

RESOLUTION NO. 2024-01

**A RESOLUTION ADOPTING THE 2024 BUDGET, APPROVING
AN OPERATING MILL LEVY OF 0.555 MILLS,
A TEMPORARY LEVY REDUCTION OF 0.135 MILLS,
A NET OPERATING MILL LEVY OF 0.420 MILLS,
AND AUTHORIZING AN APPROPRIATION OF
\$1,140,688 IN FUNDS UNDER SAID
BUDGET FOR THE SHERIDAN SANITATION DISTRICT NO. 2**

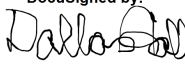
BE IT RESOLVED by the Board of Directors of the Sheridan Sanitation District No. 2:

1. Adoption of Budget. Following notice of public hearing and a public hearing thereon as provided by law, the 2024 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, 2024. Pursuant to said budget an operating mill levy of 0.555 mills, a temporary levy reduction of 0.135 mills, and a net operating mill levy of 0.420 mills is hereby approved. Accountant Carrie Bartow is directed to certify this mill levy to the Board of Directors of Arapahoe County and Denver County on or before January 10, 2024.

Section 2. Appropriation of Funds. Appropriation and expenditure of \$1,140,688 in funds pursuant to said budget is hereby authorized. The appropriation of \$1,140,688 is to be divided \$51,268 to General Fund expenditures and \$1,089,420 to Enterprise Fund expenditures.

Adopted this 13th day of December 2023, by a unanimous vote of the Board of Directors.

SHERIDAN SANITATION DISTRICT NO. 2

DocuSigned by:


48086528E372402

Dallas Hall, President

SHERIDAN SANITATION DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**SHERIDAN SANITATION DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,334,887	\$ 889,311	\$ 777,329
REVENUES			
Property taxes	39,285	43,869	46,601
Specific ownership taxes	2,892	2,613	3,667
Capital replacement fee	183,907	181,000	181,000
Sewer treatment income	457,010	465,000	810,885
Sewer transfer fees	-	1,575	1,725
Interest income	16,443	35,100	26,000
Sewer tap fees	-	56,320	129,456
Late fees / penalties	2,050	5,000	6,000
Total revenues	<u>701,587</u>	<u>790,477</u>	<u>1,205,334</u>
TRANSFERS IN	<u>8,473</u>	<u>10,191</u>	<u>7,342</u>
Total funds available	<u>2,044,947</u>	<u>1,689,979</u>	<u>1,990,005</u>
EXPENDITURES			
General Fund	33,764	36,391	43,926
Enterprise Fund	1,113,399	866,068	1,089,420
Total expenditures	<u>1,147,163</u>	<u>902,459</u>	<u>1,133,346</u>
TRANSFERS OUT	<u>8,473</u>	<u>10,191</u>	<u>7,342</u>
Total expenditures and transfers out requiring appropriation	<u>1,155,636</u>	<u>912,650</u>	<u>1,140,688</u>
ENDING FUND BALANCES	<u>\$ 889,311</u>	<u>\$ 777,329</u>	<u>\$ 849,317</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
Residential	\$ 27,755,590	\$ -	\$ -
Residential - multi family	-	7,086,015	7,941,692
Residential - single family	-	19,802,812	24,836,387
Commercial	63,148,174	63,118,068	79,536,144
Industrial	221,850	221,850	-
State assessed	95,150	158,540	154,860
Vacant land	2,607,634	2,300,555	2,143,012
Personal property	5,721,118	5,380,589	5,593,573
	<u>99,549,516</u>	<u>98,068,429</u>	<u>120,205,668</u>
Adjustments (TIF)	(7,379,339)	(8,270,606)	(10,085,961)
Certified Assessed Value	<u>\$ 92,170,177</u>	<u>\$ 89,797,823</u>	<u>\$ 110,119,707</u>

MILL LEVY	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.125)	(0.073)	(0.135)
Total mill levy	<u>0.430</u>	<u>0.482</u>	<u>0.420</u>

PROPERTY TAXES	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
General	\$ 51,154	\$ 49,838	\$ 61,116
Temporary Mill Levy Reduction	(11,521)	(6,555)	(14,866)
Levied property taxes	<u>39,633</u>	<u>43,283</u>	<u>46,250</u>
Adjustments to actual/rounding	(797)	-	-
Budgeted property taxes	<u>\$ 38,836</u>	<u>\$ 43,283</u>	<u>\$ 46,250</u>

ASSESSED VALUATION	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
Residential - multi-family	\$ 588,460	\$ 559,660	\$ 729,820
Commercial	-	7,930	-
State assessed	4,400	-	10,820
Vacant land	369,810	-	-
Personal property	82,700	82,930	94,940
Certified Assessed Value	<u>\$ 1,045,370</u>	<u>\$ 650,520</u>	<u>\$ 835,580</u>

MILL LEVY	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.125)	(0.073)	(0.135)
Total mill levy	<u>0.430</u>	<u>0.482</u>	<u>0.420</u>

PROPERTY TAXES	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
General	\$ 580	\$ 361	\$ 464
Temporary Mill Levy Reduction	(131)	(47)	(113)
Levied property taxes	<u>449</u>	<u>314</u>	<u>351</u>
Budgeted property taxes	<u>\$ 449</u>	<u>\$ 314</u>	<u>\$ 351</u>

BUDGETED PROPERTY TAXES			
General	<u>\$ 39,285</u>	<u>\$ 43,597</u>	<u>\$ 46,601</u>
	<u>\$ 39,285</u>	<u>\$ 43,597</u>	<u>\$ 46,601</u>

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	39,285	43,869	46,601
Specific ownership taxes	2,892	2,613	3,667
Interest income	60	100	1,000
Total revenues	<u>42,237</u>	<u>46,582</u>	<u>51,268</u>
Total funds available	<u>42,237</u>	<u>46,582</u>	<u>51,268</u>
EXPENDITURES			
General and administrative			
Accounting	9,120	10,000	10,500
Auditing	5,500	5,750	6,500
County Treasurer's fee	591	652	917
Directors' fees	5,700	5,900	6,000
Dues and membership	276	530	550
Legal	9,373	13,000	14,000
Miscellaneous	2,768	100	5,000
Payroll taxes	436	459	459
Total expenditures	<u>33,764</u>	<u>36,391</u>	<u>43,926</u>
TRANSFERS OUT			
Transfers to other fund	<u>8,473</u>	<u>10,191</u>	<u>7,342</u>
Total expenditures and transfers out requiring appropriation	<u>42,237</u>	<u>46,582</u>	<u>51,268</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

SHERIDAN SANITATION DISTRICT NO. 2
ENTERPRISE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUNDS AVAILABLE	\$ 1,334,887	\$ 889,311	\$ 777,329
REVENUES			
Interest income	16,383	35,000	25,000
Capital replacement fee	183,907	181,000	181,000
Sewer treatment income	457,010	465,000	810,885
Sewer transfer fees	-	1,575	1,725
Sewer tap fees	-	56,320	129,456
Late fees / penalties	2,050	5,000	6,000
Total revenues	659,350	743,895	1,154,066
TRANSFERS IN			
Transfers from other funds	8,473	10,191	7,342
Total funds available	2,002,710	1,643,397	1,938,737
EXPENDITURES			
General and administrative			
Accounting	36,704	38,000	40,000
Insurance	7,193	7,730	9,000
District management	69,831	60,000	67,500
Legal	28,119	41,000	45,000
Miscellaneous	1,280	2,000	1,021
Billing	49,113	60,000	65,000
Operations and maintenance			
Repairs and maintenance	30,403	66,000	70,000
Utility locates	-	-	9,500
Engineering	37,232	63,000	41,500
Sewer treatment expense	274,010	378,004	433,899
Telephone	1,301	1,350	1,500
Collection fee	278	500	500
Improvements			
Sewer line replacement	577,935	148,484	-
Sanitary Sewer System Rehabilitation Project	-	-	250,000
Sanitary Sewer Maintenance Project	-	-	55,000
Total expenditures	1,113,399	866,068	1,089,420
Total expenditures and transfers out requiring appropriation	1,113,399	866,068	1,089,420
ENDING FUNDS AVAILABLE	\$ 889,311	\$ 777,329	\$ 849,317

No assurance provided. See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
2024 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 2024 service fee revenue is expected to increase. The base rate for Residential users in 2024 is \$55 and the base rate for Commercial users is \$63 per quarter plus \$9.00 per 1000 gallons consumed.

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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**SHERIDAN SANITATION DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues
(continued)**

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

The total sewer tap and connection fee for 2024 is \$11,040 per SFE. The District's portion of the sewer tap fee for 2024 is \$5,520 per SFE. The remainder is remitted to Metro Wastewater.

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.