Parker Water and Sanitation District

Douglas County, Colorado

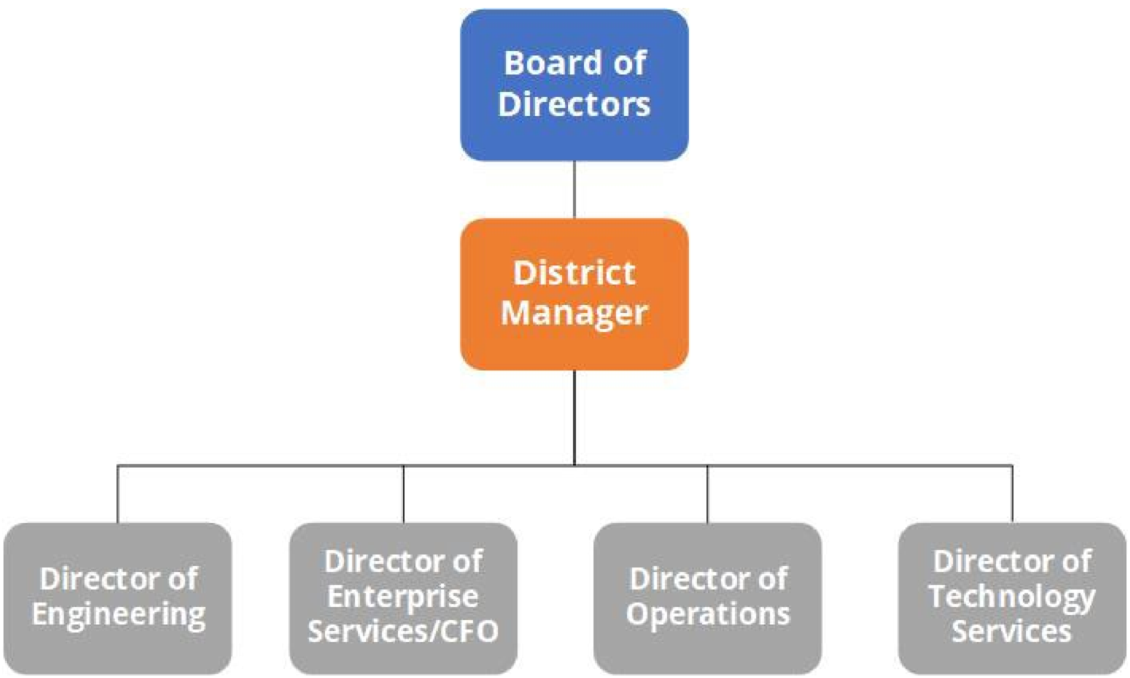
Financial Report
with Supplementary Information
December 31, 2025

Contents

District Board of Directors

Board Member	Position	Principal Occupation	Director Since	Current Term Expires
Merlin Klotz	Board Chair	Public Official and 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	2029
Brooke Booth	Secretary	Educator and Realtor	2022	2029

Organizational Chart
January 1, 2026



Principal Officers:

District Manager: Ron Redd, P.E.
Director of Engineering: Adam Monchak, P.E.
Director of Enterprise Resources/CFO: Jason Leslie, MBA
Director of Operations: James Roche
Director of Information Technology: Jared Mann, MSIT

Plante & Moran, PLLC
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3000 Town Center, Suite 100
Southfield, MI 48075
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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, 2025 and 2024 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, 2025 and 2024 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.

Additional Information

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

Plante & Moran, PLLC

June 15, 2026

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, 2025 and 2024. Please read this analysis in conjunction with the District's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- At December 31, 2025 total assets and deferred outflows of resources of the District exceeded total liabilities and deferred inflows of resources by $849,829,504 (net position). Of this amount, $262,508,187 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Restricted net position of $21,037,219 is restricted for debt service, debt service reserves, and other operating and capital reserves. At December 31, 2024 the amounts are $813,240,107 (net position), $248,063,992 (unrestricted) and $18,871,301 (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 2025, the monthly water service charge for residential, multi-family, commercial, and irrigation accounts remained unchanged at $35.02 when compared to 2024 and the monthly sewer service charge remained unchanged at $13.55 in 2025 when compared to 2024. See page 55 for a full schedule of fees.

- The District collected tap fees from new construction for 807 Single Family Equivalents (SFE's) during 2025 compared to 555 in 2024.

- 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 2025 mill levy for operations was 1.727 mills, less a temporary mill levy rate reduction of 0.456 mills, for a total of 1.271 mills. The certified 2026 mill levy for operations of 1.727 mills was also temporarily reduced to 1.323 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 2025 mill levy for the general obligation debt associated with the construction of the Rueter-Hess Reservoir was 4.507 mills and the 2026 mill levy has been set at 4.448 mills. In 2025, 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 $9,942,840 in 2025, $18,431,238 in 2024, and $20,257,768 in 2023.

- At December 31, 2025, the District's total debt service rate covenant calculation is 417 percent, compared to 432 percent at December 31, 2024 and 559 percent at December 31, 2023. 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 CWCB which limits the amount of system fees included in the calculation of revenue available for debt service. See Supplementary Information section for additional debt service calculations.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The ***Statement of Net Position*** presents information on 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.

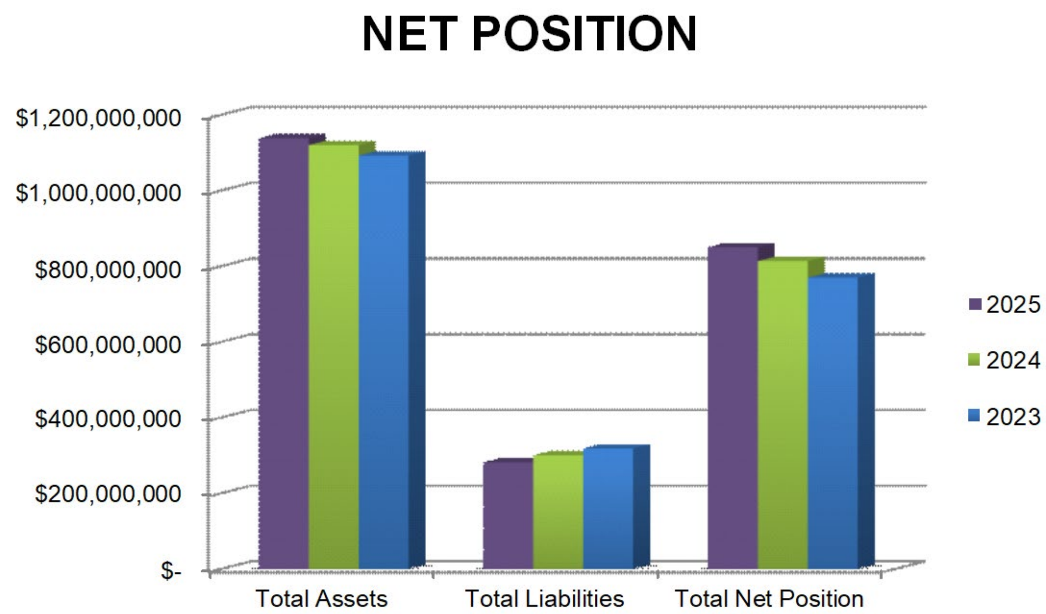
FINANCIAL SUMMARY AND ANALYSIS

NET POSITION

During 2025, net position increased $36,589,397 from 2024 to $849,829,504 primarily due to an increase in both cash on hand and capital assets, and a reduction in overall liabilities. Furthermore, investment rates decreased during 2025 and the District experienced a reduction in its return on its governmental investments. Total Liabilities decreased year over year mainly due to lower bonds and notes payable principal balances as well as the return of developer deposits. The District's current liabilities decreased nearly $6.1 Million year over year because of a decrease in deposits and outstanding notes payable, partially offset by an increase in Accounts Payable. In 2024, net position increased $43,885,346 from 2023 to $813,270,107. This increase was primarily due to an increase in cash on hand, as well as an increase in investment in capital assets, and a reduction in overall liabilities.

CONDENSED STATEMENT OF NET POSITION

	2025	2024	2023
Assets			
Current Assets	$ 283,751,754	$ 273,494,358	$ 258,248,655
Noncurrent Assets	21,037,219	18,876,771	25,370,720
Capital Assets	832,990,707	827,234,214	808,457,510
Total assets	1,137,779,680	1,119,605,343	1,092,076,885
Deferred outflows of resources			
Deferred charge on refunding	2,053,896	2,300,162	2,546,429
Liabilities			
Current liabilities	28,222,693	34,329,214	32,410,366
Noncurrent Liabilities	253,180,207	265,846,689	285,806,827
Total liabilities	281,402,900	300,175,903	318,217,193
Deferred inflows of resources			
Unavailable revenue - property taxes	7,236,359	7,140,993	7,051,360
Lease Revenue	1,364,813	1,348,502	-
Net position			
Net investment in capital assets	566,284,098	546,304,814	516,549,504
Restricted	21,037,219	18,871,301	18,662,257
Unrestricted	262,508,187	248,063,992	234,143,000
Total net position	$ 849,829,504	$ 813,240,107	$ 769,354,761

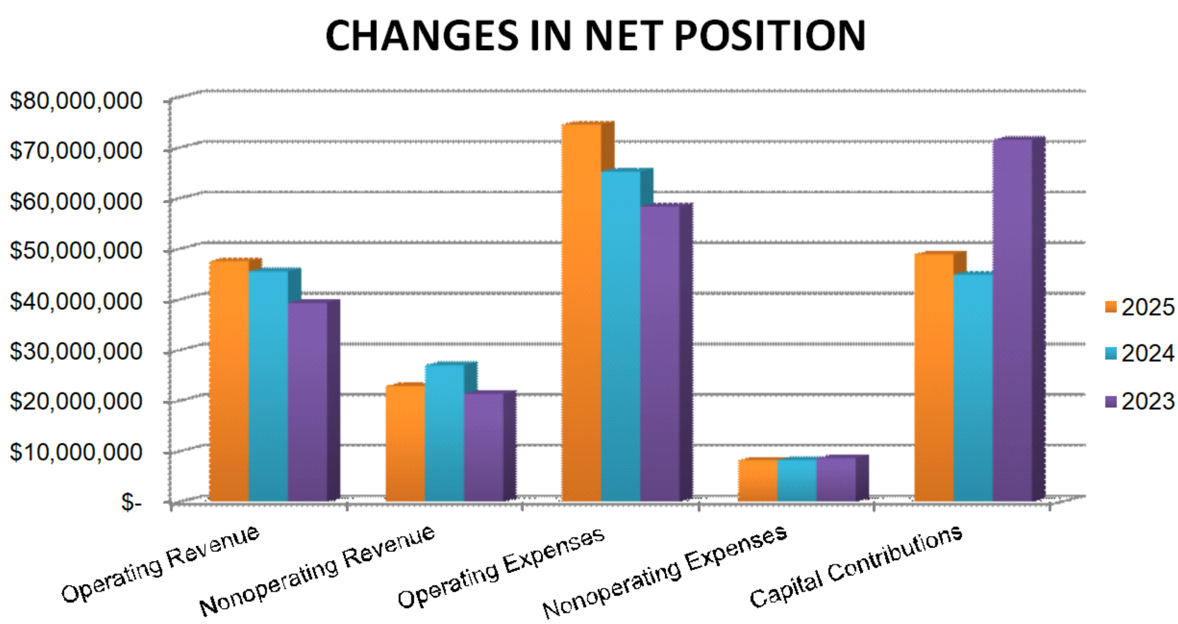


CHANGES IN REVENUES, EXPENDITURES AND NET POSITION

For 2025, total operating revenue increased by $2,028,983 to $47,533,896 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 decreased $4,048,557 to $22,923,705 mainly due to a decrease in Net Investment Income and an award from a PFAS Settlement in the prior year. Capital contributions, or system connection fees collected from new development within the District totaled $38,956,813 and contributed assets from developers was $9,942,840. For 2024, total operating revenue increased by $6,224,939 to $45,504,913 mainly due to consumption and an increase in charges for water and wastewater services. In addition, Non-Operating revenue increased $5,653,411 mainly due to higher Net Investment Income and an 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 were $18,431,238.

SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

	2025	2024	2023
REVENUES			
Operating Revenue	$ 47,533,896	$ 45,504,913	$ 39,279,984
Non-Operating Revenues:			
Property Taxes	7,001,727	6,983,392	6,829,981
Net Investment Income	12,166,179	13,027,732	12,313,993
Farm Land Revenue	347,808	348,189	343,853
Gain on Extinguishment of Debt			
Specific Ownership Taxes	569,823	545,214	669,439
Inclusion Fees	-	691,193	115,400
Other	2,775,976	5,376,542	1,045,960
Total Non-Operating Revenue	22,861,513	26,972,262	21,318,626
TOTAL REVENUES	**$ 70,395,409**	$ 72,477,175	$ 60,598,610
Expenses:			
Operating:			
Salaries & Benefits	$ 17,184,930	$ 15,254,309	$ 13,573,074
Insurance	500,622	396,665	326,721
Professional and Support Services	8,657,888	6,115,440	6,216,377
Utilities	6,005,691	5,937,044	5,330,945
Contract Labor and Maintenance	4,465,687	4,124,208	2,965,028
Chemicals and Supplies	4,012,541	3,871,674	3,506,647
IT	591,342	571,777	420,722
Administrative and Miscellaneous	497,878	390,939	443,802
Depreciation	32,616,372	28,576,312	25,536,723
Total Operating Expenses	$ 74,532,951	$ 65,238,368	$ 58,320,039
Non-Operating expenses:			
Water Resource Farms	$ 305,250	$ 202,993	$ 148,778
Interest Expense and Loan Fees	7,929,656	8,033,000	8,343,455
(Gain) Loss on Disposal of Assets	(62,192)	-	119,832
Total Non-Operating Expenses	$ 8,172,714	$ 8,235,993	$ 8,612,065
TOTAL EXPENSE	**$ 82,705,665**	$ 73,474,361	$ 66,932,104
Gain(Loss) Before Capital Contributions	(12,310,256)	(997,186)	(6,333,494)
Capital Contributions	48,899,653	44,882,532	71,509,868
CHANGE IN NET POSITION	$ 36,589,397	$ 43,885,346	$ 65,176,374
Net Position, beginning of year	813,240,107	769,354,761	704,178,387
Net Position, end of year	**$ 849,829,504**	$ 813,240,107	$ 769,354,761

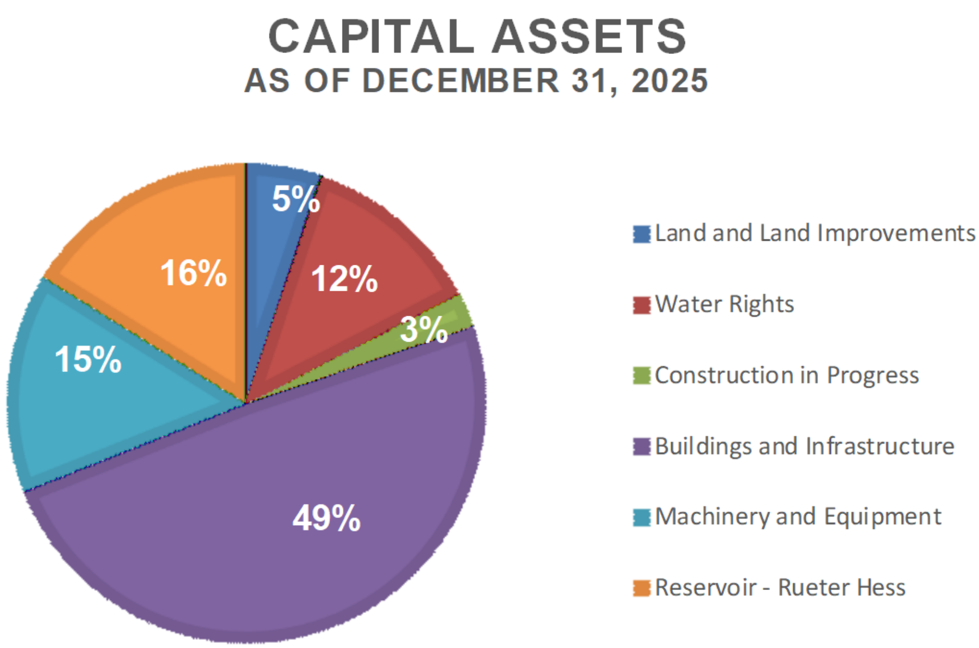

CHANGES IN NET POSITION
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
Operating Revenue
Nonoperating Revenue
Operating Expenses
Nonoperating Expenses
Capital Contributions
2025
2024
2023

CAPITAL ASSETS

At December 31, 2025, the District reports $832,990,707 in capital assets, net of accumulated depreciation, an increase of $5,756,492 from 2024, mainly due to additional investments in our Customer Information Systems, Water Purification Facility, and South Plant Waste Water Facility. For 2024, the District reports $827,234,214 in capital assets, net of accumulated depreciation, an increase of $18,776,704 from 2023, mainly due to additional investments in filtration, pipeline, tanks, and land.

CAPITAL ASSETS

	2025	2024	2023
Land and Land Improvements	$ 59,610,237	$ 58,398,847	$ 48,353,150
Water Rights	144,631,598	144,631,598	144,631,598
Construction in Progress	27,800,003	11,626,155	48,279,730
Buildings and Infrastructure	576,914,926	565,159,863	514,773,631
Machinery and Equipment	174,360,230	165,224,433	141,654,639
Reservoir - Rueter Hess	189,169,123	189,169,123	189,169,123
Accumulated Depreciation	(339,495,410)	(306,975,804)	(278,404,361)
TOTAL CAPITAL ASSETS, NET	**$ 832,990,707**	$ 827,234,214	$ 808,457,510



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

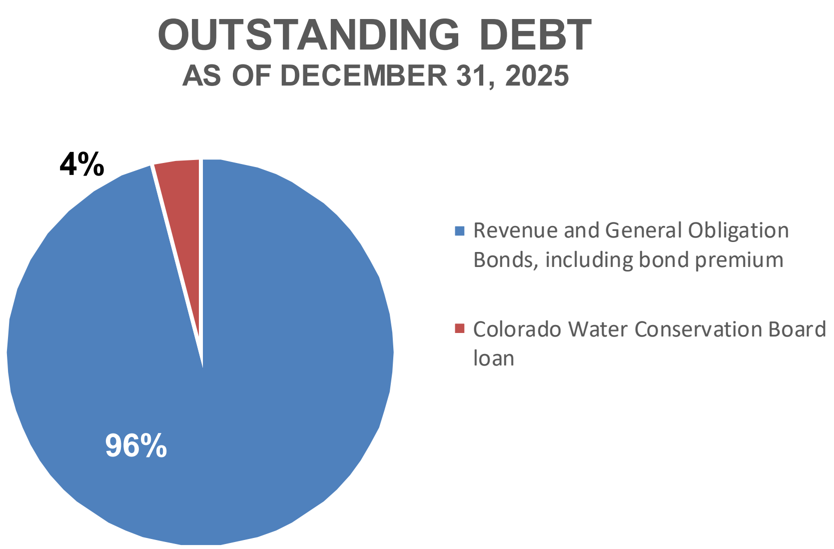
OUTSTANDING DEBT

The District's debt consists of the following:

OUTSTANDING DEBT

	2025	2024	2023
Revenue Bonds	$ 162,587,670	$ 165,610,000	$ 167,510,000
Bond Premium	22,277,035	24,294,211	25,955,891
General Obligation Bonds	66,645,000	70,405,000	74,055,000
Bond Premium	1,539,791	1,759,761	1,979,731
Colorado Water Resources and Power Development Authority loans	-	2,989,894	5,911,092
Colorado Water Conservation Board Loan	10,458,422	11,058,947	11,643,399
TOTAL OUTSTANDING DEBT[1]	**$ 263,507,918**	$ 276,117,812	$ 287,055,114

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



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 were 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 2025 was 2.6%, down significantly from 2.9% at 2024 and 4.1% at 2023, a factor of increased costs for the District.

For 2025, there was a 1.23% 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 $3.00 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 3.85% for the average residential customer, There was an increase of 1.47% 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 2.78% 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

Statement of Net Position

December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 122,458,273	$ 135,073,630
Investments (Note 3)	142,886,862	120,509,602
Receivables:		
Service fees	3,412,280	2,717,774
Leases receivable	1,502,407	1,421,109
Succeeding year property tax receivable	7,236,359	7,140,993
Other	4,676,275	5,418,761
Inventory	359,472	648,740
Prepaid expenses and other	1,219,826	563,749
Total current assets	283,751,754	273,494,358
Noncurrent assets:		
Restricted cash equivalents (Note 3)	21,037,219	18,871,301
Capital assets: (Note 4)		
Assets not subject to depreciation	192,512,393	175,418,946
Assets subject to depreciation - Net	640,478,314	651,815,268
Other noncurrent assets	-	5,470
Total noncurrent assets	854,027,926	846,110,985
Total assets	1,137,779,680	1,119,605,343
Deferred Outflows of Resources - Deferred charge on refunding	2,053,896	2,300,162
Liabilities		
Current liabilities:		
Accounts and retainage payable	9,977,910	5,691,305
Construction and inclusion deposits	3,914,569	7,038,417
Accrued liabilities and other:		
Accrued salaries and wages	169,016	588,694
Payroll taxes and withholdings	114,696	-
Accrued interest payable	2,234,181	2,129,272
Other accrued expenses	276,689	143,052
Compensated absences	658,177	657,263
Bonds and notes payable - Current portion (Note 5)	10,877,455	18,081,211
Total current liabilities	28,222,693	34,329,214
Noncurrent liabilities:		
Compensated absences	549,745	474,710
Bonds and notes payable - Net of current portion (Note 5)	252,630,462	265,371,979
Total noncurrent liabilities	253,180,207	265,846,689
Total liabilities	281,402,900	300,175,903
Deferred Inflows of Resources		
Property taxes levied for the following year	7,236,359	7,140,993
Lease revenue	1,364,813	1,348,502
Total deferred inflows of resources	8,601,172	8,489,495
Net Position		
Net investment in capital assets	566,284,098	546,304,814
Restricted	21,037,219	18,871,301
Unrestricted	262,508,187	248,063,992
Total net position	**$ 849,829,504**	**$ 813,240,107**

See notes to financial statements.

Statements of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenue		
Charges for services	$ 45,881,405	$ 44,008,055
Other operating income	1,652,491	1,496,858
Total operating revenue	47,533,896	45,504,913
Operating Expenses		
Utilities	6,005,691	5,937,044
Supplies	1,398,886	1,575,732
Support services	5,495,391	4,096,955
Contract labor and maintenance	4,465,687	4,124,208
Insurance	500,622	396,665
Salaries and benefits	17,184,930	15,254,309
Information technology	591,342	571,777
Professional services	3,162,497	2,018,485
Chemicals	2,613,655	2,295,942
Administrative	497,878	390,939
Depreciation	32,616,372	28,576,312
Total operating expenses	74,532,951	65,238,368
Operating Loss	(26,999,055)	(19,733,455)
Nonoperating Revenue (Expense)		
Property tax revenue	7,001,727	6,983,392
Farm land revenue	347,808	348,189
Water resource farms	(305,250)	(202,993)
Interest expense	(7,929,656)	(8,033,000)
Specific ownership taxes	569,823	545,214
Gain on sale of assets	62,192	-
Inclusion fees	-	691,193
Net investment income	12,166,179	13,027,732
Other income	2,775,976	5,376,542
Total nonoperating revenue	14,688,799	18,736,269
Loss - Before capital contributions	(12,310,256)	(997,186)
Capital Contributions		
Water resource system development fees	14,449,841	9,576,226
System development fees received	23,544,472	16,137,568
Water resource fees	962,500	737,500
Contributed assets from developers	9,942,840	18,431,238
Total capital contributions	48,899,653	44,882,532
Change in Net Position	36,589,397	43,885,346
Net Position - Beginning of year	813,240,107	769,354,761
Net Position - End of year	**$ 849,829,504**	**$ 813,240,107**

Statement of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from customers/operations	$ 46,839,390	$ 44,294,818
Cash payments to suppliers for goods and services	(16,854,971)	(21,270,778)
Cash payments to employees for services	(17,311,666)	(15,003,169)
Cash payments for construction deposits	(3,200,765)	(4,172,396)
Net cash and cash equivalents provided by operating activities	9,471,988	3,848,475
Cash Flows from Noncapital Financing Activities		
Property and specific ownership tax	2,077,826	2,040,717
Other nonoperating revenue - Net of expenses	2,895,573	2,124,056
Net cash and cash equivalents provided by noncapital financing activities	4,973,399	4,164,773
Cash Flows from Capital and Related Financing Activities		
Water resource system development fees received	14,449,841	9,576,226
System development fees collected	23,544,472	16,137,568
Inclusion fees received	-	691,193
Water resource fees received	962,500	737,500
Acquisition of capital assets - Net of disposals	(28,730,528)	(32,493,937)
Principal paid on bonds and notes payable	(17,610,859)	(9,055,650)
Interest paid on bonds and notes payable	(12,792,895)	(9,806,586)
Property tax revenue for debt service	5,493,724	5,487,889
Net cash and cash equivalents used in capital and related financing activities	(14,683,745)	(18,725,797)
Cash Flows from Investing Activities		
Investment income received	12,166,179	13,510,744
Purchase of investments	(78,906,054)	(83,467,992)
Proceeds from sale of investments	56,528,794	72,926,609
Net cash and cash equivalents (used in) provided by investing activities	(10,211,081)	2,969,361
Net Decrease in Cash and Cash Equivalents	(10,449,439)	(7,743,188)
Cash and Cash Equivalents - Beginning of year	153,944,931	161,688,119
Cash and Cash Equivalents - End of year	**$ 143,495,492**	**$ 153,944,931**
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	$ 122,458,273	$ 135,073,630
Restricted cash equivalents	21,037,219	18,871,301
Total cash and cash equivalents	**$ 143,495,492**	**$ 153,944,931**

Statement of Cash Flows (Continued)

Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (26,999,055)	$ (19,733,455)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	32,616,372	28,576,312
Changes in assets and liabilities:		
Accounts receivable	(128,684)	(2,155,925)
Inventory	289,268	(205,714)
Prepaid and other assets	(650,607)	296,552
Accounts payable	7,534,064	484,880
Construction deposits	(3,123,848)	(3,708,061)
Accrued expenses	-	182,621
Accrued compensation	914	111,265
Accrued and other liabilities	(66,436)	-
Total adjustments	36,471,043	23,581,930
Net cash and cash equivalents provided by operating activities	**$ 9,471,988**	**$ 3,848,475**
Significant Noncash Transactions		
Water rights and water and sewer lines contributed	$ 9,942,840	$ 18,431,238
Acquisition of capital assets through accounts and retainage payable	3,572,157	3,193,268
Market value adjustment on investments - Net	371,013	545,105
Amortization of bond premium	1,889,477	1,881,650

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 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 to 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, 2025 and 2024, were approximately $2.8 million and $2.1 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, 2025 and 2024, the District had approximately $441,000 and $423,000, 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, 2025 and 2024, the District incurred approximately $7.7 million and $7.3 million, respectively, 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 bond 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, 2025 and 2024, as they consider amounts to be fully collectible.

During the period, the District was notified of a court-approved class action settlement that occurred in 2024 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, which was recorded as a receivable and revenue as of December 31, 2024.

During the current year under audit, the District received payment of $1,940,167 of this amount, with $982,668 outstanding and recorded on the statement of net position as part of other receivables as of December 31, 2025. The settlement language characterizes the payments as intended for restitution or remediation of contamination of water sources and drinking water. Management has determined that the settlement does not impose externally enforceable restrictions on the use of the funds and, accordingly, has classified the proceeds as unrestricted net position. The District maintains these funds in separately managed accounts and intends to utilize them to enhance water filtration infrastructure.

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.

Note 2 - Significant Accounting Policies (Continued)

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.

The appropriation can be modified only 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. 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 criteria were not met for a concentration or a constraint. No additional disclosures were added as a result of the implementation of this statement for the years ended December 31, 2025 and 2024.

Upcoming Accounting Pronouncements

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.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*, which defines subsequent events, including the subsequent events time frame, and establishes accounting and financial reporting requirements related to subsequent events. The provisions of this statement supersede the guidance on subsequent events found in GASB 56, paragraphs 8-15. The provisions of this statement are effective for the District's financial statements for the year ending December 31, 2027.

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up to the date the financial statements were issued.

Note 3 - Deposits and Investments

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

	2025	2024
Cash and cash equivalents	$ 122,458,273	$ 135,073,630
Investments	142,886,862	120,509,602
Restricted cash equivalents	21,037,219	18,871,301
Total deposits and investments	$ 286,382,354	$ 274,454,533

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 investment 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.

Note 3 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy states that there are specific limitations on the amount that can be invested in any one issuer and requires diversification of investments, excluding U.S. Treasury securities. The District's investment policy limits investments to obligations of the United States and certain U.S. government agency securities, bankers' acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, and local government investment pools. The U.S. Treasury notes and Federal National Mortgage Association securities are not subject to credit risk, as they are explicitly guaranteed by the U.S. government.

Custodial Credit Risk of Deposits

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

	2025				
Primary Government	Fair Value	12 Months or Less	13-24 Months	25-36 Months	37-48 Months
U.S. government agencies	$ 32,077,090	$ 31,079,742	$ 997,348	$ -	$ -
U.S. Treasury notes	110,809,772	39,642,179	36,756,656	28,305,273	6,105,664
Total	$ 142,886,862	$ 70,721,921	$ 37,754,004	$ 28,305,273	$ 6,105,664

	2024				
Primary Government	Fair Value	12 Months or Less	13-24 Months	25-36 Months	37-48 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	$ -

Note 3 - Deposits and Investments (Continued)

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the District. National 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, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

	2025				2024	
Investment	Carrying Value	Percent	Rating	Rating Organization	Carrying Value	Percent
Primary Government						
Federal Home Loan Bank	$ 32,077,090	19.82 %	Aa1	Moody's	$ 22,146,135	13.97 %
Freddie Mac	-	-	Aa1	Moody's	992,164	0.62
COLOTRUST Plus	45,078,819	27.86	AAAm	S&P	63,067,357	39.79
COLOTRUST Edge	84,676,434	52.32	AAAf	Fitch Ratings	72,311,100	45.62
Total	$ 161,832,343	100.00 %			$ 158,516,756	100.00 %

Concentration of Credit Risk

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

In addition to the investment concentrations noted in the above table, the District's U.S. Treasury investments represent 78 percent and 88 percent of the District's investments as of December 31, 2025 and 2024, 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.

Note 3 - Deposits and Investments (Continued)

The District has the following recurring fair value measurements as of December 31, 2025 and 2024:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2025			
	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, 2025
Investments measured at fair value:				
U.S. government agencies	$ -	$ 32,077,090	$ -	$ 32,077,090
U.S. Treasury notes	110,809,772	-	-	110,809,772
Total investments measured at fair value	$ 110,809,772	$ 32,077,090	$ -	142,886,862
Cash equivalents measured at NAV - Local government investment pools:				
COLOTRUST Plus				45,078,819
COLOTRUST Edge				84,676,434
Total cash equivalents measured at NAV - Local government investment pools				129,755,253
Total investments and cash equivalents				$ 272,642,115

	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 assets				$ 255,888,059

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, 2025 and 2024, and the COLOTRUST Edge NAV was $10 as of December 31, 2025 and 2024.

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 $4.7 million and $5.9 million at December 31, 2025 and 2024, respectively.

The board of directors adopted, by ordinance, a rate stabilization cash equivalent balance, which is restricted as specified in its loan agreements and, as of December 31, 2025 and 2024, was $6.0 million.

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 $10.4 million and $7.0 million as of December 31, 2025 and 2024, respectively.

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. All such proceeds were liquidated in 2024. As of December 31, 2025 and 2024, the District does not have any unspent bond proceeds.

See the table below for cash equivalent restrictions:

	2025	2024
Restricted for debt reserve	$ 4,655,019	$ 5,917,133
Restricted for operating reserve	10,382,200	6,954,168
Restricted for rate stabilization reserve	6,000,000	6,000,000
Restricted cash equivalents	$ 21,037,219	$ 18,871,301

Note 4 - Capital Assets

Capital asset activity of the District was as follows:

	Balance at January 1, 2025	Disposals	Additions	Adjustments	Balance December 31, 2025
Capital assets not being depreciated:					
Land	$ 16,006,075	$ -	$ 919,599	$ -	$ 16,925,674
Water rights	144,631,598	-	-	-	144,631,598
Land improvements	3,155,118	-	-	-	3,155,118
Construction in progress	11,626,155	-	28,350,024	(12,176,176)	27,800,003
Total capital assets not being depreciated	175,418,946	-	29,269,623	(12,176,176)	192,512,393
Capital assets being depreciated:					
Buildings	286,126,738	-	-	2,283,185	288,409,923
Machinery and equipment	162,528,113	-	1,409,789	7,822,775	171,760,677
Vehicles	2,696,320	(96,767)	-	-	2,599,553
Land improvements	39,237,654	-	-	291,791	39,529,445
Rueter-Hess Reservoir	189,169,123	-	-	-	189,169,123
Infrastructure	279,033,125	-	7,557,157	1,914,721	288,505,003
Subtotal	958,791,073	(96,767)	8,966,946	12,312,472	979,973,724
Accumulated depreciation:					
Buildings	70,623,760	-	9,053,890	-	79,677,650
Machinery and equipment	94,420,198	-	10,419,192	-	104,839,390
Vehicles	2,535,290	(96,767)	89,097	-	2,527,620
Land improvements	17,387,715	-	1,706,671	-	19,094,386
Rueter-Hess Reservoir	37,499,866	-	2,973,852	-	40,473,718
Infrastructure	84,508,976	-	8,373,670	-	92,882,646
Total accumulated depreciation	306,975,805	(96,767)	32,616,372	-	339,495,410
Net capital assets being depreciated	651,815,268	-	(23,649,426)	12,312,472	640,478,314
Net capital assets	$ 827,234,214	$ -	$ 5,620,197	$ 136,296	$ 832,990,707

Note 4 - Capital Assets (Continued)

	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 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
Net capital assets being depreciated	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

Depreciation expense was $32,616,372 and $28,576,312 for the years ended December 31, 2025 and 2024, respectively.

Included in capital assets above as of December 31, 2025 and 2024 is approximately $14.0 million and $14.1 million, respectively, of the South Metro WISE Authority assets (as described in Note 2) pertaining to the Authority, of which approximately $7.2 million and $6.0 million is depreciable infrastructure and approximately $6.8 million and $8.1 million is nondepreciable construction in progress as of December 31, 2025 and 2024, respectively.

Note 4 - Capital Assets (Continued)

Construction Commitments

The District has active construction projects at year end. The District had $1,221,674 and $1,013,762 in retainage payable as of December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the District had unexpended construction-related contract commitments of $47,726,188 and $13,284,373, respectively.

Note 5 - Long-term Debt

Long-term debt activity for the years ended December 31, 2025 and 2024 can be summarized as follows:

	2025				
	Interest Rate Ranges	Beginning Balance	Reductions	Ending Balance	Due within One Year
Bonds and parity obligations:					
2002 CWRPDA Clean Water Loan	3.62%	$ 2,989,893	$ (2,989,893)	$ -	$ -
2012 General Obligation Refunding Bonds -	2.0-5.0	15,305,000	-	15,305,000	-
Add bond premium		1,759,761	(219,970)	1,539,791	-
2018 Revenue Bonds -	5.0	31,970,000	(1,145,000)	30,825,000	1,195,000
Add bond premium		4,516,780	(250,932)	4,265,848	-
2020 Refunding Bonds -	4.0	53,020,000	(245,000)	52,775,000	3,135,000
Add bond premium		7,399,089	(601,866)	6,797,223	-
2020 General Obligation Refunding Bonds	0.0725-3.062	55,100,000	(3,760,000)	51,340,000	3,825,000
2022 Revenue Bonds -	3.0-5.0	76,760,000	(1,415,000)	75,345,000	1,485,000
Add bond premium		11,901,669	(687,707)	11,213,962	-
2022 Refunding Bonds -	3.0-5.0	3,860,000	(565,000)	3,295,000	595,000
Add bond premium		476,672	(129,002)	347,670	-
Total bonds and parity obligations		265,058,864	(12,009,370)	253,049,494	10,235,000
Notes from direct borrowings:					
2014 CWCB Loan A	2.75	2,727,535	(215,712)	2,511,823	221,642
2014 CWCB Loan B	2.75	4,511,430	(247,042)	4,264,388	253,836
2014 CWCB Loan C	2.75	3,154,078	(137,773)	3,016,305	141,561
2014 CWCB Loan D	2.75	665,907	-	665,907	25,416
Canyons note payable -	0.00	6,890,439	(6,890,439)	-	-
Add bond premium		444,937	(444,937)	-	-
Total from direct borrowings		18,394,326	(7,935,903)	10,458,423	642,455
Total long-term debt - Net		$ 283,453,190	$ (19,945,273)	$ 263,507,917	$ 10,877,455

Note 5 - Long-term Debt (Continued)

	2024				
	Interest Rate Ranges	Beginning Balance	Reductions	Ending Balance	Due within One Year
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 Revenue 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 long-term debt - Net		$ 294,390,490	$ (10,937,300)	$ 283,453,190	$ 18,081,211

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 (CWRPDA) 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 made in 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 the years ended December 31, 2025 and 2024, the District recognized $5,626,566 and $5,611,939, 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 WISE. The total approved amount will consist of four separate contract loans based on what will be constructed with the proceeds.

Note 5 - Long-term Debt (Continued)

During the fiscal year ended December 31, 2014, the District approved Contract Loan A for an amount of $4,426,830 for the ECCV pipeline purchase. As of December 31, 2025 and 2024, 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.

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, 2025 and 2024, the District has borrowed the full amount of the loan. 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025, 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 5.0 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 4.0 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. During 2025, the District paid the outstanding balance under the reimbursement agreement in full. An effective interest rate of 3.25 percent was imputed on the debt, resulting in an unamortized discount of $0 and $221,309 as of December 31, 2025 and 2024, 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 3.0 percent and 5.0 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 Principal	Bonds and Parity Obligations Interest	Direct Borrowings Principal	Direct Borrowings Interest
2026	$ 10,235,000	$ 8,747,895	$ 642,455	$ 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	11,810,000	7,152,595	718,497	211,695
2031-2035	68,230,000	28,413,822	3,899,956	750,868
2036-2040	52,415,000	16,795,917	2,559,645	266,240
2041-2045	25,325,000	8,377,100	595,714	74,730
2046-2050	19,185,000	4,120,600	-	-
2051-2055	8,790,000	530,800	-	-
Total	$ 228,885,000	$ 98,143,210	$ 10,458,423	$ 2,337,614

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, 2025 and 2024.

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, 9.0 percent of the plan members' compensation is withheld and remitted to the plan administrator along with a matching payment of 10.0 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, 2025 and 2024 were approximately $1,187,000 and $1,029,000, respectively. Contributions made by plan members were approximately $1,076,000 and $973,000, 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 5.0 percent of the employees' payroll. Contributions made to this plan by the District were approximately $542,000 for 2025 and $454,000 for 2024.

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 10.0 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, 2025

Allowable Revenues		
Total User Fees (including other operating income)	$	47,533,896
Farm Land Revenue	$	347,807
Net Investment Income	$	12,166,181
Other Income	$	2,203,548
Property Taxes (sewer operating)	$	1,375,161
Specific Ownership Taxes	$	569,823
Total Allowable Revenues	**$**	**64,196,416**
System Fees		
System Development Fees	$	23,544,472
Water Resource Fees	$	962,500
Water Resource System Development Fees	$	14,449,841
Total System Fees	**$**	**38,956,813**
Allowable System Fees for coverage not exceeding 15% of Allowable Revenue	**$**	**9,629,462**
Total Revenues per Covenant	**$**	**73,825,878**
Operating Expenses		
Operating Expenses (less depreciation)	$	41,920,844
Farm Land Expenses	$	298,487
Total Operating and Maintenance Expenses	**$**	**42,219,331**
Revenue Available for Debt Service	**$**	**31,606,547**
Current Year Debt Service		
Revenue Bond and CWRPDA loans Total	$	13,521,907
Total Debt Using Revenue Pledge	**$**	**13,521,907**
Coverage per Rate Covenant Calculation (minimum 110%)		**2.34**
Coverage without consideration of System Fees (minimum 100%)		**1.63**

Source: Parker Water & Sanitation District

Parker Water and Sanitation District
Debt Service Coverage for CWCB Loan
For the Year Ended December 31, 2025

Allowable Revenues		
Total User Fees (including other operating income)	$	47,533,896
Farm Land Revenue		347,807
Net Investment Income		12,166,181
Other Income		2,203,548
Property Taxes (sewer operating)		1,375,161
Specific Ownership Taxes		569,823
Total Allowable Revenues	**$**	**64,196,416**
Maximum Revenue Permitted including System Fees	**$**	**71,329,351**
System Fees		
Tap fees	$	23,544,472
Water Resource Fees		962,500
System Development Fees		14,449,841
Total System Fees	**$**	**38,956,813**
Allowable System Fees for coverage calculation (no more than 10% of Total Revenue Maximum)	**$**	**7,132,935**
Total Calculated Revenues	**$**	**71,329,351**
Operating Expenses		
Operating Expenses (less depreciation)	$	41,920,844
Farm Land Expenses		298,487
Total Operating and Maintenance Expenses	**$**	**42,219,331**
Revenue Available for Debt Service	**$**	**29,110,020**
Current Year Debt Service		
Revenue Bond Total (Existing)	$	13,521,907
CWCB Loans[1]		1,057,845
Total Current Year Debt Service		**14,579,752**
Total Debt Using Revenue Pledge	**$**	**14,579,752**
Coverage per Rate Covenant Calculation		**2.00**

Source: Parker Water & Sanitation District

[1] *The District recorded accrued interest as of 12/31/2025 on CWCB Loan D and paid in the forward year*

History of Customer Accounts and SFEs Served

Year	Number of Accounts	Percent Change	SFEs Served	Percent Change
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%
2025	22,008	2.9%	27,249	3.2%

Source: Parker Water & Sanitation District

The following table sets forth water sales, by category, for calendar year 2025

Category	Annual Usage (Gallons)	Percent of Total Usage
Residential/Multifamily	2,175,348,477	68.7%
Irrigation/Commercial	845,781,242	26.7%
Bulk	145,497,820	4.6%
Total	3,166,627,539	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, 2016-2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues										
Charges for Services	$ 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	$ 45,881,405
Other Operating Income	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	1,652,491
Total	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	47,533,896
Operating Expenses										
Salaries	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	11,962,650
Employee Benefits	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	5,196,019
Insurance	229,541	190,430	261,779	267,030	308,515	232,155	272,483	326,721	396,665	500,622
Professional Services	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	3,116,153
Support Services	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	5,493,726
Utilities	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	6,005,690
Contract Labor & Maintenance	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	4,465,685
Supplies	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	4,014,761
Community Education	47,624	46,272	37,167	47,813	128,277	49,451	72,304	87,917	62,387	88,105
Information Technology	322,885	194,573	226,267	273,966	287,490	306,459	289,386	420,722	571,778	589,120
Administrative	369,372	199,149	367,400	419,458	225,409	291,885	265,333	443,808	390,939	490,809
Depreciation	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	32,616,373
Total	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	74,539,714
Operating (Loss)	(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)	(27,005,818)
Nonoperating Revenues (Expenses)										
Property Taxes	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	7,001,727
Specific Ownership Taxes	444,824	576,104	643,057	650,505	590,755	677,881	629,511	669,439	545,214	569,823
County Treasurer's Collection Fees	-	-	-	-	-	-	-	-	-	-
Farm Land Revenue	373,319	375,103	374,096	419,433	315,197	372,382	388,918	343,853	348,188	405,900
Farm Land Expenses/Water Resource Farms	(223,882)	(201,185)	(208,625)	(185,580)	(201,986)	(190,872)	(275,043)	(148,778)	(202,992)	(298,487)
Net Investment Income	575,752	852,051	2,394,344	4,166,522	1,833,705	13,793	930,094	12,313,992	13,027,731	12,166,181
Interest Expense/Fees	(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)	(7,929,654)
Gain (Loss) on Disposal of Assets	(2,457,442)	(330,348)	66,261	484,718	81,270	27,293	-	(119,832)	-	62,192
Other Income	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	2,717,882
Total	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	14,695,564
Gain (Loss) Before Capital Contributions	(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)	(12,310,254)
Capital Contributions										
System Development Fees	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	23,544,472
Contributed Assets from Developers	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	9,942,838
Water Resource Fees	2,330,000	1,290,000	2,215,000	1,665,000	1,090,000	1,167,736	890,000	751,000	737,500	962,500
Water Resource System Development Fees	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	14,449,841
Total	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	48,899,651
Change in Net Position	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	36,589,396
Net Position at Beginning 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
Restatements	-	-	-	-	-	-	-	-	-	-
Net Position at End of Year	$ 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	$ 849,829,504

Source: Parker Water & Sanitation District

History of Water and Sewer Connection Fees per SFE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential Water Connection Fees	$ 21,870	$ 22,110	$ 23,040	$ 24,470	$ 29,000	$ 29,000	$ 33,800	$ 37,000	$ 39,740	$ 39,740
Residential Sewer Connection Fees	3,510	3,550	3,700	5,000	6,800	6,800	7,200	9,700	10,420	10,420
Total	$ 25,380	$ 25,660	$ 26,740	$ 29,470	$ 35,800	$ 35,800	$ 41,000	$ 46,700	$ 50,160	$ 50,160

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

Source: Parker Water & Sanitation District

Historical Connection Fee Revenues

Year	Connection Fee Revenue
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
2025	38,956,813

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]
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%
2024/2025	1,236,179,410	3.5%	5.778	7,142,645	7,001,727	98.0%

[1]Includes mill levy for collection of GO debt taxes.
[2]Net of County Treasurer's Fees
[3]The 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 2025

Taxpayer Name (subdivision)	Assessed Valuation	Percentage of Total Assessed Valuation[1]
Shea Canyons	16,771,480.00	1.34%
Comcast of Colorado	10,328,990.00	0.82%
SH Lyric	9,286,690.00	0.74%
Canyons Multifamily Owner	8,177,000.00	0.65%
Mainstreet RE Investors	6,970,680.00	0.56%
SE Artisan Briargate & SE Paragon Briargate	6,895,200.00	0.55%
20 Mile Road Parker CO	6,697,320.00	0.53%
Flatacres RLLP	6,408,380.00	0.51%
Daro Ventures	6,374,650.00	0.51%
Toll Southwest	6,173,390.00	0.49%
Total	84,083,780.00	6.71%

[1]Based on a 2025 net certified assessed valuation of $1,253,908,404

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Source: Douglas County Assessor's Office

Maximum Tax Levy Applicable To Properties
Located in the District
For 2025 Taxes Due in 2026

Government Unit	Mill Levy
Canyons Metro District 2	74.111
Canyons Metro District 3	61.032
Douglas County Re-1 School District	39.752
Douglas County Government	19.774
City of Castle Pines	16.500
South Metro Fire Rescue Fire Protection District	12.250
Parker Water & Sanitation District	5.771
Douglas County Schools - Debt Service	5.776
Douglas Public Library District	3.519
Urban Drainage & Flood Control District	0.900
Cherry Creek Basin Water Quality Authority	0.450
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	239.935

Source: Douglas County Assessor's Office

Outstanding Debt of the District
as of 12/31/25

Name of Issue		Amount Outstanding	Year of Final Maturity
General Obligation Revenue Refunding Bonds, Series 2012[1]		15,305,000	2032
CWCB Loan A		2,511,823	2035
CWCB Loan B		4,264,388	2039
CWCB Loan C		3,016,305	2042
CWCB Loan D		665,907	2042
2018 Water & Wastewater Revenue Bond		30,825,000	2042
General Obligation Revenue Bonds, Series 2020		51,340,000	2040
Refunding and Improvement Revenue Bonds, Series 2020[2]		52,775,000	2044
2022 Revenue Bond		75,345,000	2030
2022 Refunding Revenue Bond		3,295,000	2052
Total	$	239,343,423	

Source: Parker Water & Sanitation District

[1]Debt was partially refinanced in 2020
[2]Debt was issued in connection with defeasing 100% of CWRPDA Series 2010

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

Year	Principal	Interest	Total
2026	$ 10,879,610	$ 9,033,508	$ 19,913,118
2027	11,242,338	8,659,801	19,902,139
2028	11,630,552	8,267,780	19,898,332
2029	12,064,267	7,825,368	19,889,634
2030	12,528,497	7,364,290	19,892,787
2031-2035	72,129,956	29,164,690	101,294,646
2036-2040	54,974,645	17,062,157	72,036,802
2041-2045	25,918,558	8,451,829	34,370,387
2046-2050	19,185,000	4,120,600	23,305,600
2051-2052	8,790,000	530,800	9,320,800
Total[1]	$ 239,343,423	$ 100,480,823	$ 339,824,246

Source: Parker Water & Sanitation District

[1]Direct Borrowings - amortization schedule for CWCB Loan D is subject to modification. As of 12/31/2025 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
2026	10,235,000	8,747,895	644,610	285,613
2027	10,580,000	8,391,922	662,338	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	11,810,000	7,152,596	718,497	211,695
2031-2035	68,230,000	28,413,822	3,899,956	750,868
2036-2040	52,415,000	16,795,917	2,559,645	266,240
2041-2045	25,325,000	8,377,100	593,558	74,729
2046-2050	19,185,000	4,120,600	-	-
2051-2052	8,790,000	530,800	-	-
	228,885,000	98,143,210	10,458,423	2,337,614

[1]Direct Borrowings - amortization schedule for CWCB Loan D is subject to modification. As of 12/31/2025 the loan was not closed.

Estimated Overlapping Debt Schedule
as of December 31, 2025

	Overlapping Entity	Outstanding General Obligation Debt[1]	Percentage Applicable to the District[2]	Share of Debt Applicable to the District
	Antelope Heights Metropolitan District.	$ 7,465,000	100.00%	7,465,000
	Canterberry Crossing Metro	4,910	100.00%	4,910
	Canterberry Crossing Metro. II	6,830,000	100.00%	6,830,000
	Canyons Metropolitan District No. 3	31,270,000	100.00%	31,270,000
	Canyons Metropolitan District No. 5	136,069,000	100.00%	136,069,000
3	Canyons Metropolitan District No. 6	-	100.00%	-
	Carousel Farms Metro District	3,162,000	100.00%	3,162,000
4	Cielo Metro District	17,942,000	99.96%	17,934,990
4	Douglas County Schools	496,817,760	12.07%	59,978,937
	Fields Metropolitan District No. 1	8,292,000	100.00%	8,292,000
3	Horse Creek Metropolitan District	-	100.00%	-
	Horseshoe Ridge Metropolitan District No. 1	3,323,000	100.00%	3,323,000
	Jordan Crossing Metropolitan District	1,280,000	100.00%	1,280,000
	Lincoln Creek Metropolitan District	5,360,000	100.00%	5,360,000
	Lincoln Meadows Metropolitan District	80,222,000	100.00%	80,222,000
	Meadowlark Meto District	8,670,000	100.00%	8,670,000
	Neu Towne Metropolitan District	11,585,000	100.00%	11,585,000
	Overlook Metropolitan District	7,344,000	100.00%	7,344,000
	Parker Automotive Metropolitan District	19,734,416	100.00%	19,734,416
	Parker Homestead Metropolitan District	7,010,000	100.00%	7,010,000
	Pine Bluffs Metropolitan District	2,860,000	100.00%	2,860,000
4	Rampart Range District No. 1	186,164,000	80.52%	149,904,029
4	Rampart Range District No. 5	120,000,000	99.98%	119,972,941
	Reata North Metropolitan District	7,400,000	100.00%	7,400,000
	Reata Ridge Village Metropolitan District 2	5,579,000	100.00%	5,579,000
	Regency Metropolitan District	3,605,000	100.00%	3,605,000
	Robinson Ranch Metropolitan District	1,575,000	100.00%	1,575,000
	Salisbury Heights Metro District	2,624,000	100.00%	2,624,000
	Sierra Ridge Metropolitan District 2	22,970,000	100.00%	22,970,000
4	South Suburban Park & Recreation District	7,339,300	2.17%	159,085
4	Stonegate North Villages Metro District	27,150,000	0.005%	1,234
	Tallman Gulch Metropolitan District	19,399,450	100.00%	19,399,450
	Village on the Green Metropolitan District No. 1	1,050,000	100.00%	1,050,000
4	Villas Metropolitan District	8,191,950	100.00%	8,191,950
	Westcreek Metropolitan District No. 2	7,595,000	100.00%	7,595,000
		1,275,883,786		768,421,943

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

4 The percentage applicable to the District remains unchanged from the PY due to availability at the time of issuance

Source: Douglas County and Overlapping Districts

Selected Debt Ratios of the District as of December 31, 2025

Total Actual Value of All Real Property	$	15,700,774,830
Net Total Taxable Assessed Valuation	$	1,253,908,404
Net General Obligation Direct Debt	$	66,645,000
Estimated Overlapping Debt	$	768,421,943
Total Net Direct and Estimated Overlapping Debt	$	835,066,943
Ratio of Net General Obligation Direct Debt to Actual Value		0.42%
Ratio of Net General Obligation Direct Debt to Assessed Valuation		5.31%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Actual Valuation		5.32%
Ratio of Net General Obligation Direct Debt and Estimated Overlapping Debt to Assessed Valuation		66.60%
Total Net General Obligation Direct Debt per Capita[1]	$	952
Net Direct and Estimated Overlapping Debt per Capita[1]	$	11,934
Estimated Actual Valuation per Capita[1]	$	224,387
Assessed Valuation per Capita[1]	$	17,920

[1]Estimated District population: 69,972

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

History of Assessed Valuations and Mill Levies for the District

	Assessed Values				Mill Levies		
Levy/Collection Year	Net Assessed Valuation	Percent Change	Assessed Value Attributable to Tax Increment	Gross Assessed Valuation	General Fund	Debt Fund	Total Levy
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
2025/2026	1,253,908,404	1.4%	46,656,636	1,300,565,040	1.323	4.448	5.771

Source: Douglas County Assessor's Office

Property Tax Collections for the District

Levy/ Collection Year	Taxes Levies	Current Tax Collections	Collection Rate
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%
2024/2025	7,142,645	7,001,727	98.03%

Source: Douglas County Assessor's Office

2025 Assessed Valuation of Classes of Property in the District

Property Class		2025 Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	$	894,104,530	68.75%
Commercial		268,079,270	20.61%
Vacant		76,279,650	5.87%
State Assessed		22,093,200	1.70%
Industrial		39,703,420	3.05%
Agricultural		296,910	0.02%
Natural Resources		8,060	0.00%
Total	$	1,300,565,040	100.00%

Source: Douglas County Assessor's Office

Budget Summary and Comparison - Budgetary Basis

	2021 Budget	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	2025 Budget	2025 Actual
Revenues										
Charges for services	$ 32,518,100	$ 35,238,948	$ 42,486,520	$ 38,029,191	$ 41,125,400	$ 37,716,994	$ 42,118,190	$ 44,008,055	44,796,600	$ 45,881,405
Operating tax revenue	1,509,240	1,870,367	1,603,200	1,844,118	1,695,800	2,010,912	1,890,700	1,916,668	2,022,800	1,944,984
Other operating income	1,329,500	1,319,407	1,329,500	1,431,643	1,265,250	1,562,989	1,506,580	1,496,857	1,498,460	1,652,491
Interest income	607,000	13,793	149,500	930,094	3,553,080	12,313,992	6,592,000	13,027,731	7,500,000	12,166,181
Other Non-operating income	1,015,000	1,675,702	2,389,120	3,069,113	898,000	1,161,359	918,500	5,379,993	1,039,000	2,203,548
Rueter-Hess mill levy	5,489,990	5,432,935	4,415,730	5,533,075	5,490,690	5,488,508	5,440,400	5,611,939	5,488,230	5,626,566
System development fees	11,770,750	34,261,318	19,217,520	21,653,424	12,430,700	31,317,500	15,485,080	16,137,568	16,411,960	23,544,472
Water resource fees	500,000	1,167,736	500,000	890,000	500,000	751,000	475,000	737,500	375,000	962,500
Water resource system development fees	9,363,000	26,040,229	15,230,000	15,916,528	9,174,900	19,183,600	9,868,320	9,576,226	10,242,120	14,449,841
Farm income	298,600	372,382	298,600	388,918	380,000	343,853	398,600	348,188	444,290	405,900
Transfer-Rate funded capital	13,000,000	13,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Bond proceeds	3,400,000	3,115,754	92,400,000	90,269,056	-		-		-	
Other revenue/reimbursements	7,729,450	7,335,376	3,409,450	515,272	8,222,700	(119,832)	8,766,000	687,742	16,079,320	576,526
Total revenues	**$ 88,530,630**	**$ 130,843,947**	**$ 187,429,140**	**$ 184,470,432**	**$ 88,736,520**	**$ 115,730,875**	**$ 97,459,370**	**$ 102,928,467**	**$ 109,897,780**	**$ 113,414,413**
Expenditures										
Salaries	$ 8,077,477	$ 7,826,277	$ 9,040,606	$ 8,425,160	$ 9,928,929	$ 9,696,880	$ 10,961,901	$ 10,887,159	11,958,807	$ 11,962,650
Employee benefits	3,486,474	3,055,447	3,980,768	3,259,363	4,326,126	3,876,180	4,690,840	4,367,150	5,277,058	5,196,019
Insurance	233,610	232,155	293,150	272,483	285,000	326,721	373,630	396,665	510,000	500,622
Professional services	2,679,500	2,306,994	3,090,350	2,569,808	2,683,500	2,362,633	3,150,100	1,956,097	3,580,900	3,116,153
Support services	5,329,230	3,682,851	6,704,250	4,882,125	5,659,190	3,763,294	5,708,630	4,096,955	5,852,710	5,493,726
Utilities	3,671,000	4,419,936	4,664,700	5,171,918	4,482,800	5,330,945	5,383,000	5,937,044	5,755,930	6,005,690
Contract labor & maintenance	2,379,540	2,355,746	4,386,550	2,639,961	2,398,200	2,967,563	2,814,250	4,124,208	3,087,260	4,465,685
Supplies and Chemicals	2,941,060	3,246,587	3,336,080	3,613,346	4,175,140	3,506,648	4,112,000	3,871,674	4,073,670	4,014,761
Community education	192,000	49,451	154,200	72,304	152,800	87,917	192,100	62,387	172,150	88,105
Information technology	418,500	306,459	437,600	289,387	495,400	420,722	536,940	571,778	579,900	589,120
Water resource farms	216,000	190,872	216,000	275,043	216,000	148,778	219,550	202,992	236,000	298,487
Administrative	244,950	291,885	372,250	265,333	377,160	510,211	394,690	390,939	444,370	490,812
Transfer-Rate funded capital	13,000,000	13,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Debt service	16,987,000	16,643,601	19,803,200	19,664,370	18,700,630	18,773,982	18,796,690	18,705,872	20,158,400	20,293,282
Capital outlay	69,801,700	49,861,028	77,676,000	51,162,299	65,473,000	51,618,824	53,190,300	28,901,323	43,009,075	30,656,678
Total expenditures	**$ 129,658,041**	**$ 107,469,289**	**$ 138,155,704**	**$ 106,562,900**	**$ 123,353,875**	**$ 107,391,298**	**$ 114,524,621**	**$ 88,472,243**	**108,696,230**	**$ 97,171,791**
Excess Revenues over Expenditures	**$ (41,127,411)**	**$ 23,374,658**	**$ 49,273,436**	**$ 77,907,532**	**$ (34,617,355)**	**$ 8,339,577**	**$ (17,065,251)**	**$ 14,456,225**	**$ 1,201,550**	**$ 16,242,622**

Source: Parker Water & Sanitation District

History of Net Pledged Revenues and Debt Service Coverage

Fiscal Year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Gross Pledged Revenues										
Operating Revenues	$ 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	$ 47,533,896
Non-Operating Revenues	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	14,369,728
Connection Fees	19,886,970	20,879,590	23,947,210	21,555,030	27,574,420	61,469,283	38,459,952	51,252,100	26,451,294	38,956,813
Total Gross Pledged Revenues	$ 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	$ 100,860,437
Operation & Maintenance Expenses	$ 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	$ 41,920,844
Less: Property taxes	(1,288,432)	(1,491,127)	(1,696,502)	(1,821,021)	(1,759,533)	(1,870,786)	(1,844,118)	(2,010,912)	(2,040,717)	(1,944,984)
Net O&M Expenses	$ 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	$ 39,975,860
Net Pledged Revenues	$ 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	$ 60,884,577
Historical Debt Service Paid[1]	$ 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	$ 14,579,752
Coverage	2.86x	4.49x	4.51x	3.73x	5.01x	6.61x	3.95x	5.59x	4.32x	4.17x

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.

[1]The District recorded accrued interest related to IDC as of 12/31/2025 on CWCB Loan D and paid in the forward year

Source: Parker Water & Sanitation District

PARKER WATER & SANITATION DISTRICT
District Rate and Fee Schedule
Effective January 1, 2025

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
2025

Residential and Multi-Family Accounts Per Single Family Equivalent (per month)		
Water Service Fee		$ 35.02
Long-term Water Fee		$ 3.00
Tier 1	Per 1,000 gallons for first 6,000 gallons	$ 2.72
Tier 2	Per each additional 1,000 gallons up to and including 18,000 gallons	$ 5.31
Tier 3	Per each additional 1,000 gallons in excess of 18,000 gallons	$ 10.95

Sewer Rates
2025

Per Single Family Equivalent (per month)	
Sewer Service Fee	$ 13.55
Per 1,000 Gallons*	$ 10.47

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

Source: Parker Water & Sanitation District

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

To view the entire 2025 rates and fees please visit: http://www.parkerwater.org/DocumentCenter/View/4188/2025-PWSD-Budget-PDF

Top 10 Customers of the District

2025	Customer Name		Total $ Billed	Total Billed Consumption* (gallons)	Rank (By Consumption)	Percent of Total Billed	Percent of Billed Consumption
1	***Town & Country Village HOA (Townhouses)***	$	553,356	36,104,654	2	1.32%	1.30%
2	***Parker Hilltop Apartments***	$	492,924	31,679,110	3	1.17%	1.14%
3	***Town of Parker***	$	449,589	23,883,838	5	1.07%	0.86%
4	***Prairie Walk on Cherry Creek HOA (Condos)***	$	414,290	29,610,937	4	0.98%	1.06%
5	***Villages of Parker (Canterberry Crossing HOA)***	$	412,375	39,874,716	1	0.98%	1.43%
6	***Prairie Meadows Townhomes***	$	355,145	19,227,748	7	0.84%	0.69%
7	***SE Artisan Briargate LLC***	$	333,375	20,102,044	6	0.79%	0.72%
8	***Mainstreet RE Investors (Waterford on Mainstreet Apts)***	$	309,045	17,212,830	10	0.73%	0.62%
9	***Ironstone Condominiums at Stroh Ranch***	$	305,596	18,861,437	8	0.73%	0.68%
10	***Idyllwilde Master/Ranch HOA***	$	228,677	17,935,410	9	0.54%	0.64%
	Total - TOP 10 Customers	**$**	**3,854,370**	**254,492,724**		**9.16%**	**9.14%**
	Total - All Customers	**$**	**42,065,964**	**2,783,463,764**			

Source: Parker Water & Sanitation District

**Excludes Bulk water and temporary Hydrant water customers*