

WOODRIDGE LAKE SEWER DISTRICT

FINANCIAL REPORT

JUNE 30, 2025



CARNEY, ROY AND GERROL, P.C.
Certified Public Accountants

WOODRIDGE LAKE SEWER DISTRICT

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CARNEY, ROY AND GERROL, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Woodridge Lake Sewer District
Goshen, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Woodridge Lake Sewer District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Woodridge Lake Sewer District, as of June 30, 2025, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Woodridge Lake Sewer 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 the 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 Woodridge Lake Sewer 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements

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are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Woodridge Lake Sewer 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 Woodridge Lake Sewer 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 and budgetary comparison information on pages 4-9 and 29-30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodridge Lake Sewer District's basic financial statements. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the Woodridge Lake Sewer District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Woodridge Lake Sewer District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Woodridge Lake Sewer District's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Carney, Roy and Dorel, P.C."

Rocky Hill, Connecticut
December 4, 2025

WOODRIDGE LAKE SEWER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

The purpose of management’s discussion and analysis (MD&A) is to help District residents and other readers understand what the financial statements and notes in this financial report say about the District’s financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff’s knowledge of the District’s finances.

If you have questions about this report or require further information, contact the Accounting Department at 860-791-2705.

Overview of the Financial Statements

The District’s financial report contains basic financial statements. Those financial statements present the District’s finances at both an overall and a detailed level. The *government-wide financial statements* cover the District’s governmental activities and business-type activities (together, the *primary government*).

- *Governmental activities* comprise the District’s most basic functions, such as the provision of water and sewer services to residents of the District. Governmental activities primarily are financed by taxes paid by District residents and grants and loans from the State of Connecticut and the federal government.
- *Business-type activities* are District services primarily financed in whole or in part with charges to customers, such as late fees, lien recording fees, and collection fees.

The remaining basic financial statements present the District’s finances in greater detail and present fiduciary activities. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The District reports a single group of funds.

- *Governmental fund financial statements* report all of the governmental activities. In addition to the District’s main operating fund – the general fund – those financial statements report a capital projects fund to account for resources used to acquire water and sewer infrastructure and certain other long-lived assets and to record the repayment of outstanding loans.

The next section of this financial report contains notes to financial statements, which delve deeper into the District’s finances as reported in the financial statements. The information in the notes is as important to understanding the District’s finances as the information in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

All of the District’s financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- *Assets* – resources the District controls, from short-term assets like cash to long-term assets like water and sewer infrastructure and heavy equipment.
- *Liabilities* – amounts the District owes, from short-term liabilities such as vendor payables to long-term liabilities such as outstanding debt.
- *Deferred outflows of resources and deferred inflows of resources* – flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.

WOODRIDGE LAKE SEWER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

- *Revenues and expenses* – inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on improvements of District buildings and infrastructure.

More detail about the measurement focuses and bases of accounting can be found in “Note 1 – Significant Accounting Policies”, beginning on page 18.

Analysis of the District’s Finances

CONDENSED STATEMENTS OF NET POSITION FOR THE YEARS ENDING JUNE 30

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Current assets	\$ 955,080	\$ 967,701	\$ (12,621)	-1.3%
Capital assets	3,028,437	2,749,166	279,271	10.2%
Other assets	1,112,191	1,112,191	-	0.0%
Total assets	<u>5,095,708</u>	<u>4,829,058</u>	<u>266,650</u>	<u>5.5%</u>
Current liabilities	143,385	203,510	(60,125)	-29.5%
Noncurrent liabilities	579,270	603,096	(23,826)	-4.0%
Deferred inflows of resources	1,112,191	1,112,191	-	0.0%
Total liabilities and deferred inflows	<u>1,834,846</u>	<u>1,918,797</u>	<u>(83,951)</u>	<u>-4.4%</u>
Net investment in capital assets	2,437,089	2,146,070	291,019	13.6%
Unrestricted	823,773	764,191	59,582	7.8%
Total net position	<u>\$3,260,862</u>	<u>\$ 2,910,261</u>	<u>\$ 350,601</u>	<u>12.0%</u>

The table above shows that as of June 30, 2025, the District’s total net position – assets and deferred outflows minus liabilities and deferred inflows – was nearly \$3,260,862, an increase of \$350,601 or 12.0% compared with 2024. This increase is primarily due to a \$291,019 or 13.6% increase in net investment in capital assets. Most of the increase in net investment in capital assets was the result of the installation of two new sludge tanks at the main plant. These tanks are an integral part of the treatment process. They replaced the original sludge tanks which were beyond their useful life. The following sections of MD&A analyze the finances of the governmental activities and business-type activities separately.

WOODRIDGE LAKE SEWER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
 JUNE 30, 2025

Governmental activities

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDING JUNE 30

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Charges for services	\$ 15,200	\$ 11,400	\$ 3,800	33.3%
Total program revenues	<u>15,200</u>	<u>11,400</u>	<u>3,800</u>	<u>33.3%</u>
Sewer assessment taxes, interest, and fees	1,629,545	1,616,171	13,374	0.8%
Cell tower rental and other	66,010	63,878	2,132	3.3%
Unrestricted investment earnings	36,970	35,309	1,661	4.7%
Gain on disposal of assets	11,250	-	11,250	100.0%
Total general revenues	<u>1,743,775</u>	<u>1,715,358</u>	<u>28,417</u>	<u>1.7%</u>
Total revenues	<u>1,758,975</u>	<u>1,726,758</u>	<u>32,217</u>	<u>1.9%</u>
General government expenses	1,122,555	1,283,759	(161,204)	-12.6%
Depreciation	285,819	270,269	15,550	5.8%
Loss on disposal of assets	-	22,000	(22,000)	-100.0%
Total program expenses	<u>1,408,374</u>	<u>1,576,028</u>	<u>(167,654)</u>	<u>-10.6%</u>
Total expenses	<u>1,408,374</u>	<u>1,576,028</u>	<u>(167,654)</u>	<u>-10.6%</u>
Change in net position	350,601	150,730	199,871	132.6%
Beginning net position	2,910,261	2,759,531	150,730	5.5%
Ending net position	<u>\$3,260,862</u>	<u>\$2,910,261</u>	<u>\$ 350,601</u>	<u>12.0%</u>

The table above shows that revenues exceeded expenses in the current year, resulting in an increase in net position. The total net position of the District’s governmental activities was \$3,260,862, an increase of \$350,601 or 12.0% from 2024. Various events contributed to this increase in net position; however, the two primary factors affecting the change in net position are as follows:

1. Increases in property tax revenue due to increases in the assessed values of taxable property within the District.
2. Decreases in repairs and maintenance expense for the sewer plant and collection system.

Increases in property tax revenue

Property taxes, which are 92.6% of the District’s governmental activities revenue sources, rose 0.8% as a result of a similar increase in assessed values; the District and the Town of Goshen (the municipality in which the District is located) reassessed property values, which had not been updated since 2020 due to complications arising from the COVID-19 pandemic.

WOODRIDGE LAKE SEWER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Decrease in expenses

The increase in revenues were accompanied by a more rapid decrease in the District’s costs of providing services. Governmental activities expenses decreased by 10.6% overall. Most notably, repairs and maintenance expenses related to the collection system represented about 9.8% of total expenses in 2025; by contrast, they were roughly 18.1% in the prior year. The decrease in 2025 was related to the replacement of the District’s pumps. The expenditures related to replacing the pumps were capitalized instead of expensed as repairs and maintenance for presentation in the Statement of Net Position, and are to be expensed ratably over the course of their useful lives.

All other expenses excluding collection system repairs and maintenance increased by less than \$10,000 or less than 1.0% from 2024. This is less than inflation over the same period of 2.7% as represented by the change in the Consumer Price Index for All Urban Consumers (CPI-U). However, CPI-U includes the effects of increases in CPI due to food (the primary driver of change in CPI-U over the period), shelter, and medical services, none of which would be applicable to the District. District management also endeavors to keep increases in costs to a minimum by periodically reviewing expenses and negotiating with vendors.

Governmental funds

The District reports two major funds individually in the governmental fund financial statements. Those funds are the general fund and the capital projects fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. Those two major funds are shown in the table below and discussed in more detail.

	General Fund		Capital Projects Fund	
	2025	2024	2025	2024
Total Revenues	\$1,740,664	\$1,726,526	-	\$ -
Total Expenditures	983,643	927,340	\$ 716,009	627,184
Excess (Deficiency) of revenues over expenditures	\$ 757,021	\$ 799,186	(716,009)	\$ (627,184)
OTHER FINANCING SOURCES				
Transfers in	-	-	704,759	622,684
Transfers out	(704,759)	(622,684)	-	-
Proceeds from sale of capital assets	-	-	11,250	4,500
Total other financing sources	(704,759)	(622,684)	716,009	627,184
Net Change in Fund Balances	52,262	176,502	-	-
Fund Balance - Beginning of year	769,886	593,384	-	-
Fund Balance - End of year	\$ 822,148	\$ 769,886	\$ -	\$ -

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

WOODRIDGE LAKE SEWER DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

General fund

The fund balance of the District’s general fund increased by 6.8%. This increase in fund balance is attributable to the growth in revenues and decrease in expenses previously discussed above.

Capital projects fund

Outlays for capital projects increased from the prior year due to the need to replace the sludge tanks, which had failed and had been in service beyond their useful lives. Despite the current-year capital outlays and debt service payments, there was no change in fund balance due to the combination of investment revenue and transfers from the general fund.

Significant capital asset and long-term financing activity

The discussion thus far has only touched upon certain significant transactions and events during 2025 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets—original cost minus accumulated depreciation—increased 13.6% over 2024.

In 2012, voters approved a resolution authorizing the District to enter into a project loan agreement with the United States Department of Agriculture (USDA) and to issue a general obligation bond for the purposes of financing improvements to its infiltration and inflow (I/I), pump station, and Supervisory Control and Data Acquisition (SCADA) systems. The bond was issued in 2015 and repayment began in 2016. The general obligation related to the water systems projects decreased by 1.9% to \$591,348. This District has not entered into any other loan or debt agreements since 2015.

Currently known facts, decisions, or conditions

The District is aware of three developments that will have an impact on the District’s finances in the future:

1. Sludge tank replacement project
2. Proposed Litchfield interconnection project
3. Continued exploration of an onsite solution

Sludge tank replacement project

The sludge tank replacement was an unexpectedly large expense along with the failure of the dewatering machine. Both the tanks and the dewatering machine had outlived their useful lives. In order to maintain our plant in good repair despite continued regulatory uncertainty related to the DEEP Consent Order of 1985, as amended (the “Consent Decree”), the Board established an “Operations Committee” to conduct a critical needs assessment of our capital plant. The District will evaluate and undertake repairs and replacements as recommended by the Operations Committee in its opinion to keep the system in a state of good repair. This expenditure has not been incorporated into next year’s budget.

Proposed Litchfield interconnection project

In order to address regulatory concerns related to the Consent Decree the District has been evaluating interconnection with the wastewater systems in the towns of Torrington and Litchfield. After determining that a Torrington interconnect would be cost prohibitive, the District completed in 2019 a preliminary engineering design and funding plan for a Litchfield interconnect. On April 19, 2020, the Litchfield Board of Selectmen requested additional time to determine what upgrades would be required to their facility and system to meet their own needs and what additions, if any, would be required to support a connection with the District’s system. No assurance can be given as to when or if Litchfield will establish technical requirements for a District interconnection. If Litchfield establishes technical requirements and agrees to an interconnection, the Board anticipates that this will likely require substantial revisions to the 2019 plan to satisfy both the town of Litchfield and DEEP. Next year's capital budget includes a line item for the continued engineering, design and feasibility study costs related to any potential interconnection project with Litchfield.

WOODRIDGE LAKE SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Continued exploration of an onsite solution

The District has continued to conduct feasibility assessments for an on-site plant replacement in the event an inter-connection with Litchfield fails to occur. The District has engaged an experienced environmental consulting firm to assess the effectiveness of the ridge and furrow network in treating the effluent leaving the plant. Once this environmental review is completed, the District will update a 2023 on-site plan it and submit to DEEP for review and comment. In the past, DEEP has expressed skepticism that on on-site replacement plant will obtain DEEP regulatory approval. Next year's capital budget includes a line item for the continued engineering, design and feasibility study costs related to any potential onsite solutions.

WOODRIDGE LAKE SEWER DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	Total Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 724,492
Sewer assessment tax receivable	17,729
Accrued interest receivable	144,853
Other receivable	630
Spare parts for capital asset repairs	<u>67,376</u>
Total current assets	<u>955,080</u>
PROPERTY AND EQUIPMENT	
Capital assets	7,754,983
Accumulated depreciation	<u>(4,726,546)</u>
Total property and equipment	<u>3,028,437</u>
OTHER ASSETS	
Lease receivable	<u>1,112,191</u>
Total other assets	<u>1,112,191</u>
Total assets	<u><u>\$ 5,095,708</u></u>

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

WOODRIDGE LAKE SEWER DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	Total Governmental Activities
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 103,594
Accrued payroll and payroll taxes	14,679
General obligation bond - due within one year	12,078
Accrued interest	<u>13,034</u>
Total current liabilities	<u>143,385</u>
NONCURRENT LIABILITIES	
General obligation bond - due in more than one year	<u>579,270</u>
Total noncurrent liabilities	<u>579,270</u>
Total liabilities	<u>722,655</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases	<u>1,112,191</u>
Total deferred inflows	<u>1,112,191</u>
NET POSITION	
Investment in capital assets, net of related debt	2,437,089
Unrestricted	<u>823,773</u>
Total net position	<u><u>\$ 3,260,862</u></u>

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

WOODRIDGE LAKE SEWER DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
 JUNE 30, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 724,492	\$ -	\$ 724,492
Sewer assessment tax receivable	17,729	-	17,729
Accrued interest receivable	144,853	-	144,853
Other receivable	630	-	630
Spare parts for capital asset repairs	67,376	-	67,376
Total current assets	955,080	-	955,080
Total assets	\$ 955,080	\$ -	\$ 955,080
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 103,594	\$ -	\$ 103,594
Deferred sewer tax revenue	14,659	-	14,659
Accrued payroll and payroll taxes	14,679	-	14,679
Total liabilities	132,932	-	132,932
FUND BALANCES			
Fund balance - unassigned	822,148	-	822,148
Total fund balances	822,148	-	822,148
Total liabilities and fund balance	\$ 955,080	\$ -	\$ 955,080

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

WOODRIDGE LAKE SEWER DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUE			
Sewer assessment taxation	\$ 1,622,484	\$ -	\$ 1,622,484
Investment income	36,970	-	36,970
Other	66,010	-	66,010
Sewer permit fees / connection charge	15,200	-	15,200
Total revenues	<u>\$ 1,740,664</u>	<u>\$ -</u>	<u>\$ 1,740,664</u>
EXPENDITURES			
<u>Personnel</u>			
Payroll, payroll taxes and employee benefits	\$ 523,525	\$ -	\$ 523,525
<u>Operations</u>			
Power and heat	90,343	-	90,343
Plant & collection system maintenance	177,512	-	177,512
Other	69,915	-	69,915
<u>Office</u>			
Office expenses	10,132	-	10,132
<u>Insurance</u>			
Insurance coverage	78,049	-	78,049
<u>Professional fees</u>			
Legal, audit, engineering and testing and other	34,167	11,052	45,219
Total operations	<u>983,643</u>	<u>11,052</u>	<u>994,695</u>
<u>Debt service</u>			
Principal	-	11,748	11,748
Interest	-	17,339	17,339
Total debt service	<u>-</u>	<u>29,087</u>	<u>29,087</u>
<u>Capital outlay</u>			
Emergency refurbishment of sewer pumps	-	92,149	92,149
Vehicle replacement	-	64,630	64,630
Environmental testing	-	110,780	110,780
Other capital improvements	-	408,311	408,311
Total capital outlay	<u>-</u>	<u>675,870</u>	<u>675,870</u>

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

WOODRIDGE LAKE SEWER DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Total expenditures	983,643	716,009	1,699,652
Excess (Deficiency) of revenues over expenditures	\$ 757,021	\$ (716,009)	\$ 41,012
OTHER FINANCING SOURCES			
Transfers in	-	704,759	704,759
Transfers out	(704,759)	-	(704,759)
Proceeds from sale of capital assets	-	11,250	11,250
Total other financing sources	(704,759)	716,009	11,250
Net Change in Fund Balances	52,262	-	52,262
Fund Balance - Beginning of year	769,886	-	769,886
Fund Balance - End of year	\$ 822,148	\$ -	\$ 822,148

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

WOODRIDGE LAKE SEWER DISTRICT

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

Fund balance - governmental funds \$ 822,148

Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 7,754,983	
Less accumulated depreciation	<u>(4,726,546)</u>	
Net capital assets		3,028,437

Uncollected sewer assessment taxes not available to pay for current period expenditures are deferred in the governmental fund. 14,659

Long-term liabilities, including capital leases are not due and payable in the current period, and therefore not reported in the governmental funds.

Bond payable	(591,348)
Accrued interest	<u>(13,034)</u>

Net position of governmental activities \$ 3,260,862

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

WOODRIDGE LAKE SEWER DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balance - governmental funds \$ 52,262

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following items reflect the various adjustments for capital assets.

Total capital outlay	\$	675,870	
Less: portion expensed		(110,780)	
Portion of capital outlay capitalized		565,090	
Less: current year proceeds from sale of capital asset		(11,250)	
Less: current year depreciation		(285,819)	
			268,021

Gain on disposal of assets 11,250

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest 259

Debt service principal payments reported as expenditures in the governmental funds are reported as reduction of liabilities in the district-wide financial statements 11,748

Revenue from sewer assessment taxes in the statement of activities is based on billings, while such revenue is reported in the governmental fund when it becomes currently available.

Adjustment from available sewer assessment taxes to adjusted billed balances 7,061

Changes in net position of governmental activities \$ 350,601

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

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

General Reporting Entity

The Woodridge Lake Sewer District (the District) is a governmental unit formed in 1970, pursuant to Section 7-325 of the Connecticut General Statutes. The Tax District consists of 722 residential units with the potential to expand to 832 units, and occupies approximately 1,740 acres of land located within the Town of Goshen. The District was established for the purpose of constructing and maintaining sewers and serving the taxpayers of the District. Members of the District comprise the Woodridge Lake Sewer District Authority Board of Directors. The voters of the District elect a president, vice president, clerk/secretary, treasurer, and five directors annually.

The Authority may adopt such rules and regulations for the conduct of its meetings, the exercise of its powers and the management of the affairs of the District as it may deem proper, not inconsistent with the laws of the State of Connecticut or the District's by-laws, including the power of the Authority to pledge the credit of the District for any money borrowed for the construction of any public works authorized by sections 7-324 to 7-329 inclusive, of the Connecticut General Statutes.

The Authority, by resolution adopted by a majority of the entire membership of the Board of Directors, may designate from among its members an executive committee or committees, each consisting of two or more members. Each such committee shall report to the Authority.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As required by generally accepted accounting principles, these financial statements present the District and its component units, if any, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit (if any), on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the District. Any blended or discretely presented component unit present has a June 30 year-end. Based upon the foregoing criteria, the District has no component units that would require either blended or discrete presentation in these basic financial statements.

District Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which direct expenses offset program revenues. Direct expenses are those that are clearly identifiable with a specific revenue. Program revenues include 1) charges for services provided by a given function and 2) grants and contributions, either operating or capital that are restricted to meeting a particular function. Property (sewer assessment) taxes, cell tower rental, investment earnings, and delinquent interest which are not restricted, are recorded as general revenue.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Sewer assessment taxes are recognized in the year for which they are levied.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenues are recognized when the eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures and claims and judgments which are recorded only when payment is due.

Miscellaneous charges for services, as well as delinquent interest and lien fees, are recorded as revenues when received.

The District reports the following funds

Major Governmental Funds:

General Fund - General operating fund of the District used to account for all financial resources except those required to be accounted for in another fund. This fund accounts for general governmental operations, which is principally the District's wastewater treatment function.

Capital Projects Fund - Capital projects fund accounts for resources used for the acquisition and/or construction of capital facilities.

Budgets

An annual budget for the General Fund is approved at a District meeting each spring. For management purposes, the budget is informally amended.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary/GAAP reconciliation

The District prepares its annual budget on a basis (budget basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the District’s method (budget basis) in the Schedule of Revenues and Expenditures – Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that interest income and gain on disposition of assets are recorded as other financing sources, and certain interfund transfers are recorded as expenditures (budget) rather than operating transfers (GAAP).

	<u>Revenues</u>	<u>Expenditures</u>	<u>Financing Sources</u>
Balance, GAAP basis	\$ 1,743,775	\$ 1,699,652	\$ (704,759)
Deferred property tax adjustment	7,061	-	
Balance, budgetary basis	<u>\$ 1,750,836</u>	<u>\$ 1,699,652</u>	<u>\$ (704,759)</u>

Property Taxes

Sewer assessment taxes are levied each July on assessed valuations of the preceding October 1st for all real property located within the District. Taxes are generally payable in two installments; first on July 1st and the second on January 1st. Unpaid real estate taxes are liened after January. Since all unpaid taxes may be liened and ultimately collected, there is no allowance for uncollectible taxes.

Interest on delinquent property tax payments is recorded upon collection.

Permit Fees and Sewer Connection charges

Charges for sewer system connection are recorded as revenue when received.

Vacation Pay and Sick Leave

Employees are paid by prescribed formulas for absence due to vacation or illness. Although these benefits are not cumulative, they are not based on the District's fiscal year, and accordingly, an estimated liability for unused vacation time is recognized at the year end.

Risk Management

The District is exposed to various risks of loss relating to public official liability, theft or impairment of assets, errors or omissions, injuries to employees and natural disasters. The District purchases commercial insurance coverage to protect against losses from these risks. Additionally, employee health coverage is purchased from a commercial carrier, with no portion being self-insured.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts or other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is frequently employed by governmental units. However, the District does not utilize an encumbrance accounting system.

Fund equity and net assets

In the District-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets - This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Currently there are no restricted net assets.

Unrestricted Net Assets - This category represents the net assets of the District, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories and their general meanings have been restated since prior years in accordance with Governmental Accounting Standards Board Statement 54. The categories are as follows:

Committed Fund Balance - indicates that portion of fund equity which is available for appropriation through a District meeting. There was no committed fund balance at June 30, 2025.

Unassigned Fund Balance - indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease Receivables

The District determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represent the District's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The District recognizes payments received for short-term leases with a lease term of 12 months or less and portions of payments attributable to the revenue-sharing component of lease agreements as revenue as the payments are received. These short-term leases and revenue-sharing components are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The lease contract does not provide information about the discount rate implicit in the lease. Therefore, the District has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease Receivables (continued)

The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the District treats the components as a single lease unit.

Deferred Inflows of Resources

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 assets that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The District reports a deferred inflow of resources related to its lease agreement. A deferred inflow of resources related to lease agreements can result when revenues from lease agreements are unavailable. These amounts are deferred and recognized in the period that the amounts become available.

NOTE 2 - RECONCILIATIONS OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

Page 16 of the basic financial statements includes a reconciliation between fund balance - governmental funds and net assets - governmental activities as reported in the district-wide statement of net assets.

Page 17 of the basic financial statements includes a reconciliation between the statement of revenues, expenditures, and changes in fund balance of the governmental funds and changes in net assets of governmental activities as reported in the district-wide statement of activities.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS:

Cash and cash equivalents consist of the following accounts at June 30, 2025:

Deposits	
Demand accounts	\$ 724,492
Total deposits	<u>724,492</u>
Total cash and cash equivalents	<u>\$ 724,492</u>

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4 - DEPOSIT AND INVESTMENT RISK

Legal and Contractual Provisions

State statutes allow for the investment in obligations of the United States, including its agencies, in obligations of any state (including Connecticut) or any political subdivision, authority or agency thereof provided the obligations meet certain requirements of recognized rating services; or in any custodial arrangement, pool or no-load open-end management-type investment company or investment trust provided certain requirements are met.

Deposits with financial institutions in Connecticut are partially protected against loss in excess of deposit insurance through assessment against segregated collateral required to be maintained by all qualified public depositories in the amount of 10% to 120% of their outstanding public deposits depending on the bank's financial strength as shown by its risk-based capital ratio.

Deposits

At June 30, 2025, total bank balances were \$748,074. A total of \$250,000 was insured under the Federal Depository Insurance Corporation.

The balance, \$498,074, was uninsured and exposed to custodial credit risk which is defined as the risk, that in event of a bank failure, the District's deposits might not be recovered.

A total of \$417,953 of the uninsured amount is collateralized with securities held by the financial institution, its trust department or agent, but not in the District's name.

NOTE 5 - CAPITAL ASSETS

Capital assets include land, the wastewater collection system, the treatment plant, vehicles and equipment and furnishings. The capital assets have been accumulated over many years without a formal policy to establish a minimum amount an asset must cost before it is capitalized and depreciated. However, a minimum of \$5,000 has been established as a guideline.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

With the exception of land, capital assets are depreciated over their estimated useful lives by the straight-line method. Depreciation expense for 2024-2025 totaled \$285,819. Estimated useful lives of the capital assets range from 5 years for office equipment and certain vehicles to 50 years for buildings and the wastewater collection and treatment system.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS (Continued)

Capital asset activity for 2024-2025 was as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable assets:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Construction-in-progress	-	377,465	-	377,465
Total capital assets not depreciated:	<u>\$ 110,000</u>	<u>\$ 377,465</u>	<u>\$ -</u>	<u>\$ 487,465</u>
Depreciable assets:				
Wastewater treatment plant and system	6,189,359	116,195	-	6,305,554
Equipment	808,177	71,430	35,230	844,377
Vehicles	117,587	-	-	117,587
Total capital assets being depreciated:	<u>7,115,123</u>	<u>187,625</u>	<u>35,230</u>	<u>7,267,518</u>
Less: accumulated depreciation	<u>4,475,957</u>	<u>285,819</u>	<u>35,230</u>	<u>4,726,546</u>
Capital assets being depreciated - net	<u>2,639,166</u>	<u>(98,194)</u>	<u>-</u>	<u>2,540,972</u>
Total capital assets - net	<u>\$ 2,749,166</u>	<u>\$ 279,271</u>	<u>\$ -</u>	<u>\$ 3,028,437</u>

NOTE 6 – LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and notes payable:					
General obligation bonds	<u>\$ 603,096</u>	<u>\$ -</u>	<u>\$ 11,748</u>	<u>\$ 591,348</u>	<u>\$ 12,078</u>
Long-Term liabilities	<u>\$ 603,096</u>	<u>\$ -</u>	<u>\$ 11,748</u>	<u>\$ 591,348</u>	<u>\$ 12,078</u>

The District issued a general obligation bond to provide funds for major capital projects. General obligation bonds are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the District. Interest expense for the year ended June 30, 2025 was \$17,080. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Outstanding June 30, 2025</u>
Bonds Payable:					
General obligation	9/30/2015	\$ 686,000	2.88%	9/1/2055	\$ 591,348

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – LONG TERM LIABILITIES (Continued)

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2025:

Year Ending June 30th,	Principal	Interest	Total
2026	\$ 12,078	\$ 17,009	\$ 29,087
2027	12,433	16,654	29,087
2028	12,791	16,296	29,087
2029	13,158	15,929	29,087
2030	13,537	15,550	29,087
2031-2035	73,750	71,685	145,435
2036-2040	84,979	60,456	145,435
2041-2045	97,917	47,518	145,435
2046-2050	112,826	32,609	145,435
2051-2055	130,004	15,431	145,435
2056	<u>27,875</u>	<u>793</u>	<u>28,668</u>
	<u>\$591,348</u>	<u>\$309,930</u>	<u>\$ 901,278</u>

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the District shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2025.

NOTE 7 – RETIREMENT PLAN

The District maintains a Simplified Employee Pension Plan which covers employees. Annual discretionary contributions are made by the District to separate Individual Retirement Accounts (IRA's) maintained by each participant. Accordingly, a pension trust fund is not maintained by the District. Employer contributions totaling \$38,430 were made during 2024-2025.

The Plan is available to all employees over 21 years old who have worked at least one year and earned over a minimal amount. The plan is noncontributory by employees and provides for employer discretionary contributions based on an equal percentage of each employee's earnings. All employer contributions vest immediately.

Although the plan may be terminated by the District at any time, its original adoption was under Section 408(k) of the Internal Revenue Code, and as such, amendments must adhere to changes in the Code.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 - LEASE RECEIVABLES

The District, acting as lessor, leases land under a long-term, non-cancelable lease agreement. During 2004-2005, the District entered into a rental agreement for land and access for a wireless communication base station and antenna. The agreement had an initial term of five years, effective November 29, 2004, with an option to extend 4 additional terms of 5 years each and has been extended for 7 additional five-year terms, and may be further extended for three more years at the option of the lessee. A total of \$60,066 was collected during 2024-2025, which includes \$29,950 in revenue-sharing. During the year ended June 30, 2025, the District recognized \$36,060 in interest revenue pursuant to the contract of which \$5,944 was recorded as accrued interest receivable.

Principal and interest requirements to maturity under the lease agreement are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 36,202	\$ 36,202
2027	-	36,339	36,339
2028	-	36,182	36,182
2029	-	36,429	36,429
2030	-	36,436	36,436
Thereafter	1,112,190	919,204	2,031,394
Totals	<u>\$ 1,112,190</u>	<u>\$ 1,100,792</u>	<u>\$ 2,212,982</u>

NOTE 9 - COMMITMENTS/CONTINGENCY

In 1989, the District agreed to a consent order with the State of Connecticut Department of Energy and Environmental Protection (DEEP). The agreement required a number of steps to determine and analyze alternative solutions to problems with insufficient capacity and plant design. During 2004-2005 a scope of study plan to determine long-term solutions for resolving the consent order was completed. The estimated costs of various options ranged from approximately ten million dollars to nearly twenty million dollars at that time. In July 2009, the Department of Environmental Protection submitted a letter further defining requirements for alternative solutions and requesting additional information and cost analysis. During the year, the District obtained the services of an engineering firm to further study and evaluate solutions for resolving the consent order. A grant from the State of Connecticut Clean Water Fund has been obtained to provide reimbursement of 55% of eligible study costs. The District will continue funding efforts to explore long-term solutions that meet DEEP requirements and address the longstanding consent order. The final outcome of this matter cannot be estimated and it is not known what future governmental grant funds and/or low interest loans would be available to assist with the cost of any required actions.

WOODRIDGE LAKE SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10 – INTERFUND TRANSFERS

The District routinely transfers unrestricted receipts to various funds in order to finance the costs in those funds. Transfers for the year ended June 30, 2025 are as follows:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Major Governmental Funds			
General Fund	\$ -	\$ (704,759)	\$ (704,759)
Capital Projects Fund	704,759	-	704,759
Total	<u>\$ 704,759</u>	<u>\$ (704,759)</u>	<u>\$ -</u>

NOTE 11 – DATE OF MANAGEMENT'S REVIEW

The District has evaluated events and transactions subsequent to June 30, 2025 for potential recognition and disclosure through December 4, 2025, the date the financial statements were available to be issued. There are no other material subsequent events which require recognition or disclosure.

WOODRIDGE LAKE SEWER DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – DISTRICT GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Sewer assessment taxation	\$ 1,629,854	\$ 1,622,484	\$ (7,370)
Investment income	31,000	36,970	5,970
Other / grant	60,000	66,010	6,010
Sewer permit fees / connection charge	10,500	15,200	4,700
Total revenues	\$ 1,731,354	\$ 1,740,664	\$ 9,310
EXPENDITURES			
<u>Personnel</u>			
Payroll, payroll taxes and employee benefits	\$ 556,309	\$ 523,525	\$ 32,784
<u>Operations</u>			
Power and heat	119,500	90,343	29,157
Plant & collection system maintenance	190,000	177,512	12,488
Other	75,600	69,915	5,685
Contingency	25,000	-	25,000
<u>Office</u>			
Office expenses	17,500	10,132	7,368
<u>Insurance</u>			
Insurance coverage	87,945	78,049	9,896
<u>Professional fees</u>			
Legal, audit, engineering and testing and other	64,000	34,167	29,833
Total operations	1,135,854	983,643	152,211
Excess (Deficiency) of revenues over expenditures	595,500	757,021	161,521
OTHER FINANCING SOURCES (USES)			
Transfers out	(600,118)	(704,759)	(104,641)
Total other financing sources	(600,118)	(704,759)	(104,641)
Net Change in Fund Balances	(4,618)	52,262	56,880
Fund Balance - Beginning of year		769,886	
Fund Balance - End of year		\$ 822,148	

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

WOODRIDGE LAKE SEWER DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE			
Other	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
<u>Professional fees</u>			
Legal, audit, engineering and testing and other	\$ -	\$ 11,052	\$ (11,052)
Total operations	-	11,052	(11,052)
<u>Debt service</u>			
Principal	11,748	11,748	-
Interest	17,339	17,339	-
Total debt service	29,087	29,087	-
<u>Capital outlay</u>			
Emergency refurbishment of sewer pumps	-	92,149	(92,149)
Pipe lining, clean & TV collection system	270,000	-	270,000
Vehicle replacement	-	64,630	(64,630)
Environmental testing	-	110,780	(110,780)
Other capital improvements	60,000	408,311	(348,311)
Loss on disposal of assets	-	-	-
Total capital outlay	330,000	675,870	(345,870)
Total expenditures	359,087	716,009	(356,922)
Excess (Deficiency) of revenues over expenditures	(359,087)	(716,009)	(356,922)
OTHER FINANCING SOURCES (USES)			
Transfers in	600,118	704,759	104,641
Proceeds from sale of capital assets	-	11,250	11,250
Total other financing sources	600,118	716,009	115,891
Net Change in Fund Balances	241,031	-	(241,031)
Fund Balance - Beginning of year		-	
Fund Balance - End of year		\$ -	

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

WOODRIDGE LAKE SEWER DISTRICT

SEWER ASSESSMENT TAXES COLLECTED AND UNCOLLECTED BALANCES

FOR THE YEAR ENDED JUNE 30, 2025

List Year	Uncollected Taxes June 30, 2024 and Current Billings	Corrections and Adjustments	Actual Collections				Uncollected Sewer Assessment Taxes June 30, 2025
			Sewer Assessment Taxes	Interest	Lien Fees	Total	
2023	\$ 1,618,752	\$ 1,105	\$ 1,608,068	\$ 7,664	\$ 372	\$ 1,616,104	\$ 11,789
2022	9,018	(33)	5,082	1,131	126	6,339	3,903
2021	1,974	(42)	722	185	24	931	1,210
2020	567	(50)	-	-	-	-	517
2019	-	(26)	-	-	-	-	(26)
2018	-	(48)	-	-	-	-	(48)
Totals:	<u>\$ 1,630,311</u>	<u>\$ 906</u>	<u>\$ 1,613,872</u>	<u>\$ 8,980</u>	<u>\$ 522</u>	<u>\$ 1,623,374</u>	<u>\$ 17,345</u>

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

WOODRIDGE LAKE SEWER DISTRICT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2025

Base:

Receipts from taxation	\$ 1,623,374
Property tax relief for elderly	<u>-</u>
Total base	<u>\$ 1,623,374</u>

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2-1/4 times base	3,652,592	-	-	-
4-1/2 times base	-	7,305,183	-	-
3-3/4 times base	-	-	6,087,653	-
3-1/4 times base	-	-	-	5,275,966
Total debt limitation	<u>3,652,592</u>	<u>7,305,183</u>	<u>6,087,653</u>	<u>5,275,966</u>
Indebtedness:				
Notes payable	-	-	591,348	-
Total indebtedness	<u>-</u>	<u>-</u>	<u>591,348</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 3,652,592</u>	<u>\$ 7,305,183</u>	<u>\$ 5,496,305</u>	<u>\$ 5,275,966</u>

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



CARNEY, ROY AND GERROL, P.C.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Woodridge Lake Sewer District
Goshen, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of Woodridge Lake Sewer District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Woodridge Lake Sewer District's basic financial statements, and have issued our report thereon dated December 4, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodridge Lake Sewer District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Woodridge Lake Sewer District's internal control. Accordingly, we do not express an opinion on the effectiveness of Woodridge Lake Sewer District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woodridge Lake Sewer District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rocky Hill, Connecticut
December 4, 2025