

RESOLUTION NO. 2022-01

A RESOLUTION ADOPTING THE 2023 BUDGET, APPROVING
AN OPERATING MILL LEVY OF 0.555 MILLS,
A TEMPORARY LEVY REDUCTION OF 0.073 MILLS,
A NET OPERATING MILL LEVY OF 0.482 MILLS,
AND AUTHORIZING AN APPROPRIATION OF
\$ 801,811 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 2023 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, 2023. Pursuant to said budget an operating mill levy of 0.555 mills, a temporary levy reduction of 0.073 mills, and a net operating mill levy of 0.482 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 14, 2022.

Section 2. Appropriation of Funds. Appropriation and expenditure of \$ 801,811 in funds pursuant to said budget is hereby authorized. The appropriation of \$ 801,811 is to be divided \$ 36,811 to General Fund expenditures and \$ 765,000 to Enterprise Fund expenditures.

Adopted this 9th day of November 2022, by a unanimous vote of the Board of Directors.

SHERIDAN SANITATION DISTRICT NO. 2

Kevin Johnson Vice-Chair
Dallas Hall, President

Attest:

Donald S. Douglas
Donald S. Douglas, Secretary

SHERIDAN SANITATION DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**SHERIDAN SANITATION DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES / FUNDS AVAILABLE	\$ 1,136,154	\$ 1,334,887	\$ 910,940
REVENUES			
Property taxes	37,067	40,082	43,597
Specific ownership tax	2,762	3,000	2,613
Interest income	948	9,070	15,100
Sewer treatment income	457,503	460,000	465,000
Sewer tap fees	50,050	51,810	10,240
Late fees / penalties	6,825	3,000	6,000
Capital replacement fee	181,480	181,000	181,000
Other revenue	-	-	500
Total revenues	<u>736,635</u>	<u>747,962</u>	<u>724,050</u>
TRANSFERS IN			
	<u>14,526</u>	<u>9,036</u>	<u>9,999</u>
Total funds available	<u>1,887,315</u>	<u>2,091,885</u>	<u>1,644,989</u>
EXPENDITURES			
General Fund	25,377	34,116	36,811
Enterprise Fund	512,525	1,137,793	765,000
Total expenditures	<u>537,902</u>	<u>1,171,909</u>	<u>801,811</u>
TRANSFERS OUT			
	<u>14,526</u>	<u>9,036</u>	<u>9,999</u>
Total expenditures and transfers out requiring appropriation	<u>552,428</u>	<u>1,180,945</u>	<u>811,810</u>
ENDING FUND BALANCES / FUNDS AVAILABLE	<u>\$ 1,334,887</u>	<u>\$ 910,940</u>	<u>\$ 833,179</u>

No assurance provided. See summary of significant assumptions.

SHERIDAN SANITATION DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/9/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - ARAPAHOE			
Residential	\$ 24,736,363	\$ 27,755,590	\$ -
Residential - multi family	-	-	7,086,015
Residential - single family	-	-	19,802,812
Commercial	52,370,368	63,148,174	63,118,068
Industrial	199,520	221,850	221,850
State assessed	36,820	95,150	158,540
Vacant land	2,182,548	2,607,634	2,300,555
Personal property	6,284,465	5,721,118	5,380,589
	<u>85,810,084</u>	<u>99,549,516</u>	<u>98,068,429</u>
Adjustments	(6,335,935)	(7,379,339)	(8,270,606)
Certified Assessed Value	<u>\$ 79,474,149</u>	<u>\$ 92,170,177</u>	<u>\$ 89,797,823</u>
MILL LEVY			
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.088)	(0.125)	(0.073)
Total mill levy	<u>0.467</u>	<u>0.430</u>	<u>0.482</u>
PROPERTY TAXES			
General	\$ 44,108	\$ 51,154	\$ 49,838
Temporary Mill Levy Reduction	(6,994)	(11,521)	(6,555)
Levied property taxes	<u>37,114</u>	<u>39,633</u>	<u>43,283</u>
Adjustments to actual/rounding	(277)	-	-
Budgeted property taxes	<u>\$ 36,837</u>	<u>\$ 39,633</u>	<u>\$ 43,283</u>
ASSESSED VALUATION - DENVER			
Residential - multi family	\$ 396,340	\$ 588,460	\$ 559,660
State assessed	4,330	4,400	7,930
Vacant land	-	369,810	-
Personal property	91,280	82,700	82,830
	<u>491,950</u>	<u>1,045,370</u>	<u>650,420</u>
Certified Assessed Value	<u>\$ 491,950</u>	<u>\$ 1,045,370</u>	<u>\$ 650,420</u>
MILL LEVY			
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.088)	(0.125)	(0.073)
Total mill levy	<u>0.467</u>	<u>0.430</u>	<u>0.482</u>
PROPERTY TAXES			
General	\$ 273	\$ 580	\$ 361
Temporary Mill Levy Reduction	(43)	(131)	(47)
Levied property taxes	<u>230</u>	<u>449</u>	<u>314</u>
Budgeted property taxes	<u>\$ 230</u>	<u>\$ 449</u>	<u>\$ 314</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 37,067</u>	<u>\$ 40,082</u>	<u>\$ 43,597</u>
	<u>\$ 37,067</u>	<u>\$ 40,082</u>	<u>\$ 43,597</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	37,067	40,082	43,597
Specific ownership tax	2,762	3,000	2,613
Interest income	74	70	100
Other revenue	-	-	500
Total revenues	<u>39,903</u>	<u>43,152</u>	<u>46,810</u>
Total funds available	<u>39,903</u>	<u>43,152</u>	<u>46,810</u>
EXPENDITURES			
General and administrative			
Accounting	6,135	9,500	8,200
Audit	5,100	5,500	6,000
County Treasurer's fee	556	596	652
Directors' fees	5,500	5,800	6,000
Dues and licenses	660	276	500
Election expense	-	-	2,000
Legal services	5,080	9,000	8,000
Miscellaneous	1,925	3,000	5,000
Payroll expense	421	444	459
Contingency	-	-	-
Total expenditures	<u>25,377</u>	<u>34,116</u>	<u>36,811</u>
TRANSFERS OUT			
Transfers to other fund	<u>14,526</u>	<u>9,036</u>	<u>9,999</u>
Total expenditures and transfers out requiring appropriation	<u>39,903</u>	<u>43,152</u>	<u>46,810</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

SHERIDAN SANITATION DISTRICT NO. 2
ENTERPRISE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/9/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUNDS AVAILABLE	\$ 1,136,154	\$ 1,334,887	\$ 910,940
REVENUES			
Sewer treatment income	457,503	460,000	465,000
Interest income	874	9,000	15,000
Sewer tap fees	50,050	51,810	10,240
Late fees / penalties	6,825	3,000	6,000
Capital replacement fee	181,480	181,000	181,000
Total revenues	<u>696,732</u>	<u>704,810</u>	<u>677,240</u>
TRANSFERS IN			
Transfers from other funds	<u>14,526</u>	<u>9,036</u>	<u>9,999</u>
Total funds available	<u>1,847,412</u>	<u>2,048,733</u>	<u>1,598,179</u>
EXPENDITURES			
General and administrative			
Billing expense	27,996	36,000	32,000
Collection fee	319	300	500
Accounting	30,602	27,700	32,800
Insurance and bonds	6,885	7,193	9,000
District management	71,518	74,000	62,000
Legal services	15,240	27,000	24,000
Miscellaneous	-	1,000	1,696
Operations and maintenance			
Repairs and maintenance	29,837	35,000	66,000
Engineering	27,326	38,000	38,000
Sewer treatment expense	274,196	274,010	378,004
Telephone	414	1,350	1,000
Capital improvements			
Sewer line replacement	28,192	616,240	120,000
Total expenditures	<u>512,525</u>	<u>1,137,793</u>	<u>765,000</u>
Total expenditures and transfers out requiring appropriation	<u>512,525</u>	<u>1,137,793</u>	<u>765,000</u>
ENDING FUNDS AVAILABLE	<u>\$ 1,334,887</u>	<u>\$ 910,940</u>	<u>\$ 833,179</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
2023 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 2023 service fee revenue is expected to remain relatively consistent with 2022.

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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29.0%.

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 6.00% of the property taxes collected by the General Fund.

Tap Fees

Total sewer tap fees and connection fees are anticipated to be \$10,240 for 2023. The District's portion of the sewer tap fee for 2023 is \$5,120 per SFE.

**SHERIDAN SANITATION DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues
(continued)**

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.

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.