



Introductory Section



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By the Office of the State Auditor at 9:01 am, Oct 12, 2017

September 25, 2017

To the Honorable Mayor, Members of City Council, Residents and Customers of the City of Brighton, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) for the City of Brighton, Colorado (the City), for the year ended December 31, 2016.

This report consists of management's representations concerning the finances of the City of Brighton. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is reported in a manner designed to present fairly the financial position and activities of the various funds of the City. The City has included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City Charter and State law require an annual audit by independent certified public accountants selected by the City Council. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2016 are free of material misstatements. The independent certified public accountant, Hamblin and Associates, LLC, concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A. The City's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE CITY OF BRIGHTON

The City of Brighton (Brighton), Colorado incorporated in 1887 and chartered as a home-rule city in 2000. Brighton is located in Adams and Weld Counties, which is in the northeast Denver Metropolitan area, and is the county seat for Adams County. Brighton is a freestanding

community visually and physically separated from the Denver Metropolitan region, with diverse housing, employment, services, recreation, and entertainment. It has a historic Downtown that anchors the City's small town identity and its original neighborhoods. The City currently occupies around 21 square miles and serves a population of approximately 38,408.

The completion of E-470 from I-76 to I-25 has linked Brighton both to I-25 and the southern Denver business area and technical center. The link has advanced the "Brighton Corridor" for improved access to the entire Denver Metropolitan area. Brighton has excellent transportation access including being located only 16 miles from Denver International Airport, and is served by two rail lines, State Highway 85 and Interstate 76. Coast-to-coast truck routes are available utilizing I-76 with its connections to I-70 and using Highway 85 to link to I-80.

Brighton is empowered to levy sales, use, and lodging taxes within its boundaries. In 2016, the mill levy for property tax remained at 6.65 mills upon each dollar of the total valuation of assessment for all taxable property within the City. The 2016 property taxes collected were based on the net assessed valuation for the City of Brighton, as certified by the Adams and Weld County Assessors, which was \$319,756,830 and \$20,841,470 respectively. The City also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

Brighton operates under the council-manager form of government. Policy-making and legislative authority are vested in a council consisting of the Mayor, and eight Council Members. The City is divided into four wards, each ward having two representatives on Council. The Mayor Pro-Tem is a serving Council Member elected by the Council itself. Council members serve for four year terms which are staggered. In other words, every two years one representative from each ward is up for election. The Mayor is elected at large every four years.

The financial statements, schedules and statistical tables contained in this report include all funds under the control of the City Council including component units. The City Council is responsible for passing resolutions, adopting the annual budget and appropriations resolutions, appointing advisory board and commission members, and hiring the City Manager, City Attorney, Municipal Judge, Prosecuting Attorney, and Liquor Hearing Officer. The City Manager is responsible for implementing the policies and ordinances of the Council, overseeing the day-to-day City operations, and appointing department directors and other staff members.

Brighton provides services that include, but are not limited to the following: police protection, construction and maintenance of highways, streets and street lighting, recreational activities, parks and athletic fields, adult recreation center, cultural events, volunteer services, planning and zoning, general administrative services, economic/re-development, code enforcement, animal control, municipal courts, public information, government access channel, business development, historic preservation, cemetery, building permits, youth services and public utilities which include water, sewer and storm drainage services. Fire protection and library services are not provided by the City but are provided by the Greater Brighton Fire Rescue District and Anythink Brighton, a Rangeview Libraries District affiliate.

Brighton is financially accountable for a legally separate urban renewal authority and a legally separate cultural arts commission, both of which are reported as discretely presented component units within the City of Brighton's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements.

Brighton's budget is planned on a calendar year basis as required by Article X of the City of Brighton Charter. The budget presents a complete financial plan for all estimated revenues, other financing sources, expenditures, and other financing uses. This annual budget serves as the foundation for the City of Brighton's financial planning and control. The entire budget document is posted at www.brightonco.gov.

The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level, except for the capital projects funds. The legal level of budgetary control for capital projects funds is the project level. Budgets for capital projects lapse at the end of the fiscal year and must be re-appropriated.

LOCAL ECONOMY

The City of Brighton's economic indicators continued to show solid, steady growth from 2015 to 2016. According to the Brighton Economic Development Corporation, key Brighton demographics for 2016 are: an unemployment rate of 4.1%, a population of 38,408, and persons employed of 19,160. Thus in 2016, unemployment increased from 3.9% at the end of 2015, population increased by .05%, employment increased by .87%

Brighton is planning for unprecedented, quality growth to further strengthen the community in the coming decades. Therefore, in 2016, the City started implementing several master plans which were adopted in early 2016: 1) the "Be Brighton Comprehensive Plan" (a guide to future growth and development and to protect established neighborhoods while accommodating new housing, retaining and attracting employment opportunities, promoting Downtown and other urban centers, and preserving historic, cultural, and environmental resources), 2) the Transportation Master Plan to plan for the transportation growth for the next 25 years, 3) the District Plan (a guide to assist decision-makers with investments in the planning area for compatible residential, commercial, and industrial development, as well as farmland conservation, and local food and agritourism promotion). These master plans are available at www.bebrighton.net and provide detailed information about the City's vision and policies and key indicators to measure progress to these long-term goals. These plans were coordinated with the 2015 Water, Wastewater, and Storm Drainage Master Plans development.

Brighton completed the following major projects: Continued upgrades of the traffic signal system, remodeling upgrades at the recreation center, and continued investment in water projects at Ken Mitchell Lakes. The City continued implementation of the following major projects: historic rehabilitation of the interior spaces and landscape at the Bromley-Hishinuma Farm, Northgate Park II construction, energy conservation projects for City facilities, and continued roadway capital improvements on Tower and Southern streets, as well as implementation of an Automated Meter Reading System for the utilities department.

In 2016, the City processed applications for four annexations, eleven development areas and 238 new sales tax licenses. Construction was completed on the Metro Wastewater Northern Treatment Plant. Projects opened in 2016 include: Daveco Liquors in Prairie Center, remodeling of Platte Valley Medical Center and the addition of a new medical building which produced economic activity. Brighton issued 175 single-family housing permits which compared to 208 in 2015.

A report from the Environment Colorado Research & Policy Center confirmed wind power has grown exponentially in Colorado over the last dozen years and now supplies enough energy to

power more than 674,000 homes. The Vestas facility in Brighton, which produced blades and nacelles, is a major regional employer with many new employees added within the past year.

As with most Colorado Front Range communities, water availability is a major component of economic growth in Brighton. To ensure that adequate water supplies are available, the City continues to manage its resources through water conservation.

School District 27J provides educational services to approximately 17,610 enrolled K-12 grade students and is the largest school district serving the City of Brighton. Fort Lupton School District RE-8 serves a small portion of North Brighton area residents. In November 2015 voters passed a \$248 million bond measure for School District 27J. The bond measure will build four new schools to address overcrowding, including a third high school, a fifth district middle school and two elementary schools. The proposal also included money to renovate and expand existing schools, and to add safety and security upgrades to all schools.

FOR THE FUTURE

Overall, economic conditions of the Denver metropolitan area are growing strong. The City of Brighton is well positioned to benefit from new retail, residential, and industrial growth due to its proximity to Denver International Airport, Downtown Denver, higher education facilities, great recreational opportunities and the Niobrara shale region of northeast Colorado.

In November 2015, the voters passed two ballot questions with significant future effects to the City of Brighton. First, the Adams County Ballot Question 1A amended the 1988 intergovernmental agreement that allowed for the creation of Denver International Airport. The amendment allows for a wider range of economic development and job creation on the land surrounding the DIA terminal, which includes the City of Brighton. Second, the City of Brighton Ballot Question 2K allowed the City to retain and spent all revenues pursuant to the 1992 Colorado Constitution provision commonly known as TABOR.

Brighton City Council has continued its commitment to expanding both the employment base and range of retail opportunities by funding and working in cooperation with the Brighton Economic Development Corporation (BEDC), Brighton Urban Renewal Authority (BURA), Brighton Housing Authority (BHA), Adams County Economic Development (ACED) and Upstate Colorado Economic Development. The Council is focused on achieving sustainability in two ways: 1) from a fiscal policy and economic perspective, and 2) from an environmental (green) approach.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brighton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

We recognize the dedicated efforts of all officials and staff involved in managing and accounting for the City's financial operations. The process of financial planning, management, and accounting requires a team effort by City Council and City Staff to be successful. The preparation of this 2016 Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Finance Department. We express our sincere appreciation to them for the contributions made in the preparation of this report. We also thank Hamblin and Associates, LLC, the firm that serves as the City's external auditor. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism and in the development of effective policies relating to the City's Finances.

Respectfully submitted,

Jean B. Starr
Finance Director



Elected and Appointed Officials

CITY COUNCIL



From left to right:
Mark Humbert, Ward 4; Rex Bell, Ward 2; Joan Kniss, Ward 1; J.W. Edwards, Ward 4; Dick McLean, Mayor; Ken Kreutzer, Ward 3; Cynthia A. Martinez, Ward 2; Lynn Baca, Ward 3; Kirby Wallin, Mayor Pro Tem / Ward 1

CITY MANAGER



Manuel Esquibel

**CITY OF BRIGHTON, COLORADO
CITY OFFICIALS
DECEMBER 31, 2015**

Mayor and City Council

Mayor	Richard McLean
Council Members:	
Mayor Pro Tem	Kirby Wallin
Ward 1	Joan Kniss
Ward 2	Cynthia A. Martinez
Ward 2	Rex Bell
Ward 3	Ken Kreutzer
Ward 3	Lynn Baca
Ward 4	J. W. Edwards
Ward 4	Mark Humbert

Administrative

City Manager	Manuel Esquibel
City Attorney	Margaret Brubaker
Presiding Municipal Judge	Kristin Brown
Assistant City Manager- Development	Marv Falconburg
Police Chief	Clint Blackhurst
Parks and Recreation Director	Gary Wardle
Streets & Fleet Director	Joe Smith
Utilities Director	Curtis Bauers
Community Development Director	Holly Prather
Economic Development Director	Michael Martinez
Finance Director	Dan Frelund
Assistant Finance Director	Jean Starr
Administrative Services Director	Karen Borkowski-Surine
Information Technology and Innovation Director	Margaret Brocklander
Public Information & Community Resources Director	Kristen Chernosky
City Clerk	Natalie Hoel



BrightonSM
COLORADO

Financial Section



HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401

(303) 694-2727

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Brighton
Brighton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Brighton (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Brighton, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and the budgetary comparison schedules listed in the table of contents as required supplementary information, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brighton's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, and the Local Highway Finance Report are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hamblin and Associates

Golden, Colorado
September 26, 2017



Management's Discussion and Analysis



CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

As management of the City of Brighton (the City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities and deferred inflows of resources at the end of 2016 by \$309 million (net position). Of this amount, \$94 million is unrestricted and may be used to meet the City's ongoing obligations.
- Citywide net position increased \$21 million (7%) in 2016. The governmental net position increased by \$14 million (10%) and the business-type net position increased by \$7.4 million (4.7%).
- The General Fund, the City's primary operating fund, ended 2016 with a \$19 million fund balance. Approximately 25% of this amount (\$4.9 million) is available for spending at the government's discretion (unassigned fund balance).
- The City's governmental activities show revenues of \$55.3 million, an increase of \$7.8 million (16%) over the prior year. Primary revenue sources are: sales and use taxes of \$26.6 million (a \$1.6 million increase over 2015), charges for services \$4.3 million (a \$0.6 million decrease over 2015), operating and capital grants of \$10.9 million (an increase of \$3.7 million over 2015).
- City-wide governmental activities expenses were \$46 million, an increase of \$6 million in comparison with 2015. This increase is attributed to an increase in Streets and Fleet (\$1.8 5million), Parks & Recreation (\$0.3 million) General Government (\$0.4 million) and an increase in Public Safety (\$0.8 million).
- The City's business-type activities show revenues of \$25.5 million, an increase of \$4.6 million over 2015. The largest revenue source is charges for services (\$19.1 million) followed by capital grants and contributions (\$9.7 million). The business-type expenses were \$17.5 million, an increase of \$0.2 million in comparison with 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide statements* are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information reflecting how the City's net position has changed during the fiscal year that just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused compensated leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, cultural, parks and recreation, and community planning development services. The business-type activities of the City include water, waste water and storm drainage.

The government-wide financial statements include not only the City of Brighton itself (known as the primary government), but also two separate legal entities: 1) The Brighton Urban Renewal Authority (BURA) and 2) The Brighton Cultural Arts Commission (BCAC) for which the City of Brighton is financially accountable. Financial information for these component units is reported separately from the financial information for the primary government itself.

The government-wide financial statements are on pages 28 and 29 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories, governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to report those same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on both: 1) near-term inflows and outflows of spendable resources and, 2) the balance of spendable resources available at year end.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, a *reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities* is provided on page 33.

Information is presented separately in the *balance sheet-governmental funds* and in the *statement of revenues, expenditures and changes in fund balances-governmental funds* for the General Fund, Capital Improvement Fund, Parks and Recreation Capital Improvement Fund and Impact Fees Fund. These four funds are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. These six non-major funds are: Landscaping, Lottery Reserve, Cemetery, Highway, Lodging Tax and Cemetery Perpetual Care.

The City adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison schedule has been provided for all the governmental funds to demonstrate compliance with the budget.

The basic governmental funds financial statements start on page 30 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, waste water, and storm drainage operations. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for self-funded medical benefits and fleet services. Because this service predominantly benefits governmental rather than business-type functions, this fund has been included within *governmental activities* in the government-wide financial statements. The proprietary fund financial statements are prepared on the accrual basis of accounting.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Water, Waste Water and Storm Drainage funds are considered to be major funds and, therefore, are presented separately within the *proprietary funds statement of net position, proprietary funds statement of revenues, expenses and changes in fund net position, and proprietary funds statement of cash flows* financial statements.

The City adopts an annual appropriated budget for all of its proprietary funds. A budgetary comparison schedule has been provided for each proprietary fund to demonstrate compliance with this budget.

The basic proprietary funds financial statements start on page 34 of this report.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Notes to the Basic 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. The notes to the financial statements start on page 37 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information following the basic financial statements and notes sections starting on page 65. The *schedule of revenues, expenditures and changes in fund balance—budget and actual* is provided for the general fund and the impact fees fund.

In 2015, the City implemented GASB 68, "Accounting and Financial Reporting for Pensions." This pronouncement requires two statements, which are: *Schedule of Employer's Proportionate Share of the Net Pension (Asset)* and *Schedule of Employer Contributions*. These schedules are found starting on page 68 of this report.

Supplementary Information

This report also presents certain supplementary information. The *balance sheet* and *statement of revenues, expenditures, and changes in fund balances* are provided for the non-major funds, internal service funds, and the component units (BURA and BCAC) on a combining basis for each group. The schedule of revenues, expenses, and changes in fund balance/net position—budget and actual are provided for each nonmajor fund, for the capital improvement fund, for the parks and recreation capital improvement fund, for each proprietary fund, for each internal service fund, and for each component unit fund. These schedules are found starting on page 71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City of Brighton's assets exceed liabilities and deferred inflows of resources by \$309 million at the close of the most recent fiscal year. The following table reflects the condensed *statement of net position*.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Statement of Net Position
December 31
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 65,490	\$ 49,283	\$ 64,040	\$ 59,181	\$ 129,530	\$ 108,464
Capital Assets	120,268	116,934	131,427	127,424	251,695	244,358
Total Assets	185,758	166,217	195,467	186,605	381,225	352,822
Deferred Outflow of Resources	1,656	520	-	-	1,656	520
Long-term Liabilities	30,644	26,056	28,296	27,604	58,940	53,660
Other Liabilities	8,341	6,364	3,879	3,121	12,220	9,485
Total Liabilities	38,985	32,420	32,175	30,725	71,160	63,145
Deferred Inflows of Resources	2,298	2,252	-	-	2,298	2,252
Net Position						
Net Investment in Capital Assets	86,601	90,489	102,031	98,864	188,632	189,353
Restricted	26,570	15,869	-	-	26,570	15,869
Unrestricted	32,960	25,707	61,261	57,016	94,221	82,723
Total Net Position	\$ 146,131	\$ 132,065	\$ 163,292	\$ 155,880	\$ 309,423	\$ 287,945

For more detailed information see the *Statement of Net Position* on page 28 of this report.

The City of Brighton uses its capital assets to provide services to the citizens. At the end of 2016, the investment in capital assets of \$242 million (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$53 million, amounts to \$189 million, or 66% of the City's total net position of \$309 million. During the current fiscal year, the City's net position increased by \$15.8 million. The majority of this increase represents capital grants and contributions revenue over 2015. A \$1.1 million increase in net position is attributable to restatement of the net pension (asset) per GASB 68. For more detailed information see Notes 4. and 5. starting on page 58 of this report.

An additional portion of the City's net position of \$16 million (6%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$83 million (29%) reflects the amount that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Brighton is able to report positive

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Changes in Net Position

The following table reflects a condensed *summary of activities and changes in net position*.

Statement of Activities & Changes in Net Position

For the Years Ended December 31
(amounts expressed in thousands)

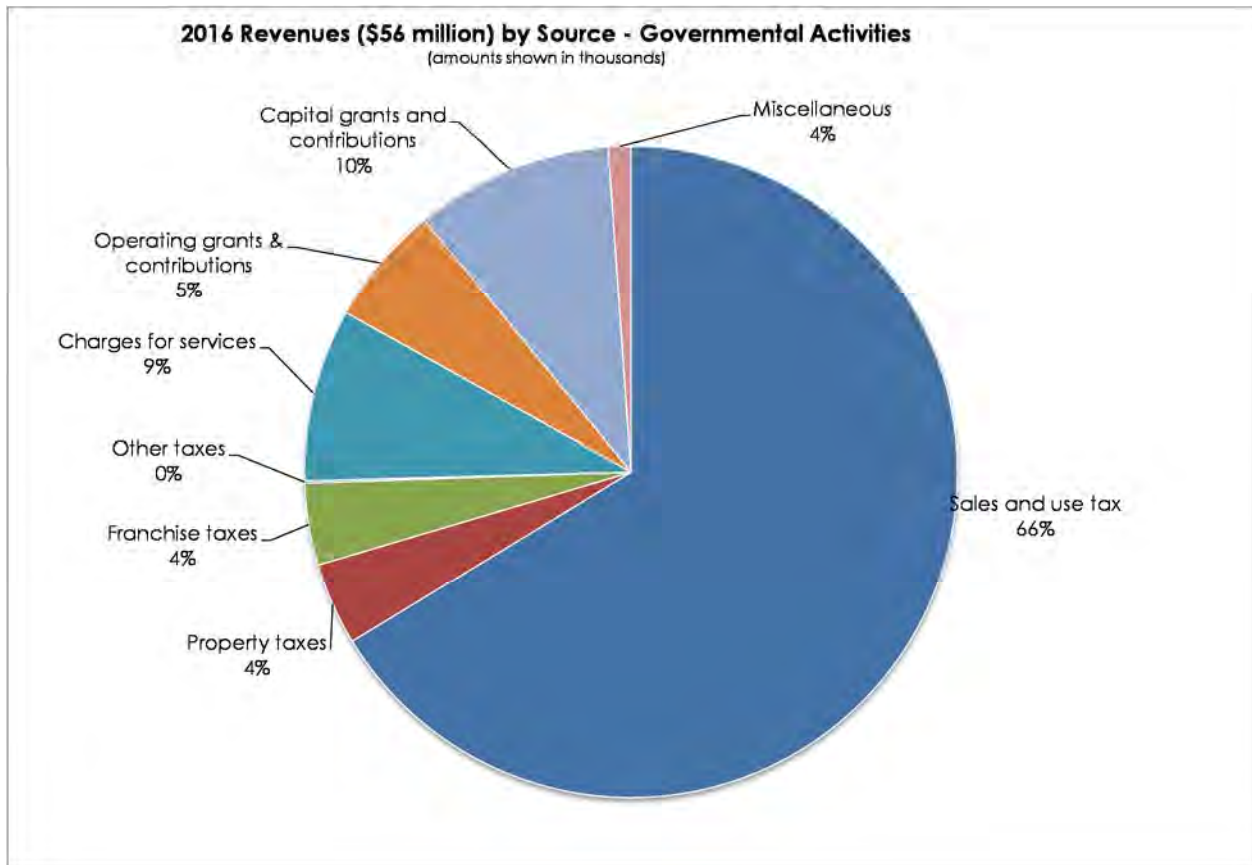
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Services	\$ 4,817	\$ 4,346	\$ 19,120	\$ 15,524	\$ 23,937	\$ 19,870
Operating Grants and Contributions	3,376	2,357	-	-	3,376	2,357
Capital Grants and Contributions	5,527	8,556	7,016	9,651	12,543	18,207
General Revenues						
Sales and Use Taxes	37,406	26,597	-	-	37,406	26,597
Property Taxes	2,319	2,037			2,319	2,037
Other Taxes	2,361	2,034	-	-	2,361	2,034
Other	1,311	1,579	944	362	2,255	1,941
Total Revenues	57,117	47,506	27,080	25,537	84,197	73,043
Expenses						
General Government	11,035	10,649	-	-	11,035	10,649
Public Safety	10,649	9,494	-	-	10,649	9,494
Public Works	9,289	8,842	-	-	9,289	8,842
Parks and Recreation	8,024	7,924	-	-	8,024	7,924
Cemetery	456	380	-	-	456	380
Community Development	1,941	1,903	-	-	1,941	1,903
Interest on Long-term Debt	1,658	1,594	-	-	1,658	1,594
Water Operations	-	-	13,304	11,768	13,304	11,768
Sewer Operations	-	-	5,208	4,756	5,208	4,756
Storm Drainage Operations	-	-	1,155	1,011	1,155	1,011
Total Expenses	43,052	40,786	19,667	17,535	62,719	58,321
Increase in Net Position Before Transfers	14,065	6,720	7,413	8,002	21,478	14,722
Transfers	-	-	-	-	-	-
Increase in Net Position After Transfers	14,065	6,720	7,413	8,002	21,478	14,722
Net Position--January 1	132,065	124,264	155,880	147,878	287,945	272,142
Pension Restatement (see Note 5)		1,081		-		
Net Position--December 31	\$ 146,130	\$ 132,065	\$ 163,293	\$ 155,880	\$ 309,423	\$ 286,864

For more detailed information see the *Statement of Activities* on page 29 of this report.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

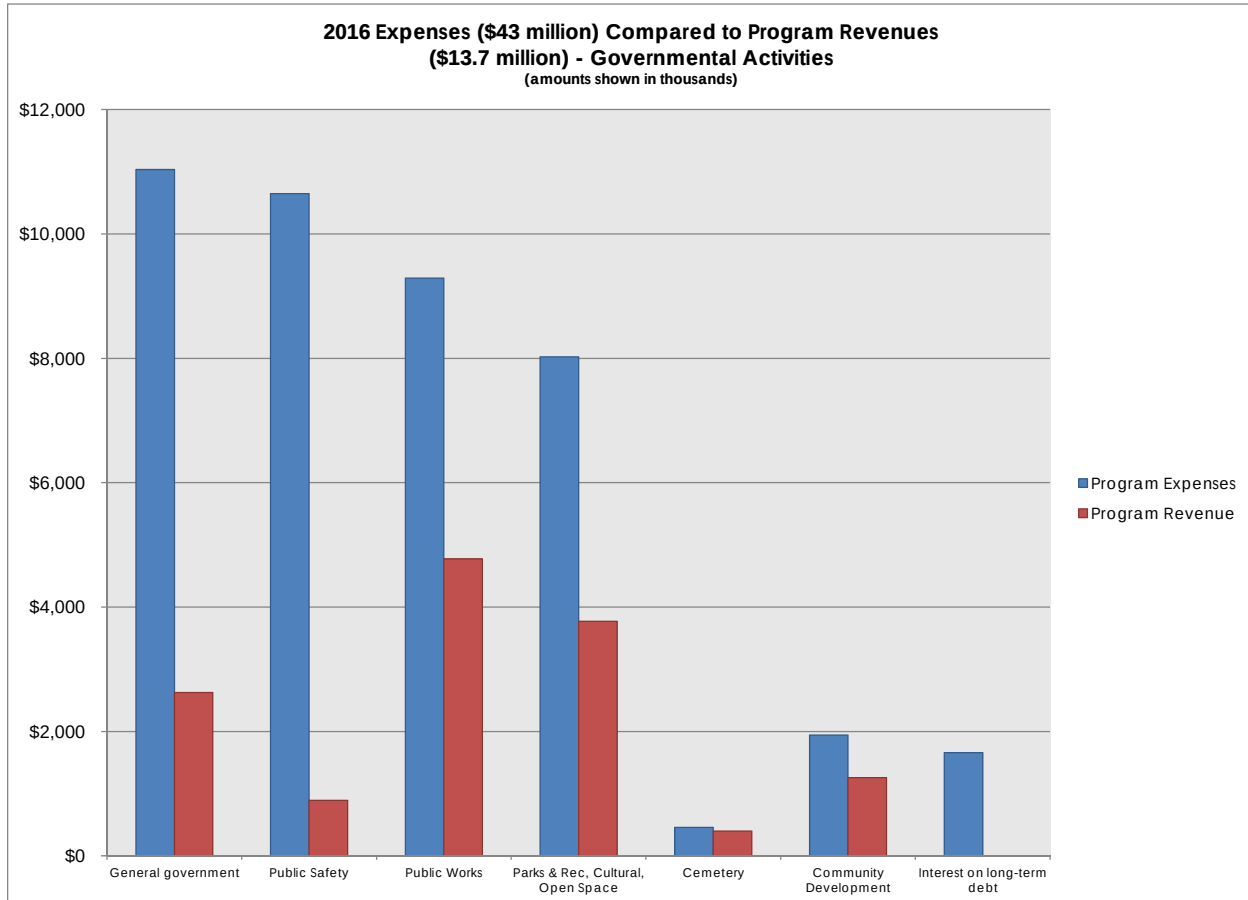
The condensed summary of the City's governmental and business type activities for the period ended December 31, 2016 reflects the net position increasing by \$15.8 million (6%). The prior year is included for comparative purposes. In addition, revenue and expense graphs have been presented below and on the following pages to enhance the reader's understanding of the current year activities.

Graph 1. Governmental Activities Revenue Sources



**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Graph 2. Governmental Activities Expenses Compared to Program Revenues



Governmental Activities Analysis

Governmental activities increased the City's net position by \$7.8 million, accounting for 49% of the City's \$15.8 million overall increase in net position. Major influences are due to the following:

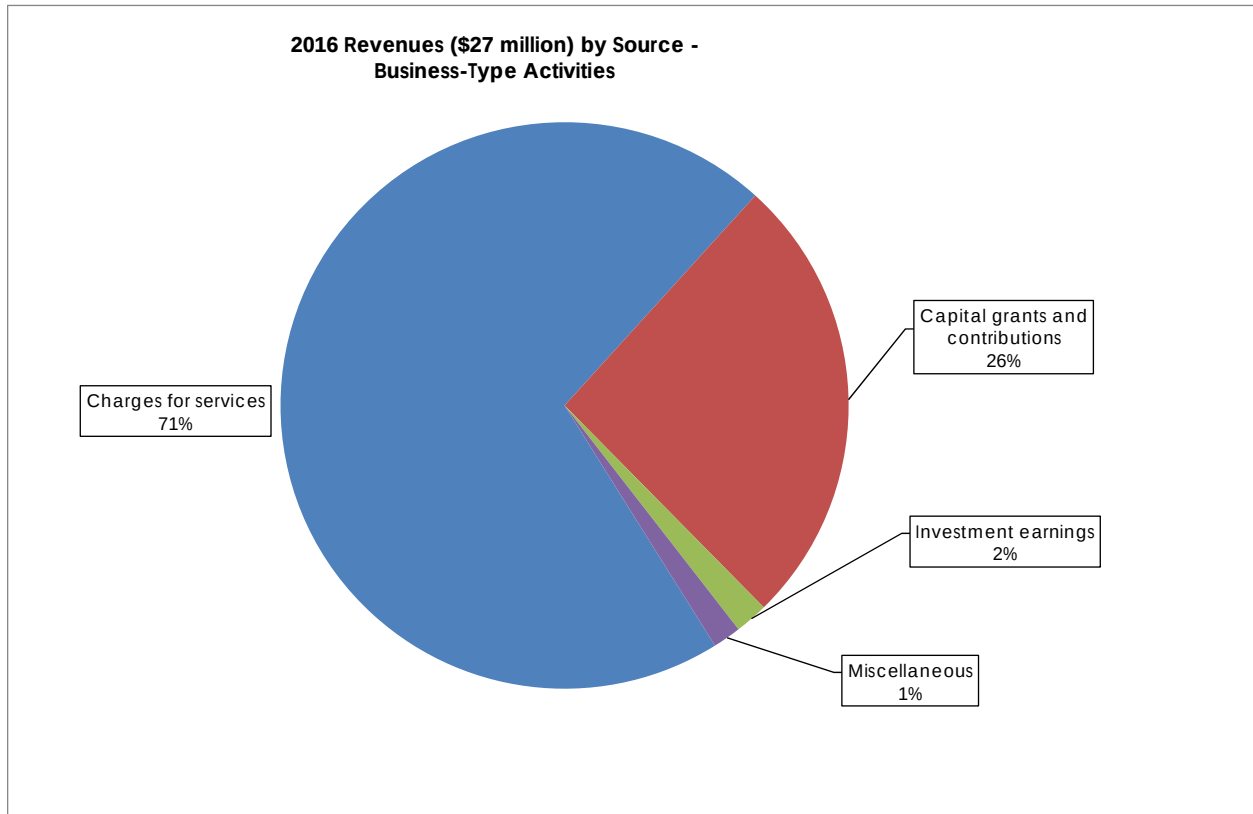
Charges for services increased \$0.4 million in 2016 primarily as a result of building permits and fees for several large volume new development projects completed in the prior year.

Sales and use tax collections increased \$1.6 million in 2016. Sales tax increased \$0.4 million and use tax increased \$1.2 million. Increases in use tax were primarily due to economic growth and new business construction.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

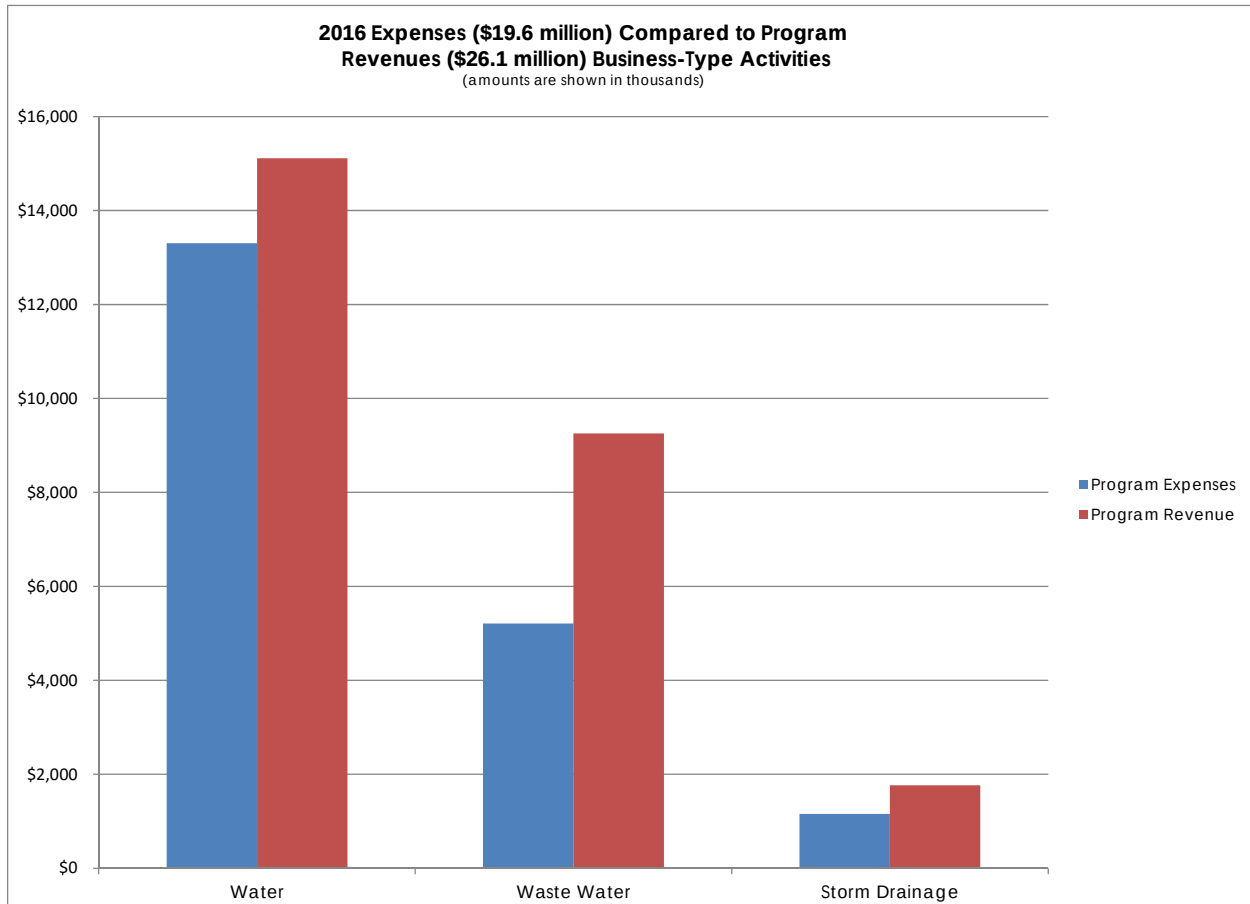
Total governmental expenses of \$40.8 million increased \$3.4 million in 2016. The majority of the increase was due to increased personnel services of \$2.1 million, increased purchased services of \$.06 million and increased operating expenses of \$.05 million.

Graph 3. Business-Type Activities Revenue Sources



**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Graph 4. Business-Type Activities Expenses Compared to Program Revenues



Business-Type Activities Analysis

Business-Type activities increased the City's net position by \$7 million, accounting for 32% of the City's \$22 million increase in net position. Major influences are due to the following:

Charges for services increased by \$3.5 million.

Capital grants and contributions decreased by \$2.6 million.

Utility operating expenses increased from 2015 to 2016 by \$2 million.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing

requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2016, the total Governmental fund balances were \$54.2 million, an increase of \$15.4 million compared to the prior year. Fund Balances categories and amounts are: non-spendable fund balances \$0.2 million, restricted fund balances were \$26.4 million, committed fund balances \$20.4 million, assigned fund balances \$2.3 million, unassigned fund balances \$4.9 million. The explanations for these categories of fund balances are contained in the *Notes to the Basic Financial Statements* starting on page 34 of this report.

The *General Fund* is the main operating fund of the City. At December 31, 2016, the total fund balance was \$19 million, which was an increase of \$6.5 million from 2015. Total General Fund revenue increased \$6 million (20%), from 2015. Tax revenue of \$28 million was 77% of the total General Fund revenue and increased \$6 million (22%) from the prior year.

General Fund expenditures increased from 2015 by \$2.5 million (8%). The major changes are as follows: Public Safety increased \$1.1 million, Streets and Fleet increased \$0.09 million, and Community Development increased \$0.2 million. These increases result primarily from increases in personnel services (employee costs) and completion of transportation and comprehensive plans.

The *Capital Improvement Fund* is funded by a one-cent (\$0.01) sales tax approved by the voters in 1976 to pay for capital equipment and projects having a useful life of greater than one year. After money is set aside to cover debt service, City Council has established a policy whereby 35% of revenues are used for capital equipment, and 65% used for capital projects. Another major source of revenue is the Adams County one-half cent (\$0.005) sales tax to be used strictly for road and bridge capital projects. This sales tax was approved by voters in 2001 and started January 1, 2002 with an original sunset date of December 31, 2008. Voters reapproved the sales tax, but the portion allocated to road and bridge capital projects was reduced to \$0.002. All cities in Adams County, as well as unincorporated Adams County, benefit from this sales tax.

The Capital Improvement Fund revenues decreased \$1.5 million (18%) below 2015 amounts, due to grant revenue received in the prior year. Capital project expenditures decreased \$1.8 million over 2015. Capital improvement fund transfers out decreased \$0.4 million from 2015. In 2016, the fund balance increased \$6.3 million.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The *Parks and Recreation Capital Improvement Fund* is funded by a three-fourths cent (\$0.0075) sales tax approved by voters in 1991 to pay the debt service on the construction of a Recreation Center and future capital equipment/projects, and to cover a portion of the costs of operations (in the General Fund). Other revenues include a two and one-half tenths cent (\$0.0025) sales tax collected by Adams County and distributed to the various cities and unincorporated Adams County to be used strictly for open space acquisition and capital projects. Total revenues increased \$0.1 million (2.2% from the prior year). Capital project expenditures increased \$2.9 million (5%) from 2015. The fund balance for the Parks and Recreation Capital Improvement Fund increased \$3.5 million from 2015 to 2016.

The *Impact Fees Fund* was created to account for non-utility fees collected from developers to help pay for the increased impact their development causes the City. Money is collected for road and bridge construction, street widening, and park construction, and then transferred to either the Capital Improvement Fund or Parks and Recreation Capital Improvement Fund for expenditure as projects are budgeted. In 2016, revenues were \$0.6 million, a decrease of \$0.02 million (26.5% from the prior year). The ending fund balance decreased \$1.2 million from the prior year.

Other Governmental Funds

The *Landscaping Fund* was created to account for a contribution made by a developer to maintain the greenbelt on the perimeter of a newly built subdivision. Each year, \$6,000 is transferred into the General Fund to cover the costs to maintain that greenbelt area. Interest earnings are used first, the remainder comes from the principal contribution. Revenues for 2016 consisted of interest earnings of \$1,458. Consequently, the ending fund balance decreased \$4,542 from the prior year to \$56,180.

The *Lottery Fund* was created to account for the money received from Lottery sales and is earmarked for specific purposes by the State, including parks and recreation equipment and capital projects. Lottery revenues increased approximately \$14,000 or 4.3% from the prior year. The fund balance increased \$214,078 from the prior year due to current year revenue exceeding capital project costs.

The *Cemetery Fund* was created to account for the costs to maintain the City's two cemeteries. The Cemetery Fund does not generate enough revenue to be considered a business-type activity, and depends on the General Fund for about 15-30% of its funding sources to cover costs. In 2016, expenditures exceeded revenues by \$72,218. A transfer from the General Fund in the amount of \$65,045 was used to offset the deficit. Revenues increased approximately \$100,100 from the prior year, and expenditures increased by approximately \$85,750 from the prior year.

The *Highway Fund* was created in 2011 to account for the activities of an intergovernmental agreement with the Colorado Department of Transportation (CDOT), under the Maintenance Incentive Pilot Program. The City received funds from CDOT for State abandonment of highway right-of-way and the funds are to be used only for transportation-related expenditures. In 2016, expenditures totaled \$60,000.

The *Lodging Tax Fund* was created in 2012 to account for the voter approved 3% lodging tax on short term lodging of less than 30 days. Revenue is to be allocated by the City Council for economic development, special events, cultural arts facilities, advertising, marketing and promoting tourism, and other activities which utilize public accommodations. Revenues were collected totaling \$305,603 and expenditures totaled \$291,318.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The *Cemetery Perpetual Care Fund* was created in 1975 by City Council ordinance. A fee is collected when a lot is sold and the revenues are placed in this Fund. In 2016, \$72,847 was received in perpetual care fees, \$12,937 was received in investment income, and a transfer was made to the cemetery fund for cemetery improvements, resulted in an ending fund balance of \$1,547,837.

Proprietary Funds

Effective January 1, 2011, the City separated the combined water, sewer, and drainage fund into separate funds for improved accountability and reporting. The City's proprietary funds provide the same type of information found in the government-wide financial statements.

The net position of the enterprise funds increased \$7.1 million from 2015 and ended the year with a combined net position of \$163 million. The combined unrestricted net position is \$57 million at year-end.

The *Water Fund* was created to account for the charges for water provided to customers and the associated costs. In 2016, charges for services totaled \$11.6 million, an increase of \$1.6 million from 2015. This increase was primarily due to rate increases at various levels for residential and commercial users. Operating expenditures totaled \$10.8 million, which was no increase or decrease from 2015. The water fund net position totaled \$106 million, an increase of \$2.5 million from 2015. Unrestricted net position is \$36.8 million at year-end.

The *Waste Water (Sewer) Fund* was created to account for the charges for sewer services provided to customers and the associated costs. In 2016, charges for services totaled \$6.8 million, an increase of 3.7% over 2015 and operating expenditures totaled \$4.4 million, an increase of 4.2% over the prior year. The sewer fund net position totaled \$39.3 million, an increase of \$4.2 million from 2015.

The *Storm Drainage Fund* was created to account for storm drainage charges and the associated costs. In 2016, charges for services totaled \$0.6 million, a decrease of \$0.1 million from 2015 (20.1%). After expenditures of \$1.0 million, the storm drainage net position increased approximately \$0.65 million.

The *Benefits Fund-Internal Service Fund* was created in 2013 to account for designated employee benefits provided to all departments of the City. In 2013, the fund received an initial transfer from the General Fund of \$0.4 million. During 2016 the fund received \$3.8 million from other City funds as premium charges, received \$0.3 million from insurance reinsurance proceeds, and incurred claims and other fees of \$3.6 million. After investment earnings, the fund balance was increase by \$501,126. The fund net position totaled \$1.0 million.

The *Fleet-Internal Service Fund* was created in created in 2015 to account for maintenance services for over 180 city-owned vehicles including police units, as well as over 200 pieces of equipment such as mowers and trailers. The fund was established with a \$120,000 transfer from the Capital Improvement Fund. The fund net position totaled \$0.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues totaled \$36.8 million, an increase of \$6.5 million (21%) from 2015. This represents a positive variance from budget of \$3.3 million. The revenue variances were primarily due to higher than projected revenues from sales & use taxes of \$1.6 million and oil & gas payments of \$1.3 million.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

General Fund expenditures totaled \$30.3 million, an increase of \$2.5 million from 2015. The variance between actual expenditures and the final budget amounted to approximately \$0.5 in unspent appropriations. The increase was evenly divided between all departments and not related to one expenditure or event.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets for the governmental and business-type activities amount to \$244 million (net of accumulated depreciation) at December 31, 2016. This was an increase of \$2.5 million (1.0%) from 2015, primarily due to 2016 developer contributions of infrastructure. This investment in capital

assets includes land, water rights, buildings and improvements, machinery, equipment, water, wastewater and storm drainage infrastructure as well as street system infrastructure.

The City has a five-year *Capital Improvement Plan* that is updated each year in order to assist the City in long-term planning and budgeting for capital assets.

Capital Assets (net of depreciation)

December 31

(amount expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 22,513	\$ 21,819	\$ 7,203	\$ 7,203	\$ 29,716	\$ 29,022
Water Rights	2,036	2,036	18,072	18,072	20,108	20,108
Wastewater Connection Fees	-	-	10,884	9,048	10,884	9,048
Construction in Progress	10,106	2,111	6,158	7,258	16,264	9,369
Infrastructure	47,262	48,418	78,393	74,862	125,655	123,280
Buildings and Improvements	34,849	39,283	8,251	9,077	43,100	48,360
Machinery and Equipment	3,146	2,809	2,379	1,763	5,525	4,572
Other Assets	356	458	88	141	444	599
Total Capital Assets	<u>\$ 120,268</u>	<u>\$ 116,934</u>	<u>\$ 131,428</u>	<u>\$ 127,424</u>	<u>\$ 251,696</u>	<u>\$ 244,358</u>

Additional detailed information on the City's Capital Assets can be found in the *Notes to the Basic Financial Statements* section starting on page 48.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Long-term Debt

As of December 31, 2016, the City had total debt outstanding of \$55 million (bonds and certificates of participation). This was a decrease of \$2.4 million (4.2%). Of this amount \$28.6 million represents bonds secured by specified revenue sources (i.e. revenue bonds). \$26.4 million represents debt primarily secured by the new facilities or equipment being financed by certificates of participation.

Outstanding Debt

December 31

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
2015 Revenue Bonds	\$ -	\$ -	\$ -	\$ 27,845	\$ -	\$ 27,845
2016 Revenue Bonds			27,270		27,270	-
Bond Premium	-	-	1,313	715	1,313	715
2010 Certificates of Participation	25,515	26,320				
2016 Certificates of Participation	6,124		851	-	6,975	26,320
COP Premium	118	125	-	-	118	125
Loans Payable	-	-	-	-	-	-
Total Outstanding Debt	<u>\$ 31,757</u>	<u>\$ 26,445</u>	<u>\$ 29,434</u>	<u>\$ 28,560</u>	<u>\$ 35,676</u>	<u>\$ 55,005</u>

Additional detail information on the City's long-term obligations can be found in the *Notes to the Basic Financial Statements* section starting on page 50.

REQUESTS FOR INFORMATION

The City's financial statements are designed to provide users with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information presented in this report or requesting additional information should be addressed to the City's Finance Department at 500 South 4th Avenue, Brighton, Colorado 80601 or telephone 303-655-2108.



Basic Financial Statements



CITY OF BRIGHTON, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and Investments	\$ 47,506,108	\$ 62,241,439	\$ 109,747,547	\$ 4,798,486
Restricted Cash and Investments	-	-	-	2,459,318
Accounts Receivable	954,051	1,690,324	2,644,375	78
Taxes Receivable	14,019,774	-	14,019,774	4,526,781
Grants Receivable	178,091	-	178,091	-
Inventories	124,446	-	124,446	-
Prepays	181,042	8,427	189,469	-
Notes Receivable	2,510,000	99,644	2,609,644	-
Net Pension Asset	16,265	-	16,265	-
Property Available for Sale	-	-	-	2,505,738
Capital Assets, Not Being Depreciated	34,655,515	42,316,361	76,971,876	-
Capital Assets, Net of Accumulated Depreciation	85,612,462	89,111,188	174,723,650	4,264,825
Total Assets	185,757,754	195,467,383	381,225,137	18,555,226
DEFERRED OUTFLOW OF RESOURCES				
Items Related to Pension Plan	1,565,248	-	1,565,248	-
Deferred Charge on Refunding	90,708	-	90,708	260,858
	1,655,956	-	1,655,956	260,858
LIABILITIES				
Accounts Payable	2,192,689	1,745,943	3,938,632	599,258
Retainage Payable	244,855	-	244,855	-
Accrued Wages Payable	799,418	123,852	923,270	10,029
Accrued Interest Payable	129,034	103,123	232,157	-
Accrued Liabilities	291,120	-	291,120	3,974,446
Unearned Revenues	282,200	99,644	381,844	-
Deposits and Escrows	1,378,878	534,486	1,913,364	4,618
Noncurrent Liabilities				
Debt Due Within One Year	3,023,149	1,271,994	4,295,143	786,409
Debt Due In More Than One Year	30,643,572	28,295,591	58,939,163	11,536,103
Total Liabilities	38,984,915	32,174,633	71,159,548	16,910,863
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue-Property Taxes	2,279,182	-	2,279,182	4,526,766
Items Related to Pension Plan	19,203	-	19,203	-
Total Deferred Inflows of Resources	2,298,385	-	2,298,385	4,526,766
NET POSITION				
Net Investment in Capital Assets	86,601,256	102,031,843	188,633,099	-
Restricted For				
Emergencies - TABOR	1,382,667	-	1,382,667	-
Capital Outlay	24,023,529	-	24,023,529	-
Debt Service	-	-	-	1,325,144
Other Purposes	1,163,394	-	1,163,394	1,134,174
Unrestricted	32,959,564	61,260,907	94,220,471	(5,080,863)
Total Net Position	\$ 146,130,410	\$ 163,292,750	\$ 309,423,160	\$ (2,621,545)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT								
Governmental Activities								
General Government	\$ 11,035,027	\$ 728,679	\$ 649,472	\$ 1,249,766	\$ (8,407,110)	\$ -	\$ (8,407,110)	\$ -
Public Safety	10,648,806	246,753	643,519	-	(9,758,534)	-	(9,758,534)	-
Streets & Fleet	9,289,422	509,153	1,448,043	2,819,926	(4,512,300)	-	(4,512,300)	-
Parks and Recreation	8,024,452	1,696,360	618,236	1,457,106	(4,252,750)	-	(4,252,750)	-
Cemetery	455,499	397,383	-	-	(58,116)	-	(58,116)	-
Community Development	1,940,797	1,238,837	16,500	-	(685,460)	-	(685,460)	-
Interest on Long-Term Debt	1,658,212	-	-	-	(1,658,212)	-	(1,658,212)	-
Total Governmental Activities	43,052,215	4,817,165	3,375,770	5,526,798	(29,332,482)	-	(29,332,482)	-
Business-Type Activities								
Water	13,304,738	11,663,921	-	3,449,937	-	1,809,120	1,809,120	-
Waste Water	5,208,545	6,843,216	-	2,415,077	-	4,049,748	4,049,748	-
Storm Drainage	1,153,543	612,554	-	1,151,499	-	610,510	610,510	-
Total Business-Type Activities	19,666,826	19,119,691	-	7,016,513	-	6,469,378	6,469,378	-
Total Primary Government	62,719,041	23,936,856	3,375,770	12,543,311	(29,332,482)	6,469,378	(22,863,104)	-
COMPONENT UNITS								
Brighton Urban Renewal Authority	14,761,093	81,678	-	70,000	-	-	-	(14,609,415)
Brighton Cultural Arts Commission	152,326	385	149,460	-	-	-	-	(2,481)
Total Component Units	\$ 14,913,419	\$ 82,063	\$ 149,460	\$ 70,000	-	-	-	(14,611,896)
GENERAL REVENUES								
Sales Taxes					33,418,866	-	33,418,866	7,407,168
Use Taxes					3,987,068	-	3,987,068	-
Property Taxes					2,319,147	-	2,319,147	4,543,918
Franchise Taxes					2,298,949	-	2,298,949	-
Other Taxes					62,121	-	62,121	-
Investment Earnings					683,578	509,660	1,193,238	45,224
Miscellaneous					627,887	433,976	1,061,863	8,895
Total General Revenues					43,397,616	943,636	44,341,252	12,005,205
Change in Net Position					14,065,134	7,413,014	21,478,148	(2,873,783)
Net Position--January 1					132,065,275	155,879,736	287,945,011	252,238
Net Position--December 31					\$ 146,130,409	\$ 163,292,750	\$ 309,423,159	\$ (2,621,545)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 54,280,771
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Cost of capital assets	210,679,308	
Less: accumulated depreciation	<u>(90,411,331)</u>	120,267,977
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in the fund statements.		
Note Receivable		2,510,000
Net Pension Asset		16,265
Deferred inflow of resources are not financial resources and, therefore, are not reported in the governmental funds.		
Items Related to Pension Plan		1,565,248
Deferred charge on refunding net of amortization		90,708
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the in the governmental funds.		
Long-term liabilities at year-end		
Certificates of participation net of premium	31,757,064	
Accrued interest on certificates of participation and bonds	<u>129,034</u>	(31,886,098)
Accrued compensated absences are not due and payable from current financial resources and, therefore, are not reported in the governmental funds.		
		(1,909,657)
Items Related to Pension (GASB 68)		(19,203)
Internal service funds are used by management to charge the costs of benefit activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		<u>1,214,399</u>
Net position--governmental activities		<u><u>\$ 146,130,410</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	PARKS AND RECREATION CAPITAL IMPROVEMENT FUND	IMPACT FEES FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 28,551,760	\$ 6,874,935	\$ 5,456,953	\$ -	\$ 300,975	\$ 41,184,623
Licenses and Permits	966,214	-	-	-	-	966,214
Intergovernmental	2,983,376	2,113,304	1,265,351	-	391,542	6,753,573
Charges for Services	2,153,745	-	-	707,527	397,384	3,258,656
Fines and Forfeitures	449,672	-	-	-	-	449,672
Investment Earnings	226,862	304,937	54,645	64,427	32,706	683,577
Miscellaneous	1,495,262	160,627	397,208	-	18,610	2,071,707
Total Revenues	36,826,891	9,453,803	7,174,157	771,954	1,141,217	55,368,022
EXPENDITURES						
Current						
General Government	10,011,167	-	-	-	291,318	10,302,485
Public Safety	10,185,245	-	-	-	-	10,185,245
Streets and Fleet	3,016,221	-	-	-	60,000	3,076,221
Parks and Recreation	5,154,524	-	-	-	-	5,154,524
Cemetery	-	-	-	-	416,540	416,540
Community Development	1,927,657	-	-	13,140	-	1,940,797
Debt Service						
Principal	-	730,796	74,204	-	-	805,000
Interest and Fiscal Charges	-	597,239	1,032,149	-	-	1,629,388
Capital Outlay	-	8,238,907	4,097,015	-	181,768	12,517,690
Total Expenditures	30,294,814	9,566,942	5,203,368	13,140	949,626	46,027,890
Excess of Revenues Over Expenditures	6,532,077	(113,139)	1,970,789	758,814	191,591	9,340,132
OTHER FINANCING SOURCES (USES)						
Capital Lease Proceeds	-	4,946,426	1,168,120	-	-	6,114,546
Grants to Other Agencies	-	(116,387)	-	-	-	(116,387)
Transfers In	115,272	1,624,034	428,931	32,538	107,000	2,307,775
Transfers Out	(107,000)	(14,050)	(18,488)	(2,052,965)	(6,000)	(2,198,503)
Total Other Financing Sources (Uses)	8,272	6,440,023	1,578,563	(2,020,427)	101,000	6,107,431
Net Change in Fund Balances	6,540,349	6,326,884	3,549,352	(1,261,613)	292,591	15,447,563
Fund Balances--January 1	12,546,575	8,898,342	6,003,143	7,930,221	3,454,927	38,833,208
Fund Balances--December 31	\$ 19,086,924	\$ 15,225,226	\$ 9,552,495	\$ 6,668,608	\$ 3,747,518	\$ 54,280,771

The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds		\$ 15,447,563
The internal service funds' activity is allocated to business type activities in the fund statements, however, is included in the governmental activities on the statement of activities.		594,087
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 depreciation expense.		
Capital outlay--Capitalized	10,279,345	
Depreciation	<u>(8,701,864)</u>	1,577,481
Governmental funds report a transfer in from the component unit. The statement of net position reports this as property tax.		109,272
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Capital Lease Proceeds	(5,309,546)	
Developer contributions	1,756,442	
Pension	<u>252,612</u>	(3,300,492)
Some expense reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(217,565)	
Grant to Outside Agency	(116,387)	
Accretion of bond premium	(2,916)	
Amortization of deferred charge on refunding	<u>(25,908)</u>	(362,776)
Change in net position--governmental activities		<u><u>\$ 14,065,135</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	WASTE WATER FUND	STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS					
Current Assets					
Cash and Investments	\$ 40,432,621	\$ 15,648,174	\$ 6,160,644	\$ 62,241,439	\$ 1,417,687
Accounts Receivable	670,814	918,683	100,827	1,690,324	56,509
Inventories	-	-	-	-	124,446
Prepays	1,123	7,304	-	8,427	-
Notes Receivable - Current Portion	99,644	-	-	99,644	-
Total Current Assets	41,204,202	16,574,161	6,261,471	64,039,834	1,598,642
Noncurrent Assets					
Notes Receivable - Non-Current Portion	-	-	-	-	-
Capital Assets					
Land and Water Rights	25,144,911	130,079	-	25,274,990	-
Wastewater Connection Fees	-	10,883,604	-	10,883,604	-
Building and Improvements	19,472,884	10,708,039	-	30,180,923	-
Collection and Distribution Systems	87,920,772	27,752,376	20,390,603	136,063,751	-
Machinery and Equipment	2,739,080	2,324,834	132,985	5,196,899	-
Less Accumulated Depreciation	(49,204,764)	(24,462,391)	(8,663,230)	(82,330,385)	-
Construction in Progress	3,407,893	2,655,248	94,626	6,157,767	-
Total Noncurrent Assets	89,480,776	29,991,789	11,954,984	131,427,549	-
Total Assets	130,684,978	46,565,950	18,216,455	195,467,383	1,598,642
LIABILITIES					
Current Liabilities					
Accounts Payable	1,399,088	313,980	32,875	1,745,943	102,043
Accrued Wages Payable	64,507	59,345	-	123,852	-
Accrued Interest Payable	81,858	21,265	-	103,123	-
Unearned Revenues	99,644	-	-	99,644	-
Deposits and Escrows	108,677	155,377	270,432	534,486	-
Estimated Claims Incurred but not Reported	-	-	-	-	282,200
Compensated Absences, Current Portion	90,200	70,004	3,897	164,101	-
Bonds Payable, Current Portion	891,637	216,256	-	1,107,893	-
Total Current Liabilities	2,735,611	836,227	307,204	3,879,042	384,243
Noncurrent Liabilities					
Compensated Absences	-	7,778	-	7,778	-
Bonds Payable	21,936,680	6,351,133	-	28,287,813	-
Total Noncurrent Liabilities	21,936,680	6,358,911	-	28,295,591	-
Total Liabilities	24,672,291	7,195,138	307,204	32,174,633	384,243
NET POSITION					
Net Investment in Capital Assets	66,652,459	23,424,400	11,954,984	102,031,843	-
Unrestricted	39,360,228	15,946,412	5,954,267	61,260,907	1,214,399
Total Net Position	\$ 106,012,687	\$ 39,370,812	\$ 17,909,251	\$ 163,292,750	\$ 1,214,399

The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	WASTE WATER FUND	STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Charges For Services	\$ 11,663,921	\$ 6,843,216	\$ 612,554	\$ 19,119,691	\$ 4,363,424
Miscellaneous	185,617	5,167	152	190,936	314,844
Total Operating Revenues	<u>11,849,538</u>	<u>6,848,383</u>	<u>612,706</u>	<u>19,310,627</u>	<u>4,678,268</u>
OPERATING EXPENSES					
Operations	7,769,858	3,193,326	268,030	11,231,214	407,930
Administration	360,599	312,683	69,621	742,903	294,298
Insurance Claims	-	-	-	-	2,702,751
Insurance Premiums	-	-	-	-	702,079
Depreciation	4,043,195	1,366,200	815,892	6,225,287	-
Total Operating Expenses	<u>12,173,652</u>	<u>4,872,209</u>	<u>1,153,543</u>	<u>18,199,404</u>	<u>4,107,058</u>
Operating Income (Loss)	<u>(324,114)</u>	<u>1,976,174</u>	<u>(540,837)</u>	<u>1,111,223</u>	<u>571,210</u>
NONOPERATING REVENUES (EXPENSES)					
Net Bond Refunding and COP Proceeds	189,116	53,924	-	-	-
Investment Earnings	319,722	141,700	48,238	509,660	22,877
Interest Expense	(1,131,086)	(336,336)	-	(1,467,422)	-
Total Nonoperating Revenues (Expenses)	<u>(622,248)</u>	<u>(140,712)</u>	<u>48,238</u>	<u>(957,762)</u>	<u>22,877</u>
Income (Loss) Before Capital Contributions and Transfers	(946,362)	1,835,462	(492,599)	153,461	594,087
CAPITAL CONTRIBUTIONS	<u>3,449,937</u>	<u>2,415,077</u>	<u>1,151,499</u>	<u>7,016,513</u>	<u>-</u>
Change in Net Position	2,503,575	4,250,539	658,900	7,169,974	594,087
Net Position--January 1	<u>103,509,112</u>	<u>35,120,273</u>	<u>17,250,351</u>	<u>155,879,736</u>	<u>620,312</u>
Net Position--December 31	<u>\$ 106,012,687</u>	<u>\$ 39,370,812</u>	<u>\$ 17,909,251</u>	<u>\$ 163,049,710</u>	<u>\$ 1,214,399</u>

The notes to the financial statements are an integral part of this statement.



Notes to the Basic Financial Statements



CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Brighton (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial principles. The City's significant accounting policies are described below.

REPORTING ENTITY

These financial statements include those of the City (primary government) and organizations for which the City is financially accountable (component units). The following component units are included in the reporting entity: *Brighton Urban Renewal Authority* ("BURA") and *Brighton Cultural Arts Commission* ("BCAC"). Neither of the component units issues their own financial statements.

The City of Brighton, Colorado (primary government) was incorporated in July, 1887. The citizens voted to become a home rule city in 2000 under the provisions of Article XX of the constitution of the State of Colorado. The City is governed by a Mayor and eight-member City Council elected by the residents and is operated under a Council-Manager form of government.

The determination to include separate governmental entities is based on the criteria of GASB Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which sets 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, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

DISCRETELY PRESENTED COMPONENT UNITS

Based on the application of these criteria, the City has determined that it is financially accountable for the following entities.

Brighton Urban Renewal Authority – BURA, created April 16, 2002, provides redevelopment within the City limits. The City Council appoints the governing board of BURA. One of the BURA commissioners is a member of City Council. The BURA is reliant upon the City to approve projects and receive funding for its projects which include grants and tax increment financing.

Brighton Cultural Arts Commission – BCAC, created as a not-for profit on March 5, 1996, provides cultural and arts activities to Brighton citizens. The City Council does appoint the Directors and although the City is not required to provide funding to the Organization, they generally do on an annual basis and, therefore, a benefit/burden relationship exists between the City and the BCAC. The City believes the significance of its relationship with the Organization is such that the financial statements of Brighton Cultural Arts Commission should be included in the City's reporting entity.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which are supported primarily by fees and charges to external customers. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

In the government-wide and proprietary fund financial statements, net positions are restricted for amounts that are legally restricted by outside parties for specific purposes or through enabling legislation that is a legally enforceable restriction on the use of revenues. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly associated 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 particular function or segment. Taxes and other items are properly not included among program revenues and are reported as general revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds. As discussed earlier, the government has two discretely presented component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements. The emphasis of fund financial statements is on major governmental and major proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- The Capital Improvement Fund accounts for the City's ongoing capital projects which are partially financed by a 1% sales tax approved by the voters in 1976.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

- The Parks and Recreation Capital Improvement Fund accounts for the City's parks and recreation capital projects which are financed by a 0.6% sales tax approved by voters in 1991, and intergovernmental revenues.
- The Impact Fees Fund is used to account for the accumulation of development impact fees collected under Article 3-5 of the City's Municipal Code.

The City reports the following major proprietary funds which account for the City of Brighton Water Activity Enterprise:

- The Water Fund accounts for the financial activities associated with the provision of water.
- The Waste Water (Sewer) Fund accounts for the financial activities associated with the provision of waste water services.
- The Storm Drainage Fund accounts for the financial activities associated with the storm drainage services.

On May 16, 1995, the City of Brighton Water Activity Enterprise was established by Ordinance No. 1470.

The City reports the following internal service funds:

- The Benefits Internal Service Fund accounts for designated employee benefits provided to all departments of the City. Currently, only medical benefits are provided by this fund.
- The Fleet Internal Service Fund accounts for centralized maintenance of city-owned vehicles. This fund was created in 2015, however, did not start to provide services to the City departments until January 1, 2016.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments – Cash includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value (generally based on quoted market prices). Certain investments are restricted for debt service. The City utilizes the same policy for purposes of cash flow presentations.

Whenever possible, cash is pooled from the various City funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions, and contingency plans. The City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories – Inventories are valued at cost, using the first-in, first-out (FIFO) method. The costs of inventories are recorded as expenditures or expenses when consumed rather than when purchased (the consumption method).

Prepays – Certain payments to vendors reflect costs applicable to future years and are reported as prepaids. These expenditures will be recognized during the period benefitted by the prepayment (the consumption method).

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure acquired since 1980, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land, water rights, art acquisitions, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City and its discretely presented component units are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	5-60 years
Infrastructure	5-50 years
Collection and Distribution Systems	30-50 years
Machinery and Equipment	3-15 years

Unearned Revenues - Unearned revenues arise when resources are received by the City before it has a legal claim to them, as when grant funding is received prior to the incurrence of qualifying expenditures.

Compensated Absences – Employees of the City are allowed to accumulate unused personal leave. The maximum accumulation of personal leave time is limited to two years entitlement for most employees, and three years entitlement for department and executive directors. Depending on years of service and position held, the maximum accrual allowed is 768 hours.

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations – In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

Deferred Inflows/Outflow of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recorded as deferred inflows in the year levied, as they are not due until the following year. Property tax revenue is recognized in the subsequent tax year.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Net Position Flow Assumption – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, to commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council assigns fund balance through subsidiary agreements such as Development Agreements, Fee Schedule Resolutions, and Service Plan Agreements or through the annual Budget Adoption Resolution.

Emergency and General Fund Stabilization Reserve - On July 20, 2010 the City Council adopted Resolution No. 2010-88 which established an Emergency Reserve and General Fund Stabilization Reserve which are reported under the committed fund balance classification (see Note 3. Fund Balances.)

The Emergency Reserve was to maintain a minimum reserve equal to two months (17%) of General Fund revenues and three months (25%) of Capital improvement Fund revenues. The Emergency Reserve shall be used to off-set costs incurred by the City for unforeseen emergency circumstances which threaten the health, safety or welfare of the City, such as weather related occurrences, floods, terror attacks, destruction or incapacitation of City services or facilities, etc. All withdrawals/expenditures from the Emergency Reserve shall be pre-approved by an affirmative vote of seven (7) members of the City Council. The City Manager may authorize an immediate withdrawal/expenditure if an emergency exists which threatens the health, safety or welfare of the City and pre-approval of the Council is not feasible.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

The General Fund Stabilization Reserve was established to enable essential City services to continue during downturns in the economy and to serve as a temporary “stop gap” measure to provide financial resources during circumstances when implementation of the Emergency Reserve is not warranted. The target amount of the General Fund Stabilization Reserve in any given calendar year shall range from 5% to 10% of the total General Fund revenues. All withdrawals/expenditures from the General Fund Stabilization Reserve shall be pre-approved by an affirmative vote of a majority of the members of the City Council.

REVENUES AND EXPENDITURES/EXPENSES

Program Revenues – Amounts reported as *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 particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes - Property taxes levied in a particular year are collected in the subsequent year. The property tax calendar is as follows:

Tax Year

Tax levy certified to County Commissioners.....December 15

County Commissioners certify levy to County Assessor.....December 22

Ensuing Collection Year

Taxes attach as an enforceable lien on property.....January 1

First installment due date (one-half of taxes due).....February 28

Taxes due in full (unless installments elected by taxpayer).....April 30

Second installment due date (second half due).....June 15

Taxes are collected by the Adams and the Weld County Treasurers on behalf of the City and are remitted by the 10th day of the month following collection. A 1% collection fee is retained by the Counties as compensation for collecting the taxes.

Proprietary Funds Operating and Nonoperating Revenues and Expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water fund, waste water fund, storm drainage fund, and internal service funds are charges to customers for sales and services. Operating expenses for these three proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budget and Appropriation Process - The City of Brighton's budget is planned on a calendar year basis as required by the Colorado Revised Statutes, Section 29-1-101, and Article X of the City of Brighton Charter. The budget plan presents a complete financial plan setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous calendar year.

On or before September 20th of each year, the City Manager must submit a proposed budget to the Council for the next calendar year. Thereafter, notice must be published, stating among other things, that the proposed budget is open for inspection by the public and that interested electors may file or register any objection to the budget. The City Council holds a public hearing to allow comments on the proposed budget. This hearing is advertised in the local newspaper.

Before the beginning of the calendar year, the Council must enact an appropriation resolution, which corresponds with the budget. This resolution allows the City to legally expend monies for the coming budget year. City expenditures may not exceed the amounts appropriated, except in the case of an emergency or contingency which was not reasonably foreseeable. The Council may make these emergency appropriations from unappropriated revenue or by emergency resolution authorizing the issuance of emergency notes, as provided in Article XI of the Charter. If the City receives revenues that were not anticipated at the time of adoption of the budget, the Council may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution. The transfer of budget and appropriated monies within a fund or between funds may be done only in accordance with the Charter.

Budgetary Accounting and Control - Budgets for the General, Lottery Reserve, Landscaping, Impact Fees, Cemetery, Highway, Lodging Tax, Capital Improvement, Parks & Recreation Capital Improvement, and Cemetery Perpetual Care Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The modified accrual basis of accounting is used, whereby revenues are recognized when susceptible to accrual (*i.e.* sales taxes, property taxes, franchise taxes, interest and grants). Fines and permit revenues are not susceptible to accrual, as they generally are not measurable until received in cash. Expenditures are generally recognized when the related fund liability is incurred.

The budgets for the Water, Waste Water, and Storm Drainage Funds and the Benefits and Fleet Internal Services Funds are adopted on a non-GAAP budgetary basis. The full accrual basis of accounting is used whereby revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Bond proceeds are treated as other financing sources, capital outlay and debt service are treated as expenditures; and depreciation is not budgeted.

The appropriated budget is prepared by fund, function, and department. The City's Directors may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. The budget for capital outlay is

CITY OF BRIGHTON, COLORADO
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prepared by project. Transfers of appropriations between projects require the approval of the City Council.

The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by Fund. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for good or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

STATE CONSTITUTIONAL AMENDMENT

On November 3, 1992, the voters of the State approved Article X, Section 20 to the State Constitution commonly known as the Taxpayer's Bill of Rights (TABOR) limiting growth of public entities and their ability to borrow and tax.

On November 3, 2016, the qualified electors of the City approved Ballot Issue 2K, which read as follows:

"Without increasing any tax rate or imposing any new tax and in order for the City to continue to provide services and public facilities and amenities to its citizens, including without limitation, public safety, support services, streets and park and recreation, shall the City of Brighton, Colorado be authorized to collect, retain and spend all revenues it receives from all sources, beginning in 2015 and thereafter, and for the four years prior to 2015, as a voter approved revenue change under Article X, Section 20 of the Colorado Constitution?"

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, imposing a mill levy, extending an expiring tax, or implementing a tax policy change which directly causes a net tax revenue gain.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple fiscal year debt or other financial obligations without voter approval and without irrevocably pledging present cash reserves for all future payments.

TABOR also requires the City to set aside a portion of its spending for an emergency reserve. In 2016, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$1,382,667. The City is not allowed to use the emergency reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

COMPLIANCE

In 2016, there were no fund expenditures exceeding appropriated amounts for the primary government.

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NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2016, follows:

	<u>AMOUNT</u>
Petty Cash	\$ 5,617
Cash Deposits	29,937,021
Investments	87,062,712
Total	<u>\$ 117,005,350</u>

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

	<u>AMOUNT</u>
Cash and Investments--Governmental Activities	\$ 46,088,421
Cash and Investments--Business-Type Activities	63,659,126
Cash and Investments--Component Units	4,798,485
Restricted Cash and Investments--BURA	2,459,318
Total	<u>\$ 117,005,350</u>

Cash Deposits – Colorado State Statutes govern the City's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral, as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. All deposits in 2016 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

At December 31, 2016, the City and Component Units' deposits had a carrying value of \$30,207,575 and a bank balance of \$29,937,021. Of the bank balances totaling \$29,937,021, \$500,000 was covered by FDIC insurance with the balance being covered by PDPA.

CITY OF BRIGHTON, COLORADO
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Investments - The City and its component units comply with State and city statutes specifying investment instruments that meet defined rating, maturity and custodial risk criteria in which local governments may invest. These investments include the following:

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

Whenever possible, cash is pooled from the various City funds to enhance investment capabilities and maximize investment earnings. Investments are made taking into consideration cash flow needs, market conditions, and contingency plans. The City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio. The City and its component units had the following investments at December 31, 2016:

<u>INVESTMENT TYPE</u>	<u>S&P RATING</u>	<u>FAIR VALUE</u>	<u>INVESTMENT MATURITIES</u>	
			<u>LESS THAN ONE YEAR</u>	<u>FROM ONE TO FIVE YEARS</u>
U.S. Treasury Securities	AA+	22,697,493	1,059,550	21,637,943
U.S. Agency Securities	AA+	22,607,148		22,607,148
Certificate of Deposit	A-1 to AA-	8,477,687	3,851,854	4,625,833
Municipal Bond	AA to AAA	5,247,115	-	5,247,115
Corporate Bonds	AA- to AAA	11,490,307	1,695,657	9,794,650
Money Market Fund	AAAm	9,835,821	9,835,821	-
Local Government Investment Pools	AAAm	6,707,141	6,707,141	-
Total		<u>\$ 87,062,712</u>	<u>\$ 23,150,023</u>	<u>\$ 63,912,689</u>
Percent of Total			27%	73%

Interest Rate Risk - State and City statutes limit investments in U.S. Treasury and Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State and City statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). The same statutes also limit investments in money market funds to those that maintain a constant share

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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price, with remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the position of an outside party. At December 31, 2016, the City's investments securities were held by the counterparty (broker), in the City's name.

Local Government Investment Pools - At December 31, 2016, the City had \$1,036,022 and \$5,671,119 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively, investment vehicles established by State statute for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments - At December 31, 2016, BURA had investments of \$2,459,318 restricted for debt service and projects.

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CITY OF BRIGHTON, COLORADO
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CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, is summarized, as follows:

	<u>BALANCE</u> <u>12/31/15</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/16</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Capital Assets, Not Being Depreciated				
Land	\$21,819,523	\$ 693,564	\$ -	\$22,513,087
Water rights	2,036,050	-	-	2,036,050
Construction in Progress	2,110,703	8,101,321	(105,647)	10,106,377
Total Capital Assets, Not Being Depreciated	<u>25,966,276</u>	<u>8,794,885</u>	<u>(105,647)</u>	<u>34,655,514</u>
Capital Assets, Being Depreciated				
Building and Improvements	88,222,427	178,996	(842,959)	\$87,558,464
Infrastructure	72,875,434	1,772,909	-	74,648,343
Other Assets	703,266	28,842	-	732,108
Machinery and Equipment	12,520,446	1,381,263	(816,830)	13,084,879
Total Capital Assets, Being Depreciated	<u>174,321,573</u>	<u>3,362,010</u>	<u>(1,659,789)</u>	<u>176,023,794</u>
Less Accumulated Depreciation				
Building and Improvements	(48,939,295)	834,028	(4,604,422)	(52,709,689)
Infrastructure	(24,457,458)	-	(2,929,196)	(27,386,654)
Other Assets	(245,478)	-	(130,861)	(376,339)
Machinery and Equipment	(9,711,564)	810,300	(1,037,385)	(9,938,649)
Total Accumulated Depreciation	<u>(83,353,795)</u>	<u>1,644,328</u>	<u>(8,701,864)</u>	<u>(90,411,331)</u>
Total Capital Assets, Being Depreciated, Net	<u>90,967,778</u>	<u>5,006,338</u>	<u>(10,361,653)</u>	<u>85,612,463</u>
Governmental Activities Capital Assets, Net	<u>\$ 116,934,054</u>	<u>\$ 13,801,223</u>	<u>\$ (10,467,300)</u>	<u>\$ 120,267,977</u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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	<u>BALANCE</u> <u>12/31/15</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/16</u>
<u>BUSINESS -TYPE ACTIVITIES</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 7,203,159	\$ -	\$ -	\$ 7,203,159
Water Rights	18,071,830	-	-	18,071,830
Wastewater Connection Fees	9,048,032	1,835,572	-	10,883,604
Construction in Progress	7,258,222	-	(1,100,454)	6,157,768
Total Capital Assets, Not Being Depreciated	<u>41,581,243</u>	<u>1,835,572</u>	<u>(1,100,454)</u>	<u>42,316,361</u>
Capital Assets, Being Depreciated				
Building and Improvements	30,180,924	-	-	30,180,924
Collection and Distribution Systems	127,463,164	8,600,586	-	136,063,750
Machinery and Equipment	4,278,726	701,872	-	4,980,598
Other Assets	202,050	14,250	-	216,300
Total Capital Assets, Being Depreciated	<u>162,124,864</u>	<u>9,316,708</u>	<u>-</u>	<u>171,441,572</u>
Less Accumulated Depreciation				
Building and Improvements	(21,104,293)	-	(825,094)	(21,929,387)
Collection and Distribution Systems	(52,601,459)	-	(5,069,066)	(57,670,525)
Machinery and Equipment	(2,515,502)	-	(86,451)	(2,601,953)
Other Assets	(60,999)	-	(67,520)	(128,519)
Total Accumulated Depreciation	<u>(76,282,253)</u>	<u>-</u>	<u>(6,048,131)</u>	<u>(82,330,384)</u>
Total Capital Assets, Being Depreciated, Net	<u>85,842,611</u>	<u>9,316,708</u>	<u>(6,048,131)</u>	<u>89,111,188</u>
Business-Type Activities Capital Assets, Net	<u>\$ 127,423,854</u>	<u>\$ 11,152,280</u>	<u>\$ (7,148,585)</u>	<u>\$ 131,427,549</u>

	<u>BALANCE</u> <u>12/31/15</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/16</u>
<u>BRIGHTON URBAN RENEWAL AUTHORITY</u>				
Capital Assets, Being Depreciated				
Building and Improvements	\$ 9,953,602	\$ -	\$ (4,353,787)	5,599,815
Machinery and Equipment	91,315	-	-	91,315
Total Capital Assets, Being Depreciated	<u>10,044,917</u>	<u>-</u>	<u>(4,353,787)</u>	<u>5,691,130</u>
Less Accumulated Depreciation				
Building and Improvements	(2,318,877)	1,166,298	(228,528)	(1,381,107)
Machinery and Equipment	(37,330)	-	(7,868)	(45,198)
Total Accumulated Depreciation	<u>(2,356,207)</u>	<u>1,166,298</u>	<u>(236,396)</u>	<u>(1,426,305)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,688,710</u>	<u>1,166,298</u>	<u>(4,590,183)</u>	<u>4,264,825</u>
BURA Activities Capital Assets, Net	<u>\$ 7,688,710</u>	<u>\$ 1,166,298</u>	<u>\$ (4,590,183)</u>	<u>\$ 4,264,825</u>

CITY OF BRIGHTON, COLORADO
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Depreciation expense was charged to functions/programs of the Primary Government as follows:

	<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>
General Government	\$ 818,082	\$ -
Public Safety	485,223	-
Streets and Fleet	5,094,028	-
Eagle View Adult Center	26,009	-
Recreation Center	286,110	-
Parks	1,953,456	-
Cemetery	38,959	-
Water	-	4,043,195
Wastewater	-	1,366,200
Storm Drainage	-	815,892
Total Depreciation Expense	<u>\$ 8,701,867</u>	<u>\$ 6,225,287</u>

LONG-TERM DEBT TRANSACTIONS - GOVERNMENTAL ACTIVITIES

	<u>BALANCE</u>			<u>BALANCE</u>	<u>DUE WITHIN</u>
	<u>12/31/15</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>12/31/16</u>	<u>ONE YEAR</u>
2010 Certificates of Participation	26,320,000	-	805,000	25,515,000	830,000
2016 Certificates of Participation		6,123,718	-	6,123,718	277,236
Debt Premium	124,602	-	6,256	118,346	6,256
Compensated Absences	1,692,092	1,393,178	1,175,613	1,909,657	1,909,657
Total	<u>\$28,136,694</u>	<u>\$ 7,516,896</u>	<u>\$ 1,986,869</u>	<u>\$33,666,721</u>	<u>\$ 3,023,149</u>

2010 Certificates of Participation

During June 2010, the City issued \$26,565,000 Certificates of Participation, Series 2010A and 2010B, to refund the outstanding Certificates of Participation, Series 2000, and finance the costs of constructing an adult recreation center and aquatic park, purchasing and rehabilitating a building to be used as the Main City Hall, acquiring open space land and developing vacant land into a park. The Certificates of Participation, Series 2000, were originally issued to construct a new municipal court and police facility.

Principal payments on the Certificates of Participation, Series 2010A, totaling \$7,775,000, are due annually, beginning June 1, 2012, through 2024. Interest is due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 2% to 5% per annum. The Certificates of Participation, Series 2010B, totaling \$18,790,000, require annual principal payments beginning December 1, 2024, through 2034. Interest payments are due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 6.55% to 6.75% per annum. The Certificates of Participation, Series 2010B, were issued as Build America Bonds whereby the City would receive a subsidy from the United States Treasury equal to 35% of each interest payment.

CITY OF BRIGHTON, COLORADO
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A portion of the proceeds of the Certificates of Participation, Series 2010A, were issued to refund the Certificates of Participation, Series 2000. The refunding resulted in an accounting loss of \$259,110 and an economic gain of \$76,296 and reduced the City's aggregate debt service payments by approximately \$389,486. Proceeds of \$4,867,643 plus other available funds of \$696,467 were deposited with an escrow agent to provide for all future debt service requirements of the Certificates of Participation, Series 2000. As a result, the refunded Certificates of Participation are considered defeased and have been removed from the financial statements. The outstanding balance of the defeased debt at December 31, 2016 was \$0.

Annual debt service requirements for the outstanding 2010 COPs Certificates of Participation at December 31, 2016, were as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	830,000	1,525,003	2,355,003
2018	855,000	1,496,790	2,351,790
2019	890,000	1,463,390	2,353,390
2020	925,000	1,429,515	2,354,515
2021	960,000	1,392,315	2,352,315
2022	1,000,000	1,350,915	2,350,915
2023	1,050,000	1,300,290	2,350,290
2024	1,095,000	1,258,290	2,353,290
2025	1,160,000	1,192,525	2,352,525
2026	1,235,000	1,116,545	2,351,545
2027	1,315,000	1,035,653	2,350,653
2028	1,405,000	949,520	2,354,520
2029	1,495,000	857,492	2,352,492
2030	1,590,000	759,570	2,349,570
2031	1,695,000	655,425	2,350,425
2032	1,810,000	541,013	2,351,013
2033	1,935,000	418,837	2,353,837
2034	2,065,000	288,225	2,353,225
2035	2,205,000	148,838	2,353,838
Total	<u>\$ 25,515,000</u>	<u>\$ 19,180,151</u>	<u>\$ 44,695,151</u>

2016 Certificates of Participation

During March 2016, the City issued \$7,000,000 Certificates of Participation, Tax Exempt Series 2016A and Taxable Series 2016B to fund capital energy conservation improvement projects to the City's Recreation Center, City Hall, Historic City Hall, Police and Municipal Court, Utility Water Shop, Water Wells, Wastewater Treatment Facility and other City facilities as well as capital upgrades to various systems at the Brighton Armory, Water Treatment Plant and the City's Recreation Center.

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COPs are structured as lease purchase agreements which allows the City to terminate the lease if funds are not appropriated in future years. The leased property in Brighton, CO for the 2016 COPs is the Historic City Hall Building (22 S. 4th Avenue.)

Principal payments on the Certificates of Participation, Tax Exempt Series 2016A, totaling \$4,480,620, are due annually, beginning February 2017, through 2031 (15 years.) Interest is due semi-annually on February 24 and August 24 with an interest rate of 2.43%. Principal payments on the Certificates of Participation, Taxable Series 2016B, totaling \$2,519,380, are due annually, beginning February 2017, through 2026 (10 years.) Interest is due semi-annually on February 24 and August 24 with an interest rate of 3.34%.

Capital Improvement Fund and Recreation Capital Improvement Fund annual debt service requirements for the outstanding 2016 Certificates of Participation, Tax Exempt Series 2016A, for the years ending December 31, 2018 through 2031 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	94,165	125,444	219,609
2018	135,129	84,481	219,610
2019	138,432	81,177	219,609
2020	141,815	77,793	219,608
2021	145,283	74,326	219,609
2022	148,833	70,775	219,608
2023	152,473	67,136	219,609
2024	156,199	63,409	219,608
2025	160,021	59,589	219,610
2026	163,932	55,677	219,609
2027	412,921	50,191	463,112
2028	423,017	40,094	463,111
2029	433,359	29,753	463,112
2030	443,953	19,159	463,112
2031	454,806	8,305	463,111
Total	<u>\$ 3,604,338</u>	<u>\$ 907,310</u>	<u>\$ 4,511,648</u>

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Capital Improvement Fund annual debt service requirements for the outstanding 2016 Certificates of Participation, Taxable Series 2016B, for the years ending December 31, 2018 through 2031 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	183,071	119,633	302,704
2018	226,546	76,157	302,703
2019	234,177	68,527	302,704
2020	242,064	60,640	302,704
2021	250,216	52,488	302,704
2022	258,643	44,060	302,703
2023	267,354	35,350	302,704
2024	276,358	26,346	302,704
2025	285,665	17,038	302,703
2026	295,286	7,417	302,703
Total	<u>\$ 2,519,380</u>	<u>\$ 507,656</u>	<u>\$ 3,027,036</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

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LONG TERM DEBT TRANSACTIONS - BUSINESS-TYPE ACTIVITIES

Business Activities

	<u>BALANCE</u> <u>12/31/15</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>12/31/16</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2009 Revenue Bonds	\$27,845,000	\$ -	\$ 27,845,000	-	\$ -
2016 Revenue Bonds	-	27,270,000	-	27,270,000	\$ 1,085,000
2016 Certificates of Participation	-	851,282	-	851,282	\$ 22,893
Bond Premium	715,017	638,470	40,594	1,312,893	62,519
Compensated Absences	149,850	214,153	192,123	171,880	164,102
Total	<u>\$28,709,867</u>	<u>\$ 28,973,905</u>	<u>\$ 28,077,717</u>	<u>\$29,606,055</u>	<u>\$ 1,334,514</u>

2009 Revenue Bonds

During 2009, the City issued \$30,165,000 Water Activity Enterprise Revenue Bonds to finance improvements to the City's water and sewer systems. Principal payments are due annually beginning December 1, 2012, through 2037. Interest payments are due semi-annually on June 1 and December 1. Interest accrues on the bonds at rates ranging from 2% to 5.25% per annum.

2016 Water Activity Enterprise Revenue Bonds

During September, 2016, the City issued \$27,325,000 Water Activity Enterprise Revenue Refunding Bonds to refund the outstanding 2009 Water Activity Enterprise Revenue Bonds. Series 2016A of \$20,985,000 will refund the outstanding 2009 Bonds for the Water System Project and Series 2016B of \$6,340,000 will refund the outstanding 2009 Bonds for the Sewer System Project. As a result, the 2009 revenue bonds are defeased and the liability for those bonds has been removed from the statement of net position.

The refunding generated over \$3.1 million in net present value savings, representing approximately 11.3% of the refunded bonds.

Principal Payments for the Water Activity Enterprise Revenue Refunding Bonds, Series 2016A, are due annually beginning June 1, 2017, through 2037. Interest payments are due semi-annually on June 1 and December 1. Interest accrues on the bonds at rates ranging from 1.5% to 5.0% per annum. Principal Payments for the Water Activity Enterprise Revenue Refunding Bonds, Series 2016B, are due annually beginning June 1, 2017, through 2037. Interest payments are due semi-annually on June 1 and December 1. Interest accrues on the bonds at rates ranging from 3.0% to 4.0% per annum. The bonds are paid solely from revenues of the City's water and wastewater system.

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Annual debt service requirements for the outstanding 2016 Water Revenue Refunding Bonds, Series 2016A (Water System Project), for the years ending December 31, 2018 through 2037 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	870,000	780,850	1,650,850
2018	885,000	754,525	1,639,525
2019	900,000	727,750	1,627,750
2020	935,000	700,225	1,635,225
2021	965,000	671,725	1,636,725
2022	985,000	649,863	1,634,863
2023	1,005,000	632,425	1,637,425
2024	1,005,000	614,837	1,619,837
2025	975,000	597,550	1,572,550
2026	965,000	563,675	1,528,675
2027	975,000	515,175	1,490,175
2028	985,000	466,175	1,451,175
2029	995,000	416,675	1,411,675
2030	1,005,000	366,675	1,371,675
2031	1,020,000	316,050	1,336,050
2032	1,035,000	264,675	1,299,675
2033	1,050,000	212,550	1,262,550
2034	1,070,000	159,550	1,229,550
2035	1,090,000	111,000	1,201,000
2036	1,105,000	67,100	1,172,100
2037	1,125,000	22,500	1,147,500
Total	<u>\$ 20,945,000</u>	<u>\$ 9,611,550</u>	<u>\$ 30,556,550</u>

CITY OF BRIGHTON, COLORADO
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Annual debt service requirements for the outstanding 2016 Water Revenue Refunding Bonds, Series 2016B (Wastewater System Project), for the years ending December 31, 2018 through 2037 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	215,000	241,025	456,025
2018	215,000	234,575	449,575
2019	220,000	228,050	448,050
2020	225,000	221,375	446,375
2021	230,000	213,400	443,400
2022	240,000	204,000	444,000
2023	250,000	194,200	444,200
2024	255,000	184,100	439,100
2025	270,000	173,600	443,600
2026	280,000	162,600	442,600
2027	290,000	151,200	441,200
2028	305,000	139,300	444,300
2029	310,000	127,000	437,000
2030	330,000	114,200	444,200
2031	345,000	100,700	445,700
2032	355,000	86,700	441,700
2033	365,000	72,300	437,300
2034	380,000	57,400	437,400
2035	395,000	41,900	436,900
2036	415,000	25,700	440,700
2037	435,000	8,700	443,700
Total	<u>\$ 6,325,000</u>	<u>\$ 2,982,025</u>	<u>\$ 9,307,025</u>

2016 Certificates of Participation

During March 2016, the City issued \$7,000,000 Certificates of Participation, Tax Exempt Series 2016A and Taxable Series 2016B to fund capital energy conservation improvement projects to the City's Recreation Center, City Hall, Historic City Hall, Police and Municipal Court, Utility Water Shop, Water Wells, Wastewater Treatment Facility and other City facilities as well as capital upgrades to various systems at the Brighton Armory, Water Treatment Plant and the City's Recreation Center. Further details are discussed in the "Long-Term Debt Transactions—Governmental Activities" section.

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Water Fund annual debt service requirements for the outstanding 2016 Certificates of Participation, Tax Exempt Series 2016A, for the years ending December 31, 2018 through 2031 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	183,071	119,633	302,704
2018	226,546	76,157	302,703
2019	234,177	68,527	302,704
2020	242,064	60,640	302,704
2021	250,216	52,488	302,704
2022	258,643	44,060	302,703
2023	267,354	35,350	302,704
2024	276,358	26,346	302,704
2025	285,665	17,038	302,703
2026	295,286	7,417	302,703
Total	<u>\$ 2,519,380</u>	<u>\$ 507,656</u>	<u>\$ 3,027,036</u>

Wastewater Fund annual debt service requirements for the outstanding 2016 Certificates of Participation, Tax Exempt Series 2016A, for the years ending December 31, 2018 through 2031 are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,256	1,672	2,928
2018	1,801	1,127	2,928
2019	1,845	1,083	2,928
2020	1,891	1,037	2,928
2021	1,937	991	2,928
2022	1,984	944	2,928
2023	2,033	895	2,928
2024	2,083	845	2,928
2025	2,133	795	2,928
2026	2,185	743	2,928
2027	5,505	669	6,174
2028	5,640	534	6,174
2029	5,778	397	6,175
2030	5,919	256	6,175
2031	6,064	111	6,175
Total	<u>\$ 48,054</u>	<u>\$ 12,099</u>	<u>\$ 60,153</u>

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LONG TERM DEBT TRANSACTIONS - COMPONENT UNIT, BURA

	<u>BALANCE</u> <u>12/31/15</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>12/31/16</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2015A Revenue Bonds	9,890,000	-	125,000	9,765,000	745,000
2015B Taxable Revenue Bonds	555,000	-	555,000	-	-
Loan Payable--City of Brighton	2,510,000	-	-	2,510,000	-
Loan Payable--BHA	39,070	-	15,969	23,101	23,101
Compensated Absences	18,765	17,794	12,148	24,411	18,308
Total	<u>\$ 13,012,835</u>	<u>\$ 17,794</u>	<u>\$ 708,117</u>	<u>\$12,322,512</u>	<u>\$ 786,409</u>

2009 Revenue Bonds - During December 2016, BURA issued Tax Increment Revenue Refunding Bonds to refund the outstanding 2009 bonds. As a result, the 2009 revenue bonds are defeased and the liability for those bonds has been removed from the statement of net position. BURA issued the 2009 Tax Increment Revenue Refunding Bonds to refund the outstanding 2008 and 2005A Revenue Bonds which were originally issued to finance construction of the Brighton Pavilions, to finance improvements to the Armory, and to modify or eliminate certain restrictive contractual limitations related to the refunded bonds.

2016 Revenue Bonds - On December 15, 2016, BURA issued \$9,890,000 Tax Increment Revenue Refunding Bonds, Series 2016A and \$555,000 Taxable Tax Increment Revenue Bonds, Series 2016B, which were issued to refund the BURA outstanding Tax Increment Revenue Refunding and Improvement Bonds, Series 2009 and provide funding for an improvement project in the BURA area respectively. Proceeds of the refunding were reduced by an \$80,000 call premium and \$88,000 bond issuance costs, which have been expensed in the current year.

The 2016A and 2016B Series have interest rates of 3.50% and 5.4% respectively. The reduction of interest rate on the outstanding 2009 Series from 5.75% to 3.50% produced a net present value savings of \$1,192,035 or 12 % of the refunded bonds.

Principal payments are due annually on December 1, through 2027. Interest payments are due semi-annually on June 1 and December 1. The bonds are payable solely from sales tax increment revenues collected from the Brighton Pavilions and incremental property taxes generated by the urban renewal area.

CITY OF BRIGHTON, COLORADO
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Annual debt service requirements for the outstanding bonds at December 31, 2016 are as follows:

2015A Tax Increment Revenue Refunding Bonds

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
Year Ended December 31,			
2017	745,000	341,775	1,086,775
2018	770,000	315,700	1,085,700
2019	795,000	288,750	1,083,750
2020	825,000	260,925	1,085,925
2021	850,000	232,050	1,082,050
2022	880,000	202,300	1,082,300
2023	915,000	171,500	1,086,500
2024	945,000	139,475	1,084,475
2025	980,000	106,400	1,086,400
2026	1,010,000	72,100	1,082,100
2027	1,050,000	36,750	1,086,750
Total	<u>\$ 9,890,000</u>	<u>\$ 2,500,414</u>	<u>\$ 12,390,414</u>

Loan Payable—City of Brighton - In March 2016, the City and BURA entered into a promissory note in which the City loaned BURA \$2,510,000 at a simple interest rate of .4% for a term of six months, interest and principal are payable at maturity. Such monies were used by BURA to acquire real property and appurtenance located at 880 South Main Street, 750 South Main Street and 740 South Main Street, Brighton, Adams County, Colorado. The loan is secured by these properties. On September 15, 2016 a Promissory Note Extension and Amendment Agreement was executed extending the maturity date of the note to September 18, 2022. All other terms and conditions in the Note remained unchanged and in effect.

Loan Payable—Brighton Housing Authority (BHA) - On April 16, 2006, BURA acquired the property located at 199 West Southern Street from the Brighton Housing Authority in exchange for a tax increment note that will be paid with future revenue. In return, BURA conveyed the property to a developer to construct affordable housing. The note required BURA to pay the Brighton Housing Authority as tax increment revenues are collected, without interest. During the year ending December 31, 2016, BURA paid \$15,969 on the loan, resulting in an outstanding balance of \$23,101.

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FUND BALANCES

In the fund financial statements, fund equity of the City's governmental funds are classified as either non-spendable, restricted, committed, assigned, or unassigned.

Non-Spendable Fund Balances indicate amounts that are not in a spendable form such as inventory, or are required to be maintained intact principal of an endowment fund such as the Cemetery Perpetual Care Fund.

Restricted Fund Balances indicate amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors, or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balances indicate amounts that can be used only for the specific purposes determined by a formal action of the City Council the City's highest level of decision making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint.

Assigned Fund Balances indicate amounts that the City intends to use for a specific purpose as expressed by management.

Unassigned Fund Balances indicate the residual classification for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

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CITY OF BRIGHTON, COLORADO
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The following represents these classifications and the purposes for which the amounts can be spent as of December 31, 2016.

<u>FUND BALANCES</u>	<u>GENERAL FUND</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>PARKS AND RECREATION CAPITAL IMPROVEMENT FUND</u>	<u>IMPACT FEES FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
<u>Nonspendable</u>						
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepays	179,167	-	-	-	-	179,167
Total Nonspendable	179,167	-	-	-	-	179,167
<u>Restricted</u>						
Voter Approved TABOR	912,054	290,921	156,656	-	-	1,359,631
Denver Airport Agreement	496,000	-	-	-	-	496,000
Voter Approved TABOR:						
Cemetery	-	-	-	-	12,496	12,496
Highway	-	-	-	-	1,800	1,800
Lodging	-	-	-	-	8,740	8,740
Voter Approved Sales Tax	-	7,758,810	9,395,839	-	-	17,154,649
Voter Approved Lodging Tax	-	-	-	-	488,227	488,227
Enabling Legislation Lottery	-	-	-	-	535,196	535,196
Voter approved Adams County						
Road and Bridge Sales Tax	-	5,354,757	-	-	-	5,354,757
PEG Channel Franchise Fees	-	54,843	-	-	-	54,843
Colorado Department of						
Transportation Highway Fees	-	-	-	-	924,084	924,084
Total Restricted	1,408,054	13,459,331	9,552,495	-	1,970,543	26,390,423
<u>FUND BALANCES</u>	<u>GENERAL FUND</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>PARKS AND RECREATION CAPITAL FUND</u>	<u>IMPACT FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
<u>Committed</u>						
City Council Ordinances or Resolutions						
Committed to 2017 Budget	2,335,510	-	-	-	-	2,335,510
Impact Fees Fund--Capital Outla	-	-	-	6,635,520	-	6,635,520
Impact Fees Fund--Agreements	17,951	-	-	33,088	-	51,039
Cemetery Fund	-	-	-	-	172,958	172,958
Landscaping Fund	-	-	-	-	56,180	56,180
Cemetery Perpetual Care Fund	-	-	-	-	1,547,837	1,547,837
Food Sales Tax	134,000	-	-	-	-	134,000
Committed Emergency Reserve	5,162,207	1,765,895	-	-	-	6,928,102
Committed Stabilization Reserve	2,579,555	-	-	-	-	2,579,555
	10,229,223	1,765,895	-	6,668,608	1,776,975	20,440,701
<u>Assigned</u>						
Oil and Gas Reserve	2,337,160	-	-	-	-	2,337,160
<u>Unassigned</u>	4,933,320	-	-	-	-	4,933,320
Total	\$ 19,086,924	\$ 15,225,226	\$ 9,552,495	\$ 6,668,608	\$ 3,747,518	\$ 54,280,771

CITY OF BRIGHTON, COLORADO
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INTERFUND TRANSACTIONS

The composition of interfund transfers as of December 31, 2016 is as follows:

<u>TRANSFERS IN FUND</u>	<u>TRANSFERS OUT FUND</u>	<u>AMOUNT</u>
General	Landscaping	\$ 6,000
Capital Improvement	Impact Fees	1,609,984 (1)
Parks and Recreation Capital		
Improvement	Impact Fees	410,443 (1)
Cemetery	General	107,000
Total		<u>\$2,133,427</u>

(1) Net Transfers In/Out

(2) General Fund received
\$109,272 transfer from
Component Unit.

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the general fund to finance various program accounted for in other funds in accordance with budgetary authorizations.

NOTE 4. OTHER INFORMATION

RISK MANAGEMENT

Colorado Intergovernmental Risk Sharing Agency (CIRSA) - The City 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. For these risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to State statute.

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and

CITY OF BRIGHTON, COLORADO
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availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

The City is liable for the first \$25,000 on each liability and property claim. The pool is liable for the next \$125,000 per claim and other insurance companies are liable from \$150,000 to \$5,000,000 on each claim. The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

Self-Funded Health Plan - The City established a self-funded health plan effective January 1, 2014. The purpose of the program is to pay the health claims of eligible City employees and their covered dependents. As of January 1, 2014 the City entered into an administrative services only arrangement with United Health Care, whereby the City pays United Health Care a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The following is a summary changes in the City's estimated unreported claims as of December 31, 2016.

	<u>2016</u>
Estimated unpaid claims, January 1	\$ 345,672
Incurred Claims	2,702,751
Claims Payments	<u>(2,766,223)</u>
Estimated unpaid claims, December 31	<u>\$ 282,200</u>

EMPLOYEE RETIREMENT AND DEFERRED COMPENSATION PLANS

Fire & Police Pension Association of Colorado (FPPA) - Effective January 1, 2005, the City adopted retirement benefits for full-time police officers and their beneficiaries under the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. Therefore, contribution requirements of plan members and the City are established by Colorado statute. Also, by statute, this election for coverage under the SWDB is irrevocable.

The Fire and Police Pension Association (FPPA) uses the accrual basis of accounting. The net pension liability, deferred outflows of resources and deferred inflows of resources related pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position were calculated using this basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. This report is available on the FPPA's website (<http://www.fppaco.org>) or by calling FPPA at 1-800-332-3772.

CITY OF BRIGHTON, COLORADO
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Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the yearly change in the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers contributed at a rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2016. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2016 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's

CITY OF BRIGHTON, COLORADO
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financial statements are recognized in the period in which they are due. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the City reported a net pension asset of \$16,265 for its proportional share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of the date. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2015, the City's proportion was 0.92 percent, which was an increase of .03 from its proportion measured as of December 31, 2014.

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred Outflows of</u> <u>Resources</u>		<u>Deferred Inflows of</u> <u>Resources</u>	
	<u>dr</u>	<u>(cr)</u>	<u>dr</u>	<u>(cr)</u>
Difference Expected and Actual Experience	131,548			
Change in Assumptions	210,029	-	-	-
Difference Projected and Actual				
Investment Earnings	827,823			
Proportion Change, Net Current Year Layer		(32,834)		
Expected and Actual Experience Difference	-	-	1,544	
Employer contributions in 2015		(357,826)	-	-
Employer contributions in 2016	383,230	-	-	-

\$383,230 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2016	3,557
2017	3,557
2018	3,557
2019	<u>3,557</u>
Thereafter	<u>\$16,170</u>

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Actuarial Assumptions

The January 1, 2015 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2015. The valuation used the following actuarial assumption and other inputs.

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Asset Valuation Method	5-year Smoothed Fair Value
Long-term investment Rate of Return	7.50%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%

The collective total pension liability as of December 31, 2015 is based upon the January 1, 2016 actuarial valuation. The collective total pension liability as of December 31, 2015 is based upon the January 1, 2016 actuarial valuation.

Long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Illiquid Alternatives	20.00%	8.00%
Fixed Income	16.00%	1.50%
Absolute Return	11.00%	4.10%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00%
Total	<u>100.00%</u>	

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Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes.

Based on those assumptions, the SWDB plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability to changes in the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	2,278,518	(16,265)	(1,919,709)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Other Information

For all full-time police officers hired after January 1, 2005, in addition to the contributions to the Defined Benefit Plan, the City and officer contribute 1% each to a FPPA Section 457 account, bringing the total retirement contribution of the City for these police officers to 9%.

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The following contributions were made by the City and Officers in the last three years:

YEAR ENDED	<u>DEFINED BENEFIT PLAN</u>		<u>MONEY PURCHASE PLAN</u>		<u>DEFERRED 457 PLAN</u>	
	<u>REQUIRED CONTRIBUTIONS</u>		<u>REQUIRED CONTRIBUTIONS</u>		<u>REQUIRED CONTRIBUTIONS</u>	
	CITY	EMPLOYEES	CITY	EMPLOYEES	CITY	EMPLOYEES
12/31/2016	383,230	383,230	-	-	27,234	27,234
12/31/2015	357,826	357,826	7,890	7,890	23,110	23,110
12/31/2014	321,048	321,048	20,251	20,251	18,834	18,834

As of December 31, 2016, no employees were members of the money purchase plan.

The City has no further pension obligations beyond collecting the money from the employee through payroll deduction, making the matching payments, and forwarding the money to FPPA.

International City Management Association – Retirement Corporation (ICMA-RC) - Full-time and Part-time benefitted employees not covered under FPPA are covered by a single employer defined contribution money purchase retirement plan. The contribution requirements of plan participants and the City are established and may be amended by the City Council. The Plan is administered by ICMA-RC. In 2016, the contribution rate was set at 18%, the employee contributes 9% and the City contributes 9% of each participant's covered salary. During the year ended December 31, 2016, the City and employee contributions were \$1,203,265 each, equal to the required contributions.

Employees are vested at thirty-three 1/3 percent (33 1/3%) each year and fully vested at the end of three (3) years in the City's contribution. City contributions for plan members who leave employment before they are fully vested can be used to reduce the City's current period contribution requirement. The City has no further pension obligations beyond collecting the money from the employee through payroll deduction, making the matching payments, and forwarding the money to ICMA-RC.

The City offers employees not covered by FPPA the opportunity to contribute to an Internal Revenue Code (IRC) Section 457 deferred compensation plan administered by ICMA-RC. This plan allows employees and city council members at their option to defer a portion of their salary until future years. Compensation deferred is not available to the employee until termination, retirement, death, or permanent disability. All amounts deferred are held in trust by ICMA-RC for the exclusive benefit of participating employees.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

COMMITMENTS AND CONTINGENCIES

Grant Expenditures - The City participates in various Federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial

Litigation - The City is involved in various threatened and pending litigation. The outcome of this litigation cannot be determined at this time.

Contingencies – Management is not aware of any outstanding claims or other financial contingencies that could have a material adverse effect on the City's financial statements.

RELATED PARTY TRANSACTION

On January 28, 2016 the City of Brighton sold property (vacant land) located in the County of Adams, State of Colorado described as Parcel A: Lot 1 "Sorrento Subdivision 2nd Amendment" and Parcel B: A non-exclusive easement for ingress and egress for purposes of access, as set forth and granted in Grant of Roadway Easement recorded November 14, 2006 under Reception No. 2006001000220 for the sales price of \$336,000.



Required Supplementary Information



CITY OF BRIGHTON, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Sales	\$ 15,643,901	\$ 16,336,901	\$ 21,130,950	\$ (4,794,049)
Use	3,258,762	3,258,762	3,987,068	(728,306)
Property	2,176,850	2,176,850	2,209,875	(33,025)
Franchise	1,251,460	1,251,460	1,188,948	62,512
Other	36,750	36,750	34,919	1,831
Total Taxes	<u>22,367,723</u>	<u>23,060,723</u>	<u>28,551,760</u>	<u>(5,491,037)</u>
Licenses and Permits	912,700	912,770	966,214	(53,444)
Intergovernmental	2,467,969	2,565,764	2,983,376	(417,612)
Charges for Services	698,466	778,256	719,508	58,748
Charges for Services - Recreation Center	1,445,200	1,445,200	1,434,237	10,963
Fines and Forfeitures	525,000	525,000	449,672	75,328
Investment Earnings	200,000	215,000	226,862	(11,862)
Miscellaneous	993,201	1,041,781	1,495,262	(453,481)
Total Revenues	<u>29,610,259</u>	<u>30,544,494</u>	<u>36,826,891</u>	<u>(6,282,397)</u>
EXPENDITURES				
General Government				
General Services	244,470	332,826	108,696	224,130
Historic City Hall	35,000	38,500	38,183	317
City Council	563,049	669,002	606,443	62,559
Municipal Court	405,881	410,299	438,437	(28,138)
City Manager	490,534	492,318	321,583	170,735
Asst City Manager Development	290,341	290,341	277,435	12,906
Asst City Manager Operations	246,934	246,934	221,398	25,536
Human Resources	637,293	652,661	597,345	55,316
Finance	1,445,885	1,838,363	1,766,345	72,018
City Clerk	278,808	287,229	270,249	16,980
Facilities Maintenance	1,457,422	1,493,811	1,557,482	(63,671)
Legal	550,000	565,000	591,898	(26,898)
Youth Resource Program	237,979	346,830	328,161	18,669
Special Events	268,295	362,369	334,692	27,677
Information Systems	1,581,929	1,608,754	1,661,326	(52,572)
Arts & Culture	86,098	119,043	107,771	11,272
Public Information Office	367,099	382,844	353,184	29,660
Economic Development	484,459	491,388	430,539	60,849
Total General Government	<u>9,671,476</u>	<u>10,628,512</u>	<u>10,011,167</u>	<u>617,345</u>

(Continued on Next Page)

CITY OF BRIGHTON, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
(Continued)				
Public Safety				
Police Crime Control	6,534,542	6,719,163	7,374,062	(654,899)
Police Support Services	1,743,181	1,765,545	1,792,353	(26,808)
Animal Control	220,068	222,634	206,438	16,196
Victims Services	355,713	367,908	365,566	2,342
Emergency Management	112,927	137,296	150,349	(13,053)
Code Enforcement	248,539	256,101	262,810	(6,709)
Police Grants and Contracts	-	21,295	33,667	(12,372)
Total Public Safety	<u>9,214,970</u>	<u>9,489,942</u>	<u>10,185,245</u>	<u>(695,303)</u>
Streets and Fleet				
Administration	560,767	615,030	575,304	39,726
Streets	2,021,745	2,122,360	2,059,317	63,043
Fleet	355,873	363,600	381,600	(18,000)
Total Streets and Fleet	<u>2,938,385</u>	<u>3,100,990</u>	<u>3,016,221</u>	<u>84,769</u>
Parks and Recreation				
Eagle View Adult Center	462,511	467,885	461,159	6,726
Recreation Center	2,727,338	2,744,448	2,700,440	44,008
Parks	1,512,804	1,529,467	1,522,916	6,551
Parks and Recreation - Administration	478,973	488,411	470,009	18,402
Total Parks and Recreation	<u>5,181,626</u>	<u>5,230,211</u>	<u>5,154,524</u>	<u>75,687</u>
Community Development				
Community Development Administration	669,552	686,847	660,192	26,655
Building Inspection	408,145	418,953	437,071	(18,118)
Planning and Zoning	728,196	910,285	626,843	283,442
Historic Preservation	28,150	58,619	39,333	19,286
Engineering	220,741	337,039	164,218	172,821
Total Community Development	<u>2,054,784</u>	<u>2,411,743</u>	<u>1,927,657</u>	<u>484,086</u>
Total Expenditures	<u>29,061,241</u>	<u>30,861,398</u>	<u>30,294,814</u>	<u>566,584</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>549,018</u>	<u>(316,904)</u>	<u>6,532,077</u>	<u>(6,848,981)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,000	80,166	115,272	(35,106)
Transfers Out	<u>(100,000)</u>	<u>(107,000)</u>	<u>(107,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(94,000)</u>	<u>(26,834)</u>	<u>8,272</u>	<u>(35,106)</u>
Net Change in Fund Balance	<u>\$ 455,018</u>	<u>\$ (343,738)</u>	<u>6,540,349</u>	<u>\$ (6,884,087)</u>
Fund Balance--January 1			<u>12,546,575</u>	
Fund Balance--December 31			<u>\$ 19,086,924</u>	

CITY OF BRIGHTON, COLORADO
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 300,000	\$ 300,000	\$ 707,527	\$ (407,527)
Investment Income	25,000	25,000	64,427	\$ (39,427)
Total Revenues	<u>325,000</u>	<u>325,000</u>	<u>771,954</u>	<u>(446,954)</u>
EXPENDITURES				
Developer Reimbursements	100,000	100,000	13,140	86,860
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>13,140</u>	<u>86,860</u>
Excess of Revenues Over Expenditures	<u>225,000</u>	<u>225,000</u>	<u>758,814</u>	<u>(533,814)</u>
OTHER FINANCING SOURCES				
Transfers In	-	32,538	32,538	-
Transfers Out	<u>(976,931)</u>	<u>(2,052,965)</u>	<u>(2,052,965)</u>	<u>-</u>
Total Other Financing Sources	<u>(976,931)</u>	<u>(2,020,427)</u>	<u>(2,020,427)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (751,931)</u>	<u>\$ (1,795,427)</u>	<u>(1,261,613)</u>	<u>\$ (533,814)</u>
Fund Balance--January 1			<u>7,930,221</u>	
Fund Balance--December 31			<u>\$ 6,668,608</u>	

CITY OF BRIGHTON, COLORADO
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE
NET PENSION (ASSET)*
FIRE & POLICE PENSION ASSOICATION OF COLORADO-STATEWIDE DEFINED BENEFIT PLAN
DECEMBER 31, 2016

Employer's proportion of the net pension (asset)		0.92%
Employer's proportion of the net pension (asset)	\$	(16,218)
Employer's covered-employee payroll	\$	4,074,515
Employer's proportion of the net pension (asset) as a percentage of its covered-employee payroll		0.40%
Plan fiduciary net position as a percentage of the total pension liability		100.10%

* Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year-end) of the net pension liability in accordance with GASB Statement No. 68.

**CITY OF BRIGHTON
SCHEDULE OF EMPLOYER CONTRIBUTIONS***

	FOR THE YEARS ENDED DECEMBER 31			
	2016	2015	2014	2013
Statutorily required contribution	\$ 383,230	\$ 357,826	\$ 321,048	\$ 296,229
Contributions in relation to the statutorily required contribution	383,230	357,826	321,048	296,229
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 4,074,515	\$ 4,067,067	\$ 3,613,646	\$ 3,262,257
Contributions as a percentage of covered- employee payroll	9.41%	8.80%	8.88%	9.08%

Notes to the Required Supplementary Information

There were no changes to benefit assumptions for the year ended December 31, 2015, the plan measurement date.

*Information determined under the provisions of GASB 68 is not available for years prior to 2013. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's most recent fiscal year-end (December 31) in accordance with GASB Statement No. 68.



Supplementary Information



NONMAJOR GOVERNMENTAL FUNDS - DESCRIPTION
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES

Special Revenue Funds

Landscaping- to account for developer contributions for maintaining the greenbelt on the perimeter of a newly built subdivision.

Lottery Reserve- to account for the monies received from Colorado Lottery sales which is earmarked for specific purposes by the state.

Cemetery- to account for the costs of maintaining the City's two cemeteries.

Highway- to account for the activities of an intergovernmental agreement with the Colorado Department of Transportation.

Lodging Tax- to account for the activities of the voter approved lodging tax.

Permanent Fund

Cemetery Perpetual Care- to account for fees collected when lots are sold which are to be used for perpetual cemetery maintenance.

CITY OF BRIGHTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	SPECIAL REVENUE FUNDS						PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LANDSCAPING FUND	LOTTERY RESERVE FUND	CEMETERY FUND	HIGHWAY FUND	LODGING TAX FUND	CEMETERY PERPETUAL CARE FUND		
ASSETS								
Cash and Investments	\$ 145,133	\$ 544,043	\$ 186,465	\$ 925,884	\$ 511,719	\$ 1,547,837	\$	3,861,081
Accounts Receivable	-	-	37,253	-	7,847	-	-	45,100
Taxes Receivable	-	-	-	-	19,945	-	-	19,945
Total Assets	\$ 145,133	\$ 544,043	\$ 223,718	\$ 925,884	\$ 539,511	\$ 1,547,837	\$	3,926,126
LIABILITIES								
Accounts Payable	\$ 4,916	\$ 1,096	\$ 9,143	\$ -	\$ 41,713	\$ -	\$	56,868
Accrued Wages Payable	-	7,751	8,871	-	831	-	-	17,453
Deposits and Escrows	84,037	-	20,250	-	-	-	-	104,287
Total Liabilities	88,953	8,847	38,264	-	42,544	-	-	178,608
FUND BALANCES								
Restricted	-	535,196	12,496	925,884	496,967	-	-	1,970,543
Committed	56,180	-	172,958	-	-	1,547,837	-	1,776,975
Total Fund Balances	56,180	535,196	185,454	925,884	496,967	1,547,837	-	3,747,518
Total Liabilities and Fund Balances	\$ 145,133	\$ 544,043	\$ 223,718	\$ 925,884	\$ 539,511	\$ 1,547,837	\$	3,926,126

CITY OF BRIGHTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	SPECIAL REVENUE FUNDS					PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LANDSCAPING FUND	LOTTERY RESERVE FUND	CEMETERY FUND	HIGHWAY FUND	LODGING TAX FUND	CEMETERY PERPETUAL CARE FUND	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 300,975	\$ -	\$ 300,975
Intergovernmental	-	391,542	-	-	-	-	391,542
Charges for Services	-	-	324,537	-	-	72,847	397,384
Investment Earnings	1,458	4,304	1,175	8,204	4,628	12,937	32,706
Miscellaneous	-	-	18,610	-	-	-	18,610
Total Revenues	1,458	395,846	344,322	8,204	305,603	85,784	1,141,217
EXPENDITURES							
Current							
General Government	-	-	-	-	291,318	-	291,318
Streets and Fleet	-	-	-	60,000	-	-	60,000
Cemetery	-	-	416,540	-	-	-	416,540
Capital Outlay	-	181,768	-	-	-	-	181,768
Total Expenditures	-	181,768	416,540	60,000	291,318	-	949,626
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,458	214,078	(72,218)	(51,796)	14,285	85,784	191,591
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	107,000	-	-	-	107,000
Transfers Out	(6,000)	-	-	-	-	-	(6,000)
Total Other Financing Sources (Uses)	(6,000)	-	107,000	-	-	-	101,000
Net Change in Fund Balances	(4,542)	214,078	34,782	(51,796)	14,285	85,784	292,591
Fund Balances--January 1	60,722	321,118	150,672	977,680	482,682	1,462,053	3,454,927
Fund Balances--December 31	\$ 56,180	\$ 535,196	\$ 185,454	\$ 925,884	\$ 496,967	\$ 1,547,837	\$ 3,747,518

CITY OF BRIGHTON, COLORADO
LANDSCAPING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Earnings	\$ 750	\$ 750	\$ 1,458	\$ 708
Miscellaneous	-	-		-
Total Revenues	<u>750</u>	<u>750</u>	<u>1,458</u>	<u>708</u>
 OTHER FINANCING (USES)				
Transfers Out	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Other Financing (Uses)	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
 Net Change in Fund Balance	<u>\$ (5,250)</u>	<u>\$ (5,250)</u>	<u>(4,542)</u>	<u>\$ 708</u>
 Fund Balance--January 1			<u>60,722</u>	
 Fund Balance--December 31			<u>\$ 56,180</u>	

CITY OF BRIGHTON, COLORADO
LOTTERY RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 391,542	\$ 91,542
Investment Earnings	800	800	4,304	3,504
Total Revenues	<u>300,800</u>	<u>300,800</u>	<u>395,846</u>	<u>95,046</u>
EXPENDITURES				
Park Improvements	<u>300,000</u>	<u>578,410</u>	<u>181,768</u>	<u>396,642</u>
Total Expenditures	<u>300,000</u>	<u>578,410</u>	<u>181,768</u>	<u>396,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>800</u>	<u>(277,610)</u>	<u>214,078</u>	<u>491,688</u>
Net Change in Fund Balance	<u>\$ 800</u>	<u>\$ (277,610)</u>	214,078	<u>\$ 491,688</u>
Fund Balance--January 1			<u>321,118</u>	
Fund Balance--December 31			<u>\$ 535,196</u>	

CITY OF BRIGHTON, COLORADO
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 254,283	\$ 254,283	\$ 324,537	\$ 70,254
Investment Earnings	-	-	1,175	1,175
Miscellaneous	500	500	18,610	18,110
Total Revenues	<u>254,783</u>	<u>254,783</u>	<u>344,322</u>	<u>89,539</u>
EXPENDITURES				
Salaries and Wages	191,567	197,952	179,966	17,986
Benefits	64,056	64,671	80,158	(15,487)
Contracted Services	11,500	11,500	6,489	5,011
Supplies and Materials	18,800	18,800	19,586	(786)
Repairs and Maintenance	24,000	24,000	29,757	(5,757)
Travel Expenses	1,000	1,000	8	992
Vehicles	15,110	15,110	19,769	(4,659)
Communication	1,100	1,100	1,202	(102)
Utilities	21,000	21,000	12,797	8,203
Printing	2,000	2,000	1,396	604
Miscellaneous	4,650	4,650	2,056	2,594
Capital Outlay	-	134,582	63,356	71,226
Total Expenditures	<u>354,783</u>	<u>496,365</u>	<u>416,540</u>	<u>79,825</u>
Deficiency of Revenues Under Expenditures	(100,000)	(241,582)	(72,218)	169,364
OTHER FINANCING SOURCES				
Transfers In	<u>100,000</u>	<u>107,000</u>	<u>107,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (134,582)</u>	<u>34,782</u>	<u>\$ 169,364</u>
Fund Balance--January 1			<u>150,672</u>	
Fund Balance--December 31			<u>\$ 185,454</u>	

CITY OF BRIGHTON, COLORADO
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Earnings	\$ 3,500	\$ 3,500	\$ 8,204	\$ 4,704
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>8,204</u>	<u>4,704</u>
EXPENDITURES				
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>(56,500)</u>	<u>(56,500)</u>	<u>(51,796)</u>	<u>4,704</u>
Net Change in Fund Balance	<u>\$ (56,500)</u>	<u>\$ (56,500)</u>	<u>(51,796)</u>	<u>\$ 4,704</u>
Fund Balance--January 1			<u>977,680</u>	
Fund Balance--December 31			<u>\$ 925,884</u>	

CITY OF BRIGHTON, COLORADO
LODGING TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Lodging Tax	\$ 300,000	\$ 300,000	\$ 300,975	\$ 975
Investment Earnings	1,500	1,500	4,628	3,128
Total Revenues	<u>301,500</u>	<u>301,500</u>	<u>305,603</u>	<u>4,103</u>
EXPENDITURES				
Salaries and Wages	9,000	9,000	10,986	(1,986)
Benefits	5,000	5,000	4,231	769
Contracted Services	1,000	1,000	43	957
Supplies and Materials	500	500	411	89
Miscellaneous	11,300	11,300	1,506	9,794
Grants	<u>325,000</u>	<u>325,000</u>	<u>274,141</u>	<u>50,859</u>
Total Expenditures	<u>351,800</u>	<u>351,800</u>	<u>291,318</u>	<u>60,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,300)</u>	<u>(50,300)</u>	<u>14,285</u>	<u>(64,585)</u>
Net Change in Fund Balance	<u>\$ (50,300)</u>	<u>\$ (50,300)</u>	14,285	<u>\$ (64,585)</u>
Fund Balance--January 1			<u>482,682</u>	
Fund Balance--December 31			<u>\$ 496,967</u>	

CITY OF BRIGHTON, COLORADO
CEMETERY PERPETUAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 30,000	\$ 30,000	\$ 72,847	\$ 42,847
Investment Earnings	8,000	8,000	12,937	4,937
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>85,784</u>	<u>47,784</u>
OTHER FINANCING (USES)				
Transfers Out	-	-	-	-
Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 38,000</u>	<u>\$ 38,000</u>	85,784	<u>\$ 47,784</u>
Fund Balance--January 1			<u>1,462,053</u>	
Fund Balance--December 31			<u>\$ 1,547,837</u>	

CITY OF BRIGHTON, COLORADO
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Sales	\$ 4,437,755	\$ 4,437,755	\$ 6,529,988	\$ (2,092,233)
Property				
Franchise	283,538	283,538	317,745	\$ (34,207)
Other	25,000	25,000	27,202	\$ (2,202)
Total Taxes	<u>4,746,293</u>	<u>4,746,293</u>	<u>6,874,935</u>	<u>(2,128,642)</u>
Intergovernmental	1,391,220	3,246,733	2,113,304	\$ 1,133,429
Investment Earnings	155,000	255,000	304,937	\$ (49,937)
Miscellaneous	3,105	183,659	160,627	\$ 23,032
Total Revenues	<u>6,295,618</u>	<u>8,431,685</u>	<u>9,453,803</u>	<u>(1,022,118)</u>
EXPENDITURES				
Capital Projects				
General Government				
Brighton Community Center	-	68,065	3,456	64,609
Commerce Bldg Projects	60,000	60,000	18,265	41,735
New City Hall	130,000	237,578	55,428	182,150
IT-Software	80,000	158,602	46,925	111,677
Heat Pump HVAC System	-	975,000	526,477	448,523
Other Projects	265,000	270,610	60,488	210,122
Total General Government	<u>535,000</u>	<u>1,769,855</u>	<u>711,039</u>	<u>1,058,816</u>
Public Safety				
Police Bldg Projects	160,000	475,054	270,379	204,676
Streets and Fleet				
Seal, Coat, & Overlay	-	240,600	25,333	215,267
Combined Maintenance Facility	50,000	50,000	5,946	44,054
50/50 Sidewalk Program	-	9,645	-	9,645
Bridge/76 Interchange	1,200,000	1,324,401	-	1,324,401
Alley Paving	-	100,000	-	100,000
CDBG - Curb & Gutter	-	119,000	109,910	9,090
Traffic Signals	185,000	1,074,147	316,772	757,375
Southern St Trail-45th Ave to Tower Rd	100,000	100,000	-	100,000
Bromley Ln 27th to Prairie Ctr Pky Repairs	-	110,000	-	110,000
40th Ave/Southern Road	100,000	1,545,860	1,425,422	120,438
Roadway Repairs	1,250,000	1,334,240	1,288,021	46,219
City-wide Urban Upgrade Projects	125,000	125,000	85,169	39,831
Total Streets and Fleet	<u>3,010,000</u>	<u>6,132,893</u>	<u>3,256,573</u>	<u>2,876,320</u>
Parks and Recreation				
Hwy 85-Bromley Ln	-	38,194	1,418	36,776
Landscape 1st/Strong Parking Lot	-	95,333	28,814	66,519
Sculpture - Strong Street	110,000	211,500	80,000	131,500
Total Parks and Recreation	<u>110,000</u>	<u>345,027</u>	<u>110,232</u>	<u>234,795</u>
Cemetery	-	3,728	-	3,728
Energy Performance Contract	-	4,879,193	2,547,100	2,332,093
Total Capital Projects	<u>3,815,000</u>	<u>13,605,750</u>	<u>6,895,323</u>	<u>6,710,428</u>

(Continued next page)

CITY OF BRIGHTON, COLORADO
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
(Continued)				
Equipment				
General Government				
IT Equipment	210,000	327,975	243,629	84,346
Peg Channel Room	-	12,441	-	12,441
Finance Equipment	-	11,000	10,898	102
Fiber Network	-	41,067	40,127	940
Historic City Hall Equip. Audio Visual	-	16,400	-	16,400
Total General Government	<u>210,000</u>	<u>408,883</u>	<u>294,654</u>	<u>114,229</u>
Public Safety				
Police Equipment	255,000	355,147	319,110	36,037
Patrol Car Technology	-	86,653	81,360	5,293
Total Public Safety	<u>255,000</u>	<u>441,800</u>	<u>400,470</u>	<u>41,330</u>
Streets and Fleet				
Fleet Vehicles	<u>600,000</u>	<u>728,223</u>	<u>646,759</u>	<u>81,464</u>
Parks and Recreation				
Art Sculptures	20,000	19,475	-	19,475
Eye for Art Acquisitions	-	19,000	1,702	17,298
Total Parks and Recreation	<u>20,000</u>	<u>38,475</u>	<u>1,702</u>	<u>36,773</u>
Total Equipment	<u>1,085,000</u>	<u>1,617,381</u>	<u>1,343,585</u>	<u>273,796</u>
Debt Service				
Principal	730,796	730,796	730,796	-
Interest and Loan Charges	533,258	533,258	533,258	-
COP Issuance Costs	-	62,561	62,481	80
Loan Fees	-	-	1,500	(1,500)
Total Debt Service	<u>1,264,054</u>	<u>1,326,615</u>	<u>1,328,035</u>	<u>(1,420)</u>
Total Expenditures	<u>6,164,054</u>	<u>16,549,746</u>	<u>9,566,943</u>	<u>6,982,804</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>131,564</u>	<u>(8,118,061)</u>	<u>(113,140)</u>	<u>(8,004,922)</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	4,941,754	4,946,426	(4,672)
Grants to other agencies	(30,000)	(30,000)	(116,387)	86,387
Transfers In	548,000	1,624,034	1,624,034	-
Transfers Out	-	(14,050)	(14,050)	-
Total Other Financing Sources (Uses)	<u>518,000</u>	<u>6,521,738</u>	<u>6,440,023</u>	<u>81,715</u>
Net Change in Fund Balance	<u>\$ 649,564</u>	<u>\$ (1,596,323)</u>	<u>6,326,884</u>	<u>\$ (7,923,207)</u>
Fund Balance--January 1			<u>8,898,342</u>	
Fund Balance--December 31			<u><u>\$ 15,225,226</u></u>	

CITY OF BRIGHTON, COLORADO
PARKS AND RECREATION CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Sales Taxes	\$ 3,065,292	\$ 3,065,292	\$ 5,456,953	\$ (2,391,661)
Intergovernmental	2,937,220	2,943,220	1,265,351	1,677,869
Investment Earnings	19,100	19,100	54,645	(35,545)
				-
Miscellaneous	53,205	53,205	397,208	(344,003)
Total Revenues	<u>6,074,817</u>	<u>6,080,817</u>	<u>7,174,157</u>	<u>(1,093,340)</u>
Capital Projects				
Recreation Center Improvements	315,150	436,918	280,125	156,793
Parks				
Bromley/Hishinuma Farm	1,177,300	1,855,053	1,582,685	272,368
Other Projects	1,150,475	1,406,464	359,661	1,046,803
Total Parks	<u>2,327,775</u>	<u>3,261,517</u>	<u>1,942,346</u>	<u>1,319,171</u>
Open Space				
Open Space Land Acquisitions	300,000	716,211	639,407	76,804
EPC Projects (Sustainability)	-	1,156,025	1,091,826	64,199
Other Improvements	2,768,000	2,987,147	52,411	2,934,736
Total Open Space	<u>3,068,000</u>	<u>4,859,383</u>	<u>1,783,644</u>	<u>3,075,739</u>
Total Capital Projects	<u>5,710,925</u>	<u>8,557,818</u>	<u>4,006,115</u>	<u>4,551,703</u>
Capital Equipment	114,300	124,604	90,900	33,704
Debt Service				
Interest	1,089,348	1,104,098	1,106,353	(2,255)
Total Expenditures	<u>6,914,573</u>	<u>9,786,520</u>	<u>5,203,368</u>	<u>4,583,152</u>
Excess of Revenues Over Expenditures	(839,756)	(3,705,703)	1,970,789	(5,676,492)
OTHER FINANCING SOURCES				
Capital Lease Proceeds	-	1,170,775	1,168,120	2,655
Transfers In	-	428,931	428,931	-
Transfers Out			(18,488)	18,488
	<u>-</u>	<u>1,599,706</u>	<u>1,578,563</u>	<u>21,143</u>
Net Change in Fund Balance	<u>\$ (839,756)</u>	<u>\$ (2,105,997)</u>	3,549,352	<u>\$ (5,655,349)</u>
Fund Balance--January 1			<u>6,003,143</u>	
Fund Balance-December 31			<u>\$ 9,552,495</u>	

CITY OF BRIGHTON, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION --
BUDGET AND ACTUAL (NON US GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 10,773,912	\$ 10,773,912	\$ 11,663,921	\$ 890,009
Tap Fees	40,000	40,000	43,703	3,703
Permits	-	-	19,108	19,108
Plant Investment Fees	2,500,000	2,500,000	3,047,662	547,662
Grants	-	-	11,190	11,190
Investment Earnings	-	-	319,722	319,722
Bond and COP Proceeds	-	24,935,313	22,482,344	(2,452,969)
Developer Contributions	-	-	402,275	402,275
Miscellaneous	117,000	117,000	111,616	(5,384)
Total Revenues	<u>13,430,912</u>	<u>38,366,225</u>	<u>38,101,541</u>	<u>(264,684)</u>
EXPENSES				
Programs (fund level of budgetary control)				
Water Treatment Plant	4,943,565	5,086,560	4,961,910	124,650
Water Resources	1,402,209	1,443,892	1,036,948	406,944
Distribution	725,264	727,347	497,783	229,564
Administration	371,054	407,969	360,599	47,370
Engineering	241,701	244,877	180,862	64,015
Utility Billing	275,901	283,357	337,533	(54,176)
Utility Assistance Fund	5,000	25,100	9,630	15,470
Principal	745,000	24,661,065	22,293,228	2,367,837
Interest Paid and Fees	1,014,925	1,014,925	940,066	74,859
Budget Reserves	100,000	17,789	-	17,789
Total Program Expenses	<u>9,824,619</u>	<u>33,912,881</u>	<u>30,618,559</u>	<u>3,294,322</u>
Projects (project level of budgetary control)				
Water Treatment Plant	-	18,325,747	69,298	18,256,449
Ken Mitchell Cell 1 Upgrades	-	214,146	221,767	(7,621)
Storage Tank Structural Repair	512,000	658,985	64,977	594,008
Distribution Line Replacement	-	1,227,999	140,780	1,087,219
Well 11 Replacement	-	754,948	-	754,948
148th Ave Augmentation	-	128,962	(1,108)	130,070
South Platte Reservoir Upgrades	1,450,000	5,185,954	2,372,974	2,812,980
Water Meters	350,000	1,140,000	-	1,140,000
RO Plant Roof	-	15,571	-	15,571
Ken Mitchell 2015 Flood Damage	-	1,715,930	1,196,252	519,678
Beebe Draw Well Field Capacity Upgrades	1,700,000	1,700,000	-	1,700,000
Distribution Line Purchase and Install	1,000,000	1,000,000	-	1,000,000
EPC (Sustainability)	-	828,228	425,735	402,493
Water Master Plan	100,000	169,660	138,382	31,278
Utilities Heavy Equipment Vehicles	-	227,000	164,990	62,010
Other Projects	1,208,250	2,139,956	337,250	1,802,706
Total Projects	<u>6,320,250</u>	<u>35,433,086</u>	<u>5,131,297</u>	<u>30,301,789</u>
Total Expenses	<u>16,144,869</u>	<u>69,345,967</u>	<u>35,749,856</u>	<u>33,596,111</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenses Before Reconciling Items	<u>\$ (2,713,957)</u>	<u>\$ (30,979,742)</u>	2,351,685	<u>\$ 33,331,427</u>
ADJUSTMENTS TO US GAAP BASIS				
Capital Outlay--Programs			4,384,201	
Principal Reduction--Long Term Debt			(189,116)	
Depreciation			(4,043,195)	
Change in Net Position, GAAP Basis			<u>2,503,575</u>	
Net Position--January 1			<u>103,509,112</u>	
Net Position--December 31			<u>\$ 106,012,687</u>	

CITY OF BRIGHTON, COLORADO
WASTE WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL (NON US GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 6,143,822	\$ 6,143,822	\$ 6,843,216	\$ 699,394
Plant Investment Fees	300,000	2,200,000	2,274,402	74,402
Investment Earnings	-	-	141,700	141,700
Developer Contributions	-	-	140,675	140,675
Bond and COP Proceeds	-	7,222,896	6,481,978	(740,918)
Miscellaneous	24,000	24,000	5,167	(18,833)
Total Revenues	<u>6,467,822</u>	<u>15,590,718</u>	<u>15,887,138</u>	<u>296,420</u>
EXPENSES				
Programs (fund level of budgetary control)				
Waste Water Treatment Plant	1,895,861	2,101,051	1,937,668	163,383
Waste Water Collections	605,477	610,075	592,658	17,417
Administration	352,624	358,375	312,683	45,692
Engineering	241,804	245,986	180,408	65,578
Utility Billing	275,901	282,673	338,372	(55,699)
Purchase of Metro Taps	1,008,000	1,808,000	1,837,156	(29,156)
Principal	185,000	7,306,420	6,428,054	878,366
Interest Expense and Fees	304,465	358,500	336,336	22,164
Total Program Expenses	<u>4,869,132</u>	<u>13,071,080</u>	<u>11,963,335</u>	<u>1,107,745</u>
Projects (project level of budgetary control)				
Collections Line Rehabilitation	2,400,000	5,751,022	2,542,550	3,208,472
South Platte River Interconnect Line	-	817,512	24,950	792,562
Manhole Rehabilitation	200,000	572,237	-	572,237
Wastewater Treatment Plant	342,000	635,728	39,083	596,645
Regional Interceptor Tie-in	-	200,000	8,377	191,623
Vehicle & Heavy Equipment Purchase	860,000	633,000	613,980	19,020
Wastewater Master Planning	100,000	191,271	57,877	133,394
Budget Reserves	100,000	104,735	-	104,735
Other Projects	61,250	286,690	61,481	225,209
Total Project Expenses	<u>4,063,250</u>	<u>9,192,195</u>	<u>3,348,298</u>	<u>5,843,897</u>
Total Expenses	<u>8,932,382</u>	<u>22,263,275</u>	<u>15,311,633</u>	<u>6,951,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenses Before Reconciling Items	<u>\$ (2,464,560)</u>	<u>\$ (6,672,557)</u>	575,505	<u>\$ 7,248,062</u>
ADJUSTMENTS TO US GAAP BASIS				
Capital Outlay--Programs			(1,386,820)	
Principal Reduction--Long Term Debt			6,428,054	
Depreciation			(1,366,200)	
Change in Net Position, GAAP Basis			<u>4,255,039</u>	
Net Position--January 1			<u>35,120,273</u>	
Net Position--December 31			<u>\$ 39,370,812</u>	

CITY OF BRIGHTON, COLORADO
STORM DRAINAGE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL (NON US GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 456,081	\$ 456,081	\$ 612,554	\$ 156,473
Plant Investment Fees	350,000	350,000	891,907	541,907
Earnings on Investment	-	-	48,238	48,238
Developer Contributions	-	-	259,592	259,592
Miscellaneous	50	50	152	102
Total Revenues	<u>806,131</u>	<u>806,131</u>	<u>1,812,443</u>	<u>1,006,312</u>
EXPENSES				
Programs (fund level of budgetary control)				
Operations	219,410	221,713	170,476	51,237
Administration	66,782	67,565	69,621	(2,056)
Budget Reserves	100,000	100,914	-	100,914
Total Program Expenses	<u>386,192</u>	<u>390,192</u>	<u>240,097</u>	<u>150,095</u>
Projects (project level of budgetary control)				
Weld County Master Plan	-	97,413	50,911	46,502
Storm Line Replacement	-	100,000	-	100,000
Local District Improvements	90,000	142,500	1,740	140,760
Stormwater Master Plan	100,000	100,000	34,571	65,429
Stormwater Second Creek Urban Drainage	-	10,000	10,000	-
Storm Line Upgrades	100,000	100,000	-	(100,000)
2016 Utilities Rate Study	5,000	5,000	332	(4,668)
Total Projects	<u>295,000</u>	<u>554,913</u>	<u>97,554</u>	<u>248,023</u>
Total Expenses	<u>681,192</u>	<u>945,105</u>	<u>337,651</u>	<u>398,118</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenses Before Reconciling Items	<u>\$ 124,939</u>	<u>\$ (138,974)</u>	1,474,792	<u>\$ 1,404,430</u>
ADJUSTMENTS TO US GAAP BASIS				
Depreciation			(815,892)	
Change in Net Position, GAAP Basis			658,900	
Net Position--January 1			<u>17,250,351</u>	
Net Position--December 31			<u>\$ 17,909,251</u>	

INTERNAL SERVICE FUNDS - DESCRIPTION
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES

Internal service funds are established to finance and account for services and/or commodities required by other funds.

Benefits Internal Service Fund- to account for designated employee benefits provided to all departments of the City. Currently, only medical benefits are provided by this fund.

Fleet Internal Service Fund- to account for centralized maintenance of city-owned vehicles. Operations are funded by charges to user departments. This fund was created in 2015 and received an initial transfer from the Capital Improvement Fund of \$120,000. However, the fund did not start to provide services to the City departments until January 1, 2016.

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL
CURRENT ASSETS			
Cash and Investments	\$ 1,313,382	\$ 104,305	\$ 1,417,687
Accounts Receivable	55,070	1,439	56,509
Inventories	-	124,446	124,446
Total Current Assets	<u>1,368,452</u>	<u>230,190</u>	<u>1,598,642</u>
LIABILITIES			
Accounts Payable	63,358	38,685	102,043
Estimated Claims Incurred but not Reported	<u>282,200</u>	<u>-</u>	<u>282,200</u>
Total Liabilities	<u>345,558</u>	<u>38,685</u>	<u>384,243</u>
NET POSITION			
Unrestricted	<u>1,022,894</u>	<u>191,505</u>	<u>1,214,399</u>
Total Net Position	<u>\$ 1,022,894</u>	<u>\$ 191,505</u>	<u>\$ 1,214,399</u>

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 3,875,410	\$ 423,249	\$ 4,298,659
Miscellaneous	314,844	-	314,844
Total Operating Revenues	<u>4,190,254</u>	<u>423,249</u>	<u>4,613,503</u>
OPERATING EXPENSES			
Insurance Claims	2,702,751	-	2,702,751
Insurance Premiums	702,079	-	702,079
Professional Services	284,298	10,000	294,298
Vehicle Repairs	-	231,278	231,278
Vehicle Fuel	-	176,652	176,652
Total Operating Expenses	<u>3,689,128</u>	<u>417,930</u>	<u>4,107,058</u>
Operating Income (Loss)	501,126	5,319	506,445
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	22,812	65	22,877
Sale of Assets	<u>-</u>	<u>64,765</u>	<u>64,765</u>
Change in Net Position	<u>523,938</u>	<u>70,149</u>	<u>594,087</u>
Net Position--January 1	<u>498,956</u>	<u>121,356</u>	<u>620,312</u>
Net Postion--December 31	<u>\$ 1,022,894</u>	<u>\$ 191,505</u>	<u>\$ 1,214,399</u>

CITY OF BRIGHTON, COLORADO
BENEFITS INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING REVENUES				
Charges for Services	\$ 3,505,000	\$ 3,815,000	\$ 3,875,410	\$ 60,410
Miscellaneous	150,000	150,000	314,844	164,844
Total Operating Revenues	<u>3,655,000</u>	<u>3,965,000</u>	<u>4,190,254</u>	<u>225,254</u>
OPERATING EXPENSES				
Insurance Claims	3,060,000	2,750,000	2,702,751	47,249
Insurance Premiums	660,000	660,000	702,079	(42,079)
Professional Services	250,000	250,000	284,298	(34,298)
Total Operating Expenses	<u>3,970,000</u>	<u>3,660,000</u>	<u>3,689,128</u>	<u>(29,128)</u>
Operating Income	<u>(315,000)</u>	<u>305,000</u>	<u>501,126</u>	<u>196,126</u>
NONOPERATING REVENUES				
Investment Earnings	5,000	5,000	22,812	17,812
Total Nonoperating Revenues	<u>5,000</u>	<u>5,000</u>	<u>22,812</u>	<u>17,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ (310,000)</u>	<u>\$ 310,000</u>	523,938	<u>\$ 213,938</u>
Net Position--January 1			<u>498,956</u>	
Net Position--December 31			<u>\$ 1,022,894</u>	

CITY OF BRIGHTON, COLORADO
FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING REVENUES				
Miscellaneous	\$ 533,000	\$ 533,000	\$ 423,249	\$ (109,751)
Total Operating Revenues	<u>533,000</u>	<u>533,000</u>	<u>423,249</u>	<u>(109,751)</u>
OPERATING EXPENSES				
Administration	10,000	10,000	10,000	-
Vehicle Repairs	200,000	200,000	231,278	(31,278)
Vehicle Fuel	320,000	320,000	176,652	143,348
Total Operating Expenses	<u>530,000</u>	<u>530,000</u>	<u>417,930</u>	<u>112,070</u>
Operating Income	<u>3,000</u>	<u>3,000</u>	<u>5,319</u>	<u>2,319</u>
NONOPERATING REVENUES				
Investment Earnings	-	-	65	65
Sale of Assets	-	-	64,765	64,765
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>64,830</u>	<u>64,830</u>
Income (Loss) Before Transfers	<u>3,000</u>	<u>3,000</u>	<u>70,149</u>	<u>67,149</u>
TRANSFERS IN	<u>-</u>	<u>-</u>		<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>70,149</u>	<u>\$ 67,149</u>
Net Position--January 1			<u>121,356</u>	
Net Position--December 31			<u>\$ 191,505</u>	

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 3,942,398	486,888	\$ 4,429,286
Other Receipts	314,844	-	314,844
Payments to Suppliers and Service Providers	(3,737,784)	(382,648)	(4,120,432)
Net Cash Provided By (Used in) Operating Activities	<u>519,458</u>	<u>104,240</u>	<u>623,698</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	22,812	65	22,877
Net Cash Provided By Investing Activities	<u>22,812</u>	<u>65</u>	<u>22,877</u>
Net Increase in Cash and Cash Equivalents	542,270	104,305	646,575
Cash and Cash Equivalents--January 1	771,112	-	771,112
Cash and Cash Equivalents--December 31	<u>\$ 1,313,382</u>	<u>\$ 104,305</u>	<u>\$ 1,417,687</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating Income (Loss)	\$ 501,126	\$ 70,084	\$ 571,210
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
(Increase)Decrease in Accounts Receivable	66,988	(1,126)	65,862
(Increase) in Inventories	-	(1,919)	(1,919)
Increase in Accounts Payable	14,816	37,201	52,017
(Decrease) in Estimated Claims Incurred but not Reported	(63,472)	-	(63,472)
Total Adjustments	<u>18,332</u>	<u>34,156</u>	<u>52,488</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 519,458</u>	<u>\$ 104,240</u>	<u>\$ 623,698</u>

CITY OF BRIGHTON, COLORADO
COMPONENT UNITS
BALANCE SHEET
DECEMBER 31, 2016

	BRIGHTON URBAN RENEWAL AUTHORITY	BRIGHTON CULTURAL ARTS COMMISSION	TOTAL
ASSETS			
Cash and Investments	\$ 4,669,550	\$ 128,936	\$ 4,798,486
Restricted Cash and Investments	2,459,318	-	2,459,318
Accounts Receivable	78	-	78
Taxes Receivable	4,526,781	-	4,526,781
Notes Receivable	-	-	-
Total Assets	<u>\$ 11,655,727</u>	<u>\$ 128,936</u>	<u>\$ 11,784,663</u>
LIABILITIES			
Accounts Payable	\$ 599,258	\$ -	\$ 599,258
Sales Tax Rebate Payable	3,389,633	-	\$ 3,389,633
Accrued Wages Payable	10,029	-	10,029
Accrued Liabilities	557,340	27,473	584,813
Security Deposits	4,618	-	4,618
Total Liabilities	<u>4,560,878</u>	<u>27,473</u>	<u>4,588,351</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue-Property Taxes	4,526,766	-	4,526,766
Total Deferred Inflows of Resources	<u>4,526,766</u>	<u>-</u>	<u>4,526,766</u>
FUND BALANCES			
Restricted	2,459,318	-	2,459,318
Unassigned	108,765	101,463	210,228
Total Fund Balances	<u>2,568,083</u>	<u>101,463</u>	<u>2,669,546</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,655,727</u>	<u>\$ 128,936</u>	<u>\$ 11,784,663</u>
Amount Reported in the Statement of Net Position is Different:			
Total Fund Balances	\$ 2,568,083	\$ 101,463	\$ 2,669,546
Land Purchased For Resale	\$ 2,505,738		2,505,738
Capital Assets, Net of Accumulated Depreciation	4,264,825	-	4,264,825
Deferred Charge on Refunding	260,858	-	260,858
Less: Long-Term Debt	(12,322,512)	-	(12,322,512)
Total Net Position	<u>\$ (2,723,008)</u>	<u>\$ 101,463</u>	<u>\$ (2,621,545)</u>

CITY OF BRIGHTON, COLORADO
COMPONENT UNITS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BRIGHTON URBAN RENEWAL AUTHORITY	BRIGHTON CULTURAL ARTS COMMISSION	TOTAL
REVENUES			
Taxes	\$ 11,951,087	\$ -	\$ 11,951,087
Intergovernmental	-	149,460	149,460
Charges for Services	81,678	385	82,063
Investment Earnings	44,500	724	45,224
Miscellaneous	2,620	5	2,625
Grant & Contributions	70,000	-	70,000
Sale of Assets	6,269	-	6,269
Total Revenues	<u>12,156,154</u>	<u>150,574</u>	<u>12,306,728</u>
EXPENDITURES			
Current			
Personal Services	292,127	-	292,127
Purchased Services	161,194	3,048	164,242
Operating Expenses	241,146	149,278	390,424
Capital Outlay	367,165	-	367,165
Tax Rebates and Incentives	10,150,705	-	10,150,705
Debt Service			
Principal	695,969	-	695,969
Interest and Fiscal Charges	361,493	-	361,493
Total Expenditures	<u>12,269,799</u>	<u>152,326</u>	<u>12,422,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(113,645)</u>	<u>(1,752)</u>	<u>(115,397)</u>
Net Change in Fund Balances	(113,645)	(1,752)	(115,397)
Fund Balances--January 1	<u>2,681,728</u>	<u>103,215</u>	<u>2,784,943</u>
Fund Balances--December 31	<u>\$ 2,568,083</u>	<u>\$ 101,463</u>	<u>\$ 2,669,546</u>
Amount Reported In the Statement of Activities is Different:			
Net Change in Fund Balances	\$ (113,645)	\$ (1,752)	\$ (115,397)
Capital Assets Transferred	\$ (3,187,491)		(3,187,491)
Depreciation Expense	(236,395)	-	(236,395)
Debt Principal Payments	695,969	-	695,969
Change in Accrued Compensated Absences	(5,646)	-	(5,646)
Amortization of Loss on Refunding	(24,823)	-	(24,823)
Change in Net Position	<u>\$ (2,872,031)</u>	<u>\$ (1,752)</u>	<u>\$ (2,873,783)</u>

BRIGHTON URBAN RENEWAL AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Taxes				
Sales Tax From City of Brighton	\$ 600,000	\$ 7,600,000	\$ 7,407,169	\$ (192,831)
Property	4,600,900	4,600,900	4,543,918	(56,982)
Total Taxes	5,200,900	12,200,900	11,951,087	(249,813)
Charges For Services	98,000	98,000	81,678	(16,322)
Miscellaneous	-	-	8,889	8,889
Grant from City of Brighton	-	70,000	70,000	-
Investment Earnings	20,000	48,500	44,500	(4,000)
Total Revenues	<u>5,318,900</u>	<u>12,417,400</u>	<u>12,156,154</u>	<u>(261,246)</u>
EXPENDITURES				
Current				
Personal Services	308,520	311,520	292,127	19,393
Purchased Services	49,000	178,075	161,194	16,881
Operating Expenses	238,615	277,040	241,146	35,894
Capital Outlay	-	500,000	367,165	132,835
Tax Rebates	3,560,000	10,476,600	10,150,705	325,895
Total Current	<u>4,156,135</u>	<u>11,743,235</u>	<u>11,212,337</u>	<u>530,898</u>
Debt Service				
Principal	590,000	695,970	695,969	1
Interest	568,100	465,530	361,493	104,037
Total Debt Service	<u>1,158,100</u>	<u>1,161,500</u>	<u>1,057,462</u>	<u>104,038</u>
Total Expenditures	<u>5,314,235</u>	<u>12,904,735</u>	<u>12,269,799</u>	<u>634,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,665</u>	<u>(487,335)</u>	<u>(113,645)</u>	<u>373,690</u>
Net Change in Fund Balance	<u>\$ 4,665</u>	<u>\$ (487,335)</u>	<u>(113,645)</u>	<u>\$ 373,690</u>
Fund Balances--January 1			<u>2,681,728</u>	
Fund Balances--December 31			<u>\$ 2,568,083</u>	

BRIGHTON CULTURAL ARTS COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Intergovernmental	\$ 149,500	\$ 149,500	\$ 149,460	\$ (40)
Charges For Services	-	-	385	385
Investment Earnings	-	-	724	724
Miscellaneous	-	-	5	5
Total Revenues	<u>149,500</u>	<u>149,500</u>	<u>150,574</u>	<u>1,074</u>
EXPENDITURES				
Operating Expenses	<u>152,300</u>	<u>152,300</u>	<u>152,326</u>	<u>26</u>
Total Expenditures	<u>152,300</u>	<u>152,300</u>	<u>152,326</u>	<u>26</u>
Deficiency of Revenues Under Expenditures	(2,800)	(2,800)	(1,752)	1,048
Net Change in Fund Balance	<u>\$ (2,800)</u>	<u>\$ (2,800)</u>	<u>(1,752)</u>	<u>\$ 1,048</u>
Fund Balance--January 1			<u>103,215</u>	
Fund Balance--December 31			<u>\$ 101,463</u>	



BrightonSM
COLORADO

Statistical Section



CITY OF BRIGHTON, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2015

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Note: The City of Brighton implemented GASB 34 and GASB 54 as of December 31, 2003 and December 31, 2011, respectively.

Table 1. Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Net Investment in capital assets	\$ 59,643	\$ 63,732	\$ 67,286	\$ 65,761	\$ 84,567	\$ 88,732	\$ 88,599	\$ 87,903	\$ 90,489	\$ 86,601
Restricted	5,405	4,733	7,202	7,721	7,379	26,050	12,544	12,720	15,869	26,569
Unrestricted	<u>13,156</u>	<u>13,755</u>	<u>13,506</u>	<u>19,470</u>	<u>19,787</u>	<u>1,950</u>	<u>18,920</u>	<u>23,641</u>	<u>25,707</u>	<u>32,960</u>
Total governmental activities net position	<u>\$ 78,204</u>	<u>\$ 82,220</u>	<u>\$ 87,994</u>	<u>\$ 92,952</u>	<u>\$ 111,733</u>	<u>\$ 116,732</u>	<u>\$ 120,063</u>	<u>\$ 124,264</u>	<u>\$ 132,065</u>	<u>\$ 146,130</u>
Business-type Activities										
Net Investment in capital assets	\$ 72,335	\$ 80,721	\$ 85,533	\$ 87,297	\$ 91,641	\$ 99,217	\$ 97,800	\$ 95,536	\$ 98,864	\$ 102,032
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>52,095</u>	<u>45,947</u>	<u>42,518</u>	<u>42,574</u>	<u>46,752</u>	<u>40,850</u>	<u>46,551</u>	<u>52,342</u>	<u>57,016</u>	<u>61,261</u>
Total business-type activities net position	<u>\$ 124,430</u>	<u>\$ 126,668</u>	<u>\$ 128,051</u>	<u>\$ 129,871</u>	<u>\$ 138,393</u>	<u>\$ 140,067</u>	<u>\$ 144,351</u>	<u>\$ 147,878</u>	<u>\$ 155,880</u>	<u>\$ 163,293</u>
Primary Government										
Net Investment in capital assets	\$ 131,978	\$ 144,453	\$ 152,819	\$ 153,058	\$ 176,208	\$ 187,949	\$ 186,399	\$ 183,439	\$ 189,353	\$ 188,633
Restricted	5,405	4,733	7,202	7,721	7,379	26,050	12,544	12,720	15,869	26,569
Unrestricted	<u>65,251</u>	<u>59,702</u>	<u>56,024</u>	<u>62,044</u>	<u>66,539</u>	<u>42,800</u>	<u>65,471</u>	<u>75,983</u>	<u>82,723</u>	<u>94,221</u>
Total primary government net position	<u>\$ 202,634</u>	<u>\$ 208,888</u>	<u>\$ 216,045</u>	<u>\$ 222,823</u>	<u>\$ 250,126</u>	<u>\$ 256,799</u>	<u>\$ 264,414</u>	<u>\$ 272,142</u>	<u>\$ 287,945</u>	<u>\$ 309,423</u>

SOURCE: Current and prior year's financial statements

Table 2. Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Government	\$ 10,258	\$ 8,620	\$ 8,780	\$ 7,874	\$ 9,327	\$ 8,754	\$ 8,512	\$ 10,552	\$ 10,649	\$ 11,035
Public Safety	5,713	5,676	5,645	5,947	5,891	7,670	7,985	8,650	9,494	10,649
Streets and Fleet	2,171	4,194	4,609	4,906	5,315	2,108	8,503	7,057	8,842	9,289
Parks and Recreation	3,394	3,880	3,690	3,301	4,831	4,950	6,242	7,633	7,924	8,024
Cemetery	330	295	273	283	495	336	377	313	380	456
Community Development	1,216	1,198	1,143	926	881	1,203	1,362	1,441	1,903	1,941
Noise Mitigation Program	278	77	-	-	-	-	-	-	-	-
Interest on long-term debt	496	617	615	1,164	1,790	1,693	1,652	1,765	1,594	1,658
Total governmental activities expenses	<u>23,856</u>	<u>24,557</u>	<u>24,755</u>	<u>24,401</u>	<u>28,530</u>	<u>26,714</u>	<u>34,633</u>	<u>37,411</u>	<u>40,786</u>	<u>43,052</u>
Business-type Activities:										
Water	5,869	5,962	6,026	8,108	9,849	11,702	11,410	11,762	11,768	13,305
Waste Water	3,798	3,890	4,022	4,001	4,386	4,493	4,449	4,627	4,756	5,209
Storm Drainage	593	1,073	476	437	898	2,766	1,140	971	1,011	1,153
Total business-type activities expenses	<u>10,260</u>	<u>10,925</u>	<u>10,524</u>	<u>12,546</u>	<u>15,133</u>	<u>18,961</u>	<u>16,999</u>	<u>17,360</u>	<u>17,535</u>	<u>19,667</u>
Total primary governmental expenses	<u>\$ 34,116</u>	<u>\$ 35,482</u>	<u>\$ 35,279</u>	<u>\$ 36,947</u>	<u>\$ 43,663</u>	<u>\$ 45,675</u>	<u>\$ 51,632</u>	<u>\$ 54,771</u>	<u>\$ 58,321</u>	<u>\$ 62,719</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 672	\$ 536	\$ 104	\$ 202	\$ 166	\$ 727	\$ 809	\$ 925	\$ 682	\$ 729
Public Safety	575	508	445	646	539	662	622	638	164	247
Streets and Fleet	177	124	505	139	122	343	666	463	454	509
Parks and Recreation	830	938	925	939	1,220	1,551	1,539	1,833	1,522	1,696
Cemetery	225	215	249	238	220	251	306	262	254	397
Community Development	796	724	906	702	598	470	1,910	801	1,271	1,239
Noise Mitigation Program	153	-	-	-	-	-	-	-	-	-
Operating grants and contributions:	1,860	1,248	1,137	1,376	1,535	1,629	1,595	5,276	2,355	3,376
Capital grants and contributions	3,582	3,635	3,355	4,020	19,040	2,543	4,901	1,920	8,556	5,527
Total governmental activities program revenues	<u>8,870</u>	<u>7,928</u>	<u>7,626</u>	<u>8,262</u>	<u>23,440</u>	<u>8,176</u>	<u>12,348</u>	<u>12,118</u>	<u>15,258</u>	<u>13,720</u>
Business-type activities:										
Charges for services										
Water	6,354	6,302	5,610	6,709	6,982	8,794	8,244	8,820	10,023	11,664
Waste Water	3,422	3,480	3,471	3,556	3,835	4,926	4,839	5,690	4,993	6,843
Storm Drainage	790	624	396	286	229	420	843	595	507	613
Capital grants and contributions	5,747	748	2,218	2,830	11,966	4,140	6,636	5,388	9,651	7,016
Total business-type activities program revenues	<u>16,313</u>	<u>11,154</u>	<u>11,695</u>	<u>13,381</u>	<u>23,012</u>	<u>18,280</u>	<u>20,562</u>	<u>20,493</u>	<u>25,174</u>	<u>26,136</u>
Total primary government program revenues	<u>\$ 25,183</u>	<u>\$ 19,082</u>	<u>\$ 19,321</u>	<u>\$ 21,643</u>	<u>\$ 46,452</u>	<u>\$ 26,456</u>	<u>\$ 32,910</u>	<u>\$ 32,611</u>	<u>\$ 40,432</u>	<u>\$ 39,856</u>
Net (Expense)/Revenue										
Governmental activities	(14,985)	(16,629)	(17,129)	(16,140)	(5,090)	(18,538)	(22,285)	(25,293)	(25,528)	(29,332)
Business-type activities	6,052	229	1,171	835	7,879	(681)	3,563	3,133	7,639	6,469
Total primary government net (expense)/revenue	<u>\$ (8,933)</u>	<u>\$ (16,400)</u>	<u>\$ (15,958)</u>	<u>\$ (15,305)</u>	<u>\$ 2,789</u>	<u>\$ (19,219)</u>	<u>\$ (18,722)</u>	<u>\$ (22,160)</u>	<u>\$ (17,889)</u>	<u>\$ (22,863)</u>
General Revenues and Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,695	\$ 1,819	\$ 1,904	\$ 1,836	\$ 1,847	\$ 1,811	\$ 1,832	\$ 1,828	\$ 2,037	\$ 2,319
Sales and use taxes	16,210	16,495	15,821	17,071	18,143	19,512	21,559	24,978	26,596	37,406
Other taxes	1,386	1,524	1,521	1,355	1,377	1,627	1,751	2,006	2,035	2,361
Unrestricted grants and contributions	140	55	238	194	982	301	269	-	-	-
Investment income	913	756	143	239	149	67	1	551	1,072	684
Noise Mitigation Program	-	-	-	-	-	-	-	-	-	-
Gain(Loss) on sale of capital assets	-	-	2,686	-	-	-	-	-	-	-
Miscellaneous	-	-	397	406	1,374	278	208	156	508	628
Transfers	-	(3)	194	(5)	-	(59)	(4)	(25)	-	-
Total governmental activities	<u>20,344</u>	<u>20,646</u>	<u>22,904</u>	<u>21,096</u>	<u>23,872</u>	<u>23,537</u>	<u>25,616</u>	<u>29,494</u>	<u>32,248</u>	<u>43,398</u>
Business-type activities:										
Investment income	\$ 2,172	\$ 1,478	\$ 314	\$ 153	\$ 201	\$ 257	\$ 140	\$ 138	\$ 267	\$ 509
Miscellaneous	366	527	113	806	441	2,039	577	232	95	434
Transfers	-	3	(194)	5	-	59	4	25	-	-
Total business-type activities	<u>2,538</u>	<u>2,008</u>	<u>233</u>	<u>964</u>	<u>642</u>	<u>2,355</u>	<u>721</u>	<u>395</u>	<u>362</u>	<u>943</u>
Total primary government	<u>\$ 22,882</u>	<u>\$ 22,654</u>	<u>\$ 23,137</u>	<u>\$ 22,060</u>	<u>\$ 24,514</u>	<u>\$ 25,892</u>	<u>\$ 26,337</u>	<u>\$ 29,889</u>	<u>\$ 32,610</u>	<u>\$ 44,341</u>
Changes in Net Position										
Governmental activities	\$ 5,358	\$ 4,017	\$ 5,775	\$ 4,957	\$ 18,782	\$ 4,999	\$ 3,331	\$ 4,201	\$ 6,720	\$ 14,065
Business-type activities	8,591	2,237	1,404	1,799	8,521	1,674	4,284	3,527	8,001	7,413
Total primary government	<u>\$ 13,949</u>	<u>\$ 6,254</u>	<u>\$ 7,179</u>	<u>\$ 6,756</u>	<u>\$ 27,303</u>	<u>\$ 6,673</u>	<u>\$ 7,615</u>	<u>\$ 7,728</u>	<u>\$ 14,721</u>	<u>\$ 21,478</u>

SOURCE: Current and prior year's financial statements

Table 3. Fund Balances for the General Fund and All Other Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund											
Reserved	\$ 1,046	\$ 1,242	\$ 1,095	\$ 1,257	\$ 1,257	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved	2,702	2,817	2,208	5,494	5,494	-	-	-	-	-	
Nonspendable	-	-	-	-	-	408	421	205	254	100	179
Restricted	-	-	-	-	-	574	630	669	742	833	1,408
Committed	-	-	-	-	-	5,649	5,846	6,923	7,784	7,878	10,229
Assigned	-	-	-	-	-	18	18	18	546	1,661	2,337
Unassigned	-	-	-	-	-	1,259	1,953	2,961	3,213	2,074	4,934
Total General Fund	<u>\$ 3,748</u>	<u>\$ 4,059</u>	<u>\$ 3,303</u>	<u>\$ 6,751</u>	<u>\$ 6,751</u>	<u>\$ 7,908</u>	<u>\$ 8,868</u>	<u>\$10,776</u>	<u>\$12,539</u>	<u>\$12,546</u>	<u>\$ 19,087</u>
All Other Governmental Funds Combined											
Reserved	\$ 4,625	\$ 3,818	\$ 5,608	\$17,685	\$17,685	\$ -	\$ -	\$ -	\$ -	\$ -	
Unreserved, reported in:											
Special revenue funds	4,860	4,616	5,302	5,479	5,479	-	-	-	-	-	
Capital projects funds	6,176	9,119	7,367	10,265	10,265	-	-	-	-	-	
Debt Service funds	-	-	-	-	-	-	-	-	-	-	
Nonspendable	-	-	-	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	2,126	2,072	1,577	11,978	15,035	24,982
Committed	-	-	-	-	-	896	997	1,598	11,759	11,252	10,212
Assigned	-	-	-	-	-	5,401	5,680	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$15,661</u>	<u>\$17,553</u>	<u>\$18,277</u>	<u>\$33,429</u>	<u>\$33,429</u>	<u>\$ 8,423</u>	<u>\$ 8,749</u>	<u>\$ 3,175</u>	<u>\$23,737</u>	<u>\$26,287</u>	<u>\$ 35,194</u>

SOURCE: Current and prior year's financial statements

NOTE: In Fiscal Year ending December 31, 2011, the City of Brighton implemented GASB Statement Number 54 requiring the presentation of five fund balances. Fund balance types are listed above with figures recorded in the applicable categories. These categories are briefly defined in Note 7 of the Notes to the Basic Financial Statements.

Table 4. Changes in Fund Balances for Total Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues by Source										
Taxes	\$ 20,798	\$ 21,608	\$ 19,245	\$ 20,262	\$ 21,367	\$ 22,951	\$ 25,142	\$ 28,331	\$ 30,030	\$ 41,185
Licenses, fees and permits	565	487	570	507	428	430	1,244	659	1,004	966
Intergovernmental	3,209	2,866	4,246	5,477	6,523	4,444	4,528	6,861	5,112	6,754
Charges for services	2,442	1,952	2,169	1,879	1,910	2,253	3,272	3,010	2,863	3,259
Fines and forfeitures	458	386	396	479	446	541	484	421	462	449
Investment income	912	756	143	239	149	66	1	551	1,072	684
Miscellaneous	830	521	397	406	1,454	1,088	1,090	1,533	2,386	2,071
Total revenues	29,214	28,576	27,166	29,249	32,277	31,773	35,761	41,366	42,929	55,368
Expenditures by Function										
General Government	10,341	8,697	8,585	10,332	8,325	7,053	7,782	9,459	9,454	10,302
Public Safety	5,518	5,126	5,269	5,481	5,555	7,330	7,504	8,167	9,048	10,185
Streets and Fleet	4,192	9,710	5,176	3,054	2,264	2,650	3,086	2,509	2,948	3,076
Parks and Recreation	3,038	3,010	3,194	2,958	3,320	4,331	4,590	5,199	4,907	5,155
Cemetery	328	261	239	289	256	303	334	272	331	417
Community Development	1,192	1,166	1,124	920	877	1,198	1,360	1,441	1,901	1,941
Noise Mitigation Program	278	77	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	78	-	1,037	-	-	-	-	-	-
Capital Projects	1,102	3,835	3,314	4,821	21,489	5,483	3,395	7,271	6,334	12,518
Debt Service										
Principal	1,646	2,172	2,862	1,836	1,162	1,090	1,135	1,170	1,225	805
Interest	502	631	665	1,077	1,790	1,693	1,684	1,639	1,594	1,629
Total expenditures	28,137	34,763	30,428	31,805	45,038	31,131	30,870	37,127	37,742	46,028
Excess (deficiency) of revenues over (under) expenditures	1,077	(6,187)	(3,262)	(2,556)	(12,761)	642	4,891	4,239	5,187	9,340
Other Financing Sources (Uses)										
Bond Proceeds	-	7,700	-	26,565	-	-	-	-	-	-
Bond Premium	-	194	-	159	-	-	-	-	-	-
Lease Proceeds	-	500	-	-	-	-	-	-	-	-
Grants to Other Agencies	-	-	-	-	-	-	-	-	-	(116)
Payments to escrow agent	-	-	-	(5,564)	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	3,036	-	-	-	-	-	-	6,115
Transfers in	4,405	3,994	616	3,240	595	143	1,699	616	802	2,308
Transfers out	(4,405)	(3,997)	(422)	(3,245)	(595)	(203)	(2,129)	(1,041)	(3,432)	(2,199)
Total other financing sources (uses)	-	8,391	3,230	21,155	-	(60)	(430)	(425)	(2,630)	6,108
Net change in fund balances	\$ 1,077	\$ 2,204	\$ (32)	\$ 18,599	\$ (12,761)	\$ 582	\$ 4,461	\$ 3,814	\$ 2,557	\$ 15,448
Debt service as a percentage of noncapital expenditures	7.95%	9.06%	13.01%	10.80%	12.54%	10.85%	10.26%	9.41%	8.98%	7.26%

SOURCE: Current and prior year's financial statements

Table 5. Sales Tax Revenue By Category
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Energy										\$ 17,924
General merchandise	\$ 4,329	\$ 4,457	\$ 4,534	\$ 4,464	\$ 4,379	\$ 5,450	\$ 6,355	\$ 6,766	\$ 6,774	3,587
Food stores	1,845	1,741	1,988	2,073	2,206	2,807	2,896	3,416	4,089	2,844
Eating and drinking establishments	1,302	1,377	1,387	1,499	1,612	2,116	2,252	2,462	2,568	
Building materials/home improvements	1,271	1,254	1,172	1,319	1,278	1,814	2,860	3,415	2,774	1,527
Auto dealers/repairs/supplies	824	844	810	889	994	1,320	1,477	1,687	2,067	456
Utilities	959	1,057	1,026	1,192	1,249	1,330	1,469	1,583	1,442	1,762
Telecommunications	709	688	722	712	710	883	850	993	957	
Hotel	-	-	-	-	-	494	257	370	408	
Other retail stores	474	617	672	647	715	179	213	144	153	
All other categories	2,350	2,697	2,241	2,797	3,202	639	956	1,297	1,285	
Total	<u>\$ 14,063</u>	<u>\$ 14,732</u>	<u>\$ 14,552</u>	<u>\$ 15,592</u>	<u>\$ 16,345</u>	<u>\$ 17,032</u>	<u>\$ 19,585</u>	<u>\$ 22,133</u>	<u>\$ 22,517</u>	<u>\$ 28,100</u>
City direct sales tax rate	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>

SOURCE: City of Brighton sales tax system and previous financial statements.

NOTE: This schedule does not include sales tax on motor vehicles and use tax on building materials.

**Table 6. Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of Brighton	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Adams County	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Rapid Transit District (RTD)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Scientific and Cultural Facilities District (SCFD)	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Football Stadium District	<u>0.10%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total direct and overlapping sales tax rates	<u><u>8.60%</u></u>	<u><u>8.60%</u></u>	<u><u>8.60%</u></u>	<u><u>8.60%</u></u>	<u><u>8.60%</u></u>	<u><u>8.50%</u></u>	<u><u>8.50%</u></u>	<u><u>8.50%</u></u>	<u><u>8.50%</u></u>	<u><u>8.50%</u></u>

SOURCE: State of Colorado Department of Revenue

NOTE: The Metro Football Stadium District Sales Tax was eliminated in 2012.

**Table 7. Sales Tax Revenue Information
2007 and Current Year
(amounts expressed in thousands)**

	Fiscal Year 2007		Fiscal Year 2016	
	<u>Sales Tax Revenue</u>	<u>Percentage of Total</u>	<u>Sales Tax Revenue</u>	<u>Percentage of Total</u>
Sales Tax Revenue--Top Ten Remitters				
General Merchandise	\$ 4,069	29%	\$ 6,202	15%
Food Stores	1,486	10%	4,737	11%
Utilities	1,185	8%	1,519	4%
Energy	-	-		0%
Building Materials	<u>947</u>	<u>7%</u>	<u>21,410</u>	<u>51%</u>
Total Sales Tax Top Ten Remitters	7,687	54%	33,868	81%
Sales Tax Revenue--All Other Remitters	<u>6,477</u>	<u>46%</u>	<u>8,001</u>	<u>19%</u>
Total Sales Tax Revenue	<u>\$ 14,164</u>	<u>100%</u>	<u>\$ 41,869</u>	<u>100%</u>

SOURCE: City of Brighton sales tax system.

NOTE: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue. Figures do not include "use tax."

Table 8. Type of Outstanding Debt and Ratio to Personal Income
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
¹ Sales Tax Revenue Bonds	\$ 1,165	\$ 7,990	\$ 6,630	\$ 5,365	\$ 4,375	\$ 3,345	\$ 2,270	\$ 1,160	\$ -	\$ -
2010 Certificate of Participation	6,465	6,095	5,710	26,565	26,565	26,505	26,445	26,385	26,320	25,515
2016 Certificate of Participation	-	-	-	-	-	-	-	-	-	6,124
Capital Leases	1,882	1,454	338	172	-	-	-	-	-	-
Total Governmental Activities	9,512	15,539	12,678	32,102	30,940	29,850	28,715	27,545	26,320	31,639
Business-type Activities										
² General Obligation Water Bonds	7,000	5,705	4,355	2,465	485	-	-	-	-	-
Water/Sewer Revenue Bonds	2,685	2,396	30,165	30,165	30,165	30,015	29,310	28,580	27,845	-
2016 Revenue Bonds	-	-	-	-	-	-	-	-	-	27,270
2016 Certificate of Participation	-	-	-	-	-	-	-	-	-	876
State Water Loan Note	44	33	2,095	1,785	1,458	1,121	769	400	-	-
Total Business-type Activities	9,729	8,134	36,615	34,415	32,108	31,136	30,079	28,980	27,845	28,146
Total Primary Government										
Sales Tax Revenue Bonds	1,165	7,990	6,630	5,365	4,375	3,345	2,270	1,160	-	-
Certificate of Participation	6,465	6,095	5,710	31,870	26,565	26,505	26,445	26,385	26,320	-
Capital Leases	1,882	1,454	338	175	-	-	-	-	-	-
General Obligation Water Bonds	7,000	5,705	4,355	2,465	485	-	-	-	-	-
Water/Sewer Revenue Bonds	2,685	2,396	30,165	30,165	30,165	30,015	29,310	28,580	27,845	-
2010 Certificate of Participation	-	-	-	-	-	-	-	-	-	25,515
2016 Certificate of Participation	-	-	-	-	-	-	-	-	-	7,000
2016 Revenue Bonds	-	-	-	-	-	-	-	-	-	27,270
State Water Loan Note	44	33	2,095	1,785	1,458	1,121	769	400	-	-
Total primary government	<u>\$19,241</u>	<u>\$23,673</u>	<u>\$49,293</u>	<u>\$71,825</u>	<u>\$63,048</u>	<u>\$60,986</u>	<u>\$58,794</u>	<u>\$56,525</u>	<u>\$54,165</u>	<u>\$ 59,785</u>
³ Percentage of Per Capita Personal Income	1.76%	2.33%	4.78%	6.80%	5.70%	5.20%	4.72%	4.40%	n/a	n/a
^{3,4} Debt Per Capita	\$ 0.59	\$ 0.71	\$ 1.53	\$ 2.15	\$ 1.88	\$ 1.79	\$ 1.66	\$ 1.59	\$ 1.49	\$ 1.65

SOURCE: Current and prior year's financial statements

NOTES:

¹ The 2008 sales tax revenue bonds are pledged with 1.0% of the City's 3.75% sales tax.

² General obligation bonds have been issued for business-type activities. While general obligation water bonds are direct obligations and pledge the full faith and credit of the City, the City is bound by bond covenant to establish water rates which will provide for operations and debt service.

³ See Table 12 for personal income and population data.

⁴ 2014 per capita personal income is not available at the time of print.

Table 9. Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General (water) bonded debt outstanding										
General obligation debt ¹	\$ 7,000	\$ 5,705	\$ 4,355	\$ 2,465	\$ 485	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 7,000	\$ 5,705	\$ 4,355	\$ 2,465	\$ 485	\$ -	\$ -	\$ -	\$ -	\$ -
Actual water sales ²	\$ 6,330	\$ 6,258	\$ 5,561	\$ 6,695	\$ 6,982	\$ 8,794	\$ 8,244	\$ 8,739	\$ 10,023	\$ 11,664
G.O. debt ratio to actual water sales	110.58%	91.17%	78.32%	36.82%	6.95%	0.00%	0.00%	0.00%	0.00%	0.00%
G.O. debt per capita ³	\$ 214.96	\$ 170.81	\$ 135.59	\$ 73.91	\$ 14.54	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Amounts set aside to repay general debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt limit ⁴	\$ 68,657	\$ 72,767	\$ 68,454	\$ 84,336	\$ 71,190	\$ 83,570	\$ 82,792	\$ 83,192	\$ 96,700	\$ 127,303
Legal debt margin ⁵	\$ 68,657	\$ 72,767	\$ 68,454	\$ 84,336	\$ 71,190	\$ 83,570	\$ 82,792	\$ 83,192	\$ 96,700	\$ 127,303
Legal debt margin as a percentage of debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Computation of maximum debt allowed:										
Actual value of property	\$ 2,288,576	\$ 2,425,567	\$ 2,281,815	\$ 2,811,204	\$ 2,373,014	\$ 2,785,662	\$ 2,759,749	\$ 2,773,064	\$ 3,223,343	\$ 4,243,434
Legal debt limit percentage	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Legal debt limit	\$ 68,657	\$ 72,767	\$ 68,454	\$ 84,336	\$ 71,190	\$ 83,570	\$ 82,792	\$ 83,192	\$ 96,700	\$ 127,303

SOURCE: Current and prior year's financial statements.

NOTES:

¹ General obligation bonds have been issued for business-type activities. While general obligation water bonds are direct obligations and pledge the full faith and credit of the City, the City is bound by bond covenants to establish water rates which will provide for operations and debt service. The City has no other general obligation bonds outstanding.

² Source: Current and prior year's financial reporting system.

³ See Table 12 for personal income and population data.

⁴ The legal debt limit is 3% of the actual value of the property as determined by the County Assessor's Offices.

⁵ The legal debt margin is the City's available borrowing authority.

**Table 10. Direct and Overlapping Governmental Activities Debt
As of December 31, 2016
(amounts expressed in thousands)**

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to the City	Estimated Share of Overlapping Debt
<u>Direct Debt:</u>			
City of Brighton	\$ -	100%	\$ -
<u>Overlapping Debt:</u>			
Adams-Weld School Dist. 27J	279,945	9%	25,195
Adams County	-	N/A	-
Brighton Fire District	-	11%	-
Weld County	-	7%	-
Prairie Center Metro. Dist. #1-5	-	100%	-
Brighton Crossing Metro. Dist. #4	15,275	100%	15,275
South Beebe Draw Metro Dist.	-	100%	-
Bromley Park Metro. Dist. #2	53,240	100%	53,240
Total Overlapping Debt	\$ 348,460		\$ 93,710
Total Direct and Overlapping Debt	\$ 348,460		\$ 93,710

SOURCES:

Adams County and Weldo County Assessor's Offices
Adams-Weld School District 27J
Greater Brighton Fire Protection District
Brighton Crossing Metro. District #4
Bromley Park Metro. Districts #2

**Table 12. Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ¹	Total Personal Income ^{2,7} (thousands of dollars)	Per Capita Personal Income ^{3,7}	Median Age ⁴	School Enrollment ⁵	Unemployment Rate ⁶
2007	32,564	1,090,842	33,498	32	11,589	4.3%
2008	33,400	1,013,723	30,351	33	12,608	5.0%
2009	32,120	1,046,727	32,588	33	13,711	7.1%
2010	33,352	1,055,589	31,650	32	14,469	10.2%
2011	33,490	1,106,598	33,043	32	15,089	9.5%
2012	34,132	1,183,602	34,677	32	15,669	9.0%
2013	35,031	1,245,851	35,232	34	16,193	7.5%
2014	35,367	1,283,768	35,385	35	17,129	5.5%
2015	36,280	n/a	n/a	33	17,610	3.9%
2016	38,408	n/a	n/a	33	16,526	4.1%

SOURCE:

¹ Bureau of Census Adams and Weld Counties

² State Department of Labor and Employment

³ State Department of Labor and Employment

⁴ Bureau of Census Adams and Weld Counties

⁵ Adams/Weld School District 27J

⁶ State Department of Labor and Employment (this is for Adams County as data not available at City level)

⁷ 2015 total personal income and per capita personal income is not available at the time of print.

**Table 13. Principal Employers
2007 and Current Year**

	2007			2016		
	Employees	Percentage	Rank	Employees	Percentage	Rank
Adams County	1,777	32%	1	2,121	25%	1
School District 27J	1,291	24%	2	1,792	21%	2
Vestas	-	-		1,680	20%	3
Platte Valley Medical Center	576	10%	3	648	8%	5
City of Brighton	386	7%	5	451	5%	6
Baker Hughes	-	-		-	-	
O'Neal Flat Rolled Metals	-	-		321	4%	7
King Soopers	-	-		291	3%	9
Wal-mart	394	7%	4	318	4%	8
Transwest	-	-		231	3%	10
Petrocco Farms	260	5%	6	-	-	
Haliburton	-	-		735	9%	4
Sakata Farms	250	5%	7	-	-	
K-Mart Distribution Center	225	4%	8	-	-	
Tagawa Greenhouse	-	-		-	-	
Super Target	172	3%	9	-	-	
United Power	158	3%	10	-	-	
TOTAL	5,489	100%		8,588	100%	

SOURCE: Brighton Economic Development Corporation

**Table 14. Full-Time Equivalent (FTE) Employees By Functions/Programs
Last Ten Fiscal Years**

Functions/Programs	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
General Government										
Municipal Court	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0
City Manager	4.3	4.2	4.0	2.0	2.0	3.5	4.5	3.6	4.1	4.0
Human Resources	4.0	3.0	3.0	4.0	3.0	4.0	4.0	4.0	4.0	6.0
Finance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	10.0	12.0	13.0
City Clerk	4.0	4.0	4.0	4.0	3.5	3.0	3.0	3.0	3.0	4.0
Facilities Maintenance	10.0	11.0	11.0	10.0	9.0	11.0	11.0	12.0	12.0	18.0
Youth Resource Program	1.0	0.0	1.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0
Special Events	3.5	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.5	4.0
Arts and Culture Office	-	-	-	-	-	-	-	1.0	1.5	1.0
Information Systems	7.0	8.9	10.0	7.0	6.0	7.0	8.0	8.0	8.0	7.0
Public Information Office	-	-	-	2.0	2.0	2.0	3.0	3.3	4.0	4.0
Development Office	-	-	-	-	-	-	0.0	1.0	1.0	0.0
Economic Development	2.0	2.0	3.0	3.0	3.3	3.4	4.0	4.0	4.0	3.0
Total General Government	48.8	50.1	53.0	49.0	43.8	49.9	52.5	56.9	63.1	71.0
Public Safety										
Police Crime Control	53.0	53.0	58.0	53.0	53.0	53.0	56.0	58.0	60.0	68.0
Police Support Services	12.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0
Animal Control	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Victims Services	1.0	0.0	0.0	0.0	1.0	1.0	2.0	2.0	5.0	5.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement	3.0	2.0	2.5	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Total Public Safety	73.0	71.0	76.5	72.0	73.0	73.0	77.0	80.0	86.0	94.0
Public Works										
Administration	7.6	5.8	6.0	4.0	4.0	5.0	4.0	4.0	5.0	5.0
Streets	12.5	14.5	14.5	13.5	13.5	13.5	13.5	14.5	13.5	14.0
Fleet	3.5	3.5	3.5	3.5	3.5	3.5	4.5	4.5	4.5	6.0
Total Public Works	23.6	23.8	24.0	21.0	21.0	22.0	22.0	23.0	23.0	25.0
Culture, Parks and Recreation										
Eagle View Adult Center	4.0	4.0	4.0	3.5	4.0	5.0	5.0	5.0	5.0	5.0
Recreation Center	22.5	18.5	18.5	17.5	17.5	17.6	16.5	20.3	20.3	18.0
Parks	10.0	11.0	9.5	9.5	9.8	9.8	10.3	11.0	11.0	12.0
Parks and Recreation-Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Total Culture, Parks and Recreation	39.5	36.5	35.0	33.5	34.3	35.4	34.8	40.3	40.3	39.0
Community Development										
Building Inspection	6.5	6.0	4.0	3.0	2.0	2.0	2.0	2.2	3.0	3.0
Community Development Administration	-	6.0	8.0	7.0	7.0	8.0	8.0	8.0	8.0	9.0
Planning and Zoning	8.0	5.0	5.0	4.0	3.0	3.0	4.5	4.5	5.0	6.0
Engineering	1.0	1.0	2.5	0.5	0.5	0.5	0.5	0.5	2.0	2.0
Total Community Development	15.5	18.0	19.5	14.5	12.5	13.5	15.0	15.2	18.0	20.0
Total Cemetery	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Total Governmental Activities	204.4	203.4	212.0	194.0	188.6	197.8	205.3	219.4	234.4	252.0
Business-Type Activities										
Water										
Operations	16.5	16.2	14.5	14	14	14.3	14.3	18.9	18.9	15.45
Administration	4	4	6.3	6.2	6.2	6.2	6.8	6.3	6.3	7.45
Total Water	20.5	20.2	20.8	20.2	20.2	20.5	21.1	25.2	25.2	22.9
Sewer										
Operations	16.5	14.2	12.5	12	12	12.5	13	13.4	13.4	17
Administration	4	4	6.2	6.3	6.3	6.5	6	5.8	5.8	7.45
Total Sewer	20.5	18.2	18.7	18.3	18.3	19.0	19.0	19.2	19.2	24.5
Storm Drainage										
Operations	-	2.0	1.0	2.0	1.0	2.0	2.0	2.3	2.3	2.3
Total Storm Drainage	-	2.0	1.0	2.0	1.0	2.0	2.0	2.3	2.3	2.3
Total Business-Type Activities	41.0	40.4	40.5	40.5	39.5	41.5	42.1	46.7	46.7	49.7
Component Units										
Urban Renewal Authority	2.5	2.8	2.8	3.0	5.7	5.2	5.0	5.0	4.0	6.0
Total Component Units	2.5	2.8	2.8	3.0	5.7	5.2	5.0	5.0	4.0	6.0
Total FTE Employees By Functions/Programs	247.9	246.6	255.3	237.5	233.8	244.5	252.4	271.1	285.1	355.0

Table 15. Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2,016
Police										
Calls for service	48,506	48,748	47,606	44,663	42,478	42,573	43,195	46,023	52,456	56,092
Arrests	2,859	2,864	2,650	2,795	2,600	2,716	2,365	2,365	2,620	2,791
Summons issued	5,817	5,342	5,269	5,362	4,904	5,986	5,225	5,226	5,044	5,463
Streets										
Street resurfacing (miles)	2	22	25	-	1	-	-	-	-	2
Street slurry seal (miles)	2	16	16	-	2	3	4	5	10	9
Parks and Recreation										
Recreation Center admissions	77,196	82,650	91,000	145,050	141,464	154,783	174,553	183,960	191,190	-
Senior Center program participants	22,582	21,141	22,511	22,200	23,979	27,897	29,645	31,239	33,778	37,296
Senior Center services	-	-	-	10,352	10,734	11,071	10,672	11,144	10,733	11,075
Water										
Gallons pumped (millions)	1,814	2,023	1,806	1,668	1,722	1,902	1,621	1,671	1,755	1,858
Average daily consumption (million gallons)	5	6	5	5	5	5	4	5	5	5
Wastewater										
Gallons treated (millions)	790	761	767	806	814	731	755	751	775	756
Cemetery										
Internments	118	139	114	119	112	128	138	120	115	149

SOURCE: Various City departments.

Table 16. Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	31	31	31	31	52	51	51	51	53
Streets										
Street Miles	149	149	151	151	151	151	151	153	154	159
Parks and Recreation										
Recreation Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Parks	47	47	47	47	47	47	47	47	47	47
Park acreage	276	236	236	245	300	300	300	300	300	300
Swimming pools	3	3	3	3	3	4	4	4	4	4
Tennis courts	8	8	8	8	8	8	8	8	8	8
Skateboard Park	1	1	2	2	2	2	2	2	2	2
Inline Hockey Rink	1	1	1	1	1	1	1	1	1	1
4-Plex Ball fields	2	2	2	2	2	2	2	2	2	2
Open Space (acres)	673	672	672	650	767	767	767	960	960	960
Trails (miles)	27	27	27	27	27	27	27	34	34	34
Water										
Treatment plant	1	1	1	1	2	2	2	2	2	2
Water mains (miles)	130	130	130	200	150	190	195	195	195	227
Water customers	8,907	9,324	9,281	9,319	9,485	9,576	9,736	10,068	10,436	10,104
Storage capacity (million gallons)	17	17	17	17	17	17	17	17	17	17
Wastewater										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewer (miles)	112	112	112	112	112	146	146	146	146	146
Storm drainage										
Storm sewer (miles)	43	43	43	60	60	60	60	60	60	60
Cemeteries	2	2	2	2	2	2	2	2	2	2

SOURCE: Various City departments.



Compliance Section



COMPLIANCE SECTION

SINGLE AUDIT

In 2015 the City did not have federal expenditures more than \$750,000, therefore, the Schedule of Expenditures of Federal Awards is not presented.

OTHER REPORTS

Local Highway Finance Report, which is an annual statement of receipts and expenditures required to be submitted annually to the Colorado Department of Transportation as part of the mileage certification process.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Brighton	
		YEAR ENDING : December 2016	
This Information From The Records Of (example - City of _ or County of _)		Prepared By: Jean Starr Phone: 303-655-2128	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,256,573
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,322,830
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	131,530
3. Other local imposts (from page 2)	2,499,004	c. Other	
4. Miscellaneous local receipts (from page 2)	598,247	d. Total (a. through c.)	131,530
5. Transfers from toll facilities		4. General administration & miscellaneous	489,008
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	737,067
a. Bonds - Original Issues		6. Total (1 through 5)	5,937,009
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	3,097,251	b. Redemption	0
B. Private Contributions	1,411,932	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,376,029	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,885,212	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,937,009
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)	0		0
1. Bonds (Refunding Portion)			
B. Notes (Total)			0
V. LOCAL ROAD AND STREET FUND BALANCE			
A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
977,681	5,885,212	5,937,009	925,884
E. Reconciliation			
0			
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
Jean Starr			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	37,862
b. Other local imposts:		b. Traffic Fines & Penalties	256,766
1. Sales Taxes	2,290,573	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	22,277
5. Specific Ownership &/or Other	208,431	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,499,004	h. Other	281,342
c. Total (a. + b.)	2,499,004	i. Total (a. through h.)	598,247
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,044,014	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	122,688	d. Federal Transit Admin	
d. Other (Specify)-CDOT Grants	209,327	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal--CDBG Grant	0
f. Total (a. through e.)	332,015	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,376,029	3. Total (1. + 2.g)	0

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	(c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		1,431,368	1,431,368
(3). System Preservation		1,313,354	1,313,354
(4). System Enhancement & Operation		511,851	511,851
(5). Total Construction (1) + (2) + (3) + (4)		3,256,573	3,256,573
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,256,573	3,256,573

Notes and Comments: