

**DANIELS SANITATION DISTRICT**

**RESOLUTION NO. 2025-11-02**

**RESOLUTION ADOPTING BUDGET, IMPOSING MILL LEVY AND  
APPROPRIATING FUNDS FOR 2026**

WHEREAS, the Board of Directors (“Board”) of Daniels Sanitation District (“District”) has appointed the District Accountant to prepare and submit a proposed 2026 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2025 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 17, 2025, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Daniels Sanitation District:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	37,042
Enterprise Fund:	\$	2,891,620
Total	\$	2,928,662

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses	\$	1,070
From sources other than general property tax	\$	2,104
From general property tax	\$	33,868
Total	\$	37,042

Enterprise Fund:

From unappropriated surpluses	\$1,719,382
From fund transfers	\$ 22,438
From sources other than general property tax	<u>\$1,149,800</u>
Total	\$2,891,620

3. That the budget, as submitted, amended and herein summarized by fund, including, but not limited to, any mill levy rate reduction, be, and the same hereby is, approved and adopted as the budget for the 2026 fiscal year. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section shall be deemed ratified by the Board.

4. That the budget, as hereby approved and adopted, subject to any adjustments due to final assessed valuation, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$33,868; and

WHEREAS, the Board, in accordance with Sections 39-1-111.5 and 29-1-306, C.R.S., has determined to provide temporary property tax relief to its taxpayers in the form of a temporary reduction in its property tax rate for the 2026 budget year, which is subject to annual review; and

WHEREAS, the District has no outstanding debt obligation; and

WHEREAS, the preliminary 2025 valuation for assessment of the District, as certified by the County Assessor, is \$155,358,638; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Daniels Sanitation District:

1. That for the purpose of meeting all general operating expenses of the District during the 2026 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 0.218 (including a temporary mill levy reduction of 0.157) mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$33,868.

2. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Jefferson County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon

receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

**TO APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the Daniels Sanitation District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Daniels Sanitation District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$ 37,042
Enterprise Fund:	\$ 2,891,620
Total Sums Appropriated	\$ 2,928,662

Adopted this 17<sup>th</sup> day of November, 2025.

DANIELS SANITATION DISTRICT

By: Rex L. Johnson  
Rex L. Johnson, Chairman

Attest:

Scott Paschal  
Scott Paschal, Secretary

**Daniels Sanitation District**  
**Annual Budget**  
**For Year Ending December 31, 2026**

**ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Daniels Sanitation District  
Jefferson County, Colorado

Management is responsible for the accompanying budget of estimated revenues, expenditures, and ending fund balances for the general and enterprise funds of Daniels Sanitation District for the year ending December 31, 2026, including estimated comparative information for the year ending December 31, 2025, and the actual comparative information for the year ending December 31, 2024, in the format prescribed by C.R.S. §§ 29-1-103 and 29-1-105, and the related budget message and summary of significant assumptions in accordance with the guidelines for budget presentation established by the American Institute of Certified Public Accountants (AICPA).

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budgets, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budgets.

The budgeted results may not be achieved as there will generally be differences between the budgeted and actual results. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying budgets and this report were prepared for the purpose of determining the mill levy and estimating revenues, expenditures and fund balances as required by governmental entities within the State of Colorado in accordance with C.R.S. §§ 29-1-103 and 29-1-105, and should not be used for any other purpose. The accompanying budgets are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

*Morain Bakarich, CPAs*

Morain Bakarich, CPAs  
Golden, Colorado  
December 12, 2025

**DANIELS SANITATION DISTRICT**  
**Assessed Valuation, Property Tax and Mill Levy Information**

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<b>ADOPTED BUDGET</b>	<b>ADOPTED BUDGET</b>	<b>ADOPTED BUDGET</b>
<b>ASSESSED VALUATION</b>	\$ 151,383,109	\$ 145,697,980	\$ 155,486,944
<b>Mill Levy</b>			
General Fund	0.375	0.375	0.375
Temporary Mill Levy Reduction	(0.146)	(0.146)	(0.157)
Abatements	-	-	-
Total Mill Levy	0.229	0.229	0.218
<b>Property Taxes</b>			
General Fund	\$ 56,769	\$ 54,637	\$ 58,308
Temporary Mill Levy Reduction	(22,102)	(21,272)	(24,411)
Abatements	-	-	-
Total Budgeted Property Taxes	\$ 34,667	\$ 33,365	\$ 33,897

**DANIELS SANITATION DISTRICT  
GENERAL FUND BUDGET  
January 1, 2026 to December 31, 2026**

	<b>2024 ACTUAL</b>	<b>2025 ADOPTED BUDGET</b>	<b>2025 ESTIMATED BUDGET</b>	<b>2026 ADOPTED BUDGET</b>
<b>BEGINNING FUND BALANCE</b>	\$ 1,056	\$ 1,133	\$ 1,133	\$ 1,070
<b>Estimated Revenues:</b>				
Property Taxes	35,459	33,365	33,365	33,897
Specific Ownership Taxes	2,254	2,500	2,217	2,106
Interest - Property Taxes	38	-	100	-
Total Estimated Revenues	<u>37,751</u>	<u>35,865</u>	<u>35,682</u>	<u>36,003</u>
Total Funds Available	<u>38,807</u>	<u>36,998</u>	<u>36,815</u>	<u>37,073</u>
<b>Estimated Expenditures:</b>				
Directors Fees	6,000	8,000	6,500	8,000
Treasurer's Fees	532	517	517	525
Election Expense	-	1,000	37	-
Reserve for Contingencies	-	5,000	-	5,000
Total Estimated Expenditures	<u>6,532</u>	<u>14,517</u>	<u>7,054</u>	<u>13,525</u>
<b>Estimated Transfers</b>				
Transfers - Enterprise Fund	31,142	21,405	28,691	22,468
Transfers - Emergency Reserve	-	1,076	-	1,080
Total Estimated Transfers	<u>31,142</u>	<u>22,481</u>	<u>28,691</u>	<u>23,548</u>
<b>Total Expenditures Requiring Appropriation</b>	<u><u>37,674</u></u>	<u><u>36,998</u></u>	<u><u>35,745</u></u>	<u><u>37,073</u></u>
<b>Estimated Change in Fund Balance</b>	<u>77</u>	<u>(1,133)</u>	<u>(63)</u>	<u>(1,070)</u>
<b>ENDING FUND BALANCE</b>	<u><u>\$ 1,133</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,070</u></u>	<u><u>\$ -</u></u>

**DANIELS SANITATION DISTRICT  
ENTERPRISE FUND BUDGET  
JANUARY 1, 2026 TO DECEMBER 31, 2026**

	2024 ACTUAL	2025 ADOPTED BUDGET	2025 ESTIMATED BUDGET	2026 ADOPTED BUDGET
<b>BEGINNING FUND BALANCE</b>	\$ 1,585,305	\$ 1,577,261	\$ 1,669,825	\$ 1,719,382
<b>Estimated Revenues:</b>				
Sewer Service Charges	969,817	1,039,600	1,018,020	1,079,100
Tap Fees - Daniels Sanitation	2,020	-	14,288	-
Tap Fees - Metro	5,520	-	11,820	-
Interest	79,139	60,000	68,100	60,000
Inspection Fees	125	1,000	250	1,000
Returned Check Fees	100	100	150	200
Transfer Fees	1,650	2,000	1,200	2,000
Late Charges	9,638	7,500	6,750	7,500
Gain on Sale of Assets	2,360	-	-	-
Transfer From General Fund	31,142	21,405	28,691	22,468
<b>Total Estimated Revenues</b>	<b>1,101,511</b>	<b>1,131,605</b>	<b>1,149,269</b>	<b>1,172,268</b>
<b>Total Funds Available</b>	<b>2,686,816</b>	<b>2,708,866</b>	<b>2,819,094</b>	<b>2,891,650</b>
<b>Estimated Expenditures</b>				
<b>Operating Expenditures</b>				
Accounting Services	3,952	6,000	5,500	6,000
Advertising	39	250	100	250
Auditing	7,200	8,000	7,900	8,000
Vehicle Expense	5,412	8,000	6,000	8,000
Backflow	-	150	-	150
Clothing Allowance	180	250	200	250
Education	3,493	2,500	2,000	2,500
Employee Insurance	29,820	31,500	30,000	33,000
Engineering	3,288	15,000	3,000	10,000
General Expense	14	1,000	100	1,000
Insurance-General	10,433	11,500	10,500	12,500
Insurance-Worker's Compensation	3,827	5,000	4,000	-
Legal	9,774	8,000	16,000	20,000
LWS Treatment	589,726	700,000	617,830	700,000
Management Services	45,373	42,200	76,000	77,500
Membership Dues	1,725	2,500	1,850	2,500
Metro Tap Fees	5,520	-	11,820	-
Office Building Repair and Maintenance	2,996	5,000	3,000	5,000
Office Utilities	2,244	2,500	2,300	2,500
Office Supplies	19,756	11,500	12,000	15,000
Answering Service	823	1,000	895	1,000
Payroll Taxes	13,854	13,800	12,800	13,400
Pleasant View Service Charges	1,512	1,600	1,512	1,600
Postage	3,610	4,000	3,500	4,000
Request for Locates	682	1,000	700	1,000
Repairs & Maintenance - Jetting and Root Cutting	52,102	55,000	50,000	55,000
Repairs & Maintenance - Video Inspections	-	50,000	8,000	50,000
Repairs & Maintenance - Replacement	(184)	10,000	-	10,000
Repairs & Maintenance - General	5,282	5,000	21,000	5,000
Retirement Benefits	6,768	10,000	7,000	10,000
Salaries - Office	57,572	65,000	63,000	67,200
Salaries - Other	99,614	107,100	90,455	93,600
Tools	1,568	2,500	2,500	2,500
Telephone	3,207	4,000	3,250	4,000
Reserve For Contingencies	-	979,068	-	1,129,032
<b>Total Operating Expenditures</b>	<b>991,179</b>	<b>2,169,918</b>	<b>1,074,712</b>	<b>2,351,482</b>

**DANIELS SANITATION DISTRICT  
ENTERPRISE FUND BUDGET  
JANUARY 1, 2026 TO DECEMBER 31, 2026**

	<b>2024 ACTUAL</b>	<b>2025 ADOPTED BUDGET</b>	<b>2025 ESTIMATED BUDGET</b>	<b>2026 ADOPTED BUDGET</b>
<b>Capital Expenditures</b>				
Office Furniture and Equipment	\$ -	\$ 5,000	\$ -	\$ 5,000
Sewer Line Replacements	25,812	500,000	25,000	500,000
<b>Total Capital Expenditures</b>	<u>25,812</u>	<u>505,000</u>	<u>25,000</u>	<u>505,000</u>
<b>Estimated Transfers</b>				
Emergency Reserve	-	33,948	-	35,168
Total Estimated Transfers	-	33,948	-	35,168
<b>Total Expenditures Requiring Appropriation</b>	<u><b>1,016,991</b></u>	<u><b>2,708,866</b></u>	<u><b>1,099,712</b></u>	<u><b>2,891,650</b></u>
<b>Estimated Change in Fund Balance</b>	<u>84,520</u>	<u>(1,577,261)</u>	<u>49,557</u>	<u>(1,719,382)</u>
<b>Ending Fund Balance</b>	<u><b>\$ 1,669,825</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 1,719,382</b></u>	<u><b>\$ -</b></u>

**DANIELS SANITATION DISTRICT  
2026 BUDGET MESSAGE AND  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Introduction**

Daniels Sanitation District, (the "District") was formed on July 9, 1956, for the purpose of providing sewage collection and transmission services. The District provides sewer service to approximately 1,559 connecting taps in the District's service area located within Jefferson County, Colorado. The District contracts with the City of Lakewood for sewage treatment services.

The 2026 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2026 fiscal year based on available revenues. The 2026 budget includes a general operating fund budget, and a business-like enterprise fund budget for the District's sewer enterprise.

For the 2026 budget year, the District's net assessed valuation increased 6.631% to \$155,486,944. In accordance with the TABOR amendment to the Colorado Constitution, the District's net mill levy decreased to .218 mills. The District's net mill levy will generate approximately \$33,897 of property tax revenue and \$2,106 of specific ownership taxes revenue in 2026.

**Budgetary Basis of Accounting**

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget.

The District's General fund is considered a Governmental Fund and is reported using the economic resources focus and the modified accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. The District's Sanitation Enterprise fund is prepared under the full accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows.

**Fund Summaries**

**General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, treatment charges and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes and specific ownership taxes.

**Sanitation Enterprise Fund** accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through a combination of user charges. The District contracts for repair and maintenance services. Sanitary sewer system maintenance and repairs have been estimated by the District's engineer. The estimated expenditures include periodic cleaning and general maintenance of sewer transmission mainlines. Capital outlay expenditures in the enterprise fund include repairs to the system which was constructed approximately 40 years ago.

**Long-Term Debt**

The District does not currently have any outstanding indebtedness and does not anticipate any borrowings during 2026.

**DANIELS SANITATION DISTRICT  
2026 BUDGET MESSAGE AND  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Lease Purchase Transactions**

The District is not a party to any lease purchase agreements, nor does it contemplate entering into any lease purchase transactions in 2026.

**Emergency Reserve**

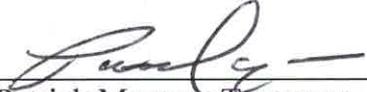
As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

**CERTIFICATION OF BUDGET**

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Daniels Sanitation District, for the budget year ending December 31, 2026, as adopted on November 17, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Daniels Sanitation District, December County, Colorado, this 17<sup>th</sup> day of November, 2025.

  
\_\_\_\_\_  
Patrick Morgan, Treasurer

( S E A L )

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of JEFFERSON COUNTY, Colorado.

On behalf of the DANIELS SANITATION DISTRICT (taxing entity)<sup>A</sup> the BOARD OF DIRECTORS (governing body)<sup>B</sup> of the DANIELS SANITATION DISTRICT (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 156,209,137 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 155,486,944 (NET<sup>G</sup> 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: 12/12/2025 for budget/fiscal year 2026 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY<sup>2</sup>, and REVENUE<sup>2</sup>. Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, and various bond and obligation categories. Includes a TOTAL row at the bottom.

Contact person: (print) Michael A. Bakarich, CPA Daytime phone: ( ) 720-499-0020 Signed: Michael A. Bakarich, CPA Title: 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) 864-7720.

<sup>1</sup> 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. <sup>2</sup> 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<sup>J</sup>:**

- |    |                   |     |       |
|----|-------------------|-----|-------|
| 1. | Purpose of Issue: | N/A | _____ |
|    | 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<sup>K</sup>:**

- |    |                      |     |       |
|----|----------------------|-----|-------|
| 3. | Purpose of Contract: | N/A | _____ |
|    | 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.