,960	0.42
TKG Sheridan Crossing Development	4,819,520	0.42
Lockheed Martin Corporation	4,649,400	0.40

[1] The figures in this table are based on the District's gross assessed valuation, including the incremental assessed valuation attributable to tax increment districts that overlap portions of the District and from which the District derives no property tax revenue.

[2] Percentages based on the District's gross 2018 assessed valuation of \$1,150,070,800

Source: Adams County Assessor's Office



HYLAND HILLS
Park & Recreation District

ADAMS COUNTY, COLORADO
1800 West 89th Avenue
Federal Heights, Colorado

