

LETTER OF BUDGET TRANSMITTAL

Date: January 20, 2023

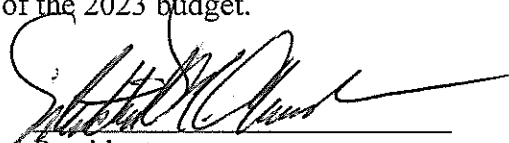
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for SOUTHGATE WATER DISTRICT in Arapahoe and Douglas Counties, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 13, 2022. If there are any questions on the budget, please contact:

Simmons & Wheeler, P.C.
Attn: John Simmons
304 Inverness Way South Suite 490
Englewood, CO 70112

I, Mitchell Chambers as President of the Southgate Water District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By:



President

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
SOUTHGATE WATER DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SOUTHGATE WATER DISTRICT, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Southgate Water District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 13, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 0.00 (Arapahoe County) and \$ 0.00 (Douglas County); and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ 0.00 (Arapahoe County) and \$ 0.00 (Douglas County); and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 0.00 (Arapahoe County) and \$ 0.00 (Douglas County); and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ 0.00 (Arapahoe County) and \$ 0.00 (Douglas County); and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ 0.00 (Arapahoe County) and \$ 0.00 (Douglas County); and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ 0.00 (Arapahoe County) and \$ 0.00 (Douglas County); and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Arapahoe County is \$1,470,002,899; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$ 957,417,320 and \$3,143,820 (Bond only); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHGATE WATER DISTRICT OF ARAPAHOE AND DOUGLAS COUNTIES, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Southgate Water District for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills (Arapahoe County) and 0.000 mills (Douglas County) upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills (Arapahoe County) and 0.000 mills (Douglas County) upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding

requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills (Arapahoe County) and 0.000 mills (Douglas County) upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills (Arapahoe County) and 0.000 mills (Douglas County) upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills (Arapahoe County) and 0.000 mills (Douglas County) upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills (Arapahoe County) and 0.000 mills (Douglas County) upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Arapahoe and Douglas Counties, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Arapahoe and Douglas Counties, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

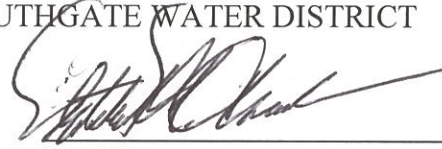
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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ADOPTED this 13th day of December, 2022.

SOUTHGATE WATER DISTRICT

By:



President

ATTEST:

By:

Secretary



SOUTHGATE WATER DISTRICT
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for the Southgate Water District.

The Southgate Water District has adopted one fund, an Enterprise Fund, to provide for the expenditures and capital improvements related to providing water services.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2023 will be interest income, tap fees and utility billings. The district does not intend to impose a mill levy on property within the district for 2023.

Southgate Water District
Adopted Budget
For the Year Ending December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>07/31/22</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Total Beginning Funds Available	\$ 30,400,469	\$ 29,481,257	\$ 29,481,257	\$ 29,481,257	\$ 28,237,457
Administrative and Operations					
Revenues:					
Rates and service charges	1,700,969	1,786,724	1,016,636	1,700,000	2,336,426
Interest income	73,636	103,090	223,220	400,000	300,000
Plan review/inspection fees	25,940	24,000	10,250	22,000	24,000
Other income	105,534	5,000	1	3,000	5,000
Total revenues	1,906,079	1,918,815	1,250,107	2,125,000	2,665,426
Expenditures:					
Accounting / audit	31,516	39,000	19,479	38,000	39,000
Election expense		100,000	510	5,000	100,000
Conferences/Seminars/Memberships	13,200	30,000	21,168	30,000	30,000
Director fees	4,700	9,800	3,200	9,800	7,500
Employee compensation	765,930	890,000	445,536	890,000	1,096,200
Engineering - non capital	74,255	110,000	31,243	80,000	86,400
Insurance	28,629	45,000	33,735	35,000	45,000
Legal services	18,045	32,000	11,785	25,000	32,000
Maintenance	455,284	500,000	333,523	500,000	500,000
Office expenses	13,448	50,000	18,498	45,000	50,000
Network administrative maintenance	48,991	78,000	36,202	78,000	109,240
Software / subscriptions	55,516	56,000	42,886	56,000	65,000
Special Projects - non capital	13,111	20,000	4,597	15,000	25,000
Expended equipment	146	15,000	4,199	15,000	15,000
Utilities	81,993	82,000	41,667	82,000	90,200
Contingency		50,000			50,000
Total expenditures	1,604,764	2,106,800	1,048,228	1,903,800	2,340,540
Excess (deficiency) of revenues over expenditures - operations	301,315	(187,985)	201,879	221,200	324,886
Capital					
Revenues:					
Tap fees	560,486	500,000	968,930	1,100,000	1,138,500
Total revenues	560,486	500,000	968,930	1,100,000	1,138,500
Expenditures:					
Capitalized equipment	-	50,000	41,394	50,000	50,000
Capital Projects	1,777,894	14,300,000	1,316,328	2,500,000	20,000,000
Easements	-	10,000	-	10,000	10,000
Water resources	3,119	12,500	2,470	5,000	12,500
Total expenditures	1,781,013	14,372,500	1,360,192	2,565,000	20,072,500
Excess (deficiency) of revenues over expenditures - capital	(1,220,527)	(13,872,500)	(391,262)	(1,465,000)	(18,934,000)
Excess (deficiency) of revenues over expenditures	(919,212)	(14,060,485)	(189,383)	(1,243,800)	(18,609,114)
Total Ending Funds Available	\$ 29,481,257	\$ 15,420,772	\$ 29,291,874	\$ 28,237,457	\$ 9,628,343

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Southgate Water District,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the Southgate Water District,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,470,002,899 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: \$ 1,470,002,899 (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: 12/14/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
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: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	0.000 mills	\$ 0

Contact person: Diane K Wheeler Daytime phone: (303) 689-0833
 (print)
 Signed: Diane K Wheeler Title: District Accountant

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) 866-2156.

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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
On behalf of the Southgate Water District
the Board of Directors
of the Southgate Water District**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$957,417,320** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$957,417,320**

Submitted: *John Simmons* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	0.000 mills	\$0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$0
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	0.000 mills	\$0

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Southgate Water Bond Debt Service
 the Board of Directors
 of the Southgate Water Bond Debt Service**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$3,143,820** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$3,143,820**

Submitted: *John Simmons* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	0.000 mills	\$0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$0
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	0.000 mills	\$0

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 14 Dec 2022