

**DENVER SOUTHEAST SUBURBAN  
WATER AND SANITATION DISTRICT  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
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Board of Directors  
Denver Southeast Suburban Water and Sanitation District  
Douglas County, Colorado

## Independent Auditor's Report

### Opinion

We have audited the accompanying financial statements of the business-type activities of Denver Southeast Suburban Water and Sanitation District (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Denver Southeast Suburban Water and Sanitation District as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## Other Matters

### Required Supplemental Information

The management's discussion and analysis information on pages III through IX is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

### Supplemental Information

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

### Other Information

The other supplementary information and continued disclosure annual financial information, as listed in the table of contents, 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.

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

*Wipfli LLP*

Wipfli LLP  
Lakewood, Colorado

May 19, 2023

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

The management of Denver Southeast Suburban Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022.

**District Operations**

The number of District staff increased in 2022 from 22 full-time equivalents (FTE) to 24. All open positions were filled in March. One key staff member retired at the end of 2022. This person had worked for the District for 33 years and it was a long process to find an operator as skilled to fill the open position. By the end of 2022, all staff positions were filled.

Growth in the District slowed in 2022 as compared to the previous two years. In 2022, the District sold 34 water and sewer tap to new homes as compared to 161 new taps in 2021 and 288 new taps in 2020. The District has budgeted 50 new water and sewer taps for 2023.

The total precipitation for 2022 was very dry. There was no registered precipitation in the entire month of April. Luckily, most of the precipitation (8.46 in) came in the irrigation season, lightening the load on the water demands during that stressful time. Throughout the year, the average high temperature for each month was about 3 degrees higher than in 2021. Total precipitation experienced in the area in 2022 was 10.78 inches, down from 15.10 inches in 2021, and 10.80 inches in 2020. The publish average local precipitation is 19.3 inches annually.

Customers' water usage in 2022 exceeded the prior two years from January through June. But because the bulk of the precipitation was received in the summer months, irrigation tapered and customers took advantage of the rain by using less water overall. By the end of December, more water was treated and delivered in 2022 (1.231 billion gallons) than in 2021 (1.092 billion gallons), a 13% increase. However, customers used less water in 2022 (1.5% less) than in 2020, both years having similar precipitation amounts.

The District began in 2020 a robust program to inspect and rehabilitate all the wells in the District. Three of the District's 18 wells were cleaned and rehabilitated in 2022. The District also continued and made significant progress towards completing a District-wide retrofit of its meters to a new cellular powered Advanced Metering Analytics platform called Beacon EyeOnWater. This project was set to be completed in 2021, but due to supply-chain bottlenecks, only 30% of the endpoints were installed in 2021. The project continued into 2022 and by year-end was 76% complete. The project will be completed by summer 2023.

Repair and replacement capital projects in 2022 included the continued maintenance of the water distribution system to replace valves, curb stops, fire hydrants, air-vac valves and meter pits. Design began on another cache of potable water pipeline replacements. Construction to replace the waterlines in 2 more streets will begin in 2023. The District also continued its maintenance program on the sewer collection system to decrease infiltration and prolong the life of its assets by lining approximately 3500 linear feet of interceptor pipelines.

The District completed an update to its Rates and Fees Study in late 2020. That study recommended a 3% increase to both water and wastewater rate generated revenue in 2022. Updated modeling showed that the necessary rate increases could be limited to only 1% for both the water and wastewater rates.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**District Operations (Continued)**

The District continued to work on long-term regional water supply projects through its membership in the Cherry Creek Project Water Authority and the South Metro WISE Authority. The South Metro WISE Authority completed the Phase II infrastructure and can now deliver its full instantaneous flow of 30 million gallons per day to its members. The District has rights to receive up to 500 AC-FT of WISE water each year.

The Cherry Creek Project Water Authority (CCPWA) continued construction of its new raw water storage facility near Franktown, Colorado, the Walker Reservoir. The District owns approximately 47% of the capacity in the new reservoir. The District signed an agreement with the Town of Castle Rock (TCR) that will enable TCR to flow its CCPWA water through the District's infrastructure for delivery to TCR at an existing interconnect on the west side of the District. This will bring a continual income stream and help defer some costs of infrastructure repair and maintenance in those areas. The CCPWA also prepared to drill four new wells to fill the Walker Reservoir, 3 alluvial and one Denver Basin aquifer well. Those wells will be completed ahead of the Reservoir completion.

**Financial Highlights**

- Net position increased \$5,888,400 while revenues decreased 10.31% and expenses increased 11.47%.
- Operating revenues increased 12.52% from the prior year.
- Net operating loss of \$704,103 was an increase of \$119,548 from last year's net operating loss of \$584,555. Excluding depreciation, net operating income was \$3,665,303.
- Operating expenses exclusive of depreciation increased 22.19% from the prior year.
- Customers on-line for water service at year-end increased by 128 single-family residential equivalent units to 4,995 at year-end.
- Funds available (current assets plus other assets less current liabilities exclusive of the current portion of long-term obligations) decreased \$3,803,254 to \$30,251,840 at December 31, 2022.

**Overview of the Financial Statements**

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

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Overview of the Financial Statements (Continued)**

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

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

The supplemental information contained in this report provides a schedule of revenues, expenses, and change in net position, budget and actual information, and debt service requirements.

The continuing disclosure annual financial information is information required by the Series 2002A and 2005A bond covenants, including mill levy, assessed valuation and property tax information, annual operating data, historical actual and budget financial statements, statistical information within the area and debt coverage information.

The District's net position increased \$5,888,400 in 2022. Current assets decreased \$3,929,481 and capital assets, net of depreciation, increased \$7,817,296.

**Statement of Net Position**

	December 31,		
	2022	2021	2020
<b>ASSETS</b>			
Current Assets	\$ 31,306,062	\$ 35,235,543	\$ 34,150,170
Capital Assets	116,140,955	108,323,659	104,953,945
Total Assets	<u>147,447,017</u>	<u>143,559,202</u>	<u>139,104,115</u>
<b>LIABILITIES</b>			
Current Liabilities	2,962,772	3,029,100	2,859,842
Long-Term Liabilities	14,607,240	16,541,497	21,329,417
Total Liabilities	<u>17,570,012</u>	<u>19,570,597</u>	<u>24,189,259</u>
<b>NET POSITION</b>			
Net Position Invested in Capital Assets	99,625,165	89,933,511	81,756,175
Restricted Net Position	3,375,420	3,360,235	3,359,800
Unrestricted Net Position	<u>26,876,420</u>	<u>30,694,859</u>	<u>29,798,881</u>
Total Net Position	<u>\$ 129,877,005</u>	<u>\$ 123,988,605</u>	<u>\$ 114,914,856</u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Review of Change in Net Position**

	December 31,		
	2022	2021	2020
<b>REVENUES</b>			
Operating Revenue:			
Water Services	\$ 7,766,928	\$ 6,671,591	\$ 7,073,727
Sewer Services	2,606,264	2,547,391	2,527,387
Total Operating Revenue	<u>10,373,192</u>	<u>9,218,982</u>	<u>9,601,114</u>
Nonoperating Revenue:			
Investment Income	419,106	10,843	106,666
Other	1,738,683	193,615	587,680
Contributions:			
Tap Fees, Net of Cost Recovery Payments	1,758,652	7,091,024	12,425,653
Water Wheeling	658,748	-	-
Contributed Facilities	2,363,842	2,736,698	1,668,240
Other	87,091	148,657	155,935
Total Other Revenue	<u>7,026,122</u>	<u>10,180,837</u>	<u>14,944,174</u>
Total Revenue	17,399,314	19,399,819	24,545,288
<b>EXPENSES</b>			
Operating Expenses:			
Water	3,781,670	2,826,364	3,327,268
Sewer	1,355,275	1,377,553	1,235,758
Subtotal	<u>5,136,945</u>	<u>4,203,917</u>	<u>4,563,026</u>
General and Administrative	1,570,944	1,203,687	1,171,651
Depreciation	4,369,406	4,395,933	4,170,640
Total Operating Expenses	<u>11,077,295</u>	<u>9,803,537</u>	<u>9,905,317</u>
Nonoperating Expenses	433,619	522,533	699,564
Total Expenses	<u>11,510,914</u>	<u>10,326,070</u>	<u>10,604,881</u>
<b>CHANGE IN NET POSITION</b>	5,888,400	9,073,749	13,940,407
Net Position - Beginning of Year	<u>123,988,605</u>	<u>114,914,856</u>	<u>100,974,449</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 129,877,005</u>	<u>\$ 123,988,605</u>	<u>\$ 114,914,856</u>

Operating revenue increased by \$1,154,210. Revenue from the sale of tap fees, net of cost recovery payments decreased \$5,332,372. Additionally, water services increased \$1,095,337.

Total operating expenses increased \$1,273,758 in 2022.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Budgetary Highlights**

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets and debt repayments, as well as capital outlay in addition to operations and nonoperating revenue and contributions. This budgetary accounting is required by state statutes. Additionally, the budget includes the separation of the enterprise and general government activities within the District.

Actual revenue of the District was higher than the budgeted revenue by \$3,279,329 due to \$1,500,000 of developer contributions being budgeted for, when actual contributions came in at \$2,363,842. This was also due to \$10,000 of proceeds from asset disposition being budgeted for, when actual proceeds were \$1,545,466. Without these variances, actual revenue was higher than budgeted revenue by \$880,021.

Total actual expenditures of the District were less than the appropriation by \$2,334,200, which includes a positive variance of \$2,158,917 for capital expenditures.

**Capital Assets Activity**

The activity related to capital assets is as follows:

	December 31, 2021	Net Changes	December 31, 2022
Land and Easements	\$ 827,262	\$ -	\$ 827,262
Construction in Process	12,914,292	7,579,340	20,493,632
Water System:			
Water Rights	12,177,082	-	12,177,082
Water Facilities	82,178,311	2,269,959	84,448,270
Bingham Lake and Dam	542,502	-	542,502
Sewer System:			
Sewer Facilities	34,314,352	273,447	34,587,799
Wastewater Treatment Plant	18,827,051	1,088,256	19,915,307
Buildings	1,864,206	826,641	2,690,847
Equipment and Vehicles	1,793,928	149,059	1,942,987
Total Capital Assets	<u>165,438,986</u>	<u>12,186,702</u>	<u>177,625,688</u>
Accumulated Depreciation	<u>(57,115,327)</u>	<u>(4,369,406)</u>	<u>(61,484,733)</u>
Net Capital Assets	<u>\$ 108,323,659</u>	<u>\$ 7,817,296</u>	<u>\$ 116,140,955</u>

The 2022 activity relating to capital assets reflects costs incurred by the District relating to the construction of water wells, sewer lines, and replacement of equipment at the wastewater treatment plant.

Additional information on the District's capital assets can be found in Note 4 of this report.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31, 2020	Net Changes	December 31, 2021
Land and Easements	\$ 827,262	\$ -	\$ 827,262
Construction in Process	8,347,889	4,566,403	12,914,292
Water System:			
Water Rights	12,177,082	-	12,177,082
Water Facilities	80,715,639	1,462,672	82,178,311
Bingham Lake and Dam	542,502	-	542,502
Sewer System:			
Sewer Facilities	34,314,352	-	34,314,352
Wastewater Treatment Plant	17,232,961	1,594,090	18,827,051
Buildings	1,864,206	-	1,864,206
Equipment and Vehicles	1,651,446	142,482	1,793,928
Total Capital Assets	<u>157,673,339</u>	<u>7,765,647</u>	<u>165,438,986</u>
Accumulated Depreciation	<u>(52,719,394)</u>	<u>(4,395,933)</u>	<u>(57,115,327)</u>
Net Capital Assets	<u>\$ 104,953,945</u>	<u>\$ 3,369,714</u>	<u>\$ 108,323,659</u>

  

	December 31, 2019	Net Changes	December 31, 2020
Land and Easements	\$ 827,262	\$ -	\$ 827,262
Construction in Process	10,413,002	(2,065,113)	8,347,889
Water System:			
Water Rights	12,177,082	-	12,177,082
Water Facilities	74,598,617	6,117,022	80,715,639
Bingham Lake and Dam	542,502	-	542,502
Sewer System:			
Sewer Facilities	34,217,177	97,175	34,314,352
Wastewater Treatment Plant	16,174,292	1,058,669	17,232,961
Buildings	1,813,702	50,504	1,864,206
Equipment and Vehicles	1,539,732	111,714	1,651,446
Total Capital Assets	<u>152,303,368</u>	<u>5,369,971</u>	<u>157,673,339</u>
Accumulated Depreciation	<u>(48,636,105)</u>	<u>(4,083,289)</u>	<u>(52,719,394)</u>
Net Capital Assets	<u>\$ 103,667,263</u>	<u>\$ 1,286,682</u>	<u>\$ 104,953,945</u>

**Long-Term Debt**

All scheduled payments of principal and interest on the District's outstanding debt were paid as required during 2022.

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

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**Economic Factors and Next Year's Budgets and Rates**

For 2023, the District has budgeted revenue from water and sewer charges of \$11,166,000, which is \$1,624,000 higher compared with 2022 budgeted figures. The District has also budgeted \$790,000 of water project fees that are intended to help fund the construction of future water improvement projects. 2023 operating expenses are budgeted at \$5,801,450, which is \$367,100 higher compared with 2022 budget amounts.

The majority of the District's debt is in the form of revenue notes. The revenues pledged to pay this debt include fees for service (water and sewer bills) and fees charged for new development (tap fees). To the extent that one of the revenue sources is less than projected, then revenue from other sources is required to make the debt service payments.

**Request for Information**

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

Denver Southeast Suburban Water and Sanitation District  
5242 Old Schoolhouse Road  
Parker, Colorado 80134  
<http://pinerywater.com>

## **BASIC FINANCIAL STATEMENTS**

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 27,731,887	\$ 31,562,793
Cash and Cash Equivalents - Restricted	3,375,420	3,360,235
Accounts Receivable	137,090	116,560
Unutilized Taps Service Charge Receivable	19,323	25,835
Prepaid Expenses	42,342	170,120
Total Current Assets	31,306,062	35,235,543
<b>CAPITAL ASSETS, NET</b>		
	116,140,955	108,323,659
Total Assets	\$ 147,447,017	\$ 143,559,202
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts and Retainage Payable	\$ 877,408	\$ 1,014,958
Accrued Payroll	58,729	36,862
Interest Payable	118,085	128,629
Current Maturities of Long-Term Obligations	1,908,550	1,848,651
Total Current Liabilities	2,962,772	3,029,100
<b>LONG-TERM OBLIGATIONS</b>		
	14,607,240	16,541,497
<b>NET POSITION</b>		
Net Investment in Capital Assets	99,625,165	89,933,511
Restricted	3,375,420	3,360,235
Unrestricted	26,876,420	30,694,859
Total Net Position	129,877,005	123,988,605
Total Liabilities and Net Position	\$ 147,447,017	\$ 143,559,202

See accompanying Notes to Basic Financial Statements.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>WATER OPERATIONS</b>		
Revenues	\$ 7,766,928	\$ 6,671,591
Direct Water Expenses	3,781,670	2,826,364
Depreciation - Water	<u>3,159,510</u>	<u>3,207,252</u>
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	825,748	637,975
<b>SEWER OPERATIONS</b>		
Revenues	2,606,264	2,547,391
Direct Sewer Expenses	1,355,275	1,377,553
Depreciation - Sewer	<u>1,045,100</u>	<u>1,016,677</u>
<b>GROSS PROFIT FROM SEWER OPERATIONS</b>	<u>205,889</u>	<u>153,161</u>
<b>GROSS PROFIT FROM OPERATIONS</b>	1,031,637	791,136
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
General and Administrative	1,570,944	1,203,687
Depreciation	<u>164,796</u>	<u>172,004</u>
<b>LOSS FROM OPERATIONS</b>	(704,103)	(584,555)
<b>NONOPERATING REVENUES</b>	2,157,789	204,458
<b>NONOPERATING EXPENSES</b>	<u>433,619</u>	<u>522,533</u>
<b>PROFIT (LOSS) BEFORE CONTRIBUTIONS</b>	1,020,067	(902,630)
<b>CAPITAL CONTRIBUTIONS</b>	<u>4,868,333</u>	<u>9,976,379</u>
<b>CHANGE IN NET POSITION</b>	5,888,400	9,073,749
Net Position - Beginning of Year	<u>123,988,605</u>	<u>114,914,856</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 129,877,005</u>	<u>\$ 123,988,605</u>

See accompanying Notes to Basic Financial Statements.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 10,232,943	\$ 9,239,436
Payments to Suppliers	(4,095,338)	(3,689,861)
Payments to Employees and Related Expenses	(2,387,226)	(2,140,909)
Other Receipts	123,674	107,815
Net Cash Provided by Operating Activities	3,874,053	3,516,481
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Ready to Serve Fees	49,758	80,744
Other Income	143,459	112,871
Net Cash Provided by Noncapital Financing Activities	193,217	193,615
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Sale of Assets	1,545,466	-
Loan Proceeds	-	191,396
Contributions in Aid of Construction:		
Tap Fees	1,827,713	7,189,264
Other Contributed Capital	2,363,842	2,736,698
Receipts from Unutilized Taps Service Charges	93,603	139,166
Water Wheeling Contribution	658,748	-
Acquisition of Property, Plant and Equipment	(12,479,237)	(7,352,523)
Interest and Paying Agent Fees	(442,895)	(555,202)
Debt Principal Reduction	(1,865,382)	(4,988,775)
Net Cash Used by Capital and Related Financing Activities	(8,298,142)	(2,639,976)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Investment Income Received	415,151	10,911
Net Cash Provided by Investing Activities	415,151	10,911
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,815,721)	1,081,031
Cash, Restricted Cash, and Cash Equivalents - Beginning of Year	34,923,028	33,841,997
<b>CASH, RESTRICTED CASH, AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 31,107,307	\$ 34,923,028
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Loss from Operations	\$ (704,103)	\$ (584,555)
Adjustments to Reconcile Loss from Operations to Net Cash Provided by Operating Activities:		
Depreciation	4,369,406	4,395,933
Decrease in Amortization of Loan Premiums	(10,244)	(10,244)
Decrease (Increase) in Accounts Receivable	(16,575)	128,269
Decrease in Accounts Payable	107,791	(289,734)
Decrease in Prepaid Expenses	127,778	(123,188)
Net Cash Provided by Operating Activities	\$ 3,874,053	\$ 3,516,481

See accompanying Notes to Basic Financial Statements.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Denver Southeast Suburban Water and Sanitation District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado was organized by order and decree of the District Court for Douglas County on June 21, 1965 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Section 1, Colorado Revised Statutes). 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.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of Accounting**

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

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Revenues and Expenses**

The District distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses and change 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 service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

**Budgets**

In accordance with the 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 appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Cash Equivalents**

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

**Property Taxes**

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

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

The District filed a zero mill levy certification for collection in 2022.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include land, water rights, plant and buildings, distribution and collection systems, and machinery 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 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. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Plant and Buildings	30 Years
Distribution and Collection Systems	50 Years
Machinery and Equipment	5 Years

**Tap Fees and Contributed Lines**

Tap fees are recorded as capital contributions when received. Lines contributed to the District by Developers are recorded as capital contributions and additions to the systems at acquisition value when received.

**Cost Recovery Contracts**

The District has cost recovery agreements with developers who have contributed lines to the District. The District is to collect its normal fees from customers requesting to connect to the contributed lines and remit a portion of the collected fees to the developer who contributed the facilities.

**Water Rights**

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**Amortization – Original Issue Discount/Premium**

Debt premiums and discounts are amortized over the respective terms of the borrowing using the interest method.

**Compensated Absences**

The District has a policy that allows employees to accumulate unused vacation benefits up to a maximum of twice the annual accrual per employee. Compensated absences are accrued when earned in the financial statements.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Board Designations**

The Board of Directors of the District has designated the following amounts of the unrestricted net position for the following purposes:

	2022	2021
Ground Water Protection	\$ 469,183	\$ 436,054
Rate Stabilization Reserve	1,000,000	1,000,000
Well Rehab	341,026	341,026
Total Board-Designated Amounts	\$ 1,810,209	\$ 1,777,080

**NOTE 3 CASH AND INVESTMENTS**

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

	2022	2021
Statement of Net Position:		
Cash and Cash Equivalents	\$ 27,731,887	\$ 31,562,793
Cash and Cash Equivalents - Restricted	3,375,420	3,360,235
Total Cash and Investments	\$ 31,107,307	\$ 34,923,028

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

	2022	2021
Deposits with Financial Institutions	\$ 3,310,231	\$ 11,540,888
Cash on Hand	76	300
Investments	27,797,000	23,381,840
Total Cash and Cash Equivalents	\$ 31,107,307	\$ 34,923,028

**Deposits with Financial Institutions**

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

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

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions (Continued)**

At December 31, 2022 and 2021 the District had the following deposits with financial institutions:

	2022	2021
Bank Balance:		
Insured Deposits	\$ 250,000	\$ 250,000
Deposits Collateralized in Single Institution Pools	3,634,438	11,388,273
Total Bank Balance	\$ 3,884,438	\$ 11,638,273
Carrying Balance:		
Insured Deposits	\$ 250,000	\$ 250,000
Deposits Collateralized in Single Institution Pools	3,060,231	11,290,888
Total Carrying Balance	\$ 3,310,231	\$ 11,540,888

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

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

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>	
		<u>2022</u>	<u>2021</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 5,519,680	\$ 5,430,128
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>22,277,320</u>	<u>17,951,712</u>
Total		<u>\$ 27,797,000</u>	<u>\$ 23,381,840</u>

**COLOTRUST**

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

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

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

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

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the years ended December 31, 2022 and 2021 was as follows:

	Balance December 31, 2021	Additions	Retirements/ Reclassi- fications	Balance December 31, 2022
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 827,262	\$ -	\$ -	\$ 827,262
Water Rights	12,177,082	-	-	12,177,082
Construction in Progress	12,914,292	8,089,014	(509,674)	20,493,632
Total Capital Assets, Not Being Depreciated	25,918,636	8,089,014	(509,674)	33,497,976
Capital Assets, Being Depreciated:				
Water Facilities	82,178,311	2,269,959	-	84,448,270
Bingham Lake and Dam	542,502	-	-	542,502
Sewer Facilities	34,314,352	273,447	-	34,587,799
Wastewater Treatment Plant	18,827,051	1,088,256	-	19,915,307
Buildings	1,864,206	826,641	-	2,690,847
GIS Program	403,033	40,594	-	443,627
Office and Field Equipment	463,562	78,191	-	541,753
Vehicles	927,333	30,274	-	957,607
Total Capital Assets, Being Depreciated	139,520,350	4,607,362	-	144,127,712
Less Accumulated Depreciation For:				
Water Facilities	(33,515,518)	(3,145,705)	-	(36,661,223)
Bingham Lake and Dam	(360,735)	(13,805)	-	(374,540)
Sewer Facilities	(10,154,783)	(531,735)	-	(10,686,518)
Wastewater Treatment Plant	(10,189,597)	(513,365)	-	(10,702,962)
Buildings	(1,501,108)	(43,067)	-	(1,544,175)
GIS Program	(193,292)	(13,755)	-	(207,047)
Office and Field Equipment	(383,834)	(41,417)	-	(425,251)
Vehicles	(816,460)	(66,557)	-	(883,017)
Total Accumulated Depreciation	(57,115,327)	(4,369,406)	-	(61,484,733)
Capital Assets, Net	<u>\$ 108,323,659</u>	<u>\$ 8,326,970</u>	<u>\$ (509,674)</u>	<u>\$ 116,140,955</u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	Balance December 31, 2020	Additions	Retirements/ Reclassi- fications	Balance December 31, 2021
Capital Assets, Not Being Depreciated:				
Land and Easements	\$ 827,262	\$ -	\$ -	\$ 827,262
Water Rights	12,177,082	-	-	12,177,082
Construction in Progress	8,347,889	4,566,403	-	12,914,292
Total Capital Assets, Not Being Depreciated	21,352,233	4,566,403	-	25,918,636
Capital Assets, Being Depreciated:				
Water Facilities	80,715,639	1,462,672	-	82,178,311
Bingham Lake and Dam	542,502	-	-	542,502
Sewer Facilities	34,314,352	-	-	34,314,352
Wastewater Treatment Plant	17,232,961	1,594,090	-	18,827,051
Buildings	1,864,206	-	-	1,864,206
GIS Program	356,400	46,633	-	403,033
Office and Field Equipment	424,101	39,461	-	463,562
Vehicles	870,945	56,388	-	927,333
Total Capital Assets, Being Depreciated	136,321,106	3,199,244	-	139,520,350
Less Accumulated Depreciation For:				
Water Facilities	(30,322,072)	(3,193,446)	-	(33,515,518)
Bingham Lake and Dam	(346,929)	(13,806)	-	(360,735)
Sewer Facilities	(9,625,773)	(529,010)	-	(10,154,783)
Wastewater Treatment Plant	(9,701,930)	(487,667)	-	(10,189,597)
Buildings	(1,471,819)	(29,289)	-	(1,501,108)
GIS Program	(181,716)	(11,576)	-	(193,292)
Office and Field Equipment	(347,284)	(36,550)	-	(383,834)
Vehicles	(721,871)	(94,589)	-	(816,460)
Total Accumulated Depreciation	(52,719,394)	(4,395,933)	-	(57,115,327)
Capital Assets, Net	<u>\$ 104,953,945</u>	<u>\$ 3,369,714</u>	<u>\$ -</u>	<u>\$ 108,323,659</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was charged to the following operations:

	2022	2021
Water	\$ 3,159,510	\$ 3,207,252
Sewer	1,045,100	1,016,677
General and Administrative	164,796	172,004
Total	<u>\$ 4,369,406</u>	<u>\$ 4,395,933</u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 5 LONG-TERM OBLIGATIONS**

Long-term obligation activity for the years ended December 31, 2022 and 2021 was as follows:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
Notes/Loans From Direct Borrowings and Placements					
CWRPDA Loan - 2002	\$ 855,556	\$ -	\$ 426,531	\$ 429,025	\$ 429,025
CWRPDA Loan - 2005	1,440,000	-	265,000	1,175,000	275,000
Refinancing Note - 2010	5,662,059	-	535,261	5,126,798	556,614
CWRPDA Loan - 2015	10,402,004	-	638,590	9,763,414	639,611
Subtotal of Notes/Loans	18,359,619	-	1,865,382	16,494,237	1,900,250
Plus Loan Premium	30,529	-	8,976	21,553	8,300
Total Long-Term Obligations	<u>\$ 18,390,148</u>	<u>\$ -</u>	<u>\$ 1,874,358</u>	<u>\$ 16,515,790</u>	<u>\$ 1,908,550</u>
	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
Notes/Loans From Direct Borrowings and Placements					
CWRPDA Loan - 2002	\$ 1,235,000	\$ -	\$ 379,444	\$ 855,556	\$ 400,824
CWRPDA Loan - 2005	1,700,000	-	260,000	1,440,000	265,000
Refinancing Note - 2010	6,176,787	-	514,728	5,662,059	535,261
CWCB Loan B - 2014	3,202,034	-	3,202,034	-	-
CWRPDA Loan - 2015	10,843,177	191,396	632,569	10,402,004	638,590
Subtotal of Notes/Loans	23,156,998	191,396	4,988,775	18,359,619	1,839,675
Plus Loan Premium	40,772	-	10,243	30,529	8,976
Total Long-Term Obligations	<u>\$ 23,197,770</u>	<u>\$ 191,396</u>	<u>\$ 4,999,018</u>	<u>\$ 18,390,148</u>	<u>\$ 1,848,651</u>

**Loan Agreements**

On October 1, 2002, the District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (the Authority) in the amount of \$7,045,000. Principal and interest payments are due semi-annually on February 1 and August 1 in varying amounts through August 1, 2023, with the net effective interest rate of 3.21%. The District has the option to prepay the loan in multiples of \$100,000 plus prepayment costs. The District is required to maintain an operations and maintenance reserve of no more than \$1,250,000 in connection with the loan.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Loan Agreements (Continued)**

The components of interest expense for this loan for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Interest	\$ -	\$ (7,542)
Administrative Fee	23,336	57,274
Total	\$ 23,336	\$ 49,732

On May 25, 2005, the District entered into a loan agreement with the Authority in the amount of \$4,800,000. Principal and interest payments are due semi-annually on February 1 and August 1 in varying amounts through August 1, 2026, with the net effective interest rate of 3.35%. The District has the option to prepay the loan in multiples of \$100,000 plus prepayment costs.

The components of interest expense for this loan for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Interest	\$ 4,212	\$ 13,000
Administrative Fee	38,400	38,400
Total	\$ 42,612	\$ 51,400

**Water Enterprise Revenue Refunding Note, Series 2010**, dated December 21, 2010, in the original amount of \$10,335,213 with principal payments due annually on December 1 and interest payments due semi-annually on June 1 and December 1 at 3.95% through December 1, 2030. The note is subject to redemption prior to maturity in any amount at any time on or after December 1, 2012, upon payment of a calculated demand fee, which fee decreases the longer the note remains outstanding. The District is required to maintain a Debt Service Reserve Fund in the amount of \$1,033,521. The note is a limited and special obligation of the District payable from and secured by an irrevocable assignment and pledge of revenue of the Enterprise Fund, net of operation and maintenance costs, plus any monies held in a rate stabilization fund and net future imposed revenues.

On December 15, 2020, the Registered Owner of the note had the option put the note back to the District and receive the entire outstanding principal amount of the note plus accrued interest at the time the put occurs. The Registered Owner chose not to do so, and per the terms of the agreement, the note renewed at the current interest rate until the maturity date.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Loan Agreements (Continued)**

**Colorado Water Resources and Power Development Authority Loan, Series 2015**

On April 1, 2015, the District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) for the Drinking Water Revolving Fund in the amount of \$14,250,066, to be drawn in various amounts as needed to fund a new pump station, conversion of a disinfection system from free chlorine to chloramine, as well as several core infrastructures including a water storage tank, water treatment plant and several aging potable water pipelines. Principal and interest payments are due semi-annually in varying amounts through August 1, 2036 with the net effective interest rate 1.57% to 2.87% which is inclusive of servicing fees.

The components of interest expense for this loan for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Interest	\$ 3,978	\$ 26,156
Administrative Fee	128,251	128,251
Total	<u>\$ 132,229</u>	<u>\$ 154,407</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Notes from Direct Borrowings and</u>		
	<u>Direct Placements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,900,250	\$ 440,378	\$ 2,340,628
2024	1,506,457	402,265	1,908,722
2025	1,552,574	357,484	1,910,058
2026	1,599,617	302,758	1,902,375
2027	1,311,628	279,529	1,591,157
2028-2032	5,572,920	874,496	6,447,416
2033-2036	3,145,835	203,635	3,349,470
Total Payments	<u>16,589,281</u>	<u>2,860,545</u>	<u>19,449,826</u>
Less: Amounts Due Within			
One Year	<u>(1,900,250)</u>	<u>(440,378)</u>	<u>(2,340,628)</u>
Long-Term Portion	<u>\$ 14,689,031</u>	<u>\$ 2,420,167</u>	<u>\$ 17,109,198</u>

Note: The schedule assumes that all of the 2015 CWRPDA available loan proceeds are drawn.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 6 NET POSITION**

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022 and 2021, the District had the following net investment in capital assets, calculated as follows:

	2022	2021
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 116,140,955	\$ 108,323,659
Current Portion of Long-Term Obligations	(1,908,550)	(1,848,651)
Noncurrent Portion of Long-Term Obligations	(14,607,240)	(16,541,497)
Net Investment in Capital Assets	\$ 99,625,165	\$ 89,933,511

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$3,375,420 and \$3,360,235 as of December 31, 2022 and 2021, respectively, for payment of future debt service requirements, capital improvements and emergency reserves as required by Article X, Section 20 of the Constitution of the state of Colorado.

**NOTE 7 EMPLOYEE BENEFIT PLAN**

**Deferred Compensation Plan**

The District maintains a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The District also maintains a 401a plan. These plans are administered by Standard Insurance Company, a subsidiary of StanCorp Financial Group, Inc. The District will contribute up to a maximum of 8% of the employee's annual salary to the 401a plan, provided the employee contributes up to 8% of their salary to the 457 plan. The assets held are not material to the statement of net position. There is no liability for benefits under the plan beyond the District's payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors. Employees are fully vested after a 30-day eligibility period from their employment start date.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS**

**Intergovernmental Agreement – Pinery West**

On October 30, 2002, the District entered into an agreement with Pinery West Metropolitan District No. 1 (Pinery West), whereby the developer will construct certain infrastructure improvements and subsequently convey the improvements to Pinery West, who in turn conveyed the improvements to the District. The cost of certain improvements are eligible for reimbursement to the developer through a portion of the tap fees collected from the property owners, but shall not exceed the actual costs without interest, of such improvements. Pinery West subsequently assigned its reimbursement rights to the developer. The amount to be allocated from tap fees towards such reimbursable items is \$7,584 per tap. The District remitted \$53,088 and \$75,840, respectively, for 7 and 10 tap fees, respectively, collected during 2022 and 2021 related to this agreement.

During 2007, and with the infrastructure improvements completed, the District performed an analysis of the actual costs incurred. Based upon the analysis, the District will make a reimbursement of \$7,584 per tap for a total of 825 taps or \$6,256,800. From 2002 through 2022, the District reimbursed \$5,839,680 for 770 taps; therefore, remaining future reimbursement is \$417,120 for 55 taps.

The District also agreed to collect an additional fee from property owners in the amount of \$800 per dwelling unit, the proceeds of which will be used to reimburse the developer the cost of constructing a golf course well. During 2022 and 2021 the District collected 7 and 10 taps, respectively.

**Intergovernmental Agreement – Town of Castle Rock**

On August 11, 2004, the District amended and restated, in its entirety, the original agreement by and between the District and the Town of Castle Rock (the Town). The Town shall construct (or cause others to construct), at no cost to the District, the interceptor required to connect the point of individual discharge within the Town limits to the southern-most point on the "Pinery West Line." The Town shall own and maintain that portion of the Town Interceptor between the points of individual discharge and the Flow Metering Station. The District shall own and maintain all lines and appurtenances from and including the Flow Metering Station to the Plant. During 2007, the Flow Metering Station was contributed to the District at a value of \$163,000. The District agrees to treat up to 0.29 million gallons per day average annual flow of wastewater discharged from the Town's sanitary sewer system exclusively from the Liberty Village Service Area. A flow metering station (FMS) to measure the wastewater flows from the Liberty Village Service Area shall be installed by the Town, at the Town's expense, in conjunction with the Town's construction and connection of the Town Interceptor.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement – Town of Castle Rock (Continued)**

On or before the 10<sup>th</sup> day of each month, the Town shall forward to the District a list of residential tap connections made in the Liberty Village Service Area for the preceding month. For each residential sewer tap that is not utilized within ten (10) years of the first tap connection made within the Liberty Village Service Area pursuant to the Agreement, beginning January 1<sup>st</sup> of the eleventh (11) year, a monthly fee-in-lieu of service charge shall be assessed in an amount equivalent to 50% of what would have been assessed as the monthly service charge, had the sewer tap been connected. Such monthly fee-in-lieu of service charge shall be assessed upon 1,245 single family residential sewer taps less the number of such taps then in service for which a monthly service charge is paid to the District as provided below.

Each tap shall continue to be charged such fee until one of the following occurs: 1) such tap is placed in service and a monthly service charge is paid to the District, or 2) all right, title and interest to such tap is transferred to the District, free and clear of liens and encumbrances which transfer the District shall accept, provided, however, that the District shall not be required to accept transfer of more than 150 single family residential sewer taps without the express consent of the District. The District will impose and collect user charges for the services provided by the District under the Agreement (the Service Charges). The Service Charges shall be based upon the wastewater flows measured at the FMS, applying the current schedule of rates set forth by the District. As of December 31, 2022, 1,374 taps have been issued.

**Intergovernmental Agreement – Canyons**

On December 23, 2004, the District entered into an agreement with the Mississippi Partnership (the Canyons Developer) in connection with the property known as “The Canyons.” This agreement has the ability to be assigned to any successor developers and sub-developers as well as to the metropolitan districts, Crowfoot Valley Metropolitan Districts No. 1 and No. 2, or to any other special district empowered to provide sanitary sewer services to the property. The agreement was later assigned to Canyons South LLC. The Canyons Developer shall construct, at no cost to the District, the interceptor line required to connect the points of individual sewage discharge within the property to a point of connection with the District’s sewer system.

The parties acknowledge and agree that the property located immediately to the east and north of the property is to be served with sanitary sewer services by the District through an agreement by and between the District and Pinery West Metropolitan District No. 1 (Pinery West). Based upon the anticipated construction by the Canyons Developer, the District shall sell and the Canyons Developer has agreed to purchase 968 single-family equivalent units of wastewater treatment capacity.

As payment for such, the developer agreed to pay the principal amount of \$3,100,000 payable as follows: \$310,000 on or before December 20, 2004, which was deposited in January 2005, with the remaining amount repaid annually each June 1 starting in 2005 through 2024, with an annual interest rate of 4%. The agreement was secured by an irrevocable letter of credit in the original amount of \$2,765,000. During 2009, the payment date was changed to December 1, per an amendment of the agreement.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement – Canyons (Continued)**

The District agrees to treat up to 0.24 million gallons per day (mgd) average annual flow of wastewater, but not more than 0.27 mgd monthly average flow of wastewater discharged from the Canyons Developer's sanitary sewer system from the property.

The District agrees to furnish wastewater treatment capacity for wastewater facilities associated with the golf course to be located on the property. The Canyons Developer shall pay to the District such tap fees and any other fees and charges imposed by the District at such time as the golf course wastewater facilities are installed. The taps may not be used or assigned for any service outside of the property. The District shall have the exclusive obligation to maintain or develop sufficient treatment capacity to enable it to honor the taps. The District may, with consent of the Canyons Developer, repurchase any taps which are not utilized within 10 years of the date of issuance at the original amount paid for the taps; provided however, that at the tenth anniversary date of the issuance of the first certificate, 500 taps have been utilized, the District's option to repurchase the taps shall not become effective unless such taps are not utilized 15 years after the date of their issuance.

In 2009, the agreement was amended to include monthly service charges for sewer usage which charges are the sole responsibility of the Canyons Developer. Additionally, for unutilized taps that are not physically connected to the District's service lines within three years after the date of issuance, a monthly fee-in-lieu of service charge shall be assessed in an amount equivalent to 50% of what would have been assessed as a service charge if the tap had been connected to the District. The deferred charges shall accrue interest from the date on which such charges would have become due at a rate of 4%.

On November 16, 2016, the District entered into the second amendment to this agreement with the Canyons Developer. Pursuant to the second amendment, the Canyons Developer has paid \$1,674,781 for the purchase of the remaining 507 taps in November 2016. These taps shall be deemed as unutilized taps until physical connect is made to the District's service lines. Furthermore, the total amount due as of December 1, 2016 for service charges and accrued interest of \$315,231 is deferred until the earlier of December 1, 2019 (Due Date) or such time as the construction of the interceptor. If this \$315,231 amount is not paid on or before the Due Date, interest shall accrue and compound at 8% per annum on any unpaid balance. On December 20, 2019, the District received payment in the amount of \$315,231.

To the extent, fully paid taps are issued for utilization during the course of development, such taps will be deducted on a first in first out basis from the total 968 taps allocated to the Canyons Developer and will be deducted from the total of unutilized taps on the first day of the next month. In addition, the District shall make monthly inquiry to the Town of Castle Rock for a list of addresses at which water taps were issued within the preceding 30 days.

On July 19, 2017, the District entered into the third amendment to this agreement with the Canyons Developer which was satisfied as of December 31, 2017. Pursuant to the third amendment, the Canyons Developer paid \$122,417 in December 2017, for monthly service charge of unutilized taps using the current year's wholesale wastewater service rate as published by the District.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement – Canyons (Continued)**

Effective January 1, 2017, service charges for all unutilized taps as set forth on the schedule below, shall be billed monthly by the District. If said accrued service fees are not paid timely, interest shall accrue and compound at 8% per annum on any unpaid balance. For purposes of such billing and computation, the minimum number of unutilized taps as of January 1st of each year is agreed to be as follows:

<u>As of January 1,</u>	<u>Amount</u>
2023	461
2024	461
2025	461
2026	461
2027	461
2028	968
2029	968
2030 and Thereafter	968 or Such Lesser Amount Calculated as Described Above, Until Taps Fully Utilized

In addition to the payment indicated above, the Canyons Developer agreed to purchase five (5) additional single family equivalent sewer taps, totaling \$33,800. The payment was received by the District in November 2016.

**Intergovernmental Agreement – Colorado Golf**

On September 13, 2006, the District entered into an agreement with Colorado Golf Club LLC, (the Colorado Golf Developer) in connection with a development known as the “Colorado Golf.” Pursuant to the agreement, the Colorado Golf Developer will convey water rights, easements for well sites and water tank easement with an option to purchase.

The District also agreed to collect an additional fee from property owners in the amount of \$800 per dwelling unit, the proceeds of which will be used to reimburse the Colorado Golf Developer up to \$350,000 for the cost of constructing the golf course. From 2006 through 2022, the District reimbursed \$101,600 for 127 taps; therefore, remaining future reimbursement is \$248,400 for 311 taps. During 2022 and 2021 the District collected 13 and 15 taps, respectively, and paid \$10,400 and \$12,000 in 2022 and 2021, respectively.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Developer Service Agreement – Stone Creek Ranch**

On August 17, 2016, the District entered into an agreement with Choke Cherry Investors, LLC (the Stone Creek Ranch Developer) in connection with a development known as the “Stone Creek Ranch” (the Property). Pursuant to the agreement, the Stone Creek Ranch Developer intends to develop a residential community and has requested approval for 335 SFEs on the Property (to serve 329 new residential units, 2 existing residential units and a community center). The Stone Creek Ranch Developer has also requested an amount of water, not to exceed 100-acre feet annually, for common area irrigation. The District shall provide water service to the Property through central collection and distribution system of the District, with sewage collection, treatment, and disposal to be provided through the District’s central wastewater systems.

The Parties acknowledge that the Stone Creek Ranch Developer shall convey all water and water rights, interests in land, and well site easements and pipeline easements related to the Property to the District. In addition, the Stone Creek Ranch Developer shall grant to the District such additional perpetual nonexclusive easements as required by the District for the construction, operation, use, maintenance, replacement and/or removal of well facilities, water lines, water mains, sewer mains, sewer lines and related facilities and appurtenances.

Furthermore, all facilities required in order to provide water and sewer services to the Property must be paid for by the Stone Creek Ranch Developer and dedicated to the District. All water lines extending from a water meter pit to a residence, building or other structure being furnished with water service, and all sanitary sewer lines extending from a public sewer main to a residence, building or other source of sanitary wastes, shall be collectively referred to as “Service Lines.” Such Service Lines are typically installed by the builder(s) and remain the property and responsibility of such owner(s) and shall not be dedicated to, accepted, owned or maintained by the District.

The Parties also acknowledge that the District will pay for the cost of upsizing of waterline in Interlocken Street from 12” to 16”. In addition, the District will pay for the increased cost to the Stone Creek Ranch Developer for the installation of fiber optic in Interlocken Street and Scott Road. According to the District’s rules and regulations, which shall apply to the Property – (1) no person may use water supplied by the District without first obtaining a certificate of occupancy, building permit or the written permission of the District to do so; (2) all water provided by the District shall be used only for “domestic purposes”; and (3) no water well may be drilled on the Property except by the District or with the written consent of the District.

**Intergovernmental Agreement – Cielo**

The District, Parker Water and Sanitation District (PWSD) and Cielo Metropolitan District (CMD) entered into an intergovernmental agreement on August 15, 2018. Pursuant to the agreement, the District desires to acquire dedicated capacity in a PWSD water pipeline through property located in the boundaries of CMD (Cielo Service Area) and PWSD and CMD desire to obtain wastewater treatment services from the District.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement – Cielo (Continued)**

According to the agreement, CMD shall design and construct the 16” diameter water pipeline extending from a point of connection with PWSD’s existing pipeline located at a point near Stroh Road to a location adjacent to the District’s Chapman Pump Station. The water pipeline shall be constructed within the existing easements obtained by PWSD located in the CMD boundaries. The District shall reimburse CMD for the difference in costs of oversizing the water pipeline from a 12” to a 16” diameter pipeline. The water pipeline shall be completed by CMD and be operational by a certain date defined in the final agreement.

Upon completion, the water pipeline shall be dedicated to PWSD for operation and maintenance and the PWSD shall grant to the District an irrevocable perpetual license coupled with the interest to use. CMD’s obligation to perform all obligations outlined in the agreement shall be secured by the deposit of funds in an amount equal to 120% of an engineer’s estimate of the construction cost of the water pipeline, payable to the District (the Deposit). In the event CMD does not commence construction of the water pipeline by the set date, the District may take over the construction and withdraw amounts from the Deposit to complete the construction of the water pipeline.

The District shall sell to PWSD 343 SFE units of wastewater treatment capacity. PWSD shall pay the District the total amount of \$1,085,242 – (a) 20% (\$217,048) shall be payable prior to the issuance of the first building permit in the Cielo Service Area, but not later than January 5, 2019, whichever occurs first; and (b) 20% (\$217,048) shall be payable each successive calendar year, on the anniversary of the initial payment, until the total amount has been paid. If, on any annual anniversary of the initial payment an amount derived by multiplying the total number of SFE’s being served by the District within the Cielo Service Area by \$3,164 has not been paid by PWSD to the District, an amount equal to any deficiency shall be paid to the District together with the installment payment due on said anniversary date.

On or before the 10<sup>th</sup> day of each month, PWSD shall forward to the District a list of residential tap connections made in the Cielo Service Area for the preceding month, including information regarding the location of each tap. The District will impose and collect user charges for the services provided by the District. The District shall bill the service charges to PWSD monthly. Payment is due 30 days from the invoice date; otherwise, interest on the unpaid amount shall be assessed at a monthly rate of 1% per month. For each SFE issued that is not utilized on or after January 5, 2023, a monthly fee-in-lieu of service charge shall be assessed and payable in an amount equivalent to 50% of what would have been assessed as the monthly service charge had said SFE been connected.

**Intergovernmental Agreement – Wheeling and Capacity Allocation**

The District and Parker Water and Sanitation District (PWSD) entered into an intergovernmental agreement on May 10, 2018, to outline how the two entities will share the costs of capacity, maintenance, repair, replacement, and operation of the Ridgeway Pipeline and the portions of the PWSD’s existing water infrastructure that will be used by the District.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement – Wheeling and Capacity Allocation (Continued)**

Pursuant to the agreement, PWSD will transport the District's WISE water through the local WISE infrastructure and PWSD's existing infrastructure. The District has already paid the capital cost for 1.5 million gallons per day (mgd) of capacity in the Ridgeway Pipeline. The District also paid \$828,151 to PWSD to secure 1.0 mgd of uninterrupted and permanent capacity in PWSD's existing infrastructure. Furthermore, PWSD will operate and maintain all of the infrastructure segments in good working order and cover the cost of all future capital replacement. PWSD will charge a "wheeling" rate of \$0.98 per 1,000 gallons (up to 1 million gallons per day) for the volume of water delivered to the District and make available additional capacity if necessary to transport the District's water at flow rates above 1.0 mgd for \$1.66 per 1,000 gallons.

**NOTE 9 WATER PROJECT FEE**

On January 12, 2011, the Board of Directors of the District established a water project fee to fund necessary water supply projects within the District. The water supply projects anticipated to be funded by the water project fee include, but are not limited to, additional Denver Basin wells to offset the declining production in the Denver Basin aquifers, investment and development of renewable water supply projects, and other water supply projects as approved by the board of directors. The fee was effective March 1, 2011 and will continue until further resolution of the Board of Directors. During 2022 and 2021, the District collected \$788,543 and \$759,796 of water project fees, respectively.

**NOTE 10 AUTHORITY PARTICIPATION**

The District is a member of the Cherry Creek Project Water Authority and the South Metro Water Supply Authority. Capital projects of the respective authorities are documented via project participation agreements. Operating contributions to these organizations were \$52,009 in 2022 and \$62,926 in 2021.

On March 13, 2013, the District entered into the South Metro WISE (Water, Infrastructure, and Supply Efficiency) Authority Formation and Organizational Intergovernmental Agreement. This agreement commits the District to participate in the WISE Partnership through the South Metro WISE Authority. The agreement also defines how costs will be shared between participating members. The District has committed to subscribing to an average of 500 acre feet (AF) of a projected average total of 7,225 AF of renewable water to be delivered annually from the WISE Partnership. The South Metro WISE Authority was formed July 10, 2013. The Authority's members are 10 local governments located in the southern Denver metropolitan areas of south-central Arapahoe and northern Douglas Counties. The Water Delivery Agreement is the overarching agreement that defines the terms under which Denver and Aurora will deliver water to the South Metro WISE Authority members.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 10 AUTHORITY PARTICIPATION (CONTINUED)**

There are engineering design and construction contracts that have been entered into by WISE in order to begin taking deliveries of water in 2018. It is currently anticipated that the District will be responsible for approximately \$2,000,000 of the capital costs to transport water, in addition to an annual water purchase cost of approximately \$917,000 for 500 acre-feet of water. Additionally, there will be WISE operations, maintenance, and capital costs. The variable pumping costs and the District's share of operating and maintenance costs will be billed based upon the volume of water received by the District.

**NOTE 11 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 (the Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' 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.

**NOTE 12 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% 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.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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

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

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 qualifications as an Enterprise will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>WATER OPERATIONS</b>		
Revenues:		
Water Sales	\$ 5,185,939	\$ 4,684,462
Water Supply Project Fee	788,543	759,796
Irrigation Fees	1,222,955	960,224
Ground Water Protection Fees	33,129	29,661
Bulk and Hydrant Meter Water Sales	123,674	107,815
Other	412,688	129,633
Total Revenues	7,766,928	6,671,591
Direct Water Expenses:		
Depreciation	3,159,510	3,207,252
Auto Expenses/Vehicle Maintenance	46,950	42,535
Eye on Water Service Fee	31,529	21,009
Employee Benefits	252,413	229,444
Laboratory Testing and Chemicals	410,077	315,561
Legal	21,210	15,565
Outside Services	131,156	124,737
Payroll Taxes	67,078	63,098
Repairs, Maintenance, and Supplies	337,839	224,489
Salaries and Related Costs	908,128	828,863
Small Tools and Safety Items	10,116	15,636
Utilities	832,148	662,375
CCPWA Water Purchase	52,009	62,926
WISE Water Purchase	681,017	220,126
Total Direct Water Expenses	6,941,180	6,033,616
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	825,748	637,975
<b>SEWER OPERATIONS</b>		
Revenues:		
Sewer User Charges	2,606,264	2,547,391
Total Revenues	2,606,264	2,547,391
Direct Sewer Expenses:		
Depreciation	1,045,100	1,016,677
Auto Expenses/Vehicle Maintenance	18,244	13,648
Cherry Creek Basin Fees	16,107	15,940
Employee Benefits	162,021	149,278
Laboratory Testing and Chemicals	114,330	96,043
Outside Services	13,370	26,533
Repairs and Maintenance - System	121,549	170,653
Salaries and Related Costs	507,241	534,431
Payroll Taxes	37,859	40,069
Sludge Disposal	119,176	93,535
Small Tools and Safety Items	5,864	4,802
Utilities	239,514	232,621
Total Direct Sewer Expenses	2,400,375	2,394,230
<b>GROSS PROFIT FROM SEWER OPERATIONS</b>	205,889	153,161

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>GROSS PROFIT FROM OPERATIONS</b>	\$ 1,031,637	\$ 791,136
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Depreciation - Office Building and Equipment	164,796	172,004
Accounting and Audit	67,552	83,059
Admin Vehicle	10	5,037
Billing Systems Service	13,192	14,010
Data Processing	72,490	64,993
Directors' Fees	5,100	5,900
Dues and Seminars	18,443	15,951
Employee Benefits	100,746	68,449
Insurance	143,283	144,710
Legal	59,642	59,872
Miscellaneous	12,819	2,136
Office Expense	18,465	14,554
Outside Services	103,645	39,397
Repairs and Maintenance - Office	145,515	59,530
Salaries and Related Costs	489,874	347,280
Payroll Taxes	36,273	23,953
Safety and Training	37,286	24,791
Security Services	28,997	26,573
Conservation	6,560	10,753
Customer Communications	36,505	39,853
Utilities	49,746	51,393
Paying Agent Fees	1,500	1,500
CCPWA Assessment	50,005	-
SMWSA Assessment	13,742	13,888
WISE Participation - Operations	59,554	86,105
Total General and Administrative Expenses	1,735,740	1,375,691
<b>LOSS FROM OPERATIONS</b>	(704,103)	(584,555)
<b>NONOPERATING REVENUES</b>		
Net Investment Income	419,106	10,843
Ready to Serve Fees - Water	27,387	44,570
Ready to Serve Fees - Sewer	22,371	36,174
Cherry Creek Project Water Authority	50,661	59,397
Other Income	92,798	53,474
Net Gain (Loss) on Disposition of Assets	1,545,466	-
Total Nonoperating Revenues	2,157,789	204,458
<b>NONOPERATING EXPENSES</b>		
Interest and Paying Agent Fees	433,619	522,533
Total Nonoperating Expenses	433,619	522,533
<b>GAIN (LOSS) BEFORE CONTRIBUTIONS</b>	1,020,067	(902,630)

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION (CONTINUED)  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>CAPITAL CONTRIBUTIONS</b>		
Tap Fees - Water	\$ 1,335,168	\$ 5,756,966
Tap Fees - Sewer	492,545	1,432,298
Cost Recovery Payments	(69,061)	(98,240)
Canyon's Revenue	87,091	148,657
Developer Contributions	2,363,842	2,736,698
Water Wheeling Contribution	658,748	-
Total Capital Contributions	4,868,333	9,976,379
 <b>CHANGE IN NET POSITION</b>	 \$ 5,888,400	 \$ 9,073,749

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance
<b>WATER OPERATING INCOME</b>			
Water Sales	\$ 4,720,000	\$ 5,185,939	\$ 465,939
Water Supply Project Fee	750,000	788,543	38,543
Irrigation Fees	1,000,000	1,222,955	222,955
Ground Water Protection Fees	28,000	33,129	5,129
Bulk Water and Hydrant Meter Water Sales	130,000	123,674	(6,326)
Other	40,000	412,688	372,688
Total Water Operating Income	<u>6,668,000</u>	<u>7,766,928</u>	<u>1,098,928</u>
<b>WATER OPERATING EXPENSES</b>			
Auto Expenses/Vehicle Maintenance	40,000	46,950	(6,950)
Eye on Water Service Fee	50,000	31,529	18,471
Employee Benefits	280,000	252,413	27,587
Laboratory Testing and Chemicals	320,000	410,077	(90,077)
Legal	15,000	21,210	(6,210)
Outside Services	130,000	131,156	(1,156)
Payroll Taxes	62,400	67,078	(4,678)
Repairs, Maintenance, and Supplies	240,000	337,839	(97,839)
Salaries and Related Costs	841,000	908,128	(67,128)
Small Tools and Safety Items	10,000	10,116	(116)
Utilities	705,000	832,148	(127,148)
CCPWA Water	75,000	52,009	22,991
WISE Water	1,050,000	681,017	368,983
Total Water Operating Expenses	<u>3,818,400</u>	<u>3,781,670</u>	<u>36,730</u>
<b>GROSS PROFIT FROM WATER OPERATIONS</b>	2,849,600	3,985,258	1,135,658
<b>SEWER OPERATING INCOME</b>			
Sewer User Charges	2,600,000	2,606,264	6,264
Total Sewer Operating Income	<u>2,600,000</u>	<u>2,606,264</u>	<u>6,264</u>
<b>SEWER OPERATING EXPENSES</b>			
Auto Expenses/Vehicle Maintenance	14,000	18,244	(4,244)
Cherry Creek Basin Fees	17,000	16,107	893
Employee Benefits	173,050	162,021	11,029
Laboratory Testing and Chemicals	91,000	114,330	(23,330)
Outside Services	60,000	13,370	46,630
Repairs and Maintenance	180,000	121,549	58,451
Salaries and Related Costs	567,000	507,241	59,759
Payroll Taxes	42,530	37,859	4,671
Solids Disposal	73,000	119,176	(46,176)
Small Tools and Safety Items	5,000	5,864	(864)
Utilities	215,000	239,514	(24,514)
Total Sewer Operating Expenses	<u>1,437,580</u>	<u>1,355,275</u>	<u>82,305</u>
<b>GROSS PROFIT FROM SEWER OPERATIONS</b>	<u>1,162,420</u>	<u>1,250,989</u>	<u>88,569</u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance
<b>GROSS PROFIT FROM OPERATIONS</b>	\$ 4,012,020	\$ 5,236,247	\$ 1,224,227
<b>NONOPERATING REVENUES</b>			
Net Investment Income	20,000	419,106	399,106
Ready to Serve Fees - Water	35,000	27,387	(7,613)
Ready to Serve Fees - Sewer	30,000	22,371	(7,629)
Late Charges	50,000	42,283	(7,717)
Cherry Creek Project Water Authority	94,000	50,661	(43,339)
Other Income	40,000	50,515	10,515
Proceeds from Asset Disposition	10,000	1,545,466	1,535,466
Contributions in Aid of Construction			
Tap Fees - Water	2,331,000	1,335,168	(995,832)
Tap Fees - Sewer	711,046	492,545	(218,501)
Water Wheeling Contribution	-	658,748	658,748
Canyons Revenue	100,000	87,091	(12,909)
Developer Contributions	1,500,000	2,363,842	863,842
Total Nonoperating Revenue	4,921,046	7,095,183	2,174,137
<b>NONOPERATING EXPENSES</b>			
Accounting and Audit	95,000	67,552	27,448
Admin Vehicle	1,000	10	990
Utility Billing	15,000	13,192	1,808
Data Processing	65,000	72,490	(7,490)
Directors' Fees	6,000	5,100	900
Dues and Seminars	20,000	18,443	1,557
Employee Benefits	78,300	100,746	(22,446)
Insurance	150,000	143,283	6,717
Paying Agent Fees	1,500	1,500	-
Legal	65,000	59,642	5,358
Miscellaneous	7,000	12,819	(5,819)
Office Expense	20,000	18,465	1,535
Outside Services	100,000	103,645	(3,645)
Repairs and Maintenance - Office	225,000	145,515	79,485
Salaries and Related Costs	412,000	489,874	(77,874)
Payroll Taxes	31,000	36,273	(5,273)
Safety and Training	35,000	37,286	(2,286)
Security Services	25,000	28,997	(3,997)
Conservation	30,000	6,560	23,440
Customer Communications	36,000	36,505	(505)
Utilities	40,000	49,746	(9,746)
CCPWA Operations	45,000	50,005	(5,005)
SMWSA Assessment	20,000	13,742	6,258

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance
<b>NONOPERATING EXPENSES (CONTINUED)</b>			
WISE Participation - Operations	\$ 83,370	\$ 59,554	\$ 23,816
Total Nonoperating Expenses	1,606,170	1,570,944	35,226
<b>DEBT SERVICE</b>			
Interest:			
CWRPDA Loan - 2015	187,864	160,476	27,388
CWRPDA Loan - 2005	46,933	42,612	4,321
CWRPDA Loan - 2002	26,962	23,336	3,626
Revenue Note - 2010	218,389	216,171	2,218
Principal:			
CWRPDA Loan - 2015	638,590	638,590	-
CWRPDA Loan - 2005	265,000	265,000	-
CWRPDA Loan - 2002	410,000	426,531	(16,531)
Revenue Note - 2010	535,261	535,261	-
Total Debt Service	2,328,999	2,307,977	21,022
<b>CAPITAL OUTLAY</b>			
Water Projects:			
Cost Recovery Payments	100,000	69,061	30,939
Water Supply and Treatment	11,640,180	8,684,396	2,955,784
Contributed Developer Improvements	750,000	1,614,602	(864,602)
Total Water Projects	12,490,180	10,368,059	2,122,121
Wastewater Treatment Plant:			
Wastewater Treatment Plant	690,000	498,123	191,877
Contributed Developer Improvements	750,000	863,580	(113,580)
Total Sewer Projects	1,440,000	1,361,703	78,297
General:			
Capital Salaries	324,500	-	324,500
Computer/Networking/Hardware	30,000	25,548	4,452
GIS Program	40,000	40,594	(594)
Vehicles	35,000	30,274	4,726
Cyber Security Upgrade	30,000	28,617	1,383
District Office Upgrade	-	376,942	(376,942)
SEDARU Asset Management	20,000	20,013	(13)
Furniture and Office Equipment	5,000	4,013	987
Total General	484,500	526,001	(41,501)
Total Capital Outlay	14,414,680	12,255,763	2,158,917

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (9,416,783)	\$ (3,803,254)	\$ 5,613,529
Funds Available - Beginning of Year	32,224,909	34,055,094	1,830,185
<b>FUNDS AVAILABLE - END OF YEAR</b>	<b>\$ 22,808,126</b>	<b>\$ 30,251,840</b>	<b>\$ 7,443,714</b>
<b>FUNDS AVAILABLE ARE DEFINED AS FOLLOWS</b>			
Current Assets		\$ 31,306,062	
Less Current Liabilities		(2,962,772)	
Adjustment For:			
Current Long-Term Obligations		1,908,550	
Total		<b>\$ 30,251,840</b>	

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES,  
EXPENSES, AND CHANGE IN NET POSITION  
YEAR ENDED DECEMBER 31, 2022**

Revenues (Budgetary Basis)	\$ 17,468,375
Cost Recovery Payments	<u>(69,061)</u>
Total Revenues per Statement of Revenues, Expenses, and Change in Net Position	17,399,314
Expenditures (Budgetary Basis)	21,271,629
Depreciation	4,369,406
Amortization - Loan Premium	(8,976)
Capital Outlay	(12,255,763)
Long-Term Debt Principal	<u>(1,865,382)</u>
Total Expenses per Statement of Revenues, Expenses, and Change in Net Position	<u>11,510,914</u>
Change in Net Position per Statement of Revenues, Expenses, and Change in Net Position	<u><u>\$ 5,888,400</u></u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE  
(BUDGETARY BASIS) –  
ENTERPRISE ACTIVITY  
YEAR ENDED DECEMBER 31, 2022**

<b>ENTERPRISE REVENUES</b>	
Water Operating Income	\$ 7,766,928
Sewer Operating Income	2,606,264
Net Investment Income	419,106
Other Income	1,738,683
Contributions in Aid of Construction	4,937,394
Total Enterprise Revenues	17,468,375
 <b>ENTERPRISE EXPENDITURES</b>	
Water Operating Expenses	3,781,670
Sewer Operating Expenses	1,355,275
Nonoperating Expenses	1,535,060
Debt Service:	
Principal	1,865,382
Interest	442,595
Capital Outlay	12,255,763
Total Enterprise Expenditures	21,235,745
 <b>EXCESS ENTERPRISE REVENUES OVER ENTERPRISE EXPENDITURES</b>	 (3,767,370)
 Enterprise Funds Available - Beginning of Year	 33,956,656
 <b>ENTERPRISE FUNDS AVAILABLE - END OF YEAR</b>	 <b>\$ 30,189,286</b>

Note: Revenues, Expenditures and Changes in Funds Available of the General Government Activity (those activities related to running a government - such as public notices, public hearings, etc.) and the Enterprise Activity (those activities associated with providing water and sewer services to the District customers) are presented to demonstrate compliance with a resolution of the Board of Directors of the District readopting and reestablishing a water activity enterprise pursuant to Article 45.1, Title 37, Colorado Revised Statutes, 1973, as amended.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS AVAILABLE  
(BUDGETARY BASIS) –  
GENERAL GOVERNMENT ACTIVITY  
YEAR ENDED DECEMBER 31, 2022**

<b>GENERAL REVENUES</b>	\$	-
<b>GENERAL EXPENDITURES</b>		
Accounting and Audit		2,364
Directors' Fees		5,100
Dues and Seminars		646
Employee Benefits		3,526
Insurance		5,015
Legal		2,087
Salaries and Related Costs		17,146
Total General Expenditures		<u>35,884</u>
<b>EXCESS GENERAL REVENUES (UNDER) GENERAL EXPENDITURES</b>		(35,884)
General Funds Available - Beginning of Year		<u>98,438</u>
<b>GENERAL FUNDS AVAILABLE - END OF YEAR</b>		<u><u>\$ 62,554</u></u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
YEAR ENDED DECEMBER 31, 2022**

<u>Year Ending December 31,</u>	\$7,045,000 Loan Dated October 1, 2002 Colorado Water Resources and Power Development Authority Rates of 2.00% to 4.75% Principal and Interest Payable February 1 and August 1*		\$4,800,000 Loan Dated May 25, 2005 Colorado Water Resources and Power Development Authority Rates of 3.35% Principal and Interest Payable February 1 and and August 1	
	Principal	Interest	Principal	Interest
2023	\$ 429,025	\$ 5,412	\$ 275,000	\$ 41,887
2024	-	-	280,000	35,440
2025	-	-	300,000	17,800
2026	-	-	320,000	(8,540)
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
<b>Total</b>	<b>\$ 429,025</b>	<b>\$ 5,412</b>	<b>\$ 1,175,000</b>	<b>\$ 86,587</b>

\*Note: The 2002 loan schedule reflects credits/refunds for the principal balance outstanding.

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

<u>Year Ending December 31,</u>	\$10,335,213 Water Enterprise Revenue Refunding Note, Series 2010 Dated December 21, 2010. Interest Rate of 3.95% Principal Due December 1 and Interest Payable June 1 and December 1		\$14,250,066 Loan Dated April 1, 2015 Colorado Water Resource and Power Development Authority Interest Rate of 1.57% to 2.87% Principal and Interest Payable February 1 and August 1*	
	Principal	Interest	Principal	Interest
2023	\$ 556,614	\$ 197,035	\$ 639,611	\$ 196,044
2024	578,818	174,831	647,639	191,994
2025	601,907	151,740	650,667	187,944
2026	625,921	127,729	653,696	183,569
2027	650,890	102,760	660,738	176,769
2028	676,855	76,794	665,773	171,819
2029	703,857	49,793	667,815	167,019
2030	731,936	21,714	689,857	148,269
2031	-	-	709,892	129,219
2032	-	-	726,935	109,869
2033	-	-	747,040	90,369
2034	-	-	779,152	56,919
2035	-	-	801,265	37,719
2036	-	-	818,378	18,628
Total	<u>\$ 5,126,798</u>	<u>\$ 902,396</u>	<u>\$ 9,858,458</u>	<u>\$ 1,866,150</u>

\*Note: The 2015 loan schedule assumes that all of the 2015 CWRPDA available loan proceeds are drawn.

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

<u>Year Ending December 31.</u>	<u>Total</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,900,250	\$ 440,378	\$ 2,340,628
2024	1,506,457	402,265	1,908,722
2025	1,552,574	357,484	1,910,058
2026	1,599,617	302,758	1,902,375
2027	1,311,628	279,529	1,591,157
2028	1,342,628	248,613	1,591,241
2029	1,371,672	216,812	1,588,484
2030	1,421,793	169,983	1,591,776
2031	709,892	129,219	839,111
2032	726,935	109,869	836,804
2033	747,040	90,369	837,409
2034	779,152	56,919	836,071
2035	801,265	37,719	838,984
2036	818,378	18,628	837,006
Total	<u>\$ 16,589,281</u>	<u>\$ 2,860,545</u>	<u>\$ 19,449,826</u>

**OTHER SUPPLEMENTARY INFORMATION**

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2022**

**AD VALOREM PROPERTY TAX DATA**

History of the District's Mill Levy, Assessed Valuation, and Property Tax Collections

Levy/ Collection Year	Assessed Valuation	Increase (Decrease)	Percent Change	Debt Service Mill Levy	Taxes Levied	Taxes Collected	Debt Service Mill Levy	Percent of Levy Collected
2001/2002	\$ 89,652,819	\$ 15,884,391	21.5 %	10.000	\$ 1,401,600	\$ 1,412,900	10.000	100.81 %
2002/2003	97,482,505	7,829,686	8.7	8.800	896,528	907,238	8.800	101.19
2003/2004	102,453,235	4,970,730	5.1	8.800	857,846	866,529	8.800	101.01
2004/2005	108,898,520	6,445,285	6.3	3.150	901,588	908,758	3.150	100.80
2005/2006	124,506,210	15,607,690	14.3	3.150	343,030	352,304	3.150	102.70
2006/2007	140,866,660	16,360,450	13.1	1.900	392,195	382,607	1.900	97.56
2007/2008	166,876,427	26,009,767	18.5	0.000	267,647	276,336	0.000	103.25
2008/2009	184,608,610	17,732,183	10.6	0.000	-	33	0.000	N/A
2009/2010	194,234,310	9,625,700	5.2	0.000	-	-	0.000	N/A
2010/2011	197,048,900	2,814,590	1.4	0.000	-	-	0.000	N/A
2011/2012	163,524,840	(33,524,060)	(17.0)	0.000	-	-	0.000	N/A
2012/2013	164,046,170	521,330	0.3	0.000	-	-	0.000	N/A
2013/2014	160,868,813	(3,177,357)	(1.9)	0.000	-	-	0.000	N/A
2014/2015	161,838,380	969,567	0.6	0.000	-	-	0.000	N/A
2015/2016	190,712,910	28,874,530	17.8	0.000	-	-	0.000	N/A
2016/2017	192,388,750	1,675,840	0.9	0.000	-	-	0.000	N/A
2017/2018	198,149,570	5,760,820	3.0	0.000	-	-	0.000	N/A
2018/2019	200,593,700	2,444,130	1.2	0.000	-	-	0.000	N/A
2019/2020	237,720,130	37,126,430	18.5	0.000	-	-	0.000	N/A
2020/2021	244,371,960	6,651,830	2.8	0.000	-	-	0.000	N/A
2021/2022	265,555,580	21,183,620	8.7	0.000	-	-	0.000	N/A
2022/2023	265,836,100	280,520	0.1	0.000	-	-	0.000	N/A

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2022**

**SYSTEM ACCOUNTS**

<u>Classification</u>	<u>Number of Accounts</u>	<u>Percent of Total Accounts</u>
Residential	4,995	94.40 %
Commercial	31	0.59
Irrigation Only	65	1.23
Vacant Lots	200	3.78
Total	5,291	100.00 %

**WATER PROJECT FEE SCHEDULE**

<u>Classification</u>	<u>Meter Size</u>	<u>Monthly Charge</u>
Residential	3/4 "	\$ 12.50
Commercial	3/4 "	12.50
Commercial	1"	25.00
Commercial	1 1/2"	50.00
Commercial	2"	87.50
Commercial	3"	200.00
Golf Course Irrigation (1)	N/A	250.00

(1) This is to be a single charge and not for each meter used to provide water for golf course irrigation.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2022**

**CHARGES FOR WATER SERVICE**

**Water Rates and Charges  
(In Effect as of January 1, 2023 through December 31, 2023)**

Residential (Monthly)

Base Rate	\$29.81
0 - 5,000 Gallons	\$29.81 + \$2.64/1,000 Gallons
5,000 -20,000 Gallons	\$29.81 + \$3.82/1,000 Gallons
20,000 - 30,000 Gallons	\$29.81 + \$4.81/1,000 Gallons
30,000 - 50,000 Gallons	\$29.81 + \$6.26/1,000 Gallons
Over 50,000 Gallons	\$29.81 + \$11.01/1,000 Gallons

Commercial (Monthly)

Meter Size	\$2.64/1,000 Gallons		\$3.82/1,000 Gallons		\$4.81/1,000 Gallons		\$6.26/1,000 Gallons		\$11.01/1,000
	Base Rate	Maximum Gallons	Minimum Gallons	Maximum Gallons	Minimum Gallons	Maximum Gallons	Minimum Gallons	Maximum Gallons	Gallons Over
3/4" (1)	\$ 29.81	5,000	5,001	20,000	20,001	30,000	30,001	50,000	50,001
1" (2)	49.22	10,000	10,001	40,000	40,001	60,000	60,001	100,000	100,001
1-1/2" (4)	69.99	20,000	20,001	80,000	80,001	120,000	120,001	200,000	200,001
2" (7)	99.86	35,000	35,001	140,000	140,001	210,000	210,001	350,000	350,001
3" (16)	189.21	80,000	80,001	320,000	320,001	480,000	480,001	800,000	800,001

Large Irrigators (Separate Interruptible Meter, Billed Monthly)

Base Rate	\$ 29.81
All Usage	\$4.80/1,000 Gallons

Golf Courses

Base Rate	\$ 29.81
All Usage	\$4.31/1,000 Gallons for Usage up to 150 AF per Year for Each 9 Holes. For Usage Greater than 150 AF the Rate Becomes \$7.18/1,000 Gallons (Applies to Pinery CC)

Ready to Serve "Standby Fee" (Monthly)

Water and Sewer	\$ 18.94
Water Only	\$ 10.22

**REVENUE FROM WATER SALES**

Year	Gallons Used (in 000s)	Average Water Rates in Effect (per 1,000 Gallons)	Revenue from Water Sales
1999	656,000	\$ 1.82	\$ 1,195,279
2000	804,000	1.89	1,517,783
2001	858,903	1.78	1,531,737
2002	916,807	2.07	1,900,932
2003	814,840	2.11	1,718,359
2004	779,815	2.26	1,758,703
2005	950,599	2.51	2,390,298
2006	1,198,482	2.32	2,785,447
2007	1,026,474	2.66	2,733,243
2008	1,064,305	2.89	3,076,169
2009	801,394	3.82	3,064,370
2010	1,059,098	3.96	4,195,310
2011	1,036,388	4.03	4,171,747
2012	1,110,760	4.09	4,548,060
2013	924,465	4.32	3,997,419
2014	860,749	4.53	3,903,134
2015	872,497	4.87	4,251,331
2016	955,099	5.07	4,838,281
2017	979,903	5.11	5,004,823
2018	1,190,133	4.89	5,823,845
2019	1,067,691	5.45	5,823,845
2020	1,310,995	5.97	7,827,775
2021	1,308,609	5.70	7,461,048
2022	1,508,458	5.15	7,766,928

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2022**

**CHARGES FOR WASTEWATER SERVICE**

Wastewater Rates and Charges  
(In Effect as of January 1, 2023 through December 31, 2023)

Residential (Monthly)

0 - 5,000 Gallons	\$	37.12
Over 5,000 Gallons	\$	54.52

Commercial (Monthly Based on Water Meter Reading)

<u>Tap Size</u>	<u>Flat Rate</u>
3/4" Diameter	\$ 54.52
1" Diameter	109.06
1-1/2" Diameter	218.12
2" Diameter	381.71
3" Diameter	872.48

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2022**

**CHARGES FOR WASTEWATER SERVICE**

<u>Year</u>	<u>Users of Wastewater Services Average Number of Taps During the Year</u>	<u>Revenue from Water Wastewater Charges</u>
2001	2,740	\$ 830,141
2002	2,926	854,511
2003	3,039	869,197
2004	3,142	927,696
2005	3,425	1,034,446
2006	3,613	1,114,160
2007	3,679	1,208,839
2008	3,741	1,352,717
2009	3,789	1,519,391
2010	3,812	1,659,788
2011	3,834	1,756,324
2012	3,891	1,855,419
2013	3,895	1,887,335
2014	3,969	1,971,562
2015	4,043	2,085,750
2016	4,198	2,237,631
2017	4,414	2,362,852
2018	4,351	2,411,006
2019	4,384	2,455,608
2020	4,517	2,527,387
2021	4,710	2,547,391
2022	4,716	2,606,264

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2022**

**ADDITIONAL CHARGES AND FEES OF THE SYSTEM**

Water and Wastewater Tap and Connection Fees

(Effective January 1, 2023)

**RESIDENTIAL (per SFE with 3/4" Meter)**

Water Fee	\$ 39,960
Sewer Fee	8,470
Total Fee	\$ 48,430

**COMMERCIAL**

Meter Size	Water Fee	Sewer Fee	Total Fee
3/4" (1)	\$ 39,960	\$ 8,470	\$ 48,430
1" (2)	79,920	16,940	96,860
1-1/2" (4)	159,840	33,880	193,720
2" (7)	279,720	59,290	339,010
3" (16)	639,360	135,520	774,880

Sewer fees are determined based on meter size.

Additional fees are in place for certain filings, as listed below, and will be added to the above fees.

Filing	Water	Sewer
Pinery, Filings 1 through 8A	\$ 1,012	\$ 587
Pinery, Filing 8B, 1st Amendment	587	-
Pinery, Filing 8B, 2nd Amendment	566	-
Pinery, Filing 20	600	-
Misty Pines	425	-
Pradera	800	-
Colorado Golf	800	-

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)  
DECEMBER 31, 2022**

	2017	2018	2019	2020	2021	2022
<b>OPERATING REVENUE</b>						
Water and Sewer Charges	\$ 7,156,561	\$ 7,582,760	\$ 7,420,733	\$ 8,199,676	\$ 7,991,649	\$ 8,580,746
Irrigation, Hydrant Fees, and Other	968,797	1,418,884	1,126,760	1,401,438	1,227,333	1,792,446
Total Operating Revenue	<u>8,125,358</u>	<u>9,001,644</u>	<u>8,547,493</u>	<u>9,601,114</u>	<u>9,218,982</u>	<u>10,373,192</u>
<b>OPERATING EXPENSES</b>						
Depreciation	3,620,226	3,809,036	3,914,752	4,170,640	4,395,933	4,369,406
Auto Expenses/Vehicle Maintenance	34,588	49,964	47,004	45,632	61,220	65,204
Salaries and Wages	1,268,799	1,424,247	1,582,760	1,661,349	1,710,574	1,905,243
Payroll Taxes	95,914	104,004	117,203	125,697	127,120	141,210
Employee Benefits	370,539	414,004	443,125	442,134	447,171	515,180
Utilities	795,899	946,470	887,526	966,227	946,389	1,121,408
Outside Services	130,556	120,726	102,795	273,474	190,667	248,171
Maintenance and Supplies	499,115	652,849	696,444	762,580	886,714	1,145,290
Professional Fees	249,697	205,927	162,109	150,552	158,496	148,404
Other Operating Expenses	226,946	191,563	197,733	230,248	251,397	289,170
Office Expense	17,901	14,307	17,004	18,621	14,554	18,465
Insurance	113,658	124,130	138,562	131,016	144,710	143,283
Directors' Fees	6,900	6,800	5,200	5,200	5,900	5,100
Sludge Disposal	69,298	64,352	71,508	75,269	93,535	119,176
CCWPA Assessment	20,489	20,489	33,807	-	-	50,005
CCWPA Water Purchase	7,935	123,426	-	51,955	62,926	52,009
WISE Water Purchase	-	169,880	265,701	709,687	220,126	681,017
WISE Participation - Operations	172,801	167,909	109,921	85,036	86,105	59,554
Total Operating Expenses	<u>7,701,261</u>	<u>8,610,083</u>	<u>8,793,154</u>	<u>9,905,317</u>	<u>9,803,537</u>	<u>11,077,295</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	424,097	391,561	(245,661)	(304,203)	(584,555)	(704,103)
<b>NONOPERATING REVENUE</b>						
Net Investment Income	63,639	191,215	291,891	106,666	10,843	419,106
Wise Reserve Refund	-	-	-	398,165	-	-
Miscellaneous Other Income	138,310	136,736	138,366	85,713	112,871	143,459
Ready to Serve Fees	52,928	67,832	59,497	83,048	80,744	49,758
Gain (Loss) on Disposition of Assets	18,500	15,500	-	20,754	-	1,545,466
Contributions in Aid of Construction	2,462,112	3,861,760	5,563,294	14,249,628	9,976,379	4,868,333
Total Nonoperating Revenue	<u>2,735,489</u>	<u>4,273,043</u>	<u>6,053,048</u>	<u>14,943,974</u>	<u>10,180,837</u>	<u>7,026,122</u>
<b>NONOPERATING EXPENSES</b>						
Interest and Paying Agent Fees	775,579	783,767	745,047	699,564	522,533	433,619
Total Nonoperating Expenses	<u>775,579</u>	<u>783,767</u>	<u>745,047</u>	<u>699,564</u>	<u>522,533</u>	<u>433,619</u>
<b>NET INCOME/CHANGE IN NET POSITION</b>	<u>\$ 2,384,007</u>	<u>\$ 3,880,837</u>	<u>\$ 5,062,340</u>	<u>\$ 13,940,207</u>	<u>\$ 9,073,749</u>	<u>\$ 5,888,400</u>

**CONTINUING DISCLOSURE  
ANNUAL FINANCIAL INFORMATION  
AS REQUIRED BY COLORADO WATER RESOURCES AND  
POWER DEVELOPMENT AUTHORITY  
CLEAN WATER REVENUE BONDS, SERIES 2002A AND 2005A**

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS REQUIRED BY  
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY  
CLEAN WATER REVENUES BONDS, SERIES 2002A AND 2005A  
DECEMBER 31, 2022**

**CUSTOMER INFORMATION**

<u>Years Ended December 31,</u>	<u>Total Estimated Residential Equivalent Units</u>
2004	3,436
2005	3,585
2006	3,773
2007	3,993
2008	4,057
2009	4,090
2010	4,128
2011	4,152
2012	4,166
2013	4,185
2014	4,228
2015	4,272
2016	4,358
2017	4,384
2018	4,480
2019	4,513
2020	4,648
2021	4,867
2022	4,995

**TEN LARGEST CUSTOMERS OF THE SYSTEM**

Colorado Golf Club  
Pinery Golf Course  
Pradera Golf Course  
DC Schools  
Pinery Glen HOA  
Colorado Horse Park  
Pinery West Metro District  
DC Parks  
High Prairie Farms  
Pinewood Townhomes

The balance of the largest customers of the system are generally individual residential properties.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS REQUIRED BY  
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY  
CLEAN WATER REVENUES BONDS, SERIES 2002A AND 2005A (CONTINUED)  
DECEMBER 31, 2022**

	2023 <u>Budget</u>	2022 <u>Budget</u>
<b>REVENUE</b>		
Water, Operating:		
User Charges	\$ 5,000,000	\$ 4,720,000
Irrigation and Hydrant Fees	1,190,000	1,130,000
Water Supply Project Fee	790,000	750,000
Other	1,426,000	197,000
Sewer, Operating:		
User Charges	2,700,000	2,600,000
Other	60,000	130,000
Nonoperating:		
Tap Fees	2,638,500	3,042,046
Other	1,670,000	1,620,000
Total Revenue	<u>15,474,500</u>	<u>14,189,046</u>
<b>EXPENDITURES</b>		
Water, Operating:		
Utilities	750,000	705,000
Salaries and Related Costs	1,382,550	1,183,400
Other	2,140,000	2,108,370
Sewer, Operating:		
Utilities	223,000	215,000
Salaries and Related Costs	767,800	782,580
Other	538,100	440,000
Nonoperating:		
Insurance	160,000	150,000
Salaries and Related Costs	575,800	521,300
Other	620,500	756,500
Debt Service	2,340,628	2,328,999
Capital Outlay	14,375,000	14,414,680
Total Expenditures	<u>23,873,378</u>	<u>23,605,829</u>
<b>EXCESS REVENUE OVER (UNDER) EXPENDITURES</b>	(8,398,878)	(9,416,783)
Funds Available - Beginning of Year	<u>30,733,365</u>	<u>32,224,909</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ 22,334,487</u>	<u>\$ 22,808,126</u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS REQUIRED BY  
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY  
CLEAN WATER REVENUES BONDS, SERIES 2002A AND 2005A (CONTINUED)  
DECEMBER 31, 2022**

**SCHEDULE OF COVERAGE OF DEBT SERVICE REQUIREMENTS**

<u>Year</u>	<u>Income</u>	<u>Operation and Maintenance Expenses</u>	<u>Available for Debt Service</u>	<u>Debt Service Require- ments</u>	<u>Debt Service Coverage</u>
2004	\$ 20,094,587	\$ 2,459,610	\$ 17,634,977	\$ 1,893,570	9.31
2005	12,703,160	2,977,714	9,725,446	2,195,762	4.43
2006	9,076,622	3,334,176	5,742,446	2,142,845	2.68
2007	14,752,043	3,536,146	11,215,897	2,224,578	5.04
2008	7,674,924	4,173,068	3,501,856	2,110,270	1.66
2009	5,760,461	3,610,190	2,150,271	2,111,868 *	1.02
2010	7,321,442	3,895,966	3,425,476	2,024,307	1.69
2011	7,437,195	3,850,021	3,587,174	1,666,975	2.15
2012	7,919,673	3,796,440	4,123,233	1,565,716	2.63
2013	7,634,319	3,981,843	3,652,476	1,564,222	2.34
2014	9,946,519	3,926,605	6,019,914	1,683,173	3.58
2015	10,201,003	4,223,394	5,977,609	2,491,863	2.40
2016	10,354,827	4,288,057	6,066,770	2,441,847	2.48
2017	10,860,847	4,081,035	6,779,812	2,434,375	2.79
2018	13,274,687	4,801,047	8,473,640	2,439,093	3.47
2019	14,600,541	4,878,402	9,722,139	2,342,127	4.15
2020	24,545,288	5,734,677	18,810,611	2,468,624	7.62
2021	19,399,819	5,407,604	13,992,215	2,328,999	6.01
2022	17,399,314	4,369,406	13,029,908	2,340,628	5.57

\* The debt service requirements for the Series 1989 loan are funded with a reserve of prior property tax revenue. If the debt service requirements for this loan were removed, the debt service coverage would be 1.35.

**TEN LARGEST PROPERTY TAXPAYERS OF THE DISTRICT  
(Assessed Valuation for 2022 Taxes Due in 2023)**

<u>Taxpayer</u>	<u>Assessed Valuation Property in the District</u>	<u>Percentage of Total District Assessed Valuation</u>
CF Arcis VI LLC	\$ 1,267,590	0.48 %
TF Pinery West LP	1,199,180	0.45
CGC Equity Club LLC	1,099,950	0.41
Galbreath Family Partnership LLP	1,072,200	0.40
CF Arcis V LLC	1,058,510	0.40
Colorado Golf Club Inc	910,990	0.34
CGC Equity Club LLC	871,260	0.33
Comcast of Colorado X LLC	728,790	0.27
Singletree Equestrian LLC	434,670	0.16
TF Pinery West LP	421,310	0.16
All Others	256,771,650	96.60
Total	<u>\$ 265,836,100</u>	<u>100.00 %</u>

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS REQUIRED BY  
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY  
CLEAN WATER REVENUES BONDS, SERIES 2002A AND 2005A (CONTINUED)  
DECEMBER 31, 2022**

**COMBINED STATEMENT OF DEBT**

<u>Designation</u>	<u>Amount Outstanding</u>
Water Enterprise Revenue Note, Series 2010	\$ 5,126,798
Local Government Bonds	11,462,483
Total	<u>\$ 16,589,281</u>

**DEBT SERVICE REQUIREMENTS OF THE DISTRICT**

See Schedule of Debt Service Requirements to Maturity in Supplemental Information.

**ESTIMATED DIRECT AND OVERLAPPING DEBT SCHEDULE**

	2022 Assessed Valuation	Outstanding General Obligation Debt (1)	Outstanding Debt Applicable to District	
			Percent	Amount
The District	\$ 265,836,100	\$ -	100.00 %	\$ -
Douglas County School District RE-1	8,144,600,544	332,620,000	3.26	10,843,412
Parker Fire Protection District	5,888,302,250	-	-	-
Total				<u>\$ 10,843,412</u>

(1) Includes only general obligation debt supported by general property taxes. Does not include bonds which have historically been supported by revenue other than property taxes.

**DENVER SOUTHEAST SUBURBAN WATER AND SANITATION DISTRICT  
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS REQUIRED BY  
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY  
CLEAN WATER REVENUES BONDS, SERIES 2002A AND 2005A (CONTINUED)  
DECEMBER 31, 2022**

**ASSESSED VALUATION, DEBT, AND DEBT RATIOS**

Actual Valuation	\$ 3,497,379,680
Assessed Valuation	\$ 265,836,100
Net General Obligation Direct Debt	\$ -
Net Direct and Estimated Overlapping Debt	\$ 10,843,412
Ratio of Net Direct Debt to Estimated Actual Valuation	- %
Ratio of Net Direct Debt to Assessed Valuation	- %
Net Direct Debt Per Capita (1)	\$ -
Ratio of Net Direct and Estimated Overlapping Debt to Estimated Actual Valuation	0.31 %
Ratio of Net Direct and Estimated Overlapping Debt to Assessed Valuation	4.08 %
Net Direct and Estimated Overlapping Debt Per Capita (1)	\$ 756
Estimated Actual Valuation Per Capita (1)	\$ 243,964
Assessed Valuation Per Capita (1)	\$ 18,544
(1) Estimated Permanent Population	14,336