



Board of Directors  
Hi-Land Acres Water and Sanitation District  
Adams County, Colorado

We have audited the financial statements of Hi-Land Acres Water and Sanitation District (the District) as of and for the year ended December 31, 2023, and have issued our report thereon dated April 8, 2026. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility under Generally Accepted Auditing Standards**

As communicated in our engagement letter dated December 11, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District, solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We applied certain limited procedures to the required supplementary information (RSI). However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI. With respect to the supplementary information accompanying the financial statements, we performed procedures to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements.

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### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

### **Significant Accounting Policies**

Management has the responsibility to select and use appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as discussed in the following paragraph. We noted no transactions the District entered into during the year for which there is a lack of authoritative guidance or consensus.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements as a whole.

### **Corrected and Uncorrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected adjustments.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule shows the adjustments identified as a result of our audit procedures.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



**Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated April 8, 2026.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves the application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

**Conclusion**

This report is intended solely for the information and use of the Board of Directors and management of Hi-Land Acres Water and Sanitation District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Hi-Land & Company, PC*

Englewood, Colorado  
April 8, 2026



Client: **HIL5010 - Hi-Land Acres Water and Sanitation District**  
Engagement: **2023 AUD - Hi-Land Acres Water and Sanitation District**  
Period Ending: **12/31/2023**  
Trial Balance: **02-01 - Government Fund Trial Balance**  
Workpaper: **04-01 - AJEs**  
Fund Level: **All**  
Index: **All**

Account	Description	Debit	Credit
<b>Fund: 1 Water</b>			
<b>Adjusting Journal Entries JE # 102</b>			
To correct the distribution of the capital assets			
1420-01	Water Plant	458,964.00	
1490-01	Construction in Process		458,964.00
<b>Total</b>		<b>458,964.00</b>	<b>458,964.00</b>
<b>Adjusting Journal Entries JE # 103</b>			
To correct accounts receivable balance			
4140-01	OPERATING REVENUE:Water Income	7,982.28	
1100-01	Accounts Receivable		7,982.28
<b>Total</b>		<b>7,982.28</b>	<b>7,982.28</b>
<b>Adjusting Journal Entries JE # 104</b>			
To apply principal payments against debt.			
2510-01	State Revolving Fund - Current	6,785.00	
<b>Total</b>		<b>6,785.00</b>	<b>0.00</b>
<b>Fund: 1</b>	<b>Adjusting Journal Entries</b>	<b>473,731.28</b>	<b>466,946.28</b>
<b>Fund: 1</b>	<b>Total All Journal Entries</b>	<b>473,731.28</b>	<b>466,946.28</b>
<b>Fund: 2 Wastewater</b>			
<b>Adjusting Journal Entries JE # 101</b>			
To correct the allocation of expenses between principle and interest for LT Debt			
7110-02	NON-OPERATING EXPENSES:Interest Expense - Loans	4,521.00	
7120-02	NON-OPERATING EXPENSES:Loan Payments		4,521.00
<b>Total</b>		<b>4,521.00</b>	<b>4,521.00</b>
<b>Adjusting Journal Entries JE # 104</b>			
To apply principal payments against debt.			
2500-02	State Revolving Fund	14,319.00	
2510-02	State Revolving Fund - Current		6,785.00
7120-02	NON-OPERATING EXPENSES:Loan Payments		14,319.00
<b>Total</b>		<b>14,319.00</b>	<b>21,104.00</b>
<b>Adjusting Journal Entries JE # 105</b>			
To record beginning balance restatement for Long-term Debt.			
3200-02	Retained Earnings	73,244.00	
2100-02	Accrued Interest Payable		1,081.00
2500-02	State Revolving Fund		72,163.00
<b>Total</b>		<b>73,244.00</b>	<b>73,244.00</b>
<b>Adjusting Journal Entries JE # 106</b>			
To adjust current portion of long-term debt.			
2510-02	State Revolving Fund - Current	7,280.00	
7110-02	NON-OPERATING EXPENSES:Interest Expense - Loans	47.00	
2100-02	Accrued Interest Payable		47.00
2500-02	State Revolving Fund		7,280.00
<b>Total</b>		<b>7,327.00</b>	<b>7,327.00</b>