

**SOUTH METRO WATER SUPPLY AUTHORITY  
ARAPAHOE AND DOUGLAS COUNTIES, COLORADO**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
South Metro Water Supply Authority  
Arapahoe and Douglas Counties, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of South Metro Water Supply Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise South Metro Water Supply Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of South Metro Water Supply Authority, as of December 31, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Metro Water Supply Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 11 to the financial statements, effective January 1, 2024, South Metro Water Supply Authority adopted new accounting guidance for compensated absences. The guidance requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. As a result of the implementation, South Metro Water Supply Authority had a restatement to beginning net position. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Metro Water Supply 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.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Metro Water Supply 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 South Metro Water Supply 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Metro Water Supply Authority's basic financial statements. The schedule of participation contract activity is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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 basic 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 GAAS. In our opinion, the schedule of participation contract activity is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Denver, Colorado  
June 23, 2025

**SOUTH METRO WATER SUPPLY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

As management of the South Metro Water Supply Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended December 31, 2024 and 2023.

**Financial Highlights**

- The Authority's governmental activities' assets exceeded liabilities by \$188,986 and \$187,968 at December 31, 2024 and 2023, respectively.
- As December 31, 2024 and 2023, the Authority's governmental fund reported an ending fund balance of \$321,430 and \$267,790, respectively.
- Total net position increased by \$28,869 in 2024 and decreased by (\$8,601) in 2023.
- General government expenses decreased by \$46,925, or 3.5%, as compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the governmental fund was \$189,912.

**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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference 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.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. 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.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**SOUTH METRO WATER SUPPLY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**Overview of the Financial Statements (Continued)**

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The Authority maintains one governmental fund - the general fund. The Authority adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority's schedule of participation contract activity.

**STATEMENT OF NET POSITION  
DECEMBER 31, 2024 AND 2023**

|                              | 2024       | 2023       |
|------------------------------|------------|------------|
| <b>ASSETS</b>                |            |            |
| Current Assets               | \$ 343,063 | \$ 301,896 |
| Capital Assets               | 302,702    | 20,385     |
| Total Assets                 | 645,765    | 322,281    |
| <br><b>LIABILITIES</b>       |            |            |
| Current Liabilities          | 168,475    | 34,106     |
| Long-Term Liabilities        | 288,304    | 100,207    |
| Total Liabilities            | 456,779    | 134,313    |
| <br><b>NET POSITION</b>      |            |            |
| Investment in Capital Assets | (18,716)   | (8,950)    |
| Restricted Net Position      | 5,082      | 11,367     |
| Unrestricted Net Position    | 202,620    | 185,551    |
| Total Net Position           | \$ 188,986 | \$ 187,968 |

**SOUTH METRO WATER SUPPLY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**Overview of the Financial Statements (Continued)**

As noted earlier, net position may serve as a useful indicator for the Authority's financial position. In the Authority's case, 2024 and 2023 ended with total net position valued at \$188,986 and \$187,968, respectively, with outstanding liabilities of \$456,779 and \$134,313 respectively. Approximately 53.1% of the Authority's assets consists of cash, investments, current receivables and prepaid items. The remaining assets primarily represent the current value of the Authority's capital assets less accumulated amortization.

**STATEMENT OF CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

|  | 2024         | 2023         |
|--|--------------|--------------|
| <b>REVENUES</b>  |              |              |
| Charges for Services                                     | \$ 1,321,858 | \$ 1,330,317 |
| Operating Grants and Contributions                       | 200,245      | 102,216      |
| Investment Income  | 10,957       | 13,441       |
| Total Revenues   | 1,533,060    | 1,445,974    |
| <b>EXPENSES</b>  |              |              |
| General Government                                       | 1,284,005    | 1,330,930    |
| Participation Contracts                                  | 209,119      | 118,573      |
| Interest on Long-Term Liabilities                        | 11,067       | 5,072        |
| Total Expenses   | 1,504,191    | 1,454,575    |
| <b>CHANGE IN NET POSITION</b>                            | 28,869       | (8,601)      |
| Net Position - Beginning of Year, as Originally Reported | 187,968      | 196,569      |
| Restatement  | (27,851)     | -            |
| Net Position - Beginning, As Restated                    | 160,117      | 196,569      |
| <b>NET POSITION END OF YEAR</b>                          | \$ 188,986   | \$ 187,968   |

**Governmental activities.** Governmental activities increased the Authority's net position by \$28,869 in 2024 and decreased the Authority's net position by (\$8,601) in 2023. Key elements of these changes in net position were as follows:

- General government expenses decreased by \$46,925 (3.5%) from 2023 to 2024. This decrease was due to a decrease in Master Plan projects in 2025.
- Beginning net position was restated as of January 1, 2024 as a result of adopting GASB Statement No. 101, *Compensated Absences*. See Note 11.

**SOUTH METRO WATER SUPPLY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**Financial Analysis of the Government's Funds**

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**General Fund Budgetary Highlights**

The difference between the final budgeted revenue of \$1,925,768 and the actual revenue of \$1,533,060 was (\$392,708). Actual expenditures of \$1,807,432 were below the final budgeted expenditures of \$2,001,685 by \$194,253.

**Capital Assets and Long-Term Liabilities**

In 2024, the Authority capitalized the right-to-use lease asset and lease payable in the amount of \$328,012. As of December 31, 2024, the right-to-use lease asset, net of accumulated amortization, and lease payable amounted to \$302,702 and \$321,418, respectively.

**Next Year's Budgets and Rates**

**Government Funds.** The 2025 budget reflects a decrease in CWCB grant revenue of \$65,026. General fund expenditures are expected to decrease comparably in 2025 given reduction in grant activity.

**Requests for Information**

This financial report is designed to provide a general overview of the South Metro Water Supply Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

South Metro Water Supply Authority  
116 Inverness Drive East #270  
Englewood, CO 80112

**SOUTH METRO WATER SUPPLY AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2024**

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| Cash and Investments                            | \$ 266,006                         |
| Accounts Receivable                             | 25,000                             |
| Security Deposit                                | 9,757                              |
| Prepaid Items                                   | 42,300                             |
| Capital Assets Net of Accumulated Amortization: |                                    |
| Right-to-Use Lease Building                     | <u>302,702</u>                     |
| Total Assets                                    | <u>645,765</u>                     |
| <b>LIABILITIES</b>                              |                                    |
| Accounts Payable                                | 18,013                             |
| Due to South Metro WISE Authority               | 3,620                              |
| Accrued Interest                                | 10,495                             |
| Long-Term Liabilities:                          |                                    |
| Due Within One Year                             | 136,347                            |
| Due in More than One Year                       | <u>288,304</u>                     |
| Total Liabilities                               | <u>456,779</u>                     |
| <b>NET POSITION</b>                             |                                    |
| Net Investment in Capital Assets                | (18,716)                           |
| Restricted for Participation Contracts          | 5,082                              |
| Unrestricted                                    | <u>202,620</u>                     |
| Total Net Position                              | <u><u>\$ 188,986</u></u>           |

*See accompanying Notes to Financial Statements.*

**SOUTH METRO WATER SUPPLY AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

|  | Program Revenues |                         |  |  | Net Revenues<br>(Expenses)<br>and Change in<br>Net Position |
|--|------------------|-------------------------|--|--|---|
| FUNCTIONS/PROGRAMS                                       | Expenses         | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                  |
| Primary Government:                                      |                  |                         |  |  |   |
| Governmental Activities:                                 |                  |                         |  |  |   |
| General Government                                       | \$ 1,284,005     | \$ 1,321,858            | \$ -                                     | \$ -                                   | \$ 37,853   |
| Participation Contracts                                  | 209,119          | -                       | 200,245                                  | -                                      | (8,874)   |
| Interest on Long-Term Liabilities                        | 11,067           | -                       | -  | -                                      | (11,067)  |
| Total Governmental Activities                            | \$ 1,504,191     | \$ 1,321,858            | \$ 200,245                               | \$ -                                   | 17,912  |
| <b>GENERAL REVENUES</b>                                  |                  |                         |  |  |   |
| Investment Income  |                  |                         |  |  | 10,957  |
| Total General Revenues                                   |                  |                         |  |  | 10,957  |
| <b>CHANGE IN NET POSITION</b>                            |                  |                         |  |  |   |
| Net Position - Beginning of Year, as Originally Reported |                  |                         |  |  | 187,968   |
| Restatement  |                  |                         |  |  | (27,851)  |
| Net Position - Beginning, As Restated                    |                  |                         |  |  | 160,117   |
| <b>NET POSITION - END OF YEAR</b>                        |                  |                         |  |  | \$ 188,986  |

See accompanying Notes to Financial Statements.

**SOUTH METRO WATER SUPPLY AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2024**

|  | <u>General</u> |
|--|----------------|
| <b>ASSETS</b>  |                |
| Cash and Investments   | \$ 266,006     |
| Accounts Receivable  | 25,000         |
| Security Deposit   | 9,757          |
| Prepaid Items  | 42,300         |
| Total Assets   | 343,063        |
| <b>LIABILITIES AND FUND BALANCE</b>  |                |
| <b>LIABILITIES</b>   |                |
| Accounts Payable   | 18,013         |
| Due to South Metro WISE Authority  | 3,620          |
| Total Liabilities  | 21,633         |
| <b>FUND BALANCE</b>  |                |
| Nonspendable:  |                |
| Security Deposit   | 9,757          |
| Prepaid Amounts  | 42,300         |
| Restricted:  |                |
| Participation Contracts  | 5,082          |
| Assigned to:   |                |
| Subsequent Year's Expenditures   | 74,379         |
| Unassigned   | 189,912        |
| Total Fund Balance   | 321,430        |
| Total Liabilities and Fund Balance   | \$ 343,063     |
| Total Fund Balance   | \$ 321,430     |
| Amounts reported for governmental activities in the statement of net position are different because:   |                |
| Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 302,702        |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.   |                |
| Compensated Absences   | (103,233)      |
| Accrued Interest   | (10,495)       |
| Lease Payable  | (321,418)      |
| Net Position of Governmental Activities  | \$ 188,986     |

See accompanying Notes to Financial Statements.

**SOUTH METRO WATER SUPPLY AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2024**

|   | General    |
|---|------------|
| <b>REVENUES</b>   |            |
| Dues from Members   | \$ 483,333 |
| Participation Contract Fees   | 5,000      |
| Staff Support/Office Reimbursement  | 838,525    |
| Conservation  | 25,000     |
| Grant Funding   | 170,245    |
| Investment Income   | 10,957     |
| Total Revenues  | 1,533,060  |
| <b>EXPENDITURES</b>   |            |
| General Government  | 1,561,812  |
| Participation Contracts   | 209,119    |
| Debt Service:   |            |
| Principal   | 35,929     |
| Interest  | 572        |
| Total Expenditures  | 1,807,432  |
| <b>OTHER FINANCING SOURCES</b>  |            |
| Lease Issuance  | 328,012    |
| Total Other Financing Sources   | 328,012    |
| <b>NET CHANGE IN FUND BALANCE</b>   | 53,640     |
| Fund Balance - Beginning of Year  | 267,790    |
| <b>FUND BALANCE - END OF YEAR</b>   | \$ 321,430 |
| Net Change in Fund Balance  | \$ 53,640  |
| Amounts reported for governmental activities in the statement of activities are different because:  |            |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. Also, in the statement of activities, only the gain (loss) on the sale of capital assets is reported. |            |
| Expenditures for Capital Assets   | 328,012    |
| Amortization Expense  | (45,695)   |
| Repayment of lease principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position.   | 35,929     |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.   |            |
| Leases  | (328,012)  |
| Accrued Interest  | (10,495)   |
| Compensated Absences  | (4,510)    |
| Change in Net Position of Governmental Activities   | \$ 28,869  |

See accompanying Notes to Financial Statements.

**SOUTH METRO WATER SUPPLY AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2024**

|  | Original<br>and Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------------------|-------------------|---|
| <b>REVENUES</b>                                      |                                 |                   |   |
| Dues from Members                                    | \$ 500,000                      | \$ 483,333        | \$ (16,667)   |
| Staff Support/Office Reimbursement                   | 910,334                         | 838,525           | (71,809)  |
| Conservation   | 25,000                          | 25,000            | -   |
| Participation Contract Fees                          | 5,000                           | 5,000             | -   |
| CWCB Grant Income                                    | 468,434                         | 170,245           | (298,189)   |
| Investment Income                                    | 17,000                          | 10,957            | (6,043)   |
| Total Revenues                                       | <u>1,925,768</u>                | <u>1,533,060</u>  | <u>(392,708)</u>  |
| <b>EXPENDITURES</b>                                  |                                 |                   |   |
| General Government:                                  |                                 |                   |   |
| K-12 Education Materials                             | 14,000                          | -                 | 14,000  |
| Accounting/Audit                                     | 35,000                          | 35,320            | (320)   |
| Conservation   | 10,000                          | 16,356            | (6,356)   |
| Contingency  | 10,000                          | -                 | 10,000  |
| Dues/Sponsorships                                    | 32,000                          | 40,161            | (8,161)   |
| Engineering  | 35,000                          | -                 | 35,000  |
| Insurance  | 10,300                          | 11,378            | (1,078)   |
| IT Support   | 23,000                          | 21,820            | 1,180   |
| Legal  | 25,000                          | 20,659            | 4,341   |
| Lobbying   | 36,000                          | 36,000            | -   |
| Master Plan  | 60,000                          | -                 | 60,000  |
| Office Equipment                                     | 11,000                          | 7,267             | 3,733   |
| Office Space/Facilities                              | 91,000                          | 357,478           | (266,478)   |
| Office Supplies/Meeting Expense                      | 9,000                           | 6,566             | 2,434   |
| Payroll Tax Expense                                  | 68,251                          | 58,584            | 9,667   |
| Public Relations/Regional Messaging                  | 30,000                          | 17,600            | 12,400  |
| Employee Training                                    | 9,000                           | 2,275             | 6,725   |
| Salaries/Benefits                                    | 1,007,000                       | 913,441           | 93,559  |
| QWEL   | 1,000                           | -                 | 1,000   |
| Staff Expenses                                       | 15,000                          | 16,907            | (1,907)   |
| Total General Government                             | <u>1,531,551</u>                | <u>1,561,812</u>  | <u>(30,261)</u>   |
| Participation Contracts:                             |                                 |                   |   |
| CWCB - Aquifer Storage Grant                         | 353,026                         | 83,820            | 269,206   |
| CWCB - Water Ambassador Grant                        | 12,000                          | -                 | 12,000  |
| CWCB Grant Expenditures                              | 103,408                         | 114,014           | (10,606)  |
| Water Ambassadors                                    | 1,700                           | 11,285            | (9,585)   |
| Total Participation Contracts                        | <u>470,134</u>                  | <u>209,119</u>    | <u>261,015</u>  |
| Debt Service:  |                                 |                   |   |
| Principal  | -                               | 35,929            | (35,929)  |
| Interest   | -                               | 572               | (572)   |
| Total Debt service                                   | <u>-</u>                        | <u>36,501</u>     | <u>(36,501)</u>   |
| Total Expenditures                                   | <u>2,001,685</u>                | <u>1,807,432</u>  | <u>194,253</u>  |
| <b>DEFICIENCY OF REVENUES<br/>UNDER EXPENDITURES</b> | (75,917)                        | (274,372)         | (198,455)   |
| <b>OTHER FINANCING SOURCES</b>                       |                                 |                   |   |
| Lease Issuance                                       | -                               | 328,012           | 328,012   |
| Total Other Financing Sources                        | <u>-</u>                        | <u>328,012</u>    | <u>328,012</u>  |
| <b>NET CHANGE IN FUND BALANCES</b>                   | (75,917)                        | 53,640            | 129,557   |
| Fund Balance - Beginning of Year                     | <u>238,480</u>                  | <u>267,790</u>    | <u>29,310</u>   |
| <b>FUND BALANCE - END OF YEAR</b>                    | <u>\$ 162,563</u>               | <u>\$ 321,430</u> | <u>\$ 158,867</u>                                       |

See accompanying Notes to Financial Statements.

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

The South Metro Water Supply Authority (the Authority) was formed in August 2004 and is operating under the First Amended and Restated South Metro Water Supply Authority Intergovernmental Agreement, which became effective January 1, 2006. The Authority is the successor-in-interest to the South Metro Water Supply Study Board (the Study Board). The Study Board was formed in January 2000 as a separate legal entity by the Douglas County Water Resource Authority Project Participation Agreement authorized pursuant to Article XIV, Section 18(2) (a) of the Constitution of the State of Colorado and Section 29-1-201 of the 1973 Colorado Revised Statutes.

The Authority is governed by a five-member Board of Directors. Four directors are appointed by the governing bodies of the four largest participants. The fifth director is elected from delegates nominated by the remaining participants' governing bodies. The Authority has six employees.

As of December 31, 2024, the Authority consisted of 13 members, who pay annual dues to operate the Authority based on the percentages defined in the First Amended and Restated South Metro Water Supply Authority Intergovernmental Agreement effective January 1, 2006. The members and their respective allocation of annual dues at December 31, 2024, were as follows:

|  |          |
|--|----------|
| Arapahoe County Water and Wastewater Authority         | 3.71 %   |
| Centennial Water and Sanitation District               | 16.68    |
| Cottonwood Water and Sanitation District               | 3.70     |
| Dominion Water & Sanitation District                   | 3.70     |
| East Cherry Creek Valley Water and Sanitation District | 16.67    |
| Inverness Water and Sanitation District                | 3.70     |
| Meridian Metropolitan District                         | 3.70     |
| Parker Water and Sanitation District                   | 16.67    |
| Pinery Water and Wastewater District                   | 3.70     |
| Rangeview Metropolitan District                        | 3.70     |
| Roxborough Water & Sanitation District                 | 3.70     |
| Stonegate Village Metropolitan District                | 3.70     |
| Town of Castle Rock                                    | 16.67    |
| Total  | 100.00 % |

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

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the Authority are described as follows.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all the activities of the Authority. Governmental activities are normally supported by intergovernmental revenues.

The statement of net position reports all financial and capital resources of the Authority. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund.

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

The government-wide 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are dues and project participation fees from participants. All other revenue items are measurable and available only when cash is received by the Authority. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation is due.

The Authority reports the following major governmental fund:

The General Fund is the Authority's only fund. It accounts for all financial resources of the Authority.

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Budgets**

In accordance with the State Budget Law, the Authority's Board of Directors holds public hearings in the Fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The Authority's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**Net Position**

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* - Consists of capital assets, net of accumulated amortization and reduced by outstanding balances of leases payable that are attributable to the acquisition of those assets.

*Restricted Net Position* - Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

*Unrestricted Net Position* - Is the amount of net position that does not meet the definition of the two preceding categories.

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Fund Balance (Continued)**

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Authority's practice to use the most restrictive classification first.

**Compensated Absences**

The Authority allows employees to accumulate unused vacation benefits up to a maximum of 36 days and unused sick leave up to a maximum of 24 days. The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**Leases**

The Authority determines if an arrangement is a lease at inception. For leasing arrangements where the Authority is the lessee, leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the Authority's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date on the initial measurement of the lease liabilities, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Leased assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000.

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Leases (Continued)**

Lease liabilities represent the Authority's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Authority will exercise that option.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the Authority has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position and Balance Sheet:

|                      |                   |
|----------------------|-------------------|
| Cash and Investments | <u>\$ 266,006</u> |
|----------------------|-------------------|

Cash and investments as of December 31, 2024, consist of the following:

|                                      |                   |
|--------------------------------------|-------------------|
| Deposits with Financial Institutions | \$ 141,521        |
| Investments                          | <u>124,485</u>    |
| Total                                | <u>\$ 266,006</u> |

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 more than 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 statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the Authority's cash deposits had a bank balance of \$145,499 and a carrying balance of \$141,521. All deposits held with financial institutions were collateralized by the Federal Deposit Insurance Corporation (FDIC).

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Investments**

The Authority makes investments pursuant to its investment policy and relevant State of Colorado Statutes.

The Authority generally limits its concentration of investments to those noted below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Authority is not subject to concentration risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- 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, and
- Local government investment pools.

As of December 31, 2024, the Authority had the following investments:

| Investments   | Maturity                             | Net<br>Asset Value |
|---|--------------------------------------|--------------------|
| Colorado Local Government Liquid Asset Trust<br>(ColoTrust) | Weighted<br>Average Under<br>53 Days | \$ 124,485         |

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**ColoTrust**

The Authority 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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. 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. A designed 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 is rated AAAM by Standard & Poor's. The Trust records its investments at fair value and the Authority records its investment in the Trust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

A summary of changes in capital assets for the year ended December 31, 2024, is as follows:

|  | Balance -<br>December 31,<br>2023 | Additions      | Reductions | Balance -<br>December 31,<br>2024 |
|--|-----------------------------------|----------------|------------|-----------------------------------|
| Capital Assets Being Amortized:                  |                                   |                |            |                                   |
| Lease Assets:                                    |                                   |                |            |                                   |
| Right-to-Use Lease Building                      | \$ 156,289                        | \$ 328,012     | \$ 156,289 | \$ 328,012                        |
| Total Capital Assets Being Amortized             | 156,289                           | 328,012        | 156,289    | 328,012                           |
| Accumulated Amortization:                        |                                   |                |            |                                   |
| Lease Assets:                                    |                                   |                |            |                                   |
| Right-to-Use Lease Building                      | (135,904)                         | (45,695)       | 156,289    | (25,310)                          |
| Total Accumulated Amortization                   | (135,904)                         | (45,695)       | 156,289    | (25,310)                          |
| <br>Total Capital Assets Being Amortized,<br>Net | <br>\$ 20,385                     | <br>\$ 282,317 | <br>\$ -   | <br>\$ 302,702                    |

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS**

**Leases Payable**

The changes in long-term debt for the year ended December 31, 2024, are as follows:

|                          | Balance -<br>December 31,<br>2023, Restated | Additions         | Reductions       | Balance -<br>December 31,<br>2024 | Due<br>Within<br>One Year |
|--------------------------|---|-------------------|------------------|-----------------------------------|---------------------------|
| Governmental Activities: |   |                   |                  |                                   |                           |
| Lease Payable            | \$ 29,335                                   | \$ 328,012        | \$ 35,929        | \$ 321,418                        | \$ 33,114                 |
| Compensated Absences     | 98,723                                      | 4,510             | -                | 103,233                           | 103,233                   |
| Total                    | <u>\$ 128,058</u>                           | <u>\$ 332,522</u> | <u>\$ 35,929</u> | <u>\$ 424,651</u>                 | <u>\$ 136,347</u>         |

The Authority had a lease agreement with Hanover Resources, Inc. for a building through May 31, 2024. In June 2025, the Authority entered into a new building lease agreement through January 2030. The right-to-use lease asset and the related amortization is detailed in Note 4.

The principal and interest requirements to maturity of the lease is as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|---------------------------------|-------------------|------------------|-------------------|
| 2025                            | \$ 33,114         | \$ 32,811        | \$ 65,925         |
| 2026                            | 60,297            | 20,156           | 80,453            |
| 2027                            | 66,638            | 15,279           | 81,917            |
| 2028                            | 73,454            | 9,929            | 83,383            |
| 2029-2030                       | 87,915            | 4,012            | 91,927            |
| Total                           | <u>\$ 321,418</u> | <u>\$ 82,187</u> | <u>\$ 403,605</u> |

**NOTE 6 NET POSITION**

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

Net investment in capital assets as of December 31, 2024 totaled (\$18,716), consisting of capital assets, net of accumulated amortization and reduced by outstanding balances of leases payable that are attributable to the acquisition of those assets.

The restricted component of net position includes assets that are restricted for the use either externally imposed by creditors, granters, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislations. At December 31, 2024, the District had \$5,082 of restricted net position for participation contracts.

The unrestricted component of net position as of December 31, 2024, totaled \$202,620.

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 INTERGOVERNMENTAL AGREEMENTS**

The Authority has entered into various agreements with other governmental entities to study, educate, acquire water, and construct water related infrastructure. Individual members of the Authority have entered into participation agreements to provide funding of Authority agreements and to pursue projects, which do not include all the Authority membership.

**Personnel and Cost Sharing Agreement**

The Authority entered into an agreement with South Metro WISE Authority (WISE) dated July 10, 2013. The agreement allows the Authority and WISE to share the costs related to the hiring, management and compensation of personnel, and the costs of personnel-related overhead. The percentage allocation will be reviewed from time to time to determine the reasonableness of the allocation and amended upon agreement of the parties. WISE is a related party of the Authority, as the two entities have the same management. As of December 31, 2024, the Authority owed WISE \$3,620.

**NOTE 8 RISK MANAGEMENT**

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

The Authority is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2024. 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Authority pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 9 RETIREMENT COMMITMENTS**

**Deferred Compensation Plan**

The Authority has established a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This Plan is administrated by Lincoln Financial Group. Eligible employees may participate in the Plan at their option. At December 31, 2024, the Authority's members were participants in the 457 Plan and contributions for the year ended December 31, 2024, totaled \$65,485.

**SOUTH METRO WATER SUPPLY AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 RETIREMENT COMMITMENTS (CONTINUED)**

**Defined Contribution Plan**

The employees of the Authority can participate in a money purchase pension plan and trust (the 401a Plan), which is a defined contribution plan which was established by the Authority and is administered by Lincoln Financial Group. At December 31, 2024, there were five plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority will contribute up to 8% of an employee's compensation to match the amount the employee contributes to the 457 Plan. There is no liability for benefits under the plan beyond the Authority's payments. Plan provisions and contribution requirements are established and may be amended by the Authority's Board of Directors. The Authority's contributions for the year ended December 31, 2024, totaled \$49,398.

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

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The Authority's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

**NOTE 11 ACCOUNTING CHANGE**

Effective January 1, 2024, the Authority implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of January 1, 2024 was understated by \$27,851 in the governmental activities. The effect of the implementation of this standard is shown in the table below.

|   | Governmental<br>Activities |
|---|----------------------------|
| December 31, 2023, As Previously Reported | \$ 187,968                 |
| Change in Accounting Principle            | (27,851)                   |
| December 31, 2023, As Restated            | \$ 160,117                 |

**SOUTH METRO WATER SUPPLY AUTHORITY**  
**SCHEDULE OF PARTICIPATION CONTRACT ACTIVITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(SEE INDEPENDENT AUDITORS' REPORT)

|  | Water<br>Ambassadors | COWY<br>Coalition | Total    |
|--|----------------------|-------------------|----------|
| <b>REVENUES</b>  |                      |                   |          |
| Arapahoe County Water & Wastewater Authority           | \$ -                 | \$ -              | \$ -     |
| Castle Pines North Metro District                      | -                    | -                 | -        |
| Centennial W&S District                                | -                    | -                 | -        |
| Cottonwood W&S District                                | -                    | -                 | -        |
| Dominion W&S District                                  | -                    | -                 | -        |
| East Cherry Creek Valley W&S District                  | -                    | -                 | -        |
| Inverness W&S District                                 | -                    | -                 | -        |
| Meridian Metro District                                | -                    | -                 | -        |
| Northern Douglas County W&S                            | 5,000                | -                 | 5,000    |
| Parker W&S District                                    | -                    | -                 | -        |
| Pinery W&S District                                    | -                    | -                 | -        |
| Rangeview Metro District                               | -                    | -                 | -        |
| Stonegate Village Metro District                       | -                    | -                 | -        |
| Town of Castle Rock                                    | -                    | -                 | -        |
| Douglas County   | -                    | -                 | -        |
| State of Colorado                                      | -                    | -                 | -        |
| Total Revenues   | 5,000                | -                 | 5,000    |
| <b>CONTRACT COSTS</b>                                  |                      |                   |          |
| Paid Contract Costs                                    | 11,285               | -                 | 11,285   |
| <b>DEFICIENCY OF REVENUES UNDER<br/>CONTRACT COSTS</b> | (6,285)              | -                 | (6,285)  |
| Fund Balance - Beginning of Year                       | 25,894               | (14,527)          | 11,367   |
| <b>FUND BALANCE - END OF YEAR</b>                      | \$ 19,609            | \$ (14,527)       | \$ 5,082 |



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