

**North Washington Street Water and Sanitation District**  
Annual Financial Statements and Auditors' Report

**For the years ended December 31, 2024 and December 31, 2023**




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## **Independent Auditors' Report**

Members of the Board of Directors  
North Washington Street Water and Sanitation District  
Adams County, Colorado

### **Opinions**

We have audited the accompanying financial statements of the business-type activities of North Washington Street Water and Sanitation District (the "District") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the 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 the business-type activities of North Washington Street Water and Sanitation District as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Washington Street Water and 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 North Washington Street Water and Sanitation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 Auditors' 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 in 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 the North Washington Street Water and 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 the North Washington Street Water and 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.

## **Report on Summarized Comparative Information**

We have previously audited North Washington Street Water and Sanitation District's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

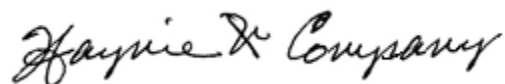
### *Required Supplementary Information*

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 opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Washington Street Water and Sanitation District's financial statements as a whole. The other supplementary information sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado  
September 4, 2025

## **Basic Financial Statements**

**North Washington Street Water and Sanitation District**  
**Statements of Net Position**  
**December 31, 2024 and 2023**

	<b>Water Fund</b>	<b>Sanitation Fund</b>	<b>General and Administrative Fund</b>	<b>Total 2024</b>	<b>Total 2023</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 1,641,849	\$ 504,157	\$ 166,457	\$ 2,312,463	\$ 2,380,151
Investments	16,170,459	6,604,836	-	22,775,295	24,434,560
Accounts receivable:					
Customers	398,217	384,172	19,680	802,069	845,806
Taxes	-	-	475,586	475,586	422,395
Accrued interest	5,525	5,525	-	11,050	11,050
Unbilled receivables	154,913	152,244	446	307,603	173,928
Inventory	54,409	-	-	54,409	54,409
Other assets	-	-	265	265	265
Total Current Assets	<u>18,425,372</u>	<u>7,650,934</u>	<u>662,434</u>	<u>26,738,740</u>	<u>28,322,564</u>
<b>Noncurrent Assets</b>					
Loan proceeds receivable	<u>1,173,027</u>	-	-	<u>1,173,027</u>	-
<b>Capital Assets</b>					
Not Being Depreciated					
Land	105,508	22,470	-	127,978	127,978
Construction in progress	<u>4,767,272</u>	<u>3,851,204</u>	-	<u>8,618,476</u>	<u>5,050,706</u>
Total Capital Assets, Not Being Depreciated	<u>4,872,780</u>	<u>3,873,674</u>	-	<u>8,746,454</u>	<u>5,178,684</u>
Being Depreciated					
Buildings	-	-	1,781,833	1,781,833	1,750,407
Water system	22,425,334	-	-	22,425,334	20,047,372
Sewer system	-	12,491,538	-	12,491,538	11,693,287
Furniture and equipment	<u>1,080,611</u>	<u>598,861</u>	<u>1,216,698</u>	<u>2,896,170</u>	<u>4,295,694</u>
Total Capital Assets, Being Depreciated	23,505,945	13,090,399	2,998,531	39,594,875	37,786,760
Less accumulated depreciation	<u>(4,996,404)</u>	<u>(3,825,986)</u>	<u>(1,763,386)</u>	<u>(10,585,777)</u>	<u>(11,467,879)</u>
Net Capital Assets, Being Depreciated	<u>18,509,541</u>	<u>9,264,413</u>	<u>1,235,145</u>	<u>29,009,099</u>	<u>26,318,881</u>
Net Capital Assets	<u>23,382,321</u>	<u>13,138,086</u>	<u>1,235,145</u>	<u>37,755,553</u>	<u>31,497,565</u>
<b>Restricted Cash and Investments</b>					
Customer and other deposits-Restricted	<u>63,956</u>	<u>63,956</u>	-	<u>127,912</u>	<u>133,922</u>
Total Assets	<u>\$ 43,044,676</u>	<u>\$ 20,852,976</u>	<u>\$ 1,897,579</u>	<u>\$ 65,795,231</u>	<u>\$ 59,954,051</u>

The accompanying notes are an integral part of these financial statements.

**North Washington Street Water and Sanitation District**  
**Statements of Net Position**  
**December 31, 2024 and 2023**

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>General and Administrative Fund</u>	<u>Total 2024</u>	<u>Total 2023</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 1,304,402	\$ 9,783	\$ 105,628	\$ 1,419,812	\$ 1,724,095
Note Payable -current portion	28,181	-	-	28,181	-
Compensated absences payable	30,465	30,465	45,485	106,415	63,853
Accrued payroll	5,705	5,705	9,453	20,862	20,862
Total Current Liabilities	<u>1,368,752</u>	<u>45,953</u>	<u>160,566</u>	<u>1,575,270</u>	<u>1,808,810</u>
<b>Long-Term Liabilities</b>					
Long-term portion of compensated absences	57,505	57,505	69,712	184,721	192,858
Note payable	681,162	-	-	681,162	-
Total Long-Term Liabilities	<u>738,667</u>	<u>57,505</u>	<u>69,712</u>	<u>865,883</u>	<u>192,858</u>
<b>Restricted Liabilities</b>					
Customer deposits	63,956	63,956	-	127,912	133,922
Total Restricted Liabilities	<u>63,956</u>	<u>63,956</u>	<u>-</u>	<u>127,912</u>	<u>133,922</u>
Total Liabilities	<u>2,171,375</u>	<u>167,413</u>	<u>230,278</u>	<u>2,569,065</u>	<u>2,135,590</u>
<b>Deferred Inflows of Resources</b>					
Deferred property tax revenue	-	-	475,586	475,586	422,395
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>475,586</u>	<u>475,586</u>	<u>422,395</u>
<b>Net Position</b>					
Net investment in capital assets	22,955,348	13,138,086	1,235,145	37,328,579	31,497,565
Unrestricted	17,917,954	7,547,477	(43,430)	25,422,000	25,898,501
Total Net Position	<u>40,873,301</u>	<u>20,685,563</u>	<u>1,191,716</u>	<u>62,750,579</u>	<u>57,396,066</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 43,044,676</u>	<u>\$ 20,852,976</u>	<u>\$ 1,897,579</u>	<u>\$ 65,795,231</u>	<u>\$ 59,954,051</u>

The accompanying notes are an integral part of these financial statements.

**North Washington Street Water and Sanitation District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2024 and 2023**

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>General and Administrative Fund</u>	<u>Total 2024</u>	<u>Total 2023</u>
<b>Water Operations</b>					
Revenue					
Water sales	\$ 6,809,796	\$ -	\$ -	\$ 6,809,796	\$ 6,079,855
Turn on fees	26,975	-	-	26,975	29,064
Miscellaneous	<u>24,094</u>	<u>-</u>	<u>-</u>	<u>24,094</u>	<u>37,713</u>
Total Water Revenue	6,860,865	-	-	6,860,865	6,146,632
Direct Water Expenses	<u>(4,720,778)</u>	<u>-</u>	<u>-</u>	<u>(4,720,778)</u>	<u>(3,910,301)</u>
Income from Water Operations	<u>2,140,087</u>	<u>-</u>	<u>-</u>	<u>2,140,087</u>	<u>2,236,331</u>
<b>Sanitation Operations</b>					
Revenue					
Sewage treatment	-	5,374,362	-	5,374,362	5,306,496
Direct sanitation expenses	<u>-</u>	<u>(2,934,856)</u>	<u>-</u>	<u>(2,934,856)</u>	<u>(2,964,643)</u>
Total Sanitation Operations	-	2,439,506	-	2,439,506	2,341,853
<b>General and Administrative Expenses</b>	<u>(949,955)</u>	<u>(889,758)</u>	<u>(341,186)</u>	<u>(2,180,896)</u>	<u>(2,089,341)</u>
<b>Operating Income (Loss)</b>	<u>1,190,132</u>	<u>1,549,748</u>	<u>(341,186)</u>	<u>2,398,697</u>	<u>2,488,843</u>
<b>Nonoperating Revenues (Expenses)</b>					
General property tax	-	-	446,448	446,448	461,337
Specific ownership tax	-	-	20,318	20,318	28,829
Interest expense	(16,011)	-	-	(16,011)	-
Net investment income	393,664	418,322	1,432	813,418	665,500
Unrealized gain (loss) on investment	191,537	78,234	-	269,771	523,275
Miscellaneous revenue (expense)	-	68,829	275,101	343,930	(39,956)
County treasurer's fees	-	-	(6,540)	(6,540)	(3,026)
Loan forgiveness revenue	870,531	-	-	870,531	-
Interfund transfers	<u>(1,019,754)</u>	<u>1,469,792</u>	<u>(450,033)</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>419,967</u>	<u>2,035,177</u>	<u>286,726</u>	<u>2,741,865</u>	<u>1,635,959</u>
<b>Income Before Capital Contributions</b>	<u>1,610,099</u>	<u>3,584,925</u>	<u>(54,460)</u>	<u>5,140,562</u>	<u>4,124,802</u>
<b>Capital Contributions</b>					
Contributed lines and system development fees	<u>113,950</u>	<u>100,000</u>	<u>-</u>	<u>213,950</u>	<u>473,870</u>
Total Capital Contributions	<u>113,950</u>	<u>100,000</u>	<u>-</u>	<u>213,950</u>	<u>473,870</u>
<b>Change in Net Position</b>	1,724,049	3,684,925	(54,460)	5,354,512	4,598,672
<b>Net Position—Beginning of Year</b>	<u>39,149,252</u>	<u>17,000,638</u>	<u>1,246,176</u>	<u>57,396,066</u>	<u>52,797,394</u>
<b>Net Position—End of Year</b>	<u>\$ 40,873,301</u>	<u>\$ 20,685,563</u>	<u>\$ 1,191,716</u>	<u>\$ 62,750,579</u>	<u>\$ 57,396,066</u>

The accompanying notes are an integral part of these financial statements.

**North Washington Street Water and Sanitation District**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 12,092,097	\$ 11,418,343
Cash paid to suppliers for goods and services	(7,246,367)	(5,213,074)
Cash paid to employees for services	(1,465,411)	(1,255,827)
Cash paid on behalf of employees	(684,250)	(629,417)
Net Cash From Operating Activities	2,696,069	4,320,025
Cash Flows from Non-capital Financing Activities:		
Miscellaneous nonoperating revenue (expense)	513,417	(39,956)
Property and specific ownership taxes received, net	343,930	489,344
Net Cash From Non-capital Financing Activities	857,347	449,388
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(7,068,412)	(5,389,410)
Interest paid	(16,011)	-
Proceeds from issuance of debt	406,847	-
Development fees received	213,950	473,870
Net Cash From Capital and Related Financing Activities	(6,463,626)	(4,915,540)
Cash Flows from Investing Activities:		
Investments purchased (sold), net	2,029,104	(1,970,946)
Net investment income received	813,418	665,500
Net Cash from Investing Activities	2,842,522	(1,305,446)
<b>Net Change in Cash and Cash Equivalents</b>	(67,688)	(1,451,573)
Cash and Cash Equivalents—Beginning of Year	2,380,151	3,831,724
Cash and Cash Equivalents—End of Year	\$ 2,312,463	\$ 2,380,151

The accompanying notes are an integral part of these financial statements.

**North Washington Street Water and Sanitation District**  
**Statements of Cash Flows (continued)**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of Net Operating Income to</b>		
<b>Net Cash From Operating Activities:</b>		
Net operating income	\$ 2,398,697	\$ 2,488,843
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	710,360	659,815
Changes in assets and liabilities:		
Receivables—Customers	(9,455)	1,423
Receivables—Other	(133,675)	(36,208)
Inventory	-	(1,232)
Prepaid expenses	-	-
Accounts payable	(304,283)	1,182,783
Compensated absences payable	34,425	24,601
	297,372	1,831,182
<b>Net Cash From Operating Activities</b>	<b>\$ 2,696,069</b>	<b>\$ 4,320,025</b>

The accompanying notes are an integral part of these statements.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements

### December 31, 2024 and 2023

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#### 1. Definition of Reporting Entity

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North Washington Street Water and Sanitation District, (District) is a special district created under the laws of the State of Colorado to provide water and sanitation services to its customers. The District's service area is located in Adams County and the City and County of Denver. The District is an independent entity with its own taxing power. The District buys all of its water from the Denver Board of Water Commissioners. The District's sewage is transported to and treated by Metro Wastewater Reclamation District. Since the major part of its income is derived from user charges, the District is classified and accounted for as an "Enterprise Fund". Because of the self-supporting nature of the District, its accounting is on the accrual basis much like a private, profit-making business. However, unlike a private business, the District is not subject to federal and state income taxes.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations 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.

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#### 2. Summary of Significant Accounting Policies

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The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are exercised in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

The more significant accounting policies of the District are described as follows:

##### **Basis of Accounting**

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets. System development fees and contributed lines received are recorded as capital contributions when received.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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## 2. Summary of Significant Accounting Policies (continued)

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### Financial Reporting Entity

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the 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.

The District reports the following major proprietary funds:

The Water Fund accounts for water operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Sanitation Fund accounts for sanitation operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The General and Administrative Fund accounts for shared services that are in support of water and sanitation operations, where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through property taxes and user charges.

### Capital Assets

The District's property and equipment are carried at cost in the case of outright purchases or construction. In the case of property contributed by sub-dividers or customers, such as water and sewer lines, the asset is recorded at an estimated fair market value at the date of contribution as determined by the District's consulting engineers.

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

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**2. Summary of Significant Accounting Policies (continued)**

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Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water system lines and accessories	50-100 years
Sewer system lines and accessories	50 years
Buildings	40 years
Equipment	5-20 years

Interest costs incurred during the construction phase are capitalized as incurred.

**Accounts Receivable**

The District does not provide a reserve for estimated uncollectible accounts for water and sewer services since such accounts are negligible. The District policy regarding delinquent accounts is to place a lien against the real estate and not provide water or sewer services until back charges are paid. A security deposit from customers also helps to ensure collection.

**Property Tax Revenue Recognition**

Annual property taxes are levied on January 1 based on assessed valuations certified by the County Assessor's office by December 15 of the current year. A taxpayer has the option of paying all their taxes by the end of April or paying their taxes in two installments. If the taxpayer elects to pay in two installments, one half of their taxes are due by the end of February of the current year and the second half of their taxes are due by June 15 of the current year.

Taxes are considered to be delinquent if unpaid by the respective due dates. The County Treasurer collects the property taxes and remits the collections on a monthly basis to the District.

The District recognizes a receivable for property taxes when the mill levy is certified. Deferred revenue is recorded in the same amount since the taxes are not available at the year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

**Budget and Budgetary Accounting**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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## 2. Summary of Significant Accounting Policies (continued)

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### **Operations**

The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenue, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sewer services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **System Development Fees**

System development revenue represents tap fees. These fees are recorded as contributions and combined with contributed lines (see below) on the Statements of Revenue, Expenses and Changes in Net Position.

### **Contributed Lines**

Contributed lines represent contributions for plant and equipment acquired by the District primarily through donations by customers, developers and sub-dividers. These contributions are in the form of water and sewer lines installed and paid for by others and deeded over to the District and meter package charges paid by customers of the District.

### **Cash and Cash Equivalents**

The District considers cash deposits and highly liquid investments with an intended maturity of three months or less to be cash equivalents.

### **Investments**

The District's policy is to account for investments at fair market value in accordance with GASB. Gains or losses on the sale of investments are recognized when the investment is sold.

### **Inventories**

Inventory is stated at the lower of cost or net realizable value, using the first-in, first-out method, and consists of expendable supplies.

### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net position amount is also adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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## 2. Summary of Significant Accounting Policies (continued)

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### Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Reclassifications

Certain prior year amounts have been adjusted to conform to the current year presentation. These reclassifications did not have an impact on the District's change in net position.

### Property Taxes

The District collects property tax from property owners within the district based on assessed values at December 31 of the prior year. Property owners are to pay these assessments either in full by April 30th or in halves by February 28/29th and June 15th. These taxes are collected by the respective Counties and are remitted to the district on the 10th day of the month following collection.

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## 3. Cash, Cash Equivalents and Investments

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Cash deposits and investments are reflected on the December 31 Statements of Net Position as follows:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents (less restricted balances)	\$ 2,312,463	\$ 2,380,151
Investments	22,775,295	24,434,560
Restricted cash and investments:		
Customer deposits	127,912	133,922
Total	\$ 25,215,670	\$ 26,948,633

### Cash Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by 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 the aggregate uninsured deposits.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

### 3. Cash, Cash Equivalents and Investments (continued)

The State Regulatory Commissions for banks and financial institutions are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024 and 2023, the District's cash deposits had a bank balance and a carrying balance as follows:

	2024		2023	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Deposits with financial institutions	\$ 2,439,075	\$ 2,365,577	\$ 2,513,073	\$ 4,246,604
Petty Cash	1,300	1,000	1,000	1,000
	2,440,375	2,366,577	2,514,073	4,247,604

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. Deposits that are exposed to custodial credit risk are collateralized with securities held by the pledging financial institution through PDPA.

The District's cash deposits are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes deposits not covered by depository insurance and uncollateralized. Category 2 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution. Category 3 includes deposits not covered by depository insurance and collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

	2024	2023
Insured deposits	\$ 2,439,075	\$ 2,513,073
Category 1	1,300	1,000
Category 2	22,775,295	24,434,560
Total cash and investments	\$ 25,215,670	\$ 26,948,633

#### Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

### 3. Cash, Cash Equivalents and Investments (continued)

- general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- Participation with other local governments in pooled investment funds ("trusts"). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. The Districts participates with Colorado Surplus Asset Fund Trust (CSAFE) pooled funds.

#### Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

#### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less depending on the specific investment held unless formally approved by the Board of Directors. Such actions are generally associated with debt service reserve or sinking fund requirements.

Revenue bonds of U.S. local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to three years or less.

As of December 31, 2024 and 2023, the District had the following investments:

<b><u>2024</u></b>		
<b><u>Type of Investment</u></b>	<b><u>Maturity</u></b>	<b><u>Reporting Basis</u></b>
		<b>Amortized Cost</b>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 8,402,997
		<b>Fair Value</b>
Bank deposit	Less than one year	\$ 1,171,520
Certificates of Deposit	Less than one year	713,215
Certificates of Deposit	Matures between 1 and 5 years	-
U.S Agencies	Callable, less than one year	4,947,123
U.S. Agencies	Callable, one to five years	7,540,440
Total Investments		<u>\$ 22,775,295</u>

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

**3. Cash, Cash Equivalents and Investments (continued)**

<u>2023</u>		
<u>Type of Investment</u>	<u>Maturity</u>	<u>Reporting Basis</u>
		<u>Amortized Cost</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Less than one year	\$ 8,884,077
		<u>Fair Value</u>
Bank deposit	Less than one year	\$ 148
Certificates of Deposit	Less than one year	1,200,111
Certificates of Deposit	Matures between 1 and 5 years	245,142
U.S Agencies	Callable, less than one year	7,498,932
U.S. Agencies	Callable, one to five years	6,606,150
Total Investments		<u>\$ 24,434,560</u>

**CSAFE**

At December 31, 2024 and 2023, the District had \$8,402,997 and \$8,884,077, respectively, in an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. CSAFE is rated AAAM by Standard and Poor's. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The portfolio may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Fair Value Measurement and Application**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include money market funds, bank insured deposits (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

The District has also invested in U.S agency securities, which are reported at fair value using Level 1 inputs.

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

**4. Capital Assets**

An analysis of the changes in net capital asset for the years ended December 31, 2024 and 2023 follows:

	<b>Balance, December 31, 2023</b>	<b>Additions / Transfers In</b>	<b>Disposals / Transfers out</b>	<b>Balance, December 31, 2024</b>
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 127,978	\$ -	\$ -	\$ 127,978
Construction in Progress	5,050,706	6,153,202	(2,585,433)	8,618,476
<b>Total Capital Assets, not being depreciated</b>	<b>5,178,684</b>	<b>6,153,202</b>	<b>(2,585,433)</b>	<b>8,746,454</b>
<b>Capital Assets, being depreciated</b>				
Building	1,750,407	31,426	-	1,781,833
Water System	20,047,372	2,471,302	(93,340)	22,425,334
Sewer System	11,693,287	798,251	-	12,491,538
Equipment	4,295,694	199,662	(1,599,186)	6,094,542
<b>Total capital assets, being depreciated</b>	<b>37,786,760</b>	<b>3,500,641</b>	<b>(1,692,526)</b>	<b>39,594,875</b>
<b>Less accumulated depreciation for:</b>				
Building	(909,440)	(42,033)	-	(951,473)
Water System	(3,805,413)	(248,904)	10,057	(4,044,261)
Sewer System	(3,247,499)	(260,355)	91,419	(3,416,435)
Equipment	(3,505,527)	(159,068)	1,490,986	(2,173,609)
<b>Total accumulated depreciation</b>	<b>(11,467,879)</b>	<b>(710,360)</b>	<b>1,592,462</b>	<b>(10,585,777)</b>
<b>Total capital assets, being depreciated, net</b>	<b>26,318,881</b>	<b>2,790,281</b>	<b>(100,064)</b>	<b>29,009,099</b>
<b>Capital Assets, net</b>	<b>\$ 31,497,565</b>	<b>\$ 8,943,483</b>	<b>\$ (2,685,496)</b>	<b>\$ 37,755,553</b>

**North Washington Street Water and Sanitation District**  
**Notes to Financial Statements (continued)**  
**December 31, 2024 and 2023**

**4. Capital Assets (continued)**

	Balance, December 31, 2022	Additions	Transfers	Balance, December 31, 2023
<b>Capital Assets, not being Depreciated</b>				
Land	\$ 127,978	\$ -	\$ -	\$ 127,978
Construction in Progress	2,656,321	4,343,678	(1,949,293)	5,050,706
<b>Total Capital Assets, not being depreciated</b>	<u>2,784,299</u>	<u>4,343,678</u>	<u>(1,949,293)</u>	<u>5,178,684</u>
<b>Capital Assets, being depreciated</b>				
Building	1,628,285	122,122	-	1,750,407
Water System	18,514,229	497,270	1,035,873	20,047,372
Sewer System	10,647,719	173,858	871,710	11,693,287
Equipment	4,001,502	294,192	-	4,295,694
<b>Total capital assets, being depreciated</b>	<u>34,791,735</u>	<u>1,087,442</u>	<u>1,907,583</u>	<u>37,786,760</u>
<b>Less accumulated depreciation for:</b>				
Building	(873,840)	(35,600)	-	(909,440)
Water System	(3,575,769)	(229,644)	-	(3,805,413)
Sewer System	(3,045,870)	(201,629)	-	(3,247,499)
Equipment	(3,312,585)	(192,942)	-	(3,505,527)
<b>Total accumulated depreciation</b>	<u>(10,808,064)</u>	<u>(659,815)</u>	<u>-</u>	<u>(11,467,879)</u>
<b>Total capital assets, being depreciated, net</b>	<u>23,983,671</u>	<u>427,627</u>	<u>1,907,583</u>	<u>26,318,881</u>
<b>Capital Assets, net</b>	<u><b>\$ 26,767,970</b></u>	<u><b>\$ 4,771,305</b></u>	<u><b>\$ (41,710)</b></u>	<u><b>\$ 31,497,565</b></u>

**5. Long-Term Liabilities**

As of December 31, 2024, long-term liabilities are summarized as follows:

	Balance at December 31,			Balance at December 31,	Due Within
	2023	Additions	Reductions	2024	One Year
<b>Governmental activities</b>					
<i>Loans</i>					
CWRPDA Loan	\$ -	\$ 1,600,000	\$ 890,657	\$ 709,343	\$ 28,181
<i>Other</i>					
Compensated absences	256,711	34,425	-	291,136	106,415
<b>Total</b>	<u>\$ 256,711</u>	<u>\$ 1,634,425</u>	<u>\$ 890,657</u>	<u>\$ 1,000,479</u>	<u>\$ 134,596</u>

**CWRPDA Loan**

On February 6, 2024, the District executed a \$1,600,000 loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) through the Drinking Water Revolving Fund (DWRP) BIL Supplemental Direct Loan Program to finance upgrades to the District's aging water distribution system, primarily along the East 73rd Avenue corridor.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

#### 5. Long-Term Liabilities (continued)

In addition to new potable water pipes, the project includes upgrades to isolation gate valves, fire hydrants, and water service infrastructure.

The agreement provides for up-front principal forgiveness in the amount of \$870,531, with the remaining \$729,469 constituting the outstanding principle portion of the loan. Although only \$426,973 in project costs had been incurred and disbursed as of December 31, 2024, the District recognized the full \$1,600,000 in the current year based on the executed agreement and a confirmation letter received from CWRPDA. Accordingly, the District recorded \$870,531 as loan forgiveness revenue and \$729,469 as a long-term loan payable. The remaining loan amount of \$1,173,027 was recorded as a loan receivable.

The loan bears interest at 3.00% annually, has a term of 20 years, and is secured by a pledge of net revenues of the District's water utility enterprise. Semiannual payments of principal and interest began on May 1, 2024.

The following is a schedule of expected principal payments on the loan for the next five years and thereafter as of December 31, 2024:

2025	\$	28,181
2026		29,033
2027		29,910
2028		30,814
2029		31,745
2030-2043		559,660
	<u>\$</u>	<u>709,343</u>

#### Compensated Absences

The District's vacation policy allows employees to carry forward unused vacation leave, not to exceed the amount normally earned in one year. In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, a liability is recorded for employee leave that is attributable to services already rendered, accumulates, and is probable of resulting in a future payment or is expected to be used by the employee. This liability includes applicable salary-related payments such as payroll taxes and retirement contributions.

The District's sick leave policy provides that employees with at least 10 years of service are eligible to receive a payout for accumulated sick leave up to a maximum of 90 days upon separation from employment. Sick leave expected to be paid under this policy is also included in the compensated absences liability in accordance with GASB 101. A portion of this amount is considered current based on anticipated usage or payout within one year, with the remainder classified as noncurrent.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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#### 6. Net Position

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The District's net position consists of two components—net investment in capital assets and unrestricted. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt related to those assets.

As of December 31, 2024 the District had outstanding debt of \$709,343 related to the CWRPDA loan issued for water infrastructure improvements. Of this amount, \$426,973 had been spent on construction in progress and is therefore included in the calculation of net investment in capital assets. The remaining portion of unspent loan proceeds is excluded from the calculation. There was no outstanding debt as of December 31, 2023.

As of December 31, 2024 and 2023, the District had net investment in capital assets of \$37,428,643 and \$31,497,565, respectively.

Restricted net position include amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had no restricted net position as of December 31, 2024 and 2023.

Unrestricted net position consists of net position that does not meet the definition of invested in capital assets or restricted.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

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#### 7. Sanitation Service Fees

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Sewer service fees paid to the Metro Water Recovery are based on estimates. The actual charge is not determined until all flow data has been received and laboratory analysis made of the sewage of all connecting members of the Metro Wastewater Reclamation District. According to the service contract, this actual charge is calculated by March following the end of the calendar year. Service charges for 2024 and 2023 have been adjusted to reflect the actual expense. Overpayments or underpayments arising from the difference between the original estimated charge and a revised estimated charge in August of each year is paid or credited in the next year. The difference between the revised estimated amount and the final adjusted amount is paid or credited in the second year following the adjustment. At December 31, 2024 and 2023, the District had a payable of \$9,783 and \$442,418, respectively, to Metro Water Recovery. These adjustments arise from differences between actual charges and revised estimated charges.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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#### 8. Related Party

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One of the five members of the Board of Directors is a co-owner of Colorado Lighting Inc. Amounts paid to Colorado Lighting Inc. during 2024 and 2023 for services were \$- and \$41,134, respectively.

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#### 9. Risk Management

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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 disasters. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded commercial coverage in any of the past three years.

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#### 10. Employees' Retirement Plan

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The District participates in a retirement plan administered by the Colorado Counties Officials and Employees Retirement Association (Association). The Association established a defined contribution plan called the Colorado County Officials and Employees Retirement Plan (Plan) through which contributions of the District are combined with contributions of employees and invested in income earning instruments for the benefit of Plan participants. Any county, municipality, or special district of the State of Colorado may, with the consent of the Association, become a member of the Association and participate in the Plan by adopting it for its officers and employees. Employees of the District are required to participate in the Plan after the completion of one year of service, but participation is optional for all elected officers. The District matches contributions equal to 6% of the eligible employees' salaries. Employees may make additional voluntary contributions not to exceed 10% of their salary. Participants vest in employer contributions at the rate of 10% per year, and are immediately vested 100% in their own contributions and earnings on those contributions.

Any employee contributions forfeited by a participant due to termination of employment before becoming fully vested are returned to the District and netted against the pension expense on the District's financial statements.

The District may at any time elect to terminate the Plan. In the event of such termination or withdrawal from the Plan by the District, each participant becomes 100% vested.

During 2024 and 2023, the District's contribution to the Plan was \$74,579 and \$50,721 respectively. At December 31, 2024 and 2024, there were no amounts due to the plan.

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#### 11. Deferred Compensation Plan

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The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by the District. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

# North Washington Street Water and Sanitation District

## Notes to Financial Statements (continued)

### December 31, 2024 and 2023

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#### **12. Tax, Spending and Debt Limitations**

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Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for the exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year spending limit must be refunded unless the voters approve retention of such revenue.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise will require judicial interpretation.

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#### **13. Subsequent Events**

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The District has evaluated subsequent events through September 4, 2025, the date which the financial statements were available to be issued.

## **Supplementary Information**

**North Washington Street Water and Sanitation District**  
**Schedule of Direct Water Operating Expenses**  
**For the Years Ended December 31, 2024 and 2023**

<b>Water Operating Expenses</b>	<b>2024</b>	<b>2023</b>
<b>Source of Supply:</b>		
Purchased water	\$ 3,696,494	\$2,857,872
Repairs and maintenance	50,830	4,794
Telephone	286	570
Total Source of Supply	3,747,610	2,863,236
 <b>Transmission and Collection:</b>		
Power for pumping	21,195	13,907
Operating supplies	31,873	52,671
Repairs and maintenance	193,353	378,183
Salaries and wages	395,884	317,139
Employee benefits	141,776	119,085
Payroll taxes	27,848	28,936
Worker's compensation insurance	7,444	6,384
Gasoline	5,348	5,426
Training	2,040	1,255
Total Transmission and Collection	826,761	922,986
 <b>Water meter reading:</b>		
Operating supplies	858	2,931
Salaries and wages	93,339	74,213
Employee benefits	33,718	28,420
Payroll taxes	6,833	7,142
Worker's compensation insurance	6,311	5,412
Gasoline	5,348	5,961
Total Water Meter Reading	146,407	124,079
Total Water Operating Expenses	\$ 4,720,778	\$ 3,910,301

**North Washington Street Water and Sanitation District**  
**Schedule of Direct Sanitation Operating Expenses**  
**For the Years Ended December 31, 2024 and 2023**

<b>Sanitation Operating Expenses</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Sanitation Treatment</b>		
Outside services—Treatment	\$ 2,316,926	\$ 2,417,834
<b>Transmission and Collection</b>		
Training	2,069	1,983
Operating supplies	26,799	39,364
Repairs and maintenance	10,277	27,412
Salaries and wages	395,884	317,139
Employee benefits	141,776	119,084
Payroll taxes	27,848	28,936
Worker's compensation insurance	7,446	6,386
Gasoline	5,831	6,505
Total Transmission and Collection	<u>617,930</u>	<u>546,809</u>
Total Operating Expenses	<u>\$ 2,934,856</u>	<u>\$ 2,964,643</u>

**North Washington Street Water and Sanitation District**  
**Schedule of General and Administrative Expenses**  
**For the Years Ended December 31, 2024 and 2023**

<b>General and Administrative Expenses</b>	<b>2024</b>	<b>2023</b>
Administration and management:		
Directors' fees and expenses	\$ 23,202	\$87,777
Office supplies	6,353	2,927
Repairs and maintenance	8,645	14,452
Salaries and wages	269,137	250,436
Employee benefits	94,672	83,445
Payroll taxes	23,650	24,246
Worker's compensation insurance	3,467	2,973
Gasoline	11,458	12,844
Postage	3,238	2,853
Publications/memberships	4,449	598
Total administration and management	<u>448,271</u>	<u>482,551</u>
Billings and collection:		
Office supplies	12,709	5,854
Repairs and maintenance	50,994	60,828
Equipment lease	536	-
Salaries and wages	131,400	128,490
Employee benefits	57,837	60,475
Payroll taxes	9,766	9,873
Worker's compensation insurance	800	686
Postage	28,496	27,044
Total billings and collection	<u>\$ 292,538</u>	<u>\$ 293,250</u>

**North Washington Street Water and Sanitation**  
**Schedule of General and Administrative Expenses**  
**For the Years Ended December 31, 2024 and 2023**  
**(continued)**

	<b>2024</b>	<b>2023</b>
Accounting and finance:		
Accounting services	\$ 5,299	\$ 12,751
Auditing	14,500	9,199
Office supplies	12,706	5,854
Equipment lease	536	-
Repairs and maintenance	24,826	35,820
Salaries and wages	214,192	192,626
Employee benefits	82,834	82,760
Payroll taxes	14,342	14,662
Postage	2,498	2,377
Worker's compensation insurance	1,200	1,030
Service charges	1,642	6,172
Total accounting and finance	374,575	363,251
<b>General and Administrative Expenses</b>		
General:		
Insurance	48,440	45,247
Legal	46,775	52,352
Miscellaneous	141,897	37,374
Repairs and maintenance	62,723	92,980
Telephone	30,147	33,066
Utilities	25,170	29,528
Total general	355,152	290,547
Depreciation expense	710,360	659,742
Total General and Administrative Expenses	<b>\$ 2,180,896</b>	<b>\$ 2,089,341</b>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Source of Funds - Water**  
**For the Year Ended December 31, 2024**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2024 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Revenue:</b>				
Fees for service:				
Residential	\$ 3,144,849	\$ 3,144,849	\$ 3,936,042	\$ 791,193
Commercial	2,081,610	2,081,610	2,391,891	310,281
Industrial	463,036	463,036	481,863	18,827
Nonmetered Fees	151,087	151,087	24,094	(126,993)
Turn on fees	31,171	31,171	26,975	(4,196)
Miscellaneous income (expense)	<u>52,214</u>	<u>52,214</u>	<u>-</u>	<u>(52,214)</u>
Total operating revenue	<u>5,923,968</u>	<u>5,923,968</u>	<u>6,860,865</u>	<u>936,897</u>
<b>Non Operating Revenue:</b>				
Transfers in - General Fund	-	-	-	-
Net Investment Income (loss)	327,035	327,035	585,201	258,166
Miscellaneous	<u>1,600,000</u>	<u>1,600,000</u>	<u>870,531</u>	<u>(729,469)</u>
Total nonoperating revenue	<u>1,927,035</u>	<u>1,927,035</u>	<u>1,455,732</u>	<u>(471,303)</u>
<b>Capital Contributions</b>				
Contributed lines	50,000	50,000	51,100	1,100
Impressed accounts	100,000	100,000	-	(100,000)
System development fees	<u>650,000</u>	<u>650,000</u>	<u>62,850</u>	<u>(587,150)</u>
Total capital contributions	<u>800,000</u>	<u>800,000</u>	<u>113,950</u>	<u>(686,050)</u>
<b>Total source of funds</b>	<u>\$ 8,651,003</u>	<u>\$ 8,651,003</u>	<u>\$ 8,430,547</u>	<u>\$ (220,456)</u>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Water**  
**For the Year Ended December 31, 2024**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2024 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Expenditures:</b>				
Water source of supply:				
Purchased water	\$ 2,805,687	\$ 2,805,687	\$ 3,696,494	\$ (890,807)
Repairs and maintenance	418	418	50,830	(50,412)
Telephone	255	255	286	(31)
Total Water source of supply	<u>\$ 2,806,360</u>	<u>\$ 2,806,360</u>	<u>\$ 3,747,610</u>	<u>\$ (941,250)</u>
Transmission and distribution:				
Power for pumping	\$ 13,517	\$ 13,517	\$ 21,195	\$ (7,678)
Operating supplies	26,404	26,404	31,873	(5,469)
Repairs and maintenance	462,687	462,687	193,353	269,334
Salaries and wages	427,618	427,618	395,884	31,734
Employee benefits	147,071	147,071	141,776	5,295
Payroll taxes	35,065	35,065	27,848	7,217
Workmen's compensation insurance	8,112	8,112	7,444	668
Gasoline	5,153	5,153	5,348	(195)
Training	1,179	1,179	2,040	(861)
Total transmission and distribution	<u>\$ 1,126,806</u>	<u>\$ 1,126,806</u>	<u>\$ 826,761</u>	<u>\$ 300,045</u>
Accounting and finance:				
Accounting services	\$ 3,060	\$ 3,060	\$ 1,766	\$ 1,294
Auditing	5,519	5,519	4,833	686
Office supplies	2,392	2,392	6,353	(3,961)
Equipment lease	-	-	268	(268)
Service charges	2,207	2,207	-	2,207
Repairs and maintenance	18,875	18,875	12,413	6,462
Salaries and wages	94,908	94,908	116,666	(21,758)
Employee benefits	43,001	43,001	41,417	1,584
Payroll taxes	7,782	7,782	7,171	611
Postage	1,217	1,217	1,304	(87)
Worker's compensation insurance	653	653	600	53
Total accounting and finance	<u>\$ 179,614</u>	<u>\$ 179,614</u>	<u>\$ 193,612</u>	<u>\$ (13,998)</u>
Administration and management:				
Directors' fees and expenses	\$ 24,989	\$ 24,989	\$ 7,733	\$ 17,256
Office supplies	2,392	2,392	6,353	(3,961)
Repairs and maintenance	612	612	5,390	(4,778)
Salaries and wages	113,059	113,059	89,691	23,368
Employee benefits	36,519	36,519	31,512	5,007
Payroll taxes	9,271	9,271	8,168	1,103
Worker's compensation insurance	1,258	1,258	1,155	103
Gasoline	7,272	7,272	5,729	1,543
Postage	1,217	1,217	1,304	(87)
Publications/memberships	86	86	1,483	(1,397)
Total administration and management	<u>\$ 196,675</u>	<u>\$ 196,675</u>	<u>\$ 158,518</u>	<u>\$ 38,157</u>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Water**  
**For the Year Ended December 31, 2024**  
**(continued)**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2024 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Billings and collection:</b>				
Office supplies	\$ 2,392	\$ 2,392	\$ 6,356	\$ (3,964)
Repairs and maintenance	35,343	35,343	38,581	(3,238)
Equipment lease	-	-	268	(268)
Salaries and wages	36,505	36,505	65,700	(29,195)
Employee benefits	20,846	20,846	28,919	(8,073)
Payroll taxes	2,993	2,993	4,883	(1,890)
Worker's compensation insurance	436	436	400	36
Postage	17,017	17,017	17,107	(90)
Total billings and collection	<u>\$ 115,532</u>	<u>\$ 115,532</u>	<u>162,214</u>	<u>\$ (46,682)</u>
<b>Water meter reading:</b>				
Operating supplies	\$ 2,666	\$ 2,666	\$ 858	\$ 1,808
Repairs and maintenance	-	-	93,339	(93,339)
Salaries and wages	100,853	100,853	33,718	67,135
Employee benefits	34,263	34,263	6,833	27,430
Payroll taxes	8,270	8,270	6,311	1,959
Workmen's compensation insurance	6,878	6,878	-	6,878
Gasoline	6,116	6,116	5,348	768
Total water meter reading	<u>\$ 159,045</u>	<u>\$ 159,045</u>	<u>\$ 146,407</u>	<u>\$ 12,638</u>
<b>General:</b>				
Insurance	\$ 26,810	\$ 26,810	\$ 16,145	\$ 10,665
Legal	18,210	18,210	15,590	2,620
Repairs and maintenance	-	-	23,085	(23,085)
Telephone	12,693	12,693	10,048	2,645
Utilities	16,042	16,042	12,585	3,457
Other expenses	24,767	24,767	2,978	21,789
Total general	<u>\$ 98,523</u>	<u>\$ 98,523</u>	<u>\$ 80,431</u>	<u>\$ 18,091</u>
Total operating expenditures	<u>\$ 4,682,554</u>	<u>\$ 4,682,554</u>	<u>\$ 5,315,553</u>	<u>\$ (632,999)</u>
<b>Nonoperating Expenditures:</b>				
Interest expense	-	-	16,011	(16,011)
Transfers out	-	-	1,019,754	(1,019,754)
Capital improvements from District funds	6,925,532	6,925,532	3,817,846	3,107,686
Contingencies	25,000	25,000	-	25,000
<b>Total Expenditures Water</b>	<u><u>\$ 11,633,086</u></u>	<u><u>\$ 11,633,086</u></u>	<u><u>\$ 10,169,163</u></u>	<u><u>\$ 2,499,687</u></u>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis)**  
**Source of Funds - Sanitation**  
**For the Year Ended December 31, 2024**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2024 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating Revenue:</b>				
Fees for service:				
Residential	\$ 2,801,803	\$ 2,801,803	\$ 2,879,571	\$ 77,768
Commercial	1,221,157	1,221,157	1,178,459	(42,698)
Industrial	1,354,730	1,354,730	1,316,332	(38,398)
Miscellaneous income	<u>32,827</u>	<u>32,827</u>	<u>-</u>	<u>(32,827)</u>
Total operating revenue	<u>5,410,517</u>	<u>5,410,517</u>	<u>5,374,362</u>	<u>(36,155)</u>
<b>Non Operating Revenue:</b>				
Net Investment Income (Loss)	(503,405)	(503,405) -	496,556	999,961
Transfers in - General Fund	-	-	1,469,792	1,469,792
Miscellaneous	<u>-</u>	<u>-</u>	<u>68,829</u>	<u>68,829</u>
Total nonoperating revenue	<u>(503,405)</u>	<u>(503,405)</u>	<u>2,035,177</u>	<u>2,538,582</u>
<b>Capital Contributions</b>				
Contributed lines	50,000	50,000	36,100	(13,900)
System development fees	<u>650,000</u>	<u>650,000</u>	<u>63,900</u>	<u>(586,100)</u>
<b>Total source of funds</b>	<u>5,607,112</u>	<u>5,607,112</u>	<u>7,509,539</u>	<u>1,902,427</u>
<b>Total available resources</b>	<u>\$ 5,607,112</u>	<u>\$ 5,607,112</u>	<u>\$ 7,509,539</u>	<u>\$ 1,902,427</u>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation**  
**For the Year Ended December 31, 2024**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2024 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating Expenditures</b>				
Sanitation Treatment:				
Outside services - Treatment	\$ 2,175,116	\$ 2,175,116	\$ 2,316,926	\$ (141,810)
Total sanitation treatment	<u>\$ 2,175,116</u>	<u>\$ 2,175,116</u>	<u>\$ 2,316,926</u>	<u>\$ (141,810)</u>
Collection and transmission:				
Training	\$ 1,233	\$ 1,233	\$ 2,069	\$ (836)
Operating supplies	24,938	24,938	26,799	(1,861)
Repairs and maintenance	25,772	25,772	10,277	15,495
Salaries and wages	427,618	427,618	395,884	31,734
Employee benefits	147,071	147,071	141,776	5,295
Payroll taxes	35,065	35,065	27,848	7,217
Workmen's compensation insurance	8,117	8,117	7,446	671
Gasoline	7,096	7,096	5,831	1,265
Total transmission and collection	<u>\$ 676,909</u>	<u>\$ 676,909</u>	<u>\$ 617,930</u>	<u>\$ 58,979</u>
Accounting and finance:				
Accounting services	\$ 3,060	\$ 3,060	\$ 1,766	\$ 1,294
Auditing	5,519	5,519	4,833	686
Service charges	2,207	2,207	821	1,386
Office supplies	2,392	2,392	6,353	(3,961)
Equipment lease	-	-	306	(306)
Repairs and maintenance	18,875	18,875	12,375	6,500
Salaries and wages	94,908	94,908	97,526	(2,618)
Employee benefits	43,001	43,001	41,417	1,584
Payroll taxes	7,782	7,782	7,171	611
Postage	1,217	1,217	1,194	23
Worker's compensation insurance	653	653	600	53
Total accounting and finance	<u>\$ 179,614</u>	<u>\$ 179,614</u>	<u>\$ 174,362</u>	<u>\$ 5,252</u>
Administration and management:				
Directors' fees and expenses	\$ 24,989	\$ 24,989	\$ 7,733	\$ 17,256
Repairs and maintenance	612	612	3,255	(2,643)
Salaries and wages	99,950	99,950	89,704	10,246
Employee benefits	32,963	32,963	31,625	1,338
Payroll taxes	8,196	8,196	8,169	27
Worker's compensation insurance	1,260	1,260	1,156	104
Gasoline	6,309	6,309	5,729	580
Postage	1,217	1,217	1,413	(196)
Publications/memberships	495	495	1,483	(988)
Total administration and mgmt	<u>\$ 175,991</u>	<u>\$ 175,991</u>	<u>\$ 150,267</u>	<u>\$ 25,724</u>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis) - Expenditures - Sanitation**  
**For the Year Ended December 31, 2024**  
**(continued)**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2024 Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Billings and collection:</b>				
Office supplies	\$ 2,392	\$ 2,392	\$ 6,353	\$ (3,961)
Repairs and maintenance	22,561	22,561	12,413	10,148
Equipment lease	-	-	268	(268)
Salaries and wages	36,505	36,505	65,700	(29,195)
Employee benefits	20,846	20,846	28,918	(8,072)
Payroll taxes	2,993	2,993	4,883	(1,890)
Worker's compensation insurance	436	436	400	36
Postage	10,181	10,181	11,389	(1,208)
<b>Total billings and collection</b>	<b><u>\$ 95,914</u></b>	<b><u>\$ 95,914</u></b>	<b><u>\$ 130,324</u></b>	<b><u>\$ (34,410)</u></b>
<b>General:</b>				
Insurance	\$ 26,810	\$ 26,810	\$ 16,145	\$ 10,665
Legal	18,210	18,210	15,590	2,620
Miscellaneous	19,389	19,389	-	19,389
Repairs and maintenance	37,822	37,822	22,279	15,543
Telephone	12,693	12,693	10,048	2,645
Payroll Processing	16,042	16,042	2,978	13,064
Utilities	2,928	2,928	12,585	(9,657)
<b>Total general</b>	<b><u>\$ 133,895</u></b>	<b><u>\$ 133,895</u></b>	<b><u>\$ 79,625</u></b>	<b><u>\$ 54,270</u></b>
<b>Total operating expenditures</b>	<b><u>\$ 3,437,439</u></b>	<b><u>\$ 3,437,439</u></b>	<b><u>\$ 3,469,434</u></b>	<b><u>\$ (31,995)</u></b>
<b>Nonoperating Expenditures:</b>				
Capital impvmts from District funds	\$ 3,847,500	\$ 3,847,500	\$ 3,019,478	\$ 828,022
Contingencies	25,000	25,000	-	25,000
<b>Total nonoperating expenditures</b>	<b><u>\$ 3,872,500</u></b>	<b><u>\$ 3,872,500</u></b>	<b><u>\$ 3,019,478</u></b>	<b><u>\$ 853,022</u></b>
<b>Total Expenditures Sanitation</b>	<b><u>\$ 7,309,937</u></b>	<b><u>\$ 7,309,937</u></b>	<b><u>\$ 6,488,912</u></b>	<b><u>\$ 821,025</u></b>

**North Washington Street Water and Sanitation District**  
**Budget Comparison (Non-GAAP Basis)**  
**Source of Funds and Expenditures - General and Administrative**  
**For the Year Ended December 31, 2024**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2024 Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Nonoperating Revenue</b>				
Property taxes	\$ 418,438	\$ 418,438	\$ 446,448	\$ 28,010
Specific ownership tax	29,995	29,995	20,318	(9,677)
Net investment income	-	-	1,432	1,432
Miscellaneous revenue (expense)	-	-	275,101	275,101
Total nonoperating revenue	<u>448,434</u>	<u>448,434</u>	<u>743,300</u>	<u>294,866</u>
Net source of funds	<u>\$ 448,434</u>	<u>\$ 448,434</u>	<u>\$ 743,300</u>	<u>\$ 294,866</u>
<b>Operating Expenditures</b>				
Accounting and finance:				
Accounting services	\$ 3,060	\$ 3,060	\$ 1,767	\$ 1,293
Auditing	5,521	5,521	4,834	687
Total accounting and finance	<u>\$ 8,581</u>	<u>\$ 8,581</u>	<u>\$ 6,601</u>	<u>\$ 1,980</u>
Administration and management:				
Directors' fees and expenses	\$ 24,996	\$ 24,996	7,736	\$ 17,260
Salaries and wages	113,059	113,059	89,742	23,317
Employee benefits	36,519	36,519	31,535	4,984
Payroll taxes	9,271	9,271	7,313	1,958
Workmen's compensation insurance	1,260	1,260	1,156	104
Postage	486	486	521	(35)
Publications/memberships	495	495	1,483	(988)
Total administration and management	<u>\$ 186,086</u>	<u>\$ 186,086</u>	<u>\$ 139,486</u>	<u>\$ 46,600</u>
General:				
Insurance	\$ 26,816	\$ 26,816	\$ 16,150	\$ 10,666
Legal	18,214	18,214	15,595	2,619
Miscellaneous	24,485	24,485	135,941	(111,456)
Repairs and maintenance	32,521	32,521	17,359	15,162
Telephone	12,698	12,698	10,051	2,647
Total general	<u>\$ 114,734</u>	<u>\$ 114,734</u>	<u>\$ 195,096</u>	<u>\$ (80,362)</u>
Total operating expenditures	<u>\$ 309,401</u>	<u>\$ 309,401</u>	<u>\$ 341,186</u>	<u>\$ (31,782)</u>
<b>Nonoperating Expenditures:</b>				
Capital improvements from District funds	\$ 126,000	\$ 126,000	\$ 231,088	\$ (105,088)
County Treasurer's collection fees	5,153	5,153	6,540	(1,387)
Transfers out	-	-	450,033	(450,033)
Total nonoperating expenditures	<u>\$ 131,153</u>	<u>\$ 131,153</u>	<u>\$ 687,661</u>	<u>\$ (556,508)</u>
<b>Contingencies</b>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total Expenditures</b>	<u>\$ 465,553</u>	<u>\$ 465,553</u>	<u>\$ 1,028,848</u>	<u>\$ (563,290)</u>

**North Washington Street Water and Sanitation District**  
**Reconciliation of Budgetary Basis Actual to**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2024**

	<b>Water</b>	<b>Sanitation</b>	<b>General and Administration</b>	<b>Total</b>
<b>Revenue</b>				
Revenue budget basis (Non-GAAP basis)	\$ 8,430,547	\$ 6,039,747	\$ 743,299	\$ 15,213,593
Plus:				
Transfers		1,469,787	-	1,469,787
Less:				
Transfers	(1,019,754)	-	(450,033)	(1,469,787)
<b>Revenue (GAAP basis)</b>	<u>\$ 7,410,793</u>	<u>\$ 7,509,534</u>	<u>\$ 293,266</u>	<u>\$ 15,213,593</u>
Water operating revenue				\$ 6,860,865
Sewer operating revenue				5,374,362
Nonoperating revenue				<u>2,978,366</u>
<b>Total Revenue</b>				<u>\$ 15,213,593</u>
<b>Expenses</b>				
Expenses budget basis (Non-GAAP basis)	\$ 9,149,409	\$ 6,488,912	\$ 578,815	\$ 16,217,133
Plus:				
Depreciation	355,180	355,180	-	710,360
Less:				
Capital improvements	(3,817,846)	(3,019,478)	(231,088)	(7,068,412)
<b>Expenses (GAAP basis)</b>	<u>\$ 5,686,743</u>	<u>\$ 3,824,614</u>	<u>\$ 347,727</u>	<u>\$ 9,859,081</u>
Direct water expenses				\$ 4,720,778
Direct sewer expenses				2,934,856
General and administrative expenses				2,180,896
Nonoperating expenses				<u>22,551</u>
<b>Total Expenses</b>				<u>\$ 9,859,081</u>