

RESOLUTION NO. 2021-01

A RESOLUTION ADOPTING THE 2022 BUDGET, APPROVING  
AN OPERATING MILL LEVY OF 0.555 MILLS,  
A TEMPORARY LEVY REDUCTION OF 0.125 MILLS,  
A NET OPERATING MILL LEVY OF 0.430 MILLS,  
AND AUTHORIZING AN APPROPRIATION OF  
\$ 1,145,289.00 IN FUNDS UNDER SAID  
BUDGET FOR THE SHERIDAN SANITATION DISTRICT NO. 2

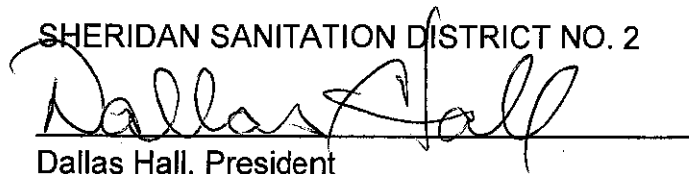
BE IT RESOLVED by the Board of Directors of the Sheridan Sanitation District No. 2:

1. Adoption of Budget. Following notice of public hearing and a public hearing thereon as provided by law, the 2022 Budget set forth in Exhibit "A" hereto is hereby adopted by the Board of Directors of the Sheridan Sanitation District No. 2 for the year ending December 31, 2022. Pursuant to said budget an operating mill levy of 0.555 \_\_\_\_\_ mills, a temporary levy reduction of 0.125 \_\_\_\_\_ mills, and a net operating mill levy of 0.430 \_\_\_\_\_ mills is hereby approved. Accountant Janece Soendker is directed to certify this mill levy to the Board of Directors of Arapahoe County and Denver County on or before December 15, 2021.

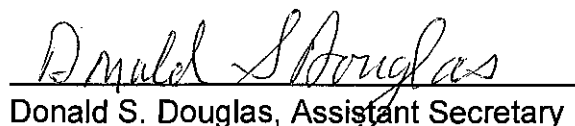
Section 2. Appropriation of Funds. Appropriation and expenditure of \$1,145,289.00 in funds pursuant to said budget is hereby authorized. The appropriation of \$1,145,289.00 is to be divided \$43,479.00 to General Fund expenditures and \$1,101,810.00 to Enterprise Fund expenditures.

Adopted this 10th day of November 2021, by a unanimous vote of the Board of Directors.

SHERIDAN SANITATION DISTRICT NO. 2

  
Dallas Hall, President

Attest:

  
Donald S. Douglas, Assistant Secretary

**SHERIDAN SANITATION DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**

**SHERIDAN SANITATION DISTRICT NO. 2  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/5/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES / FUNDS AVAILABLE	\$ 1,540,910	\$ 1,136,154	\$ 1,320,129
<b>REVENUES</b>			
Property taxes	34,302	37,344	40,082
Specific ownership tax	2,642	2,775	2,797
Interest income	10,411	900	1,100
Sewer treatment income	436,399	458,000	468,000
Sewer tap fees	13,020	50,050	9,420
Late fees / penalties	7,360	5,500	6,000
Capital replacement fee	90,814	181,000	181,000
Other revenue	-	-	500
Total revenues	<u>594,948</u>	<u>735,569</u>	<u>708,899</u>
TRANSFERS IN	<u>11,334</u>	<u>13,806</u>	<u>9,391</u>
Total funds available	<u>2,147,192</u>	<u>1,885,529</u>	<u>2,038,419</u>
<b>EXPENDITURES</b>			
General Fund	25,695	26,413	34,088
Enterprise Fund	974,009	525,181	1,101,810
Total expenditures	<u>999,704</u>	<u>551,594</u>	<u>1,135,898</u>
TRANSFERS OUT	<u>11,334</u>	<u>13,806</u>	<u>9,391</u>
Total expenditures and transfers out requiring appropriation	<u>1,011,038</u>	<u>565,400</u>	<u>1,145,289</u>
ENDING FUND BALANCES / FUNDS AVAILABLE	<u>\$ 1,136,154</u>	<u>\$ 1,320,129</u>	<u>\$ 893,130</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/5/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION - ARAPAHOE</b>			
Residential	\$ 24,258,430	\$ 24,736,363	\$ 27,755,590
Commercial	53,308,539	52,370,368	63,148,174
Industrial	199,520	199,520	221,850
State assessed	51,700	36,820	95,150
Vacant land	2,321,367	2,182,548	2,607,634
Personal property	7,580,064	6,284,465	5,721,118
	<u>87,719,620</u>	<u>85,810,084</u>	<u>99,549,516</u>
Adjustments	(6,176,189)	(6,335,935)	(7,379,339)
Certified Assessed Value	<u>\$ 81,543,431</u>	<u>\$ 79,474,149</u>	<u>\$ 92,170,177</u>
<b>MILL LEVY</b>			
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.130)	(0.088)	(0.125)
Total mill levy	<u>0.425</u>	<u>0.467</u>	<u>0.430</u>
<b>PROPERTY TAXES</b>			
General	\$ 45,257	\$ 44,108	\$ 51,154
Temporary Mill Levy Reduction	(10,601)	(6,994)	(11,521)
Levied property taxes	<u>34,656</u>	<u>37,114</u>	<u>39,633</u>
Adjustments to actual/rounding	(567)	-	-
Budgeted property taxes	<u>\$ 34,089</u>	<u>\$ 37,114</u>	<u>\$ 39,633</u>
<b>ASSESSED VALUATION - DENVER</b>			
Residential	\$ 396,340	\$ 396,340	\$ 588,460
State assessed	4,700	4,330	4,400
Vacant land	-	-	369,810
Personal property	99,240	91,280	82,700
	<u>500,280</u>	<u>491,950</u>	<u>1,045,370</u>
Certified Assessed Value	<u>\$ 500,280</u>	<u>\$ 491,950</u>	<u>\$ 1,045,370</u>
<b>MILL LEVY</b>			
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.130)	(0.088)	(0.125)
Total mill levy	<u>0.425</u>	<u>0.467</u>	<u>0.430</u>
<b>PROPERTY TAXES</b>			
General	\$ 278	\$ 273	\$ 580
Temporary Mill Levy Reduction	(65)	(43)	(131)
Levied property taxes	<u>213</u>	<u>230</u>	<u>449</u>
Budgeted property taxes	<u>\$ 213</u>	<u>\$ 230</u>	<u>\$ 449</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 34,302</u>	<u>\$ 37,344</u>	<u>\$ 40,082</u>
	<u>\$ 34,302</u>	<u>\$ 37,344</u>	<u>\$ 40,082</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/5/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Property taxes	34,302	37,344	40,082
Specific ownership tax	2,642	2,775	2,797
Interest income	85	100	100
Other revenue	-	-	500
Total revenues	37,029	40,219	43,479
Total funds available	37,029	40,219	43,479
<b>EXPENDITURES</b>			
General and administrative			
Accounting	6,336	6,450	7,000
Audit	5,100	5,100	5,300
County Treasurer's fee	515	559	599
Directors' fees	5,300	5,800	6,000
Dues and licenses	713	660	730
Election expense	-	-	2,000
Legal services	5,209	5,200	5,500
Miscellaneous	2,117	2,200	5,000
Payroll expense	405	444	459
Contingency	-	-	1,500
Total expenditures	25,695	26,413	34,088
<b>TRANSFERS OUT</b>			
Transfers to other fund	11,334	13,806	9,391
Total expenditures and transfers out requiring appropriation	37,029	40,219	43,479
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2  
ENTERPRISE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/5/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUNDS AVAILABLE	\$ 1,540,910	\$ 1,136,154	\$ 1,320,129
<b>REVENUES</b>			
Sewer treatment income	436,399	458,000	468,000
Interest income	10,326	800	1,000
Sewer tap fees	13,020	50,050	9,420
Late fees / penalties	7,360	5,500	6,000
Capital replacement fee	90,814	181,000	181,000
Total revenues	<u>557,919</u>	<u>695,350</u>	<u>665,420</u>
<b>TRANSFERS IN</b>			
Transfers from other funds	<u>11,334</u>	<u>13,806</u>	<u>9,391</u>
Total funds available	<u>2,110,163</u>	<u>1,845,310</u>	<u>1,994,940</u>
<b>EXPENDITURES</b>			
General and administrative			
Billing expense	28,266	29,000	29,000
Collection fee	270	400	500
Accounting	25,342	25,800	28,500
Insurance and bonds	6,785	6,885	7,500
District management	67,505	72,000	72,000
Legal services	15,626	15,600	16,500
Miscellaneous	-	-	1,000
Operations and maintenance			
Repairs and maintenance	25,320	32,500	37,000
Engineering	22,358	23,000	30,000
Sewer treatment expense	384,537	274,196	274,010
Telephone	743	800	800
Capital improvements			
Sewer line replacement	397,257	45,000	605,000
Total expenditures	<u>974,009</u>	<u>525,181</u>	<u>1,101,810</u>
Total expenditures and transfers out requiring appropriation	<u>974,009</u>	<u>525,181</u>	<u>1,101,810</u>
ENDING FUNDS AVAILABLE	<u>\$ 1,136,154</u>	<u>\$ 1,320,129</u>	<u>\$ 893,130</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Sheridan Sanitation District No. 2 (District) is a quasi-municipal corporation and political subdivision of the State of Colorado. The District's service area is in Arapahoe County, Colorado and the City and County of Denver, Colorado. It was organized to provide sewer services to property owners of the District. Maintenance and replacement of the District's lines remain the responsibility of the District.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Service Fees**

The 2022 service fee revenue is expected to remain relatively consistent with 2021.

**Property Taxes**

The District treats property tax collections as non-operating revenues since they are assessed to cover non-operating expenses such as accounting, management and other costs necessary to administer the District.

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

**Specific Ownership Tax**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected by the General Fund.

**Tap Fees**

Sewer tap fees and connection fees are anticipated to be \$9,420 for 2022. The District's sewer tap fee for 2022 is \$4,710 per SFE.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on historical earnings.

**Late Fees/Penalties**

The District assesses late fees for overdue sewer treatment fees.

**SHERIDAN SANITATION DISTRICT NO. 2  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues  
(continued)**

**Capital Replacement Fee**

In 2020, the District imposed a capital replacement fee to fund the cost of the sewer line replacement project in the amount of approximately \$180,000 annually over 15 years.

**Expenditures**

**Operating Expenditures**

The majority of the District's operating revenues are paid to independent contractors for sewage treatment. Additional preventative maintenance expenses have been budgeted.

**Administrative Expenditures**

Administrative expenditures include estimated services necessary to maintain the District's administrative viability.

**Capital Projects**

Anticipated expenditures for capital outlay are detailed in the Enterprise Fund budget.

**Debt and Leases**

The District has no outstanding debt or any operating or capital leases.

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