

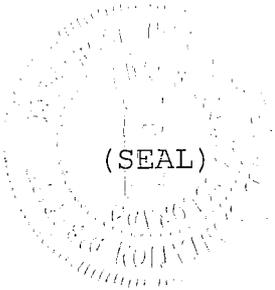
CERTIFICATION OF BUDGET

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for the Greatrock North Water and Sanitation District, for the budget year ending December 31, 2011 as adopted on November 4, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Greatrock North Water and Sanitation District in Adams County, Colorado, this 4th day of November, 2010.

By 
Asst. Secretary



GREATROCK NORTH WATER AND SANITATION DISTRICT

2011 Budget Message

Introduction

The budget reflects the projected spending plan for the 2011 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District and capital improvements.

The District's 2010 assessed value decreased 2.2 % to \$12,050,510. The District's mill levy increased to 42.500 mills for taxes to be collected in the 2011 fiscal year with 24.000 mills certified to the General Fund and 18.500 mills certified to the Debt Service Fund.

The District was formed in 1998 for the primary purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements necessary to provide water and storm sewer services within and outside of the District boundaries.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include District administration, legal services, operation and maintenance of the water system, and other expenses related to statutory operations of a local government. The primary source of revenue is from property taxes, specific ownership taxes, service charges, an irrigation lease and interest income.

Debt Service Fund is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The primary source of revenue comes from property taxes, specific ownership taxes and a transfer from the General Fund.

In 2010, the District issued Series 2010 general obligation bonds to partially refund the Series 2007 bonds and to provide funding for capital projects in 2011. Below is a consolidated summary of the District's long-term debt.

Summary of Debt Outstanding

Great Rock North Water and Sanitation District

| Bonds Principal and Interest Maturing in the Year(s) Ending December 31, | Totals | | |
|--|------------------|------------------|------------------|
| | Principal | Interest | Total |
| 2011 | - | 246,157 | 246,157 |
| 2012 | - | 246,157 | 246,157 |
| 2013 | 25,000 | 246,157 | 271,157 |
| 2014 | 25,000 | 245,595 | 270,595 |
| 2015 | 180,000 | 244,970 | 424,970 |
| 2016-2020 | 1,090,000 | 1,109,858 | 2,199,858 |
| 2021-2025 | 1,465,000 | 843,242 | 2,308,242 |
| 2026-2030 | 2,020,000 | 445,390 | 2,465,390 |
| 2031-2033 | 655,000 | 59,408 | 714,408 |
| Total | <u>5,460,000</u> | <u>3,686,934</u> | <u>9,146,934</u> |

Series 2010 General Obligation Refunding and Improvement Bonds

Series 2007 General Obligation Refunding and Improvement Bonds

Capital Projects Fund is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure. Capital expenditures budgeted in 2011 include water rights development, water tank construction, remote radio read meter system and filtration system. The primary source of revenue comes from the Series 2007 and 2010 bond issues.

Emergency Reserve

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

GREATROCK NORTH WATER AND SANITATION DISTRICT

**GENERAL FUND
2011 ADOPTED BUDGET
with 2009 Actual, 2010 Adopted, 2010 Amended and 2010 Estimated**

| | 2009 Actual | 2010 Adopted Budget | 2010 Amended Budget | 2010 Estimated Budget | 2011 Adopted Budget |
|---------------------------------|------------------------|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| BEGINNING FUND BALANCE | \$ 410,301 | \$ 460,551 | \$ 482,379 | \$ 482,379 | \$ 515,487 |
| REVENUE | | | | | |
| Property Tax Revenue | 273,567 | 295,830 | 292,872 | 292,872 | 289,212 |
| Specific Ownership Taxes | 20,989 | 23,666 | 19,449 | 19,449 | 17,353 |
| Service Charges-Greatrock | 86,583 | 95,000 | 115,490 | 115,490 | 115,000 |
| Service Charges-Rocking Horse | 56,436 | 55,000 | 78,689 | 78,689 | 75,000 |
| Service Charges-Box Elder | 77,041 | 80,000 | 122,220 | 122,220 | 120,000 |
| Reimbursement-Other Entities | - | - | 6,465 | 6,465 | - |
| Interest Income | 2,898 | 4,569 | 4,141 | 4,141 | 3,250 |
| Insurance Proceeds | - | - | 34,294 | 34,294 | - |
| Other Income | 955 | - | 1,016 | 1,600 | 1,000 |
| Box Elder-Wtr Lease Irrigation | 7,500 | 7,897 | 7,895 | 7,895 | 8,079 |
| Transfer from CIP Fund | - | - | - | - | - |
| Total Revenue | 525,969 | 561,962 | 682,531 | 683,115 | 628,894 |
| Total Funds Available | 936,270 | 1,022,513 | 1,164,910 | 1,165,494 | 1,144,381 |
| EXPENDITURES | | | | | |
| Accounting | 28,987 | 15,500 | 26,611 | 26,611 | 18,000 |
| District Management | 50,818 | 45,000 | 35,947 | 35,947 | 50,000 |
| Audit/Accounting | 5,463 | 4,800 | 4,800 | 4,800 | 7,750 |
| Director's Fees | 6,400 | 3,000 | 6,000 | 6,000 | 8,000 |
| Utility Billing | 24,806 | 15,000 | 18,309 | 18,309 | 15,000 |
| Website Dev & Maintenance | - | 5,000 | - | - | 5,000 |
| Insurance/SDA Membership | 12,944 | 16,000 | 12,464 | 12,464 | 13,000 |
| Legal | 43,264 | 28,200 | 43,000 | 43,000 | 40,000 |
| Litigation | 583 | 5,000 | 20,000 | 20,000 | - |
| Statutory Compliance | - | 1,500 | 207 | 207 | 1,500 |
| Legal Publication/Election | 62 | 15,000 | 1,565 | 1,565 | 500 |
| Miscellaneous Expense | 8,132 | 5,000 | 7,500 | 7,500 | 7,500 |
| Payroll Taxes | 398 | 230 | 461 | 468 | 612 |
| Treasurer's Fees | 4,110 | 4,437 | 4,393 | 4,393 | 4,338 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| Sub-Total Administration | 185,967 | 163,667 | 181,257 | 181,264 | 171,200 |

GREATROCK NORTH WATER AND SANITATION DISTRICT

**GENERAL FUND
2011 ADOPTED BUDGET**

with 2009 Actual, 2010 Adopted, 2010 Amended and 2010 Estimated

| | 2009 Actual | 2010 Adopted Budget | 2010 Amended Budget | 2010 Estimated Budget | 2011 Adopted Budget |
|---|-------------------|------------------------|------------------------|--------------------------|------------------------|
| Operations | | | | | |
| Project Management | 1,465 | - | 8,000 | 8,000 | 5,000 |
| Engineering | 12,001 | 12,000 | 22,000 | 22,000 | 15,000 |
| Inclusion-Hayesmount Estates | - | - | - | - | - |
| Inclusion-Homestead Heights | 116 | - | - | - | - |
| Inclusion-Ridgeview Estates | - | - | - | - | - |
| Utilities | 57,795 | 65,000 | 58,000 | 58,000 | 57,000 |
| Testing and Reporting | 24,701 | 12,500 | 10,000 | 10,000 | 12,500 |
| Plant Supplies | 440 | - | - | - | 14,500 |
| Plant Supplies-Box Elder | 10,767 | 30,550 | 9,000 | 9,000 | - |
| Plant Supplies-Rocking Horse | 2,594 | 7,250 | 4,000 | 4,000 | - |
| Plant Supplies-Greatrock | 3,089 | 8,000 | 2,000 | 2,000 | - |
| Maintenance & Repair-Box Elder | 7,482 | 7,500 | 35,000 | 35,000 | 15,000 |
| Maintenance & Repair-Rocking H | 7,517 | 7,000 | 20,000 | 20,000 | 6,000 |
| Maintenance & Repair-Greatrock | 6,221 | 5,000 | 15,000 | 15,000 | 7,000 |
| Operator Services | - | - | - | - | 46,000 |
| Operator Services-Box Elder | 26,439 | 30,000 | 30,000 | 30,000 | - |
| Operator Services-Rocking H | 20,004 | 21,000 | 12,500 | 12,500 | - |
| Operator Services-Greatrock | 21,204 | 22,000 | 13,000 | 13,000 | - |
| Box Elder-Oper Wtr Lease Irrig | 90 | 1,000 | - | - | 500 |
| Water Meters | - | - | - | - | - |
| Communications Services | - | 1,200 | 395 | 395 | - |
| Meter Reading | 22,803 | 18,000 | 20,500 | 20,500 | 12,000 |
| Mileage | 9,963 | 11,000 | 11,000 | 11,000 | 10,000 |
| Well Maintenance | - | - | - | - | 50,000 |
| Well Mntce-RHF-Arap Well Rehab | - | - | 9,056 | 9,056 | - |
| Well Mntce-Box-UK#3 Well Rehab | 555 | 2,500 | 3,625 | 3,625 | - |
| Lightning Damage | - | - | - | - | - |
| Tank Painting | - | - | - | - | 75,000 |
| Boundary Map | - | - | 15,000 | 15,000 | - |
| Safety Audit | - | - | - | - | 5,000 |
| Concentrate Disposal | - | - | - | - | 20,000 |
| Contingency | - | 15,000 | 80,306 | 93,511 | 27,000 |
| | - | - | - | - | - |
| Sub-Total Operations | 235,246 | 276,500 | 378,382 | 391,587 | 377,500 |
| Total Expenditures | 421,213 | 440,167 | 559,639 | 572,851 | 548,700 |
| Transfer to Debt Service | 32,678 | 56,500 | 77,156 | 77,156 | - |
| Transfer to Capital | - | - | - | - | - |
| Emergency Reserve | - | 13,205 | 13,205 | - | 34,331 |
| Total Expenditures Requiring Appropriation | 453,891 | 509,872 | 650,000 | 650,007 | 583,031 |
| Replacement Reserve Undesignated | - | - | 100,000 | 100,000 | 175,000 |
| | 482,379 | 512,641 | 414,910 | 415,487 | 386,350 |
| ENDING FUND BALANCE | \$ 482,379 | \$ 512,641 | \$ 514,910 | \$ 515,487 | \$ 561,350 |

GREATROCK NORTH WATER AND SANITATION DISTRICT

**DEBT SERVICE FUND
2011 ADOPTED BUDGET**

with 2009 Actual, 2010 Adopted, 2010 Amended and 2010 Estimated

| | 2009 Actual | 2010 Adopted Budget | 2010 Amended Budget | 2010 Estimated Budget | 2011 Adopted Budget |
|---|------------------------|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| BEGINNING FUND BALANCE | \$ 31,206 | \$ 399 | \$ 2,397 | \$ 2,397 | \$ 40,192 |
| REVENUE | | | | | |
| Property Tax Revenue | 125,385 | 135,589 | 131,345 | 131,345 | 222,934 |
| Specific Ownership Taxes | 9,620 | 10,847 | 8,914 | 8,914 | 15,605 |
| Facilities Fees/Tap Fee Agrmt | - | - | - | - | - |
| Bond Proceeds | - | - | 1,353,325 | 1,295,256 | - |
| Interest Income | - | - | 60 | 70 | 50 |
| Transfer from General Fund | 32,678 | 56,500 | 77,156 | 77,156 | - |
| Transfer from Capital Projects | - | - | 26,803 | 21,838 | - |
| | - | - | - | - | - |
| Total Revenue | 167,683 | 202,936 | 1,597,603 | 1,534,579 | 238,589 |
| Total Funds Available | 198,889 | 203,335 | 1,600,000 | 1,536,976 | 278,781 |
| EXPENDITURES | | | | | |
| Bond Principal-2007 GO | 5,000 | 10,000 | 10,000 | 10,000 | - |
| Bond Interest-2007 GO | 189,458 | 189,258 | 189,258 | 189,258 | 141,408 |
| Bond Principal - 2010 GO | - | - | - | - | - |
| Bond Interest - 2010 GO | - | - | - | - | 104,750 |
| Trsf to Escrow-2007 Bonds | - | - | 1,353,325 | 1,295,256 | - |
| Paying Agent Fees | 150 | 2,000 | 300 | 300 | 2,000 |
| Treasurer's Fees | 1,884 | 2,034 | 1,970 | 1,970 | 3,344 |
| Contingency | - | - | 45,147 | - | 5,000 |
| | - | - | - | - | - |
| Total Expenditures | 196,492 | 203,292 | 1,600,000 | 1,496,784 | 256,502 |
| Total Expenditures Requiring Appropriation | 196,492 | 203,292 | 1,600,000 | 1,496,784 | 256,502 |
| ENDING FUND BALANCE | \$ 2,397 | \$ 43 | \$ - | \$ 40,192 | \$ 22,279 |

GREATROCK NORTH WATER AND SANITATION DISTRICT

CAPITAL PROJECTS FUND

2011 ADOPTED BUDGET

with 2009 Actual, 2010 Adopted, 2010 Amended and 2010 Estimated

| | 2009 Actual | 2010 Adopted Budget | 2010 Amended Budget | 2010 Estimated Budget | 2011 Adopted Budget |
|---|------------------------|--------------------------------|--------------------------------|----------------------------------|--------------------------------|
| BEGINNING FUND BALANCE | \$ 2,222,150 | \$ 580,707 | \$ 771,876 | \$ 771,876 | \$ 1,361,371 |
| REVENUE | | | | | |
| Bond Proceeds | - | 100,000 | 990,000 | 934,744 | - |
| Bond Premium | - | - | - | 119,086 | - |
| System Development Fees | - | - | - | - | - |
| Interest Income | 9,215 | 8,089 | 7,900 | 7,900 | 3,600 |
| Tap Fees-Box Elder | - | - | - | - | - |
| Transfer from General Fund | - | - | - | - | - |
| Total Revenue | 9,215 | 108,089 | 997,900 | 1,061,730 | 3,600 |
| Total Funds Available | 2,231,365 | 688,796 | 1,769,776 | 1,833,606 | 1,364,971 |
| EXPENDITURES | | | | | |
| Bond Issuance Costs | - | - | 211,541 | 174,891 | - |
| Legal | 522 | 2,500 | 500 | 500 | 2,500 |
| Engineering | - | - | - | - | - |
| Water Rights Development | 410 | 64,000 | 50,000 | 50,000 | 50,000 |
| WRD-Permit Corrections | - | - | - | - | - |
| WRD-Well Field Development | - | - | - | - | - |
| Rules and Regulations | - | - | 1,000 | 1,000 | 500 |
| Service Plan Amendment | 4,386 | 20,000 | 5,000 | 5,000 | 10,000 |
| Generator RHF | - | - | - | - | - |
| SCADA | - | - | - | - | 38,300 |
| Development Review | 25,718 | - | - | - | - |
| Well Field Construction | 1,385,942 | - | 10,000 | 10,000 | - |
| Water Distribution System | 961 | - | 1,716 | 1,716 | - |
| Purchase of Easements | 34,211 | - | 290 | 290 | - |
| Property Acquisition | - | - | 45,000 | 45,000 | - |
| Drive by Meter Start Up/GRN | 7,339 | 45,045 | 1,494 | 12,000 | 100,871 |
| UV Project / By-Pass Project | - | 135,000 | 35,000 | 35,000 | - |
| Water Resources Master Plan | - | - | - | - | 25,000 |
| Acquisition Costs | - | - | 45,000 | 45,000 | - |
| Water Tank Construction | - | - | 55,000 | 55,000 | 570,000 |
| Water Tank Base | - | - | 15,000 | 15,000 | - |
| Nano Filtration System | - | - | - | - | 250,000 |
| Contingency | - | - | 273,459 | - | 317,800 |
| Transfer to General Fund | - | - | - | - | - |
| Transfer to Debt Service | - | - | - | 21,838 | - |
| Total Expenditures | 1,459,489 | 266,545 | 750,000 | 472,235 | 1,364,971 |
| Total Expenditures Requiring Appropriation | 1,459,489 | 266,545 | 750,000 | 472,235 | 1,364,971 |
| ENDING FUND BALANCE | \$ 771,876 | \$ 422,251 | \$ 1,019,776 | \$ 1,361,371 | \$ - |