

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Penrose Sanitation District  
PO Box 57  
Penrose, CO 81240

For the Year Ended  
12/31/24  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL

Nanette Wilson  
719-372-6868  
wilsonexcavationinc@outlook.com

### PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE

David Wancura CPA  
Certified Public Accountant  
David Wancura CPA PC  
509 Greenwood Avenue, Canon City, CO 81212  
719-269-9306

PREPARER (SIGNATURE REQUIRED)

*David Wancura*

DATE PREPARED

(No exemption shall be granted prior to the close of said fiscal year)

3/5/2025

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL  
(MODIFIED ACCRUAL BASIS)



PROPRIETARY  
(CASH OR BUDGETARY BASIS)



P

## PART 2 - REVENUES

All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line # | Description   | Round to the nearest dollar | Please use this space to provide any necessary explanations |
|--------|---|-----------------------------|---|
| 2-1    | <b>Taxes: Property</b> (report mills levied in question 10-7)                               | \$ -                        |   |
| 2-2    | <b>Specific ownership</b>   | \$ -                        |   |
| 2-3    | <b>Sales and use</b>  | \$ -                        |   |
| 2-4    | <b>Other (specify):</b>   | \$ -                        |   |
| 2-5    | <b>Licenses and permits</b>   | \$ -                        |   |
| 2-6    | <b>Intergovernmental: Grants</b>  | \$ -                        |   |
| 2-7    | <b>Conservation Trust Funds (Lottery)</b>   | \$ -                        |   |
| 2-8    | <b>Highway Users Tax Funds (HUTF)</b>   | \$ -                        |   |
| 2-9    | <b>Other (specify):</b>   | \$ -                        |   |
| 2-10   | <b>Charges for services</b>   | \$ -                        |   |
| 2-11   | <b>Fines and forfeits</b>   | \$ -                        |   |
| 2-12   | <b>Special assessments</b>  | \$ -                        |   |
| 2-13   | <b>Investment income</b>  | \$ 3,745                    |   |
| 2-14   | <b>Charges for utility services</b>   | \$ 82,588                   |   |
| 2-15   | <b>Debt proceeds</b> (should agree to table 4-4, column 'Issued during year')               | \$ -                        |   |
| 2-16   | <b>Lease proceeds</b>   | \$ -                        |   |
| 2-17   | <b>Developer Advances received</b> (should agree to table 4-4, column 'Issued during year') | \$ -                        |   |
| 2-18   | <b>Proceeds from sale of capital assets</b>   | \$ -                        |   |
| 2-19   | <b>Fire and police pension</b>  | \$ -                        |   |
| 2-20   | <b>Donations</b>  | \$ -                        |   |
| 2-21   | <b>Other (specify):</b>   | \$ -                        |   |
| 2-22   |   | \$ -                        |   |
| 2-23   |   | \$ -                        |   |
| 2-24   |   | \$ -                        |   |
| 2-25   |   | \$ -                        |   |
| 2-26   | (add lines 2-1 through 2-25) <b>TOTAL REVENUES</b>  | \$ 86,333                   |   |

## PART 3 - EXPENDITURES/EXPENSES

All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line # | Description   | Round to the nearest dollar | Please use this space to provide any necessary explanations |
|--------|---|-----------------------------|---|
| 3-1    | <b>Administrative</b>   | \$ 4,199                    |   |
| 3-2    | <b>Salaries</b>   | \$ 10,278                   |   |
| 3-3    | <b>Payroll taxes</b>  | \$ 786                      |   |
| 3-4    | <b>Contract services</b>  | \$ 15,702                   |   |
| 3-5    | <b>Employee benefits</b>  | \$ -                        |   |
| 3-6    | <b>Insurance</b>  | \$ 3,556                    |   |
| 3-7    | <b>Accounting and legal fees</b>  | \$ 1,627                    |   |
| 3-8    | <b>Repair and maintenance</b>   | \$ 5,646                    |   |
| 3-9    | <b>Supplies</b>   | \$ 1,864                    |   |
| 3-10   | <b>Utilities and telephone</b>  | \$ 8,854                    |   |
| 3-11   | <b>Fire/Police</b>  | \$ -                        |   |
| 3-12   | <b>Streets and highways</b>   | \$ -                        |   |
| 3-13   | <b>Public health</b>  | \$ -                        |   |
| 3-14   | <b>Capital outlay</b>   | \$ -                        |   |
| 3-15   | <b>Utility operations</b>   | \$ 18,589                   |   |
| 3-16   | <b>Culture and recreation</b>   | \$ -                        |   |
| 3-17   | <b>Debt service principal</b> (should agree to table 4-4, column 'Retired during year')         | \$ 17,966                   |   |
| 3-18   | <b>Debt service interest</b>  | \$ 1,222                    |   |
| 3-19   | <b>Repayment of Developer Advance</b> (should agree to table 4-4, column 'Retired during year') | \$ -                        |   |
| 3-20   | <b>Repayment of Developer Advance Interest</b>  | \$ -                        |   |
| 3-21   | <b>Contribution to pension plan</b>   | \$ -                        |   |
| 3-22   | <b>Contribution to Fire &amp; Police Pension Assoc.</b>   | \$ -                        |   |
| 3-23   | <b>Other (specify):</b>   | \$ -                        |   |
| 3-24   |   | \$ -                        |   |
| 3-25   |   | \$ -                        |   |
| 3-26   |   | \$ -                        |   |
| 3-27   |   | \$ -                        |   |
| 3-28   | (add lines 3-1 through 3-27) <b>TOTAL EXPENDITURES/EXPENSES</b>                                 | \$ 90,288                   |   |

If TOTAL REVENUES (Line 2-26) or TOTAL EXPENDITURES (Line 3-28) are GREATER than \$100,000 - **STOP**  
 You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM"

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

|   | Yes                                 | No                       |                  |                  |
|---|-------------------------------------|--------------------------|------------------|------------------|
| 4-1 Does the entity have outstanding debt?<br><i>(If 'No' is checked, skip to question 4-5)</i><br><i>(If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |                  |                  |
| 4-2 Is the debt repayment schedule attached? If no, MUST explain below:<br><div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>                           | <input checked="" type="checkbox"/> | <input type="checkbox"/> |                  |                  |
| 4-3 Is the entity current in its debt service payments? If no, MUST explain below:<br><div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>                | <input checked="" type="checkbox"/> | <input type="checkbox"/> |                  |                  |
| 4-4 Please complete the following debt schedule, if applicable:<br><small>(please only include principal amounts)<br/>(enter all amounts as positive numbers)</small>                         |                                     |                          |                  |                  |
| General obligation bonds  | \$ -                                | \$ -                     | \$ -             | \$ -             |
| Revenue bonds   | \$ -                                | \$ -                     | \$ -             | \$ -             |
| Notes/Loans   | \$ 51,123                           | \$ -                     | \$ 17,966        | \$ 33,157        |
| Lease & SBITA** Liabilities [GASB 87 & 96]  | \$ -                                | \$ -                     | \$ -             | \$ -             |
| Developer Advances  | \$ -                                | \$ -                     | \$ -             | \$ -             |
| Other (specify):  | \$ -                                | \$ -                     | \$ -             | \$ -             |
| <b>TOTAL</b>  | <b>\$ 51,123</b>                    | <b>\$ -</b>              | <b>\$ 17,966</b> | <b>\$ 33,157</b> |

\*\*Subscription-Based Information Technology Arrangements

\*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

|   | Yes                      | No                                  |
|---|--------------------------|-------------------------------------|
| 4-5 Does the entity have any authorized but unissued debt as of its fiscal year-end?<br>How much? <span style="float: right;">\$ -</span><br>Date the debt was authorized: <span style="float: right;">_____</span>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| NEW 4-6 Is the authorized but unissued debt further limited by the entity's most recent Service Plan?<br>If yes: How much? <span style="float: right;">\$ -</span><br>Date of the most recent Service Plan: <span style="float: right;">_____</span>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-7 Does the entity intend to issue debt within the next calendar year?<br>If yes: How much? <span style="float: right;">\$ -</span>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-8 Does the entity have debt that has been refinanced that it is still responsible for?<br>If yes: What is the amount outstanding? <span style="float: right;">\$ -</span>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-9 Does the entity have any lease agreements?<br>If yes: What is being leased? _____<br>What is the original date of the lease? _____<br>Number of years of lease? _____<br>Is the lease subject to annual appropriation? _____<br>What are the annual lease payments? <span style="float: right;">\$ -</span> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

|  | Amount    | Total            |
|--|-----------|------------------|
| 5-1 YEAR-END Total of ALL Checking and Savings Accounts                              | \$ 69,942 |                  |
| 5-2 Certificates of deposit  | \$ -      |                  |
| <b>TOTAL CASH DEPOSITS</b>   |           | <b>\$ 69,942</b> |
| 5-3 Investments (if investment is a mutual fund, please list underlying investments) |           |                  |
|  | \$ -      |                  |
|  | \$ -      |                  |
|  | \$ -      |                  |
|  | \$ -      |                  |
| <b>TOTAL INVESTMENTS</b>   |           | <b>\$ -</b>      |
| <b>TOTAL CASH AND INVESTMENTS</b>  |           | <b>\$ 69,942</b> |

Please answer the following questions by marking in the appropriate boxes.

|   | Yes                                 | No                       | N/A                      |
|---|-------------------------------------|--------------------------|--------------------------|
| 5-4 Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Part 5 - If no, MUST use this space to provide any explanations

## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes

- |  | Yes                                 | No                       |
|--|-------------------------------------|--------------------------|
| 6-1 Does the entity have capital assets?<br><i>(If 'No' is checked, skip the rest of Part 6)</i>                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

| Complete the following capital & right-to-use assets table:                                   | Balance - beginning of the year | Additions          | Deletions   | Year-End Balance  |
|---|---------------------------------|--------------------|-------------|-------------------|
| Land  | \$ 14,526                       | \$ -               | \$ -        | \$ 14,526         |
| Buildings   | \$ -                            | \$ -               | \$ -        | \$ -              |
| Machinery and equipment   | \$ 471,995                      | \$ -               | \$ -        | \$ 471,995        |
| Furniture and fixtures  | \$ 15,398                       | \$ -               | \$ -        | \$ 15,398         |
| Infrastructure  | \$ 430,109                      | \$ 32,550          | \$ -        | \$ 462,659        |
| Construction In Progress (CIP)  | \$ -                            | \$ -               | \$ -        | \$ -              |
| Leased & SBITA Right-to-Use Assets  | \$ -                            | \$ -               | \$ -        | \$ -              |
| Other (explain):  | \$ -                            | \$ -               | \$ -        | \$ -              |
| Accumulated Depreciation/Amortization<br><i>(Please enter a negative, or credit, balance)</i> | \$ (653,705)                    | \$ (131,796)       | \$ -        | \$ (785,501)      |
| <b>TOTAL</b>  | <b>\$ 278,323</b>               | <b>\$ (99,246)</b> | <b>\$ -</b> | <b>\$ 179,077</b> |

\*Must agree to prior year-end balance  
 \*Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy.  
 Please explain any discrepancy

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes

- |  | Yes                      | No                                  |
|--|--------------------------|-------------------------------------|
| 7-1 Does the entity have an "old hire" firefighters' pension plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7-2 Does the entity have a volunteer firefighters' pension plan?   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If yes: Who administers the plan?

Indicate the contributions from:

|                                  |             |
|----------------------------------|-------------|
| Tax (property, SO, sales, etc.): | \$ -        |
| State contribution amount:       | \$ -        |
| Other (gifts, donations, etc.):  | \$ -        |
| <b>TOTAL</b>                     | <b>\$ -</b> |

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?  
 \$ -

Part 7 - Please use this space to provide any explanations or comments

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes

- |   | Yes                                 | No                       | N/A                      |
|---|-------------------------------------|--------------------------|--------------------------|
| 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|   |                                     |                          |                          |
| 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|   |                                     |                          |                          |

If yes: Please indicate the amount appropriated for each fund separately for the year reported  
 (Please make sure each individual fund's appropriation agrees to how the budget was adopted.  
 Do not combine funds)

| Governmental/Proprietary Fund Name | Total Appropriations By Fund |
|------------------------------------|------------------------------|
| Enterprise                         | \$99,339.00                  |
|                                    |                              |
|                                    |                              |
|                                    |                              |

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box.

- |  | Yes                                 | No                       |
|--|-------------------------------------|--------------------------|
| <b>9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?</b><br><i>Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**Part 9 - If no, MUST use this space to provide any explanations**

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes

- |  | Yes                      | No                                  |
|--|--------------------------|-------------------------------------|
| <b>10-1 Is this application for a newly formed governmental entity?</b><br>If yes: Date of formation: <input style="width: 300px;" type="text"/>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10-2 Has the entity changed its name in the past or current year?</b><br>If yes: Please list the NEW name: <input style="width: 300px;" type="text"/><br>Please list the PRIOR name: <input style="width: 300px;" type="text"/>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10-3 Is the entity a metropolitan district?</b>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10-4 Please indicate what services the entity provides:</b><br><input style="width: 500px; height: 20px;" type="text"/>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10-5 Does the entity have an agreement with another government to provide services?</b><br>If yes: List the name of the other governmental entity and the services provided:<br><input style="width: 500px; height: 20px;" type="text"/>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10-6 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]</b><br>If yes: Date filed: <input style="width: 300px;" type="text"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>10-7 Does the entity have a certified mill levy?</b><br>If yes: Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

|                       |   |
|-----------------------|---|
| Bond redemption mills | - |
| General/other mills   | - |
| Total mills           | - |

- |  | Yes                                 | No                       | N/A                      |
|--|-------------------------------------|--------------------------|--------------------------|
| <b>10-8 If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.</b><br><input style="width: 500px; height: 20px;" type="text"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Please use this space to provide any additional explanations or comments not previously included**

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box.

Yes

No

11-1 If you plan to submit this form electronically, have you read the Electronic Signature Policy?

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signature Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following two methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print or type the names of ALL members of current governing body below.  
A MAJORITY of the members of the governing body must sign below.

|                |  |  |
|----------------|--|--|
| Board Member 1 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: <u>2029</u> | Harold Lee Johnson<br>Signature <u>[Signature]</u><br>Date <u>3-12-2025</u>  |
| Board Member 2 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: <u>2029</u> | Patricia Meirhaeghe<br>Signature <u>[Signature]</u><br>Date <u>3-17-2025</u> |
| Board Member 3 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: _____       | Nanette Wilson<br>Signature <u>[Signature]</u><br>Date <u>3-12-2025</u>      |
| Board Member 4 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: _____       | Gary Wilson<br>Signature <u>[Signature]</u><br>Date <u>3-12-2025</u>         |
| Board Member 5 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: _____       | _____<br>Signature _____<br>Date _____                                       |
| Board Member 6 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: _____       | _____<br>Signature _____<br>Date _____                                       |
| Board Member 7 | Board Member's Name:<br>I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.<br>My term expires: _____       | _____<br>Signature _____<br>Date _____                                       |

WATER LOAN

**EXHIBIT C  
WATER POLLUTION CONTROL REVOLVING FUND  
DISADVANTAGED COMMUNITIES LOAN PROGRAM  
LOAN REPAYMENT SCHEDULE**

**PENROSE SANITATION DISTRICT, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE**

On or before the first of each date, commencing on November 1, 2009 the  
Governmental Agency shall pay the amount set forth below:

|                |           |
|----------------|-----------|
| LOAN DATE:     | 8/1/08    |
| LOAN AMOUNT:   | \$128,000 |
| INTEREST RATE: | 1.750%    |
| TERM (YEARS):  | 20        |

INTEREST DATE: 08/01/09

| PAYMENT DATES | PAYMENT             | PRINCIPAL           | REMAINING PRINCIPAL | CALCULATED INTEREST | INTEREST ALLOCATION FOR AUTHORITY PURPOSES ONLY |                    |
|---------------|---------------------|---------------------|---------------------|---------------------|---|--------------------|
|               |                     |                     |                     |                     | INTEREST  | ADMIN. FEE         |
|               |                     |                     | \$128,000.00        |                     |   |                    |
| 11/01/09      | \$1,903.22          | \$1,343.22          | \$126,656.78        | \$560.00            | 60.00   | 500.00             |
| 05/01/10      | \$3,847.24          | \$2,738.99          | \$123,917.79        | \$1,108.25          | 158.25  | 950.00             |
| 11/01/10      | \$3,847.24          | \$2,762.96          | \$121,154.83        | \$1,084.28          | 134.28  | 950.00             |
| 05/01/11      | \$3,847.24          | \$2,787.14          | \$118,367.69        | \$1,060.10          | 110.10  | 950.00             |
| 11/01/11      | \$3,847.24          | \$2,811.52          | \$115,556.17        | \$1,035.72          | 85.72   | 950.00             |
| 05/01/12      | \$3,847.24          | \$2,836.12          | \$112,720.05        | \$1,011.12          | 61.12   | 950.00             |
| 11/01/12      | \$3,847.24          | \$2,860.94          | \$109,859.11        | \$986.30            | 36.30   | 900.00             |
| 05/01/13      | \$3,847.24          | \$2,885.97          | \$106,973.14        | \$961.27            | 11.27   | 900.00             |
| 11/01/13      | \$3,847.24          | \$2,911.23          | \$104,061.91        | \$936.01            | 86.01   | 850.00             |
| 05/01/14      | \$3,847.24          | \$2,936.70          | \$101,125.21        | \$910.54            | 60.54   | 850.00             |
| 11/01/14      | \$3,847.24          | \$2,962.39          | \$98,162.82         | \$884.85            | 34.85   | 800.00             |
| 05/01/15      | \$3,847.24          | \$2,988.32          | \$95,174.50         | \$858.92            | 8.92  | 800.00             |
| 11/01/15      | \$3,847.24          | \$3,014.46          | \$92,160.04         | \$832.78            | 27.78   | 750.00             |
| 05/01/16      | \$3,847.24          | \$3,040.84          | \$89,119.20         | \$806.40            | 1.40  | 750.00             |
| 11/01/16      | \$3,847.24          | \$3,067.46          | \$86,051.75         | \$779.79            | 79.79   | 700.00             |
| 05/01/17      | \$3,847.24          | \$3,094.29          | \$82,957.46         | \$752.95            | 52.95   | 700.00             |
| 11/01/17      | \$3,847.24          | \$3,121.36          | \$79,836.10         | \$725.88            | 25.88   | 600.00             |
| 05/01/18      | \$3,847.24          | \$3,148.67          | \$76,687.43         | \$698.57            | 98.57   | 600.00             |
| 11/01/18      | \$3,847.24          | \$3,176.22          | \$73,511.21         | \$671.02            | 71.02   | 600.00             |
| 05/01/19      | \$3,847.24          | \$3,204.02          | \$70,307.19         | \$643.22            | 43.22   | 550.00             |
| 11/01/19      | \$3,847.24          | \$3,232.05          | \$67,075.14         | \$615.18            | 15.18   | 500.00             |
| 05/01/20      | \$3,847.24          | \$3,260.33          | \$63,814.81         | \$586.91            | 86.91   | 500.00             |
| 11/01/20      | \$3,847.24          | \$3,288.86          | \$60,525.95         | \$558.38            | 58.38   | 450.00             |
| 05/01/21      | \$3,847.24          | \$3,317.64          | \$57,208.31         | \$529.60            | 29.60   | 450.00             |
| 11/01/21      | \$3,847.24          | \$3,346.67          | \$53,861.64         | \$500.57            | 100.57  | 400.00             |
| 05/01/22      | \$3,847.24          | \$3,375.95          | \$50,485.69         | \$471.28            | 71.28   | 400.00             |
| 11/01/22      | \$3,847.24          | \$3,405.49          | \$47,080.20         | \$441.75            | 41.75   | 350.00             |
| 05/01/23      | \$3,847.24          | \$3,435.29          | \$43,644.91         | \$411.95            | 11.95   | 350.00             |
| 11/01/23      | \$3,847.24          | \$3,465.35          | \$40,179.56         | \$381.89            | 81.89   | 300.00             |
| 05/01/24      | \$3,847.24          | \$3,495.67          | \$36,683.89         | \$351.57            | 51.57   | 300.00             |
| 11/01/24      | \$3,847.24          | \$3,526.26          | \$33,157.63         | \$320.98            | 20.98   | 200.00             |
| 05/01/25      | \$3,847.24          | \$3,557.11          | \$28,600.52         | \$290.13            | 140.13  | 150.00             |
| 11/01/25      | \$3,847.24          | \$3,588.24          | \$26,012.28         | \$259.00            | 159.00  | 100.00             |
| 05/01/26      | \$3,847.24          | \$3,619.63          | \$22,392.65         | \$227.61            | 127.61  | 100.00             |
| 11/01/26      | \$3,847.24          | \$3,651.30          | \$18,741.35         | \$195.94            | 95.94   | 100.00             |
| 05/01/27      | \$3,847.24          | \$3,683.25          | \$15,058.10         | \$163.99            | 63.99   | 100.00             |
| 11/01/27      | \$3,847.24          | \$3,715.48          | \$11,342.62         | \$131.76            | 31.76   | 50.00              |
| 05/01/28      | \$3,847.24          | \$3,747.99          | \$7,594.63          | \$99.26             | 49.26   | 50.00              |
| 11/01/28      | \$3,847.24          | \$3,780.79          | \$3,813.84          | \$66.45             | 46.45   | 20.00              |
| 05/01/29      | \$3,847.24          | \$3,813.84          | \$0.00              | \$33.37             | 23.37   | 10.00              |
| <b>Total</b>  | <b>\$151,945.65</b> | <b>\$128,000.00</b> |                     | <b>\$23,345.55</b>  | <b>\$3,466.55</b>                               | <b>\$20,480.00</b> |

EXHIBIT B

ENERGY/MINERAL IMPACT ASSISTANCE  
LOAN TABLE

Project No.: 04792 Title: Penrose Sanitation District Sewer Loan  
 Loan Amount: \$142,622  
 Interest Rate: 5%  
 Term (Years): 20  
 First Payment Due Date: September 1, 2005

| Pymt. # | Year | Payment     | Principle   | Interest   | Extra Principle | Ending Balance |
|---------|------|-------------|-------------|------------|-----------------|----------------|
| 1       | 2005 | \$11,492.04 | \$3,736.97  | \$7,755.07 | \$0.00          | \$138,885.03   |
| 2       | 2006 | \$11,492.04 | \$4,547.79  | \$6,944.25 | \$0.00          | \$134,337.24   |
| 3       | 2007 | \$11,492.04 | \$4,775.18  | \$6,716.86 | \$0.00          | \$129,562.06   |
| 4       | 2008 | \$11,492.04 | \$5,013.94  | \$6,478.10 | \$0.00          | \$124,548.11   |
| 5       | 2009 | \$11,492.04 | \$5,264.63  | \$6,227.41 | \$0.00          | \$119,283.46   |
| 6       | 2010 | \$11,492.04 | \$5,527.87  | \$5,964.17 | \$0.00          | \$113,755.61   |
| 7       | 2011 | \$11,492.04 | \$5,804.26  | \$5,687.78 | \$0.00          | \$107,951.35   |
| 8       | 2012 | \$11,492.04 | \$6,094.48  | \$5,397.57 | \$0.00          | \$101,856.87   |
| 9       | 2013 | \$11,492.04 | \$6,399.20  | \$5,092.84 | \$0.00          | \$95,457.67    |
| 10      | 2014 | \$11,492.04 | \$6,719.10  | \$4,772.88 | \$0.00          | \$88,738.51    |
| 11      | 2015 | \$11,492.04 | \$7,055.12  | \$4,436.93 | \$0.00          | \$81,683.39    |
| 12      | 2016 | \$11,492.04 | \$7,407.87  | \$4,084.17 | \$0.00          | \$74,275.52    |
| 13      | 2017 | \$11,492.04 | \$7,778.27  | \$3,713.78 | \$0.00          | \$66,497.25    |
| 14      | 2018 | \$11,492.04 | \$8,167.18  | \$3,324.86 | \$0.00          | \$58,330.07    |
| 15      | 2019 | \$11,492.04 | \$8,575.54  | \$2,916.50 | \$0.00          | \$49,754.53    |
| 16      | 2020 | \$11,492.04 | \$9,004.32  | \$2,487.73 | \$0.00          | \$40,750.22    |
| 17      | 2021 | \$11,492.04 | \$9,454.53  | \$2,037.51 | \$0.00          | \$31,295.68    |
| 18      | 2022 | \$11,492.04 | \$9,927.26  | \$1,564.78 | \$0.00          | \$21,368.42    |
| 19      | 2023 | \$11,492.04 | \$10,423.62 | \$1,068.42 | \$0.00          | \$10,944.80    |
| 20      | 2024 | \$11,492.04 | \$10,944.80 | \$547.24   | \$0.00          | \$0.00         |

David Wancura CPA PC  
509 Greenwood Avenue  
Canon City, CO 81212  
(719) 269-9306

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March 10, 2025

Colorado Water Resources & Power Development Authority  
Logan Tower Bldg. – Suite 620  
1580 Logan Street  
Denver, CO 80203-1942

RE: Loan #W08F209 – Penrose Sanitation District

This letter serves as an attachment to the Exemption from Audit for 2024 that was filed with the State of Colorado for the Penrose Sanitation District. The District elected to file the short form audit because the annual revenue was under \$100,000. This letter will explain that the District was not in compliance with the terms listed on the Water Pollution Control Revolving Fund-Direct Loan #W08F209. We have however paid off the Colorado Department of Local Affairs loan in the year of 2024. Therefore there will not be any loan payments for that loan going forward. Without that loan we should be in compliance with the terms of the Water Pollution loan.

- A. Rate Covenant: Paragraph (4) of Exhibit A of the Loan Agreement
- a. The rates that Penrose Sanitation District charged for services they are providing were enough to pay for all of their operation and maintenance expenses. These expenses included: administrative, salaries, payroll taxes, contract services, insurance, accounting and legal fees, repair and maintenance, supplies, utilities and utility operations.
  - b. This last year, 2024, the Penrose Sanitation District made their payments on this loan on 4-02-24 and 09-19-23, each in the amounts of \$3847.24. However, the district was not in compliance with 110% that is needed for the debt service due on the Governmental Agency Bond for 2024.
  - c. The District also generated enough money from their sewer fees to pay the principal and interest payment of \$11,492.04 due to the Colorado Department of Local Affairs on the Loan-Grant which the District received in 2004. The Penrose Sanitation District has no other liens on the pledged property other than these two:
    - i. Impact Assistance Loan from the Colorado Department of Local Affairs EIAF #4792
    - ii. Colorado Water Resources & Power Development Authority Loan #W08F209
  - d. The District had no liens which were subordinate to the lien on this loan agreement on the pledge property during the year of 2024.
  - e. The District had no grant funds in the year of 2024.

- B. Operations and Maintenance Reserve Fund Covenant: Paragraph (3) of Exhibit F of the Loan Agreement.
- a. The Penrose Sanitation District had more than the amount of three months of operation and maintenance in reserve during the year ending December 31, 2024. At the close of their fiscal year they had, as shown on the *Exemption from Audit*, the amounts of \$19,616.65 in their checking account and the amount of \$50,325.70 in Certificates of Deposit which were unobligated fund balances.
- C. Lien Representation: Paragraph (2) of Exhibit F of the Loan Agreement
- a. After the Penrose Sanitation District paid their costs of operating and maintaining the system, the Pledged Property was free and clear of any pledge, lien, charge or encumbrance thereon, or with respect thereto, prior to or of equal rank with, the obligation of the Governmental Agency Bond, with the exception of the 2004 loan payable to the Department of Local Affairs, dated April 1, 2004, originally issued in the principal amount of \$142,622.00 which obligation is payable from the same revenue that is pledged as Pledged Property. After the District made their yearly payment to this loan in 2024, the principal amount is now \$0 as noted on the loan table attached to the *Exemption from Audit for 2024* for this loan.
- D. Additional Bonds: Paragraph (1) of Exhibit F of the Loan Agreement
- a. Senior Lien Bonds:
    - i. The Penrose Sanitation District did not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property that was superior to the lien or charge of this Loan Agreement on the Pledged Property in 2024.
  - b. Parity Lien Bonds:
    - i. The Penrose Sanitation District did not issue any obligations payable out of, or secured by a lien or charge on, the Pledged Property that was parity with the lien or charge of this Loan Agreement on the Pledged Property in 2024.
  - c. Subordinate Lien Bonds:
    - i. The Penrose Sanitation District did not issue any obligations payable out of, or secured by a lien or charge on, the Pledged Property that was subordinate to the lien or charge of this Loan Agreement on the Pledged Property in 2024.
  - d. Because no additional parity or subordinate lien bonds were issued by the District, they did not have to make any adjustments to their net revenue to cover any additional bonds during the year of 2024.

The above letter was compiled from information given to us by members of the Penrose Sanitation District and is, to the best of my knowledge, accurate and complete.

Sincerely,



David Wancura CPA