

SHERIDAN SANITATION DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**SHERIDAN SANITATION DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 867,340	\$ 957,884	\$ 812,459
REVENUES			
Property taxes	45,801	49,055	50,447
Specific ownership taxes	3,488	3,200	2,775
Capital replacement fee	190,817	191,000	204,000
Sewer treatment income	810,173	777,400	832,000
Sewer transfer fees	2,325	2,500	2,500
Interest Income	35,557	38,100	35,100
Other Revenue	2,771	-	10,000
Sewer tap fees	16,560	26,496	24,936
Late fees/penalties	1,467	7,000	5,000
Total revenues	<u>1,108,959</u>	<u>1,094,751</u>	<u>1,166,758</u>
TRANSFERS IN	<u>17,833</u>	<u>8,567</u>	<u>13,322</u>
Total funds available	<u>1,994,132</u>	<u>2,061,202</u>	<u>1,992,539</u>
EXPENDITURES			
General Fund	34,284	43,788	50,000
Enterprise Fund	984,131	1,196,388	1,084,000
Total expenditures	<u>1,018,415</u>	<u>1,240,176</u>	<u>1,134,000</u>
TRANSFERS OUT	<u>17,833</u>	<u>8,567</u>	<u>13,322</u>
Total expenditures and transfers out requiring appropriation	<u>1,036,248</u>	<u>1,248,743</u>	<u>1,147,322</u>
ENDING FUND BALANCES	<u>\$ 957,884</u>	<u>\$ 812,459</u>	<u>\$ 845,217</u>
CAPITAL REPLACEMENT RESERVE	\$ 1,600	\$ 1,600	\$ 1,900
AVAILABLE FOR OPERATIONS	<u>956,284</u>	<u>810,859</u>	<u>843,317</u>
TOTAL RESERVE	<u>\$ 957,884</u>	<u>\$ 812,459</u>	<u>\$ 845,217</u>

See summary of significant assumptions.

SHERIDAN SANITATION DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION - ARAPAHOE			
Residential - multi family	\$ 7,941,692	\$ 7,931,642	7,707,269
Residential - single family	24,836,387	24,868,833	24,885,219
Commercial	79,536,144	79,047,851	89,509,546
State assessed	154,860	151,100	146,120
Vacant land	2,143,012	2,225,785	1,930,864
Personal property	5,593,573	6,555,401	7,214,756
	<u>120,205,668</u>	<u>120,780,612</u>	<u>131,393,774</u>
Adjustments (TIF)	(10,085,961)	(9,635,766)	(10,904,185)
Certified Assessed Value	<u>\$ 110,119,707</u>	<u>\$ 111,144,846</u>	<u>\$ 120,489,589</u>
MILL LEVY			
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.135)	(0.117)	(0.139)
Total mill levy	<u>0.420</u>	<u>0.438</u>	<u>0.416</u>
PROPERTY TAXES			
General	\$ 61,116	\$ 61,685	\$ 66,872
Temporary Mill Levy Reduction	(14,866)	(13,004)	(16,748)
	<u>46,250</u>	<u>48,681</u>	<u>50,124</u>
Levied property taxes	46,250	48,681	50,124
Adjustments to actual/rounding	(800)	-	-
Budgeted property taxes	<u>\$ 45,450</u>	<u>\$ 48,681</u>	<u>\$ 50,124</u>
ASSESSED VALUATION - DENVER			
Residential - multi-family	\$ 729,820	\$ 729,820	\$ 611,680
State assessed	10,820	16,700	7,700
Personal property	94,940	107,550	156,360
Certified Assessed Value	<u>\$ 835,580</u>	<u>\$ 854,070</u>	<u>\$ 775,740</u>
MILL LEVY			
General	0.555	0.555	0.555
Temporary Mill Levy Reduction	(0.135)	(0.117)	(0.139)
Total mill levy	<u>0.420</u>	<u>0.438</u>	<u>0.416</u>
PROPERTY TAXES			
General	\$ 464	\$ 474	\$ 431
Temporary Mill Levy Reduction	(113)	(100)	(108)
	<u>351</u>	<u>374</u>	<u>323</u>
Levied property taxes	351	374	323
Budgeted property taxes	<u>\$ 351</u>	<u>\$ 374</u>	<u>\$ 323</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 45,801</u>	<u>\$ 49,055</u>	<u>\$ 50,447</u>
	<u>\$ 45,801</u>	<u>\$ 49,055</u>	<u>\$ 50,447</u>

See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	45,801	49,055	50,447
Specific ownership taxes	3,488	3,200	2,775
Interest Income	57	100	100
Other Revenue	2,771	-	10,000
Total revenues	<u>52,117</u>	<u>52,355</u>	<u>63,322</u>
Total funds available	<u>52,117</u>	<u>52,355</u>	<u>63,322</u>
EXPENDITURES			
General and administrative			
Accounting	10,371	11,500	12,000
Auditing	5,950	6,250	6,600
County Treasurer's Fee	735	734	755
Directors' fees	6,000	6,000	6,000
Dues and Membership	1,013	304	1,200
Legal	8,701	13,000	14,000
Miscellaneous	1,055	4,000	8,945
Payroll taxes	459	500	500
Election	-	1,500	-
Total expenditures	<u>34,284</u>	<u>43,788</u>	<u>50,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>17,833</u>	<u>8,567</u>	<u>13,322</u>
Total expenditures and transfers out requiring appropriation	<u>52,117</u>	<u>52,355</u>	<u>63,322</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
ENTERPRISE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUNDS AVAILABLE	\$ 867,340	\$ 957,884	\$ 812,459
REVENUES			
Interest Income	35,500	38,000	35,000
Capital replacement fee	190,817	191,000	204,000
Sewer treatment income	810,173	777,400	832,000
Sewer transfer fees	2,325	2,500	2,500
Sewer tap fees	16,560	26,496	24,936
Late fees/penalties	1,467	7,000	5,000
Total revenues	<u>1,056,842</u>	<u>1,042,396</u>	<u>1,103,436</u>
TRANSFERS IN			
Transfers from other funds	<u>17,833</u>	<u>8,567</u>	<u>13,322</u>
Total funds available	<u>1,942,015</u>	<u>2,008,847</u>	<u>1,929,217</u>
EXPENDITURES			
General and administrative			
Accounting	42,180	46,000	48,000
Insurance	7,601	10,200	11,000
District management	60,274	66,000	68,000
Legal	35,251	42,000	45,000
Miscellaneous	1,081	2,000	6,498
Billing	69,266	70,000	72,000
Operations and maintenance			
Repairs and maintenance	28,426	50,000	70,000
Utility locates	28,615	55,000	55,000
Engineering	42,209	50,000	60,000
Website	1,111	2,400	3,000
Sewer treatment expense	433,899	574,988	357,202
Telephone	964	-	-
Rates and fees study	-	47,000	-
Collection fee	558	800	800
Standards and specifications	-	-	19,500
Capital Improvements			
Sanitary Sewer System Rehabilitation Project	232,696	125,000	210,000
Sanitary Sewer Maintenance Project	-	55,000	58,000
Total expenditures	<u>984,131</u>	<u>1,196,388</u>	<u>1,084,000</u>
Total expenditures and transfers out requiring appropriation	<u>984,131</u>	<u>1,196,388</u>	<u>1,084,000</u>
ENDING FUNDS AVAILABLE	<u>\$ 957,884</u>	<u>\$ 812,459</u>	<u>\$ 845,217</u>
CAPITAL REPLACEMENT RESERVE	957,884	812,459	845,217
TOTAL RESERVE	<u>\$ 957,884</u>	<u>\$ 812,459</u>	<u>\$ 845,217</u>

See summary of significant assumptions.

**SHERIDAN SANITATION DISTRICT NO. 2
2026 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 2026 service fee revenue is increased. The base rate for Residential users in 2026 is \$62 and the base rate for Commercial users is \$73 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 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

**SHERIDAN SANITATION DISTRICT NO. 2
2026 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 5.50% for Arapahoe County and 4.50% for Denver County of the property taxes collected by the General Fund.

Tap Fees

The total sewer tap fee for single-family residences in 2026 is \$12,304 per SFE. Of this amount, the District receives \$6,234 per SFE, with the remaining balance remitted to Metro Wastewater. For all property types other than single-family residences, the sewer tap fee will be calculated using the AWWA standard multiplier.

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. The base rate for Residential users in 2026 is \$16.60 per unit and the base rate for Commercial users is \$95 per unit.

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.