

ParkerWater

& SANITATION DISTRICT



ANNUAL FINANCIAL REPORT

*Fiscal Year Ended
December 31, 2019 and 2018*



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May 28, 2020

To: The Board of Directors and the Customers of Parker Water and Sanitation District

We are pleased to present Parker Water and Sanitation District's (hereinafter referred to as "the District") Annual Financial Report for the fiscal year ended December 31, 2019. The purpose of this report is to provide the Board of Directors, investors, members of the public, and other interested parties with reliable financial information about the District.

The report consists of Management's representations concerning the finances of the District. Consequently, Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, Management has established a comprehensive framework of internal control that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of this report in conformity with generally accepted accounting principles accepted in the United States. Because the cost of internal controls should not outweigh the benefits, internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The District's financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the District's financial statements for the fiscal year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the District

Parker Water and Sanitation District was established in 1962 as a quasi-municipal corporation. The rights, powers, privileges, authorities, functions and duties of the District are established by the constitution and laws of the State of Colorado, and specifically Title 32, Article 1, C.R.S., as amended (the "Special District Act"). The District is governed by a five-member Board (the "Board") whose members must be electors of the District as defined by State law. Previously, Board members have been elected to staggered four-year terms at successive biennial elections. Due to a change in State law to change election years from even-numbered years to odd-numbered years, Board members elected in 2020 and 2022 will serve three-year terms. Board members elected in successive elections will be elected four-year terms. District voters approved the elimination of term limits at an election held on May 7, 2002. The Board and appoints the District Manager, who manages the District's 93 employees.



The District provides water and sanitary sewer service to customers located inside and outside of its boundaries. The District currently has approximately 22,500 acres within its boundaries and approximately 27,900 acres (approximately 43 square miles) within its Service Area in the northeastern portion of Douglas County (the "County") and includes portions of Parker (the "Town"), Lone Tree, Castle Pines North, and an unincorporated portion of the County. The District estimates that the current population in its Service Area is approximately 55,000.

The District owns and maintains its water distribution system and wastewater collection system. At this time, the District treats both raw water from the deep Denver Basin aquifers and surface water from Rueter-Hess Reservoir. The Reservoir was constructed and completed in 2012 to hold 75,000 acre feet of stored water. Water service is provided to existing developed areas through a distribution system that includes storage tanks, booster stations and transmission mains. The District maintains approximately 325 miles of water pipelines. Wastewater generated within the District is collected by a network of sanitary sewers, outfalls, and interceptors to transport the wastewater to one of two District water reclamation facilities. The District maintains almost 240 miles of wastewater pipelines.

The District's budget is prepared on a calendar year basis as required by Article 1 of Title 29, C.R.S. The budget must present a complete financial plan for the District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year. The District must submit a proposed budget to the Board on or before October 15 of each year and the Board must adopt the final budget on or before December 15 of the same year. Unused appropriations lapse at year end, except the Board of Directors has the authority to carry-over the unused portion of the funds for capital projects not completed. If the District receives revenues which were unanticipated at the time of adoption of the budget, the Board may authorize the expenditure by adopting a supplemental budget and appropriation resolution after proper notice and a hearing. In the event that revenues are lower than anticipated in the adopted budget, the District may adopt a revised appropriation resolution after proper notice and a hearing.

The District accounts for its activities as an enterprise fund and prepares its financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. The District has no component units (legally separate entities for which the primary government is financially accountable), nor is the District a component unit of any other primary government entity.

Factors Affecting Financial Condition

The information displayed in the financial statements presents the District's current financial position, i.e. its existing resources and claims on those resources. The following information is provided to help assess the District's economic condition, i.e., both existing and future resources and claims on those resources. Stated differently, economic condition reflects not only today's financial position, but also the prospects that today's financial position will improve or decline.



The District's service area is economically strong. In 2018, the United States Census Bureau reported a median household income of \$110,779 in the Town of Parker (the "Town") as compared to the U.S. average of \$60,293 in the same year.

The United States Census Bureau also reported that from 2014-2018, the Town's owner occupied housing rate was 77 percent (as compared to 63 percent in the United States) and the median value of owner occupied housing was \$386,800 (as compared to \$204,900 in the United States) for the same period. Population growth within the Town of Parker has grown from 45,297 in 2010 to 55,636 in 2018 (23 percent).

The District's service area also encompasses portions of Lone Tree, Castle Pines North, and unincorporated areas of Douglas County. The District estimates that their service area population in 2019 was approximately 55,000 residents.

The County has a diverse workforce that comprises multiple sectors, including (but not limited to) Professional and technical services (24%), wholesale trade (9%), construction (8%), health care (8%), and retail trade (7%). The major employers in the county are the Douglas County School District, Charles Schwab, Centura Health, Skyridge Medical Center, the Douglas County Government, and Jacobs Engineering. Percent of unemployed in the County was 2.4% in 2019, compared to 2.8% in the state as a whole.

The District anticipates that the economy within service area boundaries will stay steady or continue to grow. Housing development activity has remained constant over the last five years, with new developments continuously coming online. In the event of an economic recession, the District believes it will not have a materially negative impact on operations.

Long Term Financial Planning

For all long-term planning activities, the District relies on the 2014 Water and Wastewater Master Plan (the "Master Plan"), the 2014 Rate, Charge and Cost-of-Service Study and 10-Year Financial Plan and the 2015 Long-Term Water Supply Plan (the "Water Supply Plan").

The Master Plan outlines infrastructure requirements to increase capacity of water and wastewater facilities in response to increased growth and demand through buildout of the system. The Water Supply Plan identifies future water resources needed, as well as the infrastructure required to move those water resources back to the District, to support the future needs of the District. Additionally, the District continues to replace or upgrade aging infrastructure and equipment and provide for routine maintenance of its System. The 10-Year Financial Plan and Cost-of-Service model utilize the results of the other plans and identified operational needs to determine overall revenue requirements, as well as new debt and rate adjustments required to support District requirements. In 2020, the District will complete a water supply and wastewater master plan and Cost-of-Service model that will reevaluate system development fees and customer rates.



Major Initiatives

The District is participating in the Water, Infrastructure and Supply Efficiency (WISE) program. The WISE Partnership is a regional water supply project between Denver, Aurora and members of the South Metro Water Supply Authority. The agreement was established in 2009, when the parties determined they would collaborate to utilize available resources for the benefit of each participating water provider. Sharing available water supplies and infrastructure capacity will provide significant benefits to all WISE partners. This innovative regional partnership for a sustainable water future is one of the first of its kind in the country. It will reduce groundwater reliance and bolster renewable water supplies to the South Metro area, while maximizing the use of existing water assets belonging to Aurora and Denver Water.

The District operates a wastewater collection and treatment system consisting of two advanced wastewater treatment plants totaling four million gallons per day (mgd) of treatment capacity. A major project to expand the existing North Water Reclamation Facility an additional two mgd is currently underway with an estimated substantial completion date in 2021. The District's is also responsible for the entire collection system consisting of collection mains, interceptors, force mains, raw sewage lift stations and treated effluent pump stations.

Acknowledgments

The preparation of this report would not have been possible without the dedicated services of the Accounting department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

Due credit should be given to the Board of Directors for their interest, support and responsiveness in planning and conducting the operations and financial affairs of the District.

Sincerely,

Steven Hellman
Chief Financial Officer

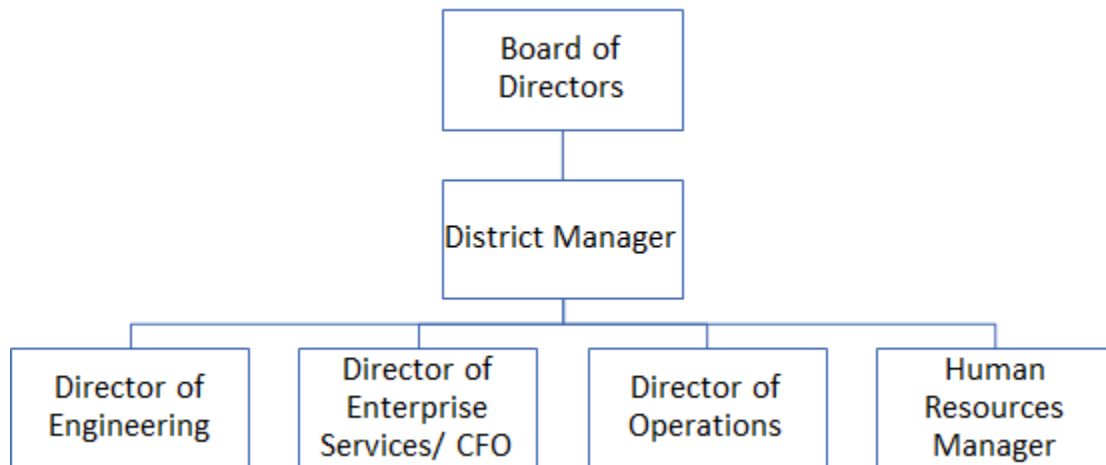


District Governance and Leadership

District Board of Directors

Board Member	Position	Principal Occupation	Director Since	Current Term Expires
Darcy Beard	Board Chair	Certified Public Accountant	2010	2022
Bill Wasserman	Vice Chair	Executive Recruiter	2012	2023
Kelly McCurry	Secretary	Professional Engineer	2012	2023
Dale Reiman	Treasurer	Sales Representative	2014	2023
Merlin Klotz	Director	Douglas County Clerk and Recorder	2012	2022

Organizational Chart January 1, 2020



District Management

District Manager	Ron Redd, P.E.
Director of Engineering	Rebecca Tejada, P.E.
Director of Enterprise Services/CFO	Steven Hellman, CPA
Director of Operations	James Roche
Human Resources Manager	Amy Schramm

Independent Auditor's Report

Board of Directors
Parker Water and Sanitation District

Report on the Financial Statements

We have audited the accompanying financial statements of Parker Water and Sanitation District (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 15 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents on pages 39-42 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. 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. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplementary schedules as listed in the table of contents on pages 43-60 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Denver, Colorado
May 21, 2020

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ended December 31, 2019

Our discussion and analysis of Parker Water and Sanitation District's (the District) financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2019 and 2018. Please read this analysis in conjunction with the District's financial statements, which begin on page 18.

FINANCIAL HIGHLIGHTS

- At December 31, 2019 total assets of the District exceeded total liabilities by \$566,666,583 (net position). Of this amount, \$131,898,104 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Restricted net position of \$18,344,650 is restricted for debt service, debt service reserves, and other operating and capital reserves. At December 31, 2018 the amounts are \$547,688,738 (net position), \$103,054,239 (unrestricted) and \$37,711,214 (restricted). See Note 2.
- The Water and Sewer Enterprises of the District are business type activities that are intended to recover all or a significant portion of their costs through user fees and charges. In 2019, the monthly water service charge for residential, multi-family, commercial, and irrigation accounts remained the same from 2018 at \$31.04 and monthly sewer service charge increased to \$9.40 from \$9.14 in 2018. See page 59 for a full schedule of fees.
- The District collected tap fees for 673 Single Family Equivalents (SFE's) during 2019, from new construction in the District compared to 849 in 2018.
- The District levies taxes for sewer operations. By law, the District is generally prohibited from levying a higher amount of revenue than was levied in the preceding year plus five and one-half percent or the limits defined under the Colorado constitutional amendment known as TABOR, whichever is less. The certified 2019 mill levy for operations was 1.727 mills less a temporary mill levy rate reduction of .157 mills for a total of 1.570 mills. The certified 2020 mill levy for operations was also temporarily reduced to 1.445 mills.
- General obligation debt of the District is payable from ad valorem taxes levied against all taxable property in the District, without limitation of rate and in an amount sufficient to pay the principal of and interest on the debt. The certified 2019 mill levy for the general obligation debt associated with the construction of Rueter-Hess Reservoir was 7.937 mills and the 2020 mill levy for the general obligation debt has been set at 7.200 mills. The District used a portion of their capital reserves, generated from tap fees collected, to pay the remaining portion of the general obligation debt service not covered by property taxes.
- Contributed assets from developers, consisting of constructed water and sewer lines and water rights acquired by inclusions, totaled \$5,018,992 in 2019 and \$2,774,058 in 2018.
- At December 31, 2019, the District's debt service rate covenant calculation is 227 percent. To meet covenant calculation requirements, the ratio (revenue available for debt service divided by total debt service) must exceed 110 percent. See supplementary Information section for additional debt service calculations.

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for enterprise-type proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Fund Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The **Statement of Net Position** presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall position of the District.

The **Statement of Revenues, Expenses and Changes in Net Position** report the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues are recorded when earned and expenses are recorded when incurred meaning certain revenues and expenses' cash flows will occur in subsequent years.

The **Statement of Cash Flows** is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in accordance with them.

FINANCIAL SUMMARY AND ANALYSIS

NET POSITION

During 2019, current assets increased primarily due to an increase in cash and cash equivalents and investments, an increase of \$6,895,952. The increase is also attributed to the implementation of GASB 87, which requires the District to recognize a lease receivable for its leases related to the farm lands in Logan County. The increase in capital assets was due primarily to fleet expansion and equipment purchases as well as capital projects related to infrastructure expansion and improvement. Current liabilities increased due to an increase in accrued accounts payable, an increase in construction deposits related to the Shea Canyons well house and the RidgeGate Parkway projects. Long term obligations decreased as a result of paying off the 2000 CWRPDA loan, offset by scheduled principal payments and additional loan proceeds for the 2014 CWCB Loans.

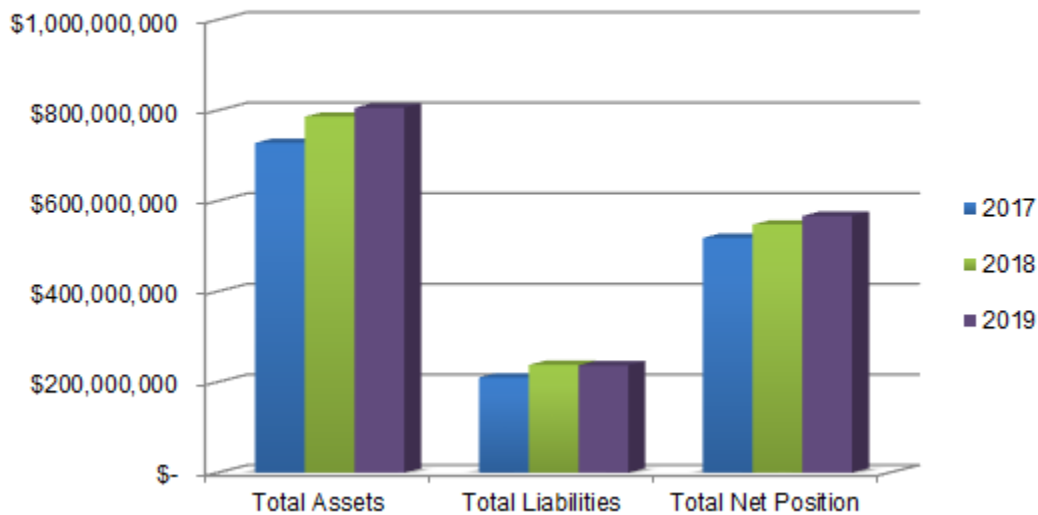
Parker Water and Sanitation District

Management’s Discussion and Analysis
Fiscal Year Ended December 31, 2019

CONDENSED STATEMENT OF NET POSITION

	2019	2018	2017
Assets			
Current Assets	\$ 167,132,039	\$ 145,084,903	\$ 126,026,434
Noncurrent Assets	23,469,297	37,711,214	10,058,454
Capital Assets	615,017,683	603,096,906	591,978,791
Total assets	805,619,019	785,893,023	728,063,679
Deferred outflows of resources			
Deferred charge on refunding	5,623,071	5,861,505	6,099,939
Liabilities			
Current liabilities	20,028,289	14,565,346	24,058,188
Noncurrent Liabilities	216,717,886	223,174,689	185,878,266
Total liabilities	236,746,175	237,740,035	209,936,454
Deferred inflows of resources			
Property taxes	6,683,002	6,325,755	5,962,736
Lease revenue	1,146,330	-	-
Net position			
Net investment in capital assets	416,423,829	406,923,285	412,102,732
Restricted	23,469,297	37,711,214	10,739,690
Unrestricted	126,773,457	103,054,239	95,422,006
Total net position	\$ 566,666,583	\$ 547,688,738	\$ 518,264,428

NET POSITION



Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ended December 31, 2019**

CHANGES IN NET POSITION

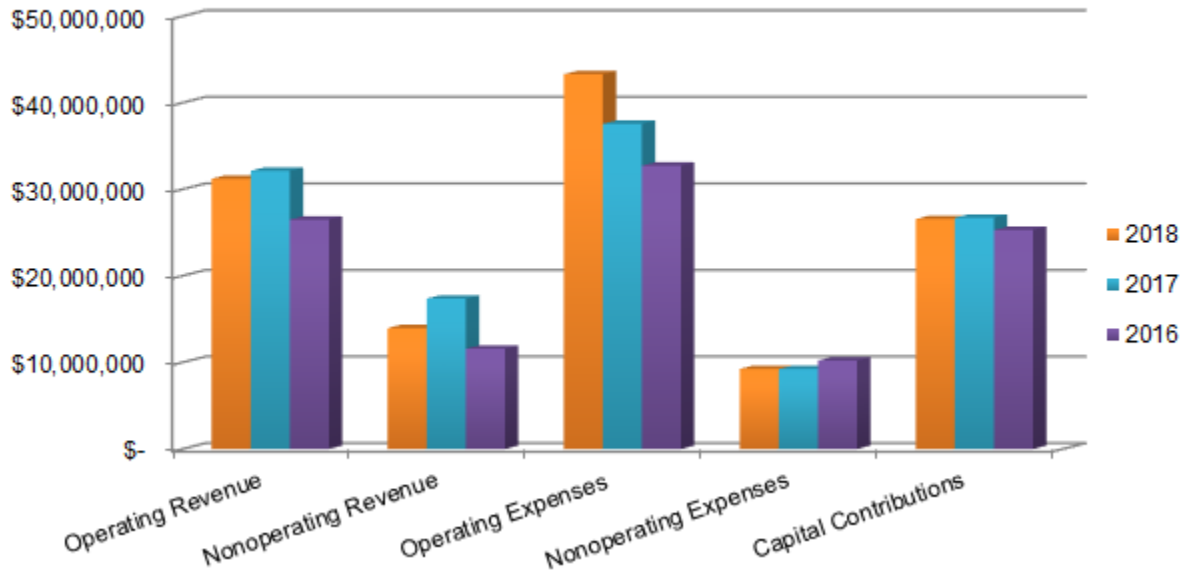
For 2019, operating revenue decreased by \$923,700, due to the decrease in income related to the Wheeling Asset Recovery. User fee revenue remained materially the same. There was a net increase of approximately \$357,000 in tax revenue associated with the mill levies. This increase is due primarily to the higher millage set for payment of the General Obligation Refunding Bonds, Series 2012. The decrease in total non-operating income is mainly due to a one-time WISE reimbursement in 2018. Capital contributions, primarily due to new development within the District, was approximately \$26.6 million which is consistent with 2018.

SUMMARY OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION			
	2019	2018	2017
Revenues:			
Operating Revenue	\$ 31,221,374	\$ 32,145,059	\$ 27,884,848
Non-Operating Revenues:			
Property Taxes	6,209,999	5,852,733	5,659,995
Net Investment Income	4,166,522	2,394,345	852,051
Farm Land Revenue	419,433	374,095	375,103
Gain on Disposal of Assets	484,718	66,262	-
Other	2,693,368	8,683,362	23,209,256
Total Non-Operating Revenue	13,974,040	17,370,797	30,096,405
TOTAL REVENUES	\$ 45,195,414	\$ 49,515,856	\$ 57,981,253
Expenses:			
Operating:			
Salaries & Benefits	\$ 9,504,442	\$ 8,447,713	\$ 7,842,549
Insurance	267,030	261,779	190,430
Professional and Support Services	5,698,492	4,091,917	3,499,106
Utilities	3,692,989	3,768,698	3,513,937
Contract Labor and Maintenance	1,841,571	2,296,077	1,299,053
Chemicals and Supplies	2,666,635	2,156,799	1,966,757
Information Technology	273,966	226,266	194,573
Administrative and Miscellaneous	467,271	404,562	245,421
Depreciation	18,885,762	15,916,009	14,815,799
Total Operating Expenses	\$ 43,298,158	\$ 37,569,820	\$ 33,567,625
Non-Operating expenses:			
Water Resource Farms	\$ 185,580	\$ 208,625	\$ 201,185
Interest Expense and Loan Fees	9,307,853	9,034,369	6,456,848
Loss on Disposal of Assets	-	-	330,348
Total Non-Operating Expenses	9,493,433	9,242,994	6,988,381
TOTAL EXPENSES	\$ 52,791,591	\$ 46,812,814	\$ 40,556,006
Gain (Loss) Before Capital Contributions	(7,596,177)	2,703,042	17,425,247
Capital Contributions	26,574,022	26,721,268	25,386,043
CHANGE IN NET POSITION	\$ 18,977,845	\$ 29,424,310	\$ 42,811,290
Net Position, beginning of year	547,688,738	518,264,428	475,453,138
Net Position, end of year	\$ 566,666,583	\$ 547,688,738	\$ 518,264,428

Parker Water and Sanitation District

Management's Discussion and Analysis
Fiscal Year Ended December 31, 2019

CHANGES IN NET POSITION



CAPITAL ASSETS

At December 31, 2019, the District reports \$615,017,683 in capital assets, net of accumulated depreciation:

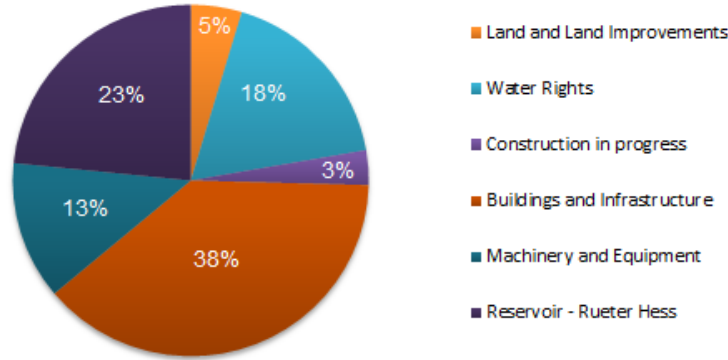
CAPITAL ASSETS			
	2019	2018	2017
Land and Land Improvements	\$ 37,436,865	\$ 37,168,599	\$ 36,317,370
Water Rights	141,992,598	140,701,098	140,523,798
Construction in progress	25,682,779	9,354,802	54,404,610
Buildings and Infrastructure	310,287,644	303,016,549	243,669,479
Equipment and Vehicles	102,450,950	97,050,538	85,580,835
Reservoir - Rueter-Hess	188,874,580	188,874,580	188,874,580
Accumulated Depreciation	(191,707,733)	(173,069,260)	(157,391,881)
TOTAL CAPITAL ASSETS, NET	\$ 615,017,683	\$ 603,096,906	\$ 591,978,791

Additional information on the District's capital assets can be found in Note 3 of the financial statements.

Parker Water and Sanitation District

Management’s Discussion and Analysis
Fiscal Year Ended December 31, 2019

**Capital Assets
as of December 31, 2019**



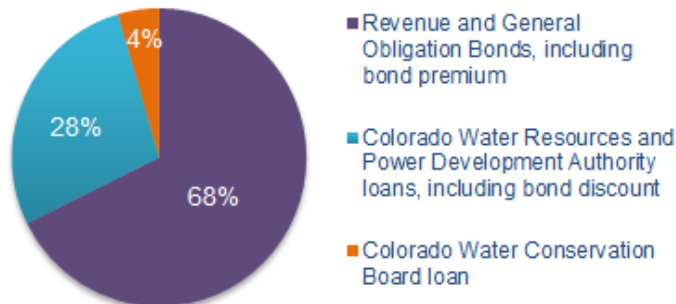
OUTSTANDING DEBT

The District’s debt consists of the following:

	OUTSTANDING DEBT		
	2019	2018	2017
Revenue Bonds	\$ 53,490,000	\$ 54,275,000	\$ 18,585,000
Bond Premium	7,668,057	8,094,061	2,246,761
General Obligation Bonds	80,830,000	82,810,000	84,720,000
Bond Premium	8,753,017	9,131,699	9,503,158
Colorado Water Resources and Power Development Authority loans	61,898,697	64,518,007	67,409,495
Bond Discount	(42,625)	(45,578)	(48,313)
Colorado Water Conservation Board Loan	10,039,356	9,871,222	8,712,669
TOTAL OUTSTANDING DEBT	\$ 222,636,502	\$ 228,654,411	\$ 191,128,770

Additional information on the District's outstanding debt can be found in Note 4 of the financial statements.

**OUTSTANDING DEBT
AS OF DECEMBER 31, 2019**



Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ended December 31, 2019

LONG-TERM PLANNING

For all long-term planning activities, the District relies on the 2014 Water and Wastewater Master Plan (the "Master Plan"), the 2014 Rate, Charge and Cost-of-Service Study and 10-Year Financial Plan and the 2015 Long-Term Water Supply Plan (the "Water Supply Plan").

The Master Plan outlines infrastructure requirements to increase capacity of water and wastewater facilities in response to increased growth and demand through buildout of the system. The Water Supply Plan identifies future water resources needed, as well as the infrastructure required to move those water resources back to the District, to support the future needs of the District. Additionally, the District continues to replace or upgrade aging infrastructure and equipment and provide for routine maintenance of its System. The 10-Year Financial Plan and Cost-of-Service model utilize the results of the other plans and identified operational needs to determine overall revenue requirements, as well as new debt and rate adjustments required to support District requirements. The District plans to update these documents in 2020.

ECONOMIC FACTORS AND RATES

Rates and fees for the water and sewer enterprises are set by the Board of Directors to meet the cost of operations and to partially fund debt service. Total debt service for the District continues to be funded through a combination of property taxes, rates charged to customers for services as well as system development fees collected from new development.

For 2019, there was no increase to the water base charge, for any customer class, and no increase to the first tier usage rate for residential and multi-family accounts. The Board approved a water usage rate increase of 3.5% for all other tiers, resulting in a water only portion increase of approximately 1.05% for the average residential customer. There was an increase of 2.79% for sewer service, both base and usage charges. See the statistical information section of this report for a full report of rates and fees.

For 2019, the Board of Directors approved a water system development fee increase of \$110 per SFE, a water resource system development fee increase of \$1,320 per SFE and a sewer system development fee increase of \$1,300 per SFE. See the statistical information section of this report for a full report of rates and fees

The District's underlying credit rating is 'AA+', with a stable outlook'. The rationale for the rate reflects the District's strong credit qualities including a diverse customer base, a service area with strong income indicators, a good-to-strong debt service coverage and a strong liquidity position. Standard and Poor's full report, as well as other financial and budget information, can be found on the District's website at <http://www.pwsd.org/>.

Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ended December 31, 2019**

REQUESTS FOR INFORMATION

This financial report is designed to give its readers a general overview of the District's finances. Questions regarding any information contained in this report or request for additional financial information should be addressed to:

District Manager
Parker Water and Sanitation District
18100 E. Woodman Drive
Parker, CO 80134

BASIC FINANCIAL STATEMENTS

Parker Water and Sanitation District
Statement of Net Position
December 31, 2019 and 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and Cash Equivalents (Note 2)	\$ 71,163,159	\$ 68,326,751
Marketable Interest Bearing Investments (Note 2)	66,125,661	66,873,867
Receivables:		
Service Fees	2,007,799	2,083,200
Other	465,453	910,146
Property Tax Receivable	6,683,002	6,325,755
Interest Receivable	47,799	50,887
Lease Receivable (Note 6)	1,184,350	-
Prepaid Expenses	-	98,706
Inventory (Note 1)	401,449	411,891
Other Assets	3,700	3,700
Marketable Interest Bearing Investments - Designated (Note 2)	19,049,667	-
Total Current Assets	167,132,039	145,084,903
Non-Current Assets:		
Capital Assets (Note 3)		
Land and Land Improvements	37,436,865	37,168,599
Buildings and Infrastructure	310,287,644	303,016,549
Reuter-Hess Reservoir	188,874,580	188,874,580
Water Rights	141,992,598	140,701,098
Equipment and Vehicles	102,450,950	97,050,538
Construction in Progress	25,682,779	9,354,802
Total Capital Assets	806,725,416	776,166,166
Less: Accumulated Depreciation	(191,707,733)	(173,069,260)
Net Capital Assets	615,017,683	603,096,906
Cash and Cash Equivalents – Restricted (Note 2)	23,469,297	32,641,103
Investments – Restricted (Note 2)	-	5,070,111
Total Non-Current Assets	638,486,980	640,808,120
TOTAL ASSETS	805,619,019	785,893,023
Deferred Outflows of Resources (Note 1)		
Deferred Charge on Debt Refunding	5,623,071	5,861,505
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts and Retainage Payable	4,176,658	1,877,274
Accrued Compensation	389,743	186,879
Other Accrued Expenses	4,237	4,393
Accrued Interest payable	3,333,483	3,383,282
Construction and Inclusion Deposits	5,387,794	2,951,134
Compensated Absences	699,864	594,766
Bonds and notes payable (Note 4)	6,036,510	5,567,618
Total Current Liabilities	20,028,289	14,565,346
Non-Current Liabilities		
Long-Term Debt (Note 4)	216,599,992	223,086,793
Compensated Absences	117,894	87,896
Total Non-Current Liabilities	216,717,886	223,174,689
TOTAL LIABILITIES	236,746,175	237,740,035
Deferred Inflows of Resources (Note 1)		
Property Taxes	6,683,002	6,325,755
Lease revenue	1,146,330	-
Total Deferred Inflow of Resources	7,829,332	6,325,755
NET POSITION (Note 5)		
Net Investment in capital assets	416,423,829	406,923,285
Restricted	23,469,297	37,711,214
Unrestricted	126,773,457	103,054,239
Total Net Position	\$ 566,666,583	\$ 547,688,738

See Notes to Financial Statements

Parker Water and Sanitation District
Statement of Revenues, Expenses and Changes in Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenue:		
Charges for Services	\$ 30,187,970	\$ 30,255,713
Other Operating Income	1,033,404	1,889,346
Total Operating Revenue	<u>31,221,374</u>	<u>32,145,059</u>
Operating Expense:		
Salaries and Benefits	9,504,442	8,447,713
Insurance	267,030	261,779
Professional Services	1,695,390	1,491,433
Support Services	4,003,102	2,881,351
Utilities	3,692,989	3,768,698
Contract Labor and Maintenance	1,841,571	2,015,210
Supplies	960,770	872,791
Chemicals	1,705,865	1,284,008
Information Technology	273,966	226,266
Administrative	467,271	404,562
Depreciation	18,885,762	15,916,009
Total Operating Expense	<u>43,298,158</u>	<u>37,569,820</u>
Operating (Loss)	<u>(12,076,784)</u>	<u>(5,424,761)</u>
Nonoperating Revenue (Expense):		
Property Taxes	6,209,999	5,852,733
Specific Ownership Taxes	650,505	643,057
Farm Land Revenue	419,433	374,095
Water Resource Farms	(185,580)	(208,625)
Net Investment Income	4,166,522	2,394,345
WISE Reimbursable Expenses	-	4,542,282
Interest Expense	(9,307,853)	(9,034,369)
Gain on Disposal of Assets	484,718	66,262
Other Income	2,042,863	3,498,023
Total Nonoperating Revenue (Expense)	<u>4,480,607</u>	<u>8,127,803</u>
Income Before Capital Contributions	<u>(7,596,177)</u>	<u>2,703,042</u>
Capital Contributions:		
System Development Fees	10,132,030	11,068,840
Contributed Assets from Developers	5,018,992	2,774,058
Water Resource Fees	1,665,000	2,215,000
Water Resource System Development Fees	9,758,000	10,663,370
Total Capital Contributions	<u>26,574,022</u>	<u>26,721,268</u>
Change in Net Position	18,977,845	29,424,310
Net Position, Beginning of Year	547,688,738	518,264,428
Net Position, End of Year	<u><u>\$ 566,666,583</u></u>	<u><u>\$ 547,688,738</u></u>

See Notes to Financial Statements

**Parker Water and Sanitation District
Statement of Cash Flows
Years Ended December 31, 2019 and 2018**

	2019	2018
Cash flows from operating activities:		
Cash received from customers/operations	\$ 34,178,126	\$ 29,539,611
Cash payments to suppliers for goods and services	(14,803,803)	(13,755,916)
Cash payments to employees for services	(9,166,638)	(8,362,925)
Net cash flows provided by operating activities	10,207,685	7,420,770
Cash flows from noncapital financing activities:		
Property and specific ownership tax, net of fees	1,821,021	1,696,502
Other nonoperating revenue	2,462,296	8,414,400
Other nonoperating expenses	(185,580)	(208,625)
Net cash provided by noncapital financing activities	4,097,737	9,902,277
Cash flows from capital and related financing activities:		
System development fees collected	10,132,030	11,068,840
Water resource fees received	1,665,000	2,215,000
Water resource system development fees received	9,758,000	10,663,370
Property tax revenue for debt service, net of fees	5,039,483	4,799,288
Acquisition of capital assets	(23,483,164)	(28,272,429)
Proceeds on sales of capital assets	484,718	304,893
Debt proceeds	351,441	43,835,260
Principal paid on bonds and notes payable	(5,567,618)	(5,765,823)
Interest paid on bonds and notes payable	(9,920,951)	(9,123,412)
Net cash (used in) provided by capital and related financing activities	(11,541,061)	29,724,987
Cash flows from investing activities:		
Proceeds from sale of investments	260,819,253	9,362,390
Purchase of investments	(274,611,363)	(30,086,256)
Interest received	4,692,351	2,535,137
Net cash used in investing activities	(9,099,759)	(18,188,729)
Net increase (decrease) in cash and cash equivalents	(6,335,398)	28,859,305
Cash and cash equivalents, beginning of year	100,967,854	72,108,549
Cash and cash equivalents, end of year	\$ 94,632,456	\$ 100,967,854
Reconciliation of operating loss to net cash used in operating activities		
(Loss) from operations	\$ (12,076,784)	\$ (5,424,761)
Adjustments to reconcile (loss) from operations to net cash provided by operating activities:		
Depreciation	18,885,762	15,916,009
Changes in assets and liabilities related to operations:		
Accounts receivable	520,094	3,506,060
Inventory	10,442	(411,891)
Prepaid expenses	98,706	-
Accounts payable	(4,999)	(137,927)
Accrued expenses	202,708	18,003
Compensated absences	135,096	66,785
Construction deposits	2,436,660	(6,111,508)
Total adjustments	22,284,469	12,845,531
Net cash provided by operating activities	\$ 10,207,685	\$ 7,420,770

Cash flows from capital and related financing activities do not include \$5,018,992 and \$2,774,058 of water rights and/or water and sewer lines contributed to the District during 2019 and 2018, respectively. Cash flows from capital and related financing activities do not include \$4,010,544 and \$1,706,161 of acquisition of capital assets through accounts and retainage payable for 2019 and 2018, respectively.

Cash flows from investing activities do not include \$158,012 and \$102,322 of market value adjustment on investments for 2019 and 2018, respectively.

Cash flows from operating activities do not include \$1,184,350 and \$0 of lease receivables, respectively.

See Notes to Financial Statements

Parker Water and Sanitation District

Notes to Financial Statements Fiscal Year Ended December 31, 2019

Note 1. Nature of Operations and Significant Accounting Policies

Nature of operations: Parker Water and Sanitation District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established to provide water and sanitation services.

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.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a business-type activity. The business-type activities reporting model 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.

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

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 reported as increases in assets.

Operating revenues and expenses: The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sanitation services to its customers. Operating revenues consist of charges to customers for services provided as well as operational reimbursements related to WISE, the Wheeling operational agreement, and the Wheeling asset recovery.

Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

It is the District's policy to apply restricted resources first when expenses are incurred for purposes for which both restricted and unrestricted resources are available for use.

Budgets: In accordance with the State Budget Law, 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 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. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

Parker Water and Sanitation District

**Notes to Financial Statements
Fiscal Year Ended December 31, 2019**

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

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

The District's investments are reported at fair value, except for money market accounts, which are reported at amortized cost. The reported fair value of the local government investment pool is measured using the net asset value (NAV) per share (or equivalent).

Certain proceeds of bonds, as well as resources set aside for their repayment, are classified as restricted or reserved assets. Cash and cash equivalents restricted for the construction of noncurrent assets are also classified as noncurrent on the statement of net position.

Accounts receivable and unbilled revenue: The District utilizes cycle billing and accrues an estimated amount of revenues for sales unbilled at the end of each reporting period. The unbilled amount plus any amounts billed to customers but not yet received by the District, is recorded as service fees receivable. Management has a history of high accounts receivable collections and has not recorded any bad debt expense in recent years. As a result, management has not recorded an allowance for uncollectible accounts as of December 31, 2019 or 2018, as they consider amounts fully collectible.

Capital assets: Capital assets, which include land, water rights, buildings, water and sewer distribution and collection systems and furniture and equipment, are reported by the District. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

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 capital assets, as applicable. The District's capitalization threshold is \$5,000. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

	<u>Years</u>
Land improvements	10-20
Buildings	25-50
Infrastructure	30-65
Machinery and equipment	5-30
Reservoir	75
Vehicles	5-8

Capitalized interest: In fiscal year 2018, the District adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. As such, the District reports no capitalized interest for the years ended December 31, 2019 and 2018.

Water rights: The District's water rights include those contributed by developers, in addition to those acquired by the District. Contributed water rights are reported at fair value based on an estimated price per acre-foot of water as of the date of the contribution. The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. All other costs, including costs incurred for the protection of those rights, are expensed when incurred.

Parker Water and Sanitation District

Notes to Financial Statements Fiscal Year Ended December 31, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

The District has developed a varied water rights portfolio, including Denver Basin aquifer ground water and Cherry Creek alluvial ground water, as well as the rights to re-use and store this water on a year-round basis. These developed water rights provide a dependable water supply for District customers. The District's pending and adjudicated water rights portfolio includes approximately 32,400 acre-feet of water per year. The water rights of the District do not have a definite useful life; therefore no amortization expense is being recognized on them in accordance with GASB Statement No. 51.

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 December 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 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 with an offsetting receivable in the year they are levied and measurable. The deferred inflow of property tax revenue is recorded as revenue in the year they are collected and budgeted for use.

Capital contributions: Capital contributions are comprised of system development fees, water resource fees and water resource system development fees and are recorded as capital contributions when received. These fees are used by the District to defray the cost of acquiring, constructing or improving capital assets, and are therefore not reported as operating revenue. Contributions to the District by developers are recorded as capital contributions and additions to the systems at the estimated acquisition value when received.

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on a bond refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports a deferred inflow of resources from two sources, property taxes and lease revenue. The amounts are deferred and recognized as an inflow of resources in the year the property taxes are levied and budgeted for and when the present value of lease receivables are determined.

Compensated absences: Full-time employees begin earning vacation from their date of hire. The vacation accrual rate is based on the employee's years of service. Part-time employees are not entitled to paid vacations. Vacation cannot be used before it is earned and no more than 280 vacation hours may be accumulated. The District's sick leave policy permits full-time employees to accrue sick time each pay period up to a maximum of 96 hours per year with a maximum accumulation of 520 hours. Part-time employees are not entitled to paid sick leave.

Parker Water and Sanitation District

Notes to Financial Statements Fiscal Year Ended December 31, 2019

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

District employees with less than five years of full-time service are not paid for accrued sick time upon termination of employment. Employees hired on or after January 1, 2012 with a minimum of five years of full-time service will receive a 50 percent payout of accrued sick time upon termination of employment. Employees hired prior to January 1, 2012 with five to fourteen years of full-time service are paid for 50 percent of accrued sick time upon termination of employment. Employees hired prior to January 1, 2012 with 15 years of regular full-time service are paid for 100 percent of accrued sick time upon termination of employment.

Reclassifications: Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on ending net position or changes in net position

Note 2. Cash and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all local governments 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 and the 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 total market value of all pledged assets must exceed 102 percent of the banks aggregate uninsured public deposits at all times.

The State Regulatory Commissions 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.

For deposits, custodial credit risk is the risk that in the event of a bank failure the District's deposits might not be returned. All institutions holding the District's deposits are currently certified as eligible public depositories in accordance with the statutes. At December 31, 2019 and 2018, the District's cash deposits had a carrying balance of \$94,632,456 and \$100,967,854, respectively.

Investments: Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest. The District has adopted an investment policy which is more restrictive and limits investments to:

- Obligations of the United States and certain U.S. government agency securities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Local government investment pools

The District invests in the Colorado Government Liquid Asset Trust (COLOTRUST), established solely for Colorado local governments to pool moneys to take advantage of short-term investments and maximize net interest earnings while benefiting from economies of scale available from a \$7 billion pooled fund. The pool is regulated by the Colorado Securities Commissioner, with quarterly reporting and annual audits required. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held in an account maintained for the custodial bank. The pools seek to maintain a constant net asset value of \$1 per share and are reported at fair value measured using NAV by the District.

Parker Water and Sanitation District

**Notes to Financial Statements
Fiscal Year Ended December 31, 2019**

Note 2. Cash and Investments (Continued)

In accordance with GASB Statement No. 40, the District's investments are subject to interest rate risk and credit risk as described below.

Interest rate risk: The District owned the following debt securities as of December 31, 2019:

	Fair Value	Remaining Maturity				
		12 Months or Less	13-24 Months	25-36 Months	37-48 Months	49-60 Months
U.S. Government Agencies	\$ 27,025,972	\$ 6,144,307	\$ 4,908,769	\$ -	\$ 2,995,647	\$ 12,977,249
U.S. Treasury Notes	22,163,494	20,958,994	-	1,204,500	-	-
Commercial Paper	17,470,733	17,470,733	-	-	-	-
Certificates of Deposit	18,515,129	16,752,097	750,688	1,012,344	-	-
	<u>\$ 85,175,328</u>	<u>\$ 61,326,131</u>	<u>\$ 5,659,457</u>	<u>\$ 2,216,844</u>	<u>\$ 2,995,647</u>	<u>\$ 12,977,249</u>

The District owned the following debt securities as of December 31, 2018:

	Fair Value	Remaining Maturity				
		12 Months or Less	13-24 Months	25-36 Months	37-48 Months	49-60 Months
U.S. government agencies	\$ 39,285,569	\$ 9,040,586	\$ 9,157,267	\$ 9,841,234	\$ 2,245,177	\$ 9,001,305
U.S. Treasury notes	2,750,570	595,617	981,110	-	1,173,843	-
Certificates of deposit	29,907,839	26,995,562	737,389	725,901	1,448,987	-
	<u>\$ 71,943,978</u>	<u>\$ 36,631,765</u>	<u>\$ 10,875,766</u>	<u>\$ 10,567,135</u>	<u>\$ 4,868,007</u>	<u>\$ 9,001,305</u>

The above tables do not include investments in local government investment pools and money market funds as these are not subject to interest rate risk.

Custodial credit risk: Custodial credit risk is the risk that, in the event of a counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2019 and 2018, none of the District's investments were insured, but they were all registered in the District's name and held by the counterparty or the counterparty's trust department, and are therefore, not exposed to custodial credit risk. GASB has concluded that investments in external investment pools are not exposed to custodial credit risk.

Concentration of credit risk: The District has a policy that addresses specific limitations on the amount that can be invested in any one issuer, and requires diversification of investments, excluding U.S. Treasury securities. As of December 31, 2019, more than 5 percent of the District's investments are concentrated in Commercial Paper (19.3 percent), Federal Farm Credit Bank securities (9.4 percent), Federal Home Loan Mortgage Corp securities (10.6 percent), and Federal Home Loan Bank securities (7.7 percent). As of December 31, 2018, more than 5 percent of the District's investments are concentrated in Federal Farm Credit Bank securities (10.5 percent), Federal Home Loan Mortgage Corp securities (20.7 percent), and Federal Home Loan Bank securities (15.1 percent). The District's investments in local government investment pools and the Federated Prime Obligation Money Market fund are not subject to concentration of credit risk.

Parker Water and Sanitation District

Notes to Financial Statements Fiscal Year Ended December 31, 2019

Note 2. Cash and Investments (Continued)

Credit risk: As of December 31, 2019 and 2018, the District had invested \$22,661,460 and \$36,367,386, respectively, in the COLOTRUST Plus investment pools which is rated AAAM by Standard & Poor's.

As of December 31, 2019 and 2018, the District had invested \$5,390,482 and \$167,689, respectively, in Federated Prime Obligations fund, a money market fund. This fund is rated AAAM by Standard & Poor's.

As of December 31, 2019 and 2018, the District had \$17,470,733 and \$0, respectively, in commercial paper which are rated A-1 by Standard & Poor's.

The Federal Home Loan Mortgage Corp securities, Federal Farm Credit Bank securities and Federal Home Loan Bank securities are rated AA+ by Standard & Poor's, as of December 31, 2019 and 2018. The U.S. Treasury notes and Federal National Mortgage Association securities are not subject to credit risk as they are explicitly guaranteed by the U.S. government.

Fair value measurement: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities and gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. These measurements are described as follows:

Level 1: Unadjusted quoted prices for identical instruments in active markets

Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

Inputs: If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Parker Water and Sanitation District

**Notes to Financial Statements
Fiscal Year Ended December 31, 2019**

Note 2. Cash and Investments (Continued)

The District has the following investments and fair value measurements as of December 31, 2019:

	December 31, 2019	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments measured at fair value:				
U.S. government agencies	\$ 27,025,972	\$ -	\$ 27,025,973	\$ -
U.S. Treasury notes	22,163,494	22,163,494	-	-
Commercial paper	17,470,733	17,470,733		
Certificates of Deposit	18,515,129	-	18,515,128	-
	<u>\$ 85,175,328</u>	<u>\$ 39,634,227</u>	<u>\$ 45,541,101</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Certificates of Deposit	16,002,426			
Cash equivalents measured at NAV:				
Local Government Investment Pools	22,661,460			
Cash equivalents measured at amortized cost:				
Money Market Funds	5,390,482			
 Total investments	 <u>\$ 129,229,696</u>			

The District has the following investments and fair value measurements as of December 31, 2018:

	December 31, 2018	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments measured at fair value:				
U.S. government agencies	\$ 39,285,569	\$ -	\$ 39,285,569	\$ -
U.S. Treasury notes	2,750,570	2,750,570	-	-
Certificates of deposit	3,907,839	-	3,907,839	-
	<u>\$ 45,943,978</u>	<u>\$ 2,750,570</u>	<u>\$ 43,193,408</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Certificates of Deposit	26,000,000			
Cash equivalents measured at NAV:				
Local Government Investment Pools	30,305,117			
Cash equivalents measured at amortized cost:				
Money Market Funds	167,689			
 Total investments	 <u>\$ 102,416,784</u>			

Parker Water and Sanitation District

Notes to Financial Statements Fiscal Year Ended December 31, 2019

Cash and investments are restricted for the following purposes:

	2019	2018
Restricted for debt reserve	\$ 5,124,647	\$ 5,854,129
Restricted for operating reserve	6,954,168	5,610,392
Restricted for water treatment plant	5,390,482	167,689
Restricted for rate stabilization reserve	6,000,000	6,062,269
Cash and cash equivalents - restricted	\$ 23,469,297	\$ 17,694,479
Restricted for water treatment plant	\$ -	\$ 5,070,111
Investments - restricted	\$ -	\$ 5,070,111

Debt Reserve: In anticipation of required debt service payments on the District's debt liabilities, separate funds are created for each debt instrument that is funded on a monthly basis to fulfill the next debt payment. At December 31, 2019 and 2018, the District had restricted cash and cash equivalents of \$5,124,647 and \$5,854,129, respectively.

Operating reserve: The loan agreements with the Colorado Water Resources and Power Development Authority generally require that the District maintain a three month operating reserve. For this purpose, the District had restricted cash and investments of \$6,954,168 and \$5,610,392 at December 31, 2019 and 2018, respectively.

Water treatment plant: The loan documents for the 2010 loan with the Colorado Water Resources and Power Development Authority require that the proceeds from the loan be applied only to the expenses of acquiring, constructing and equipping the project. In the event that all of the proceeds of the loan are not required to pay such expenses, any remaining amount shall be used for paying principal and interest on the loan. For this purpose, the District had restricted cash and investments of \$5,390,482 and \$5,237,800 at December 31, 2019 and 2018, respectively.

Rate Stabilization Reserve: Pursuant to a resolution adopted by the Board in 2002, the District has covenanted to maintain an amount equal to at least \$6 million in a Rate Stabilization Account. The reserve may be accessed in an event that the District requires to meet an additional bonds test. In the 2010 loan agreement between the District and the Colorado Water Resources Development Authority, the District covenanted that in the event any amounts are withdrawn from the Rate Stabilization account, it would replenish the amounts so withdrawn from any available funds. At December 31, 2019 and 2018, the District has reserved cash equivalents of \$6,000,000 and \$6,062,269, respectively.

2018 Revenue Bond Proceeds: In 2018, the District issued bonds in the amount of \$36,225,000 to fund their Denver Basin water well centralization project, the Cherry Creek Interceptor project, and the expansion of their North Water Reclamation Facility project. At December 31 2019 and 2018, the unspent bond proceeds are \$18,419,576 and \$26,619,285, respectively and is reported in the Net Investment in Capital Assets section of the Statement of Net Position.

At December 31, 2019 and 2018, cash deposits and investments are classified on the statements of net position as follows:

	2019	2018
Cash and cash equivalents	\$ 71,163,159	\$ 68,326,751
Cash and cash equivalents - reserved or restricted	23,469,297	32,641,103
Investments	85,175,328	66,873,867
Investments - restricted	-	\$ 5,070,111
Total	\$ 179,807,784	\$ 172,911,832
Cash deposits	94,632,456	\$ 100,967,854
Investments	85,175,328	71,943,978
Total	\$ 179,807,784	\$ 172,911,832

Parker Water and Sanitation District

**Notes to the Financial Statements
Fiscal Year Ended December 31, 2019**

Note 3. Capital Assets

An analysis of the changes in capital assets for the years ended December 31, 2019 and 2018 follows:

	2019			
	Balance at December 31, 2018	Additions	Disposals and Reclasses	Balance at December 31, 2019
Capital assets, not being depreciated:				
Land	\$ 14,853,109	\$ -	\$ 53,609	\$ 14,906,718
Water rights	140,701,098	1,291,500	-	141,992,598
Land improvements	3,155,118	-	-	3,155,118
Construction in progress	9,354,802	25,841,247	(9,513,270)	25,682,779
Total capital assets, not being depreciated	168,064,127	27,132,747	(9,459,661)	185,737,213
Capital assets, being depreciated:				
Land improvements	19,160,371	-	214,658	19,375,029
Buildings	130,144,022	-	285,153	130,429,175
Infrastructure	172,872,527	3,698,094	3,287,848	179,858,469
Machinery and equipment	94,891,502	-	5,160,031	100,051,533
Reservoir - Rueter Hess	188,874,580	-	-	188,874,580
Vehicles	2,159,037	-	240,380	2,399,417
Total capital assets, being depreciated	608,102,039	3,698,094	9,188,070	620,988,203
Less accumulated depreciation for:				
Land improvements	10,112,297	955,180	-	11,067,477
Buildings	37,464,372	4,479,688	-	41,944,060
Infrastructure	47,565,091	5,044,052	-	52,609,143
Machinery and equipment	56,372,980	5,302,173	(109,793)	61,565,360
Reservoir - Reuter Hess	20,086,293	2,875,671	-	22,961,964
Vehicles	1,468,227	228,998	(137,496)	1,559,729
Total accumulated depreciation	173,069,260	18,885,762	(247,289)	191,707,733
Total capital assets, being depreciated, net	435,032,779	(15,187,668)	9,435,359	429,280,470
Capital assets, net	\$ 603,096,906	\$ 11,945,079	\$ (24,302)	\$ 615,017,683

Parker Water and Sanitation District

**Notes to the Financial Statements
Fiscal Year Ended December 31, 2019**

Note 3. Capital Assets (Continued)

	2018			
	Balance at December 31, 2017	Additions	Disposals and Reclasses	Balance at December 31, 2018
Capital assets, not being depreciated:				
Land	\$ 14,260,544	\$ -	\$ 592,564	\$ 14,853,108
Water rights	140,523,798	177,300	-	140,701,098
Land improvements	3,155,118	-	-	3,155,118
Construction in progress	54,404,610	24,253,990	(69,303,797)	9,354,803
Total capital assets, not being depreciated	212,344,070	24,431,290	(68,711,233)	168,064,127
Capital assets, being depreciated:				
Land improvements	18,901,708	108,330	150,333	19,160,371
Buildings	107,554,539	232,800	22,356,683	130,144,022
Infrastructure	136,114,939	1,950,205	34,807,384	172,872,528
Machinery and equipment	83,388,339	311,500	11,191,663	94,891,502
Reservoir - Rueter Hess	188,874,580	-	-	188,874,580
Vehicles	2,192,497	-	(33,461)	2,159,036
Total capital assets, being depreciated	537,026,602	2,602,835	68,472,602	608,102,039
Less accumulated depreciation for:				
Land improvements	9,162,572	948,838	70	10,111,480
Buildings	33,670,942	3,793,430	3	37,464,375
Infrastructure	43,730,706	3,836,025	(825)	47,565,906
Machinery and equipment	52,110,167	4,270,843	(14,102)	56,366,908
Reservoir - Reuter Hess	17,210,622	2,875,671	-	20,086,293
Vehicles	1,506,871	191,204	(223,777)	1,474,298
Total accumulated depreciation	157,391,880	15,916,011	(238,631)	173,069,260
Total capital assets, being depreciated, net	379,634,722	(13,313,176)	68,711,233	435,032,779
Capital assets, net	\$ 591,978,792	\$ 11,118,114	\$ -	\$ 603,096,906

Parker Water and Sanitation District

**Notes to the Financial Statements
Fiscal Year Ended December 31, 2019**

Note 4. Long-Term Liabilities

The following is an analysis of the changes in the District's long-term obligations for the years ended December 31, 2019 and 2018.

	Interest Rates	Balance at January 1, 2019	New Issues	Retirements	Balance at December 31, 2019	Due Within One Year
Bonds and Parity Obligations						
2000 CWRPDA Small Water Loan	4.66	2,004,167	-	2,004,167	-	-
2001 CWRPDA Clean Water Loan	4.01	981,612	-	305,747	675,865	327,204
2002 CWRPDA Clean Water Loan	3.62	10,047,228	-	309,396	9,737,832	320,252
2010 CWRPDA Loan	5.78	51,485,000	-	-	51,485,000	-
Less Bond Discount		(45,578)	-	(2,953)	(42,625)	-
2012 Revenue Refunding Bonds	2.0-5.0	18,050,000	-	785,000	17,265,000	2,925,000
Add Bond Premium		2,071,689	-	175,072	1,896,617	-
2012 General Obligation Refunding Bonds	2.0-5.0	82,810,000	-	1,980,000	80,830,000	2,060,000
Add Bond Premium		9,131,699	-	378,682	8,753,017	-
2018 Revenue Bonds		36,225,000	-	-	36,225,000	-
Add Bond Premium		6,022,372	-	250,932	5,771,440	-
Notes from Direct Borrowings						
2014 CWCB Loan A	2.75	3,905,822	-	183,307	3,722,515	188,348
2014 CWCB Loan B	2.75	5,299,493	351,441	-	5,650,934	215,706
2014 CWCB Loan D	2.75	665,907	-	-	665,907	-
Total Long-Term Debt, net		\$ 228,654,411	\$ 351,441	\$ 6,369,350	\$ 222,636,502	\$ 6,036,510

	Interest Rates	Balance at January 1, 2018	New Issues	Retirements	Balance at December 31, 2018	Due Within One Year
Bonds and Parity Obligations						
2000 CWRPDA Small Water Loan	4.66	4,296,667	-	2,292,500	2,004,167	2,004,167
2001 CWRPDA Clean Water Loan	4.01	1,276,632	-	295,020	981,612	305,748
2002 CWRPDA Clean Water Loan	3.62	10,351,196	-	303,968	10,047,228	309,396
2010 CWRPDA Loan	5.78	51,485,000	-	-	51,485,000	-
Less Bond Discount		(48,313)	-	(2,735)	(45,578)	-
2012 Revenue Refunding Bonds	2.0-5.0	18,585,000	-	535,000	18,050,000	785,000
Add Bond Premium		2,246,761	-	175,072	2,071,689	-
2012 General Obligation Refunding Bonds	2.0-5.0	84,720,000	-	1,910,000	82,810,000	1,980,000
Add Bond Premium		9,503,158	-	371,459	9,131,699	-
2018 Revenue Bonds		-	36,225,000	-	36,225,000	-
Add Bond Premium		-	6,273,306	250,934	6,022,372	-
Notes from Direct Borrowings						
2014 CWCB Loan A	2.75	4,084,223	-	178,401	3,905,822	183,307
2014 CWCB Loan B	2.75	4,122,850	1,176,643	-	5,299,493	-
2014 CWCB Loan D	2.75	505,596	160,311	-	665,907	-
Total Long-Term Debt, net		\$ 191,128,770	\$ 43,835,260	\$ 6,309,619	\$ 228,654,411	\$ 5,567,618

Parker Water and Sanitation District

Notes to the Financial Statements Fiscal Year Ended December 31, 2019

Note 4. Long-Term Liabilities (Continued)

All bonds, parity obligations, and notes contain a provision that in the event of default, outstanding amounts become immediately due if the District is unable to make a payment.

Loan Agreement, Colorado Water Resources and Power Development Authority, dated October 21, 2010: This loan was issued as federally taxable bonds designated as a Build America Bond (BAB) pursuant to sections of the Internal Revenue Code and provisions of the American Recovery and Reinvestment Act of 2009. The District received cash subsidy payments from the US Treasury equal to 35 percent, net of the annual federal sequestration rate of the interest payable on the loan. The interest rate net of the BAB subsidy is 3.85 percent. Principal payments were set to begin in 2023. The loan was refunded in January 2020 with proceeds from the Water and Sewer Enterprise Refunding and Improvement Revenue Bonds, Series 2020.

Colorado Water Resources and Power Development Authority and Colorado Water Conservation Board loan covenants: The District has pledged the revenue from the operation and use of its facilities and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the above referenced loans. The loan agreements contain various restrictive covenants and requirements, including rate covenants, maintenance of a three-month operating reserve (see Note 3) and compliance with an additional bond and/or indebtedness test. At December 31, 2019 and 2018, the District was in compliance with these covenants and requirements of the loan agreements.

In 2019, the loan issued in 2000 matured and is no longer an outstanding obligation.

Water and Sewer Revenue Refunding Bonds, Series 2012, dated June 13, 2012: Principal payments are due November 1. These bonds require a reserve fund which is currently funded by an insurance policy in the amount of \$2,205,050.

These bonds also require that charges pertaining to the system shall be at least sufficient so that the gross pledged revenues annually are sufficient to pay in each fiscal year: (a) an amount equal to the annual operation and maintenance expenses for such fiscal year; (b) an amount equal to 110 percent of both the principal and interest on the 2012 Bonds and any parity bonds then outstanding payable from the net pledged revenues in that fiscal year (excluding the reserves therefore); and (c) any amounts required to pay all policy costs, if any, due and owing and all sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the gross pledged revenues or any securities payable therefrom.

General Obligation Refunding Bonds, Series 2012, dated December 27, 2012: Principal payments are due August 1. On May 4, 2004, voters of the District authorized the District to levy property taxes to pay this debt. Such taxes are intended to be used as guaranty for payment of the bonds only if the Board of Directors determines other revenues are not sufficient to pay the debt service on the bonds. During 2019 and 2018, the District recognized \$5,039,482 and \$4,799,288, respectively, in property tax revenue to pay the debt service, a portion of which was used on this loan.

Loan Agreement, Colorado Water Conservation Board, dated May 22, 2014: On May 22, 2014, the Colorado Water Conservation Board (CWCB) approved a total loan amount not to exceed \$15,734,790, for the District's participation cost of the Water Infrastructure and Supply Efficiency (WISE) Project. The total approved amount will consist of four separate contract loans, based on what will be constructed with the proceeds.

During the fiscal year ended December 31, 2014, the District approved Contract Loan A for an amount of \$4,426,830 for the ECCV Pipeline Purchase. As of December 31, 2019, the District has borrowed the full amount of the loan. Principal payments began on February 1, 2016, at an interest rate of 2.75 percent and repayment term of 20 years.

Parker Water and Sanitation District

**Notes to the Financial Statements
Fiscal Year Ended December 31, 2019**

Note 4. Long-Term Liabilities (Continued)

During the fiscal year ended December 31, 2014, the District approved Contract Loan B for an amount of \$6,785,321 for the Phase 1 Infrastructure. As of December 31, 2019, the District has borrowed \$5,650,933 and has begun principal repayment. No more proceeds will be drawn from the loan. Principal payments are due June 1 starting in 2020, at an interest rate of 2.75 percent and repayment term of 20 years.

During the fiscal year ended December 31, 2014, the District approved Contract Loan D for an amount of \$1,099,890 for the DIA Connection. As of December 31, 2019, the District has borrowed \$665,907 and can draw additional borrowings up to the approved amount until June 2021 when principal repayments begin, at an interest rate of 2.75 percent and repayment term of 20 years.

Water and Sewer Enterprise Revenue Bonds Series 2018, dated January 24, 2018: On January 24, 2018, the District disbursed \$36,225,000 of bonds to be used to acquire and construct certain water and sanitary sewer capital projects. The bonds are secured by the net revenues of the District, which total \$19,438,900 as of December 31, 2019. Principal payments are due starting November 1, 2021, at an interest rate of 5 percent and a repayment term of 25 years.

The District's long-term obligations, excluding the accrual for compensated absences and bond discounts and premiums, will mature as follows:

	Bonds and Parity Obligations		Direct Borrowings	
	Principal	Interest	Principal	Interest
2020	\$ 5,632,456	\$ 9,277,958	\$ 404,054	\$ 257,770
2021	7,844,340	9,026,570	415,166	246,658
2022	8,206,536	8,681,899	426,583	235,241
2023	7,314,272	8,328,526	463,730	242,006
2024	7,549,836	8,070,509	476,483	229,246
2025-2029	42,761,257	35,288,362	2,586,320	942,212
2030-2034	53,005,000	24,394,540	2,962,043	566,280
2035-2039	36,680,000	11,741,765	2,180,626	184,590
2040-2043	27,225,000	3,289,250	124,351	6,967
	<u>\$ 196,218,697</u>	<u>\$ 118,099,379</u>	<u>\$ 10,039,356</u>	<u>\$ 2,910,970</u>

Changes in the District's accrued benefits payable are as follows:

	Balance January 1, 2019	Incurred	Retired	Balance December 31, 2019	Due Within One Year
	Compensated absences payable	\$ 682,662	670,144	535,048	\$ 817,758

	Balance January 1, 2018	Incurred	Retired	Balance December 31, 2018	Due Within One Year
	Compensated absences payable	\$ 615,877	\$ 450,171	\$ 383,386	\$ 682,662

Parker Water and Sanitation District

**Notes to the Financial Statements
Fiscal Year Ended December 31, 2019**

Note 5. 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, plus unspent debt proceeds, 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, 2019 and 2018, the District had a net investment in capital assets calculated as follows:

	2019	2018
Capital assets, net of accumulated depreciation	\$ 615,017,683	\$ 603,096,906
Unspent debt proceeds	18,419,576	26,619,285
Bonds and notes payable	(222,636,502)	(228,654,411)
Deferred charge on refunding	5,623,071	5,861,505
	<u>\$ 416,423,828</u>	<u>\$ 406,923,285</u>

Restricted net position includes assets that are restricted for use either externally imposed by creditors, guarantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. See Note 2 for restrictions of assets as of December 31, 2019 and 2018.

Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 6. Leases

The District has entered into six cash-rent lease agreements for tenant use of farm land in Logan County for agricultural and related purposes, whether it be for irrigation, domestic, or livestock purposes. This includes use of water wells and irrigation wells and equipment. Each lease allows the tenant to possess and occupy the land during the lease term however each tenant has no holdover rights to the land and must surrender possession at the end of the lease term. The lease terms are as follows:

Lessee	Lease Term	Total Lease Amount	Discount Rate	Total Interest	Revenues Received as of 12/31/2019	Interest Portion of Payment	Basis at 12/31/19	NPV of Future Lease Payments
Amen Angus Farms	4/1/19 - 12/31/23	\$ 167,450	3.5%	\$ 28,188	\$ 33,490	\$ 9,333	\$ 115,104	\$ 111,409
Schuppe Hay Farms	4/1/19 - 12/31/23	163,417	3.5%	27,510	32,683	9,108	\$ 112,332	108,726
Gordon A. Schuppe	4/1/19 - 12/31/23	54,188	3.5%	9,122	10,838	3,020	\$ 37,248	36,052
Gerk Farms	4/1/19 - 12/31/23	794,049	3.5%	133,670	158,810	44,256	\$ 545,826	528,303
George and Rhonda Hernandez	4/1/19 - 12/31/23	186,278	3.5%	31,358	37,256	10,382	\$ 128,046	123,936
Ferkovich Farms, Inc.	4/1/19 - 12/31/23	357,573	3.5%	60,194	71,515	19,929	\$ 245,794	237,904
Total		<u>\$ 1,722,955</u>		<u>\$ 290,042</u>	<u>\$ 344,592</u>	<u>\$ 96,028</u>	<u>\$ 1,184,350</u>	<u>\$ 1,146,330</u>

Parker Water and Sanitation District

**Notes to the Financial Statements
Fiscal Year Ended December 31, 2019**

Note 7. Commitments

Construction commitments: As of December 31, 2019 and 2018, the District had unexpended construction related contract commitments of approximately \$52,261,437 and \$1,141,403, respectively. Approximately 90 percent of the 2019 contract commitments relate to the expansion of the District's North Water Reclamation Facility.

Note 8. Risk Management

The District is 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 is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2019 and 2018. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability, equipment breakdown 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, public official's liability and workers compensation 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. No additional contributions were required for the year ended December 31, 2019.

The District provides health insurance to its employees through the purchase of commercial insurance. During the last three years settled claims have not exceeded insurance coverage.

Note 9. Defined Contribution Plan

The employees of the District participate in a defined contribution plan established by the District and maintained and administered by Empower Retirement, the Parker Water and Sanitation District Employees Money Purchase Pension Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members immediately upon employment. Under this plan, 9 percent of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 10 percent from the District. The Board of Directors is authorized to approve changes to these rates. The District's contributions, plus earnings, become vested at a rate of 20 percent for each year of participation in the plan. District contributions for plan members who leave employment before they are fully vested are returned to the District. There is no liability for benefits under the plan beyond the District's matching payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors.

Contributions actually made by plan members and the District for the years ended December 31, 2019 and 2018 are as follows, there were no liabilities as of December 31:

	2019	2018
Plan members	\$ 579,710	\$ 535,637
District	637,044	588,612
Total	<u>\$ 1,216,754</u>	<u>\$ 1,124,249</u>

Parker Water and Sanitation District

Notes to the Financial Statements Fiscal Year Ended December 31, 2019

Note 10. Deferred Compensation Plan—Assets in Trust

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Empower Retirement. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years. The District matches deferrals by employees up to 5 percent of the employees' payroll. Contributions made to this plan by the District were \$254,555 for 2019 and \$232,963 for 2018.

Note 11. 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 which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

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.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

Note 12. Future Governmental Accounting Standards Board (GASB) Statements

As of December 31, 2019, the GASB had issued several statements not yet required to be implemented by the District. The Statement which might impact the District is as follows:

- GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the District with its year ending December 31, 2019. In May 2020, due to the impacts of COVID-19, GASB deferred implementation of this statement for the District's year ending December 31, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. Management has determined that statement No. 84 will have a material impact on the District's financial statements.

In 2019, the District implemented GASB 87, *Leases* (see Note 6) and GASB 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (see Note 3).

Parker Water and Sanitation District

Notes to the Financial Statements Fiscal Year Ended December 31, 2019

Note 13. Subsequent Events

On January 14, 2020, the District's Board of Director's authorized the issuance of the Water and Sewer Enterprise Refunding and Improvement Revenue Bonds Series 2020 in the amount of \$53,480,000. The purpose of the issuance was to refund the District's 2010 CWRPDA Loan and to finance a portion of the North Water Reclamation Facility 2 MG expansion project.

On May 12, 2020, the District's Board of Director's also authorized the issuance of the General Obligation Refunding Bonds Series 2020 in the amount of \$61,095,000. The purpose of the issuance was to refund a portion of the General Obligation Series 2012.

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and people throughout the United States. Further financial markets have recently experienced a significant decline attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus impacts the District's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the District, including net investment earnings, but such an impact could have a material adverse effect on the financial condition of the District.

SUPPLEMENTARY INFORMATION

Parker Water and Sanitation District

**Schedule of Revenues, Expenditures and Changes in Funds Available
Budget-to-Actual (Budgetary Basis)
Year Ended December 31, 2019**

	Final Budget	Actual	Variance - Positive (Negative)
Revenues:			
Charges for services	\$ 29,170,370	\$ 30,187,970	\$ 1,017,600
Operating tax revenues	1,379,000	1,821,021	442,021
Other operating income	1,406,000	1,033,404	(372,596)
Investment income	2,590,000	4,166,522	1,576,522
Other nonoperating income	1,617,020	2,042,863	425,843
Reuter-Hess mill levy	5,216,000	5,039,483	(176,517)
System development fees	8,089,000	10,132,030	2,043,030
Water resource fees	200,000	1,665,000	1,465,000
Water resource system development fees	7,364,000	9,758,000	2,394,000
Farm income	370,600	419,433	48,833
Bond proceeds, including premium	4,000,000	351,441	(3,648,559)
Transfer - rate funded capital	4,000,000	4,000,000	-
Other revenue/reimbursements	2,354,400	-	(2,354,400)
Total revenues	\$ 67,756,390	\$ 70,617,167	\$ 2,860,777
Expenditures:			
Salaries	\$ 6,800,726	\$ 6,656,423	\$ 144,303
Employee benefits	3,593,005	2,848,019	744,986
Insurance	193,000	267,030	(74,030)
Professional services	2,009,000	1,695,390	313,610
Support services	3,186,820	4,003,102	(816,282)
Utilities	3,414,000	3,692,989	(278,989)
Contract labor and maintenance	1,916,700	1,841,571	75,129
Supplies & Chemicals	2,689,170	2,666,635	22,535
Community education	70,500	47,813	22,687
Information technology	242,640	273,966	(31,326)
Water resource farms	206,500	185,580	20,920
Administrative	426,500	419,458	7,042
Debt service	15,912,620	15,438,770	473,850
Capital outlay	61,786,450	25,867,596	35,918,854
Transfer - rate funded capital	4,000,000	4,000,000	-
Total expenditures	106,447,631	69,904,342	36,543,289
Excess revenues over expenditures	\$ (38,691,241)	\$ 712,825	\$ (33,682,512)
Funds available, beginning of year		<u>\$ 168,067,400</u>	
Funds available, end of year		<u>\$ 168,780,225</u>	
Funds available at December 31, 2019 is computed as follows:			
Current assets		\$ 172,256,686	
Noncurrent assets		18,344,650	
Current liabilities		(20,028,289)	
Current portion of long-term obligations		6,036,510	
Deferred inflows of resources		<u>(7,829,332)</u>	
		<u>\$ 168,780,225</u>	

Parker Water and Sanitation District

**Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2019**

Revenue (budgetary basis)	\$	70,617,167
Contributed capital assets		5,018,992
Transfer - rate funded capital		(4,000,000)
Bond proceeds, including premium		(351,441)
Total revenue per statement of revenues, expenses and changes in net position		<u>71,284,718</u>
Expenditures (budgetary basis)		69,904,342
Amortization of deferred charge on refunding		238,434
Amortization of bond discount and premium , net		(801,733)
Transfer - rate funded capital		(4,000,000)
Depreciation		18,885,762
Gain on sale of assets		(484,718)
Capital outlay		(25,867,596)
Debt principal		(5,567,618)
Total expenses per statement of revenues, expenses and changes in fund net position		<u>52,306,873</u>
Change in net position per statement of revenues, expenses and changes in net position	\$	<u><u>18,977,845</u></u>

Parker Water and Sanitation District

Debt Service Coverage Calculation
 Calculation Per Rate Covenant
 Year Ended December 31, 2019

Allowable Revenues	
Total User Fees	\$ 30,187,970
Farm Land Revenue	419,433
Net Investment Income	4,166,522
WISE Reimbursable Expenses	-
Other Income (including BAB Subsidy)	3,076,267
Property Taxes (sewer operating)	1,170,515
Specific Ownership Taxes	650,505
Total Allowable Revenues	\$ 39,671,212
System Fees	
System Development Fees	\$ 10,132,030
Water Resource Fees	1,665,000
Water Resource System Development Fees	9,758,000
Total System Fees	\$ 21,555,030
Allowable System Fees for coverage not exceeding 15% of Allowable Revenue	\$ 5,950,682
Total Revenues per Covenant	\$ 45,621,894
Operating Expenses	
Operating Expenses (less depreciation)	\$ 24,412,396
Farm Land Expenses	185,580
Total Operating and Maintenance Expenses	\$ 24,597,976
Revenue Available for Debt Service	\$ 21,023,918
Current Year Debt Service	
Revenue Bond and CWRPDA loans Total	6,331,044
WTP Loan	2,940,995
Total Debt Using Revenue Pledge	\$ 9,272,039
Coverage per Rate Covenant Calculation (minimum 110%)	227%
Coverage without consideration of System Fees (minimum 100%)	163%

Parker Water and Sanitation District

Debt Service Coverage Calculation-CWCB Loans
Year Ended December 31, 2019

Allowable Revenues	
Total User Fees	\$ 30,187,970
Farm Land Revenue	419,433
Net Investment Income	4,166,522
WISE Reimbursable Expenses	-
Other Income (including BAB Subsidy)	3,076,267
Property Taxes (sewer operating)	1,170,515
Specific Ownership Taxes	650,505
Total Allowable Revenues	\$ 39,671,212
Maximum Revenue Permitted including System Fees	\$ 44,079,124
System Fees	
Tap fees	\$ 10,132,030
Water Resource Fees	1,665,000
System Development Fees	9,758,000
Total System Fees	\$ 21,555,030
Allowable System Fees for coverage calculation (no more than 10% of Total Revenue Maximum)	\$ 4,407,912
Total Calculated Revenues	\$ 44,079,124
Operating Expenses	
Operating Expenses (less depreciation)	\$ 24,412,396
Farm Land Expenses	185,580
Total Operating and Maintenance Expenses	\$ 24,597,976
Revenue Available for Debt Service	\$ 19,481,148
Current Year Debt Service	
Revenue Bond Total (Existing)	\$ 6,331,044
WTP Loan	2,940,995
CWCB Loan	290,717
Total Debt Using Revenue Pledge	9,562,756
Coverage per Rate Covenant Calculation	204%

History of Customer Accounts and SFEs Served

Year	Number of Accounts	Percent Change	SFEs Served	Percent Change
2009	12,990	1.2%	16,256	1.0%
2010	13,031	0.3%	16,454	1.2%
2011	13,194	1.3%	16,659	1.2%
2012	13,375	1.4%	17,016	2.1%
2013	13,868	3.7%	17,403	2.3%
2014	14,013	1.0%	17,565	0.9%
2015	14,541	3.8%	18,050	2.8%
2016	15,035	3.4%	18,810	4.2%
2017	15,573	3.6%	19,526	3.8%
2018	16,230	4.2%	20,329	4.1%
2019	16,876	4.0%	21,120	3.9%

Source: Parker Water & Sanitation District

The following table sets forth water sales, by category, for calendar year 2019.

Category	Annual Usage (Gallons)	Percent of Total Usage
Residential/Multifamily	1,742,891,573	70.39%
Irrigation/Commercial	614,177,297	24.81%
Bulk	118,921,929	4.80%
Total	2,475,990,799	100.0%

Source: Parker Water & Sanitation District

PARKER WATER AND SANITATION DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (GAAP Basis)
For The Fiscal Years Ended December 31, 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Revenues										
Charges for Services	\$ 20,925,595	\$ 21,314,802	\$ 23,024,528	\$ 23,641,284	\$ 22,766,166	\$ 23,998,265	\$ 26,061,220	\$ 27,382,214	\$ 30,255,712	\$ 30,187,970
Other Operating Income	341,549	342,764	321,697	281,489	337,890	435,221	447,332	502,634	1,889,347	1,033,404
Total	21,267,144	21,657,566	23,346,225	23,922,773	23,104,056	24,433,486	26,508,552	27,884,848	32,145,059	31,221,374
Operating Expenses										
Salaries	4,086,870	4,047,121	4,319,118	4,214,621	4,863,917	5,056,608	5,247,951	5,224,986	5,866,494	6,656,423
Employee Benefits	1,434,690	1,407,791	1,493,771	1,602,166	1,214,213	1,786,353	2,215,737	2,617,563	2,581,217	2,848,019
Insurance	186,393	184,241	168,922	167,674	173,345	193,432	229,541	190,430	261,779	267,030
Professional Services	776,409	1,226,852	1,503,907	896,031	1,084,682	1,237,228	848,793	1,093,030	1,491,433	1,695,390
Support Services	184,990	165,341	208,213	236,223	407,236	550,953	2,312,060	2,406,076	2,600,481	4,003,102
Utilities	3,140,689	3,207,981	3,244,414	3,407,978	3,705,907	4,180,959	4,184,040	3,513,937	3,768,697	3,692,989
Contract Labor & Maintenance	1,826,695	1,529,704	1,633,475	1,791,603	1,702,812	1,737,555	930,331	1,299,053	2,296,077	1,841,571
Supplies and Chemicals	1,155,096	1,178,432	1,376,989	1,369,298	1,362,866	2,097,891	1,735,109	1,966,757	2,156,795	2,666,635
Community Education	147,652	103,023	51,395	65,483	22,520	42,908	47,624	46,272	37,167	47,813
Information Technology	311,060	325,229	309,522	257,481	337,213	352,241	322,885	194,573	226,267	273,966
Administrative	515,677	674,300	446,285	570,759	576,006	601,436	369,372	199,149	367,400	419,458
Depreciation	8,544,980	8,995,268	11,763,786	11,660,729	11,034,528	12,157,714	14,299,762	14,815,799	15,916,009	18,885,762
Total	22,311,201	23,045,283	26,519,797	26,240,046	26,485,245	29,995,278	32,743,205	33,567,625	37,569,816	43,298,158
Operating (Loss)	<u>(1,044,057)</u>	<u>(1,387,717)</u>	<u>(3,173,572)</u>	<u>(2,317,273)</u>	<u>(3,381,189)</u>	<u>(5,561,792)</u>	<u>(6,234,653)</u>	<u>(5,682,777)</u>	<u>(5,424,757)</u>	<u>(12,076,784)</u>
Nonoperating Revenues (Expenses)										
Property Taxes	1,729,517	7,253,967	4,532,006	4,306,089	4,388,951	4,515,264	4,687,265	5,083,891	5,852,733	6,209,999
Specific Ownership Taxes	122,763	490,472	359,034	377,122	406,916	445,902	444,824	576,104	643,057	650,505
Farm Land Revenue	319,391	356,131	435,066	436,485	439,142	428,488	373,319	375,103	374,096	419,433
Farm Land Expenses/Water Resource Farms	(150,188)	(135,543)	(186,618)	(163,592)	(191,800)	(221,411)	(223,882)	(201,185)	(208,625)	(185,580)
Net Investment Income	478,461	1,164,754	677,734	484,145	408,959	388,011	575,752	852,051	2,394,344	4,166,522
Interest Expense/Fees	(1,151,772)	(2,691,577)	(10,091,280)	(7,454,413)	(6,293,024)	(7,136,802)	(7,529,530)	(6,456,848)	(9,034,371)	(9,307,853)
Gain (Loss) on Disposal of Assets	(135,964)	(1,125,768)	(76,243)	(7,016)	1,469,614	48,811	(2,457,442)	(330,348)	66,261	484,718
Other Income	693,180	2,033,671	1,423,784	1,916,922	2,183,671	2,203,310	5,508,244	23,209,256	8,040,303	2,042,863
Total	1,905,388	7,346,107	(2,926,517)	(104,258)	2,812,429	671,573	1,378,550	23,108,024	8,127,798	4,480,607
Gain (Loss) Before Capital Contributions	<u>861,331</u>	<u>5,958,390</u>	<u>(6,100,089)</u>	<u>(2,421,531)</u>	<u>(568,760)</u>	<u>(4,890,219)</u>	<u>(4,856,103)</u>	<u>17,425,247</u>	<u>2,703,041</u>	<u>(7,596,177)</u>
Capital Contributions										
System Development Fees	725,190	1,271,950	2,986,289	3,334,200	5,164,817	9,794,000	9,092,930	10,048,700	11,068,840	10,132,030
Contributed Assets from Developers	1,075,035	2,214,560	130,800	219,072	301,591	1,529,459	5,419,088	4,506,453	2,774,058	5,018,992
Water Resource Fees	60,000	189,821	170,000	155,000	2,503,181	1,165,000	2,330,000	1,290,000	2,215,000	1,665,000
Water Resource System Development Fees	1,857,825	3,369,585	6,304,900	5,084,375	8,296,000	9,110,900	8,464,040	9,540,890	10,663,370	9,758,000
Total	3,718,050	7,045,916	9,591,989	8,792,647	16,265,589	21,599,359	25,306,058	25,386,043	26,721,268	26,574,022
Change in Net Position	4,579,381	13,004,306	3,491,900	6,371,116	15,696,829	16,709,140	20,449,955	42,811,290	29,424,310	18,977,845
Net Position at Beginning of Year	396,698,783	401,278,164	414,282,470	416,226,098	422,597,214	438,294,043	455,003,183	475,453,138	518,264,428	547,688,738
Restatements	-	-	(1,548,272)	-	-	-	-	-	-	-
Net Position at End of Year	<u>\$ 401,278,164</u>	<u>\$ 414,282,470</u>	<u>\$ 416,226,098</u>	<u>\$ 422,597,214</u>	<u>\$ 438,294,043</u>	<u>\$ 455,003,183</u>	<u>\$ 475,453,138</u>	<u>\$ 518,264,428</u>	<u>\$ 547,688,738</u>	<u>\$ 566,666,583</u>

Budgetary Summary and Comparison

	2015		2016		2017		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
BEGINNING CASH										
Unrestricted	\$ 16,336,308	\$ 16,336,308	\$ 22,695,013	\$ 22,695,013	\$ 16,586,956	\$ 16,586,956	\$ 22,108,175	\$ 22,108,175	\$ 26,495,525	\$ 26,495,525
Restricted	13,289,219	13,289,219	13,125,477	13,125,477	13,521,441	13,521,441	13,374,254	13,374,254	14,219,452	14,219,452
TOTAL BEGINNING CASH	29,625,527	29,625,527	35,820,490	35,820,490	30,108,397	30,108,397	35,482,429	35,482,429	40,714,977	40,714,977
Less Restricted Cash	13,289,219	13,289,219	13,125,477	13,125,477	13,521,441	13,521,441	14,219,452	14,219,452	14,219,452	14,219,452
NET FUNDS AVAILABLE	16,336,308	16,336,308	22,695,013	22,695,013	16,586,956	16,586,956	21,262,977	21,262,977	26,495,525	26,495,525
OPERATING REVENUE										
Charges for Services	23,679,200	23,998,265	24,465,010	26,061,220	26,950,000	27,382,214	27,803,000	30,255,712	29,170,370	30,187,970
Operating Taxes	1,126,000	1,258,565	1,204,500	1,288,432	1,322,000	1,491,127	1,190,000	1,696,502	1,379,000	1,821,021
Other Income	1,718,736	1,820,055	1,708,340	1,779,576	1,816,803	1,837,344	1,657,820	3,307,901	1,328,920	1,899,124
TOTAL OPERATING REVENUES	26,523,936	27,076,885	27,377,850	29,129,228	30,088,803	30,710,685	30,650,820	35,260,115	31,878,290	33,908,115
TOTAL OPERATING RESOURCES	42,860,244	43,413,193	50,072,863	51,824,241	46,675,759	47,297,641	51,913,797	56,523,092	58,373,815	60,403,640
OPERATING EXPENSES										
Salaries	5,028,402	5,048,668	5,185,420	5,192,745	5,416,923	5,224,986	5,798,257	5,866,493	6,800,726	6,656,423
Insurance & Employee Benefits	1,928,940	1,979,785	2,454,390	2,445,278	2,819,425	2,807,993	3,059,926	2,842,997	3,786,005	3,115,049
Professional Services	1,131,000	1,237,228	1,101,900	848,793	1,310,515	1,093,030	1,138,700	1,491,433	2,009,000	1,695,390
Information Technology	376,350	352,241	285,460	322,885	186,696	194,573	192,750	226,267	242,640	273,966
Utilities	3,724,200	4,180,959	3,764,450	4,184,040	3,715,000	3,513,937	3,713,200	3,768,697	3,414,000	3,692,989
Support Services	541,100	550,953	1,826,850	2,312,060	2,645,020	2,406,076	3,038,590	2,600,481	3,186,820	4,003,102
Contract Labor and Maintenance	1,815,945	1,737,555	760,437	930,331	1,221,462	1,299,053	1,270,430	2,296,077	1,916,700	1,841,571
Supplies and Chemicals	2,243,450	2,097,891	1,873,515	1,735,109	1,946,847	1,966,757	2,276,990	2,156,796	2,689,170	2,666,635
Administrative and Education	664,516	644,344	341,766	416,996	505,283	253,446	494,680	404,566	497,000	467,271
Transfer - Rate Funded Capital	3,000,000	3,000,000	3,000,000	3,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Debt Service	3,581,132	3,537,076	4,957,772	4,727,478	3,106,600	2,988,010	3,423,200	3,435,224	3,598,320	3,431,201
Water Resource farms	176,800	221,411	313,404	223,882	242,000	201,185	226,000	208,625	206,500	185,580
TOTAL OPERATING EXPENSES	\$ 24,211,835	\$ 24,588,111	\$ 25,865,364	\$ 26,339,597	\$ 27,115,771	\$ 25,949,046	\$ 28,632,723	\$ 29,297,656	\$ 32,346,881	\$ 32,029,177
RESOURCES REMAINING	\$ 18,648,409	\$ 18,825,082	\$ 24,207,499	\$ 25,484,644	\$ 19,559,988	\$ 21,348,595	\$ 23,281,074	\$ 27,225,436	\$ 26,026,934	\$ 28,374,463

History of Water and Sewer Connection Fees per SFE

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential Water Connection Fees	\$ 20,225	\$ 20,225	\$ 20,975	\$ 21,475	\$ 21,475	\$ 21,800	\$ 21,870	\$ 22,110	\$ 23,040	\$ 24,470
Residential Sewer Connection Fees	3,650	3,650	4,150	6,650	6,650	3,500	3,510	3,550	3,700	5,000
Total	\$ 23,875	\$ 23,875	\$ 25,125	\$ 28,125	\$ 28,125	\$ 25,300	\$ 25,380	\$ 25,660	\$ 26,740	\$ 29,470

Source: Parker Water & Sanitation District

Historical Connection Fee Revenues

Year	Connection Fee Revenue
2010	\$ 2,643,015
2011	4,831,356
2012	9,461,189
2013	8,573,575
2014	15,963,997
2015	20,069,900
2016	19,886,970
2017	20,879,590
2018	23,947,210
2019	21,555,030

Source: Parker Water & Sanitation District

**15-Year History of the District's Assessed Valuation, Mill Levies and
Ad Valorem Property Tax Collections**

Levy/Collection Year	Assessed Valuation	Percent Change	Mill Levy	Taxes Levied ¹	Taxes Collected ²	Collection Percentage
2003/2004	281,988,810	13.7%	2.020	569,617	576,027	101.1%
2004/2005	315,969,400	12.1%	1.985	627,135	629,076	100.3%
2005/2006	363,851,863	15.2%	1.905	693,138	699,951	101.0%
2006/2007	400,586,517	10.1%	1.900	761,765	762,210	100.1%
2007/2008	463,154,288	15.6%	1.803	835,067	840,841	100.7%
2008/2009	486,404,640	5.0%	1.839	894,546	878,724	98.2%
2009/2010	491,313,665	1.0%	3.554	1,760,309	1,729,517	98.3%
2010/2011	496,472,716	1.1%	14.925	7,409,855	7,253,967	97.9%
2011/2012	456,296,324	-8.1%	10.214	4,660,610	4,532,006	97.2%
2012/2013	458,892,906	0.6%	9.727	4,463,651	4,306,089	96.5%
2013/2014	461,947,386	0.7%	9.727	4,493,362	4,388,952	97.7%
2014/2015	473,284,647	2.5%	9.727	4,603,640	4,515,265	98.1%
2015/2016	553,661,969	17.0%	8.652	4,790,284	4,687,265	97.8%
2016/2017	570,659,808	3.1%	9.095	5,190,077	5,083,891	98.0%
2017/2018	652,021,428	14.3%	9.145	5,962,736	5,852,733	98.2%

Includes mill levy for collection of GO debt taxes.
Net of County Treasurer's Fees

Source: Douglas County Assessor's and Treasurer's Offices

Ten Largest Taxpayers in the District for 2019

Taxpayer Name	Assessed Valuation	Percentage of Total Assessed Valuation ¹
Parker Hilltop Apartments ²	6,846,840	1.03%
Briargate Apartments Property Owners LLC	5,693,190	0.86%
Denver Pope Family LP	5,371,960	0.81%
Mainstreet RE Investors LLC	5,360,360	0.81%
Cherry Creek Colorado I LLC & Cherry Creek Colorado II LLC	4,992,490	0.75%
20 Mile Road Parker LLC	4,700,020	0.71%
BRE DDR Parker Pavilions LLC	4,613,440	0.69%
Trailside Holdings LLC	4,404,400	0.66%
Wal-Mart Real Estate Business Trust	3,899,280	0.59%
Target Corporation	3,778,210	0.57%
Total	\$ 49,660,190	7.48%

¹Based on a 2019 net certified assessed valuation of \$665,400,516

²Includes Parker Hilltop Apartments II LLP, Parker Hilltop Apartments LP

Source: Douglas County Assessor's Office

**Maximum Tax Levy Applicable To Properties
Located in the District
For 2019 Taxes Due in 2020**

Government Unit	Mill Levy
Douglas County Schools	43.839
Douglas County Law Enforcement	4.500
Douglas County Government	19.274
South Metro Fire Rescue	9.250
Douglas Public Library District	4.023
Parker Water and Sanitation District	8.645
Urban Drainage and Flood Control District	0.900
Cherry Creek Basin Water Quality Authority	0.451
Urban Drainage and Flood South Platte	0.097
Lincoln Creek Metropolitan District	63.206
Total	154.185

Source: Douglas County Assessor's Office

**Outstanding Debt of the District
as of 12/31/19**

Name of Issue	Amount Outstanding	Year of Final Maturity
CWRPDA Wastewater Loan, Series 2001	675,865	2021
CWRPDA Wastewater Loan, Series 2002	9,737,832	2025
CWRPDA Water Resources Revenue Bonds, Series 2010A	51,485,000	2035
Water & Wastewater Revenue Refunding Bonds, Series 2012	17,265,000	2030
General Obligation Revenue Refunding Bonds, Series 2012	80,830,000	2043
2018 Water & Wastewater Revenue Bond	36,225,000	2042
CWCB Loan A	3,722,515	2035
CWCB Loan B	5,650,934	2039
CWCB Loan D	665,907	2042
 Total	 <u>\$ 206,258,053</u>	

Source: Parker Water & Sanitation District

**Debt Service Requirements to Maturity
Total of Annual Principal and Interest Requirements**

	Bonds and Parity Obligations		Direct Borrowings	
	Principal	Interest	Principal	Interest
2020	\$ 5,632,456	\$ 9,277,958	\$ 404,054	\$ 257,770
2021	7,844,340	9,026,570	415,166	246,658
2022	8,206,536	8,681,899	426,583	235,241
2023	7,314,272	8,328,526	463,730	242,006
2024	7,549,836	8,070,509	476,483	229,246
2025-2029	42,761,257	35,288,362	2,586,320	942,212
2030-2034	53,005,000	24,394,540	2,962,043	566,280
2035-2039	36,680,000	11,741,765	2,180,626	184,590
2040-2043	27,225,000	3,289,250	124,352	6,967
	<u>\$ 196,218,697</u>	<u>\$ 118,099,379</u>	<u>\$ 10,039,357</u>	<u>\$ 2,910,970</u>

Source: Parker Water & Sanitation District

Debt Service Requirements						
Year	2012 Revenue Bonds			Parity Debt	Non-Parity Debt	Total Debt Service
	Principal	Interest	Total			
2019	785,000	799,894	1,584,894	4,751,359	9,177,195	15,513,448
2020	2,925,000	776,344	3,701,344	2,692,900	9,177,995	15,572,239
2021	4,040,000	630,094	4,670,094	3,682,046	9,180,595	17,532,735
2022	4,610,000	436,094	5,046,094	3,322,846	9,181,320	17,550,260
2023	605,000	228,644	833,644	5,821,509	9,693,382	16,348,535
2024	635,000	198,394	833,394	5,802,691	9,689,990	16,326,075
2025	665,000	166,644	831,644	5,741,420	9,681,108	16,254,172
2026	700,000	133,394	833,394	2,736,250	12,871,853	16,441,497
2027	735,000	98,394	833,394	2,736,500	12,799,772	16,369,666
2028	760,000	75,425	835,425	2,733,750	12,727,343	16,296,518
2029	780,000	51,675	831,675	2,733,000	12,651,629	16,216,304
2030	810,000	26,325	836,325	2,734,000	12,575,023	16,145,348
2031	-	-	-	2,731,500	13,641,960	16,373,460
2032	-	-	-	2,735,500	13,523,231	16,258,731
2033	-	-	-	2,735,500	13,404,262	16,139,762
2034	-	-	-	2,731,500	13,279,068	16,010,568
2035	-	-	-	2,733,500	13,148,553	15,882,053
2036	-	-	-	2,736,000	5,991,185	8,727,185
2037	-	-	-	2,733,750	5,994,725	8,728,475
2038	-	-	-	2,731,750	5,990,390	8,722,140
2039	-	-	-	2,734,750	5,621,272	8,356,022
2040	-	-	-	2,732,250	5,622,761	8,355,011
2041	-	-	-	2,734,250	5,623,250	8,357,500
2042	-	-	-	2,735,250	5,622,305	8,357,555
2043	-	-	-	-	5,575,500	5,575,500
Totals	18,050,000	3,621,321	21,671,321	78,293,771	242,445,667	342,410,759

Source: Parker Water & Sanitation District

Estimated Overlapping Debt of the District

Overlapping Entity	Outstanding General Obligation Debt	Percentage Applicable to the District	Share of Debt Applicable to the District
Antelope Heights Metropolitan District	\$ 9,715,000	100.0%	\$ 9,715,000
Canterberry Crossing Metropolitan District	8,600,000	100.0%	8,600,000
Canterberry Crossing Metropolitan District 2	8,765,000	100.0%	8,765,000
Canyons Metropolitan District No. 5	47,500,000	100.0%	47,500,000
Canyons Metropolitan District No. 6	11,800,000	100.0%	11,800,000
Douglas County School District RE-1	455,050,000	10.98%	49,964,490
Horse Creek Metropolitan District	4,090,000	100.0%	4,090,000
Horseshoe Ridge Metropolitan District No. 1	3,850,000	100.0%	3,850,000
Jordan Crossing Metropolitan District	1,395,000	100.0%	1,395,000
Lincoln Creek Metropolitan District	4,130,000	100.0%	4,130,000
Lincoln Meadows Metropolitan District	7,315,000	94.43%	6,907,555
Neu Towne Metropolitan District	11,000,000	100.0%	11,000,000
Olde Town Metropolitan District	970,000	100.0%	970,000
Overlook Metropolitan District	5,170,000	100.0%	5,170,000
Parker Automotive Metropolitan District	15,336,000	100.0%	15,336,000
Parker Homestead Metropolitan District	8,140,000	100.0%	8,140,000
Pine Bluffs Metropolitan District	3,900,000	100.0%	3,900,000
Rampart Range Metropolitan District No. 1	186,400,000	100.0%	186,400,000
Reata North Metropolitan District	10,225,000	100.0%	10,225,000
Reata Ridge Village Metropolitan District No. 2	5,739,000	100.0%	5,739,000
Regency Metropolitan District	3,720,000	100.0%	3,720,000
Robinson Ranch Metropolitan District	750,000	100.0%	750,000
Salisbury Heights Metropolitan District	2,345,000	100.0%	2,345,000
Sierra Ridge Metropolitan District No. 2	30,000,000	100.0%	30,000,000
Southeast Public Improvement Metropolitan District	2,535,000	0.03%	761
Tallman Gulch Metropolitan District	9,465,000	100.0%	9,465,000
Village on the Green Metropolitan District No. 1	1,400,000	100.0%	1,400,000
Villas Metropolitan District	4,940,000	96.89%	4,786,366
Westcreek Metropolitan District No.2	7,800,000	100.0%	7,800,000
	<u>\$ 872,045,000</u>		<u>\$ 463,864,172</u>

Source: Douglas County Assessors office and individual entities

Selected Debt Ratios of the District as of December 31, 2019

Total Actual Value of All Real Property	\$	8,404,441,055
Net Total Taxable Assessed Valuation	\$	665,400,516
Net General Obligation Direct Debt	\$	80,830,000
Estimated Overlapping Debt		463,864,172
Total Net Direct and Estimated Overlapping Debt	\$	<u>544,694,172</u>
Ratio of Net General Obligation Direct Debt to Actual Value		0.96%
Ratio of Net General Obligation Direct Debt to Assessed Valuation		12.15%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Actual Valuation		6.48%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Assessed Valuation		81.86%
Total Net General Obligation Direct Debt per Capita ¹	\$	1,454
Net Direct and Estimated Overlapping Debt per Capita ¹	\$	9,797
Estimated Actual Valuation per Capita ¹	\$	151,159
Assessed Valuation per Capita ¹	\$	11,968

¹ Estimated District population: 55,600

Source: Parker Water and Sanitation District, Douglas County Assessor, and Town of Parker

**15-Year History of the District's Assessed Valuation, Mill Levies
and Ad Valorem Property Tax Collections**

Levy/Collection Year	Assessed Valuation	Percent Change	Mill Levy	Taxes Levied	Taxes Collected	Collection Percentage
2004/2005	315,969,400	12.1%	1.985	627,135	629,076	100.3%
2005/2006	363,851,863	15.2%	1.905	693,138	699,951	101.0%
2006/2007	400,586,517	10.1%	1.900	761,765	762,210	100.1%
2007/2008	463,154,288	15.6%	1.803	835,067	840,841	100.7%
2008/2009	486,404,640	5.0%	1.839	894,546	878,724	98.2%
2009/2010	491,313,665	1.0%	3.554	1,760,309	1,729,517	98.3%
2010/2011	496,472,716	1.1%	14.925	7,409,855	7,253,967	97.9%
2011/2012	456,296,324	-8.1%	10.214	4,660,610	4,532,006	97.2%
2012/2013	458,892,906	0.6%	9.727	4,463,651	4,306,089	96.5%
2013/2014	461,947,386	0.7%	9.727	4,493,362	4,388,952	97.7%
2014/2015	473,284,647	2.5%	9.727	4,603,640	4,515,265	98.1%
2015/2016	553,661,969	17.0%	8.652	4,790,284	4,687,265	97.8%
2016/2017	570,659,808	3.1%	9.095	5,190,077	5,083,891	98.0%
2017/2018	652,021,428	14.3%	9.145	5,962,736	5,852,733	98.2%
2018/2019	655,400,516	0.5%	9.507	6,325,755	6,213,436	98.2%

Includes mill levy for collection of GO debt taxes.
Net of County Treasurer's Fees

Source: Douglas County Assessor's and Treasurer's Offices

History of Assessed Valuations and Mill Levies for the District

Levy/Collection Year	Assessed Values				Mill Levies		
	Net Assessed Valuation	Percent Change	Assessed Value Attributable to Tax Increment	Gross Assessed Valuation	General Fund	Debt Fund	Total Levy
2010/2011	496,472,716	1.1%	1,183,894	497,656,610	2.053	12.872	14.925
2011/2012	456,296,324	-8.1%	2,455,306	458,751,630	0.797	9.417	10.214
2012/2013	458,892,906	0.6%	3,514,614	462,407,520	1.727	8.000	9.727
2013/2014	461,947,386	0.7%	4,292,372	466,239,758	1.727	8.000	9.727
2014/2015	473,284,647	2.5%	3,487,053	476,771,700	1.727	8.000	9.727
2015/2016	553,661,969	17.0%	4,987,911	558,649,880	1.545	7.107	8.652
2016/2017	570,659,808	3.1%	7,399,222	578,059,030	1.595	7.500	9.095
2017/2018	652,021,428	14.3%	12,906,262	664,927,690	1.503	7.642	9.145
2018/2019	665,400,516	2.1%	17,336,454	682,736,970	1.570	7.937	9.507
2019/2020	765,949,539	15.1%	25,958,771	791,908,310	1.445	7.200	8.645

Source: Douglas County Assessor's Office

Property Tax Collections for the District

Levy/ Collection Year	Taxes Levies	Current Tax Collections	Collection Rate
2009/2010	1,746,129	1,741,794	99.75%
2010/2011	7,409,855	7,369,071	99.45%
2011/2012	4,660,611	4,565,107	97.95%
2012/2013	4,463,651	4,306,089	96.47%
2013/2014	4,493,362	4,388,952	97.68%
2014/2015	4,603,640	4,515,264	98.08%
2015/2016	4,790,284	4,687,265	97.85%
2016/2017	5,190,077	5,083,891	97.95%
2017/2018	5,962,736	5,852,733	98.16%
2018/2019	6,325,755	6,209,999	98.17%

Source: Douglas County Assessor's Office

2019 Assessed Valuation of Classes of Property in the District

Property Class	2019 Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	509,701,890	64.74%
Commercial	214,527,770	27.25%
Vacant	31,591,200	4.00%
State Assessed	15,872,510	2.02%
Industrial	10,930,570	1.39%
Agricultural	140,270	0.02%
Other	4,541,200	0.58%
Total	\$ 787,305,410	100.00%

Source: Douglas County Assessor's Office

Budget Summary and Comparison - Budgetary Basis

	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Actual
Revenues										
Charges for services	\$ 24,380,000	\$ 23,998,265	\$ 25,262,000	\$ 26,061,220	\$ 25,968,500	\$ 27,382,214	\$ 27,803,000	\$ 30,255,713	\$ 29,170,370	\$ 30,187,970
Operating tax revenues	1,026,000	1,258,565	1,062,500	1,288,432	1,116,740	1,491,127	1,190,000	1,696,502	1,379,000	1,821,021
Other operating income	278,500	435,221	279,800	447,332	324,000	502,634	609,000	1,889,346	1,406,000	1,033,404
Interest income	329,600	388,011	124,500	575,752	295,000	852,048	695,000	2,394,345	2,590,000	4,166,522
Other nonoperating income	2,400,696	2,622,252	2,426,810	4,258,232	1,215,850	1,459,190	1,573,360	3,211,135	1,617,020	2,042,863
Rueter-Hess mill levy	3,733,000	3,702,601	3,897,500	3,843,657	4,214,840	4,168,868	4,914,000	4,799,288	5,216,000	5,039,483
System development fees	5,928,300	9,794,000	6,045,900	9,092,930	6,447,210	10,048,700	7,003,000	11,068,840	8,089,000	10,132,030
Water resource fees	155,000	1,165,000	155,000	2,330,000	155,000	1,290,000	155,000	2,215,000	200,000	1,665,000
Water resource system development fees	5,412,000	9,110,900	5,556,000	8,464,040	5,921,580	9,540,890	6,392,000	10,663,370	7,364,000	9,758,000
Renewable water fees	-	-	-	-	-	-	-	-	-	-
Farm income	430,000	428,488	428,500	373,319	418,000	375,103	365,500	374,095	370,600	419,433
Transfer-Rate funded capital	3,000,000	3,000,000	3,000,000	3,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Bond proceeds	6,000,000	195,561	6,000,000	1,100,214	5,000,000	-	44,400,000	43,835,260	4,000,000	351,441
Other revenue/reimbursements	20,430,000	795,353	16,645,000	2,415,472	23,598,700	26,256,522	3,696,000	4,542,282	2,354,400	-
Total revenues	\$ 73,503,096	\$ 56,894,217	\$ 70,883,510	\$ 63,250,600	\$ 78,675,420	\$ 87,367,296	\$ 102,795,860	\$ 120,945,176	\$ 67,756,390	\$ 70,617,167
Expenditures										
Salaries	\$ 4,987,460	\$ 5,048,668	\$ 5,121,010	\$ 5,192,745	\$ 5,516,572	\$ 5,224,986	\$ 5,798,257	\$ 5,866,493	\$ 6,800,726	\$ 6,656,423
Employee benefits	1,752,350	1,786,353	2,161,640	2,215,737	2,641,997	2,617,563	2,866,246	2,652,854	3,593,005	2,848,019
Insurance	190,700	193,432	220,000	229,541	178,000	190,430	193,680	261,779	193,000	267,030
Professional services	1,400,000	1,237,228	1,352,000	848,793	1,039,600	1,093,030	1,108,700	1,491,433	2,009,000	1,695,390
Support services	549,700	550,953	701,800	2,312,060	2,917,000	2,406,076	3,038,590	2,600,481	3,186,820	4,003,102
Utilities	3,617,000	4,180,959	3,762,000	4,184,040	3,885,500	3,513,937	3,713,200	3,768,697	3,414,000	3,692,989
Contract labor & maintenance	2,140,400	1,737,555	2,018,600	930,331	1,240,970	1,299,053	1,270,430	2,296,077	1,916,700	1,841,571
Supplies and Chemicals	2,600,180	2,097,891	2,280,900	1,735,109	2,026,400	1,966,757	2,276,990	2,156,796	2,689,170	2,666,635
Community education	48,650	42,908	90,800	47,624	60,000	46,272	55,000	37,166	70,500	47,813
Information technology	405,985	352,241	500,690	322,885	175,250	194,573	222,750	226,267	242,640	273,966
Water resource farms	184,800	221,411	175,200	223,882	231,000	201,185	226,000	208,625	206,500	185,580
Administrative	633,028	601,436	769,570	369,372	183,600	207,174	439,680	367,400	426,500	419,458
Transfer-Rate funded capital	3,000,000	3,000,000	3,000,000	3,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Debt service	14,399,393	14,358,526	14,705,180	17,078,856	13,517,800	11,913,960	16,081,100	14,890,514	15,912,620	15,438,770
Capital outlay	51,783,850	7,718,177	44,920,890	22,487,909	60,619,800	45,479,691	44,397,258	23,906,916	61,786,450	25,867,596
Total expenditures	\$ 87,693,496	\$ 43,127,738	\$ 81,780,280	\$ 61,178,884	\$ 98,233,489	\$ 80,354,687	\$ 85,687,881	\$ 64,731,498	\$ 106,447,631	\$ 69,904,342
Excess Revenues over Expenditures	\$ (14,190,400)	\$ 13,766,479	\$ (10,896,770)	\$ 2,071,716	\$ (19,558,069)	\$ 7,012,609	\$ 17,107,979	\$ 56,213,678	\$ (38,691,241)	\$ 712,825

Source: Parker Water & Sanitation District

History of Net Pledged Revenues and Debt Service Coverage

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Pledged Revenues										
Operating Revenues	\$ 21,267,144	\$ 21,657,566	\$ 23,346,225	\$ 23,922,773	\$ 23,104,056	\$ 24,433,486	\$ 26,508,552	\$ 27,884,848	\$ 32,145,059	\$ 31,221,374
Non-Operating Revenues	2,337,101	4,363,885	3,266,978	3,566,527	3,758,090	3,756,781	4,833,984	2,311,238	5,892,365	5,453,871
Connection Fees	2,643,015	4,831,356	9,461,189	8,573,575	15,963,998	20,069,900	19,886,970	20,879,590	23,947,210	21,555,030
Total Gross Pledged Revenues	\$ 26,247,260	\$ 30,852,807	\$ 36,074,392	\$ 36,062,875	\$ 42,826,144	\$ 48,260,167	\$ 51,229,506	\$ 51,075,676	\$ 61,984,634	\$ 58,230,275
Operation & Maintenance Expenses	\$ 13,766,221	\$ 14,050,015	\$ 14,756,011	\$ 14,579,317	\$ 15,450,717	\$ 17,837,564	\$ 18,443,443	\$ 18,751,826	\$ 21,653,807	\$ 24,412,396
Less: Property taxes	(1,056,937)	(1,493,489)	(721,335)	(1,152,222)	(1,196,867)	(1,258,565)	(1,288,432)	(1,491,127)	(1,696,502)	(1,821,019)
Net O&M Expenses	\$ 12,709,284	\$ 12,556,526	\$ 14,034,676	\$ 13,427,095	\$ 14,253,850	\$ 16,578,999	\$ 17,155,011	\$ 17,260,699	\$ 19,957,305	\$ 22,591,377
Net Pledged Revenues	\$ 13,537,976	\$ 18,296,281	\$ 22,039,716	\$ 22,635,780	\$ 28,572,294	\$ 31,681,168	\$ 34,074,495	\$ 33,814,977	\$ 42,027,329	\$ 35,638,899
Historical Debt Service Paid	\$ 5,127,699	\$ 8,552,443	\$ 9,495,170	\$ 8,649,009	\$ 8,348,678	\$ 8,594,546	\$ 11,896,066	\$ 7,533,090	\$ 9,309,739	\$ 9,562,757
Coverage	2.64x	2.14x	2.32x	2.62x	3.42x	3.69x	2.86x	4.49x	4.51x	3.73x

On April, 6, 2016 the District prepaid a portion of the 1997 CWRPDA and 2000 CWRPDA loans utilizing cash reserves. Of the total debt service payment, \$3,450,718 represented principal due after 12/31/2016. If the prepayment is removed from the calculation, the debt service paid in 2016 is \$8,445,347 and the calculated coverage is 4.03x

Source: Parker Water & Sanitation District

**Tap & Development Fee Schedule
2019**

Meter Size	Water SDF	Sewer SDF	Water Resources SDF	Water Resource Toll
3/4"	\$ 10,470	\$ 5,000	\$ 14,000	\$ 5,000
1"	\$ 20,940	\$ 10,000	\$ 28,000	\$ 10,000
1 1/2"	\$ 41,880	\$ 20,000	\$ 56,000	\$ 20,000
2"	\$ 73,290	\$ 35,000	\$ 98,000	\$ 35,000
3"	\$ 167,520	\$ 80,000	\$ 224,000	\$ 80,000

**Water Rates
2019**

**Residential and Multi-Family Accounts
Per Single Family Equivalent (per month)**

Monthly Fixed Rate		\$ 31.04
Tier 1	Per 1,000 gallons for first 6,000 gallons	\$ 2.33
Tier 2	Per each additional 1,000 gallons up to and including 20,000 gallons	\$ 4.51
Tier 3	Per each additional 1,000 gallons in excess of 20,000 gallons	\$ 9.30

**Sewer Rates
2019**

Per Single Family Equivalent (per month)

Monthly Fixed Rate	\$ 9.40
Per 1,000 Gallons*	\$ 9.26

*Based on the average water consumption in the months of December, January, and February.

Source: Parker Water & Sanitation District

**Top 10 Customers of the District
by Total Amount Billed**

2019	Customer Name	Total \$ Billed	Total Billed Consumption (gallons)	Rank (By Consumption)	Percent of Total Billed	Percent of Billed Consumption
1	Town & Country Village HOA	\$ 488,951	37,540,975	2	1.67%	1.59%
2	Town of Parker	380,011	33,721,183	3	1.30%	1.43%
3	Parker Hilltop	370,862	29,017,468	4	1.27%	1.23%
4	Prairie Meadows Townhomes	351,066	23,719,197	5	1.20%	1.01%
5	Villages of Parker HOA (Canterberry Crossing)	339,119	41,966,523	1	1.16%	1.78%
6	Braddock & Logan Venture Group (Waterford Apts)	272,674	18,636,914	6	0.93%	0.79%
7	Ironstone Condominiums at Stroh Ranch	247,831	17,685,801	7	0.85%	0.75%
8	Briar Gate Apts Prop Owners LLC	227,768	15,708,063	10	0.78%	0.67%
9	Trailside Apartments	225,861	17,454,536	8	0.77%	0.74%
10	Prairie Walk on Cherry Creek HOA	180,627	13,164,810	13	0.62%	0.56%
Total - TOP 10 Customers		3,084,770	248,615,470		10.55%	10.55%
Total - All Customers		\$ 29,211,971	2,357,068,870			

Source: Parker Water & Sanitation District