DANIELS SANITATION DISTRICT
Lakewood, CO

FINANCIAL STATEMENTS
December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Daniels Sanitation District

Opinions
We have audited the accompanying financial statements of Daniels Sanitation District as of and for the year ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Daniels Sanitation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Daniels Sanitation District as of December 31, 2025 and 2024, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Daniels Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Daniels Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Daniels Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Daniels Sanitation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Daniels Sanitation District's basic financial statements. The budgetary comparison schedule – Non-GAAP basis, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – Non-GAAP Basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fort Collins, CO
May 26, 2026

Basic Financial Statements

Daniels Sanitation District
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 1,827,314	$ 1,791,247
Prepaid expenses	7,487	13,430
Accounts receivable-service charges	32,106	50,325
Other receivables	973	1,007
Property taxes receivable	33,897	33,365
Total Current Assets	1,901,777	1,889,374
Noncurrent Assets		
Capital Assets		
Nondepreciable		
Land	12,973	12,973
Construction in progress	4,105	3,835
Depreciable		
Sewer lines, metering station and outfall	3,957,100	3,957,100
Building	84,910	84,910
Machinery and equipment	81,460	81,436
Office equipment	21,271	21,271
Vehicle	72,488	72,488
Total Capital Assets	4,234,307	4,234,013
Less: Accumulated depreciation	(2,298,956)	(2,202,040)
Net Capital Assets	1,935,351	2,031,973
Total Noncurrent Assets	1,935,351	2,031,973
Total Assets	3,837,128	3,921,347
Liabilities		
Current Liabilities		
Accounts payable	171,497	142,678
Accrued expenses	33,778	42,373
Total Current Liabilities	205,275	185,051
Deferred Inflows of Resources		
Deferred property taxes	33,897	33,365
Total Deferred Inflows of Resources	33,897	33,365
Net Position		
Net Investment in capital assets	1,935,351	2,031,973
Restricted for emergencies	1,080	1,133
Unrestricted	1,661,525	1,669,825
Total Net Position	$ 3,597,956	$ 3,702,931

The accompanying notes are an integral part of these financial statements

Daniels Sanitation District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Sewage treatment revenue	$ 1,012,116	$ 969,817
Metro connection fees	11,820	5,520
Other income	9,931	11,513
Total Operating Revenues	1,033,867	986,850
Operating Expenses		
Sewage treatment	657,052	591,238
Personnel expenses	210,587	213,627
Collection and transmission	129,565	74,208
General and administration	161,334	118,107
Depreciation expense	99,013	103,368
Total Operating Expenses	1,257,551	1,100,548
Operating Loss	(223,684)	(113,698)
Nonoperating Revenues (Expenses)		
Property taxes - operations	33,748	35,498
Specific ownership taxes	2,268	2,254
Investment income	67,290	79,139
Connection fees	14,288	2,020
County treasurer fees	(506)	(532)
Gain on disposal of assets	1,621	2,359
Total Nonoperating Revenues (Expenses)	118,709	120,738
Change in Net Position	(104,975)	7,040
Net Position, beginning of year	3,702,931	3,695,891
Net Position, end of year	$ 3,597,956	$ 3,702,931

The accompanying notes are an integral part of these financial statements

Daniels Sanitation District
Statement of Cash Flows
For the Year Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Cash received from customers	$ 1,052,120	$ 990,027
Cash paid to suppliers	(921,784)	(810,262)
Cash paid to employees	(210,587)	(163,186)
Net cash provided (used) by operating activities	(80,251)	16,579
Cash Flows From Non-Capital Financing Activities		
Property and ownership taxes received	36,016	37,752
Fee paid to county treasurer	(506)	(532)
Cash received from connection charges	14,288	2,020
Net cash provided (used) by non-capital financing activities	49,798	39,240
Cash Flows From Capital And Related Financing Activities		
Acquisitions and construction of capital assets	(2,520)	(25,812)
Proceeds from sale of assets	1,750	7,250
Net cash provided (used) in capital and related financing activities	(770)	(18,562)
Cash Flows From Investing Activities		
Investment income received	67,290	79,139
Net cash provided (used) by investing activities	67,290	79,139
Net increase (decrease) in cash and cash equivalents	36,067	116,396
Cash and cash equivalents, beginning of year	1,791,247	1,674,851
Cash and cash equivalents, end of year	$ 1,827,314	$ 1,791,247
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Loss	$ (223,684)	$ (113,698)
Adjustments to reconcile operating loss to cash provided / (used) by operating activities		
Depreciation and amortization	99,013	103,368
Changes in assets and liabilities		
Accounts receivable	18,219	2,937
Prepaid expenses	5,943	873
Other receivables	34	240
Accounts payable	28,819	25,292
Other accrued liabilities	(8,595)	(2,433)
Net Cash Provided (Used) by Operating Activities	$ (80,251)	$ 16,579

The accompanying notes are an integral part of these financial statements

Note 1 Summary of Significant Accounting Policies

Daniels Sanitation District (the District) is a quasi-municipal corporation, pursuant to the provisions of the Colorado Special District Act. The District was established to provide sanitation services to its service area located in Jefferson County, Colorado. The District operates under a Board of Directors form of government. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The significant accounting policies utilized are:

Financial Reporting Entity

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provides guidance for determining which governmental activities, organization and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Basis of Accounting

Enterprise fund accounting is utilized by the District in accordance with accounting principles generally accepted in the United States of America.

Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets. Retirement of bonds is recorded as a reduction of liabilities.

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sanitation sales and service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments a*s amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* These statements establish standards for external financial reporting for all state and local governmental entities which includes a management's discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted.

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Budgets and Budgetary Accounting

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the District manager submits the proposed budget to the District Board of Directors.
- Prior to its adoption, the budget is open for inspection by the public.
- After public inspection and consideration of any objections filed, the Board reviews the proposed budget and formally adopts it by resolution.
- At the time of the adoption of the budget, the Board passes an appropriating ordinance giving the District legal authority to spend.
- Prior to December 15, the Board adopts the mill levy.

Budgets are not prepared in accordance with accounting principles generally accepted in the United States of America because they include capital asset expenditures, but do not include depreciation, or accrued vacation and sick leave.

Budgets may be amended during the year by approval of the Board of Directors. Any amendments to the budget are incorporated into the budget in these financial statements. Appropriations lapse at the end of the budget year. The budget was not amended in 2025.

Note 1 Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied on January 1st and are payable either in one installment on or before April 30th, or in two installments due on or before February 28th and June 15th of each year. The collections and assessments are done by Jefferson County and are remitted to the District monthly. District property taxes which are due to be paid in the next period, and representing an enforceable lien at January 1st of the next year, have been recorded as a receivable and a deferred revenue.

Allowance of Doubtful Accounts

No allowance is made for bad debts in the accompanying financial statements as substantially all revenues of the district originate from charges to the owners of the District, and the District has the ability to place liens on the property.

Assets and Liabilities

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets - are recorded at cost except for those assets which have been contributed, which are stated at estimated fair market value at the date of contribution or at developer's cost. The capitalization threshold for fixed assets is $5,000. Depreciation is computed using the straight-line method over the asset's estimated economic useful life. The estimated useful lives are as follows:

Sewer Lines	30 years
Machinery and equipment	5-10 years
Office furniture and equipment	5-10 years
Office building	30 years
Trucks	10 years

Accrued vacation and sick pay – The District's personnel policy states that employees may earn a total of twenty vacation days per year depending on length of service. Employees may carry over a maximum of 160 hours of vacation annually except under special circumstances which must be approved by the District Manager. The District accrues a liability for compensated absences under the provisions of GASB No. 101. The net change in compensated absences was $3,945.

Note 1 Summary of Significant Accounting Policies (Continued)

Net Position

Equity is classified as net position and displayed in three components:

a. Net Investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.

c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position are available for future operations or distributions.

The District has established an emergency reserve of $1,080 and $1,133 as of December 31, 2025 and 2024, respectively, to comply with Article X, Section 20 of the Colorado Constitution which is recorded as restricted net position.

Cash Equivalents

For purposes of the statement of cash flows, and the financial statements in general, cash equivalents are defined as investments (including restricted assets) with maturity of three months or less at date of acquisition. The District considers certificates of deposit with maturities of more than three months at date of purchase as investments.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2025, and 2024, the District’s cash deposits had a carrying balance of $233,148 and $264,401 and a corresponding bank balance of $238,078 and $263,961 of which $238,078 and $250,000 was insured by the Federal Deposit Insurance Corporation.

Note 2 Cash and Investments (Continued)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The District had $0 and $13,961 collateralized under PDPA at December 31, 2025 and 2024, respectively.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2025, and 2024, none of the District's bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities, and the World Bank.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The District invests in Colorado Government Liquid Asset Trust Plus (Colotrust Plus) and the Colorado Surplus Asset Fund Trust (CSAFE), both established for Colorado local governments surplus fund pooling. Both pools are regulated by the Colorado Securities Commissioner. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. ColoTrust Plus and C-SAFE are 2a7-like investment pools and are both rated by

Note 2 Cash and Investments (Continued)

Standard and Poor's, and Moody's with current ratings of AAA and Aaa. Colotrust is valued at net asset value and CSAFE is valued at amortized cost. There are no limitations on withdrawals. The redemption frequency is daily and there is no redemption notice period for ColoTrust or CSAFE. At December 31, 2025 and 2024, the District had $830,422 and $795,316 invested in COLOTRUST, and $763,365 and $731,401 invested in CSAFE, respectively.

The District has not adopted a formal investment policy.

A summary of cash and investments at December 31, 2025 and 2024, respectively, is as follows:

	2025	2024
Cash on hand	$ 379	$ 129
Cash deposits	233,148	264,401
CSAFE	763,365	731,401
COLOTRUST	830,422	795,316
Total cash and cash equivalents	$ 1,827,314	$ 1,791,247

Note 3 Accounts Receivable

Accounts receivable balance at December 31, 2025 and 2024, respectively, were comprised of the following:

	2025	2024
Fees for services	$ 32,106	$ 50,325
Cash at county treasurer	185	148
Other	788	859
Less: Allowance for doubtful accounts	-	-
Net Accounts Receivable	$ 33,079	$ 51,332
Accounts receivable	32,106	50,325
Other receivables	973	1,007
Total per financial statements	$ 33,079	$ 51,332

Daniels Sanitation District
Notes to Financial Statements (Continued)
December 31, 2025 and 2024

Note 4 Capital Assets

A summary of changes to capital assets for 2025 is as follows:

	Balance at 12/31/2024	Additions	Deletions	Balance at 12/31/2025
Nondepreciable				
Land	$ 12,973	$ -	$ -	$ 12,973
Construction in progress	3,835	270	-	4,105
Total Nondepreciable	12,973	270	-	17,078
Depreciable				
Sewer lines and metering station	3,957,100	-	-	3,957,100
Buildings	84,910	-	-	84,910
Machinery and equipment	81,436	2,250	(2,226)	81,460
Office equipment	21,271	-	-	21,271
Vehicles	72,488	-	-	72,488
Total Depreciable	4,212,239	2,250	(2,226)	4,217,229
TOTAL	4,225,212	2,520	(2,226)	4,234,307
Less Accumulated Depreciation				
Sewer lines and metering station	(1,981,624)	(91,457)	-	(2,073,081)
Buildings	(82,787)	(592)	-	(83,379)
Machinery and equipment	(78,625)	(964)	2,097	(77,492)
Office equipment	(18,929)	(1,338)	-	(20,267)
Vehicles	(40,075)	(4,662)	-	(44,737)
Total Accumulated Depreciation	(2,110,792)	(99,013)	2,097	(2,298,956)
Net Capital Assets	$ 2,114,420	$ (96,493)	$ (129)	$ 1,935,351

A summary of changes to capital assets for 2024 is as follows:

	Balance at 12/31/2023	Additions	Deletions	Balance at 12/31/2024
Nondepreciable				
Land	$ 12,973	$ -	$ -	$ 12,973
Construction in progress	-	3,835	-	3,835
Total Nondepreciable	12,973	3,835	-	16,808
Depreciable				
Sewer lines and metering station	3,957,100	-	-	3,957,100
Buildings	84,910	-	-	84,910
Machinery and equipment	81,436	-	-	81,436
Office equipment	21,271	-	-	21,271
Vehicles	67,522	21,977	(17,011)	72,488
Total Depreciable	4,212,239	21,977	(17,011)	4,217,205
TOTAL	4,225,212	25,812	(17,011)	4,234,013
Less Accumulated Depreciation				
Sewer lines and metering station	(1,885,811)	(95,813)	-	(1,981,624)
Buildings	(82,195)	(592)	-	(82,787)
Machinery and equipment	(77,661)	(964)	-	(78,625)
Office equipment	(17,591)	(1,338)	-	(18,929)
Vehicles	(47,534)	(4,662)	12,121	(40,075)
Total Accumulated Depreciation	(2,110,792)	(103,369)	12,121	(2,202,040)
Net Capital Assets	$ 2,114,420	$ (77,557)	$ (4,890)	$ 2,031,973

Note 5 Retirement Plan

The District is a member of the Colorado County Officials and Employee Retirement Association (CCOERA), a multi-employer defined contribution retirement plan. The benefit terms are authorized by the Board of Directors. The plan provides that the District match the mandatory eight percent contributions made by each eligible employee. An employee becomes eligible after completion of one year of service with 40 hours per week, or five months a year. Upon termination of employment, the employee is eligible to withdraw the vested account balance. Employee contributions are immediately vested. Employer contributions vest each plan month at the rate which equals the product of 1/12 multiplied by 20%. The District made contributions during 2025, 2024 and 2023 of \$6,684, \$6,768, and \$11,302 respectively.

Note 6 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. The District has created a Water and Wastewater statutory enterprise operation in compliance with Colorado law, which exempts certain business-like operations from Article X, Section 20 of the Colorado Constitution.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District is a participant in the Colorado Special District Association Property and Liability Pool. The Pool was formed by an agreement by member special districts of the Special District Association as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(c) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S, as amended. Membership is restricted to Colorado special districts which are members of the Special District Association.

The purpose of the Pool is to provide defined property, liability, workers' compensation and associated coverage's, and claims and risk management services related thereto, for member special districts through a self-insurance pool. The Pool has contracted with other third parties to operate, administer and manage the Pool. In the event aggregated losses incurred by the Pool exceed amounts recoverable from the reinsurance contracts and capital and surplus accumulated by the Pool, additional contributions may be required from the Pool members. The District's claims have not exceeded its commercial liability coverage in any of the last three years.

Note 8 Reclassifications

Certain items have been reclassified from the previous year to conform with the presentation of the current years financial statements.

Other Supplementary Information

Daniels Sanitation District
Budgetary vs. Actual Comparison - Non GAAP Basis
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Service charges	$ 1,039,600	$ 1,012,116	$ (27,484)
Transfer, late charges, and other fees	10,600	9,931	(669)
Connection fees			
Metro	-	11,820	11,820
Daniels	-	14,288	14,288
Property taxes	33,365	33,748	383
Specific ownership taxes	2,500	2,268	(232)
Interest	60,000	67,290	7,290
Gain on sale of assets	-	1,621	1,621
Total Revenues	1,146,065	1,153,082	7,017
Expenses			
Personnel expenses	235,400	210,587	24,813
Sewage treatment charges	701,600	657,052	44,548
Other collection and transmission expenses	138,500	117,745	20,755
Other general and administrative	124,350	161,334	(36,984)
Connection fees - Metro	-	11,820	(11,820)
County treasurer fees	517	506	11
Capital outlay	505,000	2,520	502,480
Contingency	984,068	-	984,068
Total Expenses	2,689,435	1,161,564	1,527,871
Revenues over (under) Expenditures	$ (1,543,370)	$ (8,482)	$ 1,534,888
Reconciliation to Net Income			
Add Capital Outlay		2,520	
Less Depreciation Expense		(99,013)	
Net Income		$ (104,975)	