

WOODMOOR WATER AND SANITATION DISTRICT NO. 1

BASIC FINANCIAL STATEMENTS

December 31, 2024

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Board of Trustees
Woodmoor Water and Sanitation District No. 1
Monument, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Woodmoor Water and Sanitation District No. 1 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position, and, where applicable, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

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, and for 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS 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 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 GAAS, 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 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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 individual fund schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Appendix A is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to auditing procedures applied in the audit of the basic financial statements and accordingly we do not express an opinion or provide any assurance on the information.

PB Solutions LLC

Littleton, Colorado

June 9, 2025

Woodmoor Water and Sanitation District No. 1
P.O. Box 1407
Monument, CO 80132
(719) 488-2525

Management's Discussion and Analysis

Introduction

The Woodmoor Water and Sanitation District No. 1's management discussion and analysis is intended to provide the reader and user of these financial statements, with; a) an understanding of the financial aspects of the District, b) an overview of the District's financial activities, c) an explanation of the changes in the District's financial position, d) an explanatory analysis of significant variations from the annual, approved budget and e) an assessment of any future financial or operating issues of the District.

Because this discussion and analysis is intended to focus on 2024 District activities, resulting changes and currently known facts/conditions, it should be read in conjunction and with reference to the accompanying audited financial statements and related notes to the financial statements beginning on page 1 of this report.

Overview of the Financial Statements of the District

The audited financial statements of the District are:

Statement of Net Position
Statement of Revenues, Expenses, and Changes in Net Position
Statement of Cash Flows
Notes to Financial Statements

These statements are on pages 1 through 16. These and other supplementary information, *Budgetary Comparison Schedule* on pages 17 and 18 provide information about the District's financial position as of December 31, its results of operations and the resulting cash flows for the year ended December 31, 2024 and information comparing actual revenues and expenditures with budgeted revenues and expenditures for the year. For purposes of Management's discussion herein, condensed comparative financial information (as audited) has been developed by management illustrating financial performance for the year ending December 31, 2024, in comparison to the prior year ending December 31, 2023. In addition, the District has included certain financial information and operational data (collectively referred to as "Continuing Disclosure Statements") in Appendix A of the audited financial statements. These Continuing Disclosure Statements have been included for the benefit of the owners of the District's Enterprise Water and Wastewater Revenue Refunding Bonds, Series 2021 and are provided herein and in conjunction with the Districts financial statements for filing with the Municipal Securities Rulemaking Board.

The **Statement of Net Position** provides information about what is owned (assets) by the District, what is owed (liabilities) by the District, and what the District's equity position is relative to its assets (net position). Over time, the comparison of changes in net position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating or maintaining the status quo.

The **Statement of Revenues, Expenses, and Changes in Net Position** provides information about the components – Operating Revenues, Operating Expenses, Non-Operating Revenues and Expenses, and Capital Contributions – of the District’s annual operating activities and how those activities affected Net Assets of the District.

The **Statement of Cash Flows** provides an analysis about the sources and uses of District cash during the year and how the operating and investment activities affected the District’s cash balances.

The **Notes to Financial Statements** provides additional, required disclosures about the District, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

The **Budgetary Comparison Schedule** provides information comparing the budgeted revenue and expenditures activities with the actual revenue and expenditure activities. When applicable, the comparison is shown for both the originally approved budget and, if amended, the final budget.

Condensed Comparative Financial Information
Statements of Net Position

	2024	2023
Current Assets		
Cash and Investments	\$25,766,743	\$24,018,072
Other	514,483	504,543
Total Current Assets	26,281,226	24,522,615
Non Current Assets		
Capital assets	59,659,230	57,975,176
Tri-Lakes WWTF	2,111,864	2,157,032
Other assets	1,938,246	1,975,439
Total Noncurrent Assets	63,709,340	62,107,647
Total Assets	89,990,566	86,630,262
Current Liabilities	2,040,552	1,960,548
Noncurrent Liabilities	12,570,131	14,310,397
Total Liabilities	14,610,683	16,270,945
Deferred Inflows of Resources	2,371,911	2,484,901
Net Position		
Net Invested in capital assets	45,922,370	42,563,050
Unrestricted	27,085,602	25,311,366
Total Net Position	\$73,007,972	\$67,874,416

Condensed Comparative Financial Information
Statements of Revenues, Expenses, and Changes
in Net Position

	2024	2023
Operating Revenues	\$8,095,281	\$7,002,227
Operating Expenses	8,464,736	9,067,141
Operating Income (Loss)	(369,455)	(2,064,914)
Non Operating Revenues (Expenses)	1,074,681	915,069
Capital Contributions – Tap Fees	4,428,330	1,639,210
Change in Net Position	5,133,556	489,365
Net Position, beginning of year	67,874,416	67,385,051
Net Position, End of Year	\$73,007,972	\$67,874,416

This information is a summary of the financial information contained in the District’s financial statements ending December 31, 2024 and the previous year’s audited financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the audited financial statements for the year ending December 31, 2024 which begin on page 1 together with the audited financial statements for the previous years noted.

Analysis

Financial Position

The Districts net position increased significantly in 2024 by \$5,133,556. This is primarily the result of the Districts increase in capital assets, revenues being in excess of expenditures as a result of significant tap fee revenues. Overall, actual revenues closely met expectations to those budgeted while actual expenditures were significantly lower than those budgeted as a result of land/easement purchases being postponed and construction project expenditures lagging in time to that previously expected.

Current assets of the District at December 31, 2024 totaled \$26,281,226, an increase of \$1,748,671 from 2023 primarily due to revenues exceeding expenses over the year. During 2024 the District met budgeted expenditures but did not spend down cash reserves (noted as “contingency” in the audit) as originally anticipated in the 2024 budget. Cash and investments at December 31, 2024, represent approximately 35% of the District's total net position which provides significant financial liquidity and flexibility to the District for construction of future needed assets due to growth, operations, maintenance and ongoing capital renewal and replacement requirements.

Operating Results

During 2024, the District's operating revenues totaled \$8,095,281, an increase of approximately 15% when compared to 2023 and primarily attributable to increases in rates, fees, tolls and charges at the beginning of 2024. Actual operating expenses in 2024 were \$8,464,736 and are consistent with budgeted expectations for the year.

Budgetary Discussion

Aside from construction projects lagging in time and deferral of planned land acquisitions, budgeted to actual revenues and expenditures tracked closely.

Capital Assets

At December 31, 2024, the District reports net capital assets in the amount of \$59,659,230. The District's assets consist primarily of land and water rights as well as infrastructure assets. At the end of the fiscal year, the District reports \$2,229,794 in depreciation expense. More information can be found in footnote 4 on page 12 of the financial statements.

During the year of 2024 modest amounts of capital funds were expended on construction and Renewal and Replacement projects primarily as follows:

<u>Projects</u>	<u>Amount</u>	<u>Expected Completion</u>
Highway 105A Utility Relocates	\$888,866	June, 2025
South Tank Addition	\$168,270	Sept., 2025
Highway 105B Improvements	\$248,816	June, 2026
Zone 5 PRV's	\$453,495	Complete
Well No. 22 & Pipeline	\$1,679,801	May, 2025
Drill & Equip. CWTP Dawson Well	\$388,553	April, 2025

These projects were completed using General Fund resources and were not financed.

The District depreciates its capital assets, including infrastructure. See Note 1 and 4 in the Notes to Financial Statements on page 5 and 12 respectively.

Debt

During 2024 the District continued to service its outstanding debt (Enterprise Water and Wastewater Revenue Refunding Bonds, Series 2021). This outstanding debt of the District was used to finance the purchase and acquisition of Land, Water Rights and a reservoir in southern El Paso County as well as the construction of water wells and other water system improvements. See Note 5 of the Notes to the Financial Statements- Long-Term Debt on pages 12 and 13.

Other:

At this time, there are no other known decisions, events and conditions that would substantially affect future operations and financial condition of the District.

Contacting the District's financial management:

This financial report is designed to provide the general public with an overview of the District's finances and show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact:

Woodmoor Water and Sanitation District No.1
Attn: Office Manager
1845 Woodmoor Drive
Monument, Colorado 80132
Phone: 719-488-2525

BASIC FINANCIAL STATEMENTS

WOODMOOR WATER AND SANITATION DISTRICT NO.1

STATEMENT OF NET POSITION

December 31, 2024

ASSETS

Current Assets

Cash and Investments	\$ 25,766,743
Accounts Receivable	514,483
Total Current Assets	<u>26,281,226</u>

Noncurrent Assets

Deposits	20,332
Land Lease Receivables	1,837,637
Investment in Tri-Lakes Joint Venture	2,111,864
Other Assets	80,277
Capital Assets, Not Being Depreciated	39,149,544
Capital Assets, Depreciated, Net of Accumulated Depreciation	20,509,686
Total Noncurrent Assets	<u>63,709,340</u>

TOTAL ASSETS	<u>89,990,566</u>
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LIABILITIES

Current Liabilities

Accounts Payable	388,713
Retainage Payable	-
Accrued Salaries and Benefits	73,636
Deposits	151,161
Accrued Interest Payable	57,042
Bonds Payable, Current Portion	1,370,000
Total Current Liabilities	<u>2,040,552</u>

Noncurrent Liabilities

Bonds Payable	12,366,860
Compensated Absences	203,271
Total Noncurrent Liabilities	<u>12,570,131</u>

TOTAL LIABILITIES	<u>14,610,683</u>
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DEFERRED INFLOWS OF RESOURCES

Leases	1,837,637
Deferred Charges	534,274

TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,371,911</u>
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NET POSITION

Net Investment in Capital Assets	45,922,370
Unrestricted	27,085,602

TOTAL NET POSITION	<u>\$ 73,007,972</u>
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The accompanying notes are an integral part of the financial statements.

WOODMOOR WATER AND SANITATION DISTRICT NO.1

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2024

OPERATING REVENUES	
Charges for Services	\$ 7,673,877
Other Revenues	<u>421,404</u>
TOTAL OPERATING REVENUES	<u>8,095,281</u>
OPERATING EXPENSES	
Personnel Services	1,921,270
Purchased Services	967,279
Materials and Supplies	3,287,340
Depreciation and Amortization	<u>2,288,847</u>
TOTAL OPERATING EXPENSES	<u>8,464,736</u>
NET OPERATING INCOME (LOSS)	<u>(369,455)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	1,237,869
Interest Expense	<u>(163,188)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>1,074,681</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>705,226</u>
CAPITAL CONTRIBUTIONS	
Tap Fees	<u>4,428,330</u>
CHANGE IN NET POSITION	5,133,556
NET POSITION, Beginning	<u>67,874,416</u>
NET POSITION, Ending	<u><u>\$ 73,007,972</u></u>

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

WOODMOOR WATER AND SANITATION DISTRICT NO.1

STATEMENT OF CASH FLOWS
 Year Ended December 31, 2024
 Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 8,085,341
Cash Paid to Suppliers and Employees	<u>(6,161,521)</u>
Net Cash Provided by Operating Activities	<u>1,923,820</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(3,913,848)
Principal Payments on Long Term Debt	(1,305,000)
Interest Payments	(622,500)
Tap Fees and Capital Contributions	4,428,330
Net Cash Used by Capital and Related Financing Activities	<u>(1,413,018)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>1,237,869</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,748,671
CASH AND CASH EQUIVALENTS, Beginning	<u>24,018,072</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$25,766,743</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	<u>\$ (369,455)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation and Amortization Expense	2,288,847
Changes in Assets and Liabilities	
Accounts Receivable	(9,940)
Accounts Payable	27,437
Accrued Expenses	(30,179)
Accrued Compensated Absences	-
Deposits	17,110
Total Adjustments	<u>2,293,275</u>
Net Cash Provided by Operating Activities	<u>\$ 1,923,820</u>

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

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Woodmoor Water and Sanitation District No. 1 (the “District”) is a Special District governed pursuant to the provisions of the Colorado Special District Act. The District provides water and sanitary sewer services to the community of Woodmoor, an unincorporated area located in northern El Paso County.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of these criteria, no additional organizations are includable within the District’s reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the District conform to generally accepted accounting principles as applicable to the governmental units accounted for as proprietary enterprise funds. The enterprise fund is used since the District’s powers are related to those operated in a manner similar to a private utility system where fees and charges are designed to recover costs, including capital costs.

The District’s records are maintained on the economic resources measurement focus and 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. Expenses for property, plant, and equipment are shown as increases in assets and redemption of bonds is recorded as a reduction in liabilities. Tap fees are recorded as capital contributions when received.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund’s principal ongoing operations.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – For purposes of the statement of cash flows, the District considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are reported at fair value.

Receivables – Accounts Receivable consists of amounts owed by residents of the District for water and wastewater services. The District considers all accounts receivable as collectible, therefore no allowance is recorded at year end.

Capital Assets –Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 – 30 years
Water and Sewer System	10 – 50 years
Machinery and Equipment	5 – 15 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits –The salaries and benefits earned, but unpaid at December 31, 2024 are accrued in the statement of net position.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees are limited to the amount of accumulated discretionary leave that can be carried to the next fiscal year. Once an employee has accrued 760 hours of discretionary leave, the employee may receive payment for up to 96 hours of discretionary leave at the employee’s current rate of pay. Upon termination of employment, employees are entitled to receive compensation for unused discretionary leave at the employees’ current salary rate.

District employees accrue sick leave and are entitled to carry over unused sick leave to the next fiscal year. Once an employee has accrued 320 hours of sick leave, the employee may either request a pay out of sick leave in excess of 320 hours at the current rate of pay or the employee may choose to transfer the excess sick leave to accrued discretionary leave. Upon termination of employment, an employee may receive payment for unused sick leave of up to 160 hours at the employee’s current rate of pay. Any accrued but unused sick leave in excess of 160 hours will be paid at one and one-half times the employee’s current rate of pay.

Eligible non-exempt employees of the District may be compensated in compensatory time of one and one-half hours of each overtime hour worked. Employees may accrue a maximum of 30 hours of compensatory time. Upon termination of employment, any unused compensatory time will be paid to the employee at the employee’s current rate of pay.

A long-term liability for these compensated absences has been recorded in the statement of net position.

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Long-Term Debt – In the statement of net position, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Charges from bond refunding are amortized using the straight-line method over the shorter of the life of the defeased bonds or the new debt. The amortization amount is a component of interest expense and the unamortized cost is reflected as a deferred outflow of resources.

Net Position – Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position represents liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portions for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. Commercial insurance coverage is purchased to handle these risks of loss.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Risk Management (Continued)

Public Entity Risk Pool

The District participates in the Colorado Special District Association Property and Liability Pool (the "Pool"). The Pool was formed by an agreement of member special districts of the Special District Association as a separate and independent governmental pursuant to the provision Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et seq., 8-44-101(1)(c) and (3), 8-44-204,24-10-115.5, and 29-13-102, Colorado Revised Statutes, as amended. Membership is restricted to Colorado special districts, which are members of the Special District Association.

The purpose of the Pool is to provide members defined liability, property, and workers compensated coverage, and claims and risk management services related hereto, for member special districts through a self-insurance pool.

The Pool has contracted with third parties to operate, administer, and manage the Pool. In the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and capital and surplus accumulated by the Pool, additional contributions may be required from the Pool members.

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2024 through June 9, 2025, the date these financial statements were available to be issued and has incorporated any required recognition into these financial statements.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets (Continued)

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

- In October, the District Staff submits to the Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- The schedule of revenues and expenditures, budget and actual is presented on a non-GAAP budgetary basis. Capital outlay and debt principal payments are budgeted as expenditures. Depreciation and amortization expense is not budgeted.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Directors.

NOTE 3: CASH AND INVESTMENTS

A summary of the District's deposits and investments as of December 31, 2024 follows:

Petty Cash	\$ 200
Deposits	3,026,268
Investments	<u>22,740,275</u>
 Total	 <u>\$25,766,743</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. On December 31, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Deposits (Continued)

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

On December 31, 2024, the District had deposits with financial institutions with a carrying amount of \$3,026,268. The bank balances with the financial institutions were \$3,086,586. Of these balances, \$250,000 was covered by federal depository insurance and \$2,836,586 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

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

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

Local Government Investment Pools

The District invested \$2,267,643 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00 (net asset value). Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

The District had invested \$20,472,632 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2024 is summarized below:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Business-Type Activities				
Capital Assets, Not Depreciated				
Land and Water Rights	\$ 33,334,189	\$ -	\$ -	\$ 33,334,189
Construction in Progress	2,467,622	3,357,142	9,409	5,815,355
Total Capital Assets, Not Depreciated	<u>35,801,811</u>	<u>3,357,142</u>	<u>9,409</u>	<u>39,149,544</u>
Capital Asset, Being Depreciated				
Buildings and Improvements	903,796	-	-	903,796
Water and Sewer System	48,309,545	462,904	-	48,772,449
Machinery and Equipment	2,223,911	103,211	59,656	2,267,466
Total Capital Assets, Being Depreciated	<u>51,437,252</u>	<u>566,115</u>	<u>59,656</u>	<u>51,943,711</u>
Accumulated Depreciation				
Buildings and Improvements	523,711	28,833	-	552,544
Water and Sewer System	27,211,856	2,010,389	-	29,222,245
Machinery and Equipment	1,528,320	190,572	59,656	1,659,236
Total Depreciation	<u>29,263,887</u>	<u>2,229,794</u>	<u>59,656</u>	<u>31,434,025</u>
Capital Assets, Depreciated, Net	<u>22,173,365</u>	<u>(1,663,679)</u>	<u>-</u>	<u>20,509,686</u>
Net Capital Assets	<u>\$ 57,975,176</u>	<u>\$ 1,693,463</u>	<u>\$ 9,409</u>	<u>\$ 59,659,230</u>

NOTE 5: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended December 31, 2024:

Business-Type Activities	12/31/2023			12/31/2024	
	Balance	Increases	Decreases	Balance	Due Within One Year
2021 Revenue Bonds	\$ 12,450,000	\$ -	\$ 1,305,000	\$ 11,145,000	\$ 1,370,000
Bond Premium	2,962,126	-	370,266	2,591,860	-
Total	<u>\$ 15,412,126</u>	<u>\$ -</u>	<u>\$ 1,675,266</u>	<u>\$ 13,736,860</u>	<u>\$ 1,370,000</u>

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 5: **LONG-TERM DEBT** (Continued)

2021 Revenue Bonds

In September 2021, the District issued Enterprise Water and Wastewater Revenue Refunding Bonds, Series 2021 in the amount of \$14,710,000. Proceeds of the bonds were used to pay the outstanding balance and accrued interest on the 2011 bonds and to provide funding for the cost of issuing the bonds.

The bonds carry an interest rate of 5.00% per annum. Semi-annual interest payments are due beginning in June 2022 through December 2031. Annual principal payments on the bonds are due beginning in December 2022 through December 2031.

The bonds are not subject to redemption prior to maturity.

The bonds constitute special, limited obligations of the District. The bonds are payable solely from and secured by the District’s net pledged revenues, derived by the District from the operation of its water and sewer system.

The following is a summary of the debt service requirements for the 2021 Revenue Bonds:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 1,370,000	\$ 557,250	\$ 1,927,250
2026	1,435,000	488,750	1,923,750
2027	1,505,000	417,000	1,922,000
2028	1,585,000	341,750	1,926,750
2029	1,665,000	262,500	1,927,500
2030-2031	3,585,000	271,000	3,856,000
Total	<u>\$11,145,000</u>	<u>\$ 2,338,250</u>	<u>\$13,483,250</u>

NOTE 6: **LEASES**

Deriva Ground Lease

In May, 2018, the District as Lessor, entered into a 25-year solar energy ground lease agreement with Palmer Solar LLC (Deriva) (the “Lessee”). Under the terms of the agreement, the District leases approximately 500 acres of real property to the Lessee at an annual rate of \$100 per acre. Annual lease payments are due beginning on January 1, 2019 and annually thereafter at an escalation rate of 2 percent.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2024

NOTE 6: LEASES (Continued)

Deriva Ground Lease (Continued)

The lease agreement includes two options to renew. Each renewal option extends the term of the lease for consecutive period of five years beyond the applicable term expiration date.

As of December 31, 2024, a lease receivable of \$1,837,637 and a corresponding deferred inflow of resources are reported in the statement of net position. For the year ended December 31, 2024, the District reported \$61,176 in lease revenue, of which \$23,944 was recorded as a reduction in the outstanding lease receivable and \$37,232 was recorded as interest revenue on the lease.

The following is the lease receivable/deferred inflow schedule as of December 31, 2024:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 25,646	\$ 36,754	\$ 62,400
2026	27,407	36,240	63,647
2027	29,229	35,692	64,921
2028	31,111	35,107	66,218
2029	33,058	34,485	67,543
2030-2034	196,845	165,404	362,249
2035-2039	256,140	144,572	400,712
2040-2044	325,647	117,612	443,259
2045-2049	407,032	83,474	490,506
2050-2054	505,522	50,155	555,677
Total	<u>\$ 1,837,637</u>	<u>\$ 739,495</u>	<u>\$ 2,577,132</u>

Enerfin Renewables Ground Lease

On February 27, 2024, the District entered into a solar energy ground lease agreement with Enerfin Renewables, LLC (“Tenant”). After completion of the Tenant’s option period and the commencement of commercial operations, the Tenant will make annual installment lease payments to the District in the amount of \$600 per acre of leased land with the minimum annual installment being no less than \$420,000, subject to annual inflationary escalation using the Denver-Aurora-Lakewood CPI-U. The initial term of the lease will begin on the date which commercial operations commence and will expire on the 30th anniversary of that date.

During the year ended December 31, 2024, the Tenant made one option payment in the amount of \$210,000. No commercial operations have commenced during the year.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tri-Lakes Joint Venture and Use Agreement

The District provides its wastewater treatment at the Tri-lakes Wastewater Treatment Facility (the "Facility"), which is operated as a joint venture under the Amended Joint Use of Facilities Agreement dated February 9, 2021, among the District, Monument Sanitation District, and Palmer Lake Sanitation District.

The Facility's real property, personal property, and fixtures are commonly owned by each district in undivided one-third interests. Since November 9, 1999, the Facility's capacity is allocated 64.28% to the District, 19.79% to Monument Sanitation District, and 15.93% to Palmer Lake Sanitation District, and is subject to change in future Facility expansions.

Operating expenses are billed monthly to the respective districts in accordance with each district's pro rata contribution to the monthly flows and BOD loadings discharged into the Facility. For the year ended December 31, 2024, the District paid \$934,554 to the Facility under the terms of the agreement.

For the year ended December 31, 2024, the District's share of the Facility's real property, personal property, and fixtures is \$2,111,864 and is reported as Investment in Tri-Lakes Joint Venture in the Statement of Net Position.

In addition, the District purchased additional capacity in the Facility in 1999 for \$416,535. The purchase price is amortized over 30 years. For the year ended December 31, 2024, the carrying value of the additional capacity is \$80,277 and is reported as Other Assets in the Statement of Net Position.

Loop Water Authority

In December 2022, the District, along with Cherokee Metropolitan District, Donala Water and Sanitation District, and the Town of Monument ("Members") signed an intergovernmental agreement (IGA) establishing the Loop Water Authority ("Authority"). The purpose of the Authority is to effect the development and implementation of the Loop Project, the purpose of such project being the expansion of renewable and non-renewable water resources, construction of systems and facilities in whole or in part for the benefit of the Authority Members and their customers, to identify and implement beneficial operating procedures and conservation programs and projects, to develop and implement financing options for development and implementation of the Loop Project, and to exercise all of its lawful power and authority to accomplish said purposes.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 7: **COMMITMENTS AND CONTINGENCIES** (Continued)

Loop Water Authority (Continued)

The Authority is governed by a board of directors consisting of one director appointed by each member district.

During the year ended December 31, 2023, the District contributed an amount of \$250,000 to provide initial funding for the Authority. No additional funding was provided by the District during the fiscal year ended December 31, 2024.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

NOTE 8: **EMPLOYEE RETIREMENT PLAN**

The District offers a 457(b) non-qualified deferred compensation plan to its employees. The District contributes 2.5% of the employee wages on behalf of the employee. In addition, the District will match up to a maximum additional 2.5% of contributions made by the employee.

The assets of the plan are not subject to the District's creditors and are therefore not included in the District's financial statements. For the year ended December 31, 2024, the District contributed \$66,785 to the Plan.

INDIVIDUAL FUND SCHEDULE

WOODMOOR WATER AND SANITATION DISTRICT NO.1

SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended December 31, 2024

REVENUES	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
Water and Sewer Tap Fees	\$ 4,286,070	\$ 4,428,330	\$ 142,260	\$ 1,639,210
Water Use Fees	3,591,905	3,691,887	99,982	2,992,853
Sewer Use Fees	1,775,579	1,782,907	7,328	1,712,256
Availability of Service Fees	21,000	42,237	21,237	9,450
Renewable Water Investment Fee	2,034,341	2,038,911	4,570	2,019,084
Permit Processing Fees	18,400	20,300	1,900	25,900
Interest Income	925,221	1,237,869	312,648	1,140,258
Miscellaneous Income	50,000	45,153	(4,847)	48,123
Cross Connection/Meter Income	49,500	52,861	3,361	21,082
Supplemental Water	97,635	97,635	-	77,140
Lease Income	86,575	295,190	208,615	96,339
Grant Income	100,000	-	(100,000)	-
Sale of Land/Equipment	28,000	28,200	200	-
Use of Cash Reserves	6,414,943	-	(6,414,943)	-
TOTAL REVENUES	19,479,169	13,761,480	(5,717,689)	9,781,695

See the accompanying independent auditor's report

WOODMOOR WATER AND SANITATION DISTRICT NO.1

SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended December 31, 2024

EXPENDITURES	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE	2023
			Positive (Negative)	ACTUAL
Salaries	\$ 1,534,002	\$ 1,498,937	\$ 35,065	\$ 1,395,872
Employee Benefits	288,053	292,639	(4,586)	268,278
Payroll Taxes	119,030	126,696	(7,666)	117,333
Unemployment Compensation Insurance	4,668	2,998	1,670	3,550
Professional Fees	598,500	618,682	(20,182)	851,602
Chilcott Ditch Co Assessments	166,000	165,347	653	123,685
Insurance	155,781	150,708	5,073	138,670
Renewal and Replacement	1,515,862	1,233,929	281,933	1,914,025
Building Maintenance	94,100	78,611	15,489	51,551
Vehicle Expenses	100,000	66,028	33,972	126,908
Sewer Treatment Plant Expense	1,096,886	962,004	134,882	934,552
Utilities	794,000	637,336	156,664	587,379
Small Tools	18,000	15,323	2,677	13,608
Training and Education	15,000	15,175	(175)	16,204
Travel	10,000	11,567	(1,567)	11,593
Cross Connection/Meter Expense	51,195	38,190	13,005	26,492
Directors Fees	8,000	5,400	2,600	6,900
Miscellaneous Expenses	45,000	33,050	11,950	30,890
Office Supplies and Expense	235,342	222,869	12,473	179,345
Land/Easement Purchase	1,300,000	-	1,300,000	-
Equipment Purchases	110,000	-	110,000	52,010
Construction of Facilities	9,291,750	3,913,848	5,377,902	1,314,730
Bond Agent Fee	500	400	100	400
Interest on Bonds	622,500	622,500	-	684,500
Bond Principal Payment	1,305,000	1,305,000	-	1,240,000
TOTAL EXPENDITURES	19,479,169	12,017,237	7,461,932	10,090,077
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	1,744,243	\$ 1,744,243	(308,382)
Reconciliation between budgetary basis and generally accepted accounting principles (GAAP)				
Capital Outlay		3,913,848		1,366,740
Depreciation Expense		(2,229,794)		(2,232,208)
Amortization Expense - Bond Premium		370,266		370,266
Amortization Expense - Deferred Charges		89,046		89,045
Principal Paid on Long-Term Debt		1,305,000		1,240,000
Change in Equity Interest in Tri-Lakes Joint Venture		(59,053)		(36,096)
CHANGE IN NET POSITION, GAAP BASIS		5,133,556		489,365
NET POSITION, Beginning		67,874,416		67,385,051
NET POSITION, Ending		\$ 73,007,972		\$ 67,874,416

See the accompanying independent auditor's report

APPENDIX A

WOODMOOR WATER AND SANITATION DISTRICT NO. 1

History of Net Pledged Revenues⁽¹⁾

December 31, 2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Gross Pledged Revenues⁽²⁾</u>					
Operating revenue	\$5,495,857	\$5,434,040	\$9,690,904	\$4,983,143	6,056,370
RWI Fee revenue	1,978,700	1,861,015	2,012,741	2,019,084	2,038,911
Investment income ⁽³⁾	289,595	21,936	360,101	1,140,258	1,237,870
Tap fees	787,596	792,334	174,680	1,639,210	4,428,330
Total	8,551,748	8,109,325	12,238,426	9,781,695	13,761,481
<u>Operation and Maintenance Expenses⁽⁴⁾</u>	4,406,608	4,404,498	5,430,672	6,674,752	6,010,142
<u>Net Pledged Revenues</u>	4,145,140	3,704,827	6,807,754	3,106,943	7,751,339
<u>Maximum Annual Debt Service Requirements⁽⁵⁾</u>	1,929,250	1,929,250	1,929,250	1,929,250	1,929,250
<u>Historical Coverage</u>	2.15 x	1.92 x	3.53 x	1.61 x	4.02x

(1) Based upon the District's audited financial statements.

(2) Gross Pledged Revenue excludes gains on sales of property and contributed assets from developers, which are non-cash items.

(3) Represents investment income from all District investments, not only investment income on the other components of Gross Pledged Revenues. The amount of investment income earned on non-Gross Pledged Revenues (which is therefore not pledged to the Bonds), however, is not a material amount

(4) Includes System maintenance, operations and engineering expenses as well as general administrative expenses. Excludes non-operating expenses.

(5) Represents the maximum annual debt service requirements of the Bond (\$1,929,250 in 2030). See "DEBT SERVICE REQUIREMENTS". If the District issues Parity Bonds the future, the debt service requirements of the Parity Bonds would be added to this amount and could result in a lower coverage factor, depending on future revenues and operating expenses.

WOODMOOR WATER AND SANITATION DISTRICT NO.1

History of Selected Residential User Rates

December 31, 2024

<u>Water Fees</u>							<u>Sewer Fees</u>	
<u>Year</u>	<u>Base Charge</u>	<u>%Change</u>	<u>(1)Average Volume Rate PER 1000 GAL.</u>	<u>(2)Average Monthly Volume Used Per Customer (Gal.)</u>	<u>(3)Average Monthly Volume Charge Per Customer (\$)</u>	<u>% Change</u>	<u>Base Charge</u>	<u>% Change</u>
2020	\$9.50	2.0%	\$9.16	6,315	\$57.82	21.15%	\$31.63	2.0%
2021	\$9.69	2.0%	\$9.37	5,802	\$54.34	-6.02%	\$32.31	2.1%
2022	\$10.18	5.1%	\$9.82	5,753	\$56.49	3.96%	\$33.00	2.1%
2023	\$10.59	4.0%	\$7.83	5,123	\$40.11	-29.00%	\$34.32	4.0%
2024	\$11.01	4.0%	\$10.62	5,670	\$60.22	50.11%	\$35.69	4.0%
2025 ⁽⁴⁾	\$11.56	5.0%	\$10.78	5,497	\$59.26	-1.59%	\$37.47	5.0%

⁽¹⁾ Excludes late fees, disconnection and other miscellaneous charges

⁽²⁾ Based on Average number of customers throughout the year

⁽³⁾ Does not include base charge or RWI fee

⁽⁴⁾ Projected for the current year

WOODMOOR WATER AND SANITATION DISTRICT NO.1

History of Water and Sewer Rate Revenue

December 31, 2024

The following table shows a five year history of Water System user fees and Sewer System user fees.

History of Water and Sewer Rate Revenues

<u>Year</u>	<u>Water System User Fees</u>		<u>Sewer System User Fees</u>	
	<u>Amount</u>	<u>%Change</u>	<u>Amount</u>	<u>%Change</u>
2020	\$3,496,485	20.86%	\$1,547,257	1.46%
2021	\$3,489,916	-0.19%	\$1,583,387	2.34%
2022	\$3,320,919	-4.84%	\$1,641,623	3.68%
2023	\$2,992,853	-9.88%	\$1,712,256	4.30%
2024	\$3,691,887	23.36%	\$1,782,907	4.13%
2025 ⁽¹⁾	\$3,893,569	5.46%	\$1,864,357	4.57%

⁽¹⁾ Constitutes estimated data for 2025, based upon actual revenues through April 2025, and projections for the remainder of the year.

WOODMOOR WATER AND SANITATION
DISTRICT NO.1
December 31, 2024

Renewable Water Investment Fee

Following a public hearing at its October 17, 2011 meeting, the Board adopted a resolution creating the Renewable Water Investment Fee (the “RWI Fee”), which constituted a new charge of the District. The RWI Fee is intended to provide additional security for the Bonds and to be a component of the District’s overall plan to decrease reliance upon nonrenewable groundwater and increase reliance upon renewable surface water. The amount of the RWI FEE initially was calculated at the rate of \$45 per service tap equivalent per customer per month for all customers (including residential and nonresidential), and was added as a separate line item on each water customer’s bill. The amount of the RWI Fee will be calculated for each customer as shown in the table below. Customers which have purchased larger taps from the District will be charged at higher rates than those which have purchased smaller taps, since the service tap equivalent number is higher for such customers. One service tap equivalent is equal to the cross-sectional area of a ¾” diameter water service tap, which is the size of tap typically installed to provide water service to a single-family residential customer. The District’s imposition of the RWI Fee occurred January 1, 2012.

2024 Renewable Water Investment Fee Schedule

Tap Size	Tap Equivalents	Amount of RWI Fee (per month)
¾” MF ⁽¹⁾	0.75	\$30.00
¾”	1.00	40.00
1”	1.78	71.20
1.25”	2.79	111.60
1.5”	4.01	160.40
2”	7.11	284.40
2.5”	11.30	452.00
3”	16.03	641.20
4”	28.44	1,137.60

(1) This tap size refers to multi-family unit customers. The District defines a multi-family customer as a dwelling unit which is separated from another dwelling unit by a party wall, such as an apartment or condominium.

WOODMOOR WATER AND SANITATION DISTRICT NO.1

History of Residential Tap Fees

December 31, 2024

<u>Year</u>	<u>Water Tap Fee</u>		<u>Sewer Tap Fee</u>	
	<u>Amount</u>	<u>%Change</u>	<u>Amount</u>	<u>%Change</u>
2020	\$24,669	2.0%	\$8,603	2.0%
2021	\$24,669	0.0%	\$8,603	0.0%
2022	\$25,903	5.0%	\$9,033	5.0%
2023	\$29,788	15.0%	\$10,388	15.0%
2024	\$32,767	10.0%	\$10,388	0.0%

WOODMOOR WATER AND SANITATION DISTRICT NO.1

December 31, 2024

History of Tap Fees Collected

Year	Type	Tap Fee Revenues		Number of Connections		Total Collections	
		Residential	Commercial	Residential	Commercial	Amount	%Change
2019	Water	\$241,860	\$183,088	10	3	\$593,309	-52.1%
	Sewer	\$75,915	\$92,446				
2020	Water	\$542,718	\$43,911	22	1	\$787,596	32.7%
	Sewer	\$189,266	\$11,701				
2021	Water	\$493,380	\$173,176	20	2	\$792,334	0.6%
	Sewer	\$94,633	\$31,145				
2022	Water	\$129,515	\$0	8	0	\$174,680	-78.0%
	Sewer	\$45,165	\$0				
2023	Water	\$1,017,911	\$234,743	11	2	\$1,639,210	838.4%
	Sewer	\$354,977	\$31,580				
2024	Water	\$3,157,596	\$966,084	81	5	\$4,428,330	170.2%
	Sewer	\$298,625	\$6,025				
2025 ⁽¹⁾	Water	\$4,218,768				\$5,382,224	21.5%
	Sewer	\$1,163,456					

⁽¹⁾ Constitutes estimated tap fee data for 2025 based upon actual connections through April 30, 2025 and projections for the remainder of the year.

WOODMOOR WATER AND SANITATION DISTRICT NO.1

Water: The following table describes the District's Water System customer base for 2024.
The District expects this information to be relatively unchanged for 2025.

Water System Customer Information - 2024

<u>Customer Class</u>	<u>Accounts</u>		<u>Gallons Sold</u>		<u>Revenue</u>	
	<u>Number of Accounts</u> ⁽¹⁾	<u>% of Total</u>	<u>Number of Gallons Sold</u>	<u>% of Total</u>	<u>Amount of Revenue</u> ⁽²⁾	<u>% of Total</u>
Residential	3,949	96.9%	268,692,605	73.2%	\$ 2,854,189	76.8%
Non-residential	61	1.5%	18,571,100	5.1%	195,413	5.3%
Irrigation	29	0.7%	16,475,296	4.5%	244,309	6.6%
Bulk Water	21	0.5%	17,510,400	4.8%	203,471	5.5%
Extra-Territorial						
Bulk Water	1	0.1%	1,638,300	0.4%	20,911	0.6%
Non-Potable	3	0.1%	39,963,467	10.9%	168,715	4.5%
Augmentation	9	0.1%	4,166,367	1.1%	27,556	0.7%
Total	4,075	100.0%	367,017,535	100.0%	\$ 3,714,564	100.0%

⁽¹⁾ Represents the average number of customer accounts during 2024. The number of accounts varies throughout the year.

⁽²⁾ Revenue shown is the amount billed.

WOODMOOR WATER AND SANITATION DISTRICT NO.1

Sewer System Customer Information - 2024

Sewer. The following table describes the Sewer System customers for 2024.
The District expects this information to be relatively unchanged for 2025.

<u>Customer Class</u>	<u>Number of Accounts ⁽¹⁾</u>	<u>% of Total</u>	<u>Revenue⁽²⁾</u>	<u>% of Total</u>
Residential	3,977	98.1%	\$ 1,674,820	92.8%
Commercial	65	1.6%	85,444	4.7%
Bulk	8	0.2%	27,566	1.5%
Campground	1	0.025%	15,630	0.9%
Extra-Territorial	1	0.025%	642	0.036%
Total	4,052	100.0%	\$ 1,804,102	100.0%

⁽¹⁾ Represents the average number of customer accounts during 2024. The number of accounts varies throughout the year. The number of Sewer System accounts shown in this table does not exactly match the number of Water System accounts shown in the previous table because some Water System customers have more than a single account, while most Sewer System customers have only one account.

⁽²⁾ Revenue shown is the amount billed.

WOODMOOR WATER AND SANITATION DISTRICT NO.1

December 31, 2024

Largest System Customers for 2024

Customer Description	Water Usage		Water Revenue	Sewer Revenue	Revenue		% of Total
	Gallons Used	% of Total ⁽¹⁾			Other Revenue	Total Revenue	
Commercial (non-retail) ⁽³⁾	33,545,200	9.1%	\$158,693	\$12,812	\$40	\$ 171,545	4.6%
Public Schools ⁽⁴⁾	21,780,267	5.9%	\$207,456	\$16,134	\$1,487	\$ 225,076	6.1%
Homeowners association	7,028,296	1.9%	\$111,467	\$0	\$135	\$ 111,602	3.0%
Homeowners association	4,487,700	1.2%	\$19,188	\$0	\$10	\$ 19,198	0.5%
Spa/Health Club	3,730,600	1.0%	\$38,739	\$10,964	\$10	\$ 49,712	1.3%
Commercial (non-retail)	3,628,500	1.0%	\$34,626	\$16,966	\$10	\$ 51,602	1.4%
Homeowners association	2,405,200	0.7%	\$40,307	\$0	\$30	\$ 40,337	1.1%
Homeowners association	2,224,000	0.6%	\$32,545	\$0	\$0	\$ 32,545	0.9%
Homeowners association	2,237,600	0.6%	\$23,559	\$11,452	\$120	\$ 35,131	0.9%
Commercial (retail)	1,692,700	0.5%	\$15,827	\$7,965	\$0	\$ 23,792	0.6%
Total	82,760,063	22.5%	\$ 682,407	\$ 76,292	\$ 1,842	\$ 760,540	20.5%

⁽¹⁾ Based on total gallons sold of: 367,017,535

⁽²⁾ Based on total water revenues of: 3,714,564

⁽³⁾ This customer used 9.1% of the water in 2024 but only generated 4.6% of total revenues because most of this customer's use was for irrigation purposes, and non-potable water is less expensive than treated water.

⁽⁴⁾ The District serves Lewis Palmer School District No. 38, including two high schools, one middle school, one elementary school and a charter academy located within the District's boundaries, and one elementary school located outside of the District's boundaries (water only). The water use and revenue of all these schools has been consolidated for this table.

WOODMOOR WATER AND SANITATION DISTRICT

Budget Summary and Comparison
December 31, 2024

Budget Summary and Comparison

The following tables set forth a comparison of the budget for the District for 2024 as compared to actual results (year-to-date, unaudited). These tables are presented in budgetary format and are not intended to comply with Generally Accepted Accounting Principles (“GAAP”).

WOODMOOR WATER AND SANITATION DISTRICT NO.1
BUDGET TO ACTUAL COMPARISON
December 31, 2024

	2024		2025	
	Budget	Actual ⁽³⁾	Budget ⁽¹⁾	Actual ⁽²⁾
Revenue				
Tap Fees	4,286,070	4,428,330	5,382,224	5,382,224
Water Use Fees	3,591,905	3,691,887	3,893,569	3,893,569
Sewer Use Fees	1,775,579	1,782,907	1,864,357	1,864,357
Avail of Service Fee	21,000	42,237	48,231	48,231
Renewable Water Investment Fee	2,034,341	2,038,911	2,061,221	2,061,221
Construction Inspection/Permit Processing	18,400	20,300	28,400	28,400
Interest Income	925,221	1,237,869	882,236	882,236
Other Income ⁽⁵⁾	50,000	45,153	45,000	45,000
Sale of Land/Equipment	28,000	28,200	11,000	11,000
Cross connection/meter Fees	49,500	52,861	61,600	61,600
Supplemental Water Sales	97,635	97,635	332,635	332,635
Lease Income	86,575	295,190	297,799	297,799
Grant Income	100,000	-	-	-
Contingency	6,414,943	-	5,224,065	5,224,065
Total Revenue	19,479,169	13,761,480	20,132,337	20,132,337
Expenditures				
Bond Agent Fees ⁽⁴⁾	500	400	500	500
Interest on 2021 bonds ⁽⁴⁾	622,500	622,500	557,250	557,250
2021 Bond Redemption ⁽⁴⁾	1,305,000	1,305,000	1,370,000	1,370,000
Construction of Facility ⁽⁴⁾	9,291,750	3,913,848	3,787,940	3,787,940
Cross-connection expenses	51,195	38,190	63,706	63,706
Director Fees	8,000	5,400	8,000	8,000
Employee Benefits	288,053	292,639	308,484	308,484
Equipment Purchases	110,000	-	121,000	121,000
Insurance	155,781	150,708	225,000	225,000
Miscellaneous	45,000	33,050	54,000	54,000
Office expense	235,342	222,869	230,924	230,924
Payroll Taxes	119,030	126,696	127,687	127,687
Professional Fees	598,500	618,682	577,125	577,125
Water/Sewer System Maintenance	-	-	650,344	650,344
Renewal and Replacement	1,515,862	1,233,929	6,643,392	6,643,392
Building Maintenance	94,100	78,611	61,845	61,845
Salaries	1,534,002	1,498,937	1,645,605	1,645,605
Sewer treatment charge	1,096,886	962,004	1,396,928	1,396,928
Small Tools	18,000	15,323	23,100	23,100
Training and Education	15,000	15,175	18,000	18,000
Travel & Meals	10,000	11,567	13,000	13,000
Unemployment insurance	4,668	2,998	5,007	5,007
Utilities	794,000	637,336	682,500	682,500
Vehicle expense	100,000	66,028	110,000	110,000
Land/Easement acquisitions	1,300,000	-	1,300,000	1,300,000
Ditch Company/Carriage Assessments	166,000	165,347	151,000	151,000
Total Expenditures	19,479,169	12,017,237	20,132,337	20,132,337
Revenues Over (Under) Expenditures	0	1,744,243	0	0

⁽¹⁾These figures reflect the District's 2025 budget.

⁽²⁾Unaudited and estimated based upon unaudited financial statements through April 30, 2025

⁽³⁾Constitutes a representation of the General Fund on a budgetary (non-GAAP) basis. Complete financial statements for the General Fund are set forth in the District's audited financial statements, attached hereto as Appendix A.

⁽⁴⁾These items are not part of the gross Pledged Revenues and Operations and Maintenance Expenses. See "SECURITY FOR THE BONDS."

⁽⁵⁾This revenue consists primarily of late fees and penalty charges. See "THE DISTRICT - District Agreements/Water leases."

Source: The District's 2024 financial statements, 2025 unaudited financial statements through April 30, 2025, and other budgetary financial records.

WOODMOOR WATER AND SANITATION DISTRICT NO.1
December 31, 2024

Statement of Revenues, Expenses and Changes in Net Assets

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenue					
Charges for Services	7,394,404	7,255,480	11,561,111	6,836,683	7,673,877
Miscellaneous Income	80,152	39,575	142,534	165,544	421,404
Total operating revenues	7,474,556	7,295,055	11,703,645	7,002,227	8,095,281
Operating Expenses					
Personnel services	1,482,989	1,513,182	1,582,421	1,785,033	1,921,270
Purchased services	569,916	531,256	981,760	1,149,054	967,279
Materials and supplies	2,353,702	2,272,574	2,971,118	3,864,750	3,287,340
Depreciation and Amortization	1,667,857	1,747,507	1,740,825	2,268,304	2,288,857
Total Operating Expenses	6,074,464	6,064,519	7,276,124	9,067,141	8,464,746
Operating Income	1,400,091	1,230,536	4,427,521	(2,064,914)	(369,465)
Non-operating Revenue (Expenses)					
Interest Income	289,595	21,936	360,101	1,140,258	1,237,869
Loss of disposition of assets	4,500	3,197	(640,210)	0	0
Tap Fees	787,596	792,334	174,680	1,639,210	4,428,330
Equity interest income (loss)	(484,421)	392,100	0	0	0
Interest expense	(988,735)	(520,975)	(305,810)	(225,189)	(163,188)
Revenue Debt Refinancing Costs		(197,341)	0	0	0
Total non-operating revenue	(391,465)	491,251	(411,239)	2,554,279	5,503,011
Change in Net Position	1,008,626	1,721,787	4,016,282	489,365	5,133,546
Net Position, Beginning	59,045,885	60,054,511	63,368,769	67,385,051	67,874,416
Net Position, Ending	\$ 60,054,511	\$ 61,776,298	\$ 67,385,051	\$ 67,874,416	\$ 73,007,962

Source: District's Annual Financial Reports for the years ended December 31, 2020-2024