

**GREATROCK NORTH WATER AND
SANITATION DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2023 AND 2022

**GREATROCK NORTH WATER AND SANITATION DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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Independent Auditor's Report

Board of Directors
Greatrock North Water and Sanitation District
Adams County, Colorado

Opinions

We have audited the financial statements of the Greatrock North Water and Sanitation District (District) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Greatrock North Water and Sanitation District, as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information 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 District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 15, 2024

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

The management of Greatrock North Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2023 and 2022.

Financial Highlights

- Net position increased \$1,507,812 in 2023 (19.3%).
- Operating loss increased from \$(333,422) in 2022 to \$(498,373) for 2023, due to increases in water operating expenses, depreciation and administrative expenses in 2023.
- Operating revenue increased \$46,330 (7.6%) from the prior year. This net increase is primarily due to an increase in service charges and fees.
- Total operating expenses, exclusive of depreciation, increased \$124,313 (18.2%) from 2022 to 2023.
- Funds available (current assets, less deferred inflow of resources, less current liabilities exclusive of the current portion of long-term obligations and unspent loan proceeds) increased from \$3,439,059 to \$4,353,741 on December 31, 2023, an increase of \$914,682 or 26.6%.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of financial statements and notes to financial statements. This report also contains other supplemental information and continuing disclosure annual financial information in addition to the basic financial statements themselves.

The financial statements of the District are presented as a special purpose government engaged only in business-type activities - providing water utility services.

The statements of net position present information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The statements of cash flows report the District's cash flows from operating, noncapital financing, capital, and investing activities.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Overview of the Financial Statements (Continued)

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The supplementary information contained in this report provides a schedule of expenses, budget and actual information, debt service requirements and assessed valuation, mill levy, and property tax information.

	December 31,		
	2023	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets	\$ 5,938,259	\$ 4,732,926	\$ 6,359,566
Capital Assets, Net	11,058,709	10,662,659	8,317,830
Other Assets, Net	16,938	17,745	18,551
Deferred Outflows of Resources	53,909	60,038	66,166
Total Assets and Deferred Outflows of Resources	17,067,815	15,473,368	14,762,113
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities	119,463	267,130	366,784
Long-Term Obligations	6,149,588	6,353,604	6,557,917
Deferred Inflows of Resources	1,465,055	1,026,737	1,030,259
Total Liabilities and Deferred Inflows of Resources	7,734,106	7,647,471	7,954,960
NET POSITION			
Net Investment in Capital Assets	4,979,968	4,386,838	2,426,641
Restricted	21,300	27,191	55,451
Unrestricted	4,332,441	3,411,868	4,325,061
Total Net Position	\$ 9,333,709	\$ 7,825,897	\$ 6,807,153

Current assets increased by \$1,205,333 or 25.5% from 2022 to 2023. Mainly due to a positive change in net position. Additionally, property taxes receivable increased by \$436,583 due to a 37.6% increase in the District assessed valuation for taxes levied for 2024 collection.

Current assets decreased by \$1,626,640 or 25.6% from 2021 to 2022. Mainly due to the purchase/construction of capital assets. Additionally, there was only a slight decrease in property taxes receivable due to a minor decrease in the District assessed valuation for taxes levied for 2023 collection.

Total liabilities and deferred inflows of resources increased \$86,635 from 2022 to 2023, primarily due to the increase in property tax revenue. Total liabilities decreased \$307,489 from 2021 to 2022, primarily due to \$190,000 of principal payments made on the outstanding bonds along with a \$99,654 decrease in current liabilities.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Overview of the Financial Statements (Continued)

	December 31,		
	2023	2022	2021
REVENUES			
Operating Revenue:			
Charges for Services	\$ 615,590	\$ 580,069	\$ 546,366
Available for Service Fee	15,859	3,050	3,370
Irrigation Lease	7,500	7,500	7,500
Inspection Fees	5,790	630	515
Miscellaneous	7,733	14,893	5,229
Total Operating Revenues	<u>652,472</u>	<u>606,142</u>	<u>562,980</u>
NONOPERATING REVENUES			
Tax Revenue	1,092,683	1,090,813	1,032,222
Investment Income	205,944	53,290	3,048
CONTRIBUTIONS			
System Development Fees	232,140	416,100	197,100
Contributed Capital Assets	679,500	-	-
Total Revenues	<u>2,862,739</u>	<u>2,166,345</u>	<u>1,795,350</u>
EXPENSES			
Operating Expenses:			
Water and Sewer Operations	532,371	489,652	360,711
Depreciation	342,254	255,286	267,284
General and Administrative	276,220	194,626	212,796
Total Operating Expenses	<u>1,150,845</u>	<u>939,564</u>	<u>840,791</u>
NONOPERATING EXPENSES			
Interest and Debt Related Charges	204,082	208,037	211,397
Total Expenses	<u>1,354,927</u>	<u>1,147,601</u>	<u>1,052,188</u>
CHANGES IN NET POSITION			
	1,507,812	1,018,744	743,162
Net Position - Beginning of Year	<u>7,825,897</u>	<u>6,807,153</u>	<u>6,063,991</u>
NET POSITION - END OF YEAR	<u><u>\$ 9,333,709</u></u>	<u><u>\$ 7,825,897</u></u>	<u><u>\$ 6,807,153</u></u>

The District's net position increased from 2022 to 2023 by \$1,507,812. Charges for services increased 6.1%, from 2022 to 2023. Investment interest earnings increased 286%, due to the increase in interest rates. Water and Sewer Operations expenses increased \$42,719 (8.7%) from 2022 to 2023 due primarily to increased maintenance and repair costs and legal costs for water rights. Contributed Capital Assets increased by \$679,500 in 2023 due to water lines from Country Club Ranchettes that the district accepted.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Overview of the Financial Statements (Continued)

The District's net position increased from 2021 to 2022 by \$1,018,744. Charges for services increased 6.2%, from 2021 to 2022. The District also collected \$219,000 more in system development fees in 2022 compared to 2021 as development in the Ridgeview Estates and County Club Ranchettes areas progresses. The District had increased interest earnings due to the increase in interest rates. Water and Sewer Operations expenses increased \$128,941 (35.7%) from 2021 to 2022 due primarily to increased maintenance costs and higher operator services costs.

Budgetary Highlights

The budget was not amended in 2023. Total expenditures for 2023 were under budget \$3,950,103 due to the Concentrate Pond project being delayed until 2024.

Capital Assets

The activity related to capital assets during 2023, 2022, and 2021 is as follows:

	December 31, 2021	Net Changes	December 31, 2022	Net Changes	December 31, 2023
Land	\$ 94,243	\$ -	\$ 94,243	\$ -	\$ 94,243
Water Rights	980,105	-	980,105	-	980,105
Easements	152,989	-	152,989	-	152,989
Construction in Progress	1,263,817	564,062	572,564	38,819	611,383
Water Distribution System	9,625,966	1,386	12,917,334	699,485	13,616,819
Total Assets	<u>12,117,120</u>	<u>565,448</u>	<u>14,717,235</u>	<u>738,304</u>	<u>15,455,539</u>
Accumulated Depreciation	<u>(3,799,290)</u>	<u>(267,284)</u>	<u>(4,054,576)</u>	<u>(342,254)</u>	<u>(4,396,830)</u>
Net Capital Assets	<u>\$ 8,317,830</u>	<u>\$ 298,164</u>	<u>\$ 10,662,659</u>	<u>\$ 396,050</u>	<u>\$ 11,058,709</u>

The District's capital assets at December 31, 2023, 2022, and 2021, amounted to \$11.06 million, \$10.66 million, and \$8.32 million (net of accumulated depreciation), respectively. This investment in capital assets includes water distribution infrastructure, water rights, easements, land, and on-going capital projects.

In 2023, the District additions were mostly consulting costs related to the new concentrate pond, the future Alluvial well project and the capital contribution of water lines constructed by the developer of the Country Club Ranchettes. In 2022, the District additions were for meter upgrades and related construction related to the new concentrate ponds and reverse osmosis plant upgrades.

Additional information regarding the District's capital assets can be found in Note 4.

Debt Administration

In 2020, the District refunded the Series 2010 bonds with the issuance of the Series 2020 loan. All scheduled debt service payments were made timely during 2023, 2022, and 2021.

Additional detail on the District's debt is in Note 5 of this report.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022**

Economic and Other Factors

For 2024, the District's property tax revenue is expected to increase by 42.7% due to higher assessed valuation. The total mills levied for the District's 2024 tax collections is 50.081, an increase of 1.813 from 2023.

Total budgeted revenues for 2024 are \$2,378,051. Total appropriated expenditures for 2024 are \$5,897,000.

Request for Information

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Greatrock North Water and Sanitation District
8390 East Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111

BASIC FINANCIAL STATEMENTS

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,346,022	\$ 3,588,295
Cash and Cash Equivalents - Restricted	21,300	27,191
Accounts Receivable	82,844	94,334
Property Taxes Receivable	1,459,139	1,022,556
Prepaid Expenses	28,954	550
Total Current Assets	5,938,259	4,732,926
CAPITAL ASSETS		
Capital Assets, Not Being Depreciated	1,838,720	1,799,901
Capital Assets, Being Depreciated	13,616,819	12,917,334
Subtotal	15,455,539	14,717,235
Less: Accumulated Depreciation	(4,396,830)	(4,054,576)
Total Capital Assets	11,058,709	10,662,659
OTHER ASSETS		
Prepaid Bond Insurance, Net	16,938	17,745
Total Other Assets	16,938	17,745
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net	53,909	60,038
Total Deferred Outflows of Resources	53,909	60,038
Total Assets and Deferred Outflows of Resources	\$ 17,067,815	\$ 15,473,368

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2023 AND 2022**

	2023	2022
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 102,329	\$ 249,996
Interest Payable	16,284	16,284
Deposits	850	850
Total Current Liabilities	119,463	267,130
NONCURRENT LIABILITIES		
Bonds Payable:		
Due Within One Year	210,000	190,000
Due in More Than One Year	5,939,588	6,163,604
Total Noncurrent Liabilities	6,149,588	6,353,604
DEFERRED INFLOWS OF RESOURCES		
Property Tax Revenue	1,459,139	1,022,556
Unearned Service Fees	5,916	4,181
Total Deferred Inflows of Resources	1,465,055	1,026,737
NET POSITION		
Net Investment in Capital Assets	4,979,968	4,386,838
Restricted for Emergencies	21,300	21,300
Restricted for Debt Service		5,891
Unrestricted	4,332,441	3,411,868
Total Net Position	9,333,709	7,825,897
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 17,067,815	\$ 15,473,368

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
OPERATING REVENUE		
Service Charges - Greatrock	\$ 199,386	\$ 187,205
Service Charges - Rockinghorse Farms	146,614	141,990
Service Charges - Box Elder	236,894	197,529
Service Charges - Hayesmount	32,696	29,345
Available for Service Fees	15,859	3,050
Inspection Fees	5,790	630
Transfer Fees	6,651	2,625
Inclusions	-	24,000
Horse Creek Retreat	-	3,000
Late Fees and Penalties	482	6,661
Irrigation Lease Revenue	7,500	7,500
Miscellaneous	600	2,607
Total Operating Revenue	652,472	606,142
OPERATING EXPENSES		
General and Administrative:		
Accounting	49,440	38,220
Audit	7,330	12,069
Director's Fees	5,400	5,400
District Management	98,880	79,822
Dues and Membership	1,238	916
Elections	2,741	4,914
Insurance	26,215	19,181
Legal	43,604	25,404
Miscellaneous	40,675	8,287
Payroll Taxes	336	413
Website Development	361	-
Operations:		
Depreciation	342,254	255,286
Customer Billing	48,775	42,206
Engineering	21,547	38,418
GIS	2,400	2,415
Inclusions	-	-
Maintenance and Repairs	141,393	101,934
Meter Reading	-	165
Operator Services	137,272	112,868
Plant Supplies	12,683	30,138
Rules and Regulations	-	-
Testing and Reporting	9,621	9,981
Utilities	64,980	73,456
Water Rights Development	93,700	78,071
Total Operating Expenses	1,150,845	939,564
OPERATING LOSS	(498,373)	(333,422)

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
NONOPERATING REVENUES		
Property Taxes	\$ 1,022,571	\$ 1,016,004
Specific Ownership Taxes	70,112	74,809
Net Investment Income	205,944	53,290
Total Nonoperating Revenues	1,298,627	1,144,103
NONOPERATING EXPENSES		
Bond Interest Expense	187,523	191,584
County Treasurer's Fees	15,353	15,247
Paying Agent Fees	400	400
Bond Insurance Cost Amortization	806	806
Total Nonoperating Expenses	204,082	208,037
INCOME BEFORE CAPITAL CONTRIBUTIONS	596,172	602,644
CAPITAL CONTRIBUTIONS		
SDF - Ridgeview Estates	-	219,000
SDF - Country Club Ranchettes	232,140	197,100
Water Distribution System	679,500	-
Total Capital Contributions	911,640	416,100
CHANGE IN NET POSITION	1,507,812	1,018,744
Net Position - Beginning of Year	7,825,897	6,807,153
NET POSITION - END OF YEAR	\$ 9,333,709	\$ 7,825,897

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 663,962	\$ 630,995
Payments to Suppliers	(858,612)	(899,703)
Net Cash Used by Operating Activities	(194,650)	(268,708)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Collections for Operations	1,022,571	1,016,004
Specific Ownership Taxes	70,380	76,420
County Treasurer's Fees	(15,353)	(15,247)
Net Cash Provided by Noncapital Financing Activities	1,077,598	1,077,177
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Asset Purchases	(183,387)	(2,487,116)
System Development Fees	232,140	438,000
Interest on Debt	(195,410)	(202,695)
Debt Principal Reduction	(190,000)	(190,000)
Paying Agent Fees and Other Debt Expenses	(400)	(400)
Net Cash Used by Capital and Related Financing Activities	(337,057)	(2,442,211)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	205,945	53,290
Net Cash Provided by Investing Activities	205,945	53,290
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	751,836	(1,580,452)
Cash and Cash Equivalents - Beginning of Year	3,615,486	5,195,938
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,367,322	\$ 3,615,486
NON CASH CAPITAL FINANCING ACTIVITIES		
Contribution of Water Lines	\$ 679,000	\$ -

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Loss	\$ (498,373)	\$ (333,422)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	342,254	255,286
(Increase) Decrease in:		
Accounts Receivable	8,795	26,408
Prepaid Expenses	(28,404)	18,731
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(20,657)	(234,156)
Unearned Service Fees	1,735	(1,555)
Net Cash Provided (Used) by Operating Activities	<u>\$ (194,650)</u>	<u>\$ (268,708)</u>

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Greatrock North Water and Sanitation District (the District), was organized on May 14, 1998, as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District's purpose is to provide public water services and stormwater drainage and detention to the property owners and residents of the District. The District is governed by an elected Board of Directors.

The District has no employees, and all operations and administration functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets. Redemptions of bonds and loans are recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received or collectible.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation, including the Enterprise, is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

For financial statement presentation purposes, the District is reported as a single enterprise fund. For 2023 budgetary purposes, the District separately budgeted for specific components of this enterprise fund. These separate budgetary components of the District are the general fund, debt service fund and capital projects fund. For budgetary reporting purposes these components are combined into a single budgetary schedule.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Accounts Receivable

Accounts receivable consists of uncollected water service revenue. Due to the District's broad powers of collection, no allowance for uncollectible water service revenue receivables has been reported.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Capital Assets

Capital assets, which include land, water rights, buildings, distribution and collection systems, and machinery and equipment are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation or at the developers' cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

Water Distribution System	20 to 40 Years
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Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

System Development Fees (SDF) and Contributed Lines

System Development Fees are recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at acquisition value plus ancillary charges, if any.

Bond Issue Costs, Original Issue Discount, and Deferred Loss on Bond Refunding

Bond issuance costs are treated as a period cost and expensed in the year incurred. The deferred loss on bond refunding and bond insurance obtained at issuance of the bonds are being amortized over the life of the refunded bonds using the straight-line method. The original issue discount and premium are being amortized over the life of the bonds using the effective interest method.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflow/Inflow of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of debt refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Reclassifications

For comparability, certain 2022 amounts have been reclassified where appropriate to conform with the 2023 financial statement presentation.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 and 2022, are classified in the accompanying financial statements as follows:

	2023	2022
Statement of Net Position:		
Cash and Cash Equivalents	\$ 4,346,022	\$ 3,588,295
Cash and Cash Equivalents - Restricted	21,300	27,191
Total Cash and Investments	\$ 4,367,322	\$ 3,615,486

Cash and investments as of December 31, 2023 and 2022, consist of the following:

	2023	2022
Deposits with Financial Institutions	\$ 651,129	\$ 175,135
Investments	3,716,193	3,440,351
Total Cash and Investments	\$ 4,367,322	\$ 3,615,486

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2023 and 2022, the District's cash deposits had a bank balance of \$649,976 and \$173,541, respectively; and a carrying balance of \$651,129 and \$175,135, respectively.

Investments

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

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

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

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2023 and 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2023</u>	<u>2022</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	<u>\$ 3,716,193</u>	<u>\$ 3,440,351</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The state Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AA Af/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Restricted Cash and Investments

As of December 31, 2023 and 2022, cash and cash equivalents in the amount of \$-0- and \$5,891, respectively, are restricted for debt service related to the Series 2017 Improvement Bonds and the Series 2020 General Obligation Refunding Loan. Additionally, cash and cash equivalents as of December 31, 2023 and 2022, in the amounts of \$21,300 and \$21,300, respectively, are restricted for emergencies (see Note 10).

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Capital Assets, Not Being Depreciated:				
Land	\$ 94,243	\$ -	\$ -	\$ 94,243
Water Rights Easements	980,105	-	-	980,105
Construction in Progress	152,989	-	-	152,989
	<u>572,564</u>	<u>58,804</u>	<u>19,985</u>	<u>611,383</u>
Total Capital Assets, Not Being Depreciated	1,799,901	58,804	19,985	1,838,720
Capital Assets, Being Depreciated:				
Water Distribution System	12,917,334	699,485	-	13,616,819
Total Capital Assets, Being Depreciated	12,917,334	699,485	-	13,616,819
Less: Accumulated Depreciation for:				
Water Distribution System	4,054,576	342,254	-	4,396,830
Total Accumulated Depreciation	4,054,576	342,254	-	4,396,830
Total Capital Assets, Being Depreciated, Net	<u>8,862,758</u>	<u>357,231</u>	<u>-</u>	<u>9,219,989</u>
Capital Assets, Net	<u>\$ 10,662,659</u>	<u>\$ 416,035</u>	<u>\$ 19,985</u>	<u>\$ 11,058,709</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 94,243	\$ -	\$ -	\$ 94,243
Water Rights Easements	980,105	-	-	980,105
Construction in Progress	1,263,817	2,600,115	3,291,368	572,564
Total Capital Assets, Not Being Depreciated	2,491,154	2,600,115	3,291,368	1,799,901
Capital Assets, Being Depreciated:				
Water Distribution System	9,625,966	3,291,368	-	12,917,334
Total Capital Assets, Being Depreciated	9,625,966	3,291,368	-	12,917,334
Less: Accumulated Depreciation for:				
Water Distribution System	3,799,290	255,286	-	4,054,576
Total Accumulated Depreciation	3,799,290	255,286	-	4,054,576
Total Capital Assets, Being Depreciated, Net	5,826,676	3,036,082	-	8,862,758
Capital Assets, Net	<u>\$ 8,317,830</u>	<u>\$ 5,636,197</u>	<u>\$ 3,291,368</u>	<u>\$ 10,662,659</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Amounts Due Within One Year
Bonds Payable:					
2017 GO Refunding and Improvement Bonds	\$ 4,375,000	\$ -	\$ -	\$ 4,375,000	\$ -
Bond Premium	223,604	-	14,016	209,588	-
Subtotal Bonds Payable	<u>4,598,604</u>	<u>-</u>	<u>14,016</u>	<u>4,584,588</u>	<u>-</u>
Debt from Direct Borrowings and Direct Placements:					
2020 GO Refunding Loan	1,755,000	-	190,000	1,565,000	210,000
Subtotal Direct Debts	<u>1,755,000</u>	<u>-</u>	<u>190,000</u>	<u>1,565,000</u>	<u>210,000</u>
Total Long-Term Obligations	<u>\$ 6,353,604</u>	<u>\$ -</u>	<u>\$ 204,016</u>	<u>\$ 6,149,588</u>	<u>\$ 210,000</u>

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
Bonds Payable:					
2017 GO Refunding and Improvement Bonds	\$ 4,460,000	\$ -	\$ 85,000	\$ 4,375,000	\$ -
Bond Premium	237,917	-	14,313	223,604	-
Subtotal Bonds Payable	<u>4,697,917</u>	<u>-</u>	<u>99,313</u>	<u>4,598,604</u>	<u>-</u>
Debt from Direct Borrowings and Direct Placements:					
2020 GO Refunding Loan	1,860,000	-	105,000	1,755,000	190,000
Subtotal Direct Debts	<u>1,860,000</u>	<u>-</u>	<u>105,000</u>	<u>1,755,000</u>	<u>190,000</u>
Total Long-Term Obligations	<u>\$ 6,557,917</u>	<u>\$ -</u>	<u>\$ 204,313</u>	<u>\$ 6,353,604</u>	<u>\$ 190,000</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District's bonds payable is as follows:

General Obligation Refunding and Improvement Bonds, Series 2017

On November 7, 2017, the District authorized the issuance of General Obligation Refunding and Improvement Bonds dated December 1, 2017 in the aggregate principal amount of \$4,730,000. The bonds refunded the General Obligation Refunding and Improvement Bonds Series 2007 and provided additional funding to construct and install certain improvements to the District's water system. The bonds bear interest at rates between 2.00% and 5.00%, payable semi-annually on each June 1 and December 1, commencing on June 1, 2018. The bonds maturing on and before December 1, 2022 are not subject to redemption prior to their respective maturity dates. The bonds maturing on December 1, 2032 are subject to mandatory sinking fund redemption commencing on December 1, 2031 and each December thereafter. The Bonds maturing on and after December 1, 2032 are subject to redemption prior to maturity as a whole or in integral multiples of \$5,000, at the option of the District, on December 1, 2026, and any date thereafter, upon payment of par and accrued interest, without redemption premium.

General Obligation Refunding Loan, Series 2020

On September 1, 2020, the District authorized the issuance General Obligation Refunding Loan dated September 10, 2020 in the aggregate principal amount of \$1,970,000. The loan refunded the General Obligation Refunding and Improvement Bonds Series 2010. The loan bears an interest rate of 1.32% payable semi-annually on June 1 and December 1, commencing on December 1, 2020 with the principal payment commencing on December 1, 2021. The loan matures on December 1, 2030. The loan may not be prepaid, in whole or in part, on any date, without the prior written permission of the Bank.

The occurrence or existence of any one or more of the following events shall be an Event of Default:

- (a) The District fails to pay the principal and interest on the Loan when due;
- (b) The District fails or refuses to impose the Required Mill Levy;
- (c) The District materially fails in the performance or observation of any of the covenants, agreements, or conditions on the part of the District and fails to remedy the same within 30 days after notice; or
- (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Loan.

Acceleration shall not be an available remedy for the occurrence or continuation of an Event of Default unless the Bank has directed such acceleration.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 210,000	\$ 192,902	\$ 402,902
2025	215,000	190,130	405,130
2026	215,000	187,292	402,292
2027	230,000	184,454	414,454
2028	225,000	181,418	406,418
2029-2033	1,220,000	841,392	2,061,392
2034-2038	1,455,000	599,217	2,054,217
2039-2043	1,780,000	267,681	2,047,681
2044	390,000	13,163	403,163
Total Payments	<u>\$ 5,940,000</u>	<u>\$ 2,657,649</u>	<u>\$ 8,597,649</u>

Authorized Debt

At December 31, 2023 and 2022, the District had no authorized but unissued debt.

NOTE 6 INCLUSION AGREEMENTS

Homestead Heights, LLC

On November 21, 2006, the District entered into an inclusion agreement with Homestead Heights, LLC (Homestead), also known as Country Club Ranchettes #1 (CCR #1), associated with property known as Homestead Heights, II. The agreement calls for Homestead to pay a system development fee in the amount of \$16,000 for the first 15 units and the remaining system development fees will be due prior to the issuance of building permits. The agreement for inclusion is for approximately 56 residential lots. Homestead also agreed to post fees deposits in increments of \$10,000 as requested by the District to satisfy all District incurred costs from the start of the inclusion process to the completion of a final conveyance and acceptance agreement. Upon completion of the inclusion process, any remaining funds on deposit with the District shall be refunded to Homestead.

On December 5, 2007, the District filed a statement of lien on the property owned by Homestead Heights, LLC in the amount of \$240,000 for the 15 system development fees that were to be prepaid by Homestead within 30 days of the execution of the agreement. On August 20, 2008, the District and Homestead entered into the first amendment to the inclusion agreement. In the amended agreement, the District agreed to remove the \$240,000 lien placed on the property. Additionally, the payment terms for the system development fees were modified such that Homestead is to remit the system development fees, at the District's then current system development fee rate, within certain periods following the issuance of building permits by the County.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 INCLUSION AGREEMENTS (CONTINUED)

On July 17, 2023, the District and Homestead entered into a second amendment to the inclusion agreement, allowing Homestead to include five additional lots into the District. Homestead, under a separate entity, owns Country Club Ranchettes Filing No. 2 (CCR #2 Property) and is seeking inclusion of that property under a separate agreement. The second amendment contemplates that the water rights in the CCR #2 Property inclusion agreement will serve the additional lots in CCR #1 and the CCR #2 Property.

During 2023 and 2022 the District received \$232,140 and \$197,100, respectively, in system development fees related to this inclusion agreement.

Hayesmount Properties, LLC

On August 23, 2007, the District entered into an inclusion agreement with Hayesmount Properties, LLC (Hayesmount) associated with property known as Hayesmount Estates. Under the agreement, Hayesmount must pay system development fees for the first five units either within 120 days of recordation of a final plat for the Hayesmount Estates development or prior to the start of construction, whichever occurs first. The system development fees on all remaining lots shall be due and owing prior to the issuance of building permits by the County. The agreement for inclusion is for approximately 21 single-family detached lots. Hayesmount also agreed to post fees deposits in increments of \$10,000 as requested by the District to satisfy all District incurred costs from the start of the inclusion process to the completion of a final conveyance and acceptance agreement. Upon completion of the inclusion process, any remaining funds on deposit with the District shall be refunded to the Hayesmount. On February 7, 2017, the District and Vladimir Elizondo and Anselmo Rodriguez, a successors in interest to Hayesmount, amended the agreement to replace outdated terms for conveyance and acceptance and notice and remove the requirement for prepaid system development fees. During 2023 and 2022 the District received \$-0- and \$-0-, respectively, in system development fees related to this inclusion agreement.

Ridgeview Estates LLC

On July 24, 2008, the District entered into an inclusion agreement with Ridgeview Estates LLC (Ridgeview) associated with property known as the Ridgeview Estates Subdivision. Under the agreement, Ridgeview must provide adjudicated water rights associated with the 62.3-acre Ridgeview Estates Subdivision to the District through a Special Warranty Deed. Upon inclusion into the District, the District will provide water for 21 approximately 2.5 acre lots in the Ridgeview Estates Subdivision. Ridgeview is responsible for the construction of a single 8-inch looped water line (Water Improvements) in accordance with District specifications. Upon completion of the Water Improvements, Ridgeview shall convey the Water Improvements to the District. System development fees are to be collected on an equivalent residential unit basis on the properties within the Ridgeview Estates Subdivision. Ridgeview also agreed to post a fees deposit in increments of \$5,000 as requested by the District to satisfy all District incurred costs from the start of the inclusion process to the completion of a final conveyance and acceptance agreement. Upon completion of the inclusion process, any remaining funds on deposit with the District shall be refunded to the Ridgeview. During 2023 and 2022 the District received \$0 and \$219,000, respectively, in system development fees related to this inclusion agreement.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 WATER LEASE OPTION AGREEMENT

On January 23, 2007, the District entered into a water lease option agreement with Box Elder Creek Ranch Water Company (Box Elder). The agreement grants Box Elder an option to lease a portion of its Laramie-Fox Hills aquifer ground water available for specific uses. Each year this agreement is in effect, Box Elder shall pay to the District a reservation/lease fee of \$7,500 per year, regardless of use, on or before January 10. The reservation/lease fee shall increase by the Denver-Boulder Consumer Price Index plus 1% compounded, annually. Box Elder shall also reimburse the District for a proportional amount of the energy and administrative costs incurred by the District to pump the Laramie Water to the Box Elder stream bed for Box Elder's benefit. The District waived the CPI adjustments and collected lease revenue of \$7,500 in 2023 and \$7,500 in 2022 under this agreement.

On April 24, 2008, the agreement was amended to add additional points where the District will deliver water for Box Elder's use. On July 24, 2008, the agreement was amended to exclude the storage pond from the SCADA system design.

On November 4, 2010, the agreement was amended to provide for the delivery of Laramie Water to Box Elder on a rolling three-year schedule and provisions related to the District's SCADA system. Box Elder may install and connect to the District's SCADA System in the future at its option. If Box Elder chooses this option, it shall be responsible for any hard and soft costs associated with the installation of the system at its pond and recharge pond. This amendment terminates the second amendment and restates the exclusion of the pond and recharge pond from the SCADA system design.

Effective July 8, 2015, the District and Box Elder entered into an Amended and Restated Water Lease Option Agreement (Restated Agreement) which amended and restated the original agreement in its entirety. The District is entitled to withdraw an average annual amount of up to 105.2 acre-fee per year of Laramie-Fox Hills aquifer ground water. Pursuant to the Restated Agreement, the District granted to Box Elder an option to lease from the District up to 65 acre-fee of Laramie Water per year for augmentation purposes, as more particularly described in the Restated Agreement, subject to availability as determined solely by the District.

On an annual basis, Box Elder shall notify the District of the total amount of its anticipated need for the Reserved Laramie Water over a three-year period and the District will notify Box Elder if the amount of Reserved Laramie Water available for lease. If Box Elder chooses not to exercise its option to lease the Reserved Laramie Water, in whole or in part, then the District may lease such Reserved Laramie Water not otherwise leased to Box Elder to a third party. Any lease entered into by the District with a third party shall expire on or before March 31 of the following year. If the District determines that it does not have at least 30 acre-fee of Laramie Water available to lease to Box Elder during any year for the term of the Restated Agreement, the District shall notify Box Elder of that fact and shall not be required to lease or deliver any Laramie Water to Box Elder for that year and the fee paid for that year by Box Elder shall be refunded. However, Box Elder may, at its option, accept such lesser amount of Laramie Water in which case the fee paid will not be refunded.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 WATER LEASE OPTION AGREEMENT (CONTINUED)

On or before January 10 of each year the Restated Agreement is in effect, Box Elder shall pay to the District a reservation/lease fee in the amount of \$7,500 per year, regardless of use. To account for inflation, the fee shall increase by the Denver-Boulder Consumer Price Index, plus 1% annually. In the event that Box Elder doesn't pay the fee by dates specified in the Restated Agreement, the District shall be entitled to terminate the Restated Agreement.

If Box Elder exercises its option to lease the Reserved Laramie Water, Box Elder shall also reimburse the District for a proportional amount of the operation, maintenance, administration, and energy costs, including, but not limited to, labor and mileage of District employees or independent contractors, all incurred by the District to pump the Laramie Water to Box Elder.

The Restated Agreement shall be in effect until May 16, 2032; provided, however, that the Restated Agreement shall automatically renew for an additional five-year term unless otherwise terminated by either party in writing at least 30 days prior to the renewal date.

NOTE 8 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023 and 2022, the District had net investment in capital assets, calculated as follows:

	2023	2022
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 11,058,709	\$ 10,662,659
Unamortized Bond Insurance, Net	16,938	17,745
Current Portion of Long-Term Obligations	(210,000)	(190,000)
Unamortized Loss on Debt Refunding, Net	53,909	60,038
Noncurrent Portion of Long-Term Obligations	(5,939,588)	(6,163,604)
Net Investment in Capital Assets	\$ 4,979,968	\$ 4,386,838

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 NET POSITION (CONTINUED)

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023 and 2022, as follows:

	2023	2022
Restricted Net Position:		
Emergencies	\$ 21,300	\$ 21,300
Debt Service	-	5,891
Total Restricted Net Position	\$ 21,300	\$ 27,191

The District's unrestricted net position as of December 31, 2023 and 2022, is \$4,332,441 and \$3,411,868 respectively.

NOTE 9 RISK MANAGEMENT

Except as provided under the Colorado Governmental Immunity Act, as may be amended from time to time, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District is of the opinion that its water activity enterprise, and all activities related thereto are carried on as an Enterprise within the meaning of TABOR and the Enterprise Act, C.R.S. 37-45.;1-01, et seq. The District's annual budget and financial statements are deemed by the District to be the annual budget and financial statements of the Enterprise.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors, and qualification as an Enterprise, may require judicial interpretation.

On May 5, 1998, a majority of the District's voters approved the following ballot question: Shall Greatrock North Water and Sanitation District taxes be increased \$200,000 annually in the first full fiscal year by the imposition of a mill levy on all taxable property within the boundaries of the District, which mill levy shall generate not more than said annual amount in ad valorem property tax revenues for the District in the first full fiscal year for the purposes of the operation and maintenance of the District's services and facilities; and shall the revenues generated by such taxes in each year thereafter be approved as an increased levy without regard to the tax increase limitation contained in Section 29-1-301, Colorado Revised Statutes, or any other tax increase limitation under any other law; and shall the revenue changes caused by the collection and spending of such tax revenues in every year be approved, permitting such tax revenues and any investment earnings thereon be collected and spent by the District without limitation or condition, and without limiting the collection or spending of any other revenues or funds by the District under Article X, Section 20 of the Colorado Constitution or any other law?

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On May 6, 2008, a majority of the District's voters approved the following ballot question: Shall Greatrock North Water and Sanitation District be authorized to retain all revenues generated by or from rates, fees, tolls, charges, specific ownership taxes, agreements with other local governments, grants from the state or from any local government, lottery distributions, and any other revenues generated or received by the District, including reduction in debt service, in 1998 and in all subsequent years (which amounts does not include revenues generated from ad valorem property taxes); and shall the District be authorized to spend such revenues and investment income thereon as a voter-approved revenue change and an exception to and spending limitations which might otherwise apply?

On May 6, 2008, a majority of the District's voters approved the following ballot question: Shall Greatrock North Water and Sanitation District taxes be increased \$300,000 annually (for collection in calendar year 2008) and by the additional amounts that are raised annually thereafter by the imposition of an ad valorem property tax levy of 35 mills for the purpose of paying the District's administration, operations and maintenance, and other similar expenses, and shall the revenue from such taxes and any investment income thereon together with all revenue received prior to calendar year 2008 from imposition of the District's operations mill levy and any investment income thereon be collected, retained, and spent by the District in each fiscal year prior to, through and including 2008 and thereafter as a voter-approved revenue changes without regard to any spending, revenue-raising, or other limitation contained within Articles X, Section 20 of the Colorado Constitution, the limits imposed on increased in property taxation by Section 29-1-301, C.R.S in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained, and spent by the District.

NOTE 11 ESTIMATED CLOSURE COSTS

The District utilizes two evaporation ponds (impoundments) as part of its water treatment waste management. The impoundments are classified as Type B and subject to the requirements of the Hazardous Material and Waste Management Division's (Division) Regulations Pertaining to Solid Waste Sites and Facilities (the Regulations). Section 4.6.7 (F) and Section 1.8 of the Regulations requires the District to estimate the closure costs if the impoundments owned and used by the District were to be closed.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 11 ESTIMATED CLOSURE COSTS (CONTINUED)

The District's engineer has provided an estimate of the closure costs based on the closure plan presented in the Engineering, Design, and Operation Plan dated May 2013, Revision 2 submitted to the Division in May 2013. The closure plan follows a clean-in-place closure thereby eliminating the need for environmental covenant and post-closure care and costs. The closure costs were gathered from suppliers, contractors, and an internal database of historical project costs for the area. The estimates include the cost of engineering oversight, soil disposal, testing, liner removal and disposal, site grading, seeding, piping abandonment, and erosion control as well as a contingency. As of December 31, 2023, the estimated closure costs for the impoundments are \$451,610. As of the date of the audit report, the District has no plans or intentions, nor has it been ordered to close the impoundments, therefore, no liability has been recorded on the financial statements of the District in connection with the estimated costs.

SUPPLEMENTARY INFORMATION

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,022,556	\$ 1,022,571	\$ 15
Specific Ownership Taxes	71,579	70,112	(1,467)
Interest Income	30,000	205,944	175,944
Miscellaneous	-	600	600
Service Charges - Greatrock	225,310	199,386	(25,924)
Service Charges - Rocking Horse	165,803	146,614	(19,189)
Service Charges - Box Elder	262,287	236,894	(25,393)
Service Charges - Hayesmount	35,272	32,696	(2,576)
Available of Service Fees	24,480	15,859	(8,621)
Inspection Fees	2,000	5,790	3,790
Transfer Fees	3,000	6,651	3,651
Water Meters	4,000	-	(4,000)
SDF - Country Club Ranchettes	-	232,140	232,140
SDF - Hayesmount Estates	25,560	-	(25,560)
Irrigation Lease Revenue	7,500	7,500	-
Late Fees and Penalties	5,000	482	(4,518)
Total Revenues	1,884,347	2,183,239	298,892
EXPENDITURES			
General and Administrative:			
Accounting	50,000	49,440	560
Audit	13,000	7,330	5,670
County Treasurer's Fee	15,338	15,353	(15)
Directors' Fees	6,000	5,400	600
District Management	90,000	98,880	(8,880)
Dues and Membership	1,400	1,238	162
Election	50,000	2,741	47,259
Insurance and Bonds	21,000	26,215	(5,215)
Legal	44,150	43,604	546
Miscellaneous	8,000	40,675	(32,675)
Payroll Taxes	500	336	164
Website	-	361	(361)
Operations:			
Customer Billing	36,000	48,775	(12,775)
Distribution System Mntc	22,900	12,693	10,207
Engineering - Administration	20,100	8,180	11,920
Engineering - Operations	33,000	13,367	19,633
Equipment and Tools	5,000	1,387	3,613
Facility Maintenance & Repair	53,600	64,637	(11,037)
Generator Preventative Mntc	15,000	10,164	4,836
GIS	3,000	2,400	600

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual Amounts	Variance with Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
Operations (Continued):			
Locates	\$ 9,000	\$ 10,988	\$ (1,988)
Meter Reading	1,000	-	1,000
Operator Services	129,524	137,272	(7,748)
Plant Supplies	22,000	12,683	9,317
Rules and Regulations	2,000	-	2,000
Testing and Reporting	12,400	9,621	2,779
Treatment - Maintenance & Repair	82,085	30,313	51,772
Water Meters - Cap	4,000	5,279	(1,279)
Water Rights Dev - Eng.	54,000	60,997	(6,997)
Water Rights Dev-Legal	135,000	32,703	102,297
Well - Rehab & Repair	90,000	5,932	84,068
Utilities	75,000	64,980	10,020
Contingency	70,000	-	70,000
Debt Service:			
Bond Interest - 2017	172,244	172,244	-
Loan Interest - 2020	23,166	23,166	-
Loan Principal - 2020	190,000	190,000	-
Paying Agent Fees	1,200	400	800
Capital Outlay:			
Alluvial Well	-	189	(189)
Concentrate Pond	3,658,054	38,630	3,619,424
Reverse Osmosis Unit Upgrade	-	19,985	(19,985)
Total Expenditures	<u>5,218,661</u>	<u>1,268,558</u>	<u>3,950,103</u>
NET CHANGE IN FUNDS AVAILABLE	(3,334,314)	914,682	4,248,996
Funds Available - Beginning of Year	<u>3,577,653</u>	<u>3,439,059</u>	<u>(138,594)</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 243,339</u>	<u>\$ 4,353,741</u>	<u>\$ 4,110,402</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENTS OF
REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2023**

	<u>Actual Amounts</u>
FUNDS AVAILABLE DEFINED AS FOLLOWS:	
Current Assets	\$ 5,938,259
Less Current Liabilities	(119,463)
Less Deferred Inflow of Resources	(1,465,055)
Funds Available	<u>\$ 4,353,741</u>
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	
Revenues (Budgetary Basis)	\$ 2,183,239
Contributed Capital	<u>679,500</u>
Total Revenues per Statement of Revenues, Expenses, and Changes in Net Position	2,862,739
 Expenditures (Budgetary Basis)	 1,268,558
Depreciation	342,254
Capital Outlay	(58,804)
Bond Principal Payments	(190,000)
Amortization of Bond Premium	(14,016)
Amortization of Deferred Loss on Debt Refunding Costs	6,129
Amortization of Prepaid Bond Insurance Premium	<u>806</u>
Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position	<u>1,354,927</u>
 Change in Net Assets per Statement of Revenues, Expenses, and Changes in Net Position	 <u>\$ 1,507,812</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2023**

Year Ending	\$4,730,000 General Obligation Refunding and Improvement Bonds - Series 2017 Dated November 14, 2017 Interest Rate - 2.00% - 5.00% Interest Due June 1 and December 1 Principal Due December 1			\$1,970,000 General Obligation Refunding Loan Series 2020 Dated December 1, 2020 Interest Rate - 1.32% Interest Due June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ -	\$ 172,244	\$ 172,244	\$ 210,000	\$ 20,658	\$ 230,658
2025	-	172,244	172,244	215,000	17,886	232,886
2026	-	172,244	172,244	215,000	15,048	230,048
2027	-	172,244	172,244	230,000	12,210	242,210
2028	-	172,244	172,244	225,000	9,174	234,174
2029	-	172,244	172,244	230,000	6,204	236,204
2030	-	172,244	172,244	240,000	3,168	243,168
2031	240,000	172,244	412,244	-	-	-
2032	250,000	162,644	412,644	-	-	-
2033	260,000	152,644	412,644	-	-	-
2034	270,000	142,243	412,243	-	-	-
2035	280,000	131,444	411,444	-	-	-
2036	290,000	120,243	410,243	-	-	-
2037	300,000	108,644	408,644	-	-	-
2038	315,000	96,643	411,643	-	-	-
2039	320,000	84,044	404,044	-	-	-
2040	345,000	68,043	413,043	-	-	-
2041	360,000	50,794	410,794	-	-	-
2042	370,000	38,644	408,644	-	-	-
2043	385,000	26,156	411,156	-	-	-
2044	390,000	13,163	403,163	-	-	-
Total	\$ 4,375,000	\$ 2,573,301	\$ 6,948,301	\$ 1,565,000	\$ 84,348	\$ 1,649,348

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Totals for General Obligation Refunding Loans
Series 2017 and 2020

Year Ending	Totals		
	Principal	Interest	Total
2024	\$ 210,000	\$ 192,902	\$ 402,902
2025	215,000	190,130	405,130
2026	215,000	187,292	402,292
2027	230,000	184,454	414,454
2028	225,000	181,418	406,418
2029	230,000	178,448	408,448
2030	240,000	175,412	415,412
2031	240,000	172,244	412,244
2032	250,000	162,644	412,644
2033	260,000	152,644	412,644
2034	270,000	142,243	412,243
2035	280,000	131,444	411,444
2036	290,000	120,243	410,243
2037	300,000	108,644	408,644
2038	315,000	96,643	411,643
2039	320,000	84,044	404,044
2040	345,000	68,043	413,043
2041	360,000	50,794	410,794
2042	370,000	38,644	408,644
2043	385,000	26,156	411,156
2044	390,000	13,163	403,163
Total	<u>\$ 5,940,000</u>	<u>\$ 2,657,649</u>	<u>\$ 8,597,649</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2023**

Levy/Collection Year	Assessed Valuation	Percent Change	Mills Levied			Total Property Taxes		Percentage Collected to Levied
			General	Debt	Total	Levied	Collected	
2014/2015	\$ 10,921,110	0.19 %	28.340	18.500	46.840	\$ 511,545	\$ 511,545	100.00 %
2015/2016	12,615,550	15.52	28.340	18.500	46.840	590,913	590,549	99.94
2016/2017	12,985,840	2.94	28.340	18.500	46.840	608,257	608,257	100.00
2017/2018	14,882,390	14.60	24.167	27.250	51.417	765,208	765,208	100.00
2018/2019	15,246,500	2.45	25.882	25.650	51.532	785,683	785,678	100.00
2019/2020	19,752,080	29.55	26.750	20.250	47.000	928,348	929,721	100.15
2020/2021	20,365,420	3.11	30.500	16.500	47.000	957,174	954,818	99.75
2021/2022	21,798,370	7.04	30.500	16.500	47.000	1,024,523	1,016,004	99.17
2022/2023	21,184,980	(2.81)	31.323	16.945	48.268	1,022,556	1,022,571	100.00
Estimated for:								
2023/2024	\$ 29,135,580	37.53	32.500	17.581	50.081	\$ 1,459,139		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

**CONTINUING DISCLOSURE
ANNUAL FINANCIAL INFORMATION**

**GREATROCK NORTH WATER AND SANITATION DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
BUDGET TO ACTUAL (NON-GAAP) COMPARISON OF RESULTS OF OPERATIONS –
WATER ENTERPRISE
YEAR ENDED DECEMBER 31, 2023**

ASSESSED AND ACTUAL VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Residential	\$ 25,260,600	86.70 %	\$ 377,022,051	96.50 %
Vacant Land	2,882,040	9.89	10,329,108	2.64
Personal	885,100	3.04	3,172,403	0.81
Oil and Gas	89,130	0.31	101,858	0.03
Agricultural	3,300	0.01	12,475	0.00
State Assessed	15,410	0.05	55,213	0.01
Total	<u>\$ 29,135,580</u>	<u>100.00 %</u>	<u>\$ 390,693,108</u>	<u>100.00 %</u>

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County, Assessor and Treasurer

LARGEST TAXPAYERS WITHIN THE DISTRICT

Name	2023 Assessed Valuation	Percent of Total Assessed Valuation
Country Club Ranchettes LLC	\$ 775,480	2.66 %
Front Range Pipeline Company LLC	310,860	1.07
Public Service Company of CO (XCEL)	298,100	1.02
United Power INC	253,820	0.87
Individual Homeowner	129,060	0.44
Individual Homeowner	105,800	0.36
Individual Homeowner	92,070	0.32
Individual Homeowner	90,320	0.31
Individual Homeowner	90,050	0.31
Individual Homeowner	87,840	0.30
Total	<u>\$ 2,233,400</u>	<u>7.67 %</u>

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County, Assessor and Treasurer

**GREATROCK NORTH WATER AND SANITATION DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
BUDGET TO ACTUAL (NON-GAAP) COMPARISON OF RESULTS OF OPERATIONS –
WATER ENTERPRISE
YEAR ENDED DECEMBER 31, 2023**

HISTORICAL DEBT RATIOS

	Year Ended December 31,				
	2019	2020	2021	2022	2023
G.O. Debt Outstanding	\$ 6,485,000	\$ 6,505,000	\$ 6,320,000	\$ 6,130,000	\$ 5,940,000
Estimated Population	1,050	1,050	1,050	1,350	1,336
Debt Per Capita	\$ 6,176	\$ 6,195	\$ 6,019	\$ 4,541	\$ 4,446
District Assessed Value	\$ 19,752,080	\$ 20,365,420	\$ 21,798,370	\$ 21,184,980	\$ 29,135,580
Ratio of Debt to Assessed Value	32.83%	31.94%	28.99%	28.94%	20.39%
Personal Income Per Capita (Adams County) Revised	\$ 45,481 45,266	\$ 48,115 48,606	\$ 53,183	\$ 54,681	Unavailable
Ratio of Debt Per Capita to Personal Income Per Capital (Adams County)	13.58%	12.88%	11.32%	8.30%	Unavailable

Adams County revised statistics for 1998 - 2023 for personal income per capita