

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for HAVANA WATER AND SANITATION DISTRICT in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Nicholas Carlson, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710

I, Nicholas Carlson, District Manager of the Havana Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2024 budget.

By:

DocuSigned by:

Nicholas Carlson

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Nicholas Carlson, District Manager

STATE OF COLORADO
COUNTY OF ARAPAHOE
HAVANA WATER AND SANITATION DISTRICT
2024 BUDGET RESOLUTION 2023-11-02

The Board of Directors of the Havana Water and Sanitation District, Arapahoe County, Colorado held a regular meeting on Wednesday, November 15, 2023, at the hour of 5:00 P.M., at CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado; via video conference at https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZmQ2YjAyN2ItN2JiZS00ODZjLTk2NDMtYTJmNmNmNkNTk3ODg4%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%22d42bab28-fbd8-4e65-a395-965cf9ef152f%22%7d and via telephone conference at Dial-In: 1-720-547-5281, Conference ID: 630 394 930#.

The following members of the Board of Directors were present:

President: Bernard F. Gehris
Treasurer: Steve Hellman
Secretary: David Mohrhaus
Assistant Secretary: Howard Buchalter
Assistant Secretary: Timothy Duggan

Also present were: Nic Carlson, Ashley Heidt and Yelena Primachenko;
CliftonLarsonAllen LLP
Karlie R. Ogden; Icenogle Seaver Pogue, P.C.
Greg Sekera; Kennedy/Jenks Consultants

Mr. Carlson reported that proper notice was made to allow the Board of Directors of the Havana Water and Sanitation District to conduct a public hearing on the 2024 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a regular meeting of the Board of Directors of the District and that a notice of regular meeting was posted on a public website of the District, www.havanawsd.com, no less than twenty-four hours prior to the holding of the meeting, and to the best of his knowledge, remains posted to the date of this meeting.

Thereupon, Director Buchalter introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE HAVANA WATER AND SANITATION DISTRICT, ARAPAHOE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the “Board”) of the Havana Water and Sanitation District (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, October 26, 2023, in *The Villager*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher’s Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Wednesday, November 15, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HAVANA WATER AND SANITATION DISTRICT, ARAPAHOE COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Arapahoe County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by David A. Mohrhaus, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$819,192 and that the 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$193,799,888.00. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 4.227 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget

for the Debt Service Fund for debt retirement expense is \$0 and that the 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$193,799,888.00. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction. That the foregoing budget indicates that the amount of money from a temporary general property tax credit/temporary mill levy rate reduction necessary to balance the budget is <\$119,575> and that the 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$193,799,888. That for the purposes of the District during the 2024 budget year, there is hereby levied a temporary general property tax credit/temporary mill levy rate reduction of <0.617> mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.],

The foregoing Resolution was seconded by Director Mohrhaus.

RESOLUTION APPROVED AND ADOPTED THIS 15TH DAY OF NOVEMBER 2023.

HAVANA WATER AND SANITATION DISTRICT

DocuSigned by:
Bernard Gehris
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By: Bernard F. Gehris
Its: President

ATTEST:

DocuSigned by:
David Mohrhaus
D88A71AEAAAB47B...

By: David A. Mohrhaus
Its: Secretary

STATE OF COLORADO
COUNTY OF ARAPAHOE
HAVANA WATER AND SANITATION DISTRICT

I, David A. Mohrhaus, hereby certify that I am a director and the duly elected and qualified Secretary of the Havana Water and Sanitation District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a regular meeting of the Board of Directors of the Havana Water and Sanitation District held on Wednesday, November 15, 2023, at CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado; via video conference at via video conference at https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZmQ2YjAyN2ItN2JiZS00ODZjLTk2NDMtYTJmNmNkNTk3ODg4%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%22d42bab28-fbd8-4e65-a395-965cf9ef152f%22%7d and via telephone conference at Dial-In: 1-720-547-5281, Conference ID: 630 394 930#, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 15th day of November 2023.



DocuSigned by:

David Mohrhaus

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David A. Mohrhaus, Secretary

EXHIBIT A

Affidavit
Notice as to Proposed 2024 Budget

**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING
HAVANA WATER AND SANITATION DISTRICT**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the **HAVANA WATER AND SANITATION DISTRICT** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Havana Water and Sanitation District to be held at 5:00 P.M., on Wednesday, November 15, 2023. The meeting will be held at CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado: via video conference at https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZmQ2YjAyN2ItN2JiZS00ODZjLTk2NDMtYTJmNmNmNkNTk3ODg4%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%22d42bab28-fbd8-4e65-a395-965cf9ef152f%22%7d and via telephone conference at Dial-In: 1-720-547-5281, Conference ID: 630 394 930#. Any interested elector within the Havana Water and Sanitation District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

**BY ORDER OF THE BOARD OF DIRECTORS:
HAVANA WATER AND SANITATION DISTRICT**

By: /s/ ICENOGLE | SEAVER | POGUE
A Professional Corporation

Publish In: *The Villager Newspaper*
Publish On: Thursday, October 26, 2023

PUBLISHER'S AFFIDAVIT

STATE OF COLORADO,)
) SS.
COUNTY OF ARAPAHOE)

I Gerri Sweeney do solemnly affirm that I am the Publisher of THE VILLAGER; that the same is a weekly newspaper published in Greenwood Village, County of Arapahoe, State of Colorado, and has a general circulation therein; that said newspaper has been continuously and uninterruptedly published in said County of Arapahoe for a period of at least 52 consecutive weeks prior to the first publication of the annexed notice, that said newspaper is entered in the post office at Englewood, Colorado, as periodical class mail matter and that said newspaper is a newspaper within the meaning of the Act of General Assembly of the State of Colorado, approved March 30, 1923, and entitled "Legal Notice and Advertisements," with other Acts relating to the printing and publishing of legal notice and advertisements. That the annexed notice was published in the regular and entire issue of said newspaper for a period of ONE consecutive insertions that the first publication of said notice was in the issue of said newspaper dated:

OCTOBER 26 2023

and the last publication of said notice, was in the issue of said newspaper dated:

NOVEMBER 9 2023

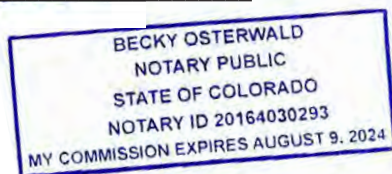
Handwritten signature of Gerri Sweeney
Publisher

Subscribed and affirmed to before me, a Notary Public in the County of ARAPAHOE, State of Colorado,

This 26 th day of October A.D., 20 23

Handwritten signature of Becky Osterwald
Notary Public

My Commission expires:



LEGAL NOTICES
The VILLAGER
October 19, 2023

NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING HAVANA WATER AND SANITATION DISTRICT

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the HAVANA WATER AND SANITATION DISTRICT for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Havana Water and Sanitation District to be held at 5:00 P.M., on Wednesday, November 15, 2023. The meeting will be held at CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado: via video conference at https://teams.microsoft.com/join/19%3ameeting_ZmQ2YjAyN2ltN-2JiZS00ODZjLTk2NDM5YTJmNmNkNk3ODg4%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%22d42bab28-fbd8-4e65-a395-965c9ef-152f%22%7d and via telephone conference at Dial-In: 1-720-547-5281, Conference ID: 630 394 930#. Any interested elector within the Havana Water and Sanitation District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS: HAVANA WATER AND SANITATION DISTRICT

By: /s/ ICENOGLER | SEAVER | POGUE A Professional Corporation

Published in The Villager
Published: October 26, 2023
Legal # 11337

EXHIBIT B

Budget Document
Budget Message

HAVANA WATER AND SANITATION DISTRICT

Annual Budget

For the Year Ending December 31, 2024

**HAVANA WATER & SANITATION DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

01/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,533,974	\$ 2,026,805	\$ 2,076,876
REVENUES			
Property taxes	691,710	664,664	699,617
Specific ownership taxes	44,048	43,000	41,977
Interest income	45,062	116,500	48,500
Lease income	21,123	22,923	22,923
Reimbursed expenditures - Castlewood W&SD	25,844	26,845	28,187
Other revenue	-	665	-
Sewer service fees	763,359	843,465	876,308
Total revenues	<u>1,591,146</u>	<u>1,718,062</u>	<u>1,717,512</u>
TRANSFERS IN	<u>75,000</u>	<u>-</u>	<u>585,000</u>
Total funds available	<u>4,200,120</u>	<u>3,744,867</u>	<u>4,379,388</u>
EXPENDITURES			
General Fund	1,243,075	949,500	2,225,000
Enterprise Fund	855,240	718,491	592,816
Total expenditures	<u>2,098,315</u>	<u>1,667,991</u>	<u>2,817,816</u>
TRANSFERS OUT	<u>75,000</u>	<u>-</u>	<u>585,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,173,315</u>	<u>1,667,991</u>	<u>3,402,816</u>
ENDING FUND BALANCES	<u>\$ 2,026,805</u>	<u>\$ 2,076,876</u>	<u>\$ 976,572</u>

**HAVANA WATER & SANITATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

01/22/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$138,456,558	\$134,678,355	\$169,827,603
Commercial	18,574,791	14,738,764	16,112,288
State assessed	9,650	19,380	19,600
Vacant land	3,273,641	3,150,002	3,800,873
Personal property	3,910,265	4,264,931	4,038,333
Natural Resources	1,238	1,238	1,191
	<u>164,226,143</u>	<u>156,852,670</u>	<u>193,799,888</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$164,226,143</u>	<u>\$156,852,670</u>	<u>\$193,799,888</u>

MILL LEVY

General	4.227	4.227	4.227
Temporary Mill Levy Reduction	0.000	0.000	(0.617)
Refund and abatements	0.000	0.000	0.000
	<u>4.227</u>	<u>4.227</u>	<u>3.610</u>

PROPERTY TAXES

General	\$ 694,184	\$ 663,016	\$ 819,192
Temporary Mill Levy Reduction	-	-	(119,575)
	<u>694,184</u>	<u>663,016</u>	<u>699,617</u>
Levied property taxes	694,184	663,016	699,617
Adjustments to actual/rounding	(2,474)	1,648	-
Budgeted property taxes	<u>\$ 691,710</u>	<u>\$ 664,664</u>	<u>\$ 699,617</u>

BUDGETED PROPERTY TAXES

General	<u>\$ 691,710</u>	<u>\$ 664,664</u>	<u>\$ 699,617</u>
	<u>\$ 691,710</u>	<u>\$ 664,664</u>	<u>\$ 699,617</u>

**HAVANA WATER & SANITATION DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

01/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,081,102	\$ 1,556,472	\$ 1,426,724
REVENUES			
Property taxes	691,710	664,664	699,617
Specific ownership taxes	44,048	43,000	41,977
Interest income	36,564	88,500	28,500
Other revenue	-	665	-
Lease Income	21,123	22,923	22,923
Total revenues	<u>793,445</u>	<u>819,752</u>	<u>793,017</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>585,000</u>
Total funds available	<u>2,874,547</u>	<u>2,376,224</u>	<u>2,804,741</u>
EXPENDITURES			
General and administrative			
Accounting	23,050	25,500	30,000
Auditing	6,900	7,250	7,500
County Treasurer's fee	10,386	10,413	12,288
Customer Billing	30,058	32,500	35,800
Directors' fees	2,900	2,900	3,000
District management	39,441	51,500	56,700
Dues and membership	689	725	1,100
Election	7,035	3,700	-
Engineering	51,582	90,000	95,000
Insurance	26,899	24,059	32,500
Landscape Maintenance	1,075	2,000	5,000
Legal	35,454	30,000	44,000
Management - Solid Waste Disposal Study	4,454	-	-
Miscellaneous/Contingency	10,336	10,312	16,512
Postage	7,547	10,000	10,000
Rate study	7,007	-	-
Repairs and maintenance	141,025	201,000	223,000
Storage Rent	4,343	4,100	4,600
Utilities	54,973	63,500	68,000
Website	-	-	-
Capital projects			
Engineering - Capital	40,723	70,000	255,000
Major Repairs/Capital Improvements	737,198	310,041	1,325,000
Total expenditures	<u>1,243,075</u>	<u>949,500</u>	<u>2,225,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>75,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,318,075</u>	<u>949,500</u>	<u>2,225,000</u>
ENDING FUND BALANCES	<u>\$ 1,556,472</u>	<u>\$ 1,426,724</u>	<u>\$ 579,741</u>
EMERGENCY RESERVE	\$ 23,900	\$ 24,600	\$ 23,800
RESERVE FOR FUTURE EXPENDITURES	1,532,572	1,402,124	555,941
TOTAL RESERVE	<u>\$ 1,556,472</u>	<u>\$ 1,426,724</u>	<u>\$ 579,741</u>

No assurance provided. See summary of significant assumptions.

**HAVANA WATER & SANITATION DISTRICT
ENTERPRISE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

01/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUNDS AVAILABLE	\$ 452,872	\$ 470,333	\$ 650,152
REVENUES			
Interest income	8,498	28,000	20,000
Sewer service fees	763,359	843,465	876,308
Reimbursed expenditures - Castlewood W&SD	25,844	26,845	28,187
Total revenues	<u>797,701</u>	<u>898,310</u>	<u>924,495</u>
TRANSFERS IN			
Transfers from other districts	<u>75,000</u>	-	-
Total funds available	<u>1,325,573</u>	<u>1,368,643</u>	<u>1,574,647</u>
EXPENDITURES			
Operations and maintenance			
Sewer Treatment	539,470	502,053	525,114
Debt Service			
Note Interest	9,670	5,438	1,302
Note Principal	256,100	211,000	66,400
Note Principal - Prepayment	50,000	-	-
Total expenditures	<u>855,240</u>	<u>718,491</u>	<u>592,816</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>585,000</u>
Total expenditures and transfers out requiring appropriation	<u>855,240</u>	<u>718,491</u>	<u>1,177,816</u>
ENDING FUNDS AVAILABLE	<u>\$ 470,333</u>	<u>\$ 650,152</u>	<u>\$ 396,831</u>
RESERVE FOR FUTURE EXPENDITURES	<u>\$ 470,333</u>	<u>\$ 650,152</u>	<u>\$ 396,831</u>
TOTAL RESERVE	<u>\$ 470,333</u>	<u>\$ 650,152</u>	<u>\$ 396,831</u>

**HAVANA WATER AND SANITATION DISTRICT
2024 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
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Sewer Service Fees

The District bills its customers for wastewater services at a semi-annual rate of \$147.50 per single-family tap equivalent for residential and nonresidential units and \$163.00 for schools. A rate adjustment is anticipated for 2024, increasing the semi-annual rate to \$155.00 per single-family tap equivalent for residential and nonresidential units and \$170.50 for schools.

Lease Income

In 2024, the District will receive \$1,910.25 monthly from AT&T pursuant to a Lease Agreement.

Reimbursed Expenditures

The District anticipates collecting \$28,187 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
2024 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 Note is anticipated to be fully paid in 2024, hence the coverage requirement no longer applies in 2024.

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 2024, 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, 2024**

**\$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**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2024	\$ 66,400	\$ 1,302	\$ 67,702
	<u>\$ 66,400</u>	<u>\$ 1,302</u>	<u>\$ 67,702</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ARAPAHOE COUNTY, Colorado.

On behalf of the HAVANA WATER & SANITATION DISTRICT,

the BOARD OF DIRECTORS (taxing entity)^A

of the HAVANA WATER & SANITATION DISTRICT (governing body)^B
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 193,799,888 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 193,799,888 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/05/2024 for budget/fiscal year 2024.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>4.227</u> mills	\$ <u>819,192</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.617</u> > mills	\$ < <u>119,575</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>3.610</u> mills	\$ <u>699,617</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>3.610</u> mills	\$ <u>699,617</u>

Contact person: Gigi Pangindian Phone: (303) 779-5710
 Signed: Gigi Pangindian Title: Accountant for the District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Havana Water and Sanitation District of Arapahoe County, Colorado on this 15th day of November 2023.

DocuSigned by:
David Mohrhaus
D88A71AEAAAB47B...

David A. Mohrhaus, Secretary

SEAL

