
Parker Water and Sanitation District

Douglas County, Colorado

Financial Report
with Supplementary Information
December 31, 2023

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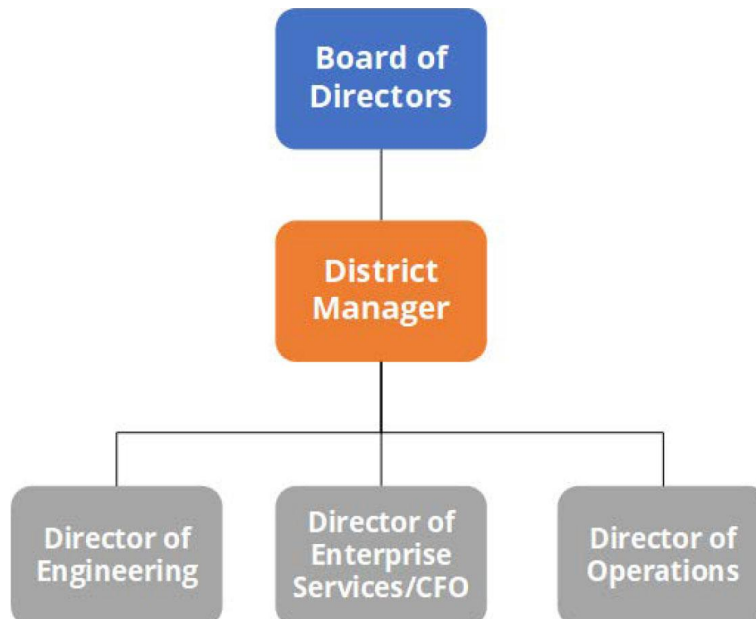
Financial Section

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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	2027
Bill Wasserman	Vice Chair	Executive Recruiter	2012	2027
Robert Kennah	Director	Professional Engineer	2023	2027
Don Langley	Treasurer	Retired SVP & CTO	2022	2025
Brooke Booth	Secretary	Educator & Realtor	2022	2025

Organizational Chart
January 1, 2024



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

To the Board of Directors
Parker Water and Sanitation District

Opinion

We have audited the financial statements of Parker Water and Sanitation District (the "District") as of and for the year ended December 31, 2023 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 present fairly, in all material respects, the financial position of Parker Water and Sanitation District as of December 31, 2023 and the changes in its financial position and its 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Prior Year Financial Statements

The basic financial statements of Parker Water and Sanitation District as of and for the year ended December 31, 2022 were audited by other auditors, who expressed an unmodified opinion on the District on June 20, 2023.

As discussed in Note 2 to the financial statements, certain amounts reported in the December 31, 2022 financial statements were reclassified to conform to the 2023 presentation. Our opinion is not modified with respect to this matter.

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.

To the Board of Directors
Parker Water and Sanitation District

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 management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Additional Information

Management is responsible for the accompanying other supplementary information, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.

Plante & Moreau, PLLC

August 1, 2024

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ending December 31, 2023

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, 2023 and 2022. Please read this analysis in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- At December 31, 2023 total assets and deferred outflows of resources of the District exceeded total liabilities and deferred inflows of resources by \$769,354,761 (net position). Of this amount, \$234,143,000 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Restricted net position of \$18,662,257 is restricted for debt service, debt service reserves, and other operating and capital reserves. At December 31, 2022 the amounts are \$704,178,387 (net position), \$182,649,805 (unrestricted) and \$18,740,899 (restricted) See Note 3.
- 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 2023, the monthly water service charge for residential, multi-family, commercial, and irrigation accounts increased from \$33.55 in 2022 to \$34.78 and the monthly sewer service charge increased from \$10.16 in 2022 to \$13.22. See page 52 for a full schedule of fees.
- The District collected tap fees for 1,102 Single Family Equivalents (SFE's) during 2023 from new construction in the District compared to 961 in 2022.
- 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 2023 mill levy for operations was 1.727 mills, less a temporary mill levy rate reduction of 0.215 mills, for a total of 1.512 mills. The certified 2024 mill levy for sewer operations of 1.727 mills was also temporarily reduced to 1.237 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 2023 mill levy for the general obligation debt associated with the construction of Rueter-Hess Reservoir was 6.186 mills and the 2024 mill levy has been set at 4.664 mills. In 2023, 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 \$20,257,768 in 2023, \$5,702,934 in 2022, and \$18,120,917 in 2021.
- At December 31, 2023, the District's total debt service rate covenant calculation is 559 percent, compared to 395 percent at December 31, 2022 and 662 percent at December 31, 2021. To meet covenant calculation requirements, the ratio (revenue available for debt service divided by total debt service) must exceed 110 percent. The District has outstanding loans from CWRPDA and CWCB which limits the amount of system fees included in the

Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ending December 31, 2023**

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 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, 2023**

FINANCIAL SUMMARY AND ANALYSIS

NET POSITION

During 2023, net position increased \$65,176,374 from 2022 to \$769,354,761. This increase was primarily due to an increase in capital assets driven by the completion of the District's headquarter facility and current assets driven by an increase in cash and cash equivalents on hand derived from capital revenues. Furthermore, the District experienced a better than expected return on its governmental investments as the rates remained over 5% for most of 2023. Liabilities slightly decreased year over year mainly due to lower bonds and notes payable principal balances. The District's current liabilities increased nearly \$3.5 Million year over year as a result of an increase in retainage payables and construction deposits partially offset by a decrease in accounts payable. In 2022, net position increased \$35,164,832 from 2021 to \$704,178,387. This increase was primarily due to an increase in cash and investments on hand as well as an increase in investment in capital assets

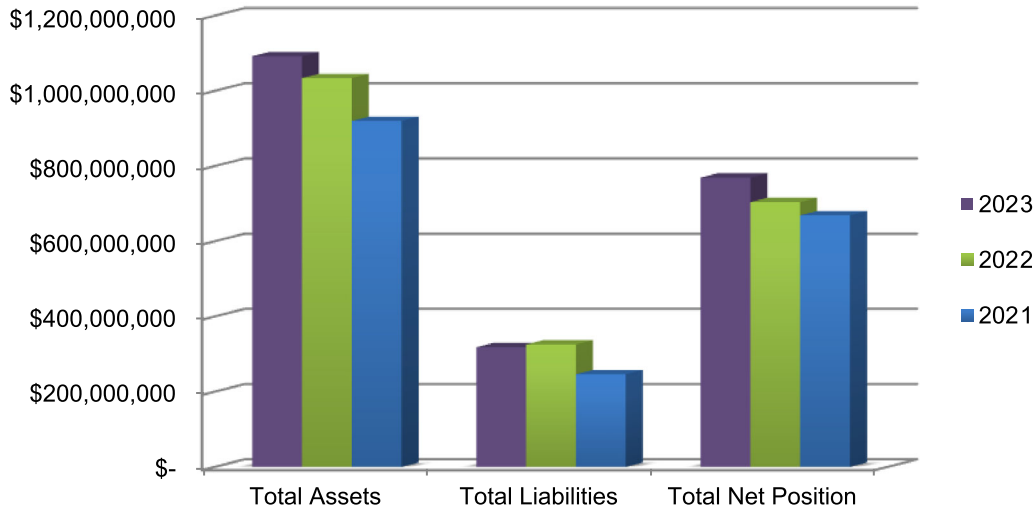
CONDENSED STATEMENT OF NET POSITION

	2023	2022	2021
Assets			
Current Assets	\$ 258,248,655	\$ 201,513,871	\$ 173,963,331
Noncurrent Assets	25,370,720	70,435,851	18,713,356
Capital Assets	808,457,510	762,180,675	727,354,819
Total assets	1,092,076,885	1,034,130,397	920,031,506
Deferred outflows of resources			
Deferred charge on refunding	2,546,429	2,792,695	3,038,962
Liabilities			
Current liabilities	32,410,366	28,899,036	28,749,588
Noncurrent Liabilities	285,806,827	296,579,628	217,765,235
Total liabilities	318,217,193	325,478,664	246,514,823
Deferred inflows of resources			
Unavailable revenue - property taxes	7,051,360	6,935,237	6,830,973
Lease Revenue	-	330,804	711,118
Net position			
Net investment in capital assets	516,549,504	502,787,683	503,129,906
Restricted	18,662,257	18,740,899	18,707,886
Unrestricted	234,143,000	182,649,805	147,175,763
Total net position	\$ 769,354,761	\$ 704,178,387	\$ 669,013,555

Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ending December 31, 2023**

NET POSITION



CHANGES IN REVENUES, EXPENDITURES AND NET POSITION

For 2023, total operating revenue decreased by \$180,849 to \$39,279,984 mainly due to an increase in charges for water and wastewater services, significantly offset by a decrease in overall consumption. In addition, Non-Operating revenue increased \$8,180,792 to \$21,318,626 mainly due to a significant increase in Net Investment Income. Capital contributions, or system connection fees collected from new development within the District, was \$51,252,100. Contributed assets from developers was \$20,257,768. For 2022, total operating revenue increased by \$2,902,478 to \$39,460,833 mainly due an increase in charges for water and wastewater services and natural growth related to increases in the number of customer accounts. In addition, Non-Operating revenue increased \$3,745,362 due to higher Net Investment income and higher inclusion fees. 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.

Parker Water and Sanitation District

**Management's Discussion and Analysis
Fiscal Year Ending December 31, 2023**

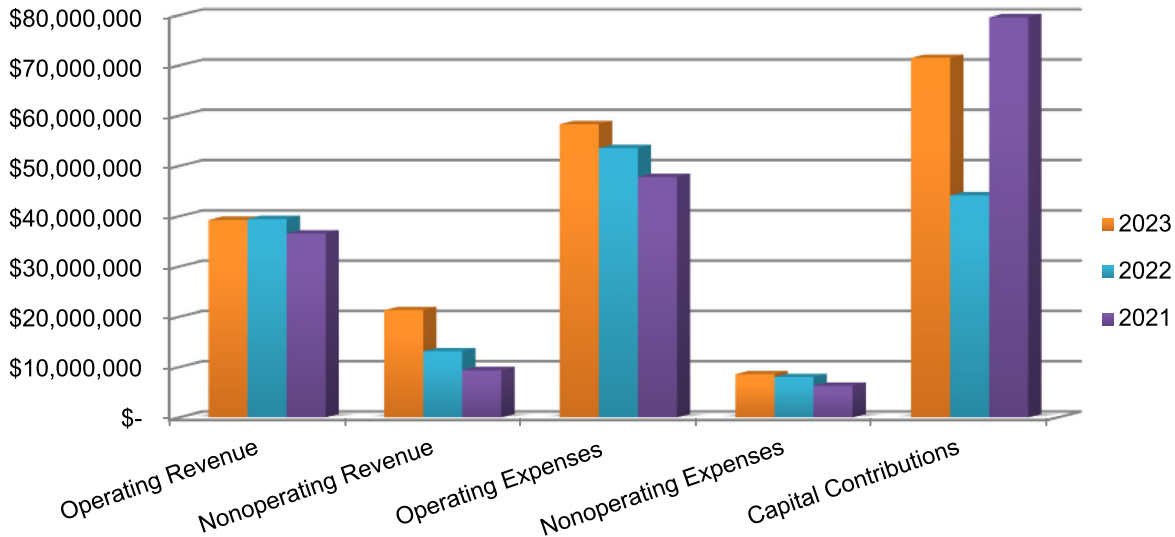
SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

	2023	2022	2021
REVENUES			
Operating Revenue	\$ 39,279,984	\$ 39,460,833	\$ 36,558,355
Non-Operating Revenues:			
Property Taxes	6,829,981	6,747,682	6,625,421
Net Investment Income	12,313,993	930,093	13,793
Farm Land Revenue	343,853	388,918	372,382
Gain on Extinguishment of Debt		857,245	27,293
Specific Ownership Taxes	669,439	629,511	677,881
Inclusion Fees	115,400	2,263,796	259,563
Other	1,045,960	1,320,589	1,416,139
Total Non-Operating Revenue	21,318,626	13,137,834	9,392,472
TOTAL REVENUES	\$ 60,598,610	\$ 52,598,667	\$ 45,950,827
Expenses:			
Operating:			
Salaries & Benefits	\$ 13,573,072	\$ 11,684,532	\$ 10,881,724
Insurance	326,721	272,483	232,155
Professional and Support Services	6,730,857	7,459,242	5,989,845
Utilities	5,330,945	5,171,920	4,419,936
Contract Labor and Maintenance	2,362,633	2,510,178	2,355,746
Chemicals and Supplies	3,506,647	3,608,595	3,246,587
IT	420,722	289,386	306,459
Administrative and Miscellaneous	531,719	464,861	341,336
Depreciation	25,536,723	22,115,800	20,032,175
Total Operating Expenses	\$ 58,320,039	\$ 53,576,997	\$ 47,805,963
Non-Operating expenses:			
Water Resource Farms	\$ 148,778	\$ 275,043	\$ 190,872
Interest Expense and Loan Fees	8,343,455	7,744,681	6,088,586
Loss on Disposal of Assets	119,832		
Total Non-Operating Expenses	\$ 8,612,065	\$ 8,019,724	\$ 6,279,458
TOTAL EXPENSE	\$ 66,932,104	\$ 61,596,721	\$ 54,085,421
Gain(Loss) Before Capital Contributions	(6,333,494)	(8,998,054)	(8,134,594)
Capital Contributions	71,509,868	44,162,886	79,590,200
CHANGE IN NET POSITION	\$ 65,176,374	\$ 35,164,832	\$ 71,455,606
Net Position, beginning of year	704,178,387	669,013,555	597,557,949
Net Position, end of year	\$ 769,354,761	\$ 704,178,387	\$ 669,013,555

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2023**

CHANGES IN NET POSITION



CAPITAL ASSETS

At December 31, 2023, the District reports \$808,457,510 in capital assets, net of accumulated depreciation, an increase of \$46,276,835 from 2022, mainly due to the completion of new facilities, advanced filtration system, and the Canyon’s tank and water line.

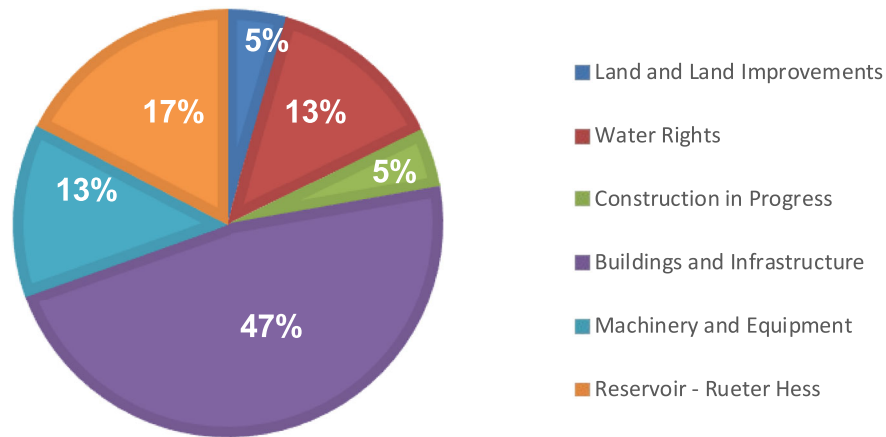
CAPITAL ASSETS

	2023	2022	2021
Land and Land Improvements	\$ 48,353,150	\$ 47,493,240	\$ 39,751,371
Water Rights	144,631,598	142,504,098	142,504,098
Construction in Progress	48,279,730	58,046,448	97,483,660
Buildings and Infrastructure	514,773,631	439,998,192	368,873,486
Machinery and Equipment	141,654,639	138,649,171	121,136,877
Reservoir - Rueter Hess	189,169,123	188,874,580	188,874,580
Accumulated Depreciation	(278,404,361)	(253,385,054)	(231,269,253)
TOTAL CAPITAL ASSETS, NET	\$ 808,457,510	\$ 762,180,675	\$ 727,354,819

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2023**

**CAPITAL ASSETS
AS OF DECEMBER 31, 2023**



Additional information on the District’s capital assets can be found in Note 4 of the financial statements.

OUTSTANDING DEBT

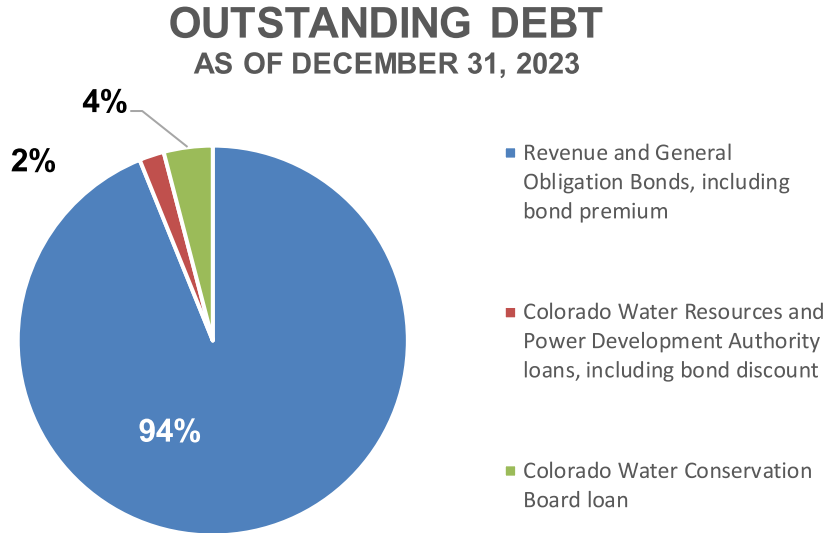
The District’s debt consists of the following:

	OUTSTANDING DEBT		
	2023	2022	2021
Revenue Bonds	\$ 167,510,000	\$ 169,355,000	\$ 99,010,000
Bond Premium	25,955,891	27,609,630	16,026,038
General Obligation Bonds	74,055,000	77,600,000	81,045,000
Bond Premium	1,979,731	2,199,701	2,419,671
Colorado Water Resources and Power Development Authority loans	5,911,092	8,755,364	9,091,900
Colorado Water Conservation Board Loan	11,643,399	12,212,209	12,335,890
TOTAL OUTSTANDING DEBT¹	\$ 287,055,114	\$ 297,731,904	\$ 219,928,499

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

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2023**



Additional information on the District's outstanding debt can be found in Note 5 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, the updated 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/capital 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. Inflation for the Year 2022, a major factor of increased costs, continued to run high at 8.011%.

For 2023, there was a 3.67% increase to the water base charge, for any customer class, and an average increase of 3.06% on all three tiers of the water usage rates for residential and multi-

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ending December 31, 2023

family accounts, resulting in a water only portion increase of approximately 3.37% 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 30.1% to the sewer base charge and the usage charges remained unchanged. This resulted in a sewer only portion increase of 5.47% for the average residential customer. See the supplementary information section of this report for more information of rates and fees.

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

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
13939 Ancestry Drive
Parker, CO 80134

Parker Water and Sanitation District

Statement of Net Position

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 136,324,382	\$ 101,225,428
Investments (Note 3)	110,513,324	89,352,326
Receivables:		
Service fees	2,710,330	1,785,896
Leases receivable	-	409,022
Other	347,445	813,468
Inventory	443,026	650,470
Prepaid expenses	850,345	287,150
Succeeding year property taxes receivable	7,051,360	6,935,237
Accrued interest receivable	-	40,962
Other	8,443	13,913
Total current assets	258,248,655	201,513,872
Noncurrent assets:		
Restricted cash equivalents (Note 3)	25,363,737	70,430,380
Capital assets: (Note 4)		
Assets not subject to depreciation	211,604,895	218,614,950
Assets subject to depreciation - Net	596,852,615	543,565,725
Other noncurrent assets	6,983	5,470
Total noncurrent assets	833,828,230	832,616,525
Total assets	1,092,076,885	1,034,130,397
Deferred Outflows of Resources - Deferred charge on refunding	2,546,429	2,792,695
Liabilities		
Current liabilities:		
Accounts and retainage payable	8,778,582	10,834,629
Construction and inclusion deposits	11,210,813	5,746,453
Accrued liabilities and other:		
Accrued salaries and wages	444,452	389,429
Accrued interest payable	2,267,475	2,369,363
Other accrued expenses	104,673	97,755
Compensated absences	529,666	632,909
Bonds and notes payable - Current portion (Note 5)	9,074,705	8,828,498
Total current liabilities	32,410,366	28,899,036
Noncurrent liabilities:		
Compensated absences	491,042	340,846
Bonds and notes payable - Net of current portion (Note 5)	285,315,785	296,238,782
Total noncurrent liabilities	285,806,827	296,579,628
Total liabilities	318,217,193	325,478,664
Deferred Inflows of Resources		
Property taxes levied for the following year	7,051,360	6,935,237
Lease revenue	-	330,804
Total deferred inflows of resources	7,051,360	7,266,041
Net Position		
Net investment in capital assets	516,549,504	502,787,683
Restricted	18,662,257	18,740,899
Unrestricted	234,143,000	182,649,805
Total net position	<u>\$ 769,354,761</u>	<u>\$ 704,178,387</u>

Parker Water and Sanitation District

Statements of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenue		
Charges for services	\$ 37,716,994	\$ 38,029,191
Other operating income	1,562,990	1,431,642
Total operating revenue	39,279,984	39,460,833
Operating Expenses		
Utilities	5,330,945	5,171,920
Supplies	1,582,861	1,407,785
Support services	3,851,911	4,825,091
Contract labor and maintenance	2,878,945	2,510,178
Insurance	326,721	272,483
Salaries and benefits	13,573,074	11,684,532
Information technology	420,722	289,386
Professional services	2,450,549	2,634,151
Chemicals	1,923,786	2,200,810
Administrative	443,802	464,860
Depreciation	25,536,723	22,115,801
Total operating expenses	58,320,039	53,576,997
Operating Loss	(19,040,055)	(14,116,164)
Nonoperating Revenue (Expense)		
Property tax revenue	6,829,981	6,747,682
Farm land revenue	343,853	388,918
Water resource farms	(148,778)	(275,043)
Interest expense	(8,343,455)	(7,744,681)
Specific ownership taxes	669,439	629,511
Loss on sale of assets	(119,832)	-
Gain on extinguishment of debt	-	857,245
Inclusion fees	115,400	2,263,796
Net investment income	12,313,993	930,093
Other income	1,045,960	1,320,589
Total nonoperating revenue	12,706,561	5,118,110
Loss - Before capital contributions	(6,333,494)	(8,998,054)
Capital Contributions		
Water resource system development fees	19,183,600	15,916,528
System development fees received	31,317,500	21,653,424
Water resource fees	751,000	890,000
Contributed assets from developers	20,257,768	5,702,934
Total capital contributions	71,509,868	44,162,886
Change in Net Position	65,176,374	35,164,832
Net Position - Beginning of year	704,178,387	669,013,555
Net Position - End of year	\$ 769,354,761	\$ 704,178,387

Parker Water and Sanitation District

Statement of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Cash received from customers/operations	\$ 38,355,550	\$ 39,583,659
Cash payments to suppliers for goods and services	(19,102,679)	(20,324,562)
Cash payments to employees for services	(13,471,098)	(11,698,748)
Cash receipts (payments) for construction deposits	5,464,360	(4,593,752)
Net cash and cash equivalents provided by operating activities	11,246,133	2,966,597
Cash Flows from Noncapital Financing Activities		
Property and specific ownership tax	2,009,804	1,844,118
Other nonoperating revenue	1,319,253	2,293,219
Net cash and cash equivalents provided by noncapital financing activities	3,329,057	4,137,337
Cash Flows from Capital and Related Financing Activities		
System development fees collected	31,317,500	21,653,424
Water resource fees received	751,000	890,000
Water resource system development fees received	19,183,600	15,916,528
Inclusion fees received	115,400	2,263,796
Property tax revenue for debt service	5,489,616	5,533,055
Acquisition of capital assets - Net of disposals	(53,718,083)	(45,619,736)
Proceeds from issuance of debt and notes payable	-	95,153,165
Principal paid on bonds and notes payable	(8,803,082)	(14,725,216)
Interest paid on bonds and notes payable	(10,072,786)	(9,626,859)
Net cash and cash equivalents (used in) provided by capital and related financing activities	(15,736,835)	71,438,157
Cash Flows from Investing Activities		
Proceeds from sale of investments	66,745,000	58,028,230
Purchase of investments	(92,265,214)	(122,338,293)
Interest received	16,714,170	3,378,467
Net cash and cash equivalents used by investing activities	(8,806,044)	(60,931,596)
Net (Decrease) Increase in Cash and Cash Equivalents	(9,967,689)	17,610,495
Cash and Cash Equivalents - Beginning of year	171,655,808	154,045,313
Cash and Cash Equivalents - End of year	\$ 161,688,119	\$ 171,655,808
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 136,324,382	\$ 101,225,428
Restricted cash equivalents	25,363,737	70,430,380
Total cash and cash equivalents	\$ 161,688,119	\$ 171,655,808

Parker Water and Sanitation District

Statement of Cash Flows (Continued)

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Loss from operations	\$ (19,040,055)	\$ (14,116,164)
Adjustments to reconcile loss from operations to net cash from operating activities:		
Depreciation	25,536,723	22,115,801
Changes in assets and liabilities:		
Accounts receivable	(458,411)	(341,220)
Inventory	207,444	(77,241)
Prepaid expenses	(559,238)	340,070
Accounts payable	(13,584)	(287,348)
Accrued expenses	61,941	(33,182)
Compensated absences	46,953	(40,367)
Construction deposits	5,464,360	(4,593,752)
Total adjustments	<u>30,286,188</u>	<u>17,082,761</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 11,246,133</u></u>	<u><u>\$ 2,966,597</u></u>
Significant Noncash Transactions		
Water rights and water and sewer lines contributed	\$ 20,257,768	\$ 5,702,934
Acquisition of capital assets through accounts and retainage payable	6,765,425	8,807,888
Market value adjustment on investments - Net	2,112,750	2,448,375
Deferred lease revenue	343,853	407,511
Amortization of bond premium	1,873,709	2,624,543

Note 1 - Nature of Business

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, the ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units accounted for as a business-type activity. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. 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 following is a summary of the significant accounting policies used by the District:

Basis of Accounting

The District is a special purpose government engaged in business-type activities. This proprietary fund uses the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in external investment pools, which are valued at net asset value.

Restricted Assets

The revenue bonds require unspent bond proceeds to be set aside for construction, debt service payments, and other related reserves, as discussed further in Note 3. These amounts have been classified as restricted assets.

Capital Assets

Capital assets, which include land, buildings, water and sewer distribution and collection systems, and furniture and equipment, are reported by the District. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 2 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Infrastructure	30-65
Buildings and improvements	25-50
Machinery and equipment	5-30
Vehicles	5-8
Reservoir	25-75
Land improvements	10-20

South Metro WISE Authority

In January 2006, the District entered into an intergovernmental agreement to become a member of the South Metro Water Supply Authority. On July 10, 2013, the District, along with nine other members, formed the South Metro WISE Authority (the "Authority") pursuant to the South Metro WISE Authority Formation and Organizational IGA (WISE IGA). The Authority is a regional water supply project that was formed to implement the Water Infrastructure and Supply Efficient Project (WISE) and help maximize the use of the water resources available to its members. The participating members are located in the southern Denver metropolitan areas of south-central Arapahoe and northern Douglas Counties.

The Authority, on behalf of its members, entered into the WISE Partnership-Water Delivery Agreement (WDA). The WDA is an agreement between the City and County of Denver, Colorado, acting by and through its board of water commissioners (Denver); the City of Aurora, Colorado, acting by and through its utility enterprise (Aurora); and the Authority to provide a projected annual average total of 10,000 acre-feet of renewable water, of which the District's allotment is 1,600 acre-feet for a pro rata share of 16 percent pursuant to the WISE IGA.

Costs of the Authority associated with the WDA are covered by minimum payment commitments from each member based on their pro rata share, as defined in the WISE IGA (or the water it receives, whichever is greater). Overhead costs for each fiscal year are paid by the members in accordance with the minimum payment obligations pursuant the WISE IGA, which is also driven by the greater of water received or the member's pro rata share of the annual average water delivered. The District's total operational costs paid to the Authority, inclusive of water deliveries for the years ended December 31, 2023 and 2022, were approximately \$1.5 million and \$2.7 million, respectively, and are reported as part of support services costs within the statement of revenue, expenses, and changes in net position. Members must also retain operational reserves on deposit with the Authority, an amount which may be increased or decreased at the discretion of the executive board. As of December 31, 2023 and 2022, the District had approximately \$456,000 on deposit with the Authority. Finally, each member of WISE is further obligated to pay for costs of certain infrastructure, which are necessary for the operations of the WISE project. During the years ended December 31, 2023 and 2022, the District incurred approximately \$7.3 million in infrastructure costs for the WISE project.

The District's capital investments in WISE are disclosed in Note 4.

The Authority issues its own separate financial statements, which are publicly available.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred.

Note 2 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows 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 future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The District reports deferred outflows related to deferred charges on bond refundings.

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 an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The District reports deferred inflows related to property taxes and lease revenue.

Net Position

Net position of the District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Compensated Absences (Vacation and Sick Leave)

It is the District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the District will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the financial statements. A liability for these amounts is reported only for employee terminations as of year end.

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 5 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 5 years of full-time service will receive a 50 percent payout of accrued sick time upon termination of employment. Employees hired prior to January 1, 2012 with 5 to 14 years of full-time service are paid for 50 percent of accrued sick time upon termination of employment. Employees hired prior to January 1, 2012 with 15 years of regular full-time service are paid for 100 percent of accrued sick time upon termination of employment.

Note 2 - Significant Accounting Policies (Continued)

Operating Classification

The District distinguishes between operating revenue and expenses and nonoperating items in the statement of revenue, expenses, and changes in net position. Operating revenue 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 revenue consists mainly of charges to customers for services, the District also has agreements for providing operations and maintenance services, wheeling 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 revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses or capital contributions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in order to provide an understanding of the changes in the financial position and operations of these funds. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

As of December 31, 2022, restricted cash on the statement of net position of \$51,689,481 pertained to unspent bond proceeds and has been classified as such in these financial statements, as it was previously reported as part of unrestricted cash. As of December 31, 2022, unrestricted cash on the statement of net position pertaining to internal appropriations for compensated absences in the amount of \$973,756 has been classified as such in these financial statements, as it was previously reported as part of restricted cash. This change also impacted the presentation of restricted net position, which has been decreased, and unrestricted net position, which has been increased, in the amount of \$973,756 as of December 31, 2022.

In addition, amounts in the statement of cash flows for the year ended December 31, 2022 were reclassified as follows: decrease of \$2.3 million operating activities, decrease of \$1.4 million noncapital financing, decrease of \$3 million capital financing activities, increase of \$6.7 million investing activities, and increase of \$2.6 million in noncash activities to align with the presentation as of December 31, 2023.

Accounts Receivables

The District utilizes cycle billing at the end of each reporting period. Amounts billed to customers but not yet received by the District are 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, 2023 and 2022, as they consider amounts fully collectible.

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, 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.

Note 2 - Significant Accounting Policies (Continued)

The District has developed a varied water rights portfolio, including Denver Basin aquifer ground water and Cherry Creek alluvial ground water, as well as the rights to reuse 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 composed 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.

Budgetary Information

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.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2024. The District has not yet determined the effect this statement will have on the District's financial statements.

Note 2 - Significant Accounting Policies (Continued)

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2025.

In April 2024, the Government Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2026.

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	2023	2022
Cash and cash equivalents	\$ 136,324,382	\$ 101,225,428
Investments	110,513,324	89,352,326
Restricted cash equivalents	25,363,737	70,430,380
Total deposits and investments	\$ 272,201,443	\$ 261,008,134

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.

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

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

Note 3 - Deposits and Investments (Continued)

Local Government Investment Pool

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 multibillion-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 per share net asset value and are reported at fair value measured using net asset value (NAV) by the District.

The District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, 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. The District's investment policy states that there are specific limitations on the amount that can be invested in any one issuer, and requires diversification of investments, excluding U.S. Treasury securities. The District's investment policy 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, and local government investment pools. 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.

Custodial Credit Risk of Deposits

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 percent of the banks aggregate uninsured public deposits at all times.

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.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. State statutes limit interest rate risk by limiting the maximum maturity to five years. Maturities of the underlying investments in the local government investment pool are limited by the pool's investment policy to less than one year.

Parker Water and Sanitation District

Notes to Financial Statements

December 31, 2023 and 2022

Note 3 - Deposits and Investments (Continued)

At year end December 31, the District had the following investments and maturities:

Primary Government	2023					
	Fair Value	12 Months or Less	13-24 Months	25-36 Months	37-48 Months	
U.S. government agencies	\$ 27,633,898	\$ 3,935,795	\$ 4,088,205	\$ 18,657,055	\$ 952,843	
U.S. Treasury notes	81,418,358	56,834,794	21,596,455	2,987,109	-	
Certificates of deposit	1,461,068	1,225,132	235,936	-	-	
Total	\$ 110,513,324	\$ 61,995,721	\$ 25,920,596	\$ 21,644,164	\$ 952,843	

Primary Government	2022					
	Fair Value	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	728,963	1,180,934	231,035	-	-
Total	\$ 89,352,326	\$ 46,885,604	\$ 20,639,334	\$ 4,179,231	\$ 16,735,675	\$ 912,482

The above tables do not include the COLOTRUST cash equivalent assets as these are not subject to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the District. National ratings agencies assess this risk and assign a credit quality rating for most investments. State statutes require that U.S. Treasury and agency securities have the highest rating category of at least two nationally recognized rating agencies at the time of purchase. As of December 31, 2023, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	2023			2022		
	Carrying Value	Percent	Rating	Rating Organization	Carrying Value	Percent
Primary Government						
Federal Home Loan Bank	\$ 25,418,474	0.15 %	Aaa	Moody's	\$ 24,468,782	0.15 %
Freddie Mac	2,215,424	0.02	AA+	S&P	963,159	0.01
COLOTRUST Plus	98,576,251	0.59	AAAm	S&P	142,487,516	0.84
COLOTRUST Edge	40,185,016	0.24	AAAf	FitchRatings	-	-
Total	\$ 166,395,165	1.00 %			\$ 167,919,457	1.00 %

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. State statutes require that the book value of the District's investment in commercial paper at no time exceed 50 percent of the District's total investment portfolio or 5 percent of the book value of the portfolio if the notes are issued by a single issuer.

In addition to the investment concentrations noted in the above table, the District's U.S. Treasury investments represent 74 percent and 70 percent of the District's investments as of December 31, 2023 and 2022, respectively.

Note 3 - Deposits and Investments (Continued)

Fair Value Measurements

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 asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District has the following recurring fair value measurements as of December 31, 2023 and 2022:

	Assets and Liabilities Measured at Carrying Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
Investments measured at fair value:				
U.S. government agencies	\$ -	\$ 27,633,898	\$ -	\$ 27,633,898
U.S. Treasury notes	81,418,358	-	-	81,418,358
Certificates of deposit	-	1,461,068	-	1,461,068
Total investments measured at fair value	81,418,358	29,094,966	-	110,513,324
Cash equivalents measured at NAV - Local government investment pools:				
COLOTRUST Plus	-	-	-	98,576,251
COLOTRUST Edge	-	-	-	40,185,016
Total cash equivalents measured at NAV - Local government investment pools	-	-	-	138,761,267
Total investments and cash equivalents	<u>\$ 81,418,358</u>	<u>\$ 29,094,966</u>	<u>\$ -</u>	<u>\$ 249,274,591</u>

Note 3 - Deposits and Investments (Continued)

	Assets and Liabilities Measured at Carrying Value on a Recurring Basis at December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2022
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
Total investments measured at fair value	61,779,453	27,572,873	-	89,352,326
Cash equivalents measured at NAV - Local government investment pools - COLOTRUST Plus	-	-	-	142,487,516
Total investments and cash equivalents	\$ 61,779,453	\$ 27,572,873	\$ -	\$ 231,839,842

Investments in Entities That Calculate Net Asset Value per Share

The District holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. The District's investments in COLOTRUST Plus and Edge are both measured at the net asset value (NAV) method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The COLOTRUST Plus NAV was \$1.00 as of December 31, 2023 and 2022 and the COLOTRUST Edge NAV was \$10 as of December 31, 2023.

Cash Equivalent Restrictions

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. For this purpose, the District had restricted cash equivalents of approximately \$5.8 million at December 31, 2023 and 2022.

The board of directors adopted, by ordinance, a rate stabilization cash equivalent balance, which is restricted as specified in its loan agreements, which at December 31, 2023 and 2022 was \$6,000,000.

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 equivalents of \$6,954,168 at December 31, 2023 and 2022.

In 2022, the District issued Series 2022 revenue bonds (see Note 5) 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, 2023 and 2022, the unspent bond proceed cash equivalents were \$6,701,480 and \$51,689,481, respectively.

See table below for table of cash equivalent restrictions:

	2023	2022
Restricted for debt reserve	\$ 5,708,089	\$ 5,786,731
Restricted for operating reserve	6,954,168	6,954,168
Restricted for rate stabilization reserve	6,000,000	6,000,000
Restricted for unspent bond proceeds	6,701,480	51,689,481
Restricted cash equivalents	\$ 25,363,737	\$ 70,430,380

Note 4 - Capital Assets

Capital asset activity of the District was as follows:

	Balance at January 1, 2023	Additions	Adjustments	Balance at December 31, 2023
Capital assets not being depreciated:				
Land	\$ 14,909,286	\$ 629,163	\$ -	\$ 15,538,449
Water rights	142,504,098	2,127,500	-	144,631,598
Land improvements	3,155,118	-	-	3,155,118
Construction in progress	58,046,448	49,475,150	(59,241,868)	48,279,730
Total capital assets not being depreciated	218,614,950	52,231,813	(59,241,868)	211,604,895
Capital assets being depreciated:				
Buildings	206,491,266	59,643,030	-	266,134,296
Machinery and equipment	135,960,843	3,667,373	(669,897)	138,958,319
Vehicles	2,688,327	7,993	-	2,696,320
Land/Land improvements	29,428,836	230,747	-	29,659,583
Rueter-Hess Reservoir	188,874,580	294,543	-	189,169,123
Infrastructure	233,506,926	15,132,409	-	248,639,335
Subtotal	796,950,778	78,976,095	(669,897)	875,256,976
Accumulated depreciation:				
Buildings	56,281,075	6,345,571	-	62,626,646
Machinery and equipment	79,473,473	7,605,561	(517,415)	86,561,619
Vehicles	2,166,719	213,516	-	2,380,235
Land improvements	14,033,754	1,387,061	-	15,420,815
Rueter-Hess Reservoir	31,588,977	2,937,037	-	34,526,014
Infrastructure	69,841,055	7,047,977	-	76,889,032
Total accumulated depreciation	253,385,053	25,536,723	(517,415)	278,404,361
Capital assets being depreciated - Net	543,565,725	53,439,372	(152,482)	596,852,615
Total capital assets - Net	\$ 762,180,675	\$ 105,671,185	\$ (59,394,350)	\$ 808,457,510

December 31, 2023 and 2022

Note 4 - Capital Assets (Continued)

	Balance at January 1, 2022	Additions	Disposals and Adjustments	Balance at December 31, 2022
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
Subtotal	258,052,162	51,238,723	(90,675,935)	218,614,950
Capital assets being depreciated:				
Buildings	162,919,120	43,572,146	-	206,491,266
Machinery and equipment	118,541,829	17,419,014	-	135,960,843
Vehicles	2,595,048	93,279	-	2,688,327
Land improvements	21,686,967	7,741,869	-	29,428,836
Subscription assets	188,874,580	-	-	188,874,580
Infrastructure	205,954,366	27,552,560	-	233,506,926
Subtotal	700,571,910	96,378,868	-	796,950,778
Land improvements:				
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
Reuter-Hess Reservoir	28,713,306	2,875,671	-	31,588,977
Vehicles	1,912,270	254,449	-	2,166,719
Land improvements	12,990,172	1,043,582	-	14,033,754
Subtotal	231,269,253	22,115,800	-	253,385,053
Net capital assets being depreciated	469,302,657	74,263,068	-	543,565,725
Net capital assets	<u>\$ 727,354,819</u>	<u>\$ 125,501,791</u>	<u>\$ (90,675,935)</u>	<u>\$ 762,180,675</u>

Depreciation expense was \$25,536,723 and \$22,115,801 for the years ended December 31, 2023 and 2022, respectively.

Included in capital assets as of December 31, 2023 and 2022 is approximately \$13.9 million and \$13.7 million, respectively, of which approximately \$7 million is depreciable infrastructure and approximately \$6.9 million and \$6.7 million is nondepreciable construction in progress as of December 31, 2023 and 2022, respectively.

Construction Commitments

The District has active construction projects at year end. The District had \$3,414,854 and \$1,995,462 in retainage payable as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the District had unexpended construction related contract commitments of \$10,098,664 and \$77,942,360, respectively.

Parker Water and Sanitation District

Notes to Financial Statements

December 31, 2023 and 2022

Note 5 - Long-term Debt

Long-term debt activity for the years ended December 31, 2023 and 2022 can be summarized as follows:

	Interest Rate Ranges	Beginning Balance	2023		Ending Balance	Due within One Year
			Additions	Reductions		
Bonds and parity obligations:						
2002 CWRPDA Clean Water Loan	3.62	\$ 8,755,364	\$ -	\$ (2,844,272)	\$ 5,911,092	\$ 2,914,836
2012 General Obligation Refunding Bonds -	2.0-5.0	19,995,000	-	(2,300,000)	17,695,000	2,390,000
Add Bond Premium		2,199,701	-	(219,970)	1,979,731	-
2018 Revenue Bonds -	5.0	34,185,000	-	(1,095,000)	33,090,000	1,120,000
Add Bond Premium		5,018,644	-	(250,932)	4,767,712	-
2020 Revenue Bonds -	4.0	12,910,000	-	(225,000)	12,685,000	235,000
Add Bond Premium		1,903,167	-	(86,508)	1,816,659	-
2020 Refunding Bonds -	4.0	40,570,000	-	-	40,570,000	-
Add Bond Premium		6,699,652	-	(515,358)	6,184,294	-
2020 General Obligation Refunding Bonds	0.725-3.062	57,605,000	-	(1,245,000)	56,360,000	1,260,000
2022 Revenue Bonds -	3.0-5.0	76,760,000	-	-	76,760,000	-
Add Bond Premium		13,219,212	-	(649,310)	12,569,902	-
2022 Refunding Bonds -	3.0-5.0	4,930,000	-	(525,000)	4,405,000	545,000
Add Bond Premium		768,953	-	(151,631)	617,322	-
Notes from direct borrowings:						
2014 CWCB Loan A	2.75	3,141,789	-	(204,318)	2,937,471	209,937
2014 CWCB Loan B	2.75	4,985,857	-	(233,996)	4,751,861	240,431
2014 CWCB Loan C	2.75	3,418,658	-	(130,495)	3,288,163	134,085
2014 CWCB Loan D	2.75	665,907	-	-	665,907	25,416
Canyons Note Payable -	0.00	6,673,850	-	216,589	6,890,439	-
Add Bond Premium		661,526	-	(216,589)	444,937	-
Total long term-debt - Net		\$ 305,067,280	\$ -	\$ (10,676,790)	\$ 294,390,490	\$ 9,074,705

December 31, 2023 and 2022

Note 5 - Long-term Debt (Continued)

	2022					
	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	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 -	2.0-5.0	22,210,000	-	(2,215,000)	19,995,000	2,300,000
Add Bond Premiums		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	.725-3.062	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		\$ 227,263,875	\$ 96,726,375	\$ (18,922,970)	\$ 305,067,280	\$ 8,828,498

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

Loan Agreement, Colorado Water Resources and Power Development Authority, Dated October 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 on February 1 and August 1 at an interest rate of 3.62 percent, with final payment due on August 1, 2025.

Water and Sewer Revenue Refunding Bonds, Series 2012, Dated June 13, 2012 - 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 on August 1. On May 4, 2004, voters of the District authorized the District to levy property taxes to pay this debt. During 2023 and 2022, the District recognized \$5,488,508 and \$5,533,075, 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 Project. The total approved amount will consist of four separate contract loans, based on what will be constructed with the proceeds.

Note 5 - Long-term Debt (Continued)

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, 2023 and 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 percent 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, 2023 and 2022, the District has borrowed \$5,650,933. Principal payments began on June 1, 2020 at an interest rate of 2.75 percent and repayment term of 20 years.

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

During the fiscal year ended December 31, 2014, the District approved Contract Loan D for an amount of \$1,099,890 for the DIA Connection. As of December 31, 2023 and 2022, the District has borrowed \$665,907. Principal payments begin one year from the payment initiation date (the date CWCB determines the DIA Connection project is substantially complete) and, annually thereafter, at an interest rate of 2.75 percent and repayment term of 20 years. As of December 31, 2023, the DIA Connection project is not substantially complete.

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 revenue of the District. Principal payments began on November 1, 2021 at an interest rate of 5 percent and a repayment term of 25 years.

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 revenue of the District. Principal payments are due starting on November 1, 2023 at an interest rate of 4 percent and a repayment term of 25 years.

General Obligation Refunding Bonds, Federally Taxable, Series 2020, Dated May 12, 2020 - On May 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 on August 1, 2020 at interest rates between 0.725 percent and 3.062 percent and a repayment term of 20 years.

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 December 31, 2023 and 2022, the District reports an obligation totaling \$7,335,376 under the reimbursement agreement to be paid in full by December 31, 2025. An effective interest rate of 3.25 percent was imputed on the debt, resulting in an unamortized discount of \$444,937 and \$661,526 as of December 31, 2023 and 2022, respectively.

Water and Sewer Enterprise Refunding and Improvement Revenue Bonds, Series 2022, Dated March 15, 2022 - On March 15, 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 began on November 1, 2022 at interest rates between 3 percent and 5 percent and a repayment term of 30 years.

Note 5 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Bonds and Parity Obligations		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 8,464,836	\$ 9,284,481	\$ 609,869	\$ 320,377
2025	10,126,256	8,975,152	7,517,079	303,598
2026	10,235,000	8,747,895	643,873	286,358
2027	10,580,000	8,391,922	661,579	268,644
2028	10,950,000	8,018,124	679,772	250,443
2029-2033	62,600,000	33,334,270	3,689,764	961,192
2034-2038	60,165,000	21,069,768	3,329,432	449,146
2039-2043	38,515,000	11,241,031	1,402,472	85,545
2044-2048	18,920,000	5,615,200	-	-
2049-2053	16,920,000	1,725,000	-	-
Total	\$ 247,476,092	\$ 116,402,843	\$ 18,533,840	\$ 2,925,303

	Balance January 1, 2023	Incurred	Retired	Balance December 31, 2023	Due within One Year
Compensated absences payable	\$ 973,755	\$ 552,254	\$ 505,300	\$ 1,020,708	\$ 529,666

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

Note 6 - Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The District participates in the Colorado Special Districts Property and Liability Pool (the "Pool") shared risk program for claims relating to property, liability, public officials liability, equipment breakdown, and workers compensation. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the pool members. Any excess funds that 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 years ended December 31, 2023 and 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 7 - Retirement Plans

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

Contributions made, net of forfeitures received, by the District for the years ended December 31, 2023 and 2022 were approximately \$919,000 and \$880,000, respectively. Contributions made by plan members were approximately \$882,000 and \$791,000, respectively.

Note 8 - Deferred Compensation

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by Empower Retirement. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years. The District matches deferrals by employees up to 5 percent of the employees' payroll. Contributions made to this plan by the District were approximately \$362,000 for 2023 and \$298,000 for 2022.

Note 9 - Tax, Spending and Debt Limitations

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

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

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

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

Other Supplementary Information

History of Customer Accounts and SFEs Served (Unaudited)

Year	Number of Accounts	Percent Change	SFEs Served	Percent Change
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%
2023	20,608	5.5%	25,407	5.3%

Source: Parker Water & Sanitation District

The following table sets forth water sales, by category, for calendar year 2023

Category	Annual Usage (Gallons)	Percent of Total Usage
Residential/Multifamily	1,798,025,279	72.0%
Irrigation/Commercial	618,883,547	24.8%
Bulk	79,229,235	3.2%
Total	2,496,138,061	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, 2014-2023 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Charges for Services	\$ 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	\$ 37,716,994
Other Operating Income	337,890	435,221	447,332	502,634	1,889,347	1,033,404	1,547,034	1,319,407	1,431,643	1,562,990
Total	23,104,056	24,433,486	26,508,552	27,884,848	32,145,059	31,221,374	36,000,932	36,558,356	39,460,834	39,279,984
Operating Expenses										
Salaries	4,863,917	5,056,608	5,247,951	5,224,986	5,866,494	6,656,423	7,108,886	7,826,277	8,425,160	9,696,880
Employee Benefits	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	3,876,180
Insurance	173,345	193,432	229,541	190,430	261,779	267,030	308,515	232,155	272,483	326,721
Professional Services	1,084,682	1,237,228	848,793	1,093,020	1,491,433	1,695,390	2,697,352	2,306,994	2,569,808	2,362,633
Support Services	407,236	550,953	2,312,060	2,406,076	2,600,481	4,003,102	3,419,245	3,682,851	4,882,125	3,763,294
Utilities	3,705,907	4,180,959	4,184,040	3,513,937	3,768,697	3,692,989	3,974,143	4,419,936	5,171,918	5,330,945
Contract Labor & Maintenance	1,702,812	1,737,555	930,331	1,299,053	2,296,077	1,841,571	2,355,746	2,639,961	2,967,563	2,967,563
Supplies	1,362,866	2,097,891	1,735,109	1,966,757	2,156,795	2,666,635	2,762,956	3,246,587	3,613,346	3,506,648
Community Education	22,520	42,908	47,624	46,272	37,167	47,813	128,277	49,451	72,304	87,917
Information Technology	337,213	352,241	322,885	194,573	226,267	273,966	287,490	306,459	289,386	420,722
Administrative	576,006	601,436	369,372	199,149	367,400	419,458	225,501	291,885	265,333	443,813
Depreciation	11,034,528	12,157,714	14,299,762	14,815,799	15,916,009	18,885,762	19,741,456	20,032,175	22,115,801	25,536,723
Total	26,485,245	29,995,278	32,743,205	33,567,625	37,569,816	43,298,158	45,924,343	47,805,963	53,576,990	58,320,039
Operating (Loss)	(3,381,189)	(5,561,792)	(6,234,653)	(5,682,777)	(5,424,757)	(12,076,784)	(9,923,411)	(11,247,607)	(14,116,156)	(19,040,055)
Nonoperating Revenues (Expenses)										
Property Taxes	4,388,951	4,515,264	4,687,265	5,083,891	5,852,733	6,209,999	6,493,498	6,625,421	6,747,682	6,829,981
Specific Ownership Taxes	406,916	445,902	444,824	576,104	643,057	650,505	590,755	677,881	629,511	669,439
County Treasurer's Collection Fees	-	-	-	-	-	-	-	-	-	-
Farm Land Revenue	439,142	428,488	373,319	375,103	374,096	419,433	315,197	372,362	388,918	343,853
Farm Land Expenses/Water Resource Farms	(191,800)	(221,411)	(223,882)	(201,185)	(208,625)	(185,580)	(201,986)	(190,872)	(275,043)	(148,778)
Net Investment Income	408,959	388,011	575,752	852,051	2,394,344	4,166,522	1,833,705	13,793	930,094	12,313,992
Interest Expense/Fees	(6,293,024)	(7,136,802)	(7,529,530)	(6,456,848)	(9,034,371)	(9,307,853)	(9,987,332)	(6,088,585)	(6,887,439)	(8,343,457)
Gain (Loss) on Disposal of Assets	1,469,614	48,811	(2,457,442)	(330,348)	66,261	484,718	81,270	27,293	-	(119,832)
Other Income	2,183,671	2,203,310	5,508,244	23,209,256	8,040,303	2,042,863	2,499,920	1,675,702	3,584,377	1,161,363
Total	2,812,429	671,573	1,378,550	23,108,024	8,127,798	4,480,607	1,625,027	3,113,014	5,118,102	12,706,561
Gain (Loss) Before Capital Contributions	(568,760)	(4,890,219)	(4,856,103)	17,425,247	2,703,041	(7,596,177)	(8,298,384)	(8,134,593)	(8,998,054)	(6,333,494)
Capital Contributions										
System Development Fees	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	31,317,500
Contributed Assets from Developers	301,591	1,529,459	5,419,088	4,506,453	2,774,058	5,018,992	11,615,330	18,120,917	5,702,934	20,257,768
Water Resource Fees	2,503,181	1,165,000	2,330,000	1,290,000	2,215,000	1,685,000	1,090,000	1,167,736	890,000	751,000
Water Resource System Development Fees	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	19,183,600
Total	16,265,589	21,599,359	25,306,058	25,386,043	26,721,268	26,574,022	39,189,750	79,590,200	44,162,886	71,509,868
Change in Net Position	15,696,829	16,709,140	20,449,955	42,811,290	29,424,309	18,977,845	30,891,366	71,455,607	35,164,832	65,176,374
Net Position at Beginning 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
Restatements										
Net Position at End of Year	\$ 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	\$ 769,354,761

Source: Parker Water & Sanitation District

History of Water and Sewer Connection Fees per SFE (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential Water Connection Fees	\$ 21,475	\$ 21,800	\$ 21,870	\$ 22,110	\$ 23,040	\$ 24,470	\$ 29,000	\$ 29,000	\$ 33,800	\$ 37,000
Residential Sewer Connection Fees	6,650	3,500	3,510	3,550	3,700	5,000	6,800	6,800	7,200	9,700
Total	\$ 28,125	\$ 25,300	\$ 25,380	\$ 25,660	\$ 26,740	\$ 29,470	\$ 35,800	\$ 35,800	\$ 41,000	\$ 46,700

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

Source: *Parker Water & Sanitation District*

Table 4 (Unaudited)

Historical Connection Fee Revenues

<u>Year</u>	<u>Connection Fee Revenue</u>
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
2023	51,252,100

Source: Parker Water & Sanitation District

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

Levy/Collection Year	Assessed Valuation	Percent Change	Mill Levy	Taxes Levied ¹	Taxes Collected ²	Collection Percentage ³
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%
2022/2023	901,086,593	2.1%	7.698	6,936,565	6,829,981	98.5%

¹Includes mill levy for collection of GO debt taxes.

²Net of County Treasurer's Fees

³The fee paid to the Treasurer disallows for a 100% collection rate

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

Ten Largest Taxpayers in the District for 2023 (Unaudited)

Taxpayer Name (subdivision)	Assessed Valuation	Percentage of Total Assessed Valuation ¹
Shea Canyon's	12,980,000	1.09%
SH Lyric LLC	7,804,120	0.65%
Bcore Mf Briargate LLC	7,294,620	0.61%
Mainstreet Re Investors LLC	6,868,170	0.57%
20 Mile Road Parker Co LLC	6,598,830	0.55%
Cherry Creek Colorado I LLC & Cherry Creek Colorado II LLC	6,396,830	0.54%
Denver Pope Family LP	6,170,910	0.52%
Toll Southwest LLC	6,010,200	0.50%
Trailside Holdings LLC	5,815,600	0.49%
Radiant Circle Apartments Investors LLC	5,723,480	0.48%
Total	\$71,662,760	6.00%

¹Based on a 2023 net certified assessed valuation of \$1,194,943,096

Source: Douglas County Assessor's Office

**Maximum Tax Levy Applicable To Properties
Located in the District
For 2023 Taxes Due in 2024 (Unaudited)**

Government Unit	Mill Levy
Canyons Metro District 2	71.732
Canyons Metro District 3	56.908
Douglas County Re-1 School District	40.730
Douglas County Government	19.774
City of Castle Pines	16.500
South Metro Fire Rescue Fire Protection District	9.250
Parker Water & Sanitation District	5.901
Douglas County Schools - Debt Service	5.204
Douglas Public Library District	3.513
Urban Drainage & Flood Control District	0.900
Cherry Creek Basin Water Quality Authority	0.425
Urban Drainage & Flood South Platte	0.100
Douglas County Schools - Cap Reserve	0.000
Douglas County Schools - Insurance Reserve	0.000
Douglas County Soil Conservation District	0.000
Total	230.937

Source: Douglas County Assessor's Office

**Outstanding Debt of the District
as of 12/31/23 (Unaudited)**

Name of Issue	Amount Outstanding	Year of Final Maturity
CWRPDA Wastewater Loan, Series 2002	5,911,092	2025
General Obligation Revenue Refunding Bonds, Series 2012 ¹	17,695,000	2032
CWCB Loan A	2,937,470	2035
CWCB Loan B	4,751,861	2039
CWCB Loan C	3,288,162	2042
CWCB Loan D	665,907	2042
2018 Water & Wastewater Revenue Bond	33,090,000	2042
General Obligation Revenue Bonds, Series 2020	56,360,000	2040
Refunding and Improvement Revenue Bonds, Series 2020 ²	53,255,000	2044
2022 Revenue Bond	76,760,000	2030
2022 Refunding Revenue Bond	4,405,000	2052
Total³	\$ 259,119,491	

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 \$7.3M

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

Year	Principal	Interest	Total
2024	\$ 9,100,820	\$ 9,604,152	\$ 18,704,972
2025	10,753,614	9,277,025	20,030,639
2026	10,879,610	9,033,508	19,913,118
2027	11,242,337	8,659,801	19,902,138
2028	11,630,552	8,267,780	19,898,332
2029-2033	66,293,993	34,291,190	100,585,183
2034-2038	63,499,275	21,514,022	85,013,297
2039-2043	39,879,290	11,320,973	51,200,263
2044-2048	18,920,000	5,615,200	24,535,200
2049-2052	16,920,000	1,725,000	18,645,000
Total ¹	\$ 259,119,491	\$ 119,308,651	\$ 378,428,142

Source: Parker Water & Sanitation District

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

²Direct Borrowings - amortization schedule for CWCB Loan D is subject to modification. As of 12/31/2023 the loan was not closed and the project was not substantially complete.

Debt Service Requirements to Maturity
Total of Annual Principal and Interest Requirements (Unaudited)

	Bonds and Parity Obligations		Direct Borrowings ¹	
	Principal	Interest	Principal	Interest
2024	8,490,252	9,284,481	610,568	320,377
2025	10,126,256	8,974,152	627,358	303,598
2026	10,235,000	8,747,895	644,610	286,358
2027	10,580,000	8,391,922	662,337	268,644
2028	10,950,000	8,018,124	680,552	250,443
2029-2033	62,600,000	33,334,270	3,693,993	961,192
2034-2038	60,165,000	21,069,768	3,334,275	449,146
2039-2043	38,515,000	11,241,031	1,364,290	85,545
2044-2048	18,920,000	5,615,200		
2049-2052	16,920,000	1,725,000		
	<u>247,501,508</u>	<u>116,401,842</u>	<u>11,617,983</u>	<u>2,925,303</u>

Excludes note payable to Shea Canyons, LLC of \$7.3M

¹Direct Borrowings - amortization schedule for CWCB Loan D is subject to modification. As of 12/31/2023 the loan was not closed and the project was not substantially complete.

**Estimated Overlapping Debt Schedule
as of December 31, 2023 (Unaudited)**

Overlapping Entity	Outstanding General Obligation Debt ¹	Percentage Applicable to the District ²	Share of Debt Applicable to the District
Antelope Heights Metropolitan District.	\$ 6,172,650	100.00%	6,172,650
Canterberry Crossing Metro	7,090,000	100.00%	7,090,000
Canterberry Crossing Metro. II	7,565,000	100.00%	7,565,000
Canyons Metropolitan District No. 3	31,270,000	100.00%	31,270,000
Canyons Metropolitan District No. 5	99,264,170	100.00%	99,264,170
Canyons Metropolitan District No. 6	24,815,368	100.00%	24,815,368
Carousel Farms Metro District	3,162,500	100.00%	3,162,500
Cielo Metro District	2,242,169	99.95%	2,241,002
Douglas County Schools	294,826,665	11.87%	35,008,348
Horse Creek Metropolitan District	3,450,000	100.00%	3,450,000
Horseshoe Ridge Metropolitan District No. 1	3,850,000	100.00%	3,850,000
Jordan Crossing Metropolitan District	1,330,000	100.00%	1,330,000
Lincoln Creek Metropolitan District	5,635,000	100.00%	5,635,000
Lincoln Meadows Metropolitan District	8,637,000	100.00%	8,637,000
Meadowlark Metro District	9,609,000	100.00%	9,609,000
Neu Towne Metropolitan District	10,860,000	100.00%	10,860,000
Overlook Metropolitan District	7,678,000	100.00%	7,678,000
Parker Automotive Metropolitan District	4,455,000	100.00%	4,455,000
Parker Homestead Metropolitan District	7,625,000	100.00%	7,625,000
Pine Bluffs Metropolitan District	3,415,000	100.00%	3,415,000
Rampart Range District No. 1	168,099,000	80.52%	135,357,627
Rampart Range District No. 5	120,000	99.98%	119,981
Reata North Metropolitan District	8,395,000	100.00%	8,395,000
Reata Ridge Village Metropolitan District 2	5,689,000	100.00%	5,689,000
Regency Metropolitan District	3,720,000	100.00%	3,720,000
Robinson Ranch Metropolitan District	985,000	100.00%	985,000
Salisbury Heights Metro District	2,705,000	100.00%	2,705,000
Sierra Ridge Metropolitan District 2	24,040,000	100.00%	24,040,000
South Suburban Park & Recreation District	8,404,800	1.40%	117,318
Stonegate North Villages Metro District	28,640,000	0.005%	1,330
Tallman Gulch Metropolitan District	9,465,000	100.00%	9,465,000
Village on the Green Metropolitan District No. 1	1,218,000	100.00%	1,218,000
Villas Metropolitan District	4,925,000	100.00%	4,925,000
Westcreek Metropolitan District No. 2	7,800,000	100.00%	7,800,000
	817,158,322		487,671,293

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, 2023 (Unaudited)

Total Actual Value of All Real Property	\$	14,105,517,973
Net Total Taxable Assessed Valuation	\$	1,194,943,096
Net General Obligation Direct Debt	\$	74,055,000
Estimated Overlapping Debt	\$	487,671,293
<hr/>		
Total Net Direct and Estimated Overlapping Debt	\$	561,726,293
Ratio of Net General Obligation Direct Debt to Actual Value		0.53%
Ratio of Net General Obligation Direct Debt to Assessed Valuation		6.20%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Actual Valuation		3.98%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Assessed Valuation		47.01%
Total Net General Obligation Direct Debt per Capita ¹	\$	1,177
Net Direct and Estimated Overlapping Debt per Capita ¹	\$	8,930
Estimated Actual Valuation per Capita ¹	\$	224,234
Assessed Valuation per Capita ¹	\$	18,996

¹Estimated District population: 62,905

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

History of Assessed Valuations and Mill Levies for the District (Unaudited)

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
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
2023/2024	1,194,943,096	32.6%	38,557,714	1,233,500,810	1.237	4.664	5.901

Source: Douglas County Assessor's Office

Property Tax Collections for the District (Unaudited)

<u>Levy/ Collection Year</u>	<u>Taxes Levies</u>	<u>Current Tax Collections</u>	<u>Collection Rate</u>
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%
2022/2023	6,936,565	6,829,981	98.46%

Source: Douglas County Assessor's Office

2023 Assessed Valuation of Classes of Property in the District (Unaudited)

Property Class	2023 Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	\$ 860,453,860	69.76%
Commercial	249,464,480	20.22%
Vacant	64,386,360	5.22%
State Assessed	20,495,500	1.66%
Industrial	38,536,070	3.12%
Agricultural	156,980	0.01%
Natural Resources	7,560	0.00%
Total	\$ 1,233,500,810	100.00%

Source: Douglas County Assessor's Office

Budget Summary and Comparison - Budgetary Basis (Unaudited)

	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual
Revenues										
Charges for services	\$ 29,170,370	\$ 30,187,970	\$ 31,729,670	\$ 34,453,899	\$ 32,518,100	\$ 35,238,948	\$ 42,486,520	\$ 38,029,191	\$ 41,125,400	\$ 37,716,994
Operating tax revenue	1,379,000	1,821,021	1,442,670	1,759,533	1,509,240	1,870,367	1,603,200	1,844,118	1,695,800	2,010,912
Other operating income	1,406,000	1,033,404	1,422,000	1,329,500	1,329,500	1,319,407	1,329,500	1,431,643	1,265,250	1,562,989
Interest income	2,590,000	4,166,522	2,400,000	1,833,705	607,000	13,793	149,500	930,094	3,553,080	12,313,992
Other Non-operating income	1,617,020	2,042,863	658,000	2,499,920	1,015,000	1,675,702	2,389,120	3,069,113	898,000	1,161,359
Rueler-Hess mill levy	5,216,000	5,039,483	5,490,080	5,324,720	5,489,990	5,432,935	4,415,730	5,533,075	5,490,690	5,488,508
System development fees	8,089,000	10,132,030	11,170,650	14,331,560	11,770,750	34,261,318	19,217,520	21,653,424	12,430,700	31,317,500
Water resource fees	200,000	1,665,000	200,000	1,090,000	500,000	1,167,736	500,000	890,000	500,000	751,000
Water resource system development fees	7,364,000	9,758,000	10,564,500	12,152,860	9,363,000	26,040,229	15,230,000	15,916,528	9,174,900	19,183,600
Farm income	370,600	419,433	375,000	315,197	298,600	372,382	298,600	388,918	380,000	343,853
Transfer-Rate funded capital	4,000,000	4,000,000	9,000,000	9,000,000	13,000,000	13,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Bond proceeds	4,000,000	351,441	18,600,000	124,381,550	3,400,000	3,115,754	92,400,000	90,269,056	-	-
Other revenue/reimbursements	2,354,400	-	10,403,580	7,729,450	7,729,450	7,335,376	3,409,450	515,272	8,222,700	(119,832)
Total revenues	\$ 67,756,390	\$ 70,617,167	\$ 103,456,150	\$ 208,689,977	\$ 88,530,630	\$ 130,843,947	\$ 187,428,140	\$ 184,470,432	\$ 88,736,520	\$ 115,730,875
Expenditures										
Salaries	\$ 6,800,726	\$ 6,656,423	\$ 7,544,168	\$ 7,108,886	\$ 8,077,477	\$ 7,826,277	\$ 9,040,606	\$ 8,425,160	\$ 9,928,929	\$ 9,696,880
Employee benefits	3,593,005	2,848,019	3,515,436	2,914,778	3,486,474	3,055,447	3,980,768	3,259,363	4,326,126	3,876,180
Insurance	193,000	267,030	211,620	308,515	233,610	232,155	293,150	272,483	285,000	326,721
Professional services	2,009,000	1,695,390	2,633,000	2,697,352	2,679,500	2,306,984	3,090,350	2,569,808	2,683,500	2,362,633
Support services	3,186,820	4,003,102	4,136,830	3,419,245	5,329,230	3,682,851	6,704,250	4,882,125	5,659,190	3,763,294
Utilities	3,414,000	3,692,989	3,340,000	3,974,143	3,671,000	4,419,936	4,664,700	5,171,918	4,482,800	5,330,945
Contract labor & maintenance	1,916,700	1,841,571	2,368,850	2,355,746	2,379,540	2,355,746	4,386,550	2,639,961	2,398,200	2,967,563
Supplies and Chemicals	2,689,170	2,666,635	3,020,380	2,762,956	2,941,060	3,246,587	3,336,080	3,613,346	4,175,140	3,506,648
Community education	70,500	47,813	135,160	128,277	192,000	49,451	154,200	72,304	152,800	87,917
Information technology	242,640	273,966	343,700	287,489	418,500	306,459	437,600	289,387	495,400	420,722
Water resource farms	206,500	185,580	206,000	201,986	216,000	190,872	216,000	275,043	216,000	148,778
Administrative	426,500	419,458	361,530	225,501	244,950	291,885	372,250	265,333	377,160	510,211
Transfer-Rate funded capital	4,000,000	4,000,000	9,000,000	9,000,000	13,000,000	13,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Debt service	15,912,620	15,438,770	14,820,430	127,053,513	16,987,000	16,643,601	19,803,200	19,664,370	18,700,630	18,773,982
Capital outlay	61,786,450	25,867,596	51,527,750	70,479,836	69,801,700	49,861,028	77,676,000	51,162,299	65,473,000	51,618,824
Total expenditures	\$ 106,447,631	\$ 69,904,342	\$ 103,164,854	\$ 232,918,223	\$ 129,658,041	\$ 107,469,289	\$ 138,155,704	\$ 106,562,900	\$ 123,353,875	\$ 107,391,298
Excess Revenues over Expenditures	\$ (38,691,241)	\$ 712,825	\$ 291,296	\$ (24,228,246)	\$ (41,127,411)	\$ 23,374,658	\$ 49,273,436	\$ 77,907,532	\$ (34,617,355)	\$ 8,339,577

Source: Parker Water & Sanitation District

History of Net Pledged Revenues and Debt Service Coverage (Unaudited)

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross Pledged Revenues										
Operating Revenues	\$ 23,104,056	\$ 24,433,486	\$ 26,508,552	\$ 27,884,848	\$ 32,145,059	\$ 31,221,374	\$ 36,000,933	\$ 36,558,355	\$ 39,460,834	\$ 39,279,983
Non-Operating Revenues	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	13,475,351
Connection Fees	15,963,998	20,069,900	19,886,970	20,879,590	23,947,210	21,555,030	27,574,420	61,469,283	38,459,952	51,252,100
Total Gross Pledged Revenues	\$ 42,826,144	\$ 48,260,167	\$ 51,229,506	\$ 51,075,676	\$ 61,984,634	\$ 58,985,789	\$ 67,908,978	\$ 99,717,133	\$ 82,435,264	\$ 104,007,434
Operation & Maintenance Expenses	\$ 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	\$ 32,783,316
Less: Property taxes	(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)	(2,010,912)
Net O&M Expenses	\$ 14,253,850	\$ 16,578,999	\$ 17,155,011	\$ 17,260,699	\$ 19,957,309	\$ 22,591,375	\$ 24,423,355	\$ 25,903,002	\$ 29,617,079	\$ 30,772,404
Net Pledged Revenues	\$ 28,572,294	\$ 31,681,168	\$ 34,074,495	\$ 33,814,977	\$ 42,027,325	\$ 36,394,414	\$ 43,485,623	\$ 73,814,131	\$ 52,818,185	\$ 73,235,030
Historical Debt Service Paid	\$ 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	\$ 13,080,893
Coverage	3.42x	3.69x	2.86x	4.49x	4.51x	3.73x	5.01x	6.61x	3.95x	5.59x

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, 2023
(Unaudited)

Allowable Revenues	
Total User Fees	\$ 37,716,994
Farm Land Revenue	343,853
Net Investment Income	12,313,992
Other Income	2,724,348
Property Taxes (sewer operating)	1,341,473
Specific Ownership Taxes	669,439
Total Allowable Revenues	\$ 55,110,099
System Fees	
System Development Fees	\$ 31,317,500
Water Resource Fees	751,000
Water Resource System Development Fees	19,183,600
Total System Fees	\$ 51,252,100
Allowable System Fees for coverage not exceeding 15% of Allowable Revenue	\$ 8,266,515
Total Revenues per Covenant	\$ 63,376,614
Operating Expenses	
Operating Expenses (less depreciation)	\$ 32,783,316
Farm Land Expenses	148,778
Total Operating and Maintenance Expenses	\$ 32,932,094
Revenue Available for Debt Service	\$ 30,444,520
Current Year Debt Service	
Revenue Bond and CWRPDA loans Total	\$ 12,194,560
Total Debt Using Revenue Pledge	\$ 12,194,560
Coverage per Rate Covenant Calculation (minimum 110%)	2.50
Coverage without consideration of System Fees (minimum 100%)	1.82

Source: Parker Water & Sanitation District

Parker Water and Sanitation District
Debt Service Coverage for CWCB Loan
For the Year Ended December 31, 2023 (Unaudited)

Allowable Revenues	
Total User Fees	\$ 37,716,994
Farm Land Revenue	343,853
Net Investment Income	12,313,992
Other Income	2,724,348
Property Taxes (sewer operating)	1,341,473
Specific Ownership Taxes	669,439
Total Allowable Revenues	\$ 55,110,099
Maximum Revenue Permitted including System Fees	\$ 61,233,444
System Fees	
Tap fees	\$ 31,317,500
Water Resource Fees	751,000
System Development Fees	19,183,600
Total System Fees	\$ 51,252,100
Allowable System Fees for coverage calculation (no more than 10% of Total Revenue Maximum)	\$ 6,123,344
Total Calculated Revenues	\$ 61,233,444
Operating Expenses	
Operating Expenses (less depreciation)	\$ 32,783,316
Farm Land Expenses	148,778
Total Operating and Maintenance Expenses	\$ 32,932,094
Revenue Available for Debt Service	\$ 28,301,350
Current Year Debt Service	
Revenue Bond Total (Existing)	\$ 12,194,560
CWCB Loan	886,333
Total Current Year Debt Service	13,080,893
Total Debt Using Revenue Pledge	\$ 13,080,893
Coverage per Rate Covenant Calculation	2.16

Source: Parker Water & Sanitation District

PARKER WATER & SANITATION DISTRICT
District Rate and Fee Schedule
2023
(Unaudited)

Tap & Development Fee Schedule

Meter Size	Water SDF	Sewer SDF	Water Resources SDF	Water Resource Toll
3/4"	\$ 19,600	\$ 9,700	\$ 17,400	\$ 5,000
1"	\$ 39,200	\$ 19,400	\$ 34,800	\$ 10,000
1 1/2"	\$ 78,400	\$ 38,800	\$ 69,600	\$ 20,000
2"	\$ 137,200	\$ 67,900	\$ 121,800	\$ 35,000
3"	\$ 313,600	\$ 155,200	\$ 278,400	\$ 80,000

Water Rates
2023

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

Water Service Fee		\$ 34.78
Tier 1	Per 1,000 gallons for first 6,000 gallons	\$ 2.61
Tier 2	Per each additional 1,000 gallons up to and including 20,000 gallons	\$ 5.09
Tier 3	Per each additional 1,000 gallons in excess of 20,000 gallons	\$ 10.50

Sewer Rates
2023

Per Single Family Equivalent (per month)

Monthly Fixed Rate	\$ 13.22
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

To view the entire 2023 rates and fees please visit: <http://parkerwater.org/DocumentCenter/View/3650/2023-PWSD-Budget-PDF>

Top 10 Customers of the District (Unaudited)

2023	Customer Name	Total \$ Billed	Total Billed Consumption* (gallons)	Rank (By Consumption)	Percent of Total Billed	Percent of Billed Consumption
1	<i>Town & Country Village HOA (Townhouses)</i>	\$ 513,908	34,766,037	2	1.41%	1.44%
2	<i>Prairie Walk on Cherry Creek HOA (Condos)</i>	\$ 446,813	27,231,400	4	1.22%	1.13%
3	<i>Parker Hilltop Apartments</i>	\$ 408,671	28,174,642	3	1.12%	1.17%
4	<i>Town of Parker</i>	\$ 361,103	24,144,032	5	0.99%	1.00%
5	<i>Villages of Parker (Canterberry Crossing HOA)</i>	\$ 354,618	38,231,630	1	0.97%	1.58%
6	<i>Prairie Meadows Townhomes</i>	\$ 348,855	20,658,915	6	0.96%	0.85%
7	<i>BCORE MF Briargate LLC</i>	\$ 324,607	19,933,784	7	0.89%	0.82%
8	<i>Ironstone Condominiums at Stroh Ranch</i>	\$ 280,026	17,982,627	8	0.77%	0.74%
9	<i>Mainstreet RE Investors (Waterford on Mainstreet Apts)</i>	\$ 267,481	17,554,946	10	0.73%	0.73%
10	<i>Trailside Apartments</i>	\$ 226,518	15,173,050	13	0.62%	0.63%
	Total - TOP 10 Customers	\$ 3,532,602	243,851,063		9.68%	10.09%
	Total - All Customers	\$ 36,500,561	2,416,908,826			

Source: Parker Water & Sanitation District

*Excludes Bulk water and temporary Hydrant water customers