

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**


**YEAR ENDED DECEMBER 31, 2023**


**SOUTHEAST METRO STORMWATER AUTHORITY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023**

|  |            |
|--|------------|
| <b>INDEPENDENT AUDITOR’S REPORT</b>  | <b>I</b>   |
| <b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>  | <b>III</b> |
| <b>BASIC FINANCIAL STATEMENTS</b>  |            |
| <b>STATEMENT OF NET POSITION</b>   | <b>1</b>   |
| <b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>                          | <b>2</b>   |
| <b>STATEMENT OF CASH FLOWS</b>   | <b>3</b>   |
| <b>NOTES TO BASIC FINANCIAL STATEMENTS</b>   | <b>4</b>   |
| <b>SUPPLEMENTARY INFORMATION</b>   |            |
| <b>STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)</b> | <b>16</b>  |



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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors  
Southeast Metro Stormwater Authority

### Opinions

We have audited the accompanying financial statements of the business-type activities of Southeast Metro Stormwater Authority (the "Authority") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Southeast Metro Stormwater Authority, as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southeast Metro Stormwater Authority 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 opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Southeast Metro Stormwater Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southeast Metro Stormwater Authority'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 Southeast Metro Stormwater Authority's ability to continue as a going concern for a reasonable period of time.

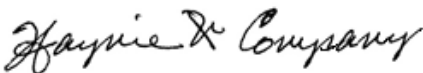
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Required Supplementary Information**

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

#### **Other Supplementary Information**

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



Littleton, Colorado

**SOUTHEAST METRO STORMWATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

As management of the Southeast Metro Stormwater Authority (the Authority), we are providing this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2023. Readers should consider the information presented in the Authority's basic financial statements in addition to that presented in this analysis.

**Background**

The Southeast Metro Stormwater Authority (the Authority) was formed pursuant to Section 29-1-204.2, C.R.S. by an intergovernmental agreement dated September 19, 2006, among Arapahoe County (the County), the City of Centennial (the City), the Arapahoe County Water and Wastewater Authority (ACWWA), the East Cherry Creek Valley Water and Sanitation District (ECCV), and the Inverness Water and Sanitation District (IWS). The purpose of the agreement is to plan, fund, construct, acquire, operate, and maintain drainage and flood control facilities within the Authority's boundaries. By resolution of the Board of Directors, the Authority serves as an enterprise, as such term is defined in Article X, Section 20 of the Colorado Constitution, and in furtherance thereof, to serve as a government-owned business, engaged in water enterprise activities.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements include the following components: 1) statement of net position; 2) statement of revenues, expenses, and changes in net position; 3) statement of cash flows; 4) schedule of revenues and expenditures – budget and actual (non-GAAP budgetary basis); and 5) notes to the financial statements.

*Statement of Net Position:* The statement of net position presents information on the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

*Statement of Revenues, Expenses, and Changes in Net Position:* The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the period. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (primarily receivables and payables).

*Statement of Cash Flows:* The statement of cash flows presents the Authority's cash flows from operating, non-capital financing, capital and related financing, and investing activities.

*Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis):* The Authority adopted an appropriated budget for the year ended December 31, 2023. The budgetary comparison schedule has been provided to demonstrate compliance with the Local Government Budget Law.

*Notes to the Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**SOUTHEAST METRO STORMWATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Financial Analysis**

The following is a condensed statement of net position for the Authority as of December 31, 2023, along with comparative information as of December 31, 2022.

|                                  | December 31,          |                       | Increase<br>(Decrease) |
|----------------------------------|-----------------------|-----------------------|------------------------|
|                                  | 2023                  | 2022                  |                        |
| <b>ASSETS</b>                    |                       |                       |                        |
| Current Assets                   | \$ 13,111,571         | \$ 13,050,375         | \$ 61,196              |
| Capital Assets                   | 136,016,950           | 138,630,343           | (2,613,393)            |
| Total Assets                     | <u>149,128,521</u>    | <u>151,680,718</u>    | <u>(2,552,197)</u>     |
| <b>LIABILITIES</b>               |                       |                       |                        |
| Short-Term Liabilities           | 4,590,228             | 5,332,953             | (742,725)              |
| Long-Term Liabilities            | 2,516,946             | 2,730,929             | (213,983)              |
| Total Liabilities                | <u>7,107,174</u>      | <u>8,063,882</u>      | <u>(956,708)</u>       |
| <b>NET ASSETS</b>                |                       |                       |                        |
| Net Investment in Capital Assets | 133,286,021           | 134,615,677           | (1,329,656)            |
| Unrestricted                     | 8,735,326             | 9,001,159             | (265,833)              |
| Total Net Position               | <u>\$ 142,021,347</u> | <u>\$ 143,616,836</u> | <u>\$ (1,595,489)</u>  |

The Authority's principal current asset at December 31, 2023, is cash and cash equivalents of \$12,065,430. Capital assets net of accumulated depreciation amount to \$136,016,950 as of December 31, 2023. The Authority's liabilities as of December 31, 2023, include accounts and retainage payable and accrued expenses of \$1,102,751, unearned revenue of \$1,067,294, collateral held of \$2,206,200, and a loan for the Authority's buildings of \$2,730,929.

**SOUTHEAST METRO STORMWATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

The following is a condensed statement of revenues, expenses, and changes in net position for the Authority for the years ended December 31, 2023 and 2022.

|  | December 31,          |                       | Increase<br>(Decrease) |
|--|-----------------------|-----------------------|------------------------|
|  | 2023                  | 2022                  |                        |
| <b>OPERATING REVENUES</b>                    |                       |                       |                        |
| Storm Drainage Utility Fees                  | \$ 13,317,492         | \$ 12,814,455         | \$ 503,037             |
| <b>OPERATING EXPENSES</b>                    |                       |                       |                        |
| Expenses Except Depreciation                 | 8,109,977             | 7,309,768             | 800,209                |
| Depreciation                                 | 8,238,772             | 8,121,614             | 117,158                |
| Total Operating Expenses                     | <u>16,348,749</u>     | <u>15,431,382</u>     | <u>917,367</u>         |
| <b>OPERATING INCOME (LOSS)</b>               | (3,031,257)           | (2,616,927)           | (414,330)              |
| <b>OTHER NONOPERATING REVENUE (EXPENSES)</b> |                       |                       |                        |
| Net Operating Revenue (Expenses)             | 1,095,429             | 1,978,131             | (882,702)              |
| <b>CAPITAL CONTRIBUTIONS</b>                 |                       |                       |                        |
| Governmental and Other                       | <u>340,339</u>        | <u>645,505</u>        | <u>(305,166)</u>       |
| <b>CHANGE IN NET POSITION</b>                | (1,595,489)           | 6,709                 | (1,602,198)            |
| Net Position - Beginning of Year             | <u>143,616,836</u>    | <u>143,610,127</u>    | <u>6,709</u>           |
| <b>NET POSITION - END OF YEAR</b>            | <u>\$ 142,021,347</u> | <u>\$ 143,616,836</u> | <u>\$ (1,595,489)</u>  |

As shown above, net position decreased by \$1,595,489 in 2023 and increased by \$6,709 in 2022. Operating revenues in 2023 were \$13,317,492 and \$12,814,455 in 2022 – a difference of \$503,037. Operating expenses in 2023 included \$4,783,975 of personal services, \$3,176,649 of contractual services, and \$149,353 of commodities. Nonoperating revenues and expenses in 2023 included interest revenue of \$666,615, nonoperating revenue of \$543,084, and interest expense of \$114,270.

**SOUTHEAST METRO STORMWATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

The following is a condensed statement of budget and actual revenue and expenditures for 2023. Both the budget and the actual amounts are presented on the modified accrual basis. The modified accrual basis is not in accordance with generally accepted accounting principles (GAAP). The principal departures from GAAP are the inclusion of proceeds from the issuance of debt, expenditures for capital outlay and debt principal reduction, and the recording of revenues when received rather than when earned.

|   | Budget Amounts        |                       | Actual<br>Amounts | Variance with<br>Final Budget |
|---|-----------------------|-----------------------|-------------------|-------------------------------|
|   | Original              | Final                 |                   | Positive<br>(Negative)        |
| <b>REVENUES</b>                               |                       |                       |                   |                               |
| Stormwater Utility Fees                       | \$ 13,055,014         | \$ 13,055,014         | \$ 13,456,426     | \$ 401,412                    |
| Other   | 1,073,500             | 1,073,500             | 2,291,038         | 1,217,538                     |
| Total Revenues                                | <u>14,128,514</u>     | <u>14,128,514</u>     | <u>15,747,464</u> | <u>1,618,950</u>              |
| <b>EXPENDITURES</b>                           |                       |                       |                   |                               |
| Program Expenses                              | 7,762,245             | 7,762,245             | 6,916,512         | 845,733                       |
| Building and Capital Equipment                | 1,455,259             | 1,455,259             | 877,753           | 577,506                       |
| Debt Service                                  | 1,094,478             | 1,094,478             | 1,096,233         | (1,755)                       |
| Capital Improvement Program/Asset Maintenance | 6,388,887             | 10,313,649            | 6,196,934         | 4,116,715                     |
| Total Expenditures                            | <u>16,700,869</u>     | <u>20,625,631</u>     | <u>15,087,432</u> | <u>5,538,199</u>              |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b>   | <u>\$ (2,572,355)</u> | <u>\$ (6,497,117)</u> | <u>\$ 660,032</u> | <u>\$ 7,157,149</u>           |

The most significant variance between the final budget and actual expenditures were for capital improvement program/asset maintenance with expenditures less than budget by \$4,116,715. This variance is typical since expenditures frequently lag behind budget due to the length of time required to plan, design, build, and complete a project.

**Capital Assets**

The Authority held \$241,774,731 of depreciable capital assets at December 31, 2023. \$154,188,804 of these capital assets are drainage improvements acquired from the City, ECCV, IWS, and ACWWA during 2008, 2009 and 2011, and \$78,349,143 are drainage improvements constructed by the Authority.

**Long-Term Debt**

The Authority borrowed \$7,000,000 during 2017 for the construction of its Piney Creek Project, which was paid off in 2023. In addition, the Authority has a loan for its administration and maintenance buildings.

**SOUTHEAST METRO STORMWATER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Economic Factors and Next Year's Budget**

Economic conditions have been factored into the development of the 2024 budget. Modifications to the budget were made in February 2024 for the carryover of unfinished capital projects.

**Requests for Information**

This report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided or requests for additional information should be addressed to the Executive Director for Southeast Metro Stormwater Authority, 7437 S. Fairplay St. Centennial, CO 80112.

## **BASIC FINANCIAL STATEMENTS**

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

**ASSETS**

Current Assets:

|                           |               |
|---------------------------|---------------|
| Cash and Cash Equivalents | \$ 12,065,430 |
| Fees Receivable           | 414,270       |
| Accounts Receivable       | 540,000       |
| Prepaid Expenses          | 91,871        |
| Total Current Assets      | 13,111,571    |

Capital Assets:

|   |               |
|---|---------------|
| Land                                      | 47,870        |
| Buildings                                 | 6,274,258     |
| Tenant Improvements                       | 314,988       |
| Vehicles and Related Equipment            | 1,132,391     |
| Maintenance Equipment                     | 530,024       |
| Office Furniture, Fixtures, and Equipment | 496,323       |
| Computer Software and Hardware            | 488,800       |
| Drainage Improvements                     | 78,349,143    |
| Contributed Drainage Improvements         | 154,188,804   |
| Construction in Progress                  | 5,815,102     |
| Total Capital Assets                      | 247,637,703   |
| Less: Accumulated Depreciation            | (111,620,753) |
| Net Capital Assets                        | 136,016,950   |

|              |             |
|--------------|-------------|
| Total Assets | 149,128,521 |
|--------------|-------------|

**LIABILITIES**

Current Liabilities:

|                                |           |
|--------------------------------|-----------|
| Accounts and Retainage Payable | 483,964   |
| Accrued Salaries and Benefits  | 174,345   |
| Accrued Compensated Absences   | 436,657   |
| Accrued Interest Payable       | 7,785     |
| Unearned Revenue               | 1,067,294 |
| Collateral Held                | 2,206,200 |
| Building Loan                  | 213,983   |
| Total Current Liabilities      | 4,590,228 |

Noncurrent Liabilities:

|                              |           |
|------------------------------|-----------|
| Building Loan                | 2,516,946 |
| Total Noncurrent Liabilities | 2,516,946 |

|                   |           |
|-------------------|-----------|
| Total Liabilities | 7,107,174 |
|-------------------|-----------|

**NET POSITION**

|                                  |                |
|----------------------------------|----------------|
| Net Investment in Capital Assets | 133,286,021    |
| Unrestricted                     | 8,735,326      |
| Total Net Position               | \$ 142,021,347 |

See accompanying Notes to Basic Financial Statements.

**SOUTHEAST METRO STORMWATER AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023**

|   |                              |
|---|------------------------------|
| <b>OPERATING REVENUES</b>                         |                              |
| Storm Drainage Utility Fees                       | \$ 13,317,492                |
| <b>OPERATING EXPENSES</b>                         |                              |
| Personal Services                                 | 4,783,975                    |
| Contractual Services                              | 3,176,649                    |
| Commodities                                       | 149,353                      |
| Depreciation                                      | 8,238,772                    |
| Total Operating Expenses                          | <u>16,348,749</u>            |
| <b>OPERATING INCOME (LOSS)</b>                    | (3,031,257)                  |
| <b>NONOPERATING REVENUE (EXPENSES)</b>            |                              |
| Interest Income                                   | 666,615                      |
| Other Revenue                                     | 543,084                      |
| Interest Expense                                  | (114,270)                    |
| Total Nonoperating Revenue (Expenses)             | <u>1,095,429</u>             |
| <b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b> | (1,935,828)                  |
| <b>CAPITAL CONTRIBUTIONS - OTHER</b>              | <u>340,339</u>               |
| <b>CHANGE IN NET POSITION</b>                     | (1,595,489)                  |
| Net Position - Beginning of Year                  | <u>143,616,836</u>           |
| <b>NET POSITION - END OF YEAR</b>                 | <u><u>\$ 142,021,347</u></u> |

See accompanying Notes to Basic Financial Statements.

**SOUTHEAST METRO STORMWATER AUTHORITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |               |
|---|---------------|
| Receipts from Customers                   | \$ 13,456,426 |
| Payments to and on Behalf of Employees    | (4,735,976)   |
| Payments to Providers and Suppliers       | (3,402,886)   |
| Other Receipts                            | 147,053       |
| Net Cash Provided by Operating Activities | 5,464,617     |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |             |
|---|-------------|
| Intergovernmental and Other Contributions Received        | 593,389     |
| Principal Payments on Building Loan                       | (206,816)   |
| Principal Payments on Piney Creek Project Loan            | (1,076,921) |
| Interest Payments   | (117,193)   |
| Acquisition of Capital Assets                             | (5,625,383) |
| Net Cash Used by Capital and Related Financing Activities | (6,432,924) |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                    |         |
|------------------------------------|---------|
| Interest on Short-Term Investments | 666,615 |
|------------------------------------|---------|

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(301,692)

Cash and Cash Equivalents - Beginning of Year

12,367,122

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 12,065,430

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

|   |                |
|---|----------------|
| Operating Income (Loss)   | \$ (3,031,257) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                |
| Other Nonoperating Revenue  | 543,084        |
| Depreciation  | 8,238,772      |
| Changes in Assets and Liabilities:  |                |
| Accounts Receivable   | 138,934        |
| Other Current Assets  | (13,872)       |
| Accounts Payable  | (63,867)       |
| Accrued Expenses and Other Liabilities  | (347,177)      |
| Net Cash Provided by Operating Activities   | \$ 5,464,617   |

See accompanying Notes to Basic Financial Statements.

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

The Southeast Metro Stormwater Authority (the Authority) was formed pursuant to Section 29-1-204.2, C.R.S. by an intergovernmental agreement dated September 19, 2006, among Arapahoe County (the County), the City of Centennial (the City), the Arapahoe County Water and Wastewater Authority (ACWWA), the East Cherry Creek Valley Water and Sanitation District (ECCV), and the Inverness Water and Sanitation District (IWS). The purpose of the agreement is to plan, fund, construct, acquire, operate, and maintain drainage and flood control facilities within the Authority's boundaries. By resolution of the Board of Directors, the Authority serves as an enterprise, as such term is defined in Article X, Section 20 of the Colorado Constitution, and in furtherance thereof, to serve as a government-owned business, engaged in water enterprise activities.

The Authority is a separate stand-alone governmental entity. The Authority's Board of Directors consists of two voting members appointed by the Arapahoe County Board of County Commissioners, three voting members appointed by the City of Centennial City Council, and one ex-officio non-voting member jointly appointed by ACWWA, ECCV, and IWS.

The Authority follows 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 government organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's reporting entity. Financial accountability includes, but is not limited to, appointment of a majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Authority is accounted for as an enterprise fund. The Enterprise fund is used since the Authority's powers are related to those operated in a manner similar to a private utility system where the cost of providing services to the general public on a continuing basis be financed through the imposition of fees and charges. The Authority's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Authority's activities are accounted for, and reported on, in accordance with all Governmental Accounting Standards Board (GASB) pronouncements.

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The financial statements present the financial position of the Authority as of December 31, 2023, and the results of its operations and cash flows for the year ended December 31, 2023. The statement of revenues, expenses, and changes in net position distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations.

**Budget**

An annual budget is established for the Authority. Budgetary comparisons are included in the appropriate financial statements and schedules as required by law. The legal level of budgetary control is at the enterprise level. All appropriations unexpended at the end of the year lapse.

The 2023 budget, as revised, was prepared on the modified accrual basis of accounting. The modified accrual basis is not in accordance with generally accepted accounting principles (GAAP). The principal departures from GAAP are the inclusion of proceeds from the issuance of debt, expenditures for capital outlay and debt principal reduction, and the recording of revenues when received rather than when earned.

The following is a summary of the procedures used in establishing budgetary data reflected in the financial statements:

1. The Authority's Executive Director submits to the Board of Directors a proposed budget for the next year.
2. A public hearing is conducted to obtain citizen comments.
3. Prior to December 31, the Board adopts the budget and passes the appropriation resolution.
4. After commencement of the fiscal year, the appropriation resolution is irrevocable. However, the Board may adopt supplemental appropriations by resolution due to circumstances which could not be foreseen at the time of adoption of the original budget.

**Investments**

The Authority 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. Level 3 inputs are significant unobservable inputs. The Authority has no investments required to be reported under the fair value hierarchy.

**SOUTHEAST METRO STORMWATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Statement of Cash Flows**

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

**Receivables**

Accounts receivables are expressed net of allowances for doubtful accounts. As of December 31, 2023, there is no allowance for doubtful accounts.

**Utility Fees**

The Authority has an agreement with Arapahoe County ("County") to bill and collect stormwater fees. Under the agreement, the Authority's stormwater utility fees are billed with the County's property tax bills. The County collects the determined fees during the calendar year, which are payable by April or if in equal installments, at the taxpayer's election, February and June. The County remits the taxes collected monthly to the Authority.

**Capital Assets**

Capital assets, which include property, plant, equipment, and drainage improvements, are reported in the financial statements. Capital assets are defined by the Authority as assets with an estimated useful life greater than one year. The Authority follows the guidelines set forth in Chapter 9, Section 1.4.1 of the Fiscal Procedures Manual promulgated by the State Controller with regard to dollar thresholds for the capitalization of capital assets. The applicable capitalization guidelines are as follows:

|                                 |   |
|---------------------------------|---|
| Land                            | All purchases are capitalized, regardless of cost |
| Land Improvements               | \$50,000  |
| Building                        | \$50,000  |
| Leasehold Improvements          | \$50,000  |
| Furniture and Equipment         | \$5,000 per item                                  |
| Software (Purchased)            | \$5,000   |
| Software (Internally Developed) | \$50,000  |

For capitalization purposes, drainage improvements are deemed to be land improvements and, consistent with the State Controller's guidelines, such improvements costing \$50,000 or more are capitalized.

Purchased or constructed capital assets are recorded at cost. Contributed capital assets are recorded at the estimated fair value on the date contributed.

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Capital Assets (Continued)**

Property, plant, equipment, and drainage improvements are depreciated using the straight-line method over the following estimated useful lives:

|   |             |
|---|-------------|
| Tenant Improvements                       | 7 Years     |
| Vehicles and Related Equipment            | 5-7 Years   |
| Office Furniture, Fixtures, and Equipment | 7 Years     |
| Computer Software and Hardware            | 7 Years     |
| Drainage Improvements                     | 25-50 Years |

**Compensated Absences**

The Authority's policy is to accrue as an expense and liability employee vacation, sick leave, and compensatory time when the employee vests in such benefits.

**Net Position**

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This component of net position consists of amounts that do not meet the definition of "restricted" or "net investment in capital assets."

If both restricted and unrestricted resources are available to use for the same purpose, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**SOUTHEAST METRO STORMWATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

|                            |               |
|----------------------------|---------------|
| Cash and Investments       | \$ 12,065,430 |
| Total Cash and Investments | \$ 12,065,430 |

Cash and investments as of December 31, 2023, consist of the following:

|                                      |               |
|--------------------------------------|---------------|
| Deposits with Financial Institutions | \$ 648,163    |
| Investments                          | 11,417,267    |
| Total Cash and Investments           | \$ 12,065,430 |

**Cash Deposits**

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

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

At December 31, 2023, the Authority's cash deposit had a bank balance and a carrying balance of \$648,163, of which \$250,000 per banking institution is insured through FDIC, and the balance is collateralized in single institution pool, pursuant to PDPA, as described above.

**Investments**

Investment policies are governed by Colorado statute and the Authority's own investment policies. Investments of the Authority may include the following (certain limitations apply):

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

**SOUTHEAST METRO STORMWATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Investments (Continued)**

As of December 31, 2023, the Authority’s investment in COLOTRUST was as follows:

| <u>Investment</u>  | <u>Maturity</u>                   | <u>Amount</u>        |
|--|-----------------------------------|----------------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST) | Weighted-Average<br>Under 60 Days | <u>\$ 11,417,267</u> |

**COLOTRUST**

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, was as follows:

|   | Balance -<br>December 31,<br>2022 | Increases           | Decreases           | Balance -<br>December 31,<br>2023 |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|
| Capital Assets, Not Being Depreciated:      |                                   |                     |                     |                                   |
| Land  | \$ 47,870                         | \$ -                | \$ -                | \$ 47,870                         |
| Construction in Progress                    | 2,420,391                         | 5,406,059           | 2,011,348           | 5,815,102                         |
| Total Capital Assets, Not Being Depreciated | 2,468,261                         | 5,406,059           | 2,011,348           | 5,862,972                         |
| Capital Assets, Being Depreciated:          |                                   |                     |                     |                                   |
| New Building                                | 6,195,846                         | 78,412              | -                   | 6,274,258                         |
| Building Improvements                       | 314,988                           | -                   | -                   | 314,988                           |
| Vehicles and Related Equipment              | 1,086,166                         | 112,720             | 66,495              | 1,132,391                         |
| Maintenance Equipment                       | 524,129                           | 5,895               | -                   | 530,024                           |
| Office Furniture, Fixtures, and Equipment   | 496,323                           | -                   | -                   | 496,323                           |
| Computer Software and Hardware              | 466,507                           | 22,293              | -                   | 488,800                           |
| Drainage Improvements                       | 76,337,795                        | 2,011,348           | -                   | 78,349,143                        |
| Contributed Drainage Improvements           | 154,188,804                       | -                   | -                   | 154,188,804                       |
| Total Capital Assets, Being Depreciated     | 239,610,558                       | 2,230,668           | 66,495              | 241,774,731                       |
| Less Accumulated Depreciation For:          |                                   |                     |                     |                                   |
| New Building                                | (2,086,563)                       | (275,213)           | -                   | (2,361,776)                       |
| Building Improvements                       | (249,721)                         | (13,503)            | -                   | (263,224)                         |
| Vehicles and Related Equipment              | (849,972)                         | (114,428)           | (66,495)            | (897,905)                         |
| Maintenance Equipment                       | (237,637)                         | (60,277)            | -                   | (297,914)                         |
| Office Furniture, Fixtures, and Equipment   | (472,980)                         | (11,241)            | -                   | (484,221)                         |
| Computer Software and Hardware              | (366,964)                         | (26,375)            | -                   | (393,339)                         |
| Drainage Improvements                       | (9,860,884)                       | (1,570,183)         | -                   | (11,431,067)                      |
| Contributed Drainage Improvements           | (89,323,755)                      | (6,167,552)         | -                   | (95,491,307)                      |
| Total Accumulated Depreciation              | (103,448,476)                     | (8,238,772)         | (66,495)            | (111,620,753)                     |
| Net Capital Assets, Being Depreciated       | 136,162,082                       | (6,008,104)         | -                   | 130,153,978                       |
| Capital Assets, Net                         | <u>\$ 138,630,343</u>             | <u>\$ (602,045)</u> | <u>\$ 2,011,348</u> | <u>\$ 136,016,950</u>             |

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATION**

The following is an analysis of changes in the Authority's long-term obligations for the year ended December 31, 2023:

|  | Balance -<br>December 31,<br>2022 | Additions        | Reductions          | Balance -<br>December 31,<br>2023 | Due in<br>One Year |
|--|-----------------------------------|------------------|---------------------|-----------------------------------|--------------------|
| Loans from Direct Borrowings<br>and Direct Placements:               |                                   |                  |                     |                                   |                    |
| Piney Creek Loan   | \$ 1,076,921                      | \$ -             | \$ 1,076,921        | \$ -                              | \$ -               |
| Building Loan  | 2,937,745                         | -                | 206,816             | 2,730,929                         | 213,983            |
| Subtotal of Loans from Direct<br>Borrowings and Direct<br>Placements | 4,014,666                         | -                | 1,283,737           | 2,730,929                         | 213,983            |
| Other Debts:   |                                   |                  |                     |                                   |                    |
| Compensated Absences   | 387,860                           | 48,797           | -                   | 436,657                           | 436,657            |
| Subtotal of Other Debts  | 387,860                           | 48,797           | -                   | 436,657                           | 436,657            |
| Total  | <u>\$ 4,402,526</u>               | <u>\$ 48,797</u> | <u>\$ 1,283,737</u> | <u>\$ 3,167,586</u>               | <u>\$ 650,640</u>  |

**Building Loan**

On August 26, 2014, the Authority closed on a loan in the amount of \$4,400,000 with Colorado Business Bank for the construction of its new Administration and Maintenance buildings. The loan bears interest at the rate of 3.421% and is payable in quarterly installments of \$76,170 over a period of 20 years. The loan is secured by fees and charges of the Authority. Prepayment of the loan is subject to a prepayment fee.

Future debt service requirement for the Building Loan are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|---------------------------------|---------------------|-------------------|---------------------|
| 2024                            | \$ 213,983          | \$ 90,699         | \$ 304,682          |
| 2025                            | 221,397             | 83,285            | 304,682             |
| 2026                            | 229,069             | 75,613            | 304,682             |
| 2027                            | 237,007             | 67,675            | 304,682             |
| 2028                            | 245,219             | 59,463            | 304,682             |
| 2029-2033                       | 1,359,597           | 163,813           | 1,523,410           |
| 2034                            | 224,657             | 3,853             | 228,510             |
| Total                           | <u>\$ 2,730,929</u> | <u>\$ 544,400</u> | <u>\$ 3,275,330</u> |

**SOUTHEAST METRO STORMWATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 NET POSITION**

The Authority has net position consisting of two components – net investment in capital assets and unrestricted.

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of long-term obligations that are attributable to the acquisition, construction, or improvements of those asset. As of December 31, 2023, the Authority had net investment in capital assets calculated as follows:

|                                  |           |                    |
|----------------------------------|-----------|--------------------|
| Capital Assets, Net              | \$        | 136,016,950        |
| Loans Payable                    |           |                    |
| Due Within A Year                |           | (213,983)          |
| Due In More Than One Year        |           | <u>(2,516,946)</u> |
| Net Investment In Capital Assets | <u>\$</u> | <u>133,286,021</u> |

The Authority’s unrestricted net position as of December 31, 2023 totaled \$8,735,326.

**NOTE 7 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery and workers compensation coverage to its members.

The Authority pays annual premiums to the Pool for liability, property, and public officials’ liability coverage. In the event aggregated losses incurred by the Pool exceeded amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are no needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8 PENSION PLAN**

The Authority contributes to the Colorado Retirement Association (CRA) pension plan on behalf of all full-time employees. Employees are required to participate in the plan beginning on the first day of employment.

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 PENSION PLAN (CONTINUED)**

The plan is a defined contribution plan through which contributions of employers are combined with contributions of employees and invested in income earning instruments for the benefit of plan participants. Any county, municipality or special district of the state of Colorado may, with the consent of the Association become a member and participate in the plan by adopting it for its officers and employees. During 2023, the Authority contributes between 6-9% and participating employees contribute 6% of compensation to the plan. The dollar amount of employer contributions was \$308,299 and \$208,713 was contributed by the employees. Forfeitures were not used to offset employer contributions during 2023. Employee contributions must match employer contributions. Participants are immediately vested 100% in their own contributions and earnings. Vesting in employer contributions and earnings occurs at the rate of 25% per year. Copies of the Plan's financial statements may be obtained from CRA.

**NOTE 9 DEFERRED COMPENSATION PLAN**

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets under this plan are no longer considered property of the Authority and are held by the Authority's third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. The Authority's plan is administered by the Colorado Retirement Association (CRA). The Authority has little administrative involvement and does not perform the investing function for this plan. The assets of the plan are not considered assets of the Authority and are not included in the financial statements.

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, also known as the TABOR Amendment, which has several limitations, including those for revenue, expenditures, property taxes, and issuance of debt. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

Section 37-45.1-101, C.R.S., *et.seq.* authorizes governmental entities such as the Authority to establish water activity enterprises. On September 28, 2006, the Board of Directors passed a resolution creating the Southeast Metro Stormwater Authority (SEMSWA) Water Activity Enterprise. Therefore, TABOR is not applicable to the Authority.

**SOUTHEAST METRO STORMWATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 11 INTERGOVERNMENTAL AGREEMENT FOR THE COLLECTION OF STORMWATER FEES**

In 2006, the Authority entered into an intergovernmental agreement with the County for the billing and collection of stormwater utility fees. Under the agreement, the Authority's stormwater utility fees are billed with the County's property tax bills. Beginning in 2009, tax-exempt organizations were billed directly by the Authority.

**NOTE 12 COMMITMENTS**

The Authority had commitments of \$24,514 for capital projects at December 31, 2023. Future expenditures for these commitments are expected to be financed through available resources and future revenues.

## **SUPPLEMENTARY INFORMATION**

**SOUTHEAST METRO STORMWATER AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS)**  
**YEAR ENDED DECEMBER 31, 2023**

|  | Budget Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------|---------------|-------------------|---|
|  | Original       | Final         |                   |   |
| <b>REVENUES</b>  |                |               |                   |   |
| Storm Drainage Utility Fees                                    | \$ 13,055,014  | \$ 13,055,014 | \$ 13,456,426     | \$ 401,412  |
| Interest Income  | 50,000         | 50,000        | 666,615           | 616,615   |
| Intergovernmental Revenue                                      | 201,000        | 201,000       | 809,181           | 608,181   |
| Other Revenue  | 822,500        | 822,500       | 815,242           | (7,258)   |
| Total Revenues   | 14,128,514     | 14,128,514    | 15,747,464        | 1,618,950   |
| <b>EXPENDITURES</b>  |                |               |                   |   |
| Administration   | 2,189,066      | 2,189,066     | 1,853,633         | 335,433   |
| Maintenance and Inspections                                    | 3,216,719      | 3,216,719     | 2,894,378         | 322,341   |
| Environmental Resources  | 594,246        | 594,246       | 522,925           | 71,321  |
| Building and Space   | 703,882        | 703,882       | 621,275           | 82,607  |
| Capital Purchases  | 751,377        | 751,377       | 256,478           | 494,899   |
| Debt Service   | 1,094,478      | 1,094,478     | 1,096,233         | (1,755)   |
| Engineering and Construction                                   | 1,762,214      | 1,762,214     | 1,645,576         | 116,638   |
| Asset Maintenance  | 2,300,000      | 4,611,523     | 1,573,199         | 3,038,324   |
| Capital Improvement Program                                    | 4,088,887      | 5,702,126     | 4,623,735         | 1,078,391   |
| Total Expenditures   | 16,700,869     | 20,625,631    | 15,087,432        | 5,538,199   |
| <b>NET CHANGE IN FUNDS AVAILABLE</b>                           | (2,572,355)    | (6,497,117)   | 660,032           | 7,157,149   |
| Funds available - Beginning of Year                            | 5,239,948      | 9,295,055     | 9,347,105         | 52,050  |
| <b>FUNDS AVAILABLE - END OF YEAR</b>                           | \$ 2,667,593   | \$ 2,797,938  | \$ 10,007,137     | \$ 7,209,199  |
| <b>ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS</b>     |                |               |                   |   |
| Excess of Revenues Over (Under) Expenditures (Budgetary Basis) |                |               | \$ 660,032        |   |
| Capital Outlay   |                |               | 5,558,884         |   |
| Depreciation   |                |               | (8,172,277)       |   |
| Loan Principal Payments  |                |               | 1,283,737         |   |
| Accrued Drainage Utility Fees                                  |                |               | (138,934)         |   |
| Deferred Revenues  |                |               | (741,000)         |   |
| Accrued Compensated Absences                                   |                |               | (48,854)          |   |
| Accrued Interest on Loans                                      |                |               | 2,923             |   |
| Change in Net Position - GAAP Basis                            |                |               | \$ (1,595,489)    |   |

**SOUTHEAST METRO STORMWATER AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)  
(NON-GAAP BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2023**

**FUNDS AVAILABLE ARE DEFINED AS FOLLOWS:**

|  |                             |
|--|-----------------------------|
| Total Current Assets                                 | \$ 13,111,571               |
| Adjustment for:                                      |                             |
| Fees Receivable                                      | (414,270)                   |
| Less Total Current Liabilities                       | (4,590,228)                 |
| Adjustment for:                                      |                             |
| Accrued Salaries, Benefits, and Compensated Absences | 611,002                     |
| Deferred Revenues                                    | 1,067,294                   |
| Current Portion of Long-Term Obligations             | <u>221,768</u>              |
| Total  | <u><u>\$ 10,007,137</u></u> |