

**HAVANA WATER AND SANITATION DISTRICT**

**Annual Budget**

**For the Year Ending December 31, 2023**

**HAVANA WATER & SANITATION DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES/AVAILABLE	\$ 2,449,833	\$ 2,533,974	\$ 1,803,641
REVENUE			
Property taxes	659,082	691,710	663,016
Specific ownership taxes	45,424	44,048	39,781
Interest Income	1,689	45,000	61,000
Other revenue	-	-	-
Lease income	21,123	21,123	22,923
Sewer service fees	761,220	763,949	843,465
Reimbursed expenditures - Castlewood W&SD	25,844	25,844	26,845
Total revenue	<u>1,514,382</u>	<u>1,591,674</u>	<u>1,657,030</u>
TRANSFERS IN	71,000	71,000	79,000
Total funds available	<u>4,035,215</u>	<u>4,196,648</u>	<u>3,539,671</u>
EXPENDITURES			
General Fund	670,010	1,465,000	1,425,000
Enterprise Fund	760,231	857,007	718,491
Total expenditures	<u>1,430,241</u>	<u>2,322,007</u>	<u>2,143,491</u>
TRANSFERS OUT	71,000	71,000	79,000
Total expenditures and transfers out requiring appropriation	<u>1,501,241</u>	<u>2,393,007</u>	<u>2,222,491</u>
ENDING FUND BALANCES/AVAILABLE	<u>\$ 2,533,974</u>	<u>\$ 1,803,641</u>	<u>\$ 1,317,180</u>

No assurance provided. See summary of significant assumptions.

**HAVANA WATER & SANITATION DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION - Arapahoe County

Residential	\$ 132,429,336	\$ 138,456,558	\$ 134,678,355
Commercial	16,703,273	18,574,791	14,738,764
State assessed	2,038,630	9,650	19,380
Vacant land	3,013,021	3,273,641	3,150,002
Personal property	1,739,459	3,910,265	4,264,931
Natural resources	1,238	1,238	1,238
	155,924,957	164,226,143	156,852,670
Certified Assessed Value	\$ 155,924,957	\$ 164,226,143	\$ 156,852,670

MILL LEVY

General	4.227	4.227	4.227
Temporary Mill Levy Reduction	0.000	0.000	0.000
Total mill levy	4.227	4.227	4.227

PROPERTY TAXES

General	\$ 659,094	\$ 694,184	\$ 663,016
Temporary Mill Levy Reduction	-	-	-
Levied property taxes	659,094	694,184	663,016
Adjustments to actual/rounding	(12)	(2,474)	-
Budgeted property taxes	\$ 659,082	\$ 691,710	\$ 663,016

BUDGETED PROPERTY TAXES

General	\$ 659,082	\$ 691,710	\$ 663,016
	\$ 659,082	\$ 691,710	\$ 663,016

No assurance provided. See summary of significant assumptions.

**HAVANA WATER & SANITATION DISTRICT**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 2,094,927	\$ 2,081,102	\$ 1,338,483
<b>REVENUE</b>			
Property taxes	659,082	691,710	663,016
Specific ownership taxes	45,424	44,048	39,781
Interest income	1,556	36,500	38,000
Lease income	21,123	21,123	22,923
Total revenue	727,185	793,381	763,720
Total funds available	2,822,112	2,874,483	2,102,203
<b>EXPENDITURES</b>			
General and administrative			
Accounting	20,950	23,050	25,500
Audit	6,600	6,900	8,000
County Treasurer's fee	9,894	10,413	10,413
Customer billing	27,192	29,500	32,500
Directors' fees	3,200	2,900	3,000
District management	39,657	46,640	51,500
Management - Solid Waste Disposal Study	7,759	5,000	-
Dues and membership	932	689	1,050
Election	-	6,650	15,000
Engineering	72,344	65,000	95,000
Insurance and bonds	19,735	26,899	29,600
Landscape maintenance	2,150	3,000	6,000
Legal	30,441	40,000	44,000
Miscellaneous/Contingency	6,519	23,859	17,637
Service plan amendment	40,581	-	-
Website	264	2,200	2,200
Postage/printing	7,626	10,000	10,000
Repairs and maintenance	142,142	155,000	216,000
Storage rent	3,123	4,300	4,600
Rate Study	19,767	10,000	-
Utilities	55,017	68,000	68,000
Capital projects			
Engineering - capital	68,365	175,000	210,000
Major repairs/capital improvements	85,752	750,000	575,000
Total expenditures	670,010	1,465,000	1,425,000
<b>TRANSFERS OUT</b>			
Transfers to other fund	71,000	71,000	79,000
Total expenditures and transfers out requiring appropriation	741,010	1,536,000	1,504,000
ENDING FUND BALANCE	\$ 2,081,102	\$ 1,338,483	\$ 598,203
EMERGENCY RESERVE	\$ 21,900	\$ 23,800	\$ 22,900
RESERVE FOR FUTURE EXPENDITURES	2,059,202	1,314,683	575,303
TOTAL RESERVE	\$ 2,081,102	\$ 1,338,483	\$ 598,203

No assurance provided. See summary of significant assumptions.

**HAVANA WATER & SANITATION DISTRICT  
ENTERPRISE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUNDS AVAILABLE	\$ 354,906	\$ 452,872	\$ 465,158
REVENUE			
Interest income	133	8,500	23,000
Sewer service fees	761,220	763,949	843,465
Reimbursed expenditures - Castlewood W&SD	25,844	25,844	26,845
Total revenue	<u>787,197</u>	<u>798,293</u>	<u>893,310</u>
TRANSFERS IN			
Transfers from other funds	<u>71,000</u>	<u>71,000</u>	<u>79,000</u>
Total funds available	<u>1,213,103</u>	<u>1,322,165</u>	<u>1,437,468</u>
EXPENDITURES			
Operations and maintenance			
Sewer treatment	444,325	539,470	502,053
Debt Service			
Note interest	14,706	11,437	5,438
Note principal	251,200	256,100	211,000
Note principal - prepayment	50,000	50,000	-
Total expenditures	<u>760,231</u>	<u>857,007</u>	<u>718,491</u>
Total expenditures and transfers out requiring appropriation	<u>760,231</u>	<u>857,007</u>	<u>718,491</u>
ENDING FUNDS AVAILABLE	<u>\$ 452,872</u>	<u>\$ 465,158</u>	<u>\$ 718,977</u>
RESERVE FOR FUTURE EXPENDITURES	<u>\$ 452,872</u>	<u>\$ 465,158</u>	<u>\$ 718,977</u>
TOTAL RESERVE	<u>\$ 452,872</u>	<u>\$ 465,158</u>	<u>\$ 718,977</u>

No assurance provided. See summary of significant assumptions.

**HAVANA WATER AND SANITATION DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District provides sewer services to its residents. The City and County of Denver provide water services.

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. 29-1-1058 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. For financial statement reporting under generally accepted accounting principles (GAAP), the District uses the full accrual basis of accounting.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**Specific Ownership Taxes**

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% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

**HAVANA WATER AND SANITATION DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Sewer Service Fees**

The District bills its customers for wastewater services at a semi-annual rate of \$142 per single-family tap equivalent. A rate adjustment is anticipated for 2023, increasing the semi-annual rate to \$147.50 per single-family tap equivalent for residential and nonresidential units and \$163.00 for schools.

**Lease Income**

In 2023, the District will receive \$1,910.25 monthly from AT&T pursuant to a Lease Agreement.

**Reimbursed Expenditures**

The District anticipates collecting \$26,845 from Castlewood Water and Sanitation District for its share in the costs of sewage treatment.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, billing, insurance, meeting and other expenditures. Certain engineering fees and routine maintenance costs are also included in the budget.

**Operations and Maintenance**

The District pays Metro Wastewater Reclamation District for the treatment of sewage collected within the District.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Wastewater System Enterprise Revenue Refunding Note, Series 2017. See attached debt service schedule.

**Debt and Leases**

On October 2, 2017, the District's bonds issued in 2007 were fully paid by issuing the Wastewater System Enterprise Revenue Refunding Note, Series 2017 ("Note") with a principal amount of \$1,761,300. The Board has determined that it would be beneficial to the District and its residents to undertake the refunding of the 2007 Bonds and to finance such refunding with a loan from a financial institution.

**HAVANA WATER AND SANITATION DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

The loan or Note is a special revenue obligation of the Enterprise payable solely from, and secured by an irrevocable and non-exclusive first lien on, the net revenue derived by the Enterprise from the ownership, operation and use of the wastewater system, after payment of the costs of operating and maintaining the wastewater system. The Note is not payable from the proceeds of general property taxes. The Note matures on September 15, 2024, and will bear an interest rate of 1.96% per annum to be paid semi-annually every March 15 and September 15. The Note is subject to redemption prior to maturity, at the option of the Enterprise, on September 15 of each year, in the maximum annual principal amount of \$50,000, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium. The proceeds from the Note were used to redeem the 2007 Bonds and pay for loan transaction costs.

**Maintenance of Rates, Fees and Charges**

In connection with the Note, the Enterprise will establish, maintain, enforce and collect rates, fees and charges for services furnished by or the use of the wastewater system to create gross revenue each fiscal year sufficient to pay operating costs and to create a net revenue in an amount equal to not less than 120% of the maximum annual debt service requirements on the Note and any outstanding parity obligations plus an amount required to make up any deficiencies in debt service reserve funds created in respect to any outstanding parity obligations. The Enterprise's 2023 budget meets this coverage requirement.

The District has no operating or capital lease.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of General Fund's fiscal year spending for 2023, as defined under TABOR.

**Reserve for future expenditures**

The District has also provided a reserve for future operating contingencies and improvements. Such reserve is an integral part of Ending Fund Balance/Funds Available.

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



**HAVANA WATER AND SANITATION DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2023**

**\$1,761,300 Wastewater System  
Enterprise Revenue Refunding Note, Series 2017  
Dated October 2, 2017  
Principal Due September 15  
Interest Rate 1.960%  
Payable March 15 and September 15**

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<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2023	\$ 211,000	\$ 5,438	\$ 216,438
2024	66,400	1,302	67,702
	<u>\$ 277,400</u>	<u>\$ 6,740</u>	<u>\$ 284,140</u>

No assurance provided. See summary of significant assumptions.