

Parker Water and Sanitation District

Douglas County, Colorado

Financial Statements

December 31, 2022 and 2021

Contents

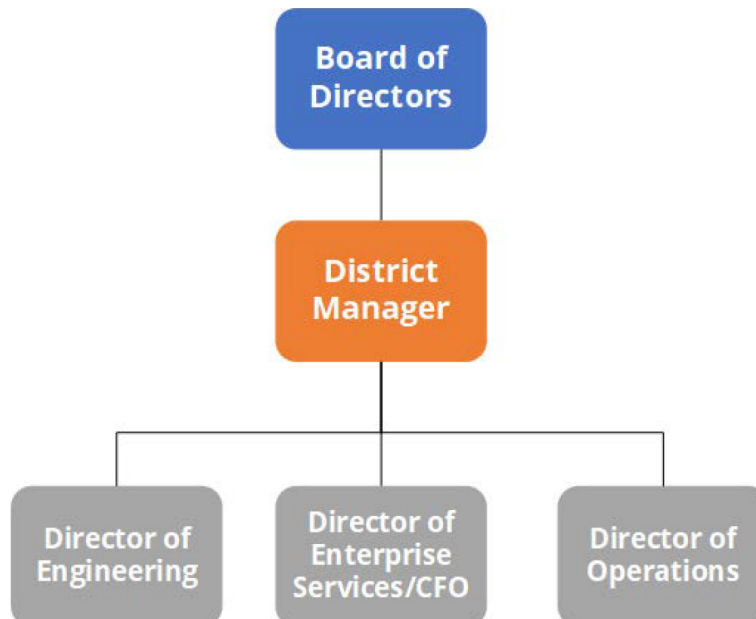
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District Board of Directors

Board Member	Position	Principal Occupation	Director Since	Current Term Expires
Merlin Klotz	Board Chair	Public Official & CPA	2012	2023
Bill Wasserman	Vice Chair	Executive Recruiter	2012	2023
Dale Reiman	Secretary	Sales Representative	2014	2023
Don Langley	Treasurer	Retired SVP & CTO	2022	2025
Brooke Booth	Director	Educator & Realtor	2022	2025

Subsequent to the year ended December 31, 2022, Robert Kennah was elected to the Board.

Organizational Chart
January 1, 2023



Principal Officers:

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



Independent Auditor's Report

RSM US LLP

Board of Directors
Parker Water and Sanitation District

Opinion

We have audited the financial statements of the business-type activities of Parker Water and Sanitation District (the District) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's 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 respective financial position of the business-type activities of the District, as of December 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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, 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 12 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

RSM US LLP

Denver, Colorado
June 20, 2023

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ending December 31, 2022

Our discussion and analysis of Parker Water and Sanitation District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2022 and 2021. Please read this analysis in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- At December 31, 2022 total assets and deferred outflows of resources of the District exceeded total liabilities and deferred inflows of resources by \$704,178,387 (net position). Of this amount, \$181,676,049 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Restricted net position of \$19,714,655 is restricted for debt service, debt service reserves, and other operating and capital reserves. At December 31, 2021 the amounts are \$669,013,555 (net position), \$150,364,664 (unrestricted) and \$18,707,886 (restricted) See Note 2.
- The Water and Sewer Enterprises of the District are business type activities that are intended to recover all or a significant portion of their costs through user fees and charges. In 2022, the monthly water service charge for residential, multi-family, commercial, and irrigation accounts increased from \$32.57 in 2021 to \$33.55 and the monthly sewer service charge increased from \$9.82 in 2021 to \$10.16. See Supplementary Information section for a full schedule of fees.
- The District collected tap fees for 961 Single Family Equivalents (SFE's) during 2022 from new construction in the District compared to 1,727 in 2021.
- The District levies taxes for sewer operations. By law, the District is generally prohibited from levying a higher amount of revenue than was levied in the preceding year plus five and one-half percent or the limits defined under the Colorado constitutional amendment known as TABOR, whichever is less. The certified 2022 mill levy for operations was 1.727 mills, less a temporary mill levy rate reduction of 0.302 mills, for a total of 1.425 mills. The certified 2023 mill levy for sewer operations of 1.727 mills was also temporarily reduced to 1.512 mills.
- General obligation debt of the District is payable from ad valorem taxes levied against all taxable property in the District, without limitation of rate and in an amount sufficient to pay the principal of and interest on the debt. The certified 2022 mill levy for the general obligation debt associated with the construction of Rueter-Hess Reservoir was 6.318 mills and the 2023 mill levy has been set at 6.186 mills. In 2022, the District used a portion of their capital reserves, generated from tap fees collected, to pay the remaining portion of the general obligation debt service not covered by property taxes.
- Contributed assets from developers, consisting of constructed water and sewer lines and water rights acquired by inclusions, totaled \$5,702,934 in 2022, \$18,120,917 in 2021, and \$11,615,330 in 2020.

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ending December 31, 2022

- At December 31, 2022, the District's total debt service rate covenant calculation is 395 percent, compared to 662 percent at December 31, 2021 and 501 percent at December 31, 2020. To meet covenant calculation requirements, the ratio (revenue available for debt service divided by total debt service) must exceed 110 percent. The District also has outstanding loans from CWRPDA and CWCB which limits the amount of system fees included in the calculation of revenue available for debt service. See Supplementary Information section for additional debt service calculations.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Parker Water and Sanitation District

Management's Discussion and Analysis
Fiscal Year Ending December 31, 2022

FINANCIAL SUMMARY AND ANALYSIS

NET POSITION

During 2022, net position increased \$35,164,832 from 2021 to \$704,178,387. This increase was primarily due to an increase in current assets related to cash and cash equivalents, and an increase in buildings and equipment associated with recently completed capital assets. The increase in cash was due primarily to the District's Series 2022 Revenue Bond offering. The increase in capital assets was due primarily to the completion of the expansion of the District's reclamation facility. Current liabilities remained flat year over year and long-term liabilities increased due to the District's 2022 revenue bond offering. Excluding accounts and retainage payable, the District's current liabilities decreased nearly \$5.2 Million year over year as a result of releasing construction deposits and retainage payables in connection with the final completion of key projects. In 2021, net position increased \$71,455,606 from 2020 to \$669,013,555. This increase was primarily due to an increase in current assets related to cash and cash equivalents, an increase in buildings and equipment associated with recently completed capital assets, and a decrease in current liabilities.

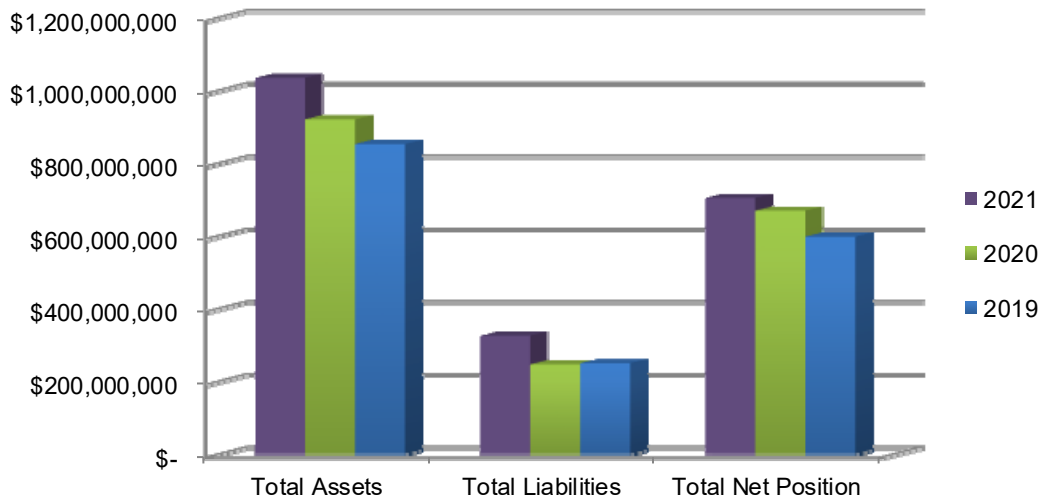
CONDENSED STATEMENT OF NET POSITION

	2022	2021	2020
Assets			
Current Assets	\$ 252,229,597	\$ 173,554,310	\$ 154,155,332
Noncurrent Assets	19,720,125	19,122,378	18,745,437
Capital Assets	762,180,675	727,354,819	679,241,455
Total assets	1,034,130,397	920,031,507	852,142,224
Deferred outflows of resources			
Deferred charge on refunding	2,792,695	3,038,962	3,208,639
Liabilities			
Current liabilities	28,899,036	28,749,588	31,677,503
Noncurrent Liabilities	296,579,628	217,765,235	218,427,620
Total liabilities	325,478,664	246,514,823	250,105,123
Deferred inflows of resources			
Unavailable revenue - property taxes	6,935,237	6,830,973	6,748,003
Lease Revenue	330,804	711,118	939,788
Net position			
Net investment in capital assets	502,787,683	499,941,005	451,425,222
Restricted	19,714,655	18,707,886	18,745,437
Unrestricted	181,676,049	150,364,664	127,387,290
Total net position	\$ 704,178,387	\$ 669,013,555	\$ 597,557,949

Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ending December 31, 2022**

NET POSITION



CHANGES IN REVENUES, EXPENDITURES AND NET POSITION

For 2022, total operating revenue increased by \$2,902,478 to \$39,460,833 mainly due to an increase in charges for water and wastewater services, increases in consumption due to seasonal weather patterns, and natural growth related to increases in the number of customer accounts. Capital contributions, or system connection fees collected from new development within the District, was \$38,459,952. Contributed assets from developers was \$5,702,934. For 2021, total operating revenue increased by \$577,422 to \$36,558,355 mainly due an increase in charges for water and wastewater services. Capital contributions, or system connection fees collected from new development within the District, was \$61,469,283. Contributed assets from developers was \$18,120,917.

Parker Water and Sanitation District

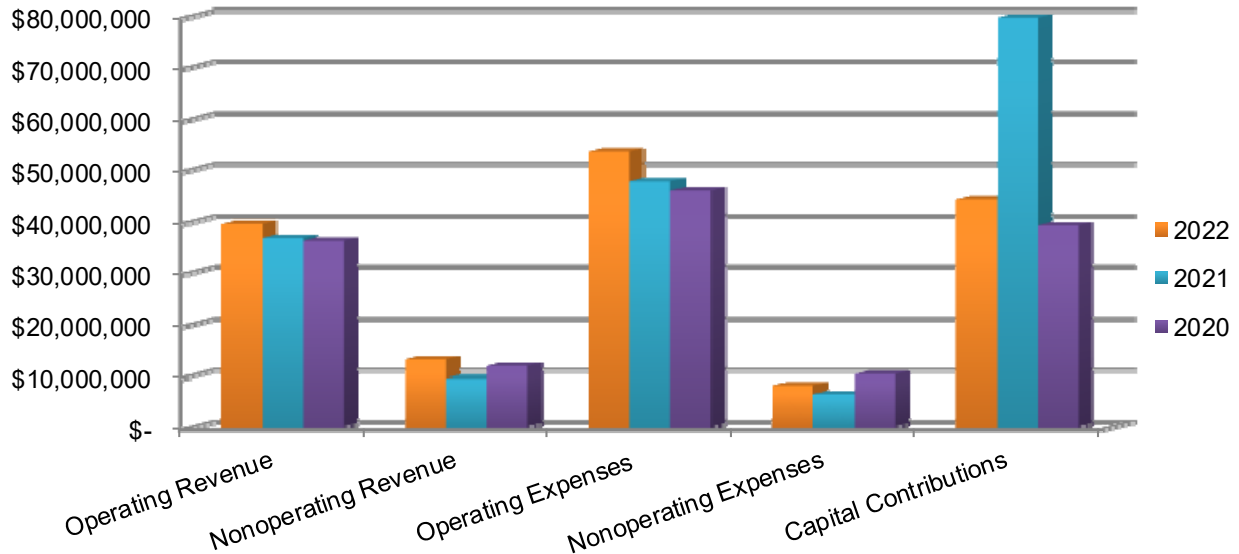
Management's Discussion and Analysis
Fiscal Year Ending December 31, 2022

SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION			
	2022	2021	2020
REVENUES			
Operating Revenue	\$ 39,460,833	\$ 36,558,355	\$ 36,000,933
Non-Operating Revenues:			
Property Taxes	6,747,682	6,625,421	6,493,498
Net Investment Income	930,093	13,793	1,833,705
Farm Land Revenue	388,918	372,382	315,197
Gain on Disposal of Assets	-	27,293	81,270
Gain on Extinguishment of Debt	857,245	-	-
Specific Ownership Taxes	629,511	677,881	590,755
Inclusion Fees	2,263,796	259,563	-
Other	1,320,589	1,416,139	2,499,920
Total Non-Operating Revenue	13,137,834	9,392,472	11,814,345
TOTAL REVENUES	\$ 52,598,667	\$ 45,950,827	\$ 47,815,278
Expenses:			
Operating:			
Salaries & Benefits	\$ 11,684,532	\$ 10,881,724	\$ 10,051,976
Insurance	272,483	232,155	280,203
Professional and Support Services	7,459,242	5,989,845	6,183,039
Utilities	5,171,920	4,419,936	3,974,143
Contract Labor and Maintenance	2,510,178	2,355,746	2,289,304
Chemicals and Supplies	3,608,595	3,246,587	2,762,956
IT	289,386	306,459	287,490
Administrative and Miscellaneous	464,861	341,336	353,777
Depreciation	22,115,800	20,032,175	19,741,456
Total Operating Expenses	\$ 53,576,997	\$ 47,805,963	\$ 45,924,344
Non-Operating expenses:			
Water Resource Farms	\$ 275,043	\$ 190,872	\$ 201,986
Interest Expense and Loan Fees	7,744,681	6,088,586	9,987,332
Total Non-Operating Expenses	\$ 8,019,724	\$ 6,279,458	\$ 10,189,318
TOTAL EXPENSE	\$ 61,596,721	\$ 54,085,421	\$ 56,113,662
Gain(Loss) Before Capital Contributions	(8,998,054)	(8,134,594)	(8,298,384)
Capital Contributions	44,162,886	79,590,200	39,189,750
CHANGE IN NET POSITION	\$ 35,164,832	\$ 71,455,606	\$ 30,891,366
Net Position, beginning of year	669,013,555	597,557,949	566,666,583
Net Position, end of year	\$ 704,178,387	\$ 669,013,555	\$ 597,557,949

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2022**

CHANGES IN NET POSITION



CAPITAL ASSETS

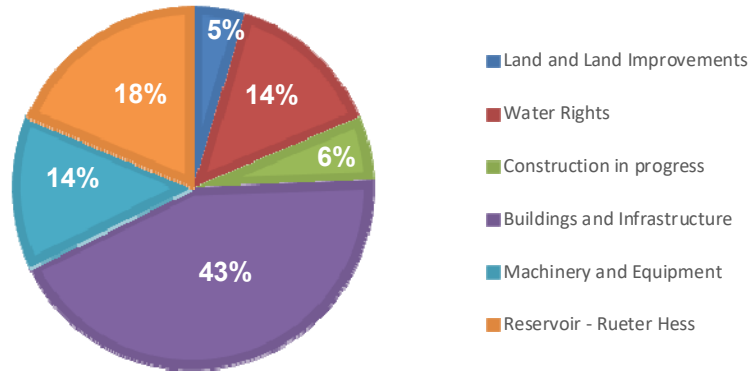
At December 31, 2022, the District reports \$762,180,675 in capital assets, net of accumulated depreciation, an increase of \$34,825,856 from 2021, mainly due to the completion of several major projects including the North Water Reclamation Facility Expansion and Cherry Creek Interceptor projects.

	CAPITAL ASSETS		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land and Land Improvements	\$ 47,493,240	\$ 39,751,371	\$ 37,556,226
Water Rights	142,504,098	142,504,098	142,070,598
Construction in progress	58,046,448	97,483,660	94,686,343
Buildings and Infrastructure	439,998,192	368,873,486	323,146,487
Machinery and Equipment	138,649,170	121,136,877	104,267,515
Reservoir - Rueter Hess	188,874,580	188,874,580	188,874,580
Accumulated Depreciation	(253,385,053)	(231,269,253)	(211,360,294)
TOTAL CAPITAL ASSETS, NET	\$ 762,180,675	\$ 727,354,819	\$ 679,241,455

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2022**

**CAPITAL ASSETS
AS OF DECEMBER 31, 2022**



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

OUTSTANDING DEBT

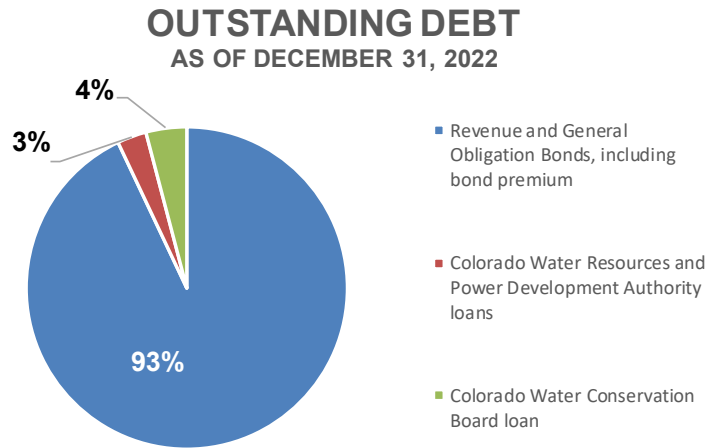
The District’s debt consists of the following:

OUTSTANDING DEBT				
	2022	2021	2020	
Revenue Bonds	\$ 169,355,000	\$ 99,010,000	\$ 104,045,000	
Bond Premium	27,609,628	16,026,038	9,320,887	
General Obligation Bonds	77,600,000	81,045,000	84,400,000	
Bond Premium	2,199,701	2,419,671	10,370,009	
Colorado Water Resources and Power Development Authority loans	8,755,364	9,091,900	9,766,241	
Colorado Water Conservation Board Loan	12,212,211	12,335,890	9,635,302	
TOTAL OUTSTANDING DEBT¹	\$ 297,731,904	\$ 219,928,499	\$ 227,537,439	

¹ Excludes note payable and related premium to Shea Canyons, LLC of \$7.3M

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2022**



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

LONG-TERM PLANNING

For all long-term planning activities, the District relies on the 2020 Water and Wastewater Master Plan (the “Master Plan”), the 2020 Cost-of-Service Rate Study Report and 10-Year Financial Plan and the 2018 Long-Term Water Supply Plan (the “Water Supply Plan”).

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

ECONOMIC FACTORS AND RATES

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

For 2022, there was a 3.00% increase to the water base charge, for any customer class, and an average increase of 2.93% on all three tiers of the water usage rates for residential and multi-family accounts, resulting in a water only portion increase of approximately 2.95% for the average residential customer. The Board of Director’s approved a water usage rate increase of approximately 3.00% for all other customer classes. There was an increase of 3.46% for sewer base charge and 3.51% usage charges. See the supplementary information section of this report for more information of rates and fees.

Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ending December 31, 2022**

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

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

Parker Water and Sanitation District

**Statements of Net Position
December 31, 2022 and 2021**

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 151,941,153	\$ 135,337,427
Investments	89,352,326	27,490,638
Accounts receivable:		
Service fees	1,785,896	1,908,722
Other	813,468	349,422
Succeeding year property taxes receivable	6,935,237	6,830,953
Accrued interest receivable	40,962	40,961
Lease receivable	409,022	381,825
Prepaid expenses	287,150	627,220
Inventory (Note 1)	650,470	573,229
Other	13,913	13,913
Total current assets	252,229,597	173,554,310
Noncurrent assets		
Capital assets: (Note 3)		
Land and land improvements	47,493,240	39,751,371
Buildings and infrastructure	439,998,192	368,873,486
Reuter-Hess reservoir	188,874,580	188,874,580
Water rights	142,504,098	142,504,098
Equipment and vehicles	138,649,170	121,136,877
Construction in progress	58,046,448	97,483,660
Subtotal	1,015,565,728	958,624,072
Less accumulated depreciation	(253,385,053)	(231,269,253)
Total capital assets	762,180,675	727,354,819
Prepaid expenses	5,470	5,470
Lease receivable	-	409,022
Cash and cash equivalents—restricted (Note 2)	19,714,655	18,707,886
Total noncurrent assets	781,900,800	746,477,197
Total assets	1,034,130,397	920,031,507
Deferred outflows of resources		
Deferred charge on refunding	2,792,695	3,038,962

Parker Water and Sanitation District

**Statements of Net Position (Continued)
December 31, 2022 and 2021**

	2022	2021
Liabilities		
Current liabilities:		
Accounts and retainage payable	\$ 10,834,629	\$ 5,502,990
Accrued compensation	389,429	386,911
Other accrued expenses	97,755	133,455
Accrued interest payable	2,369,363	1,873,265
Construction and inclusion deposits	5,746,453	10,340,205
Compensated absences	632,909	649,643
Bonds and notes payable	8,828,498	9,863,119
Total current liabilities	28,899,036	28,749,588
Noncurrent liabilities:		
Long-term debt, net of current portion	296,238,782	217,400,756
Compensated absences	340,846	364,479
Total noncurrent liabilities	296,579,628	217,765,235
Total liabilities	325,478,664	246,514,823
Deferred inflows of resources		
Succeeding year property taxes receivable	6,935,237	6,830,973
Lease revenue	330,804	711,118
Total deferred inflows of resources	7,266,041	7,542,091
Net position		
Net investment in capital assets	502,787,683	499,941,005
Restricted	19,714,655	18,707,886
Unrestricted	181,676,049	150,364,664
Total net position	\$ 704,178,387	\$ 669,013,555

See notes to financial statements.

Parker Water and Sanitation District

**Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2022 and 2021**

	2022	2021
Operating revenues:		
Charges for services	\$ 38,029,191	\$ 35,238,948
Other operating income	1,431,642	1,319,407
Total operating revenues	39,460,833	36,558,355
Operating expenses:		
Salaries and benefits	11,684,532	10,881,724
Insurance	272,483	232,155
Professional services	2,634,151	2,480,738
Support services	4,825,091	3,599,989
Utilities	5,171,920	4,419,936
Contract labor and maintenance	2,510,178	2,264,864
Supplies	1,407,785	1,388,100
Chemicals	2,200,810	1,858,487
Information technology	289,386	306,459
Administrative	464,861	341,336
Depreciation	22,115,800	20,032,175
Total operating expenses	53,576,997	47,805,963
Operating (loss)	(14,116,164)	(11,247,608)
Nonoperating revenue (expense):		
Property taxes	6,747,682	6,625,421
Specific ownership taxes	629,511	677,881
Farm land revenue	388,918	372,382
Water resource farms	(275,043)	(190,872)
Net investment income	930,093	13,793
Interest expense	(7,744,681)	(6,088,586)
Gain on disposal of assets	-	27,293
Gain on extinguishment of debt	857,245	-
Inclusion fees	2,263,796	259,563
Other income	1,320,589	1,416,139
Total nonoperating revenue (expense)	5,118,110	3,113,014
Loss before capital contributions	(8,998,054)	(8,134,594)
Capital contributions:		
System development fees received	21,653,424	34,261,318
Contributed assets from developers	5,702,934	18,120,917
Water resource fees	890,000	1,167,736
Water resource system development fees	15,916,528	26,040,229
Total capital contributions	44,162,886	79,590,200
Change in net position	35,164,832	71,455,606
Net position, beginning of year	669,013,555	597,557,949
Net position, end of year	\$ 704,178,387	\$ 669,013,555

See notes to financial statements.

Parker Water and Sanitation District

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from customers/operations	\$ 34,490,161	\$ 39,343,812
Cash payments to suppliers for goods and services	(17,523,456)	(17,441,986)
Cash payments to employees for services	(11,722,381)	(10,673,929)
Net cash flows provided by operating activities	5,244,324	11,227,897
Cash flows from noncapital financing activities:		
Property and specific ownership tax	1,844,118	1,870,786
Other nonoperating revenues	3,974,794	2,080,999
Other nonoperating expenses	(275,043)	(190,872)
Net cash provided by noncapital financing activities	5,543,869	3,760,913
Cash flows from capital and related financing activities:		
System development fees collected	21,653,424	34,261,318
Water resource fees received	890,000	1,167,736
Water resource system development fees received	15,916,528	26,040,229
Property tax revenue for debt service	5,533,075	5,432,935
Acquisition of capital assets	(47,897,463)	(55,584,462)
Proceeds from sales of capital assets	-	50,620
Proceeds from issuance of debt and notes payable	90,469,112	10,451,130
Principal paid on bonds and notes payable	(10,379,500)	(9,479,507)
Interest paid on bonds and notes payable	(1,761,576)	(6,790,637)
Net cash provided by capital and related financing activities	74,423,600	5,549,362
Cash flows from investing activities:		
Proceeds from sale of investments	57,567,215	27,732,646
Purchase of investments	(121,877,279)	(25,408,793)
Interest received	(3,291,234)	(368,003)
Net cash (used in) provided by investing activities	(67,601,298)	1,955,850
Net increase in cash and cash equivalents	17,610,495	22,494,022
Cash and cash equivalents, beginning of year	154,045,313	131,551,291
Cash and cash equivalents, end of year	\$ 171,655,808	\$ 154,045,313

(Continued)

Parker Water and Sanitation District

Statements of Cash Flows (Continued)
Years Ended December 31, 2022 and 2021

	2022	2021
Reconciliation of operating loss to net cash provided by operating activities:		
(Loss) from operations	\$ (14,116,164)	\$ (11,247,608)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	22,115,800	20,032,175
Changes in assets and liabilities related to operations:		
Accounts receivable	(341,220)	342,548
Inventory	(77,241)	(140,974)
Prepaid expenses	340,070	(266,653)
Accounts payable	1,990,380	(126,279)
Accrued expenses	(33,182)	257,583
Compensated absences	(40,367)	47,224
Construction deposits	(4,593,752)	2,329,881
Total adjustments	19,360,488	22,475,505
Net cash provided by operating activities	\$ 5,244,324	\$ 11,227,897

Noncash Activities:

Cash flows from capital and related financing activities do not include \$5,702,934 and \$18,120,917 of water rights and/or water and sewer lines contributed to the District during 2022 and 2021, respectively; Cash flows from capital and related financing activities do not include \$8,807,888 and \$5,466,629 of acquisition of capital assets through accounts and retainage payable for 2022 and 2021, respectively.

Cash flows from investing activities do not include \$2,448,376 and \$364,274 of market value adjustment on investments for 2022 and 2021, respectively.

Cash flows from noncapital financing activities do not include \$409,022 and \$790,847 of lease receivables, respectively.

See notes to financial statements.

Parker Water and Sanitation District

Notes to Financial Statements

Note 1. Organization and Summary of Significant Accounting Policies

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

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

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

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

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

Basis of accounting: The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Amounts paid for capital assets are reported as increases in assets.

Operating revenues and expenses: The District distinguishes between operating revenues and expenses and nonoperating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sanitation services to its customers. While operating revenues consist mainly of charges to customers for services, the District also has agreements to provide operations and maintenance services, the wheeling of water through its distribution system and supplying potable water through the advance water purification facility to other utilities.

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus unspent debt proceeds, and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, guarantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. See Note 2 for restrictions of assets as of December 31, 2022 and 2021.

Parker Water and Sanitation District

Notes to Financial Statements

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

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

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

Budgets: In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification.

The appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Contributions of water and/or sewer lines are not reflected as a budgetary revenue or expenditure as they do not generate or require the use of funds available.

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

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

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

Accounts receivable and unbilled revenue: The District utilizes cycle billing and accrues an estimated amount of revenues for sales unbilled at the end of each reporting period. The unbilled amount plus any amounts billed to customers but not yet received by the District, is recorded as service fees receivable. Management has a history of high accounts receivable collections. As a result, management has not recorded an allowance for uncollectible accounts as of December 31, 2022 and 2021, as they consider amounts fully collectible.

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The District's capitalization threshold is \$5,000. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

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

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

The District has developed a varied water rights portfolio, including Denver Basin aquifer ground water and Cherry Creek alluvial ground water, as well as the rights to re-use and store this water on a year-round basis. These developed water rights provide a dependable water supply for District customers. The District's pending and adjudicated water rights portfolio includes approximately 34,000 acre-feet of water per year. The water rights of the District do not have a definite useful life; therefore no amortization expense is being recognized on them in accordance with GASB Statement No. 51.

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources with an offsetting receivable in the year they are levied. By statute, the tax lien and budget certification for the following fiscal year becomes effective on the first day of that year. The deferred inflows of property tax revenue will not be recognized as revenue until the year for which it is budgeted and tax lien is effective.

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

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

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

Compensated absences: Full-time employees begin earning vacation from their date of hire. The vacation accrual rate is based on the employee's years of service. Part-time employees are not entitled to paid vacations. Vacation cannot be used before it is earned and no more than 280 vacation hours may be accumulated. The District's sick leave policy permits full-time employees to accrue sick time each pay period up to a maximum of 96 hours per year with a maximum accumulation of 520 hours. Due to the Healthy Families and Workplace Act, which went into effect in 2021, part-time employees accrue 1 hour of sick time for each 30 hours worked up to a maximum of 48 hours per year.

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

Subsequent events: The District has evaluated subsequent events through June 20, 2023, the date the financial statements were available to be issued.

Note 2. Cash and Investments

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

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

For deposits, custodial credit risk is the risk that in the event of a bank failure the District's deposits might not be returned. All institutions holding the District's deposits are currently certified as eligible public depositories in accordance with the statutes. At December 31, 2022 and 2021, the District's cash deposits had a carrying balance of \$13,554,408 and \$75,236,734, respectively.

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

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

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

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

Interest rate risk: The District owned the following debt securities as of December 31, 2022:

	Fair Value	Remaining Maturity				
		12 Months or Less	13-24 Months	25-36 Months	37-48 Months	49-60 Months
U.S. government agencies	\$ 25,431,941	\$ -	\$ 3,835,588	\$ 3,948,196	\$ 16,735,675	\$ 912,482
U.S. Treasury notes	61,779,453	46,156,641	15,622,812	-	-	-
Certificates of deposit	2,140,932	728,962	1,180,934	231,036	-	-
	<u>\$ 89,352,326</u>	<u>\$ 46,885,603</u>	<u>\$ 20,639,334</u>	<u>\$ 4,179,232</u>	<u>\$ 16,735,675</u>	<u>\$ 912,482</u>

The District owned the following debt securities as of December 31, 2021:

	Fair Value	Remaining Maturity				
		12 Months or Less	13-24 Months	25-36 Months	37-48 Months	49-60 Months
U.S. government agencies	\$ 23,524,873	\$ 919,590	\$ 10,088,327	\$ 3,962,822	\$ 4,964,928	\$ 3,589,206
U.S. Treasury notes	1,203,145	1,203,145	-	-	-	-
Certificates of deposit	2,762,621	2,010,981	751,640	-	-	-
	<u>\$ 27,490,639</u>	<u>\$ 4,133,716</u>	<u>\$ 10,839,967</u>	<u>\$ 3,962,822</u>	<u>\$ 4,964,928</u>	<u>\$ 3,589,206</u>

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Custodial credit risk: Custodial credit risk is the risk that, in the event of a counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2022 and 2021, none of the District's investments were insured, but they were all registered in the District's name and held by the counterparty or the counterparty's trust department, and are therefore, not exposed to custodial credit risk. GASB has concluded that investments in external investment pools are not exposed to custodial credit risk.

Concentration of credit risk: The District has a policy that addresses specific limitations on the amount that can be invested in any one issuer, and requires diversification of investments, excluding U.S. Treasury securities. As of December 31, 2022, more than 5.0% of the District's investments are concentrated in Federal Home Loan Bank securities (27%). As of December 31, 2021, more than 5.0% of the District's investments are concentrated in Federal Home Loan Bank securities (86.0%).

Credit risk: As of December 31, 2022 and 2021, the District had invested \$142,487,516 and \$80,534,839, respectively, in the COLOTRUST Plus investment pools which is rated AAAM by Standard & Poor's.

The Federal Home Loan Mortgage Corp securities and Federal Home Loan Bank securities are rated AA+ by Standard & Poor's, as of December 31, 2022 and 2021. The U.S. Treasury notes and Federal National Mortgage Association securities are not subject to credit risk as they are explicitly guaranteed by the U.S. government.

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

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

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

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

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

The District has the following investments and fair value measurements as of December 31, 2022:

	December 31, 2022	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments measured at fair value:				
U.S. government agencies	\$ 25,431,941	\$ -	\$ 25,431,941	\$ -
U.S. Treasury notes	61,779,453	61,779,453	-	-
Certificates of deposit	2,140,932	-	2,140,932	-
	89,352,326	\$ 61,779,453	\$ 27,572,873	\$ -
Cash equivalents measured at NAV, local government investment pools	142,487,516			
Total investments	<u>\$ 231,839,842</u>			

The District has the following investments and fair value measurements as of December 31, 2021:

	December 31, 2021	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments measured at fair value:				
U.S. government agencies	\$ 23,524,873	\$ -	\$ 23,524,873	\$ -
U.S. Treasury notes	1,203,145	1,203,145	-	-
Certificates of deposit	2,762,621	-	2,762,621	-
	27,490,639	\$ 1,203,145	\$ 26,287,494	\$ -
Cash equivalents measured at NAV, local government investment pools	80,534,839			
Total investments	<u>\$ 108,025,478</u>			

Cash and investments are restricted for the following purposes:

	2022	2021
Restricted for debt reserve	\$ 6,760,487	\$ 5,753,718
Restricted for operating reserve	6,954,168	6,954,168
Restricted for rate stabilization reserve	6,000,000	6,000,000
Cash and cash equivalents—restricted	<u>\$ 19,714,655</u>	<u>\$ 18,707,886</u>

Debt reserve: In anticipation of required debt service payments on the District's debt liabilities, separate funds are created for each debt instrument that is funded on a monthly basis to fulfill the next debt payment. At December 31, 2022 and 2021, the District had restricted cash and cash equivalents of \$5,998,799 and \$5,753,718, respectively.

Operating reserve: The loan agreements with the Colorado Water Resources and Power Development Authority generally require that the District maintain a three-month operating reserve. For this purpose, the District had restricted cash and investments of \$6,954,168 at December 31, 2022 and 2021.

Parker Water and Sanitation District

Notes to Financial Statements

Note 2. Cash and Investments (Continued)

Rate stabilization reserve: Pursuant to a resolution adopted by the Board in 2002, the District has covenanted to maintain an amount equal to at least \$6 million in a Rate Stabilization Account. The reserve may be accessed in an event that the District requires to meet an additional bonds test. In the loan agreements between the District and the Colorado Water Resources Development Authority, the District covenanted that in the event any amounts are withdrawn from the Rate Stabilization account, it would replenish the amounts so withdrawn from any available funds. At December 31, 2022 and 2021, the District has reserved cash equivalents of \$6,000,000.

2022 Revenue Bond proceeds: In 2022, the District issued bonds with a face value of \$81,725,000, of which \$76,760,000 was designated to fund the construction of a new headquarters, an advanced filtration system, and the installation of a tank and water line extension. At December 31, 2022, the unspent bond proceeds are \$51,689,481 and are reported in the net investment in capital assets section of the statement of net position.

At December 31, 2022 and 2021, cash deposits and investments are classified on the statements of net position as follows:

	2022	2021
Cash and cash equivalents	\$ 151,941,153	\$ 135,337,427
Cash and cash equivalents—reserved or restricted	19,714,655	18,707,886
Investments	89,352,326	27,490,638
	<u>\$ 261,008,134</u>	<u>\$ 181,535,951</u>
Cash deposits	\$ 171,655,808	\$ 154,045,312
Investments	89,352,326	27,490,639
	<u>\$ 261,008,134</u>	<u>\$ 181,535,951</u>

Parker Water and Sanitation District

Notes to Financial Statements

Note 3. Capital Assets

An analysis of the changes in capital assets for the years ended December 31, 2022 and 2021 follows:

	2022			Balance at December 31, 2022
	Balance at December 31, 2021	Additions	Disposals and Transfers	
Capital assets, not being depreciated:				
Land	\$ 14,909,286	\$ -	\$ -	\$ 14,909,286
Water rights	142,504,098	-	-	142,504,098
Land improvements	3,155,118	-	-	3,155,118
Construction in progress	97,483,660	51,238,723	(90,675,935)	58,046,448
Total capital assets, not being depreciated	258,052,162	51,238,723	(90,675,935)	218,614,950
Capital assets, being depreciated:				
Land improvements	21,686,967	7,741,869	-	29,428,836
Buildings	162,919,120	43,572,146	-	206,491,266
Infrastructure	205,954,366	27,552,560	-	233,506,926
Machinery and equipment	118,541,829	17,419,014	-	135,960,843
Reservoir—Rueter Hess	188,874,580	-	-	188,874,580
Vehicles	2,595,048	93,279	-	2,688,327
Total capital assets, being depreciated	700,571,910	96,378,868	-	796,950,778
Less accumulated depreciation for:				
Land improvements	12,990,172	1,043,582	-	14,033,754
Buildings	50,958,947	5,322,128	-	56,281,075
Infrastructure	63,731,304	6,109,751	-	69,841,055
Machinery and equipment	72,963,254	6,510,219	-	79,473,473
Reservoir—Rueter Hess	28,713,306	2,875,671	-	31,588,977
Vehicles	1,912,270	254,449	-	2,166,719
Total accumulated depreciation	231,269,253	22,115,800	-	253,385,053
Total capital assets, being depreciated, net	469,302,657	74,263,068	-	543,565,725
Capital assets, net	<u>\$ 727,354,819</u>	<u>\$ 125,501,791</u>	<u>\$ (90,675,935)</u>	<u>\$ 762,180,675</u>

Parker Water and Sanitation District

Notes to Financial Statements

Note 3. Capital Assets (Continued)

	2021			Balance at December 31, 2021
	Balance at December 31, 2020	Additions	Disposals and Transfers	
Capital assets, not being depreciated:				
Land	\$ 14,906,718	\$ 2,568	\$ -	\$ 14,909,286
Water rights	142,070,598	433,500	-	142,504,098
Land improvements	3,155,118	-	-	3,155,118
Construction in progress	94,686,343	50,978,684	(48,181,367)	97,483,660
Total capital assets, not being depreciated	<u>254,818,777</u>	<u>51,414,752</u>	<u>(48,181,367)</u>	<u>258,052,162</u>
Capital assets, being depreciated:				
Land improvements	19,494,390	2,192,577	-	21,686,967
Buildings	130,694,357	32,224,763	-	162,919,120
Infrastructure	192,452,130	13,502,236	-	205,954,366
Machinery and equipment	101,629,140	16,912,689	-	118,541,829
Reservoir—Rueter Hess	188,874,580	-	-	188,874,580
Vehicles	2,638,375	103,216	(146,543)	2,595,048
Total capital assets, being depreciated	<u>635,782,972</u>	<u>64,935,481</u>	<u>(146,543)</u>	<u>700,571,910</u>
Less accumulated depreciation for:				
Land improvements	12,017,874	972,298	-	12,990,172
Buildings	46,431,368	4,527,579	-	50,958,947
Infrastructure	58,033,736	5,697,568	-	63,731,304
Machinery and equipment	67,299,764	5,663,490	-	72,963,254
Reservoir—Rueter Hess	25,837,635	2,875,671	-	28,713,306
Vehicles	1,739,917	295,569	(123,216)	1,912,270
Total accumulated depreciation	<u>211,360,294</u>	<u>20,032,175</u>	<u>(123,216)</u>	<u>231,269,253</u>
Total capital assets, being depreciated, net	<u>424,422,678</u>	<u>44,903,306</u>	<u>(23,327)</u>	<u>469,302,657</u>
Capital assets, net	<u>\$ 679,241,455</u>	<u>\$ 96,318,058</u>	<u>\$ (48,204,694)</u>	<u>\$ 727,354,819</u>

Parker Water and Sanitation District

Notes to Financial Statements

Note 4. Long-Term Liabilities

The following is an analysis of the changes in the District's long-term obligations for the years ended December 31, 2022 and 2021.

	Interest Rates	Balance at January 1, 2022	New Issues	Retirements	Balance at December 31, 2022	Due Within One Year
Bonds and parity obligations:						
2002 CWRPDA Clean Water Loan	3.62	\$ 9,091,900	\$ -	\$ 336,536	\$ 8,755,364	\$ 2,844,272
2012 Revenue Refunding Bonds	2.0-5.0	10,300,000	-	10,300,000	-	-
Add Bond Premium		1,551,777	-	1,551,777	-	-
2012 General Obligation Refunding Bonds	3.0-4.0	22,210,000	-	2,215,000	19,995,000	2,300,000
Add Bond Premium		2,419,671	-	219,970	2,199,701	-
2018 Revenue Bonds	2.0-5.0	35,230,000	-	1,045,000	34,185,000	1,095,000
Add Bond Premium		5,269,576	-	250,932	5,018,644	-
2020 Revenue Bonds	4.0	12,910,000	-	-	12,910,000	225,000
Add Bond Premium		1,989,675	-	86,508	1,903,167	-
2020 Refunding Bonds	4.0	40,570,000	-	-	40,570,000	-
Add Bond Premium		7,215,010	-	515,358	6,699,652	-
2020 General Obligation Refunding Bonds	1.139	58,835,000	-	1,230,000	57,605,000	1,245,000
2022 Revenue Bonds	3.0-5.0	-	76,760,000	-	76,760,000	-
Add Bond Premium		-	13,625,075	405,863	13,219,212	-
2022 Refunding Bonds	3.0-5.0	-	4,965,000	35,000	4,930,000	525,000
Add Bond Premium		-	863,625	94,672	768,953	-
Notes from direct borrowings:						
2014 CWCB Loan A	2.75	3,340,639	-	198,850	3,141,789	204,318
2014 CWCB Loan B	2.75	5,213,590	-	227,733	4,985,857	233,996
2014 CWCB Loan C	2.75	3,115,754	302,904	-	3,418,658	130,496
2014 CWCB Loan D	2.75	665,907	-	-	665,907	25,416
Canyons Note Payable	0.00	6,464,079	209,771	-	6,673,850	-
Add Bond Premium		871,297	-	209,771	661,526	-
Total long-term debt, net		<u>\$ 227,263,875</u>	<u>\$ 96,726,375</u>	<u>\$ 18,922,970</u>	<u>\$ 305,067,280</u>	<u>\$ 8,828,498</u>
	Interest Rates	Balance at January 1, 2021	New Issues	Retirements	Balance at December 31, 2021	Due Within One Year
Bonds and parity obligations:						
2001 CWRPDA Clean Water Loan	4.01	\$ 348,661	\$ -	\$ 348,661	\$ -	\$ -
2002 CWRPDA Clean Water Loan	3.62	9,417,580	-	325,680	9,091,900	336,536
2012 Revenue Refunding Bonds	2.0-5.0	14,340,000	-	4,040,000	10,300,000	4,610,000
Add Bond Premium		1,724,197	-	172,420	1,551,777	-
2012 General Obligation Refunding Bonds	3.0-4.0	24,345,000	-	2,135,000	22,210,000	2,215,000
Add Bond Premium		2,639,641	-	219,970	2,419,671	-
2018 Revenue Bonds	2.0-5.0	36,225,000	-	995,000	35,230,000	1,045,000
Add Bond Premium		5,520,508	-	250,932	5,269,576	-
2020 Revenue Bonds	4.0	12,910,000	-	-	12,910,000	-
Add Bond Premium		2,076,182	-	86,507	1,989,675	-
2020 Refunding Bonds	4.0	40,570,000	-	-	40,570,000	-
Add Bond Premium		7,730,368	-	515,358	7,215,010	-
2020 General Obligation Refunding Bonds	0.725	60,055,000	-	1,220,000	58,835,000	1,230,000
Notes from direct borrowings:						
2014 CWCB Loan A	2.75	3,534,167	-	193,528	3,340,639	198,850
2014 CWCB Loan B	2.75	5,435,228	-	221,638	5,213,590	227,733
2014 CWCB Loan C	2.75	-	3,115,754	-	3,115,754	-
2014 CWCB Loan D	2.75	665,907	-	-	665,907	-
Canyons Note Payable	0.00	-	6,464,079	-	6,464,079	-
Add Bond Premium		-	871,297	-	871,297	-
Total long-term debt, net		<u>\$ 227,537,439</u>	<u>\$ 10,451,130</u>	<u>\$ 10,724,694</u>	<u>\$ 227,263,875</u>	<u>\$ 9,863,119</u>

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 4. Long-Term Liabilities (Continued)

Loan Agreement, Colorado Water Resources and Power Development Authority, dated October 1, 2002: On October 1, 2002 the Colorado Water Resources and Power Development Authority approved a total loan amount to the District not to exceed \$14,112,800 for construction of a new advanced water treatment plant. Principal payments are due February 1 and August 1, at an interest rate of 3.62%, with final payment due August 1, 2025.

Water and Sewer Revenue Refunding Bonds, Series 2012, dated June 13, 2012: Principal payments are due November 1. These bonds were paid off in 2022 by the issuance of the Water and Sewer Enterprise Refunding and Improvement Revenue Bonds, Series 2022, dated March 1, 2022.

General Obligation Refunding Bonds, Series 2012, dated December 27, 2012: Principal payments are due August 1. On May 4, 2004, voters of the District authorized the District to levy property taxes to pay this debt. Such taxes are intended to be used as guaranty for payment of the bonds only if the Board of Directors determines other revenues are not sufficient to pay the debt service on the bonds. During 2022 and 2021, the District recognized \$5,533,075 and \$5,533,075,432,935, respectively, in property tax revenue to pay the debt service, a portion of which was used on this loan.

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

During the fiscal year ended December 31, 2014, the District approved Contract Loan A for an amount of \$4,426,830 for the ECCV Pipeline Purchase. As of December 31, 2022, the District has borrowed the full amount of the loan. Principal payments began on February 1, 2016, at an interest rate of 2.75% and repayment term of 20 years.

During the fiscal year ended December 31, 2014, the District approved Contract Loan B for an amount of \$6,785,321 for the Phase 1 Infrastructure. As of December 31, 2022, the District has borrowed \$5,650,933. Principal payments began on June 1, 2020, at an interest rate of 2.75% and repayment term of 20 years.

During the fiscal year ended December 31, 2014, the District approved Contract Loan C for an amount of \$3,418,658 for the Phase 1 Infrastructure. As of December 31, 2022, the District has borrowed the full amount of the loan. Principal payments will begin on August 1, 2023, at an interest rate of 2.75% and repayment term of 20 years.

During the fiscal year ended December 31, 2014, the District approved Contract Loan D for an amount of \$1,099,890 for the DIA Connection. As of December 31, 2022, the District has borrowed \$665,907. Principal payments will begin on November 1, 2023, at an interest rate of 2.75% and repayment term of 20 years.

Water and Sewer Enterprise Revenue Bonds Series 2018, dated January 24, 2018: On January 24, 2018, the District disbursed \$36,225,000 of bonds to be used to acquire and construct certain water and sanitary sewer capital projects. The bonds are secured by the net revenues of the District, which total \$21,403,417 as of December 31, 2022. Principal payments are due starting November 1, 2021, at an interest rate of 5% and a repayment term of 25 years.

Parker Water and Sanitation District

Notes to Financial Statements

Note 4. Long-Term Liabilities (Continued)

Water and Sewer Enterprise Refunding and Improvement Revenue Bonds Series 2020, dated January 14, 2020: On January 14, 2020, the District disbursed \$53,480,000 of bonds to be used to advance refund the 2010 Colorado Water Resources and Power Development Authority bonds and construct certain water and sanitary sewer capital projects. The bonds are secured by the net revenues of the District, which total \$21,403,417 as of December 31, 2022. Principal payments are due starting November 1, 2023, at an interest rate of 4% and a repayment term of 25 years.

The bonds were issued to take advantage of lower interest rates. These transactions resulted in cash flow savings of \$13,638,532 and economic gains (difference between the present value of the debt service payments on the old debt and new debt) of \$8,243,431. The refunding resulted in a difference between the book value of the old debt and the amount required to retire the debt of \$1,228,261. This difference is a deferred loss on the refunding and is being amortized over the original remaining life of the old debt or the life of the new debt, whichever is less, using the straight-line method.

General Obligation Refunding Bonds, Federally Taxable, Series 2020, dated May 12, 2020: On January 12, 2020, the District disbursed \$61,095,000 of bonds to be used to partially refund the General Obligation Refunding Bonds, Series 2012. Principal payments began August 1, 2020, at interest rates between 0.725% and 3.062% and a repayment term of 20 years.

The net proceeds were used to purchase State and Local Government Securities (SLGS) to meet the requirements of the refunded debt. Those securities were deposited in an irrevocable escrow trust to provide for all future debt service on the bonds being refunded. As a result, those bonds are defeased, and the related liabilities have been excluded from the District's basic financial statements.

The bonds were issued to take advantage of lower interest rates. These transactions resulted in cash flow savings of \$18,578,065 and economic gains (difference between the present value of the debt service payments on the old debt and new debt) of \$10,743,277. The refunding resulted in a difference between the book value of the old debt and the amount required to retire the debt of \$261,800. This difference is a deferred loss on the refunding and is being amortized over the original remain life of the old debt or the life of the new debt, whichever is less, using the straight-line method.

Canyon's note payable: The District finalized a Well Design, Construction and Reimbursement Agreement as of December 14, 2021 with Shea Canyons, LLC ("Shea"). In accordance with the Reimbursement Agreement, the District has agreed to reimburse Shea (without interest) for final expenses paid in connection with the design and construction of a well and related facilities. As of the December 31, 2022, the District reports an obligation totaling \$7,335,376 under the Reimbursement Agreement, to be paid in full by December 31, 2025.

Water and Sewer Enterprise Refunding and Improvement Revenue Bonds, Series 2022, dated March 1, 2022: On January 1, 2022, the District disbursed \$81,725,000 of bonds to be used to partially refund the Water and Sewer Revenue Refunding Bonds, Series 2012 and to fund the construction of a new headquarters, an advanced filtration system, and the installation of a tank and water line extension. Principal payments begin November 1, 2022, at interest rates between 3% and 5% and a repayment term of 30 years.

These transactions resulted in cash flow savings of \$629,748 and economic gains (difference between the present value of the debt service payments on the old debt and new debt) of \$568,414.

Parker Water and Sanitation District

Notes to Financial Statements

Note 4. Long-Term Liabilities (Continued)

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

	Bonds and Parity Obligations		Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 8,234,272	\$ 9,535,044	\$ 594,226	\$ 336,019
2024	8,464,836	9,284,481	610,568	319,671
2025	10,126,256	8,974,152	7,301,208	302,873
2026	10,235,000	8,747,895	644,610	285,613
2027	10,580,000	8,391,922	662,337	267,878
2028–2032	59,915,000	35,659,619	3,595,127	1,055,829
2033–2037	62,980,000	23,383,712	3,527,973	541,322
2038–2042	45,045,000	13,014,662	1,950,012	133,622
2043–2047	19,380,000	6,390,400	-	-
2048-2052	20,750,000	2,555,000	-	-
	<u>\$ 255,710,364</u>	<u>\$ 125,936,887</u>	<u>\$ 18,886,061</u>	<u>\$ 3,242,827</u>

Changes in the District's compensated absences payable are as follows:

	Balance January 1, 2022			Balance December 31, 2022	Due Within One Year
	Incurred	Retired			
Compensated absences payable	\$ 1,014,122	\$ 462,198	\$ 502,565	\$ 973,755	\$ 632,909

	Balance January 1, 2021			Balance December 31, 2021	Due Within One Year
	Incurred	Retired			
Compensated absences payable	\$ 966,898	\$ 581,385	\$ 534,161	\$ 1,014,122	\$ 649,643

Note 5. Net Position

As of December 31, 2022 and 2021, the District had a net investment in capital assets calculated as follows:

	2022	2021
Capital assets, net of accumulated depreciation	\$ 762,180,675	\$ 727,354,819
Unspent debt proceeds	51,689,481	-
Bonds and notes payable	(305,067,280)	(227,263,875)
Accounts and retainage payable	(8,807,888)	(3,188,901)
Deferred charge on refunding	2,792,695	3,038,962
	<u>\$ 502,787,683</u>	<u>\$ 499,941,005</u>

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

Parker Water and Sanitation District

Notes to Financial Statements

Note 6. Leases

The District has entered into eight cash-rent lease agreements prior to 2022, for tenant use of farm land in Logan County for agricultural and related purposes, whether it be for irrigation, domestic or livestock purposes. This includes use of water wells and irrigation wells and equipment. Each lease allows the tenant to possess and occupy the land during the lease term however each tenant has no holdover rights to the land and must surrender possession at the end of the lease term. The lease terms receivable and deferred information for December 31, 2022 and 2021 is as follows:

Lessee	Lease Term	Total Lease Amount	Discount Rate	Total Interest	Revenues Received as of 12/31/2022	Interest Portion of Payment	Basis at 12/31/2022	NPV of Future Lease Payments
Amen Angus Farms	4/1/19-12/31/23	\$ 167,450	3.5%	\$ 20,719	\$ 133,960	\$ (3,593)	\$ 37,083	\$ 32,781
Schuppe Hay Farms	4/1/19-12/31/23	163,417	3.5	19,931	130,732	(2,688)	35,373	31,228
Gordon A. Schuppe	4/1/19-12/31/23	54,188	3.5	6,492	43,352	(562)	11,398	10,046
Gerk Farms	4/1/19-12/31/23	794,049	3.5	98,183	635,240	(16,846)	175,655	123,934
Geoge and Rhonda Hernandez	4/1/19-12/31/23	186,278	3.5	23,151	149,024	(4,288)	41,542	36,739
Ferkovich - Van West	4/1/20-12/31/23	40,140	3.5	5,650	15,053	15,555	9,532	8,623
Ferkovich - Stieb	4/1/20-12/31/23	76,300	3.5	11,579	28,613	27,194	20,493	18,610
Ferkovich Farms, Inc.	4/1/19-12/31/23	357,573	3.5	43,805	286,060	(6,433)	77,946	68,843
		<u>\$ 1,839,395</u>		<u>\$ 229,510</u>	<u>\$ 1,422,034</u>	<u>\$ 8,339</u>	<u>\$ 409,022</u>	<u>\$ 330,804</u>

Lessee	Lease Term	Total Lease Amount	Discount Rate	Total Interest	Revenues Received as of 12/31/2021	Interest Portion of Payment	Basis at 12/31/2021	NPV of Future Lease Payments
Amen Angus Farms	4/1/19-12/31/23	\$ 167,450	3.5%	\$ 20,719	\$ 100,470	\$ (4,719)	\$ 71,699	\$ 65,562
Schuppe Hay Farms	4/1/19-12/31/23	163,417	3.5	19,931	98,049	(3,025)	68,393	62,457
Gordon A. Schuppe	4/1/19-12/31/23	54,188	3.5	6,492	32,514	(364)	22,038	20,091
Gerk Farms	4/1/19-12/31/23	794,049	3.5	98,183	476,430	(22,012)	339,631	310,546
Geoge and Rhonda Hernandez	4/1/19-12/31/23	186,278	3.5	23,151	111,768	(5,812)	80,322	73,478
Ferkovich - Van West	4/1/20-12/31/23	40,140	3.5	5,650	10,035	11,675	18,430	17,245
Ferkovich - Stieb	4/1/20-12/31/23	76,300	3.5	11,579	19,075	17,602	39,623	37,221
Ferkovich Farms, Inc.	4/1/19-12/31/23	357,573	3.5	43,805	214,545	(7,683)	150,711	124,518
		<u>\$ 1,839,395</u>		<u>\$ 229,510</u>	<u>\$ 1,062,886</u>	<u>\$ (14,338)</u>	<u>\$ 790,847</u>	<u>\$ 711,118</u>

Note 7. Commitments and Contingencies

Construction commitments: As of December 31, 2022 and 2021, the District had unexpended construction related contract commitments of \$77,942,360 and \$96,672,165, respectively.

Note 8. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022 and 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability, equipment breakdown and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Parker Water and Sanitation District

Notes to Financial Statements

Note 8. Risk Management (Continued)

The District pays annual premiums to the Pool for liability, property, public official's liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. No additional contributions were required for the year ended December 31, 2022.

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

Note 9. Defined Contribution Plan

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

Contributions made by plan members and the District for the years ended December 31, 2022 and 2021 are shown in the following table, and there were no liabilities as of December 31:

	2022	2021
Plan members	\$ 791,339	\$ 738,633
District	879,267	751,478
	<u>\$ 1,670,606</u>	<u>\$ 1,490,111</u>

Note 10. Deferred Compensation Plan—Assets in Trust

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Empower Retirement. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years. The District matches deferrals by employees up to 5% of the employees' payroll. Contributions made to this plan by the District were \$297,927 for 2022 and \$270,618 for 2021.

Parker Water and Sanitation District

Notes to Financial Statements

Note 11. Tax, Spending and Debt Limitations

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

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

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

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

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

As of December 31, 2022, the GASB had issued several statements not yet required to be implemented by the District. The Statement which might impact the District is as follows:

- GASB Statement No. 96 *Subscription Based Information Technology Arrangements*, issued in May 2020 will be effective for the District beginning with its fiscal year ending December 31, 2023. Statement No. 96 provides guidance on accounting and financial reporting on subscription-based information technology arrangements.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, issued in June 2022, will be effective for the District beginning with its fiscal year ended December 31, 2024. The objective of Statement No. 100 is to improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice.
- GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective for the District beginning with its fiscal year ended December 31, 2024. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The District's management has not yet determined the effect of Statement Nos. 96, 100, and 101 will have on the District's financial statements.

SUPPLEMENTARY INFORMATION

History of Customer Accounts and SFEs Served

Year	Number of Accounts	Percent Change	SFEs Served	Percent Change
2013	13,868	3.7%	17,403	2.3%
2014	14,013	1.0%	17,565	0.9%
2015	14,541	3.8%	18,050	2.8%
2016	15,035	3.4%	18,810	4.2%
2017	15,573	3.6%	19,526	3.8%
2018	16,230	4.2%	20,329	4.1%
2019	16,876	4.0%	21,120	3.9%
2020	17,562	4.1%	21,840	3.4%
2021	18,441	5.0%	22,818	4.5%
2022	19,533	5.9%	24,118	5.7%

Source: Parker Water & Sanitation District

The following table sets forth water sales, by category, for calendar year 2022

Category	Annual Usage (Gallons)	Percent of Total Usage
Residential/Multifamily	2,127,077,132	71.0%
Irrigation/Commercial	806,857,175	26.9%
Bulk	64,323,161	2.1%
Total	2,998,257,468	100.0%

Source: Parker Water & Sanitation District

PARKER WATER AND SANITATION DISTRICT
Statement Of Revenues, Expenses And Changes In Net Position (GAAP Basis)
For The Fiscal Years Ended December 31, 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues										
Charges for Services	\$ 23,641,284	\$ 22,766,166	\$ 23,998,265	\$ 26,061,220	\$ 27,382,214	\$ 30,255,712	\$ 30,187,970	\$ 34,453,899	\$ 35,238,948	\$ 38,029,191
Other Operating Income	281,489	337,890	435,221	447,332	502,634	1,889,947	1,033,404	1,547,034	1,319,407	1,431,642
Total	23,922,773	23,104,056	24,433,486	26,508,552	27,884,848	32,145,659	31,221,374	36,000,932	36,558,356	39,460,833
Operating Expenses										
Salaries	4,214,621	4,863,917	5,056,608	5,247,951	5,224,986	5,866,494	6,656,423	7,108,886	7,826,277	8,425,169
Employee Benefits	1,602,166	1,214,213	1,786,353	2,215,737	2,617,563	2,581,217	2,848,019	2,914,778	3,055,447	3,259,363
Insurance	167,674	173,345	193,432	229,541	190,430	261,779	267,030	308,515	232,155	272,483
Professional Services	896,031	1,084,682	1,237,228	848,793	1,093,030	1,491,433	1,695,390	2,697,352	2,306,994	2,634,151
Support Services	236,223	407,236	550,953	2,312,060	2,406,076	2,600,481	4,003,102	3,419,245	3,682,851	4,825,091
Utilities	3,407,978	3,705,907	4,180,959	4,184,040	3,513,937	3,768,697	3,692,989	3,974,143	4,419,936	5,171,920
Contract Labor & Maintenance	1,791,603	1,702,812	1,737,555	930,331	1,299,053	2,296,077	1,841,571	2,355,746	2,355,746	2,510,178
Supplies	1,369,298	1,362,866	2,097,891	1,735,109	1,966,757	2,156,795	2,666,635	2,762,956	3,246,587	3,608,595
Community Education	65,483	22,520	42,908	47,624	46,272	37,167	47,813	128,277	49,451	72,304
Information Technology	257,481	337,213	352,241	322,885	194,573	226,267	273,966	287,490	306,459	299,386
Administrative	570,759	576,006	601,436	369,372	199,149	367,400	419,458	225,501	291,885	392,557
Depreciation	11,660,729	11,034,528	12,157,714	14,299,762	14,815,799	15,916,009	18,885,762	19,741,456	20,032,175	22,115,800
Total	26,240,046	26,485,245	29,995,278	32,743,205	33,567,625	37,569,816	43,298,158	45,924,343	47,805,963	53,576,997
Operating (Loss)	(2,317,273)	(3,381,189)	(5,561,792)	(6,234,653)	(5,682,777)	(5,424,757)	(12,076,784)	(9,923,411)	(11,247,607)	(14,116,164)
Nonoperating Revenues (Expenses)										
Property Taxes	4,306,089	4,388,951	4,515,264	4,687,265	5,083,891	5,852,733	6,209,999	6,493,498	6,625,421	6,747,662
Specific Ownership Taxes	377,122	406,916	445,902	444,824	576,104	643,057	650,505	590,755	677,881	629,511
County Treasurer's Collection Fees	-	-	-	-	-	-	-	-	-	-
Farm Land Revenue	436,485	439,142	428,488	373,319	375,103	374,096	419,433	315,197	372,382	388,918
Farm Land Expenses/Water Resource Farms	(163,592)	(191,800)	(221,411)	(223,862)	(201,185)	(208,625)	(185,580)	(201,986)	(190,872)	(275,043)
Net Investment Income	484,145	408,959	388,011	575,752	852,051	2,394,344	4,166,522	1,833,705	13,793	930,093
Interest Expense/Fees	(7,454,413)	(6,293,024)	(7,136,802)	(7,529,530)	(6,456,848)	(9,034,371)	(9,307,853)	(9,987,332)	(6,086,585)	(7,744,661)
Gain (Loss) on Disposal of Assets	(7,016)	1,469,614	48,811	(2,457,442)	(330,348)	66,261	484,718	81,270	27,293	-
Other Income	1,916,922	2,183,671	2,203,310	5,508,244	23,209,256	8,040,303	2,042,863	2,499,920	1,675,702	4,441,630
Total	(104,258)	2,812,429	671,573	1,378,550	23,108,024	8,127,798	4,480,607	1,625,027	3,113,014	5,118,110
Gain (Loss) Before Capital Contributions	(2,421,531)	(568,760)	(4,890,219)	(4,856,103)	17,425,247	2,703,041	(7,586,177)	(8,298,384)	(8,134,593)	(8,988,054)
Capital Contributions										
System Development Fees	3,334,200	5,164,817	9,794,000	9,092,930	10,048,700	11,068,840	10,132,030	14,331,560	34,261,318	21,653,424
Contributed Assets from Developers	219,072	301,591	1,529,459	5,419,088	4,506,453	2,774,058	5,018,892	11,615,330	18,120,917	5,702,934
Water Resource Fees	155,000	2,503,181	1,165,000	2,330,000	1,290,000	2,215,000	1,665,000	1,090,000	1,167,736	890,000
Water Resource System Development Fees	5,084,375	8,296,000	9,110,900	8,464,040	9,540,890	10,663,370	9,758,000	12,152,860	26,040,229	15,916,528
Total	8,792,647	16,265,589	21,599,359	25,306,058	23,386,043	26,721,268	26,574,022	39,189,750	79,590,200	44,162,886
Change in Net Position	6,371,116	15,898,829	16,709,140	20,449,955	42,811,290	29,424,309	18,977,845	30,891,366	71,455,607	35,164,832
Net Position at Beginning of Year	416,226,098	422,597,214	438,294,043	455,003,183	475,453,138	518,264,428	547,688,737	566,666,582	597,557,948	689,013,555
Restatements	-	-	-	-	-	-	-	-	-	-
Net Position at End of Year	\$ 422,597,214	\$ 438,294,043	\$ 455,003,183	\$ 475,453,138	\$ 518,264,428	\$ 547,688,737	\$ 566,666,582	\$ 597,557,948	\$ 669,013,555	\$ 704,178,387

Source: Parker Water & Sanitation District

History of Water and Sewer Connection Fees per SFE

	2013	2014	2015	2016	2017	2018	2019	2020 ¹	2021	2022
Residential Water Connection Fees	\$ 21,475	\$ 21,475	\$ 21,800	\$ 21,870	\$ 22,110	\$ 23,040	\$ 24,470	\$ 29,000	\$ 29,000	\$ 33,800
Residential Sewer Connection Fees	6,650	6,650	3,500	3,510	3,550	3,700	5,000	6,800	6,800	7,200
Total	\$ 28,125	\$ 28,125	\$ 25,300	\$ 25,380	\$ 25,660	\$ 26,740	\$ 29,470	\$ 35,800	\$ 35,800	\$ 41,000

¹The District implemented an increase effective July 10, 2020 that was sustained through December 31, 2021

Source: *Parker Water & Sanitation District*

Table 4

Historical Connection Fee Revenues

<u>Year</u>	<u>Connection Fee Revenue</u>
2013	8,573,575
2014	15,963,997
2015	20,069,900
2016	19,886,970
2017	20,879,590
2018	23,947,210
2019	21,555,030
2020	27,574,420
2021	61,469,283
2022	38,459,952

Source: Parker Water & Sanitation District

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

<u>Levy/Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>Mill Levy</u>	<u>Taxes Levied¹</u>	<u>Taxes Collected²</u>	<u>Collection Percentage</u>
2007/2008	463,154,288	15.6%	1.803	835,067	840,841	100.7%
2008/2009	486,404,640	5.0%	1.839	894,546	878,724	98.2%
2009/2010	491,313,665	1.0%	3.554	1,760,309	1,729,517	98.3%
2010/2011	496,472,716	1.1%	14.925	7,409,855	7,253,967	97.9%
2011/2012	456,296,324	-8.1%	10.214	4,660,610	4,532,006	97.2%
2012/2013	458,892,906	0.6%	9.727	4,463,651	4,306,089	96.5%
2013/2014	461,947,386	0.7%	9.727	4,493,362	4,388,952	97.7%
2014/2015	473,284,647	2.5%	9.727	4,603,640	4,515,265	98.1%
2015/2016	553,661,969	17.0%	8.652	4,790,284	4,687,265	97.8%
2016/2017	570,659,808	3.1%	9.095	5,190,077	5,083,891	98.0%
2017/2018	652,021,428	14.3%	9.145	5,962,736	5,852,733	98.2%
2018/2019	665,400,516	2.1%	9.507	6,325,755	6,209,998	98.2%
2019/2020	765,949,539	15.1%	8.645	6,621,634	6,493,498	98.1%
2020/2021	802,903,807	4.8%	8.404	6,747,604	6,625,421	98.2%
2021/2022	882,212,758	9.9%	7.743	6,830,973	6,747,682	98.8%

¹Includes mill levy for collection of GO debt taxes.

²Net of County Treasurer's Fees

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

Ten Largest Taxpayers in the District for 2022

Taxpayer Name (subdivision)	Assessed Valuation	Percentage of Total Assessed Valuation ¹
Shea Canyon's	9,103,100	1.01%
Bcore Mf Briargate LLC	6,077,500	0.67%
Mainstreet Re Investors LLC	5,722,200	0.64%
Denver Pope Family LP	5,546,380	0.62%
20 Mile Road Parker Co LLC	5,497,800	0.61%
SH Lyric LLC	5,490,610	0.61%
Cherry Creek Colorado I LLC & Cherry Creek Colorado II LLC	5,159,340	0.57%
Toll Southwest LLC	4,883,490	0.54%
Radiant Circle Apartments Investors LLC	4,768,500	0.53%
Trailside Holdings LLC	4,760,000	0.53%
Total	\$ 57,008,920	6.33%

¹Based on a 2022 net certified assessed valuation of \$901,086,593

Source: Douglas County Assessor's Office

**Maximum Tax Levy Applicable To Properties
Located in the District
For 2022 Taxes Due in 2023**

Government Unit	Mill Levy
Douglas County Government	18.524
Douglas County Re-1 School District	36.136
Douglas County Schools - Cap Reserve	0.000
Douglas County Schools - Insurance Reserve	0.000
Douglas County Schools - Debt Service	6.700
City of Castle Pines	4.500
Urban Drainage & Flood Control District	0.900
South Metro Fire Rescue Fire Protection District	9.288
Parker Water & Sanitation District	7.698
Douglas County Soil Conservation District	0.000
Cherry Creek Basin Water Quality Authority	0.500
Douglas Public Library District	4.008
Urban Drainage & Flood South Platte	0.100
Canyons Metro District 2	69.069
Canyons Metro District 3	55.422
Total	212.845

Source: Douglas County Assessor's Office

**Outstanding Debt of the District
as of 12/31/22**

Name of Issue	Amount Outstanding	Year of Final Maturity
CWRPDA Wastewater Loan, Series 2002	8,755,364	2025
General Obligation Revenue Refunding Bonds, Series 2012 ¹	19,995,000	2032
CWCB Loan A	3,141,789	2035
CWCB Loan B	4,985,857	2039
CWCB Loan C	3,418,658	2042
CWCB Loan D	665,907	2042
2018 Water & Wastewater Revenue Bond	34,185,000	2042
General Obligation Revenue Bonds, Series 2020	57,605,000	2040
Refunding and Improvement Revenue Bonds, Series 2020 ²	53,480,000	2044
2022 Revenue Bond	76,760,000	2052
2022 Refunding Revenue Bond	4,930,000	2030
Total ³	\$ 267,922,575	

Source: Parker Water & Sanitation District

¹Debt was partially refinanced in 2020

²Debt was issued in connection with defeasing 100% of CWRPDA Series 2010

³Excludes note payable to Shea Canyons, LLC of \$6.7M

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

Year	Principal	Interest	Total
2023	\$ 8,828,498	\$ 9,871,063	\$ 18,699,561
2024	9,075,404	9,604,152	18,679,556
2025	10,753,614	9,277,025	20,030,639
2026	10,879,610	9,033,508	19,913,118
2027	11,242,337	8,659,800	19,902,137
2028-2032	63,510,127	36,715,448	100,225,575
2033-2037	66,507,973	23,925,034	90,433,007
2038-2042	46,995,012	13,148,284	60,143,296
2043-2047	19,380,000	6,390,400	25,770,400
2048-2052	20,750,000	2,555,000	23,305,000
Total¹	\$ 267,922,575	\$ 129,179,714	\$ 397,102,289

Source: Parker Water & Sanitation District

¹Excludes note payable to Shea Canyons, LLC of \$6.7M

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

	Bonds and Parity Obligations		Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	8,234,272	9,535,044	594,226	336,019
2024	8,464,836	9,284,481	610,568	319,671
2025	10,126,256	8,974,152	627,358	302,873
2026	10,235,000	8,747,895	644,610	285,613
2027	10,580,000	8,391,922	662,337	267,878
2028-2032	59,915,000	35,659,619	3,595,127	1,055,829
2033-2037	62,980,000	23,383,712	3,527,973	541,322
2038-2042	45,045,000	13,014,662	1,950,012	133,622
2043-2047	19,380,000	6,390,400	-	-
2048-2052	20,750,000	2,555,000	-	-
	255,710,364	125,936,887	12,212,211	3,242,827

Excludes note payable to Shea Canyons, LLC of \$6.7M

**Estimated Overlapping Debt Schedule
as of December 31, 2022**

Overlapping Entity	Outstanding General Obligation Debt ¹	Percentage Applicable to the District ²	Share of Debt Applicable to the District
Antelope Heights Metropolitan District.	\$ 10,651	100.00%	10,651
Canterberry Crossing Metro	7,490,000	100.00%	7,490,000
Canterberry Crossing Metro. II	7,895,000	100.00%	7,895,000
Canyons Metropolitan District No. 3	31,270,000	100.00%	31,270,000
Canyons Metropolitan District No. 5	85,657,000	100.00%	85,657,000
Canyons Metropolitan District No. 6	2,099,000	100.00%	2,099,000
Carousel Farms Metro District	3,162,500	100.00%	3,162,500
Cielo Metro District	17,942,000	99.91%	17,925,602
Douglas County Schools	330,624,280	11.78%	38,945,043
Horse Creek Metropolitan District	3,560,000	100.00%	3,560,000
Horseshoe Ridge Metropolitan District No. 1	3,850,000	100.00%	3,850,000
Jordan Crossing Metropolitan District	1,355,000	100.00%	1,355,000
Lincoln Creek Metropolitan District	5,765,000	100.00%	5,765,000
Lincoln Meadows Metropolitan District	6,775,000	100.00%	6,775,000
Meadowlark Metro District	9,609,000	100.00%	9,609,000
Neu Towne Metropolitan District	10,980,903	100.00%	10,980,903
Overlook Metropolitan District	7,863,000	100.00%	7,863,000
Parker Automotive Metropolitan District	15,181,000	100.00%	15,181,000
Parker Homestead Metropolitan District	7,910,000	100.00%	7,910,000
Pine Bluffs Metropolitan District	3,415,000	100.00%	3,415,000
Reata North Metropolitan District	8,875,000	100.00%	8,875,000
Reata Ridge Village Metropolitan District 2	5,734,000	100.00%	5,734,000
Regency Metropolitan District	3,720,000	100.00%	3,720,000
Robinson Ranch Metropolitan District	1,035,000	100.00%	1,035,000
Salisbury Heights Metro District	2,844,000	100.00%	2,844,000
Sierra Ridge Metropolitan District 2	24,515,000	100.00%	24,515,000
South Suburban Park & Recreation District	8,756,400	0.91%	79,610
Southeast Public Improvement Metropolitan District	1,271,100	0.87%	11,020
Tallman Gulch Metropolitan District	9,465,000	100.00%	9,465,000
Village on the Green Metropolitan District No. 1	1,302,000	100.00%	1,302,000
Villas Metropolitan District	4,925,000	81.64%	4,020,736
Westcreek Metropolitan District No. 2	7,800,000	100.00%	7,800,000
	<u>642,656,834</u>		<u>340,120,065</u>

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

² Determined by calculating ratio of assessed valuation of taxable property within the District to assessed valuation of the overlapping unit.

Source: Douglas County and Overlapping Districts

Selected Debt Ratios of the District as of December 31, 2022

Total Actual Value of All Real Property	\$ 10,145,438,598
Net Total Taxable Assessed Valuation	\$ 901,086,593
Net General Obligation Direct Debt	\$ 77,600,000
Estimated Overlapping Debt	\$ 340,120,065
<hr/>	
Total Net Direct and Estimated Overlapping Debt	\$ 417,720,065
Ratio of Net General Obligation Direct Debt to Actual Value	0.76%
Ratio of Net General Obligation Direct Debt to Assessed Valuation	8.61%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Actual Valuation	4.12%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Assessed Valuation	46.36%
Total Net General Obligation Direct Debt per Capita ¹	\$ 1,220
Net Direct and Estimated Overlapping Debt per Capita ¹	\$ 6,568
Estimated Actual Valuation per Capita ¹	\$ 159,521
Assessed Valuation per Capita ¹	\$ 14,168

Estimated District population: 63,599

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

History of Assessed Valuations and Mill Levies for the District

Levy/Collection Year	Assessed Values			Mill Levies			
	Net Assessed Valuation	Percent Change	Assessed Value Attributable to Tax Increment	Gross Assessed Valuation	General Fund	Debt Fund	Total Levy
2013/2014	461,947,386	0.7%	4,292,372	466,239,758	1.727	8.000	9.727
2014/2015	473,284,647	2.5%	3,487,053	476,771,700	1.727	8.000	9.727
2015/2016	553,661,969	17.0%	4,987,911	558,649,880	1.545	7.107	8.652
2016/2017	570,659,808	3.1%	7,399,222	578,059,030	1.595	7.500	9.095
2017/2018	652,021,428	14.3%	12,906,262	664,927,690	1.503	7.642	9.145
2018/2019	665,400,516	2.1%	17,336,454	682,736,970	1.570	7.937	9.507
2019/2020	765,949,539	15.1%	25,958,771	791,908,310	1.445	7.200	8.645
2020/2021	802,903,807	4.8%	33,502,313	836,406,120	1.466	6.938	8.404
2021/2022	882,212,758	9.9%	36,930,972	919,143,730	1.425	6.318	7.743
2022/2023	901,086,593	2.1%	36,794,557	937,881,150	1.512	6.186	7.698

Source: Douglas County Assessor's Office

Property Tax Collections for the District

Levy/ Collection Year	Taxes Levies	Current Tax Collections	Collection Rate
2012/2013	4,463,651	4,306,089	96.47%
2013/2014	4,493,362	4,388,952	97.68%
2014/2015	4,603,640	4,515,264	98.08%
2015/2016	4,790,284	4,687,265	97.85%
2016/2017	5,190,077	5,083,891	97.95%
2017/2018	5,962,736	5,852,733	98.16%
2018/2019	6,325,755	6,209,998	98.17%
2019/2020	6,621,634	6,493,498	98.06%
2020/2021	6,747,604	6,625,421	98.19%
2021/2022	6,830,973	6,747,682	98.78%

Source: Douglas County Assessor's Office

2022 Assessed Valuation of Classes of Property in the District

Property Class	2022 Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	\$ 634,244,830	67.63%
Commercial	215,034,550	22.93%
Vacant	48,907,090	5.21%
State Assessed	11,735,800	1.25%
Industrial	27,818,210	2.97%
Agricultural	132,980	0.01%
Natural Resources	7,690	0.00%
Total	\$ 937,881,150	100.00%

Source: Douglas County Assessor's Office

History of Net Pledged Revenues and Debt Service Coverage

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross Pledged Revenues										
Operating Revenues	\$ 23,922,773	\$ 23,104,056	\$ 24,433,486	\$ 26,508,552	\$ 27,884,848	\$ 32,145,069	\$ 31,221,374	\$ 36,000,933	\$ 36,558,355	\$ 39,460,833
Non-Operating Revenues	3,566,527	3,758,090	3,756,781	4,833,984	2,311,238	5,892,365	6,209,385	4,333,625	1,689,495	4,514,478
Connection Fees	8,573,575	15,963,998	20,069,900	19,886,970	20,879,590	23,947,210	21,555,030	27,574,420	61,468,283	38,459,952
Total Gross Pledged Revenues	\$ 36,062,875	\$ 42,826,144	\$ 48,260,167	\$ 51,229,506	\$ 51,075,676	\$ 61,984,634	\$ 58,985,789	\$ 67,908,978	\$ 99,736,858	\$ 82,435,263
Operation & Maintenance Expenses										
Less: Property taxes	\$ 14,579,317	\$ 15,450,717	\$ 17,837,564	\$ 18,443,443	\$ 18,751,826	\$ 21,653,811	\$ 24,412,396	\$ 26,182,888	\$ 27,773,788	\$ 31,461,197
	(1,152,222)	(1,196,867)	(1,258,565)	(1,288,432)	(1,491,127)	(1,696,502)	(1,821,021)	(1,759,533)	(1,870,786)	(1,844,118)
Net O&M Expenses	\$ 13,427,095	\$ 14,253,850	\$ 16,578,999	\$ 17,155,011	\$ 17,260,699	\$ 19,957,309	\$ 22,591,375	\$ 24,423,355	\$ 25,846,631	\$ 29,617,079
Net Pledged Revenues	\$ 22,635,780	\$ 28,572,294	\$ 31,681,168	\$ 34,074,495	\$ 33,814,977	\$ 42,027,325	\$ 36,394,414	\$ 43,485,623	\$ 73,890,227	\$ 52,818,184
Historical Debt Service Paid	\$ 8,649,009	\$ 8,348,678	\$ 8,594,546	\$ 11,896,066	\$ 7,533,090	\$ 9,309,739	\$ 9,562,757	\$ 8,678,295	\$ 11,153,164	\$ 13,340,360
Coverage	2.62x	3.42x	3.69x	2.86x	4.49x	4.51x	3.73x	5.01x	6.62x	3.95x

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

Source: Parker Water & Sanitation District

Parker Water and Sanitation District

For the Year Ended December 31, 2022

Allowable Revenues	
Total User Fees	\$ 39,460,883
Farm Land Revenue	388,918
Net Investment Income	930,093
Other Income	3,584,385
Property Taxes (sewer operating)	1,214,607
Specific Ownership Taxes	629,511
Total Allowable Revenues	\$ 46,208,397
System Fees	
System Development Fees	\$ 21,653,424
Water Resource Fees	890,000
Water Resource System Development Fees	15,916,528
Total System Fees	\$ 38,459,952
Allowable System Fees for coverage not exceeding 15% of Allowable Revenue	\$ 6,931,260
Total Revenues per Covenant	\$ 53,139,657
Operating Expenses	
Operating Expenses (less depreciation)	\$ 31,461,197
Farm Land Expenses	275,043
Total Operating and Maintenance Expenses	\$ 31,736,240
Revenue Available for Debt Service	\$ 21,403,417
Current Year Debt Service	
Revenue Bond and CWRPDA loans Total	\$ 12,616,561
Total Debt Using Revenue Pledge	\$ 12,616,561
Coverage per Rate Covenant Calculation (minimum 110%)	1.70
Coverage without consideration of System Fees (minimum 100%)	1.15

Source: Parker Water & Sanitation District

Parker Water and Sanitation District
Debt Service Coverage for CWCB Loan
For the Year Ended December 31, 2022

Allowable Revenues	
Total User Fees	\$ 39,460,883
Farm Land Revenue	388,918
Net Investment Income	930,093
Other Income	3,584,385
Property Taxes (sewer operating)	1,214,607
Specific Ownership Taxes	629,511
Total Allowable Revenues	\$ 46,208,397
Maximum Revenue Permitted including System Fees	\$ 51,342,663
System Fees	
Tap fees	\$ 21,653,424
Water Resource Fees	890,000
System Development Fees	15,916,528
Total System Fees	\$ 38,459,952
Allowable System Fees for coverage calculation (no more than 10% of Total Revenue Maximum)	\$ 5,134,266
Total Calculated Revenues	\$ 51,342,663
Operating Expenses	
Operating Expenses (less depreciation)	\$ 31,461,197
Farm Land Expenses	275,043
Total Operating and Maintenance Expenses	\$ 31,736,240
Revenue Available for Debt Service	\$ 19,606,423
Current Year Debt Service	
Revenue Bond Total (Existing)	\$ 12,616,561
CWCB Loan	723,799
Total Current Year Debt Service	13,340,360
Total Debt Using Revenue Pledge	\$ 13,340,360
Coverage per Rate Covenant Calculation	1.47

Source: Parker Water & Sanitation District

PARKER WATER & SANITATION DISTRICT
District Rate and Fee Schedule
2022

Tap & Development Fee Schedule

<u>Meter Size</u>	<u>Water SDF</u>	<u>Sewer SDF</u>	<u>Water Resources SDF</u>	<u>Water Resource Toll</u>
3/4"	\$ 16,400	\$ 7,200	\$ 17,400	\$ 5,000
1"	\$ 32,800	\$ 14,400	\$ 34,800	\$ 10,000
1 1/2"	\$ 65,600	\$ 28,800	\$ 69,600	\$ 20,000
2"	\$ 114,800	\$ 50,400	\$ 121,800	\$ 35,000
3"	\$ 262,400	\$ 115,200	\$ 278,400	\$ 80,000

Water Rates
2022

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

Water Service Fee	\$ 33.55
Tier 1 Per 1,000 gallons for first 6,000 gallons	\$ 2.53
Tier 2 Per each additional 1,000 gallons up to and including 20,000 gallons	\$ 4.94
Tier 3 Per each additional 1,000 gallons in excess of 20,000 gallons	\$ 10.19

Sewer Rates
2022

Per Single Family Equivalent (per month)

Monthly Fixed Rate	\$ 10.16
Per 1,000 Gallons*	\$ 10.02

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

Source: Parker Water & Sanitation District

To view subsequent changes to the rate schedule please visit pwsd.org

Top 10 Customers of the District

2022	Customer Name	Total \$ Billed	Total Billed Consumption* (gallons)	Rank (By Consumption)	Percent of Total Billed	Percent of Billed Consumption
1	Town & Country Village HOA	\$ 561,053	40,888,010	2	1.49%	1.39%
2	Town of Parker	\$ 456,687	38,343,389	3	1.21%	1.31%
3	Villages of Parker	\$ 434,677	49,506,977	1	1.16%	1.69%
4	Parker Hilltop Apartments	\$ 414,290	29,610,937	4	1.10%	1.01%
5	BCORE MF Briargate LLC	\$ 376,888	25,180,784	5	1.00%	0.86%
6	Prairie Meadows Townhomes	\$ 354,824	21,920,691	9	0.94%	0.75%
7	Prairie Walk on Cherry Creek HOA	\$ 343,572	23,477,841	7	0.91%	0.80%
8	Ironstone Condominiums at Stroh Ranch	\$ 322,915	22,557,161	8	0.86%	0.77%
9	Mainstreet RE Investors /Waterford on Mainstreet Apts	\$ 249,506	16,554,801	14	0.66%	0.56%
10	Idyllwilde Master/Ranch HOA	\$ 247,175	24,456,398	6	0.66%	0.83%
	Total - TOP 10 Customers	\$ 3,761,587	292,496,989		10.00%	9.97%
	Total - All Customers	\$ 37,632,174	2,933,934,304			

Source: Parker Water & Sanitation District
 *Excludes Bulk water and temporary Hydrant water customers