
Parker Water and Sanitation District

Douglas County, Colorado

Financial Report
with Supplementary Information
December 31, 2024

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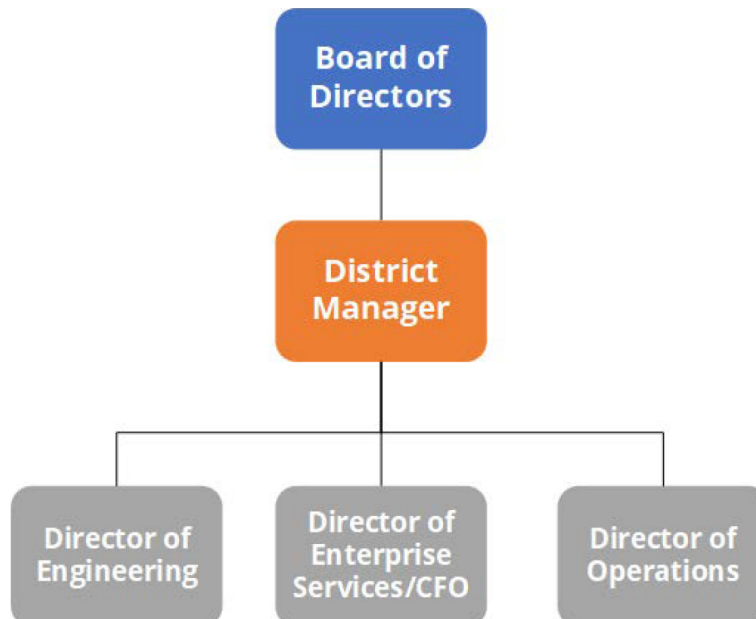
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District Board of Directors

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 years ended December 31, 2024 and 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, 2024 and 2023 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits 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 audits 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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 audits 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.

Supplementary Information

Management is responsible for the accompanying introductory section and other supplementary information, which are presented for the purpose of additional analysis and are 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.



June 5, 2025

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ending December 31, 2024

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, 2024 and 2023. Please read this analysis in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- At December 31, 2024 total assets and deferred outflows of resources of the District exceeded total liabilities and deferred inflows of resources by \$813,240,107 (net position). Of this amount, \$245,141,157 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Restricted net position of \$21,794,136 is restricted for debt service, debt service reserves, and other operating and capital reserves. At December 31, 2023 the amounts are \$769,354,761 (net position), \$234,143,000 (unrestricted) and \$18,662,257 (restricted).
- 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 2024, the monthly water service charge for residential, multi-family, commercial, and irrigation accounts increased from \$34.78 in 2023 to \$35.02 and the monthly sewer service charge increased from \$13.22 in 2023 to \$13.55. See page 53 for a full schedule of fees.
- The District collected tap fees from new construction for 555 Single Family Equivalents (SFE's) during 2024 compared to 1,102 in 2023.
- 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 2024 mill levy for operations was 1.727 mills, less a temporary mill levy rate reduction of 0.490 mills, for a total of 1.237 mills. The certified 2025 mill levy for sewer operations of 1.727 mills was also temporarily reduced to 1.271 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 and interest on the debt. The certified 2024 mill levy for the general obligation debt associated with the construction of the Rueter-Hess Reservoir was 4.664 mills and the 2025 mill levy has been set at 4.507 mills. In 2024, 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 \$18,431,238 in 2024, \$20,257,768 in 2023, and \$5,702,934 in 2022.
- At December 31, 2024, the District's total debt service rate covenant calculation is 432 percent, compared to 559 percent at December 31, 2023 and 395 percent at December 31, 2022. 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, 2024

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. Non-financial factors should also be considered to assess the overall position of the District.

The **Statement of Revenues, Expenses and Changes in Net Position** reports 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, 2024**

FINANCIAL SUMMARY AND ANALYSIS

NET POSITION

During 2024, net position increased \$43,885,346 from 2023 to \$813,240,107 primarily due to an increase in both cash on hand and capital assets, and a reduction in overall liabilities.

Furthermore, investment rates remained elevated during 2024 and the District experienced a better-than-expected return on its governmental investments. Liabilities decreased year over year mainly due to lower bonds and notes payable principal balances, accounts payable, and return of developer deposits. The District's current liabilities increased nearly \$1.8 Million year over year because of an increase in short term debt obligations, partially offset by return of developer deposits. In 2023, net position increased \$65,176,374 from 2022 to \$769,354,761. This increase was primarily due to an increase in cash and investments on hand, as well as an increase in investment in capital assets, and a reduction in overall liabilities.

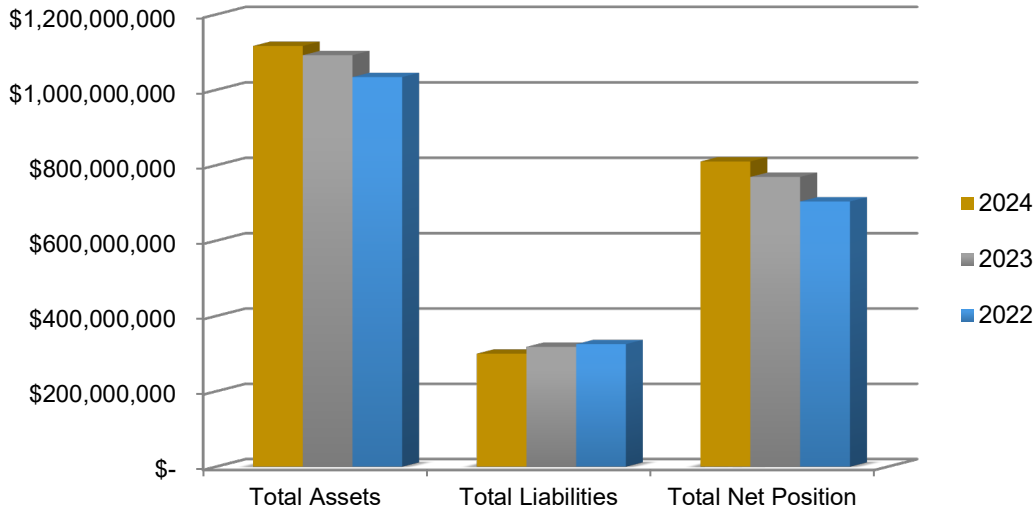
CONDENSED STATEMENT OF NET POSITION

	2024	2023	2022
Assets			
Current Assets	\$ 270,571,523	\$ 258,248,655	\$ 201,513,871
Noncurrent Assets	21,799,606	25,370,720	70,435,851
Capital Assets	827,234,214	808,457,510	762,180,675
Total assets	1,119,605,343	1,092,076,885	1,034,130,397
Deferred outflows of resources			
Deferred charge on refunding	2,300,163	2,546,429	2,792,695
Liabilities			
Current liabilities	34,260,098	32,410,366	28,899,036
Noncurrent Liabilities	265,915,806	285,806,827	296,579,628
Total liabilities	300,175,904	318,217,193	325,478,664
Deferred inflows of resources			
Unavailable revenue - property taxes	7,140,993	7,051,360	6,935,237
Lease Revenue	1,348,502	-	330,804
Net position			
Net investment in capital assets	546,304,814	516,549,504	502,787,683
Restricted	21,794,136	18,662,257	18,740,899
Unrestricted	245,141,157	234,143,000	182,649,805
Total net position	\$ 813,240,107	\$ 769,354,761	\$ 704,178,387

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2024**

NET POSITION



CHANGES IN REVENUES, EXPENDITURES AND NET POSITION

For 2024, total operating revenue increased by \$6,224,928 to \$45,504,912 mainly due to an increase in charges for water and wastewater services, additional irrigation consumption and natural growth related to increases in the number of customer accounts. In addition, Non-Operating revenue increased \$5,653,411 to \$26,972,037 mainly due to an increase in Net Investment Income, Inclusion fees, and other non operating revenues including a notice of award from a PFAS Settlement. Capital contributions, or system connection fees collected from new development within the District totaled \$26,451,294 and contributed assets from developers was \$18,431,238. For 2023, total operating revenue decreased by \$180,849 to \$39,279,984 mainly due to wet periods during the summer irrigation season resulting in lower consumption bills, partially offset by an increase in charges for water and wastewater services. In addition, Non-Operating revenue increased \$8,180,792 mainly due to higher Net Investment Income. Capital contributions, or system connection fees collected from new development within the District totaled \$51,252,100 and contributed assets from developers was \$20,257,768.

Parker Water and Sanitation District

Management's Discussion and Analysis
Fiscal Year Ending December 31, 2024

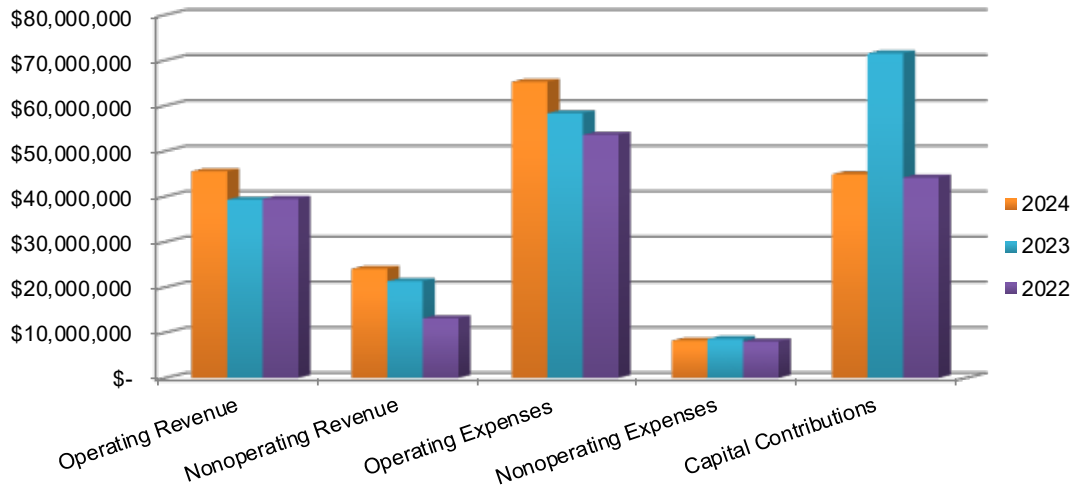
SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

	2024	2023	2022
REVENUES			
Operating Revenue	\$ 45,504,912	\$ 39,279,984	\$ 39,460,833
Non-Operating Revenues:			
Property Taxes	6,983,393	6,829,981	6,747,682
Net Investment Income	13,027,731	12,313,993	930,093
Farm Land Revenue	348,188	343,853	388,918
Gain on Extinguishment of Debt			857,245
Specific Ownership Taxes	545,214	669,439	629,511
Inclusion Fees	691,193	115,400	2,263,796
Other	5,376,318	1,045,960	1,320,589
Total Non-Operating Revenue	26,972,037	21,318,626	13,137,834
TOTAL REVENUES	\$ 72,476,949	\$ 60,598,610	\$ 52,598,667
Expenses:			
Operating:			
Salaries & Benefits	\$ 15,254,309	\$ 13,573,072	\$ 11,684,532
Insurance	396,665	326,721	272,483
Professional and Support Services	8,221,162	6,730,857	7,459,242
Utilities	5,937,044	5,330,945	5,171,920
Contract Labor and Maintenance	1,956,097	2,362,633	2,510,178
Chemicals and Supplies	3,871,674	3,506,647	3,608,595
IT	571,778	420,722	289,386
Administrative and Miscellaneous	453,102	531,719	464,861
Depreciation	28,576,312	25,536,723	22,115,800
Total Operating Expenses	\$ 65,238,143	\$ 58,320,039	\$ 53,576,997
Non-Operating expenses:			
Water Resource Farms	\$ 202,992	\$ 148,778	\$ 275,043
Interest Expense and Loan Fees	8,032,999	8,343,455	7,744,681
Loss on Disposal of Assets	-	119,832	
Total Non-Operating Expenses	\$ 8,235,991	\$ 8,612,065	\$ 8,019,724
TOTAL EXPENSE	\$ 73,474,134	\$ 66,932,104	\$ 61,596,721
Gain(Loss) Before Capital Contributions	(997,185)	(6,333,494)	(8,998,054)
Capital Contributions	44,882,531	71,509,868	44,162,886
CHANGE IN NET POSITION	\$ 43,885,346	\$ 65,176,374	\$ 35,164,832
Net Position, beginning of year	769,354,761	704,178,387	669,013,555
Net Position, end of year	\$ 813,240,107	\$ 769,354,761	\$ 704,178,387

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2024**

CHANGES IN NET POSITION



CAPITAL ASSETS

At December 31, 2024, the District reports \$827,234,215 in capital assets, net of accumulated depreciation, an increase of \$18,776,705 from 2023, mainly due to additional investments in filtration, pipeline, tanks, and land. For 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.

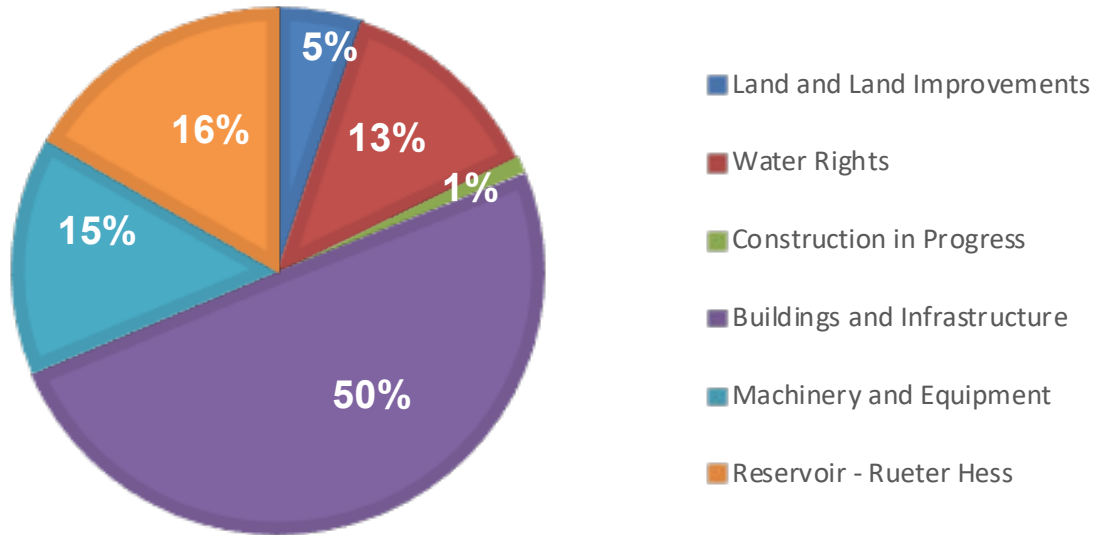
CAPITAL ASSETS

	2024	2023	2022
Land and Land Improvements	\$ 58,398,847	\$ 48,353,150	\$ 47,493,240
Water Rights	144,631,598	144,631,598	142,504,098
Construction in Progress	11,626,155	48,279,730	58,046,448
Buildings and Infrastructure	563,750,074	514,773,631	439,998,192
Machinery and Equipment	166,634,222	141,654,639	138,649,171
Reservoir - Rueter Hess	189,169,123	189,169,123	188,874,580
Accumulated Depreciation	(306,975,804)	(278,404,361)	(253,385,054)
TOTAL CAPITAL ASSETS, NET	\$ 827,234,215	\$ 808,457,510	\$ 762,180,675

Parker Water and Sanitation District

**Management’s Discussion and Analysis
Fiscal Year Ending December 31, 2024**

**CAPITAL ASSETS
AS OF DECEMBER 31, 2024**



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

OUTSTANDING DEBT

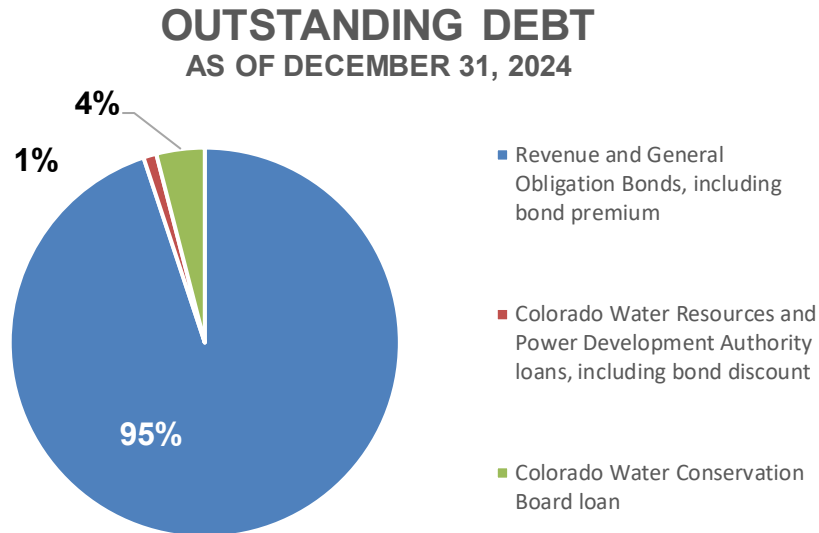
The District’s debt consists of the following:

	OUTSTANDING DEBT		
	2024	2023	2022
Revenue Bonds	\$ 165,610,000	\$ 167,510,000	\$ 169,355,000
Bond Premium	24,294,211	25,955,891	27,609,630
General Obligation Bonds	70,405,000	74,055,000	77,600,000
Bond Premium	1,759,761	1,979,731	2,199,701
Colorado Water Resources and Power Development Authority loans	2,989,894	5,911,092	8,755,364
Colorado Water Conservation Board Loan	11,058,947	11,643,399	12,212,209
TOTAL OUTSTANDING DEBT¹	\$ 276,117,812	\$ 287,055,114	\$ 297,731,904

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, 2024**



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”). Both the Master Plan and Cost of Service Rate Study will be updated in 2025.

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 ended 2024 was 2.9%, down significantly from 4.1% at 2023 and 8% at 2022, a major factor of increased costs for the District.

Parker Water and Sanitation District

Management's Discussion and Analysis Fiscal Year Ending December 31, 2024

For 2024, there was a 0.70% across-the-board increase to the water base charge, for any customer class, and on all tiers of the water usage rates. The Board of Director's also approved a new Long-term Water fee of \$1.50 per month, per SFE, to help offset the costs of a securing a renewable water supply for the District. Inclusive of the water rate adjustments and new Long-term Water fee, District customers experienced a water only portion increase of approximately 2.78% for the average residential customer, There was an increase of 2.5% to both the sewer base charge and the usage charge. The water and sewer adjustments, including the new long term water fee, resulted in a net increase of 2.66% 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 Districts 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, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 135,073,630	\$ 136,324,382
Investments (Note 3)	120,509,602	110,513,324
Receivables:		
Service fees	2,717,774	2,710,330
Leases receivable	1,421,109	-
Succeeding year property tax receivable	7,140,993	7,051,391
Other	5,418,761	347,445
Inventory	648,740	443,026
Prepaid expenses	554,306	850,345
Succeeding year property taxes receivable	-	(31)
Other	9,443	8,443
Total current assets	273,494,358	258,248,655
Noncurrent assets:		
Restricted cash equivalents (Note 3)	18,871,301	25,363,737
Capital assets: (Note 4)		
Assets not subject to depreciation	175,418,946	211,604,895
Assets subject to depreciation - Net	651,815,268	596,852,615
Other noncurrent assets	5,470	6,983
Total noncurrent assets	846,110,985	833,828,230
Total assets	1,119,605,343	1,092,076,885
Deferred Outflows of Resources - Deferred charge on refunding	2,300,162	2,546,429
Liabilities		
Current liabilities:		
Accounts and retainage payable	5,691,305	8,778,582
Construction and inclusion deposits	7,038,417	11,210,813
Accrued liabilities and other:		
Accrued salaries and wages	588,694	444,452
Accrued interest payable	2,129,272	2,267,475
Other accrued expenses	143,052	104,673
Bonds and notes payable	223,628	-
Compensated absences	657,263	529,666
Bonds and notes payable - Current portion (Note 5)	17,857,583	9,074,705
Total current liabilities	34,329,214	32,410,366
Noncurrent liabilities:		
Compensated absences	474,710	491,042
Bonds and notes payable - Net of current portion (Note 5)	265,371,979	285,315,785
Total noncurrent liabilities	265,846,689	285,806,827
Total liabilities	300,175,903	318,217,193
Deferred Inflows of Resources		
Property taxes levied for the following year	7,140,993	7,051,360
Lease revenue	1,348,502	-
Total deferred inflows of resources	8,489,495	7,051,360
Net Position		
Net investment in capital assets	546,304,814	516,549,504
Restricted	21,794,136	18,662,257
Unrestricted	245,141,157	234,143,000
Total net position	\$ 813,240,107	\$ 769,354,761

Parker Water and Sanitation District

Statements of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenue		
Charges for services	\$ 44,008,055	\$ 37,716,994
Other operating income	1,496,858	1,562,990
Total operating revenue	45,504,913	39,279,984
Operating Expenses		
Utilities	5,937,044	5,330,945
Supplies	1,575,732	1,582,861
Support services	4,096,955	3,765,828
Contract labor and maintenance	4,124,208	2,965,028
Insurance	396,665	326,721
Salaries and benefits	15,254,309	13,573,074
Information technology	571,777	420,722
Professional services	2,018,485	2,450,549
Chemicals	2,295,942	1,923,786
Administrative	390,939	443,802
Depreciation	28,576,312	25,536,723
Total operating expenses	65,238,368	58,320,039
Operating Loss	(19,733,455)	(19,040,055)
Nonoperating Revenue (Expense)		
Property tax revenue	6,983,392	6,829,981
Farm land revenue	348,189	343,853
Water resource farms	(202,993)	(148,778)
Interest expense	(8,033,000)	(8,343,455)
Specific ownership taxes	545,214	669,439
Loss on sale of assets	-	(119,832)
Inclusion fees	691,193	115,400
Net investment income	13,027,732	12,313,993
Other income	5,376,542	1,045,960
Total nonoperating revenue	18,736,269	12,706,561
Loss - Before capital contributions	(997,186)	(6,333,494)
Capital Contributions		
Water resource system development fees	9,576,226	19,183,600
System development fees received	16,137,568	31,317,500
Water resource fees	737,500	751,000
Contributed assets from developers	18,431,238	20,257,768
Total capital contributions	44,882,532	71,509,868
Change in Net Position	43,885,346	65,176,374
Net Position - Beginning of year	769,354,761	704,178,387
Net Position - End of year	\$ 813,240,107	\$ 769,354,761

Parker Water and Sanitation District

Statement of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash received from customers/operations	\$ 44,294,818	\$ 38,355,550
Cash payments to suppliers for goods and services	(21,270,778)	(19,102,679)
Cash payments to employees for services	(15,003,169)	(13,471,098)
Cash (payments) receipts for construction deposits	(4,172,396)	5,464,360
Net cash and cash equivalents provided by operating activities	3,848,475	11,246,133
Cash Flows from Noncapital Financing Activities		
Property and specific ownership tax	2,040,717	2,009,804
Other nonoperating revenue - Net of expenses	2,124,056	1,319,253
Net cash and cash equivalents provided by noncapital financing activities	4,164,773	3,329,057
Cash Flows from Capital and Related Financing Activities		
System development fees collected	16,137,568	31,317,500
Water resource fees received	737,500	751,000
Water resource system development fees received	9,576,226	19,183,600
Inclusion fees received	691,193	115,400
Property tax revenue for debt service	5,487,889	5,489,616
Acquisition of capital assets - Net of disposals	(32,493,937)	(53,718,083)
Principal paid on bonds and notes payable	(9,055,650)	(8,803,082)
Interest paid on bonds and notes payable	(9,806,586)	(10,072,786)
Net cash and cash equivalents used in capital and related financing activities	(18,725,797)	(15,736,835)
Cash Flows from Investing Activities		
Proceeds from sale of investments	72,926,609	66,745,000
Purchase of investments	(83,467,992)	(92,265,214)
Investment income received	13,510,744	16,714,170
Net cash and cash equivalents provided by (used in) investing activities	2,969,361	(8,806,044)
Net Decrease in Cash and Cash Equivalents	(7,743,188)	(9,967,689)
Cash and Cash Equivalents - Beginning of year	161,688,119	171,655,808
Cash and Cash Equivalents - End of year	\$ 153,944,931	\$ 161,688,119
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 135,073,630	\$ 136,324,382
Restricted cash equivalents	18,871,301	25,363,737
Total cash and cash equivalents	\$ 153,944,931	\$ 161,688,119

Parker Water and Sanitation District

Statement of Cash Flows (Continued)

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (19,733,455)	\$ (19,040,055)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	28,576,312	25,536,723
Changes in assets and liabilities:		
Accounts receivable	(2,155,925)	(458,411)
Inventory	(205,714)	207,444
Prepaid expenses	296,552	(559,238)
Accounts payable	484,880	(13,584)
Accrued expenses	182,621	61,941
Compensated absences	111,265	46,953
Construction deposits	(3,708,061)	5,464,360
Total adjustments	<u>23,581,930</u>	<u>30,286,188</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 3,848,475</u></u>	<u><u>\$ 11,246,133</u></u>
Significant Noncash Transactions		
Water rights and water and sewer lines contributed	\$ 18,431,238	\$ 20,257,768
Acquisition of capital assets through accounts and retainage payable	3,193,268	6,765,425
Market value adjustment on investments - Net	545,105	2,112,750
Deferred lease revenue	1,724,219	343,853
Amortization of bond premium	1,881,650	1,873,709

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 Efficiency 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, 2024 and 2023, were approximately \$2.1 million and \$1.5 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 that may be increased or decreased at the discretion of the executive board. As of December 31, 2024 and 2023, the District had approximately \$423,000 and \$456,000, respectively, on deposit with the Authority. Finally, each member of WISE is further obligated to pay the costs of certain infrastructure, which are necessary for the operations of the WISE project. During the years ended December 31, 2024 and 2023, 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. Deferred inflows related to lease revenue are recognized as an inflow of resources when the present value of lease receivables is determined.

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. In accordance with GASB 101, *Compensated Absences*, which the District was required to implement in 2024, sick pay is accrued for the estimated amount that the District will pay upon employment termination and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means; vacation pay is accrued when incurred. Both of these are reported in the financial statements.

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 Workplaces 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.

Note 2 - Significant Accounting Policies (Continued)

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.

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.

Leases

The District is a lessor for noncancelable leases of farmland assets. The District recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The District uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

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, 2024 and 2023, as they consider amounts to be 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, only after the water has been both deeded by the owners and decreed to the District by Colorado Water Court. 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.

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 nearly 39,000 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 of 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.

Note 2 - Significant Accounting Policies (Continued)

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.

Adoption of New Accounting Pronouncement

During the current year, the District adopted GASB Statement No. 101, *Compensated Absences*. As a result, the calculation of compensated absences in the statement of net position reflects the provisions of this new standard. As the impact was not material, the financial statements for the years ended December 31, 2023 and 2022 were not restated to adopt this new standard in 2024.

Upcoming Accounting Pronouncements

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government 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 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 Governmental 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 fund 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.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2026.

Subsequent Events

Subsequent to the December 31, 2024 statement of net position date, the District was notified of a court-approved class action settlement designed to resolve claims for perfluoroalkyl and polyfluoroalkyl substances (PFAs) contamination in public water systems' drinking water, resulting in an award amount for the District of \$2,922,835 for phase one of the 3M settling defendant. As the settlement provides additional evidence with respect to conditions that existed as of the statement of net position date, the settlement award has been recorded as a receivable as of the date of this report and recognized as nonoperating revenue in 2024. Parker Water and Sanitation District anticipates the first payment date for this claim to occur in 2025.

The District has submitted claims for additional PFAS cases involving three other settling defendants - DuPont, Tyco, and BASF. Sufficient information is not yet available to estimate potential award amounts to which the District may be entitled to in a future period.

Note 3 - Deposits and Investments

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 135,073,630	\$ 136,324,382
Investments	120,509,602	110,513,324
Restricted cash equivalents	<u>18,871,301</u>	<u>25,363,737</u>
Total deposits and investments	<u>\$ 274,454,533</u>	<u>\$ 272,201,443</u>

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 that limits investments to the following:

- 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

Local Government Investment Pool

The District invests in the Colorado Local 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.

Note 3 - Deposits and Investments (Continued)

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.

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

Primary Government	2024			
	Fair Value	12 Months or Less	13-24 Months	25-36 Months
U.S. government agencies	\$ 23,138,299	\$ 4,209,904	\$ 17,957,265	\$ 971,130
U.S. Treasury notes	97,127,330	64,661,490	25,987,129	6,478,711
Certificates of deposit	243,973	243,973	-	-
Total	\$ 120,509,602	\$ 69,115,367	\$ 43,944,394	\$ 7,449,841

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

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

December 31, 2024 and 2023

Note 3 - Deposits and Investments (Continued)

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 rating 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, 2024, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	2024			Rating Organization	2023	
	Carrying Value	Percent	Rating		Carrying Value	Percent
Primary Government						
Federal Home Loan Bank	\$ 22,146,135	0.14 %	Aaa	Moody's	\$ 25,418,474	0.15 %
Freddie Mac	992,164	0.01	AA+	S&P	2,215,424	0.02
COLOTRUST Plus	63,067,357	0.40	AAAam	S&P	98,576,251	0.59
COLOTRUST Edge	72,311,100	0.45	AAAf	Fitch Ratings	40,185,016	0.24
Total	<u>\$ 158,516,756</u>	<u>1.00 %</u>			<u>\$ 166,395,165</u>	<u>1.00 %</u>

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 88 percent and 74 percent of the District's investments as of December 31, 2024 and 2023, respectively.

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.

December 31, 2024 and 2023

Note 3 - Deposits and Investments (Continued)

The District has the following recurring fair value measurements as of December 31, 2024 and 2023:

Assets Measured at Carrying Value on a Recurring Basis at December 31, 2024				
	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, 2024
Investments measured at fair value:				
U.S. government agencies	\$ -	\$ 23,138,299	\$ -	\$ 23,138,299
U.S. Treasury notes	97,127,330	-	-	97,127,330
Certificates of deposit	-	243,973	-	243,973
Total investments measured at fair value	97,127,330	23,382,272	-	120,509,602
Cash equivalents measured at NAV - Local government investment pools:				
COLOTRUST Plus	-	-	-	63,067,357
COLOTRUST Edge	-	-	-	72,311,100
Total cash equivalents measured at NAV - Local government investment pools	-	-	-	135,378,457
Total investments and cash equivalents	\$ 97,127,330	\$ 23,382,272	\$ -	\$ 255,888,059
Assets 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	\$ 81,418,358	\$ 29,094,966	\$ -	\$ 249,274,591

Note 3 - Deposits and Investments (Continued)

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 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, 2024 and 2023, and the COLOTRUST Edge NAV was \$10 as of December 31, 2024 and 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 \$5.9 and \$5.7 million at December 31, 2024 and 2023, respectively.

The board of directors adopted, by ordinance, a rate stabilization cash equivalent balance, which is restricted as specified in its loan agreements and, at December 31, 2024 and 2023, 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 approximately \$7.0 million at December 31, 2024 and 2023.

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, 2024, the unspent bond proceed cash equivalents were \$6,701,480. All such proceeds were liquidated in 2024. As of December 31, 2024, the District does not have any unspent bond proceeds.

See the table below for cash equivalent restrictions:

	2024	2023
Restricted for debt reserve	\$ 5,917,133	\$ 5,708,089
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
	\$ 18,871,301	\$ 25,363,737

December 31, 2024 and 2023

Note 4 - Capital Assets

Capital asset activity of the District was as follows:

	Balance at January 1, 2024	Additions	Adjustments	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 15,538,449	\$ -	\$ 467,626	\$ 16,006,075
Water rights	144,631,598	-	-	144,631,598
Land improvements	3,155,118	-	-	3,155,118
Construction in progress	48,279,730	31,979,058	(68,632,633)	11,626,155
Total capital assets not being depreciated	211,604,895	31,979,058	(68,165,007)	175,418,946
Capital assets being depreciated:				
Buildings	266,134,296	-	19,992,442	286,126,738
Machinery and equipment	138,958,319	-	23,569,794	162,528,113
Vehicles	2,696,320	-	-	2,696,320
Land/Land improvements	29,659,583	-	9,578,071	39,237,654
Rueter-Hess Reservoir	189,169,123	-	-	189,169,123
Infrastructure	248,639,335	15,369,090	15,024,700	279,033,125
Subtotal	875,256,976	15,369,090	68,165,007	958,791,073
Accumulated depreciation:				
Buildings	62,626,646	7,997,114	-	70,623,760
Machinery and equipment	86,561,619	7,863,447	(4,868)	94,420,198
Vehicles	2,380,235	155,055	-	2,535,290
Land improvements	15,420,815	1,966,900	-	17,387,715
Rueter-Hess Reservoir	34,526,014	2,973,852	-	37,499,866
Infrastructure	76,889,032	7,619,944	-	84,508,976
Total accumulated depreciation	278,404,361	28,576,312	(4,868)	306,975,805
Capital assets being depreciated - Net	596,852,615	(13,207,222)	68,169,875	651,815,268
Net capital assets	\$ 808,457,510	\$ 18,771,836	\$ 4,868	\$ 827,234,214

December 31, 2024 and 2023

Note 4 - Capital Assets (Continued)

	Balance at January 1, 2023	Additions	Adjustments	Balance 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
Subtotal	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 improvements	29,428,836	230,747	-	29,659,583
Reuter-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
Infrastructure	69,841,055	7,047,977	-	76,889,032
Machinery and equipment	79,473,473	7,605,561	(517,415)	86,561,619
Reuter-Hess Reservoir	31,588,977	2,937,037	-	34,526,014
Vehicles	2,166,719	213,516	-	2,380,235
Land improvements	14,033,754	1,387,061	-	15,420,815
Subtotal	253,385,053	25,536,723	(517,415)	278,404,361
Net capital assets being depreciated	543,565,725	53,439,372	(152,482)	596,852,615
Net capital assets	<u>\$ 762,180,675</u>	<u>\$ 105,671,185</u>	<u>\$ (59,394,350)</u>	<u>\$ 808,457,510</u>

Depreciation expense was \$28,576,312 and \$25,536,723 for the years ended December 31, 2024 and 2023, respectively.

Included in capital assets above as of December 31, 2024 and 2023 is approximately \$14.1 million and \$13.9 million, respectively, of South Metro WISE Authority assets (as described in Note 2) pertaining to the Authority, of which approximately \$6.0 and \$7.0 million is depreciable infrastructure and approximately \$8.1 million and \$6.9 million is nondepreciable construction in progress as of December 31, 2024 and 2023, respectively.

Construction Commitments

The District has active construction projects at year end. The District had \$1,013,762 and \$3,414,854 in retainage payable as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the District had unexpended construction-related contract commitments of \$13,284,373 and \$10,098,664, respectively.

December 31, 2024 and 2023

Note 5 - Long-term Debt

Long-term debt activity for the years ended December 31, 2024 and 2023 can be summarized as follows:

	Interest Rate Ranges	2024			Due within One Year
		Beginning Balance	Reductions	Ending Balance	
Bonds and parity obligations:					
2002 CWRPDA Clean Water Loan	3.62	\$ 5,911,092	\$ (2,921,199)	\$ 2,989,893	\$ 2,989,895
2012 General Obligation Refunding Bonds -	2.0-5.0	17,695,000	(2,390,000)	15,305,000	-
Add Bond Premium		1,979,731	(219,970)	1,759,761	-
2018 Revenue Bonds -	5.0	33,090,000	(1,120,000)	31,970,000	1,145,000
Add Bond Premium		4,767,712	(250,932)	4,516,780	-
2020 Refunding Bonds -	4.0	53,255,000	(235,000)	53,020,000	245,000
Add Bond Premium		8,000,954	(601,865)	7,399,089	-
2020 General Obligation Refunding Bonds	0.0725-3.062	56,360,000	(1,260,000)	55,100,000	3,760,000
2022 Revenue Bonds -	3.0-5.0	76,760,000	-	76,760,000	1,415,000
Add Bond Premium		12,569,902	(668,233)	11,901,669	-
2022 Refunding Bonds -	3.0-5.0	4,405,000	(545,000)	3,860,000	565,000
Add Bond Premium		617,322	(140,650)	476,672	-
Total bonds and parity obligations		275,411,713	(10,352,849)	265,058,864	10,119,895
Notes from direct borrowings:					
2014 CWCB Loan A	2.75	2,937,470	(209,935)	2,727,535	215,710
2014 CWCB Loan B	2.75	4,751,861	(240,431)	4,511,430	247,042
2014 CWCB Loan C	2.75	3,288,163	(134,085)	3,154,078	137,772
2014 CWCB Loan D	2.75	665,907	-	665,907	25,416
Canyons Note Payable -	0.00	6,890,439	-	6,890,439	6,890,439
Add Bond Premium		444,937	-	444,937	444,937
Total from direct borrowings		18,978,777	(584,451)	18,394,326	7,961,316
Total long-term debt - Net		\$ 294,390,490	\$ (10,937,300)	\$ 283,453,190	\$ 18,081,211

December 31, 2024 and 2023

Note 5 - Long-term Debt (Continued)

	Interest Rate Ranges	2023			
		Beginning Balance	Reductions	Ending Balance	Due within One Year
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	0.00	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	0.00	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	0.00	1,903,167	(86,508)	1,816,659	-
2020 Refunding Bonds -	4.0	40,570,000	-	40,570,000	-
Add Bond Premium	0.00	6,699,652	(515,357)	6,184,295	-
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	0.00	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	0.00	768,953	(151,631)	617,322	-
Total bonds and parity obligations		285,519,693	(10,107,980)	275,411,713	8,464,836
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	0.00	661,526	(216,589)	444,937	-
Total long-term debt - Net		\$ 305,067,280	\$ (10,676,789)	\$ 294,390,491	\$ 9,074,705

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.

General Obligation Refunding Bonds, Series 2012, Dated December 27, 2012 - On May 4, 2004, voters of the District authorized the District to levy property taxes to pay this debt. Principal payments are due on August 1. During 2024 and 2023, the District recognized \$5,611,939 and \$5,488,508, 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.

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, 2024 and 2023, 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 terms of 20 years.

Note 5 - Long-term Debt (Continued)

During the fiscal year ended December 31, 2014, the District approved Contract Loan B for an amount of \$6,785,321 for the Phase 1 Infrastructure. As of December 31, 2024 and 2023, the District has borrowed \$665,907. 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, 2024 and 2023, 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 terms 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, 2024 and 2023, 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 terms of 20 years. As of December 31, 2024, 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 repayment term of 20 years.

Canyons 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, 2024 and 2023, 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 \$221,309 and \$444,937 as of December 31, 2024 and 2023, 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
2025	\$ 10,119,895	\$ 8,974,152	\$ 7,516,379	\$ 302,873
2026	10,235,000	8,747,895	644,610	285,613
2027	10,580,000	8,391,922	662,337	267,879
2028	10,950,000	8,018,124	680,552	249,656
2029	11,365,000	7,594,435	699,267	230,933
2030-2034	65,375,000	30,920,508	3,795,578	855,292
2035-2039	57,240,000	18,876,154	3,135,250	352,511
2040-2044	31,760,000	9,687,572	815,416	78,665
2045-2049	18,445,000	4,858,400	-	-
2050-2052	12,934,998	1,048,200	-	-
Total	<u>\$ 239,004,893</u>	<u>\$ 107,117,362</u>	<u>\$ 17,949,389</u>	<u>\$ 2,623,422</u>

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's (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, 2024 and 2023.

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, 2024 and 2023 were approximately \$1,029,000 and \$919,000, respectively. Contributions made by plan members were approximately \$973,000 and \$882,000, 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 \$454,000 for 2024 and \$362,000 for 2023.

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

Parker Water and Sanitation District
For the Year Ended December 31, 2024

Allowable Revenues	
Total User Fees (including other operating income)	\$ 45,968,146
Farm Land Revenue	348,189
Net Investment Income	13,098,064
Other Income	5,534,170
Property Taxes (sewer operating)	1,495,503
Specific Ownership Taxes	545,214
Total Allowable Revenues	\$ 66,989,286
System Fees	
System Development Fees	\$ 16,137,568
Water Resource Fees	737,500
Water Resource System Development Fees	9,576,226
Total System Fees	\$ 26,451,294
Allowable System Fees for coverage not exceeding 15% of Allowable Revenue	\$ 10,048,393
Total Revenues per Covenant	\$ 77,037,679
Operating Expenses	
Operating Expenses (less depreciation)	\$ 36,660,954
Farm Land Expenses	204,095
Total Operating and Maintenance Expenses	\$ 36,865,049
Revenue Available for Debt Service	\$ 40,172,630
Current Year Debt Service	
Revenue Bond and CWRPDA loans Total	\$ 12,163,942
Total Debt Using Revenue Pledge	\$ 12,163,942
Coverage per Rate Covenant Calculation (minimum 110%)	3.30
Coverage without consideration of System Fees (minimum 100%)	2.48

Source: Parker Water & Sanitation District

Parker Water and Sanitation District
Debt Service Coverage for CWCB Loan
For the Year Ended December 31, 2024

Allowable Revenues	
Total User Fees (including other operating income)	\$ 45,968,146
Farm Land Revenue	348,189
Net Investment Income	13,098,064
Other Income	5,534,170
Property Taxes (sewer operating)	1,495,503
Specific Ownership Taxes	545,214
Total Allowable Revenues	\$ 66,989,286
Maximum Revenue Permitted including System Fees	\$ 74,432,540
System Fees	
Tap fees	\$ 16,137,568
Water Resource Fees	737,500
System Development Fees	9,576,226
Total System Fees	\$ 26,451,294
Allowable System Fees for coverage calculation (no more than 10% of Total Revenue Maximum)	\$ 7,443,254
Total Calculated Revenues	\$ 74,432,540
Operating Expenses	
Operating Expenses (less depreciation)	\$ 36,660,954
Farm Land Expenses	204,095
Total Operating and Maintenance Expenses	\$ 36,865,049
Revenue Available for Debt Service	\$ 37,567,491
Current Year Debt Service	
Revenue Bond Total (Existing)	\$ 12,163,942
CWCB Loans	886,333
Total Current Year Debt Service	13,050,275
Total Debt Using Revenue Pledge	\$ 13,050,275
Coverage per Rate Covenant Calculation	2.88

Source: Parker Water & Sanitation District

History of Customer Accounts and SFEs Served

Year	Number of Accounts	Percent Change	SFEs Served	Percent Change
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%
2024	21,397	3.8%	26,395	3.9%

Source: Parker Water & Sanitation District

The following table sets forth water sales, by category, for calendar year 2024

Category	Annual Usage (Gallons)	Percent of Total Usage
Residential/Multifamily	2,188,265,093	72.2%
Irrigation/Commercial	690,785,456	22.8%
Bulk	150,604,130	5.0%
Total	3,029,654,679	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, 2015-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues										
Charges for Services	\$ 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	\$ 44,008,055
Other Operating Income	435,221	447,332	502,634	1,889,347	1,033,404	1,547,033	1,319,408	1,431,643	1,562,989	1,496,857
Total	24,433,486	26,508,552	27,884,848	32,145,059	31,221,374	36,000,932	36,558,356	39,460,834	39,279,983	45,504,912
Operating Expenses										
Salaries	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	10,887,159
Employee Benefits	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	4,367,150
Insurance	193,432	229,541	190,430	261,779	267,030	308,515	232,155	272,483	326,721	396,665
Professional Services	1,237,228	848,793	1,093,030	1,491,433	1,695,390	2,697,352	2,306,994	2,569,808	2,362,633	1,956,097
Support Services	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	4,096,955
Utilities	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	5,937,044
Contract Labor & Maintenance	1,737,555	930,331	1,299,053	2,296,077	1,841,571	2,355,746	2,355,746	2,639,961	2,967,563	4,124,208
Supplies	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	3,871,674
Community Education	42,908	47,624	46,272	37,167	47,813	128,277	49,451	72,304	87,917	62,387
Information Technology	352,241	322,885	194,573	226,267	273,966	287,490	306,459	289,386	420,722	571,778
Administrative	601,436	369,372	199,149	367,400	419,458	225,409	291,885	265,333	443,808	390,939
Depreciation	12,157,714	14,299,762	14,815,799	15,916,009	18,885,762	19,741,456	20,032,175	22,115,803	25,536,723	28,576,312
Total	29,995,278	32,743,205	33,567,625	37,569,816	43,298,158	45,924,343	47,805,963	53,576,990	58,320,034	65,238,367
Operating (Loss)	(5,561,792)	(6,234,653)	(5,682,777)	(5,424,757)	(12,076,784)	(9,923,411)	(11,247,607)	(14,116,156)	(19,040,051)	(19,733,455)
Nonoperating Revenues (Expenses)										
Property Taxes	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	6,983,393
Specific Ownership Taxes	445,902	444,824	576,104	643,057	650,505	590,755	677,881	629,511	669,439	545,214
County Treasurer's Collection Fees	-	-	-	-	-	-	-	-	-	-
Farm Land Revenue	428,488	373,319	375,103	374,096	419,433	315,197	372,382	388,918	343,853	348,188
Farm Land Expenses/Water Resource Farms	(221,411)	(223,882)	(201,185)	(208,625)	(185,580)	(201,986)	(190,872)	(275,043)	(148,778)	(202,992)
Net Investment Income	388,011	575,752	852,051	2,394,344	4,166,522	1,833,705	13,793	930,094	12,313,992	13,027,731
Interest Expense/Fees	(7,136,802)	(7,529,530)	(6,456,848)	(9,034,371)	(9,307,853)	(9,987,332)	(6,088,586)	(6,887,439)	(8,343,457)	(8,032,999)
Gain (Loss) on Disposal of Assets	48,811	(2,457,442)	(330,348)	66,261	484,718	81,270	27,293	-	(119,832)	-
Other Income	2,203,310	5,508,244	23,209,256	8,040,303	2,042,863	2,499,920	1,675,702	3,584,379	1,161,359	6,067,735
Total	671,573	1,378,550	23,108,024	8,127,798	4,480,607	1,625,027	3,113,014	5,118,102	12,706,557	18,736,270
Gain (Loss) Before Capital Contributions	(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)	(997,185)
Capital Contributions										
System Development Fees	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	16,137,568
Contributed Assets from Developers	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	18,431,237
Water Resource Fees	1,165,000	2,330,000	1,290,000	2,215,000	1,665,000	1,090,000	1,167,736	890,000	751,000	737,500
Water Resource System Development Fees	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	9,576,226
Total	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	44,882,531
Change in Net Position	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	43,885,347
Net Position at Beginning 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
Restatements	-	-	-	-	-	-	-	-	-	-
Net Position at End of Year	\$ 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	\$ 813,240,107

Source: Parker Water & Sanitation District

History of Water and Sewer Connection Fees per SFE

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential Water Connection Fees	\$ 21,800	\$ 21,870	\$ 22,110	\$ 23,040	\$ 24,470	\$ 29,000	\$ 29,000	\$ 33,800	\$ 37,000	\$ 39,740
Residential Sewer Connection Fees	3,500	3,510	3,550	3,700	5,000	6,800	6,800	7,200	9,700	10,420
Total	<u>\$ 25,300</u>	<u>\$ 25,380</u>	<u>\$ 25,660</u>	<u>\$ 26,740</u>	<u>\$ 29,470</u>	<u>\$ 35,800</u>	<u>\$ 35,800</u>	<u>\$ 41,000</u>	<u>\$ 46,700</u>	<u>\$ 50,160</u>

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

Source: Parker Water & Sanitation District

Table 4

Historical Connection Fee Revenues

<u>Year</u>	<u>Connection Fee Revenue</u>
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	38,456,952
2023	51,252,100
2024	26,451,294

Source: Parker Water & Sanitation District

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

Levy/Collection Year	Assessed Valuation	Percent Change	Mill Levy	Taxes Levied ¹	Taxes Collected ²	Collection Percentage ³
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%
2023/2024	1,194,943,096	32.6%	5.901	7,051,360	6,983,393	99.0%

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 2024

Taxpayer Name (subdivision)	Assessed Valuation	Percentage of Total Assessed Valuation ¹
Shea Canyons	18,871,830.00	1.53%
SH Lyric	12,594,200.00	1.02%
Canyons Multifamily Owner	8,056,750.00	0.65%
SE Artisan Briargate & SE Paragon Briargate	7,294,620.00	0.59%
Comcast of Colorado	7,075,570.00	0.57%
Toll Southwest	7,045,720.00	0.57%
Mainstreet RE Investors	6,868,170.00	0.56%
Denver Pope Family	6,633,040.00	0.54%
20 Mile Road Parker CO	6,598,830.00	0.53%
Cherry Creek Colorado I & Cherry Creek Colorado II	6,396,830.00	0.52%
Total	87,435,560.00	7.07%

¹Based on a 2024 net certified assessed valuation of \$1,236,179,410

Source: Douglas County Assessor's Office

**Maximum Tax Levy Applicable To Properties
Located in the District
For 2024 Taxes Due in 2025**

Government Unit	Mill Levy
Canyons Metro District 2	71.732
Canyons Metro District 3	57.382
Douglas County Re-1 School District	40.324
Douglas County Government	18.726
City of Castle Pines	16.500
South Metro Fire Rescue Fire Protection District	9.290
Parker Water & Sanitation District	5.778
Douglas County Schools - Debt Service	5.204
Douglas Public Library District	4.000
Urban Drainage & Flood Control District	0.900
Cherry Creek Basin Water Quality Authority	0.430
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	230.366

Source: Douglas County Assessor's Office

**Outstanding Debt of the District
as of 12/31/24**

Name of Issue	Amount Outstanding	Year of Final Maturity
CWRPDA Wastewater Loan, Series 2002	2,989,894	2025
General Obligation Revenue Refunding Bonds, Series 2012 ¹	15,305,000	2032
CWCB Loan A	2,727,533	2035
CWCB Loan B	4,511,431	2039
CWCB Loan C	3,154,077	2042
CWCB Loan D	665,906	2042
2018 Water & Wastewater Revenue Bond	31,970,000	2042
General Obligation Revenue Bonds, Series 2020	55,100,000	2040
Refunding and Improvement Revenue Bonds, Series 2020 ²	53,020,000	2044
2022 Revenue Bond	76,760,000	2030
2022 Refunding Revenue Bond	3,860,000	2052
Total ³	\$ 250,063,840	

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

Year	Principal	Interest	Total
2025	\$ 10,747,252	\$ 9,277,024	\$ 20,024,276
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	12,064,267	7,825,368	19,889,634
2030-2034	69,170,578	31,775,800	100,946,378
2035-2039	60,375,250	19,228,665	79,603,915
2040-2044	32,573,995	9,766,238	42,340,233
2045-2049	18,445,000	4,858,400	23,303,400
2050-2052	12,935,000	1,048,200	13,983,200
Total ¹	\$ 250,063,840	\$ 109,740,783	\$ 359,804,623

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 12/31/2024 the loan was not closed and the project was not substantially complete.

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

	Bonds and Parity Obligations		Direct Borrowings ¹	
	Principal	Interest	Principal	Interest
2025	10,119,894	8,974,152	627,358	302,873
2026	10,235,000	8,747,895	644,610	285,613
2027	10,580,000	8,391,922	662,337	267,879
2028	10,950,000	8,018,124	680,552	249,656
2029	11,365,000	7,594,435	699,267	230,933
2030-2034	65,375,000	30,920,508	3,795,578	855,292
2035-2039	57,240,000	18,876,154	3,135,250	352,511
2040-2044	31,760,000	9,687,572	813,995	78,666
2045-2049	18,445,000	4,858,400		
2050-2052	12,935,000	1,048,200		
	<u>239,004,894</u>	<u>107,117,361</u>	<u>11,058,946</u>	<u>2,623,422</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 12/31/2024 the loan was not closed and the project was not substantially complete.

²Principal Reduction (credit) on 2025 obligations when compared to prior years

**Estimated Overlapping Debt Schedule
as of December 31, 2024**

Overlapping Entity	Outstanding General Obligation Debt ¹	Percentage Applicable to the District ²	Share of Debt Applicable to the District
³ Antelope Heights Metropolitan District.	\$ -	100.00%	-
Canterberry Crossing Metro	6,665,000	100.00%	6,665,000
Canterberry Crossing Metro. II	7,205,000	100.00%	7,205,000
Canyons Metropolitan District No. 3	31,270,000	100.00%	31,270,000
Canyons Metropolitan District No. 5	136,144,000	100.00%	136,144,000
³ Canyons Metropolitan District No. 6	-	100.00%	-
Carousel Farms Metro District	3,162,500	100.00%	3,162,500
Cielo Metro District	17,942,000	99.96%	17,934,990
Douglas County Schools	524,161,050	12.07%	63,279,990
Horse Creek Metropolitan District	3,305,000	100.00%	3,305,000
Horseshoe Ridge Metropolitan District No. 1	3,733,000	100.00%	3,733,000
Jordan Crossing Metropolitan District	1,305,000	100.00%	1,305,000
Lincoln Creek Metropolitan District	5,500,000	100.00%	5,500,000
Lincoln Meadows Metropolitan District	11,299,000	100.00%	11,299,000
Meadowlark Metro District	8,355,000	100.00%	8,355,000
Neu Towne Metropolitan District	11,775,000	100.00%	11,775,000
Overlook Metropolitan District	7,578,000	100.00%	7,578,000
Parker Automotive Metropolitan District	6,719,416	100.00%	6,719,416
Parker Homestead Metropolitan District	7,325,000	100.00%	7,325,000
Pine Bluffs Metropolitan District	3,055,000	100.00%	3,055,000
³ Rampart Range District No. 1	-	80.52%	-
³ Rampart Range District No. 5	-	99.98%	-
Reata North Metropolitan District	7,905,000	100.00%	7,905,000
Reata Ridge Village Metropolitan District 2	4,405,000	100.00%	4,405,000
Regency Metropolitan District	3,665,000	100.00%	3,665,000
Robinson Ranch Metropolitan District	985,000	100.00%	985,000
Salisbury Heights Metro District	2,675,000	100.00%	2,675,000
Sierra Ridge Metropolitan District 2	23,515,000	100.00%	23,515,000
South Suburban Park & Recreation District	8,035,200	2.17%	174,169
Stonegate North Villages Metro District	27,915,000	0.005%	1,269
Tallman Gulch Metropolitan District	13,000,000	100.00%	13,000,000
Village on the Green Metropolitan District No. 1	1,129,000	100.00%	1,129,000
Villas Metropolitan District	4,125,000	100.00%	4,125,000
Westcreek Metropolitan District No. 2	7,700,000	100.00%	7,700,000
	<u>901,553,166</u>		<u>404,890,335</u>

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

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

³ Did not report or debt is \$0 vs the balance reported in the prior year report.

Source: Douglas County and Overlapping Districts

Selected Debt Ratios of the District as of December 31, 2024

Total Actual Value of All Real Property	\$ 14,655,855,908
Net Total Taxable Assessed Valuation	\$ 1,236,179,410
Net General Obligation Direct Debt	\$ 70,405,000
Estimated Overlapping Debt	\$ 404,890,335
<hr/>	
Total Net Direct and Estimated Overlapping Debt	\$ 475,295,335
Ratio of Net General Obligation Direct Debt to Actual Value	0.48%
Ratio of Net General Obligation Direct Debt to Assessed Valuation	5.70%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Actual Valuation	3.24%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Assessed Valuation	38.45%
Total Net General Obligation Direct Debt per Capita ¹	\$ 1,085
Net Direct and Estimated Overlapping Debt per Capita ¹	\$ 7,324
Estimated Actual Valuation per Capita ¹	\$ 225,826
Assessed Valuation per Capita ¹	\$ 19,048

¹Estimated District population: 64,899

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

History of Assessed Valuations and Mill Levies for the District

Levy/Collection Year	Assessed Values				Mill Levies		
	Net Assessed Valuation	Percent Change	Assessed Value Attributable to Tax Increment	Gross Assessed Valuation	General Fund	Debt Fund	Total Levy
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
2024/2025	1,236,179,410	3.5%	45,102,760	1,281,282,170	1.271	4.507	5.778

Source: Douglas County Assessor's Office

Property Tax Collections for the District

Levy/ Collection Year	Taxes Levies	Current Tax Collections	Collection Rate
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%
2023/2024	7,051,360	6,983,393	99.04%

Source: Douglas County Assessor's Office

2024 Assessed Valuation of Classes of Property in the District

Property Class	2024 Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	\$ 895,841,330	69.92%
Commercial	259,059,540	20.22%
Vacant	64,824,490	5.06%
State Assessed	21,702,800	1.69%
Industrial	39,580,410	3.09%
Agricultural	266,070	0.02%
Natural Resources	7,530	0.00%
Total	\$ 1,281,282,170	100.00%

Source: Douglas County Assessor's Office

Budget Summary and Comparison - Budgetary Basis

	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual
Revenues										
Charges for services	\$ 31,729,670	\$ 34,453,899	\$ 32,518,100	\$ 35,238,948	\$ 42,486,520	\$ 38,029,191	\$ 41,125,400	\$ 37,716,994	42,118,190	\$ 44,008,055
Operating tax revenue	1,442,670	1,759,533	1,509,240	1,870,367	1,603,200	1,844,118	1,695,800	2,010,912	1,890,700	1,916,668
Other operating income	1,422,000	1,547,033	1,329,500	1,319,407	1,329,500	1,431,643	1,265,250	1,562,989	1,506,580	1,496,857
Interest income	2,400,000	1,833,705	607,000	13,793	149,500	930,094	3,553,080	12,313,992	6,592,000	13,027,731
Other Non-operating income	658,000	2,499,920	1,015,000	1,675,702	2,389,120	3,069,113	898,000	1,161,359	918,500	5,379,993
Rueter-Hess mill levy	5,490,080	5,324,720	5,489,990	5,432,935	4,415,730	5,533,075	5,490,690	5,488,508	5,440,400	5,611,939
System development fees	11,170,650	14,331,560	11,770,750	34,261,318	19,217,520	21,653,424	12,430,700	31,317,500	15,485,080	16,137,568
Water resource fees	200,000	1,090,000	500,000	1,167,736	500,000	890,000	500,000	751,000	475,000	737,500
Water resource system development fees	10,564,500	12,152,860	9,363,000	26,040,229	15,230,000	15,916,528	9,174,900	19,183,600	9,868,320	9,576,226
Farm income	375,000	315,197	298,600	372,382	298,600	388,918	380,000	343,853	398,600	348,188
Transfer-Rate funded capital	9,000,000	9,000,000	13,000,000	13,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Bond proceeds	18,600,000	124,381,550	3,400,000	3,115,754	92,400,000	90,269,056	-	-	-	-
Other revenue/reimbursements	10,403,580		7,729,450	7,335,376	3,409,450	515,272	8,222,700	(119,832)	8,766,000	687,742
Total revenues	\$ 103,456,150	\$ 208,689,977	\$ 88,530,630	\$ 130,843,947	\$ 187,429,140	\$ 184,470,432	\$ 88,736,520	\$ 115,730,875	\$ 97,459,370	\$ 102,928,467
Expenditures										
Salaries	\$ 7,544,168	\$ 7,108,886	\$ 8,077,477	\$ 7,826,277	\$ 9,040,606	\$ 8,425,160	\$ 9,928,929	\$ 9,696,880	10,961,901	\$ 10,887,159
Employee benefits	3,515,436	2,914,778	3,486,474	3,055,447	3,980,768	3,259,363	4,326,126	3,876,180	4,690,840	4,367,150
Insurance	211,620	308,515	233,610	232,155	293,150	272,483	285,000	326,721	373,630	396,665
Professional services	2,633,000	2,697,352	2,679,500	2,306,994	3,090,350	2,569,808	2,683,500	2,362,633	3,150,100	1,956,097
Support services	4,136,830	3,419,245	5,329,230	3,682,851	6,704,250	4,882,125	5,659,190	3,763,294	5,708,630	4,096,955
Utilities	3,340,000	3,974,143	3,671,000	4,419,936	4,664,700	5,171,918	4,482,800	5,330,945	5,383,000	5,937,044
Contract labor & maintenance	2,368,850	2,355,746	2,379,540	2,355,746	4,386,550	2,639,961	2,398,200	2,967,563	2,814,250	4,124,208
Supplies and Chemicals	3,020,380	2,762,956	2,941,060	3,246,587	3,336,080	3,613,346	4,175,140	3,506,648	4,112,000	3,871,674
Community education	135,160	128,277	192,000	49,451	154,200	72,304	152,800	87,917	192,100	62,387
Information technology	343,700	287,489	418,500	306,459	437,600	289,387	495,400	420,722	536,940	571,778
Water resource farms	206,000	201,986	216,000	190,872	216,000	275,043	216,000	148,778	219,550	202,992
Administrative	361,530	225,501	244,950	291,885	372,250	265,333	377,160	510,211	394,690	390,939
Transfer-Rate funded capital	9,000,000	9,000,000	13,000,000	13,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Debt service	14,820,430	127,053,513	16,987,000	16,643,601	19,803,200	19,664,370	18,700,630	18,773,982	18,796,690	18,705,872
Capital outlay	51,527,750	70,479,836	69,801,700	49,861,028	77,676,000	51,162,299	65,473,000	51,618,824	53,190,300	28,901,323
Total expenditures	\$ 103,164,854	\$ 232,918,223	\$ 129,658,041	\$ 107,469,289	\$ 138,155,704	\$ 106,562,900	\$ 123,353,875	\$ 107,391,298	\$ 114,524,621	\$ 88,472,243
Excess Revenues over Expenditures	\$ 291,296	\$ (24,228,246)	\$ (41,127,411)	\$ 23,374,658	\$ 49,273,436	\$ 77,907,532	\$ (34,617,355)	\$ 8,339,577	\$ (17,065,251)	\$ 14,456,225

Source: Parker Water & Sanitation District

History of Net Pledged Revenues and Debt Service Coverage

Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Pledged Revenues										
Operating Revenues	\$ 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	\$ 45,968,146
Non-Operating Revenues	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	18,632,234
Connection Fees	<u>20,069,900</u>	<u>19,886,970</u>	<u>20,879,590</u>	<u>23,947,210</u>	<u>21,555,030</u>	<u>27,574,420</u>	<u>61,469,283</u>	<u>38,459,952</u>	<u>51,252,100</u>	<u>26,451,294</u>
Total Gross Pledged Revenues	\$ 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	\$ 91,051,674
Operation & Maintenance Expenses	\$ 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	\$ 36,660,954
Less: Property taxes	<u>(1,258,565)</u>	<u>(1,288,432)</u>	<u>(1,491,127)</u>	<u>(1,696,502)</u>	<u>(1,821,021)</u>	<u>(1,759,533)</u>	<u>(1,870,786)</u>	<u>(1,844,118)</u>	<u>(2,010,912)</u>	<u>(2,040,717)</u>
Net O&M Expenses	\$ 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	\$ 34,620,237
Net Pledged Revenues	\$ 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	\$ 56,431,437
Historical Debt Service Paid	\$ 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	\$ 13,050,275
Coverage	3.69x	2.86x	4.49x	4.51x	3.73x	5.01x	6.61x	3.95x	5.59x	4.32x

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 & SANITATION DISTRICT
District Rate and Fee Schedule
2024

Tap & Development Fee Schedule

Meter Size	Water SDF	Sewer SDF	Water Resources SDF
3/4"	\$ 21,050	\$ 10,420	\$ 18,690
1"	\$ 42,100	\$ 20,840	\$ 37,380
1 1/2"	\$ 84,200	\$ 41,680	\$ 74,760
2"	\$ 147,350	\$ 72,940	\$ 130,830
3"	\$ 336,800	\$ 166,720	\$ 299,040

Water Rates
2024

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

Water Service Fee	\$ 35.02
Long-term Water Fee	\$ 1.50
Tier 1 Per 1,000 gallons for first 6,000 gallons	\$ 2.63
Tier 2 Per each additional 1,000 gallons up to and including 20,000 gallons	\$ 5.13
Tier 3 Per each additional 1,000 gallons in excess of 20,000 gallons	\$ 10.57

Sewer Rates
2024

Per Single Family Equivalent (per month)

Sewer Service Fee	\$ 13.55
Per 1,000 Gallons*	\$ 10.27

*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](https://www.pwsd.org)

To view the entire 2024 rates and fees please visit: <https://www.pwsd.org/DocumentCenter/View/3890/2024-PWSD-Budget-PDF>

Top 10 Customers of the District

2024	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		\$ 3,532,600	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