

SOUTHEAST METRO STORMWATER AUTHORITY

FINANCIAL STATEMENTS

FEBRUARY 28, 2023

SOUTHEAST METRO STORMWATER AUTHORITY
COMPARATIVE BALANCE SHEET (BUDGETARY BASIS)
FOR THE MONTHS ENDED FEBRUARY 28, 2023 AND JANUARY 31, 2023

	<u>February 2023</u>	<u>January 2023</u>
ASSETS		
Current Assets		
Checking/Savings		
Checking - BOK Financial	1,014,874	1,438,033
ICS Savings Account	102,017	102,065
Total Checking/Savings	<u>1,116,891</u>	<u>1,540,098</u>
Other Current Assets		
Investments - ColoTrust	10,049,737	10,032,185
Due from County Treasurer	4,062,228	134,043
Total Other Current Assets	<u>14,111,965</u>	<u>10,166,228</u>
Total Current Assets	<u>15,228,856</u>	<u>11,706,326</u>
TOTAL ASSETS	<u>15,228,856</u>	<u>11,706,326</u>
LIABILITIES & FUNDS AVAILABLE		
Liabilities		
Current Liabilities		
Accounts Payable	41,825	28,334
Escrow Deposits/Collateral Held	2,544,378	2,574,162
Total Current Liabilities	<u>2,586,203</u>	<u>2,602,496</u>
Funds Available	<u>12,642,653</u>	<u>9,103,830</u>
TOTAL LIABILITIES & FUNDS AVAILABLE	<u>15,228,856</u>	<u>11,706,326</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance is provided on these financial statements. Substantially all required disclosures and the statement of cash flows have been omitted.

SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Fees - Arapahoe County	12,541,956	4,374,231	\$ (8,167,725)
Fees - Douglas County	520,558	-	(520,558)
Fees refunds	(7,500)	-	7,500
SDFs and ECFs	370,000	3,433	(366,567)
Permit and Review Fees	414,000	82,510	(331,490)
Interest Income	50,000	70,150	20,150
Miscellaneous Revenues	25,000	775	(24,225)
SPLASH Revenues	10,000	4,350	(5,650)
Delinquency charges	3,500	-	(3,500)
Intergovernmental Revenues	201,000	-	(201,000)
TOTAL REVENUES	<u>14,128,514</u>	<u>4,535,449</u>	<u>(9,593,065)</u>
EXPENDITURES			
Administrative	2,189,066	394,533	1,794,533
Maintenance and Inspection	3,216,719	321,129	2,895,590
Environmental Resources	594,246	56,687	537,559
Engineering	1,762,214	239,207	1,523,007
Building and Space	703,882	118,889	584,993
Capital	751,377	6,984	744,393
Debt Service	1,094,478	-	1,094,478
Asset Maintenance	4,611,523	57,410	4,554,113
CIP Projects	5,702,126	45,062	5,657,064
TOTAL EXPENDITURES	<u>20,625,631</u>	<u>1,239,901</u>	<u>19,385,730</u>
NET CHANGE IN FUNDS AVAILABLE	(6,497,117)	3,295,548	9,792,665
FUNDS AVAILABLE - BEGINNING	9,295,055	9,347,105	52,050
FUNDS AVAILABLE - ENDING	<u>2,797,938</u>	<u>12,642,653</u>	<u>9,844,715</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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SUPPLEMENTARY INFORMATION

SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES				
01-0000000-40015	Fees-Arapahoe County-2021	50,000	5,867	\$ (44,133)
01-0000000-40016	Fees-Arapahoe County-2022	30,000	113,502	83,502
01-0000000-40017	Fees-Arapahoe County-2023	12,461,956	4,254,862	(8,207,094)
01-0000000-40999	Fee Refunds	(7,500)	-	7,500
01-0000000-41017	Fees-Douglas County-2023	520,558	-	(520,558)
01-0000000-42001	SDFs & ECFs-SEMSWA	370,000	-	(370,000)
01-0000000-42106	SDFs-Windmill	-	2,951	2,951
01-0000000-42111	SDFs-Cottonwood	-	482	482
01-0000000-43001	Floodplain Permits	5,000	-	(5,000)
01-0000000-43003	Other Permits	150,000	50,921	(99,079)
01-0000000-43004	City Collected Review Fees	150,000	22,400	(127,600)
01-0000000-43006	Other Review Fees	100,000	4,629	(95,371)
01-0000000-43007	Noncompliance Fees	9,000	4,560	(4,440)
01-0000000-44001	Interest Income	50,000	70,150	20,150
01-0000000-44002	Miscellaneous Revenue	25,000	775	(24,225)
01-0000000-44003	SPLASH Revenue	10,000	4,350	(5,650)
01-0000000-44004	Delinquency Charges	3,500	-	(3,500)
01-0000000-45005	Intergov Revenue - CCBWQA	201,000	-	(201,000)
TOTAL REVENUES		<u>14,128,514</u>	<u>4,535,449</u>	<u>(9,593,065)</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
EXPENDITURES				
Administrative				
01-0000001-51001	Salaries	908,777	146,573	762,204
01-0000001-51005	Director Salaries	8,000	-	8,000
01-0000001-51101	Employer FICA	70,133	10,681	59,452
01-0000001-51102	Employer Retirement	81,790	10,639	71,151
01-0000001-51104	Employer Unemployment	2,750	279	2,471
01-0000001-51105	Employer Health Insurance	99,589	13,886	85,703
01-0000001-51106	Employer Dental	5,600	663	4,937
01-0000001-51107	Employer Vision	1,922	203	1,719
01-0000001-51108	Employer Disability/Life	5,376	1,816	3,560
01-0000001-52002	Stormwater Fee Consulting	35,000	3,028	31,972
01-0000001-52101	Legal Services	90,000	-	90,000
01-0000001-52102	HR Consulting Services	32,000	3,654	28,346
01-0000001-52103	Audit Services	16,500	-	16,500
01-0000001-52104	Financial Services	120,000	13,254	106,746
01-0000001-52106	County Treasurer's Fees	186,929	63,903	123,026
01-0000001-52107	Benefits Administration	1,000	220	780
01-0000001-52110	Software Maintenance	68,000	31,743	36,257
01-0000001-52112	GIS Management	30,000	-	30,000
01-0000001-52115	Payroll Service	10,000	1,201	8,799
01-0000001-52207	Coffee Service	3,000	88	2,912
01-0000001-52401	Mileage Reimbursement	1,000	-	1,000
01-0000001-52403	Business Meals	3,000	39	2,961
01-0000001-52405	Training	25,000	1,389	23,611
01-0000001-52501	HR Advertising	10,000	1,230	8,770
01-0000001-52502	Legal Publications	200	34	166
01-0000001-52503	Workers Compensation	35,000	26,213	8,787
01-0000001-52504	Property & Liability Insurance	70,000	52,075	17,925
01-0000001-52505	Printing & Publishing	2,500	2,211	289
01-0000001-52510	Other Contractual Services	101,000	5,035	95,965
01-0000001-52511	Dues & Subscriptions	15,000	2,133	12,867
01-0000001-52512	Postage	2,500	158	2,342
01-0000001-53007	Computer Software	2,500	-	2,500
01-0000001-53201	Office Supplies	15,000	2,185	12,815
01-0000001-54101	Billing Services	30,000	-	30,000
01-0000001-54104	Major Software Systems-Energov	100,000	-	100,000
Total Administrative		<u>2,189,066</u>	<u>394,533</u>	<u>1,794,533</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
Maintenance and Inspection				
01-0000003-51001	Salaries	1,518,689	212,992	1,305,697
01-0000003-51002	Salaries-Seasonal/Intern	5,000	-	5,000
01-0000003-51003	Salaries-Overtime	5,000	-	5,000
01-0000003-51101	Employer FICA	116,945	15,680	101,265
01-0000003-51102	Employer Retirement	136,682	17,829	118,853
01-0000003-51104	Employer Unemployment	4,586	410	4,176
01-0000003-51105	Employer Health Insurance	204,230	28,913	175,317
01-0000003-51106	Employer Dental	11,213	1,491	9,722
01-0000003-51107	Employer Vision	3,029	457	2,572
01-0000003-51108	Employer Disability/Life	9,845	2,756	7,089
01-0000003-52001	Professional Services	70,000	-	70,000
01-0000003-52012	Dump Fees	50,000	-	50,000
01-0000003-52013	Mowing, Vegetation & Debris Management	125,000	-	125,000
01-0000003-52032	Weed Control	240,000	-	240,000
01-0000003-52040	811 Contract	225,000	18,302	206,698
01-0000003-52218	Landscape Maint - Drainage Properties	35,000	-	35,000
01-0000003-52219	Prairie Dog Control	3,000	-	3,000
01-0000003-52220	Rodent Control	3,500	-	3,500
01-0000003-52221	High Line Canal Maintenance	35,000	-	35,000
01-0000003-52301	Cellular Telephone	9,000	1,438	7,562
01-0000003-52302	Equipment Rental	55,000	-	55,000
01-0000003-52303	Vehicle Maintenance	30,000	7,647	22,353
01-0000003-52307	Equipment Maintenance	35,000	700	34,300
01-0000003-52308	Trucking	45,000	-	45,000
01-0000003-52401	Mileage Reimbursement	2,500	-	2,500
01-0000003-52403	Business Meals	500	32	468
01-0000003-52405	Training	25,000	1,740	23,260
01-0000003-52510	Other Contractual Services	10,000	61	9,939
01-0000003-52511	Dues & Subscriptions	3,000	1,792	1,208
01-0000003-52513	Utilities & Maint-SEMSWA Owned Property	12,000	1,138	10,862
01-0000003-53002	Field Operating Supplies	30,000	1,395	28,605
01-0000003-53003	Tools	8,000	779	7,221
01-0000003-53006	Uniforms	8,000	140	7,860
01-0000003-53101	Gas & Oil	50,000	2,919	47,081
01-0000003-53102	Vehicle Parts & Supplies	12,000	2,518	9,482
01-0000003-54201	Other Capital Outlay	80,000	-	80,000
Total Maintenance and Inspection		<u>3,216,719</u>	<u>321,129</u>	<u>2,895,590</u>

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SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		Annual Budget	Year to Date Actual	Variance
Environmental Resources				
01-0000004-51001	Salaries	215,402	33,850	181,552
01-0000004-51101	Employer FICA	16,478	2,500	13,978
01-0000004-51102	Employer Retirement	19,386	2,969	16,417
01-0000004-51104	Employer Unemployment	646	65	581
01-0000004-51105	Employer Health Insurance	10,178	3,263	6,915
01-0000004-51106	Employer Dental	972	166	806
01-0000004-51107	Employer Vision	262	51	211
01-0000004-51108	Employer Disability/Life	911	615	296
01-0000004-52001	Professional Services	135,000	2,329	132,671
01-0000004-52009	Curbside	80,000	3,128	76,872
01-0000004-52016	Program 1 & 2 Outreach	20,000	2,375	17,625
01-0000004-52401	Mileage Reimbursement	600	-	600
01-0000004-52403	Business Meals	1,000	148	852
01-0000004-52405	Training	8,000	2,450	5,550
01-0000004-52505	Printing & Publishing	20,000	-	20,000
01-0000004-52506	Permit Fees	4,860	-	4,860
01-0000004-52507	Cherry Creek Stewardship Partners	6,500	-	6,500
01-0000004-52508	Colorado Stormwater Council	1,300	-	1,300
01-0000004-52509	SPLASH	38,751	2,249	36,502
01-0000004-52510	Other Contractual Services	10,000	-	10,000
01-0000004-52511	Dues & Subscriptions	2,000	475	1,525
01-0000004-53002	Field Operating Supplies	1,000	-	1,000
01-0000004-53005	Other Operating Equipment	1,000	54	946
Total Environmental Resources		594,246	56,687	537,559

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SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
Engineering and Construction				
01-0000010-51001	Salaries	1,158,335	185,937	972,398
01-0000010-51101	Employer FICA	88,613	13,521	75,092
01-0000010-51102	Employer Retirement	104,250	16,296	87,954
01-0000010-51104	Employer Unemployment	3,475	353	3,122
01-0000010-51105	Employer Health Insurance	103,170	16,983	86,187
01-0000010-51106	Employer Dental	5,375	829	4,546
01-0000010-51107	Employer Vision	1,738	254	1,484
01-0000010-51108	Employer Disability/Life	5,258	1,543	3,715
01-0000010-52001	Professional Services	146,000	423	145,577
01-0000010-52006	Master Planning	110,000	-	110,000
01-0000010-52020	Advertising	1,500	-	1,500
01-0000010-52401	Mileage Reimbursement	2,950	50	2,900
01-0000010-52403	Business Meals	500	-	500
01-0000010-52405	Training	22,550	2,443	20,107
01-0000010-52406	Tuition Reimbursement	1,200	-	1,200
01-0000010-52510	Other Contractual	200	-	200
01-0000010-52511	Dues & Subscriptions	4,000	575	3,425
01-0000010-53003	Tools	3,100	-	3,100
Total Engineering and Construction		<u>1,762,214</u>	<u>239,207</u>	<u>1,523,007</u>
Building and Space				
01-0000006-52105	IT Management	85,000	10,145	74,855
01-0000006-52202	Cleaning Services	32,000	4,864	27,136
01-0000006-52203	Building Maintenance	20,000	3,405	16,595
01-0000006-52205	Electric and Gas Service	56,000	10,837	45,163
01-0000006-52209	Other Building and Space Costs	20,000	1,502	18,498
01-0000006-52210	New Building Loan	304,682	76,174	228,508
01-0000006-52211	Internet and Telephone	36,500	6,111	30,389
01-0000006-52212	Security System	10,000	451	9,549
01-0000006-52213	Trash Service	10,500	1,525	8,975
01-0000006-52214	Water Service and Sewer	21,000	1,764	19,236
01-0000006-52216	Pest Control Service	1,200	95	1,105
01-0000006-52217	HVAC Maintenance	20,000	-	20,000
01-0000006-52218	Landscape Maintenance	45,000	-	45,000
01-0000006-53204	Building Supplies	12,000	914	11,086
01-0000006-54105	Office Furniture & Equipment	30,000	1,102	28,898
Total Building and Space		<u>703,882</u>	<u>118,889</u>	<u>584,993</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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SOUTHEAST METRO STORMWATER AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		Annual Budget	Year to Date Actual	Variance
Capital				
01-0000007-52514	Grant Program	100,000	-	100,000
01-0000007-54001	Vehicles	210,000	-	210,000
01-0000007-54202	Building	406,377	-	406,377
01-0000007-54305	Computer/Equipment	35,000	6,984	28,016
Total Capital		<u>751,377</u>	<u>6,984</u>	<u>744,393</u>
Debt Service				
01-0000008-55005	Debt Service-Piney Creek Loan	1,094,478	-	1,094,478
Total Debt Service		<u>1,094,478</u>	<u>-</u>	<u>1,094,478</u>
Asset Maintenance				
01-0000011-54471	CIPP	2,129,961	-	2,129,961
01-0000011-54500	E. Costilla Drainage	400,000	-	400,000
01-0000011-54504	D-0 Outfall Rehab	239,000	-	239,000
01-0000011-54512	Yosemite-Resolute Tributary	150,000	-	150,000
01-0000011-54525	Lower Rampart pond retrofit	761,633	-	761,633
01-0000011-54530	Inlet at Holly to Little Dry Creek	75,000	57,410	17,590
01-0000011-54531	New World West	200,000	-	200,000
01-0000011-54538	Otero Forebay	170,000	-	170,000
01-0000011-54539	Big Dry Creek Outfall Repairs	150,000	-	150,000
01-0000011-54540	2023 Concrete Replacement	75,929	-	75,929
01-0000011-54541	D-0 Retrofit	230,000	-	230,000
01-0000011-54542	550 E. Briarwood	15,000	-	15,000
01-0000011-54543	Moline Way Drainage	15,000	-	15,000
Total Asset Maintenance		<u>4,611,523</u>	<u>57,410</u>	<u>4,554,113</u>
Total Operating Expenditures		14,923,505	1,194,839	13,728,666

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SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL
FOR THE TWO MONTHS ENDED FEBRUARY 28, 2023

		<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
CIP Projects				
01-1311005-55555	BDC Otero Tributary at Phillips Crossing	20,000	376	19,624
01-1610019-55555	Big Dry Creek Stream Stabilization	500,000	-	500,000
01-1810002-55555	Orchard at Franklin Storm Sewer	500,000	-	500,000
01-1810014-55555	East Tollgate Creek Reach 4 - Dove Hill	12,000	-	12,000
01-1810016-55555	CIP Project Restoration and Monitoring	75,000	31,496	43,504
01-1900010-55555	Happy Canyon Jordan Rd to Broncos Pkwy	202,000	-	202,000
01-2000007-55555	Dove Creek Otero to Chambers	2,225,000	13,190	2,211,810
01-2100001-55555	Willow Creek Stabilization - County Line to Quebec	225,000	-	225,000
01-2100002-55555	Lee Gulch at Clarkson Street	200,000	-	200,000
01-2100004-55555	Cherry Creek Reaches 3 and 4	100,000	-	100,000
01-2200000-55555	Other Projects	669,126	-	669,126
01-2200001-55555	Little Dry Creek - Easter Place to Holly Dam	100,000	-	100,000
01-2200002-55555	Piney Creek Reaches 1 and 2 - Parker Rd to Confluence	324,000	-	324,000
01-2200003-55555	Little Dry Creek Hunters Hill Tributary	250,000	-	250,000
01-2300001-55555	Cottonwood Creek Downstream	100,000	-	100,000
01-2300002-55555	West Spring Creek Downstream	100,000	-	100,000
01-2300003-55555	Dutch and Racoon Creek to S. Platte Canyon Rd.	100,000	-	100,000
	Total Projects Expenditures	<u>5,702,126</u>	<u>45,062</u>	<u>5,657,064</u>
TOTAL EXPENDITURES		<u>20,625,631</u>	<u>1,239,901</u>	<u>19,385,730</u>
NET CHANGE IN FUNDS AVAILABLE		(6,497,117)	3,295,548	9,792,665
FUNDS AVAILABLE - BEGINNING		9,295,055	9,347,105	52,050
FUNDS AVAILABLE - ENDING		<u>2,797,938</u>	<u>12,642,653</u>	<u>9,844,715</u>

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COMPARATIVE BALANCE SHEET (BUDGETARY BASIS)
FOR THE MONTHS ENDED FEBRUARY 28, 2023 AND JANUARY 31, 2023

	February 2023	January 2023
RESERVES & DESIGNATIONS		
Reserves		
Grant Program	100,000	100,000
Emergency Reserve	1,000,000	1,000,000
Vehicle Replacement	210,000	210,000
Computer Replacement	38,016	35,000
SPLASH Reserve	40,493	38,392
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Total Reserves	1,288,509	1,283,392
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Designations--CIP Projects		
BDC Otero Tributary	19,624	20,000
BDC Stream Stabilization	500,000	500,000
Orchard at Franklin Storm Sewer	500,000	500,000
East Tollgate Creek Reach 4 - Dove Hill	12,000	12,000
CIP Project Restoration and Monitoring	43,504	45,000
Happy Canyon Jordan Rd to Broncos Pkwy	202,000	202,000
Dove Creek Otero to Chambers	2,211,810	2,219,773
Willow Creek Stabilization - County Line to Quebec	225,000	225,000
Lee Gulch at Clarkson Street	200,000	200,000
Cherry Creek Reaches 3 and 4	100,000	100,000
Little Dry Creek - Easter Place to Holly Dam	100,000	100,000
Piney Creek Reaches 1 and 2 - Parker Rd to Confluence	324,000	324,000
Little Dry Creek Hunters Hill Tributary	250,000	250,000
Cottonwood Creek Downstream	100,000	100,000
West Sprng Creek Downstream	100,000	100,000
Dutch and Racoon Creek to S. Platte Canyon Rd.	100,000	100,000
Other Projects	669,126	669,126
	<hr/>	<hr/>
Total CIP Projects Designations	5,657,064	5,666,899
	<hr/>	<hr/>
Designations--Other		
Asset Maintenance Projects		
Pipeline Repair/Replacement	2,129,961	2,129,961
Contract Maintenance	2,424,152	2,481,562
2023 Operations	1,142,967	(2,457,984)
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Total Other Designations	5,697,080	2,153,539
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Total Reserves and Designations	12,642,653	9,103,830
	<hr/>	<hr/>

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance is provided on these financial statements. Substantially all required disclosures and the statement of cash flows have been omitted.

**SOUTHEAST METRO STORMWATER AUTHORITY
COMPARATIVE BALANCE SHEET (BUDGETARY BASIS)
FOR THE MONTHS ENDED FEBRUARY 28, 2023 AND JANUARY 31, 2023**

	2023 Budget	YTD Expenditures
Analysis of Contract Maintenance		
E. Costilla Blvd Drainage	400,000	-
D-0 Outfall Rehab	239,000	-
Yosemite-Resolute Tributary	150,000	-
Lower Rampart Pond Retrofit	761,633	-
Inlet at Holly to Little Dry Creek	75,000	57,410
New World West	200,000	-
Otero Forebay	170,000	-
BDC Outfall Repairs	150,000	-
2023 Concrete Replacement	75,929	-
D-0 Retrofit	230,000	-
550 E. Briarwood	15,000	-
Moline Way Drainage	15,000	-
Total	<u>2,481,562</u>	<u>57,410</u>
Budget Remaining	<u>2,424,152</u>	

PRELIMINARY DRAFT - SUBJECT TO REVISION

No assurance is provided on these financial statements. Substantially all required disclosures and the statement of cash flows have been omitted.

**SOUTHEAST METRO STORMWATER AUTHORITY
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Formation of the Authority

The Authority was formed on September 19, 2006, pursuant to section 29-1-204.2, C.R.S., by an Intergovernmental Agreement between Arapahoe County, the City of Centennial, the Arapahoe County Water and Wastewater Authority, the East Cherry Creek Valley Water and Sanitation District, and the Inverness Water and Sanitation District. The purpose of the Authority is to plan, fund, construct, acquire, operate and maintain drainage and flood control facilities as determined by the Authority's board of directors through a coordinated and cooperative intergovernmental effort.

Enterprise Designation

Pursuant to Resolution 1, Series of 2006, the board of directors established the Authority as an enterprise as defined in Article X, Section 20 of the State of Colorado Constitution.

Budgetary Basis of Accounting

The Authority prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the Authority believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Significant Assumptions

- Stormwater utility fees are calculated based on impervious areas of all parcels within the boundaries of the Authority.
- Operating expenses were budgeted based upon prior year budgets with increases in certain personnel related expenses such as payroll, benefits, training, dues, and other professional services.
- Capital improvement project costs are prioritized through careful considerations by the Authority's engineering team and can be funded with the assistance of other governmental agencies through intergovernmental agreements.
- Reserves have been established for vehicle replacement, major building repairs, and computer replacements in 2023.

COVID-19 Impact

At the time of the adoption of the budget, management does not believe the COVID-19 pandemic will have a significant financial impact on the organization. However, if unanticipated COVID-related events or circumstances occur during 2023, management has developed contingency plans for such events or occurrences.