

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2022 AND 2021

**GREATROCK NORTH WATER AND SANITATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR'S REPORT	I
MANAGEMENT'S DISCUSSION AND ANALYSIS	IV
BASIC FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	1
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	3
STATEMENTS OF CASH FLOWS	5
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)	25
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION	27
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	28
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	30
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION	
ASSESSED AND ACTUAL VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT	32
LARGEST TAXPAYERS WITHIN THE DISTRICT	32
HISTORICAL DEBT RATIOS	33



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

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, 2022 and 2021, 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, 2022 and 2021, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information 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
September 5, 2023

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

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 year ended December 31, 2022 and 2021.

Financial Highlights

- Net position increased \$1,018,744 in 2022 (15.0%).
- Operating loss increased from \$(277,811) in 2021 to \$(336,422) for 2022, due to an increase in water operating expenses in 2022.
- Operating revenue increased \$43,162 (7.7%) from the prior year. This net increase is primarily due to an increase in service charges and penalties.
- Total operating expenses, exclusive of depreciation, increased \$110,771 (19.3%) from 2021 to 2022.
- 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) decreased from \$4,962,523 to \$3,439,059 at December 31, 2022, a decrease of \$1,523,464 or 30.7%.

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, 2022 AND 2021**

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,		
	2022	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets	\$ 4,732,926	\$ 6,359,566	\$ 5,753,405
Capital Assets, Net	10,662,659	8,317,830	8,019,666
Other Assets, Net	17,745	18,551	19,357
Deferred Outflows of Resources	60,038	66,166	72,294
Total Assets and Deferred Outflows of Resources	15,473,368	14,762,113	13,864,722
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities	267,130	366,784	83,582
Long-Term Obligations	6,353,604	6,557,917	6,757,468
Deferred Inflows of Resources	1,026,737	1,030,259	959,681
Total Liabilities and Deferred Inflows of Resources	7,647,471	7,954,960	7,800,731
NET POSITION			
Net Investment in Capital Assets	4,386,838	2,426,641	2,501,308
Restricted	27,191	55,451	99,224
Unrestricted	3,411,868	4,325,061	3,463,459
Total Net Position	<u>\$ 7,825,897</u>	<u>\$ 6,807,153</u>	<u>\$ 6,063,991</u>

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.

Current assets increased by \$606,161 or 10.5% from 2020 to 2021. Mainly due to a positive change in net position. Additionally, property taxes receivable increased by \$67,349 due to a 7.0% increase in the District assessed valuation for taxes levied for 2022 collection.

Total liabilities and deferred inflows of resources 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. Total liabilities increased \$83,651 from 2020 to 2021, primarily due to \$185,000 of principal payments made on the outstanding bonds offset by a \$283,202 increase in current liabilities.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Overview of the Financial Statements (Continued)

	December 31,		
	2022	2021	2020
REVENUES			
Operating Revenue:			
Charges for Services	\$ 580,069	\$ 546,366	\$ 568,125
Available for Service Fee	3,050	3,370	4,175
Irrigation Lease	7,500	7,500	7,500
Inspection Fees	630	515	2,532
Miscellaneous	14,893	5,229	15,225
Total Operating Revenues	<u>606,142</u>	<u>562,980</u>	<u>597,557</u>
NONOPERATING REVENUES			
Tax Revenue	1,090,813	1,032,222	997,850
Investment Income	53,290	3,048	33,966
CONTRIBUTIONS			
System Development Fees	416,100	197,100	63,900
Total Revenues	<u>2,166,345</u>	<u>1,795,350</u>	<u>1,693,273</u>
EXPENSES			
Operating Expenses:			
Water and Sewer Operations	489,652	360,711	401,560
Depreciation	255,286	267,284	267,145
General and Administrative	194,626	212,796	253,988
Total Operating Expenses	<u>939,564</u>	<u>840,791</u>	<u>922,693</u>
NONOPERATING EXPENSES			
Interest and Debt Related Charges	208,037	211,397	391,820
Total Expenses	<u>1,147,601</u>	<u>1,052,188</u>	<u>1,314,513</u>
CHANGES IN NET POSITION	1,018,744	743,162	378,760
Net Position - Beginning of Year	<u>6,807,153</u>	<u>6,063,991</u>	<u>5,685,231</u>
NET POSITION - END OF YEAR	<u>\$ 7,825,897</u>	<u>\$ 6,807,153</u>	<u>\$ 6,063,991</u>

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.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Overview of the Financial Statements (Continued)

The District's net position increased from 2020 to 2021 by \$743,162. Charges for services decreased 3.8%, from 2020 to 2021. The District also collected \$133,200 more in system development fees in 2021 compared to 2020 as development in the Ridgeview Estates and County Club Ranchettes areas progresses. The District had decreased interest earnings due to the decline in interest rates. Water and Sewer Operations expenses decreased \$40,849 (10.2%) from 2020 to 2021.

Budgetary Highlights

The budget was not amended in 2022. Total expenditures for 2022 were under budget \$2,546,121.

Capital Assets

The activity related to capital assets during 2022, 2021, and 2020 is as follows:

	December 31, 2020	Net Changes	December 31, 2021	Net Changes	December 31, 2022
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	699,755	564,062	1,263,817	(691,253)	572,564
Water Distribution System	9,624,580	1,386	9,625,966	3,291,368	12,917,334
Total Assets	<u>11,551,672</u>	<u>565,448</u>	<u>12,117,120</u>	<u>2,600,115</u>	<u>14,717,235</u>
Accumulated Depreciation	<u>(3,532,006)</u>	<u>(267,284)</u>	<u>(3,799,290)</u>	<u>(255,286)</u>	<u>(4,054,576)</u>
Net Capital Assets	<u>\$ 8,019,666</u>	<u>\$ 298,164</u>	<u>\$ 8,317,830</u>	<u>\$ 2,344,829</u>	<u>\$ 10,662,659</u>

The District's capital assets at December 31, 2022, 2021, and 2020, amounted to \$10.66 million, \$8.32 million, and \$8.02 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 2022, the District additions were for meter upgrades and related construction related to the new concentrate ponds and reverse osmosis plant upgrades. In 2021, the District additions were for meter upgrades, pump replacement 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 2022, 2021, and 2020.

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, 2022 AND 2021**

Economic and Other Factors

For 2023, the District's property tax revenue is expected to decrease by .19% due to lower assessed valuation. The total mills levied for the District's 2023 tax collections is 48.268, an increase of 1.268 from 2022.

Total budgeted revenues for 2023 are \$1,884,347. Total appropriated expenditures for 2023 are \$5,218,661.

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, 2022 AND 2021**

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,588,295	\$ 4,558,476
Cash and Cash Equivalents - Restricted	27,191	637,462
Accounts Receivable	94,334	119,924
Property Taxes Receivable	1,022,556	1,024,523
Prepaid Expenses	550	19,181
Total Current Assets	4,732,926	6,359,566
CAPITAL ASSETS		
Capital Assets, Not Being Depreciated	1,799,901	2,491,154
Capital Assets, Being Depreciated	12,917,334	9,625,966
Subtotal	14,717,235	12,117,120
Less: Accumulated Depreciation	(4,054,576)	(3,799,290)
Total Capital Assets	10,662,659	8,317,830
OTHER ASSETS		
Prepaid Bond Insurance, Net	17,745	18,551
Total Other Assets	17,745	18,551
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net	60,038	66,166
Total Deferred Outflows of Resources	60,038	66,166
Total Assets and Deferred Outflows of Resources	\$ 15,473,368	\$ 14,762,113

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021**

	2022	2021
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 249,996	\$ 349,251
Interest Payable	16,284	16,683
Deposits	850	850
Total Current Liabilities	267,130	366,784
NONCURRENT LIABILITIES		
Bonds Payable:		
Due Within One Year	190,000	190,000
Due in More Than One Year	6,163,604	6,367,917
Total Noncurrent Liabilities	6,353,604	6,557,917
DEFERRED INFLOWS OF RESOURCES		
Property Tax Revenue	1,022,556	1,024,523
Unearned Service Fees	4,181	5,736
Total Deferred Inflows of Resources	1,026,737	1,030,259
NET POSITION		
Net Investment in Capital Assets	4,386,838	2,426,641
Restricted for Emergencies	21,300	20,300
Restricted for Debt Service	5,891	35,151
Unrestricted	3,411,868	4,325,061
Total Net Position	7,825,897	6,807,153
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 \$ 15,473,368	 \$ 14,762,113

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, 2022 AND 2021**

	2022	2021
OPERATING REVENUE		
Service Charges - Greatrock	\$ 187,205	\$ 179,501
Service Charges - Rockinghorse Farms	141,990	134,944
Service Charges - Box Elder	197,529	194,865
Service Charges - Hayesmount	29,345	32,056
Available for Service Fees	3,050	3,370
Inspection Fees	630	515
Transfer Fees	2,625	1,922
Inclusions	24,000	5,000
Horse Creek Retreat	3,000	-
Late Fees and Penalties	6,661	3,307
Irrigation Lease Revenue	7,500	7,500
Miscellaneous	2,607	-
Total Operating Revenue	606,142	562,980
OPERATING EXPENSES		
General and Administrative:		
Accounting	38,220	50,230
Audit	12,069	5,856
Director's Fees	5,400	6,100
District Management	79,822	87,148
Dues and Membership	916	1,228
Elections	4,914	630
Insurance	19,181	17,837
Legal	25,404	36,055
Miscellaneous	8,287	7,391
Payroll Taxes	413	321
Operations:		
Depreciation	255,286	267,284
Customer Billing	42,206	42,164
Engineering	38,418	42,573
GIS	2,415	4,245
Maintenance and Repairs	101,934	69,182
Meter Reading	165	6,510
Operator Services	112,868	74,688
Plant Supplies	30,138	8,446
Testing and Reporting	9,981	10,115
Utilities	73,456	65,190
Water Rights Development	78,071	37,598
Total Operating Expenses	939,564	840,791
OPERATING LOSS	(333,422)	(277,811)

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, 2022 AND 2021**

	2022	2021
NONOPERATING REVENUES		
Property Taxes	\$ 1,016,004	\$ 954,818
Specific Ownership Taxes	74,809	77,404
Net Investment Income	53,290	3,048
Total Nonoperating Revenues	1,144,103	1,035,270
NONOPERATING EXPENSES		
Bond Interest Expense	191,584	195,854
County Treasurer's Fees	15,247	14,337
Paying Agent Fees	400	400
Bond Insurance Cost Amortization	806	806
Total Nonoperating Expenses	208,037	211,397
INCOME BEFORE CAPITAL CONTRIBUTIONS	602,644	546,062
CAPITAL CONTRIBUTIONS		
SDF - Ridgeview Estates	219,000	65,700
SDF - Country Club Ranchettes	197,100	131,400
Total Capital Contributions	416,100	197,100
CHANGE IN NET POSITION	1,018,744	743,162
Net Position - Beginning of Year	6,807,153	6,063,991
NET POSITION - END OF YEAR	\$ 7,825,897	\$ 6,807,153

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 630,995	\$ 586,818
Payments to Suppliers	(899,703)	(305,774)
Net Cash Provided (Used) by Operating Activities	(268,708)	281,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Collections for Operations	1,016,004	954,818
Specific Ownership Taxes	76,420	97,126
County Treasurer's Fees	(15,247)	(14,337)
Net Cash Provided by Noncapital Financing Activities	1,077,177	1,037,607
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Asset Purchases	(2,487,116)	(553,866)
System Development Fees	438,000	153,300
Interest on Debt	(202,695)	(204,646)
Debt Principal Reduction	(190,000)	(185,000)
Paying Agent Fees and Other Debt Expenses	(400)	(400)
Net Cash Used by Capital and Related Financing Activities	(2,442,211)	(790,612)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	53,290	3,048
Net Cash Provided by Investing Activities	53,290	3,048
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,580,452)	531,087
Cash and Cash Equivalents - Beginning of Year	5,195,938	4,664,851
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,615,486	\$ 5,195,938

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (333,422)	\$ (277,811)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	255,286	267,284
(Increase) Decrease in:		
Accounts Receivable	26,408	20,609
Prepaid Expenses	18,731	(1,344)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(234,156)	269,077
Unearned Service Fees	(1,555)	3,229
Net Cash Provided (Used) by Operating Activities	\$ (268,708)	\$ 281,044

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Greatrock North Water and Sanitation District (the District), was organized on May 27, 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, 2022 AND 2021**

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 2022 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, 2022 AND 2021**

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
---------------------------	----------------

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, 2022 AND 2021**

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 2021 amounts have been reclassified where appropriate to conform with the 2022 financial statement presentation.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 and 2021, are classified in the accompanying financial statements as follows:

	2022	2021
Statement of Net Position:		
Cash and Cash Equivalents	\$ 3,588,295	\$ 4,558,476
Cash and Cash Equivalents - Restricted	27,191	637,462
Total Cash and Investments	\$ 3,615,486	\$ 5,195,938

Cash and investments as of December 31, 2022 and 2021, consist of the following:

	2022	2021
Deposits with Financial Institutions	\$ 175,135	\$ 1,003,688
Investments	3,440,351	4,192,250
Total Cash and Investments	\$ 3,615,486	\$ 5,195,938

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021, the District's cash deposits had a bank balance of \$173,541 and \$1,002,180, respectively; and a carrying balance of \$175,135 and \$1,003,688, 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, 2022 AND 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2022 and 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2022</u>	<u>2021</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	<u>\$ 3,440,351</u>	<u>\$ 4,192,250</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 AAAs/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, 2022 and 2021, cash and cash equivalents in the amount of \$5,891 and \$617,162, 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, 2022 and 2021, in the amounts of \$21,300 and \$20,300, respectively, are restricted for emergencies.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 CAPITAL ASSETS

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	980,105	-	-	980,105
Easements	152,989	-	-	152,989
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, 2022 AND 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 94,243	\$ -	\$ -	\$ 94,243
Water Rights	980,105	-	-	980,105
Easements	152,989	-	-	152,989
Construction in Progress	699,755	564,062	-	1,263,817
Total Capital Assets, Not Being Depreciated	1,927,092	564,062	-	2,491,154
Capital Assets, Being Depreciated:				
Water Distribution System	9,624,580	1,386	-	9,625,966
Total Capital Assets, Being Depreciated	9,624,580	1,386	-	9,625,966
Less: Accumulated Depreciation for:				
Water Distribution System	3,532,006	267,284	-	3,799,290
Total Accumulated Depreciation	3,532,006	267,284	-	3,799,290
Total Capital Assets, Being Depreciated, Net	6,092,574	(265,898)	-	5,826,676
Capital Assets, Net	<u>\$ 8,019,666</u>	<u>\$ 298,164</u>	<u>\$ -</u>	<u>\$ 8,317,830</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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, 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>99,313</u>	<u>4,598,604</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>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>

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
Bonds Payable:					
2017 GO Refunding and Improvement Bonds	\$ 4,535,000	\$ -	\$ 75,000	\$ 4,460,000	\$ 85,000
Bond Premium	252,468	-	14,551	237,917	-
Subtotal Bonds Payable	<u>4,787,468</u>	-	<u>89,551</u>	<u>4,697,917</u>	<u>85,000</u>
Debt from Direct Borrowings and Direct Placements:					
2020 GO Refunding Loan	1,970,000	-	110,000	1,860,000	105,000
Subtotal Direct Debts	<u>1,970,000</u>	-	<u>110,000</u>	<u>1,860,000</u>	<u>105,000</u>
Total Long-Term Obligations	<u>\$ 6,757,468</u>	<u>\$ -</u>	<u>\$ 199,551</u>	<u>\$ 6,557,917</u>	<u>\$ 190,000</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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 \$4,750,000. 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 District reduced its aggregate debt service payments by \$295,954 over the next 10 years and obtained an economic gain (difference between the present values of the old and new debt payments) of \$278,547.

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, 2022 AND 2021**

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>
2023	\$ 190,000	\$ 195,410	\$ 385,410
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
2027-2032	1,185,000	870,166	2,055,166
2033-2037	1,400,000	655,218	2,055,218
2038-2042	1,710,000	338,168	2,048,168
2043-2044	775,000	39,319	814,319
Total Payments	<u>\$ 6,130,000</u>	<u>\$ 2,853,059</u>	<u>\$ 8,983,059</u>

Authorized Debt

At December 31, 2022 and 2021, 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, 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 January 24, 2008, the District amended the inclusion fee incremental refundable deposits to \$5,000 from \$10,000. 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. During 2022 and 2021 the District received \$197,100 and \$131,400, respectively, in system development fees related to this inclusion agreement.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 INCLUSION AGREEMENTS (CONTINUED)

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 January 24, 2008, the District amended the inclusion fee incremental refundable deposits to \$5,000 from \$10,000. During 2022 and 2021 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 2022 and 2021 the District received \$219,000 and \$65,700, respectively, in system development fees related to this inclusion agreement.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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 2022 and \$7,500 in 2021 under this agreement.

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.

Effective July 8, 2016, 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-feet 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-feet 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-feet 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.

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.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 7 WATER LEASE OPTION AGREEMENT (CONTINUED)

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, 2022 and 2021, the District had net investment in capital assets, calculated as follows:

	2022	2021
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 10,662,659	\$ 8,317,969
Unspent Bond Proceeds	-	576,532
Unamortized Bond Insurance, Net	17,745	18,550
Current Portion of Long-Term Obligations	(190,000)	(190,000)
Unamortized Loss on Debt Refunding, Net	60,038	71,507
Noncurrent Portion of Long-Term Obligations	(6,163,604)	(6,367,917)
Net Investment in Capital Assets	\$ 4,386,838	\$ 2,426,641

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, 2022 and 2021, as follows:

	2022	2021
Restricted Net Position:		
Emergencies	\$ 21,300	\$ 20,300
Debt Service	5,891	35,151
Total Restricted Net Position	\$ 27,191	\$ 55,451

The District's unrestricted net position as of December 31, 2022 and 2021, is \$3,411,868 and \$4,325,061 respectively.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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.

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.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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

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 \$20,000 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?

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.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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 9.3.4 (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.

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, 2022, the estimated closure costs for the impoundments are \$418,800. 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, 2022**

	Budget Original and Final	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,024,523	\$ 1,016,004	\$ (8,519)
Specific Ownership Taxes	71,717	74,809	3,092
Interest Income	3,000	53,290	50,290
Miscellaneous	-	2,607	2,607
Service Charges - Greatrock	163,723	187,205	23,482
Service Charges - Rocking Horse	120,355	141,990	21,635
Service Charges - Box Elder	198,813	197,529	(1,284)
Service Charges - Hayesmount	25,676	29,345	3,669
Available of Service Fees	3,000	3,050	50
Inspection Fees	2,000	630	(1,370)
Transfer Fees	3,000	2,625	(375)
Water Meters	3,000	-	(3,000)
SDF - Ridgeview Estates	350,400	219,000	(131,400)
SDF - Country Club Ranchettes	-	197,100	197,100
SDF - Hayesmount Estates	42,600	-	(42,600)
Inclusion - County Club Ranch #2	-	10,000	10,000
Inclusion - Ridgeview Estates	-	4,000	4,000
Inclusion - Epic Estates	-	10,000	10,000
Horse Creek Retreat	-	3,000	3,000
Irrigation Lease Revenue	7,500	7,500	-
Late Fees and Penalties	5,000	6,661	1,661
Total Revenues	2,024,307	2,166,345	142,038
EXPENDITURES			
General and Administrative:			
Accounting	48,000	38,220	9,780
Audit	10,000	12,069	(2,069)
County Treasurer's Fee	15,368	15,247	121
Directors' Fees	6,000	5,400	600
District Management	90,000	79,822	10,178
Dues and Membership	1,300	916	384
Election	50,000	4,914	45,086
Insurance and Bonds	19,621	19,181	440
Legal	64,350	25,404	38,946
Miscellaneous	7,000	8,287	(1,287)
Payroll Taxes	500	413	87
Operations:			
Customer Billing	30,700	42,206	(11,506)
Distribution System Mntc	4,700	21,452	(16,752)
Engineering - Administration	35,550	30,100	5,450
Engineering - Operations	35,550	8,318	27,232
Equipment and Tools	5,000	982	4,018
Facility Maintenance & Repair	10,000	18,136	(8,136)
Generator Preventative Mntc	12,600	11,097	1,503
GIS	7,000	2,415	4,585

**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, 2022**

	Budget Original and Final	Actual Amounts	Variance with Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
Operations (Continued):			
Locates	\$ 8,000	\$ 5,390	\$ 2,610
Meter Reading	3,600	165	3,435
Operator Services	104,543	112,868	(8,325)
Plant Supplies	19,000	30,138	(11,138)
Project Mgmt / Oper Admin	11,200	-	11,200
Rules and Regulations	1,000	-	1,000
Testing and Reporting	12,267	9,981	2,286
Treatment - Maintenance & Repair	100,570	40,729	59,841
Water Meters - Cap	1,000	4,148	(3,148)
Water Rights Dev - Eng.	41,500	53,493	(11,993)
Water Rights Dev-Legal	80,000	24,578	55,422
Well - Rehab & Repair	90,000	-	90,000
Utilities	65,000	73,456	(8,456)
Contingency	75,000	-	75,000
Debt Service:			
Bond Interest - 2017	175,644	175,361	283
Loan Interest - 2020	24,552	24,408	144
Bond Principal - 2017	85,000	85,000	-
Loan Principal - 2020	105,000	105,000	-
Paying Agent Fees	1,200	400	800
Capital Outlay:			
Alluvial Well	102,000	-	102,000
Concentrate Pond	2,500,000	16,902	2,483,098
Reverse Osmosis Unit Upgrade	2,176,615	2,583,213	(406,598)
Total Expenditures	6,235,930	3,689,809	2,546,121
NET CHANGE IN FUNDS AVAILABLE	(4,211,623)	(1,523,464)	2,688,159
Funds Available - Beginning of Year	5,081,718	4,962,523	(119,195)
FUNDS AVAILABLE - END OF YEAR	\$ 870,095	\$ 3,439,059	\$ 2,568,964

**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, 2022**

	Actual Amounts
FUNDS AVAILABLE DEFINED AS FOLLOWS:	
Current Assets	\$ 4,732,926
Less Current Liabilities	(267,130)
Less Deferred Inflow of Resources	(1,026,737)
Funds Available	\$ 3,439,059
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	
Revenues (Budgetary Basis)	\$ 2,166,345
Total Revenues per Statement of Revenues, Expenses, and Changes in Net Position	2,166,345
 Expenditures (Budgetary Basis)	 3,689,809
Depreciation	255,286
Capital Outlay	(2,600,115)
Bond Principal Payments	(190,000)
Amortization of Bond Premium	(14,313)
Amortization of Deferred Loss on Debt Refunding Costs	6,128
Amortization of Prepaid Bond Insurance Premium	806
Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position	1,147,601
Change in Net Assets per Statement of Revenues, Expenses, and Changes in Net Position	\$ 1,018,744

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2022**

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
	2023	\$ -	\$ 172,244	\$ 172,244	\$ 190,000	\$ 23,166
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	\$ 2,745,545	\$ 7,120,545	\$ 1,755,000	\$ 107,514	\$ 1,862,514

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Totals for General Obligation Refunding Loans
Series 2017 and 2020

Year Ending	Totals		
	Principal	Interest	Total
2023	\$ 190,000	\$ 195,410	\$ 385,410
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>\$ 6,130,000</u>	<u>\$ 2,853,059</u>	<u>\$ 8,983,059</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2022**

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
Estimated for: 2022/2023	\$ 21,184,980	(2.81)	31.323	16.945	48.268	\$ 1,022,556		

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, 2022**

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	\$ 19,789,370	93.41 %	\$ 284,747,947	98.37 %
Vacant Land	428,930	2.02	1,478,592	0.51
Oil and Gas	81,230	0.38	167,690	0.06
Agricultural	25,860	0.12	98,005	0.03
State Assessed	859,590	4.06	2,964,088	1.02
Total	<u>\$ 21,184,980</u>	<u>100.00 %</u>	<u>\$ 289,456,322</u>	<u>100.00 %</u>

LARGEST TAXPAYERS WITHIN THE DISTRICT

Name	2022 Assessed Valuation	Percent of Total Assessed Valuation
Front Range Pipeline Company LLC	\$ 289,780	1.37 %
Public Service of Colorado (Xcel)	284,520	1.34
United Power Inc	273,500	1.29
Country Club Ranchettes LLC	97,070	0.46
Jeffrey Homes Inc	80,040	0.38
kp Kauffman Company Inc	74,240	0.35
Individual Homeowner	69,240	0.33
Individual Homeowner	69,240	0.33
Individual Homeowner	65,660	0.31
Individual Homeowner	64,540	0.30
Total	<u>\$ 1,367,830</u>	<u>6.46 %</u>

**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, 2022**

HISTORICAL DEBT RATIOS

	Year Ended December 31,				
	2018	2019	2020	2021	2022
G.O. Debt Outstanding	\$ 6,625,000	\$ 6,485,000	\$ 6,505,000	\$ 6,320,000	\$ 6,130,000
Estimated Population	1,050	1,050	1,050	1,050	1,350
Debt Per Capita	\$ 6,310	\$ 6,176	\$ 6,195	\$ 6,019	\$ 4,541
District Assessed Value	\$ 15,246,500	\$ 19,752,080	\$ 20,365,420	\$ 21,798,370	\$ 21,184,980
Ratio of Debt to Assessed Value	43.45%	32.83%	31.94%	28.99%	28.94%
Personal Income Per Capita (Adams County) Revised	\$ 43,544 43,405	\$ 45,481 45,266	\$ 48,115 48,606	\$ 53,183	Unavailable
Ratio of Debt Per Capita to Personal Income Per Capital (Adams County)	14.49%	13.58%	12.88%	11.32%	Unavailable

Adams County revised statistics for 1998 - 2020 for personal income per capita