



BrightonSM

COLORADO

Comprehensive Annual Financial Report
for the Year Ended December 31, 2017



E

RECEIVED

Office of the State Auditor

July 25, 2018

CITY OF BRIGHTON, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

**Prepared By the Finance Department
Financial Reporting, Budget and Revenue Staff**

**Jean Starr
Janet Tennant
Dana Willard
Debbie Stephen
Sandy Martinez
Darla Hollander
Colleen Juhl
Jose Mota**

About our cover and section tab photography

Cover

Brighton is located just 20 miles northeast of downtown Denver on the edge of the eastern Colorado Plains. Brighton is a freestanding community with diverse housing, employment, services, recreation and entertainment.

Introductory Section

On July 26, 2012, 125 years after the first City of Brighton council meeting, the new City Hall located at 500 S. 4th Avenue in Brighton was dedicated. This previously Adams County government building was renovated to consolidate most City services in one location, to enhance delivery of services, and to obtain cost efficiencies.

Financial Section

The fishing pier on Ken Mitchell Lakes is one of many amenities that beckon visitors to this recreational (trails, park facilities, fishing lake) and water management area. This open space area is generally located east of the South Platte River, south of Colorado Highway 7, north of 144th Avenue, and west of Brighton Road.

Management's Discussion & Analysis

Carmichael Park's \$2.9 million improvements opened the summer of 2012. This jewel of the urban park system in Brighton is named after one of the founding fathers, Daniel Carmichael. The name "Brighton" came from Brighton Beach, New York, the birthplace of Carmichael's wife.

Basic Financial Statements

Brighton was named one of the America's Promise Alliances' "100 Best Communities for Young People" by ING for its initiatives to help young people (2011-2012). These initiatives go way beyond recreational activities alone. Yet, this enthusiast catching air at Sugar Beet BMX Park is representative of the communities' commitment to youth.

Notes to the Basic Financial Statements

The Brighton community also enthusiastically enjoys the Eagle View Adult Center that opened its doors on January 17, 2012. This center is a model of thoughtful green building design and construction with a LEED "Gold" certification. Recreational, educational, fitness and social needs are met daily through supportive volunteers and staff.

Required Supplementary Information

The Armory Performing Arts Center has continued to serve as a catalyst for downtown activity since its renovation in 2011. The facility hosts local and regional events and performances, including theater, dance, music and visual arts. The Armory is owned and operated by the Brighton Urban Renewal Authority.

Supplementary Information

The Brighton Parks and Recreation Department manages over 960 acres of municipal parkland including neighborhood, community, special use, and natural resource parks. This disc golfer is enjoying the course at Benedict Park.

Statistical Section

Starting as a rural farming community, Brighton continues to achieve and to plan for economic growth in the 21st century. This autumnal view westward toward City Hall and the mountains from Southern Street captures the City's wonderful locale.

Compliance Section

The Platte River Trail in Veterans Park is the perfect place to take a walk, go on a family bike ride, or spend a quiet afternoon with nature. Veterans Park features multiple trails, a grill, picnic shelters, playground, wildlife viewing, drinking fountain, restrooms and resolvable shelter. Residents may visit Veterans Park at 405 W. Bridge Street, Brighton, CO 80601.

**CITY OF BRIGHTON, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

TABLE OF CONTENTS

	<u>Page</u>
 INTRODUCTORY SECTION	
LETTER OF TRANSMITTAL	7
ELECTED AND APPOINTED OFFICIALS	11
CITY OFFICIALS.....	13
CITY ORGANIZATIONAL CHART	14
 FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT.....	15
 MANAGEMENT'S DISCUSSION AND ANALYSIS	 17
 BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	33
Statement of Activities	34
FUND FINANCIAL STATEMENTS	
Governmental Funds Financial Statements	
Balance Sheet	35
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	36
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	37
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Proprietary Funds Financial Statements	
Statement of Net Position	39
Statement of Revenues, Expenses, and Changes in Fund Net Position	40
Statement of Cash Flows	41
 NOTES TO THE BASIC FINANCIAL STATEMENTS	 43
 REQUIRED SUPPLEMENTARY INFORMATION	
General Fund--Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual.....	79
Impact Fees Fund--Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual	81
Schedule of Employer's Proportionate Share of the Net Pension (Asset)	82
Schedule of Employer Contributions.....	83

SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds—Description	85
Non-Major Governmental Funds—Combining Balance Sheet.....	86
Non-Major Governmental Funds—Combining Statement of Revenues, Expenditures and Changes in Fund Balances	87
Landscaping Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual.....	88
Lottery Reserve Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual.....	89
Cemetery Fund Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual.....	90
Highway Fund Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual.....	91
Lodging Fund Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual.....	92
Cemetery Perpetual Care Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance	93
Capital Improvement Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	94
Parks and Recreation Capital Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	96
Water Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position—Budget and Actual (Non US GAAP Basis)	97
Waste Water Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position—Budget and Actual (Non US GAAP Basis)	98
Storm Drainage Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position—Budget and Actual (Non US GAAP Basis)	99
Internal Service Funds – Description	100
Internal Service Funds—Combining Statement of Net Position	101
Internal Service Funds—Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	102
Internal Service Funds—Combining Statement of Cash Flows	103
Benefits Internal Services Fund—Schedule of Revenues, Expenses and Changes in Net Position—Budget and Actual.....	104
Fleet Internal Service Fund—Schedule of Revenues, Expenses and Changes In Net Pension—Budget and Actual	105
Component Units—Balance Sheet.....	106
Component Units—Statement of Revenues, Expenditures, and Changes in Fund Balance	107
Brighton Urban Renewal Authority Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	108

Brighton Cultural Arts Commission Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	109
--	-----

STATISTICAL SECTION

STATISTICAL SECTION TABLE OF CONTENTS	IV
NET POSITION BY COMPONENTS	111
CHANGES IN NET POSITION	112
FUND BALANCES FOR THE GENERAL FUND AND ALL OTHER GOVERNMENTAL FUNDS	113
CHANGES IN FUND BALANCES FOR TOTAL GOVERNMENTAL FUNDS	114
SALES TAX REVENUE BY CATEGORY	115
DIRECT AND OVERLAPPING SALES TAX RATES	116
SALES TAX REVENUE INFORMATION	117
TYPE OF OUTSTANDING DEBT AND RATIO TO PERSONAL INCOME.....	118
LEGAL DEBT MARGIN INFORMATION	119
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	120
COVERAGE INFORMATION FOR NON-GENERAL OBLIGATION DEBT	121
DEMOGRAPHIC AND ECONOMIC STATISTICS.....	122
PRINCIPAL EMPLOYERS.....	123
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM	124
OPERATING INDICATORS BY FUNCTION/PROGRAM	125
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM.....	126

COMPLIANCE SECTION

COMPLIANCE SECTION DESCRIPTION	127
2017 LOCAL HIGHWAY FINANCE REPORT	128



BrightonSM
COLORADO

Introductory Section



June 28, 2018,

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, 2017. 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, 2017 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, 2017, 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 approximately 21 square miles and serves a population of approximately 38,192.

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 2017, 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 2017 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 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.

LOCAL ECONOMY

The City of Brighton's economic indicators continued to show solid, steady growth from 2016 to 2017. Key Brighton demographics for 2017 are (1) an unemployment rate of 3.3%, (2) a population of 38,192, and (3) persons employed of 15,481. Thus in 2017, unemployment decreased from 4.1% to 3.3%, population increased by 3.5%, and persons employed remained the same.

In 2017, Brighton invested \$2.5 million into the City street preservation program, including treating more than 24 miles of road with sealing or overlay. A traffic signal and pedestrian crossing were installed at the intersection of 27th Avenue and Southern Street. Connectivity is important, so bike lanes were added on several streets in the community. In 2017, the Automated Meter Reading (AMR) program for utility billing was substantially completed. AMR allows staff to drive through the community and collect data by radio from nearly all metering devices and, then transfer that data to a central database for analysis and billing. With this, the Utilities Department receives information at a faster rate, which stabilizes the number of days in each billing cycle.

New projects opened in 2017 include: 15 commercial, industrial projects including: Platte Valley Medical Office Building, Fire Station 52 at Southern & Tower Road, Orchard Church, Fairfield Inn, AMC Renovation at the Pavilion, The Learning Experience daycare, new location for Dairy Queen, Old Chicago, Red Robin, Arby's, Ulta Beauty. In 2017, 174 single-family residential permits and 192 multi-family permits were issued. Brighton will add 1.2 million square feet of industrial/warehouse space in the new development, "76 Commerce Center." The site is located near the intersection of Interstate 76 and Highway 7.

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 and acquisition.

School District 27J provides educational services to approximately 17,169 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.

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.

ACKNOWLEDGEMENTS

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 2017 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

ACTING CITY MANAGER

January - September 2017



Clint Blackhurst

APPOINTED CITY MANAGER

September - December 2017



2017 Comprehensive Annual Financial Report
Philip Rodriguez

CITY COUNCIL



Back row: Mark Humbert, Ward 4; Rex Bell, Ward 2; Lynn Baca, Ward 3; Ken Kreutzer, Mayor Pro-Tem, Ward 3; Dick Mclean, Mayor

Front row: J.W. Edwards, Ward 4; Mary Ellen Pollack, Ward 2; Joan Kniss, Ward 1; Kirby Wallin, Ward 1

This Page Intentionally Left Blank

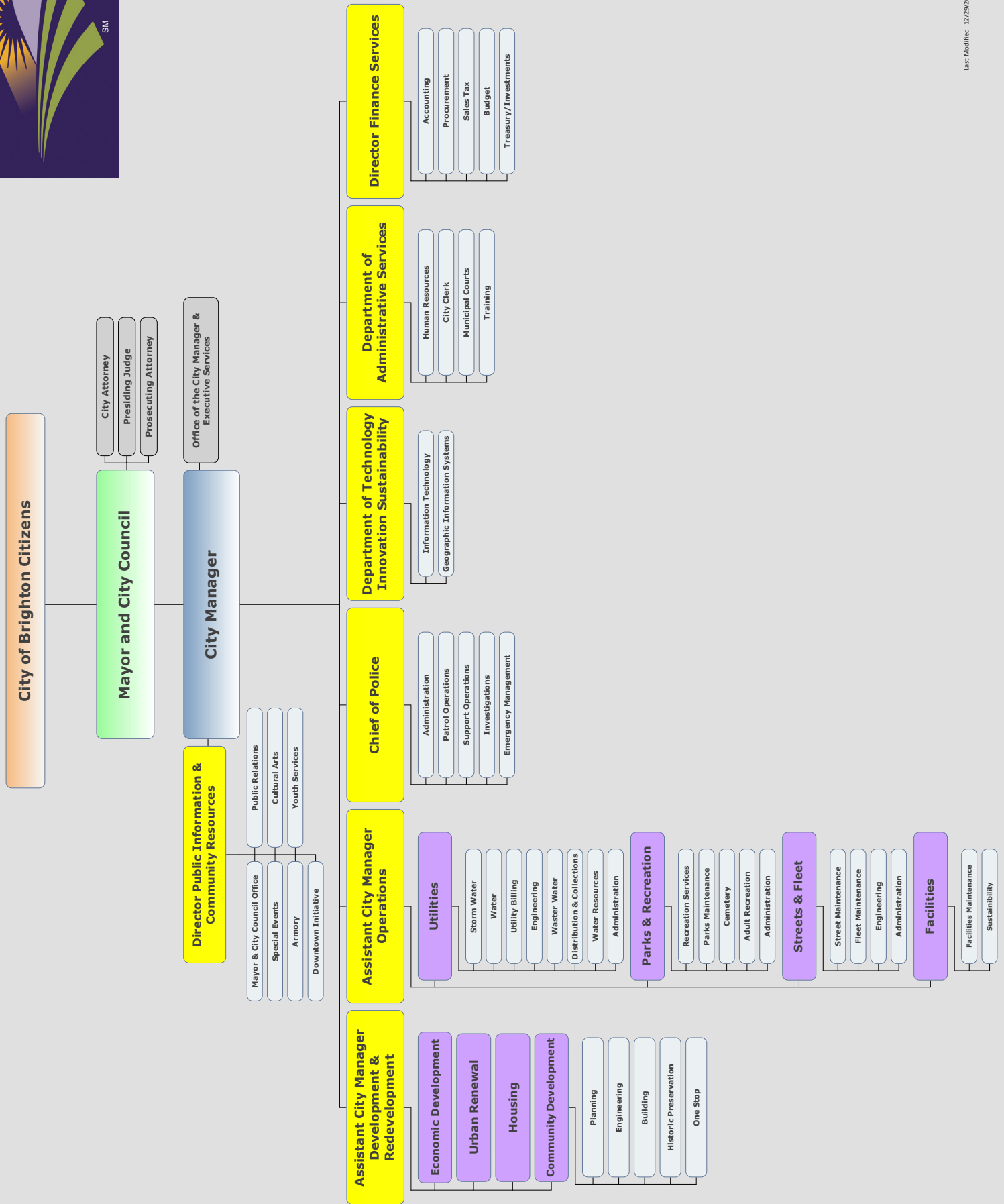
**CITY OF BRIGHTON, COLORADO
CITY OFFICIALS
DECEMBER 31, 2017**

Mayor and City Council

Mayor	Richard Mclean
Council Members:	
Mayor Pro Tem	Kirby Wallin
Ward 1	Joan Kniss
Ward 2	Mary Ellen Pollack
Ward 2	Rex Bell
Ward 3	Kenneth J. Kreutzer
Ward 3	Lynn Baca
Ward 4	J. W. Edwards
Ward 4	Mark Humbert

Administrative

City Manager	Philip Rodriguez
City Attorney	Margaret Brubaker
Presiding Municipal Judge	Kristin Brown
Assistant City Manager- Development	Marv Falconburg
Police Chief	Paul Southard
Parks and Recreation Director	Gary Wardle
Streets & Fleet Director	Kimberly Dall
Utilities Director	Curtis Bauers
Community Development Director	Holly Prather
Economic Development Director	Michael Martinez
Finance Director	Jean Starr
Assistant Finance Director	Janet Tennant
Administrative Services Director	Karen Borkowski-Surine
Information Technology and Innovation Director	Jeromy King
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, 2017, 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 opinion.

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, 2017, 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
June 28, 2018



Management's Discussion and Analysis



**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, 2017. 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 2017 by \$330.3 million (net position). Of this amount, \$98.5 million is unrestricted and may be used to meet the City's ongoing obligations.
- Citywide net position increased \$21 million (6.7%) in 2017. The governmental net position increased by \$8.4 million (5.7%) and the business-type net position increased by \$12.4 million (7.6%).
- The General Fund, the City's primary operating fund, ended 2017 with a \$19.9 million fund balance. Approximately 35.2% of this amount (\$7.0 million) is available for spending at the government's discretion (assigned and unassigned fund balance).
- The City's governmental activities show revenues of \$58.5 million, an increase of \$1.4 million (2.5%) over the prior year. Primary revenue sources are sales and use taxes of \$29.2 million (an \$8.2 million decrease over 2016, which had non-recurring sales tax collections of \$10.7 million), charges for services \$6.8 million (a \$2.0 million increase over 2016), operating and capital grants of \$18.0 million (an increase of \$9.2 million over 2016).
- Citywide governmental activities expenses were \$50.1 million, an increase of \$7.1 million in comparison with 2016. This increase is attributed to an increase in Streets and Fleet (\$2.6 million), Public Safety (\$2 million), Parks & Recreation (\$1.3 million) and General Government (\$0.5 million).
- The City's business-type activities show revenues of \$37.5 million, an increase of \$11.4 million over 2016. The largest revenue source is charges for services (\$22.4 million) followed by capital grants and contributions \$15.1 million). The business-type expenses were \$25.6 million, an increase of \$6 million in comparison with 2016.

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, 2017

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 33 and 34 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, 2017

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 38.

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 35 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 enterprises 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 39 of this report.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

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 43 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 79. 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 82 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 85 of this report.

This space intentionally left blank.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City of Brighton's assets exceed liabilities and deferred inflows of resources by \$330.3 million at the close of the most recent fiscal year. The following table reflects the condensed *statement of net position*.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 69,711	\$ 65,490	\$ 69,047	\$ 64,040	\$ 138,758	\$ 129,530
Capital Assets	127,284	120,268	138,548	131,427	265,832	251,695
Total Assets	196,995	185,758	207,595	195,467	404,590	381,225
Deferred Outflow of Resources	477	1,656	-	-	477	1,656
Long-term Liabilities	31,651	30,644	27,106	28,296	58,757	58,940
Other Liabilities	8,593	8,341	4,626	3,879	13,219	12,220
Total Liabilities	40,244	38,985	31,732	32,175	71,976	71,160
Deferred Inflows of Resources	2,702	2,298	-	-	2,702	2,298
Net Position						
Net Investment in Capital Assets	94,991	86,601	110,314	102,032	205,305	188,633
Restricted	26,575	26,570	-	-	26,575	26,570
Unrestricted	32,960	32,959	65,549	61,261	98,509	94,220
Total Net Position	\$ 154,526	\$ 146,130	\$ 175,863	\$ 163,293	\$ 330,389	\$ 309,423

For more detailed information, see the *Statement of Net Position* on page 33 of this report.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The City of Brighton uses its capital assets to provide services to the citizens. At the end of 2017, the investment in capital assets of 266 million (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$63 million, amounts to \$205 million, or 62% of the City's total net position of \$330 million. During the current fiscal year, the City's net position increased by \$21 million. The majority of this increase is due to the collection of developers' fees and developer contributions (stemming from new developments as a result of increased economic activity within the City) and \$2.5 million of oil and gas bonus payments.

An additional portion of the City's net position of \$26.6 million (8.0%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$98.5 million (30%) 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 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.

This space is intentionally left blank.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

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)

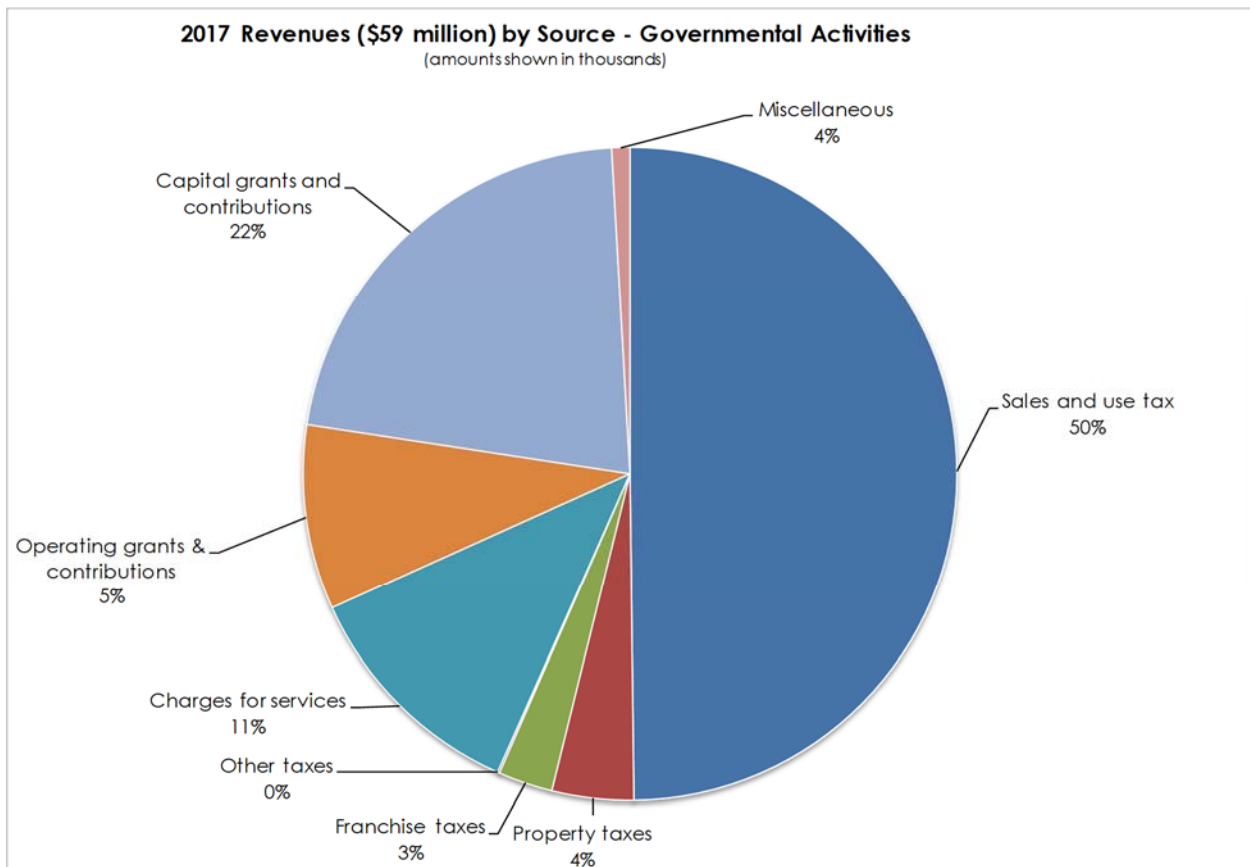
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 6,804	\$ 4,817	\$ 22,354	\$ 19,120	\$ 29,234	\$ 23,937
Operating Grants and Contributions	5,360	3,376	-	-	5,360	3,376
Capital Grants and Contributions	-	-	-	-	-	-
Contributions	12,709	5,527	15,081	7,016	27,790	12,543
General Revenues	-	-	-	-	-	-
Sales and Use Taxes	29,180	37,406	-	-	29,180	37,406
Property Taxes	2,367	2,319	-	-	2,367	2,319
Other Taxes	1,636	2,361	-	-	1,636	2,361
Other	527	1,311	654	944	1,181	2,255
Total Revenues	58,583	57,117	38,089	27,080	96,748	84,197
Expenses						
General Government	11,550	11,035	-	-	11,550	11,035
Public Safety	12,642	10,649	-	-	12,642	10,649
Public Works	11,869	9,289	-	-	11,869	9,289
Parks and Recreation	9,296	8,024	-	-	9,296	8,024
Cemetery	515	456	-	-	515	456
Community Development	2,407	1,941	-	-	2,407	1,941
Interest on Long-term Debt	1,908	1,658	-	-	1,908	1,658
Water Operations	-	-	13,980	13,305	13,980	13,305
Sewer Operations	-	-	9,837	5,208	9,837	5,208
Storm Drainage Operations	-	-	1,778	1,154	1,778	1,154
Total Expenses	50,187	43,052	25,595	19,667	75,782	62,719
Increase in Net Position	8,396	14,065	12,494	7,413	20,966	21,478
Net Position--January 1	146,130	132,065	163,293	155,880	309,423	287,945
Net Position--December 31	\$ 154,526	\$ 146,130	\$ 175,787	\$ 163,293	\$ 330,389	\$ 309,423

For more detailed information, see the *Statement of Activities* on page 34 of this report.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

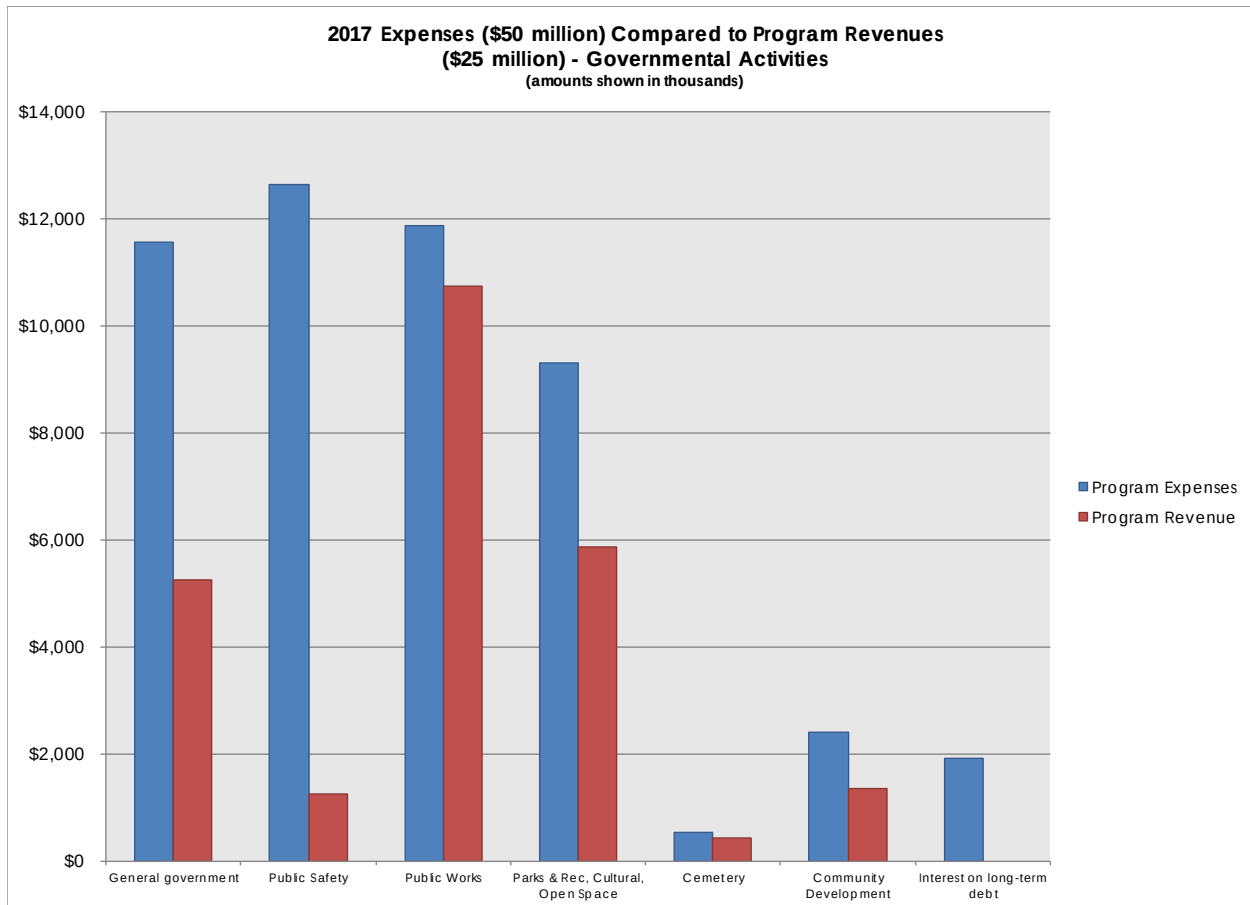
The condensed summary of the City's governmental and business type activities for the period ended December 31, 2017 reflects the net position increasing by \$20.8 million (6.7%). The prior year is included for comparative purposes. In addition, revenue and expense graphs have been presented below and 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, 2017**

Graph 2. Governmental Activities Expenses Compared to Program Revenues



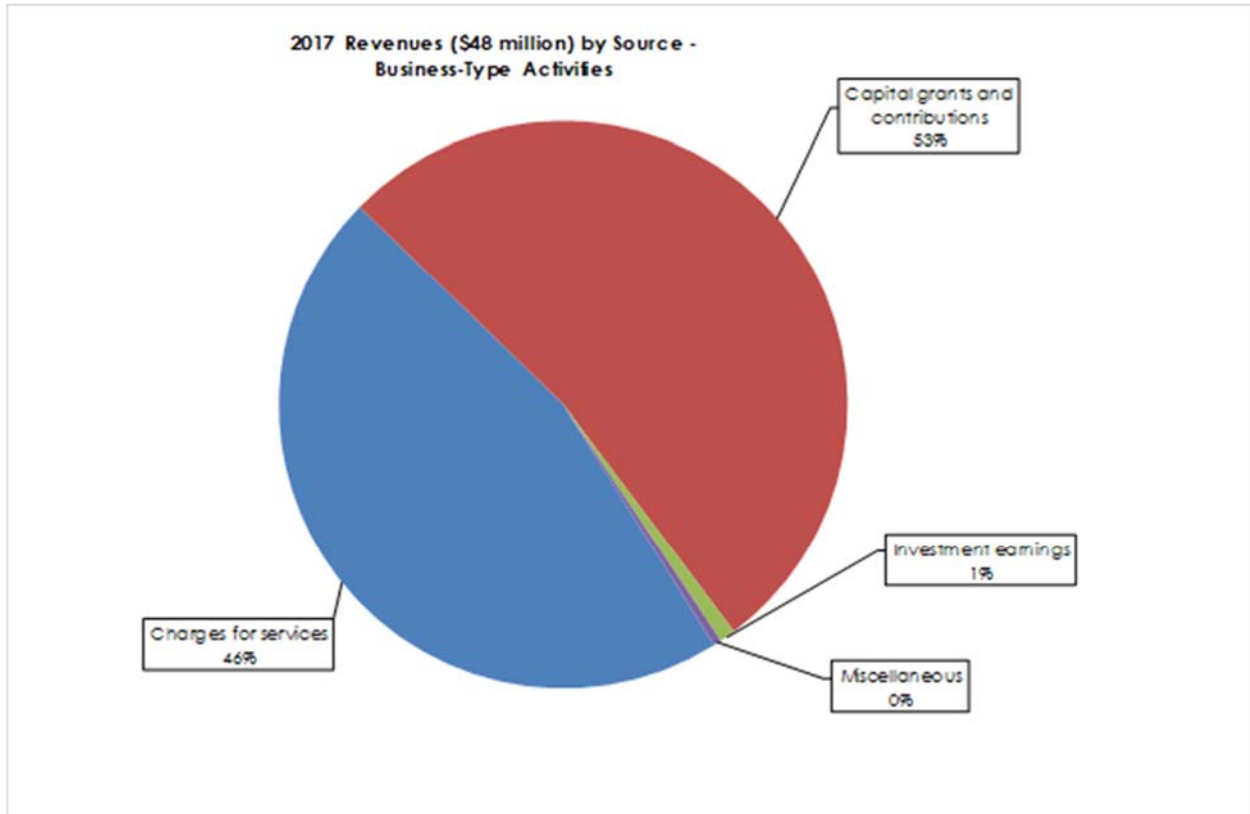
Governmental Activities Analysis

Governmental activities increased the City's net position by \$8.4 million, accounting for 40.4% of the City's \$20.8 million overall increase in net position. Major influences are due to the following:

Total governmental expenses of \$50.2 million increased by \$7.1 million in 2017. The majority of the increase was due to increased personnel services of \$1.5 million, increased operating expenses of \$1.2 million and increased Interfund transfers of \$1.4 million, which was used primarily for street improvements.

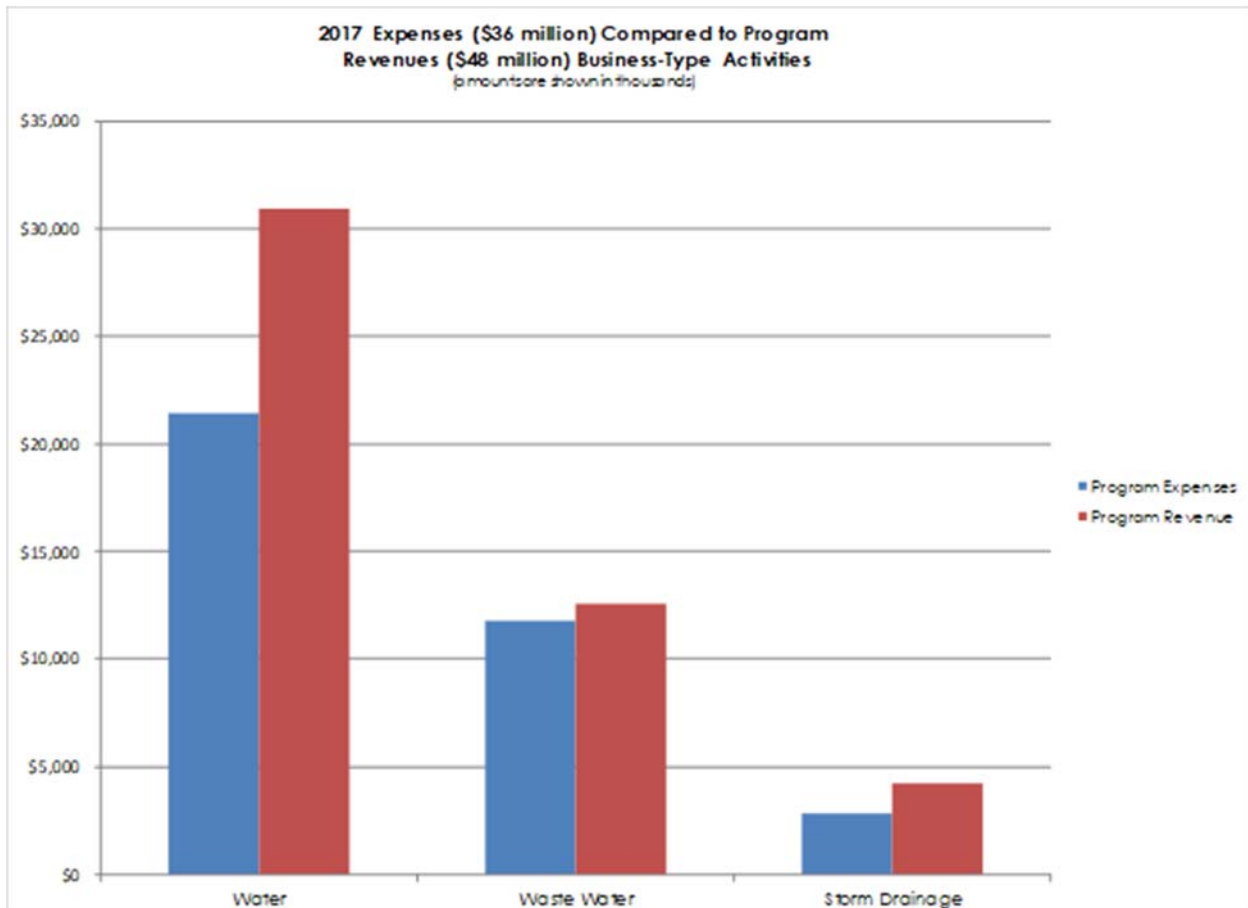
**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Graph 3. Business-Type Activities Revenue Sources



**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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



Business-Type Activities Analysis

Business-Type activities increased the City's net position by \$12.6 million, accounting for 60% of the City's \$21 million increase in net position. Major influences are due to the following:

Charges for services increased by \$3.3 million.

Capital grants and contributions increased by \$8 million.

Utility total expenses increased from 2016 to 2017 by \$6 million, primarily due to capital outlays to improve infrastructure and acquire water rights.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, 2017, the total Governmental fund balances were \$56.8 million, an increase of \$2.5 million compared to the prior year. Fund Balances categories and amounts are: non-spendable fund balances \$0.1 million, restricted fund balances were \$25.8 million, committed fund balances \$23.8 million, assigned fund balances \$3.6 million, unassigned fund balances \$3.4 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, 2017, the total fund balance was \$20 million, which was an increase of \$0.9 million from 2016. Total General Fund revenue decreased \$1.8 million (4.9%), from 2016. Tax revenue of \$24 million was 70% of the total General Fund revenue and decreased \$4 million (14%) from the prior year.

General Fund expenditures increased from 2016 by \$2.4 million (8%). The major changes are as follows: Parks and Recreation increased \$1.0 million, General Government increased \$0.5 million, Public Safety increased \$0.3 million and Streets and Fleet increased \$0.3 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 \$2.2 million (23%) below 2016 amounts, due to non-recurring collection of sales tax. Capital project expenditures decreased \$1.5 million over 2016. In 2017, the fund balance increased \$0.8 million.

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

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

(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 decreased \$0.7 million, due to non-recurring collection of sales tax (10.1% from the prior year). Capital project expenditures increased \$1.9 million (48%) from 2016. The fund balance for the Parks and Recreation Capital Improvement Fund decreased \$0.7 million from 2016 to 2017.

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 2017, revenues were \$1.8 million, an increase of \$1.0 million (130% from the prior year). The ending fund balance increased \$1.4 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 2017 consisted of interest earnings of \$953. Consequently, the ending fund balance decreased \$5,047 from the prior year to \$51,133.

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 \$34,314 or 16.3% from the prior year. The fund balance increased \$58,310 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 2017, expenditures exceeded revenues by \$90,328. Revenues increased approximately \$100,000 from the prior year, and expenditures decreased by approximately \$8,700 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 2017, expenditures totaled \$57,630.

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 \$329,380 and expenditures totaled \$271,157.

The *Cemetery Perpetual Care Fund* was created in 1975 by City Council ordinance. A fee is collected when a cemetery plot is sold and the revenues are placed in this fund. In 2017, \$53,845 was received in perpetual care fees, and \$11,068 was received in investment income, resulting in an ending fund balance of \$1,612,750.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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 \$12.6 million from 2016 and ended the year with a combined net position of \$176 million. The combined unrestricted net position is \$65.5 million at year-end, which includes collections of plant investment fees for future appropriation of capital outlay due to growth requirements of the system.

The *Water Fund* was created to account for the charges for water provided to customers and the associated costs. In 2017, charges for services totaled \$14.2 million, an increase of \$2.6 million from 2016. This increase was primarily due to implementation of a municipal water and waste water fee. In addition, non-recurring sales of water for fracking occurred in 2017. Operating expenditures totaled \$14 million, which was an increase of \$0.6 million from 2016. The water fund net position totaled \$116 million, an increase of \$10 million from 2016. Unrestricted net position is \$42.6 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 2017, charges for services totaled \$7.4 million, an increase of \$0.6 million over 2016 and operating expenditures totaled \$9.8 million, an increase of \$4.6 million over the prior year. The increase in expenditures was primarily attributable to repair of the waste water collection system. The Waste Water fund net position totaled \$40.3 million, an increase of \$1 million from 2016.

The *Storm Drainage Fund* was created to account for storm drainage charges and the associated costs. In 2017, charges for services totaled \$0.7 million, an increase of \$0.1 million from 2016. After expenditures of \$1.8 million, the storm drainage net position increased approximately \$1.5 million.

The *Benefits Fund-Internal Service Fund* was created in 2013 to account for designated employee benefits provided to all departments of the City. During 2017 the fund received \$4.2 million from other City funds as premium charges, received \$0.7 million from insurance reinsurance proceeds, and incurred claims and other fees. After investment earnings, the fund balance was increased by \$825,733. The fund net position totaled \$1.8 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 net position totaled \$0.3 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues totaled \$35 million, a decrease of \$2 million from 2016. This represents a positive variance from budget of \$0.5 million. The revenue variance was primarily due to higher than projected revenues from sales taxes (an additional \$0.7 million). Other revenue categories had both positive and negative variances from budget, resulting in a net positive variance of \$0.5 million.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

General Fund expenditures totaled \$32.7 million, an increase of \$2.4 million from 2016. The variance between actual expenditures and the final budget amounted to approximately \$2.2 million in unspent appropriations. The largest budget variance is due to professional services to update the Land Development Code that started in 2017 and extended into 2018. The remaining variance was evenly spread across all departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets for the governmental and business-type activities amount to \$266 million (net of accumulated depreciation) at December 31, 2017. This was an increase of \$14 million from 2016. 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 26,293	\$ 22,513	\$ 7,886	\$ 7,203	\$ 34,179	\$ 29,716
Water Rights	2,036	2,036	19,834	18,072	21,870	20,108
Wastewater Connection Fees	-	-	11,804	10,884	11,804	10,884
Construction in Progress	5,198	10,106	9,320	6,158	14,518	16,264
Infrastructure	53,921	47,262	78,983	78,393	132,904	125,655
Buildings and Improvements	34,640	34,849	8,231	8,251	42,871	43,100
Machinery and Equipment	4,844	3,146	2,472	2,379	7,316	5,525
Other Assets	351	356	18	88	369	444
Total Capital Assets	<u>\$ 127,283</u>	<u>\$ 120,268</u>	<u>\$ 138,548</u>	<u>\$ 131,428</u>	<u>\$ 265,831</u>	<u>\$ 251,696</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 56.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Long-term Debt

As of December 31, 2017, the City had total debt outstanding of \$62.5 million (bonds, certificates of participation, and compensated absence payable.) This was a decrease of \$.8 million. The 2017 capital lease funded six heavy duty snowplow trucks. COPs issued in 2016 funded energy performance capital projects in the City. Of this long-term debt amount \$26.2 million represents bonds secured by specified revenue sources (i.e. revenue bonds) for water and waste water projects. \$24.7 million represents debt primarily secured by the new facilities being financed by 2010 certificates of participation.

Outstanding Debt

December 31

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
2016 Revenue Bonds	\$ -		\$ 26,185	\$ 27,270	\$ 26,185	\$ 27,270
Bond Premium	-	-	1,189	1,313	1,189	1,313
2010 Certificates of Participation	24,685	25,515	-	-	24,685	25,515
2016 Certificates of Participation	5,887	6,124	828	851	6,715	6,975
2017 Capital Lease	1,608	-	-	-	1,608	-
COP Premium	112	118	-	-	112	118
Net Pension Liability	350					
Compensated Absences	1,825	1,910	201	172	2,026	2,082
Total Outstanding Debt	\$ 34,467	\$ 33,667	\$ 28,403	\$ 29,606	\$ 62,520	\$ 63,273

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 58.

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 303-655-2000.



Basic Financial Statements



CITY OF BRIGHTON, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and Investments	\$ 56,853,688	\$ 66,715,417	\$ 123,569,105	\$ 2,092,803
Restricted Cash and Investments	1,719,140	-	1,719,140	1,901,274
Accounts Receivable	1,545,812	2,259,639	3,805,451	6,706
Taxes Receivable	6,645,522	-	6,645,522	4,501,817
Grants Receivable	139,176	-	139,176	-
Inventories	126,825	70,493	197,318	-
Prepays	171,134	878	172,012	-
Notes Receivable	2,510,000	-	2,510,000	-
Property Available for Sale	-	-	-	2,919,825
Capital Assets, Not Being Depreciated	33,526,664	48,843,493	82,370,157	-
Capital Assets, Net of Accumulated Depreciation	93,756,613	89,704,582	183,461,195	4,029,820
Total Assets	196,994,574	207,594,502	404,589,076	15,452,245
DEFERRED OUTFLOW OF RESOURCES				
Items Related to Pension Plan	412,154	-	412,154	-
Deferred Charge on Refunding	64,800	-	64,800	236,035
	476,954	-	476,954	236,035
LIABILITIES				
Accounts Payable	2,404,783	2,093,462	4,498,245	16,299
Retainage Payable	263,309	-	263,309	-
Accrued Wages Payable	786,331	139,199	925,530	7,444
Accrued Interest Payable	186,925	90,080	277,005	54,310
Accrued Liabilities	363,474	-	363,474	1,172,156
Deposits and Escrows	1,771,397	973,845	2,745,242	6,813
Noncurrent Liabilities				
Debt Due Within One Year	2,816,526	1,328,901	4,145,427	785,520
Debt Due In More Than One Year	31,650,830	27,106,302	58,757,132	10,765,174
Total Liabilities	40,243,575	31,731,789	71,975,364	12,807,716
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue--Property Taxes	2,701,800	-	2,701,800	4,502,800
Total Deferred Inflows of Resources	2,701,800	-	2,701,800	4,502,800
NET POSITION				
Net Investment in Capital Assets	94,990,545	110,313,895	205,304,440	4,029,820
Restricted For				
Emergencies - TABOR	1,505,585	-	1,505,585	-
Capital Outlay	24,026,364	-	24,026,364	-
Debt Service	-	-	-	1,003,787
Other Purposes	1,043,055	-	1,043,055	931,677
Unrestricted	32,960,604	65,548,818	98,509,422	(3,557,700)
Total Net Position	\$ 154,526,153	\$ 175,862,713	\$ 330,388,866	\$ (1,622,236)

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, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT						
Governmental Activities						
General Government	\$ 11,550,453	\$ 1,465,201	\$ 918,578	\$ 2,874,120	\$ (6,292,554)	\$ (6,292,554)
Public Safety	12,642,407	207,887	886,157	138,797	(11,409,566)	(11,409,566)
Streets & Fleet	11,869,389	1,121,105	2,970,179	6,657,010	(1,121,095)	(1,121,095)
Parks and Recreation	9,295,458	2,245,107	577,588	3,039,173	(3,433,590)	(3,433,590)
Cemetery	514,582	411,724	4,850	-	(98,008)	(98,008)
Community Development	2,406,770	1,353,342	3,025	-	(1,050,403)	(1,050,403)
Interest on Long-Term Debt	1,908,596	-	-	-	(1,908,596)	(1,908,596)
Total Governmental Activities	50,187,655	6,804,366	5,360,377	12,709,100	(25,313,812)	(25,313,812)
Business-Type Activities						
Water	13,980,164	14,261,147	-	9,320,770	-	9,601,753
Waste Water	9,836,646	7,435,416	-	3,272,786	-	871,556
Storm Drainage	1,777,697	732,814	-	2,487,379	-	1,442,496
Total Business-Type Activities	25,594,507	22,429,377	-	15,080,935	-	11,915,805
Total Primary Government	75,782,162	29,233,743	5,360,377	27,790,035	(25,313,812)	(13,398,007)
COMPONENT UNITS						
Brighton Urban Renewal Authority	4,357,976	80,201	-	64,701	-	-
Brighton Cultural Arts Commission	97,485	355	93,388	-	-	-
Total Component Units	\$ 4,455,461	\$ 80,556	\$ 93,388	\$ 64,701	-	-
GENERAL REVENUES						
Sales Taxes				25,135,693	-	25,135,693
Use Taxes				4,044,246	-	4,044,246
Property Taxes				2,366,747	-	2,366,747
Franchise Taxes				1,575,803	-	1,575,803
Other Taxes				59,872	-	59,872
Investment Earnings				522,187	431,045	953,232
Miscellaneous				5,007	223,113	228,120
Total General Revenues				33,709,555	654,158	34,363,713
Change in Net Position				8,395,743	12,569,963	20,965,706
Net Position--January 1				146,130,410	163,292,750	309,423,160
Net Position--December 31				\$ 154,526,153	\$ 175,862,713	\$ 330,388,866
						\$ (1,622,236)

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

CITY OF BRIGHTON, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	PARKS AND RECREATION CAPITAL IMPROVEMENT FUND	IMPACT FEES FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Investments	\$ 19,155,260	\$ 15,388,307	\$ 8,078,533	\$ 8,466,962	\$ 3,899,994	\$ 54,989,056
Restricted Cash and Investments	-	1,710,131	9,009	-	-	1,719,140
Accounts Receivable	472,548	249,489	390,984	-	36,868	1,149,889
Taxes Receivable	5,182,728	1,009,030	430,647	-	23,117	6,645,522
Grants Receivable	75,535	299	63,342	-	-	139,176
Prepays	148,362	750	1,125	-	-	150,237
Total Assets	\$ 25,034,433	\$ 18,358,006	\$ 8,973,640	\$ 8,466,962	\$ 3,959,979	\$ 64,793,020
LIABILITIES						
Accounts Payable	\$ 825,832	\$ 1,338,936	\$ 143,315	\$ -	\$ 88,675	\$ 2,396,758
Retainage Payable	1,000	243,855	12,954	-	5,500	263,309
Accrued Wages Payable	778,079	-	-	-	8,252	786,331
Accrued Liabilities	78,130	-	3,144	-	-	81,274
Deposits and Escrows	652,384	709,214	3,329	331,220	75,250	1,771,397
Total Liabilities	2,335,425	2,292,005	162,742	331,220	177,677	5,299,069
DEFERRED INFLOWS OF RESOURCES						
Unearned Revenue-Property Taxes	2,701,800	-	-	-	-	2,701,800
Total Deferred Inflows of Resources	2,701,800	-	-	-	-	2,701,800
FUND BALANCES						
Nonspendable	148,362	-	-	-	-	148,362
Restricted	1,496,145	13,446,420	8,810,898	-	2,036,899	25,790,362
Committed	11,315,070	2,619,581	-	8,135,742	1,745,403	23,815,796
Assigned	3,629,771	-	-	-	-	3,629,771
Unassigned	3,407,860	-	-	-	-	3,407,860
Total Fund Balances	19,997,208	16,066,001	8,810,898	8,135,742	3,782,302	56,792,151
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,034,433	\$ 18,358,006	\$ 8,973,640	\$ 8,466,962	\$ 3,959,979	\$ 64,793,020

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, 2017

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

Total fund balances - governmental funds		\$ 56,792,151
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	225,036,492	
Less: accumulated depreciation	<u>(97,753,215)</u>	127,283,277
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in the fund statements.		
Note Receivable		2,510,000
Deferred inflow of resources are not financial resources and, therefore, are not reported in the governmental funds.		
Items Related to Pension Plan		412,153
Deferred charge on refunding net of amortization		64,800
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	32,292,731	
Accrued interest on certificates of participation and bonds	<u>186,925</u>	(32,479,656)
Accrued compensated absences are not due and payable from current financial resources and, therefore, are not reported in the governmental funds.		
		(1,825,280)
Net Pension Liability		(349,344)
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>2,118,052</u>
Net position--governmental activities		<u><u>\$ 154,526,153</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, 2017

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	PARKS AND RECREATION CAPITAL IMPROVEMENT FUND	IMPACT FEES FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 24,426,522	\$ 4,901,158	\$ 3,420,646	\$ -	\$ 325,230	\$ 33,073,556
Licenses and Permits	1,052,924	-	-	-	-	1,052,924
Intergovernmental	2,823,167	2,072,220	2,799,700	-	357,763	8,052,850
Charges for Services	2,254,785	-	-	1,715,103	357,614	4,327,502
Fines and Forfeitures	437,226	-	-	-	-	437,226
Investment Earnings	257,253	102,644	62,634	62,671	27,448	512,650
Miscellaneous	3,783,402	191,929	166,764	-	58,262	4,200,357
Total Revenues	35,035,279	7,267,951	6,449,744	1,777,774	1,126,317	51,657,065
EXPENDITURES						
Current						
General Government	10,548,687	-	-	-	271,157	10,819,844
Public Safety	10,544,329	-	-	-	-	10,544,329
Streets and Fleet	3,387,022	-	-	-	57,630	3,444,652
Parks and Recreation	6,134,011	-	-	-	-	6,134,011
Cemetery	-	-	-	-	453,524	453,524
Community Development	2,125,751	-	-	310,640	-	2,436,391
Debt Service						
Principal	-	977,034	120,308	-	-	1,097,342
Interest and Fiscal Charges	-	716,351	1,042,323	-	-	1,758,674
Capital Outlay	-	7,779,330	6,028,710	-	303,222	14,111,262
Total Expenditures	32,739,800	9,472,715	7,191,341	310,640	1,085,533	50,800,029
Excess of Revenues Over Expenditures	2,295,479	(2,204,764)	(741,597)	1,467,134	40,784	857,036
OTHER FINANCING SOURCES (USES)						
Capital Lease Proceeds	-	1,608,264	-	-	-	1,608,264
Grants to Other Agencies	-	(164,833)	-	-	-	(164,833)
Developer Contributions	-	102,108	-	-	-	102,108
Transfers In	114,805	1,500,000	-	-	-	1,614,805
Transfers Out	(1,500,000)	-	-	-	(6,000)	(1,506,000)
Total Other Financing Sources (Uses)	(1,385,195)	3,045,539	-	-	(6,000)	1,654,344
Net Change in Fund Balances	910,284	840,775	(741,597)	1,467,134	34,784	2,511,380
Fund Balances--January 1	19,086,924	15,225,226	9,552,495	6,668,608	3,747,518	54,280,771
Fund Balances--December 31	\$ 19,997,208	\$ 16,066,001	\$ 8,810,898	\$ 8,135,742	\$ 3,782,302	\$ 56,792,151

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, 2017

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

Net change in fund balances--total governmental funds		\$ 2,511,380
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.		903,653
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	9,060,850	
Developer contributions	6,705,883	
Depreciation	<u>(8,751,433)</u>	7,015,300
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	(1,608,264)	
Pension	<u>(1,499,501)</u>	(3,107,765)
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		1,066,341
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	84,377	
Change in accrued interest	(57,891)	
Accretion of bond premium	6,256	
Amortization of deferred charge on refunding	<u>(25,908)</u>	6,834
Change in net position--governmental activities		<u><u>\$ 8,395,743</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, 2017

	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	\$ 42,879,244	\$ 17,398,738	\$ 6,437,435	\$ 66,715,417	\$ 1,864,632
Accounts Receivable	1,266,982	850,374	142,283	2,259,639	395,923
Inventories	70,493	-	-	70,493	126,825
Prepays	-	878	-	878	20,897
Total Current Assets	<u>44,216,719</u>	<u>18,249,990</u>	<u>6,579,718</u>	<u>69,046,427</u>	<u>2,408,277</u>
Noncurrent Assets					
Capital Assets					
Land and Water Rights	26,906,778	130,079	682,473	27,719,330	-
Wastewater Connection Fees	-	11,804,408	-	11,804,408	-
Building and Improvements	19,518,729	10,740,393	685,817	30,944,939	-
Collection and Distribution Systems	90,880,281	29,445,312	21,649,088	141,974,681	-
Machinery and Equipment	3,224,883	2,334,834	132,985	5,692,702	-
Less Accumulated Depreciation	(53,432,721)	(25,930,233)	(9,544,785)	(88,907,739)	-
Construction in Progress	8,160,427	998,705	160,623	9,319,755	-
Total Noncurrent Assets	<u>95,258,377</u>	<u>29,523,498</u>	<u>13,766,200</u>	<u>138,548,075</u>	<u>-</u>
Total Assets	<u>139,475,096</u>	<u>47,773,488</u>	<u>20,345,918</u>	<u>207,594,502</u>	<u>2,408,277</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	1,194,657	426,936	471,869	2,093,462	8,025
Accrued Wages Payable	77,541	56,453	5,205	139,199	-
Accrued Interest Payable	69,621	20,459	-	90,080	-
Deposits and Escrows	115,677	455,941	402,227	973,845	-
Estimated Claims Incurred but not Reported	-	-	-	-	282,200
Compensated Absences, Current Portion	110,424	77,324	4,684	192,432	-
Bonds Payable, Current Portion	917,051	219,418	-	1,136,469	-
Total Current Liabilities	<u>2,484,971</u>	<u>1,256,531</u>	<u>883,985</u>	<u>4,625,487</u>	<u>290,225</u>
Noncurrent Liabilities					
Compensated Absences	-	8,591	-	8,591	-
Bonds Payable	20,975,741	6,121,970	-	27,097,711	-
Total Noncurrent Liabilities	<u>20,975,741</u>	<u>6,130,561</u>	<u>-</u>	<u>27,106,302</u>	<u>-</u>
Total Liabilities	<u>23,460,712</u>	<u>7,387,092</u>	<u>883,985</u>	<u>31,731,789</u>	<u>290,225</u>
NET POSITION					
Net Investment in Capital Assets	73,365,585	23,182,110	13,766,200	110,313,895	-
Unrestricted	42,648,799	17,204,286	5,695,733	65,548,818	2,118,052
Total Net Position	<u>\$116,014,384</u>	<u>\$ 40,386,396</u>	<u>\$ 19,461,933</u>	<u>\$175,862,713</u>	<u>\$ 2,118,052</u>

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, 2017

	BUSINESS-TYPE ACTIVITIES				GOVERNMENT AL ACTIVITIES
	WATER FUND	WASTE WATER FUND	STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Charges For Services	\$ 14,186,208	\$ 7,435,416	\$ 732,814	\$ 22,354,438	\$ 4,692,968
Tap Fees	74,939	-	-	\$ 74,939	-
Miscellaneous	128,872	28,845	65,396	223,113	717,154
Total Operating Revenues	14,390,019	7,464,261	798,210	22,652,490	5,410,122
OPERATING EXPENSES					
Operations	7,812,425	3,392,900	623,213	11,828,538	780,853
Administration	556,933	484,372	126,937	1,168,242	-
Insurance Claims	-	-	-	-	3,193,457
Insurance Premiums	-	-	-	-	614,804
Depreciation	4,259,613	1,467,842	881,555	6,609,010	-
Total Operating Expenses	12,628,971	5,345,114	1,631,705	19,605,790	4,589,114
Operating Income (Loss)	1,761,048	2,119,147	(833,495)	3,046,700	821,008
NONOPERATING REVENUES (EXPENSES)					
Plant Investment Fees	6,705,270	1,579,850	844,796	9,129,916	-
Developer Contributions	2,615,500	1,692,936	1,642,583	5,951,019	-
Investment Earnings	271,072	115,183	44,790	431,045	9,537
Interest Expense	(737,491)	(233,076)	-	(970,567)	-
Total Nonoperating Revenues (Expenses)	8,854,351	3,154,893	2,532,169	14,541,413	9,537
Income (Loss) Before Capital Contributions and Transfers	10,615,399	5,274,040	1,698,674	17,588,113	830,545
CAPITAL EXPENSES	(613,702)	(4,258,456)	(145,992)	(5,018,150)	73,108
Change in Net Position	10,001,697	1,015,584	1,552,682	12,569,963	903,653
Net Position--January 1	106,012,687	39,370,812	17,909,251	163,292,750	1,214,399
Net Position--December 31	\$116,014,384	\$ 40,386,396	\$ 19,461,933	\$175,862,713	\$ 2,118,052

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

CITY OF BRIGHTON, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	WASTE WATER FUND	STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts From Customers	\$ 13,597,040	\$ 7,804,289	\$ 823,153	22,224,482	\$ 4,353,554
Other Receipts	203,811	28,845	65,396	298,052	717,154
Payments to Suppliers and Service Providers	(6,226,355)	(1,702,000)	(115,581)	(8,043,936)	(4,706,408)
Payments to Employees For Salaries and Benefits	(2,383,546)	(2,050,649)	(189,583)	(4,623,778)	-
Net Cash Provided By (Used in) Operating Activities	5,190,950	4,080,485	583,385	9,854,820	364,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Plant Investment Fees	6,705,270	1,579,850	844,796	9,129,916	-
Acquisition and Construction of Capital Assets	(8,075,550)	(2,644,267)	(1,196,180)	(11,915,997)	73,108
Funding Energy Performance Contract Assets	40,135	-	-	-	-
Metro Taps Purchased	-	(920,804)	-	(880,669)	-
Principal Paid on Capital Debt	(884,678)	(216,635)	-	(1,101,313)	-
Interest Paid on Capital Debt	(800,576)	(243,248)	-	(1,043,824)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	(3,015,399)	(2,445,104)	(351,384)	(5,811,887)	73,108
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Earnings	271,072	115,183	44,790	431,045	9,537
Net Cash Provided By Investing Activities	271,072	115,183	44,790	431,045	9,537
Net Increase in Cash and Cash Equivalents	2,446,623	1,750,564	276,791	4,473,978	446,945
Cash and Cash Equivalents--January 1	40,432,621	15,648,174	6,160,644	62,241,439	1,417,687
Cash and Cash Equivalents--December 31	<u>\$ 42,879,244</u>	<u>\$ 17,398,738</u>	<u>\$ 6,437,435</u>	<u>\$ 66,715,417</u>	<u>\$ 1,864,632</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (Loss)	\$ 1,761,048	\$ 2,119,147	\$ (833,495)	\$ 3,046,700	\$ 821,008
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:					
Depreciation Expense	4,259,613	1,467,842	881,555	6,609,010	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(596,168)	68,309	(41,456)	(569,315)	(339,414)
(Increase) in Inventories	(70,493)	-	-	(70,493)	(2,379)
Decrease in Prepaid Items	1,123	6,426	-	7,549	(20,897)
(Decrease) Increase in Accounts Payable	(204,431)	112,956	438,994	347,519	(94,018)
(Decrease) Increase in Retainage Payable	-	-	-	-	-
(Decrease) Increase in Accrued Wages Payable	13,034	(2,892)	5,205	15,347	-
Increase in Estimated Claims Incurred but not Reported	-	-	-	-	-
(Decrease) Increase in Compensated Absences	20,224	8,133	787	29,144	-
(Decrease) Increase in Deposits and Escrows	7,000	300,564	131,795	439,359	-
Total Adjustments	3,429,902	1,961,338	1,416,880	6,808,120	(456,708)
Net Cash Provided by Operating Activities	<u>\$ 5,190,950</u>	<u>\$ 4,080,485</u>	<u>\$ 583,385</u>	<u>\$ 9,854,820</u>	<u>\$ 364,300</u>
Non-Cash Transactions:					
Capital Assets Contributed by Developers	<u>\$ 2,615,500</u>	<u>\$ 1,692,936</u>	<u>\$ 259,592</u>	<u>\$ 4,568,028</u>	<u>\$ -</u>

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

This Page Intentionally Left Blank



Notes to the Basic Financial Statements



CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 that 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, 2017

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 non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange 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 based on 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 that 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, 2017

- 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 that 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 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).

Prepaids – 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.

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 has two items that qualify for reporting in this category. These are (1) the “Deferred Charge on Refunding” reported in the government-wide statement of net position and (2) the “Items Related to Pension Plan” as required by GASB 68.

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. The total deferred outflows result from the difference between actual and expected experience, the net difference between projected and actual investment earnings on pension plan investments, and the changes in assumptions.

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, 2017

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 – On January 17, 2017, the City Council adopted Resolution No. 2017-09, Exhibit C. Governmental Fund Balance Policy, which sets guidelines addressing the appropriate level of fund balance to mitigate current and future risks. Through this policy, the Council will oversee the process by which the City will manage for revenue volatility, maintain adequate liquidity, manage and mitigate financial market risk, ensure stable tax rates, and anticipate City commitments and assignments. 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.

In 2017, the City continued "Emergency and General Fund Stabilization Reserves" as defined by Resolution No. 2010-88 adopted on July 20, 2010. This City Council adopted resolution established an Emergency Reserve and General Fund Stabilization Reserves, 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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 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 2017, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$1,482,115. The City is not allowed to use the emergency reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

COMPLIANCE

In 2017, there were no fund expenditures exceeding appropriated amounts for the primary government.

NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2017, is as follows:

	<u>AMOUNT</u>
Petty Cash	\$ 5,620
Cash Deposits	41,316,510
Investments	87,960,192
Total	<u><u>\$ 129,282,322</u></u>

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

	<u>AMOUNT</u>
Cash and Investments--Governmental Activities	\$ 56,853,688
Restricted Cash -Governmental Activities	1,719,140
Cash and Investments--Business-Type Activities	66,715,417
Cash and Investments--Component Units	2,092,803
Restricted Cash --Brighton Urban Renewal Authority	1,901,274
Total	<u><u>\$ 129,282,322</u></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 2017 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

At December 31, 2017, the City and Component Units' cash deposits had a carrying value of \$41,316,510 and a bank balance of \$40,242,613. Of the bank balances totaling \$40,242,613, \$505,148 was covered by FDIC insurance with the balance being covered by PDPA.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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. The City's investment policy permits investments in the following type of obligations, which corresponds with state statutes:

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Minimum Rating Requirements
U.S. Treasuries	100%	100%	5 years	N/A
U.S. Agencies and Instrumentalities	100%	100%	5 years	AA- by 2 NRSROs
Municipal Bonds of a Colorado Issuer	35%*	5%*	5 years	A- by 2 NRSROs
Municipal Bonds of a Non-Colorado Issuer	35%*	5%*	5 years	AA- by 2 NRSROs
Municipal Bonds, School District Certificates of Participation	35%*	5%*	5 years	A- by 2 NRSROs
Municipal Bonds, Short-Term	35%*	5%*	5 years	A-1 or MIG 1 by 1 NRSRO
Municipal Bonds, Pre-Refunded	35%*	5%	5 years	AA+ by 1 NRSRO
Corporate Bonds	35%	5%	3 years	AA-/Aa3 or A1/P1/F1 by 2 NRSROs
Commercial Paper	35%	5%	270 days	AA-/Aa3 or A1/P1/F1 by 2 NRSROs
Time Deposit/CD	5%	2%	1 year	30+
Negotiable CDs	35%	5%	3 Years	AA-/Aa3 or A1/P1/F1 by 2 NRSROs
Banker Acceptances	35%	5%	180 days	AA-/Aa3 or A1/P1/F1 by 2 NRSROs
Repurchase Agreements	50%	10%	180 days	N/A
Local Government Investment Pools	100%	50%	N/A	AAAm or the equivalent by 1 NRSRO
Money Market Funds	100%	50%	N/A	AAAm or the equivalent by 1 NRSRO

NRSRO—Nationally Recognized Statistical Rating Organization.

*The aggregate exposure to municipal bonds may not exceed 35% of the Portfolio, and no more than 5% of the Portfolio may be invested with a single issuer.

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Fair Value Measurement - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 Quoted prices for identical investments in active markets;
- Level 2 Observable inputs other than quoted market prices; and,
- Level 3 Unobservable inputs.

Hierarchy. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

- U.S. Treasury Securities—Institutional Bond Quotes—evaluations based on various market and industry inputs.
- Supra National Agency Bonds—Evaluations based on various market factors.
- Bank and Corporate Notes—Evaluations based on various market factors.
- U.S. Agency Securities--Institutional Bond Quotes—evaluations based on various market and industry inputs.
- Certificates of Deposit—Market prices.
- Municipal Bonds—Evaluations based on various market and industry inputs.

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 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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017, the City's investments securities were held by the counterparty (broker), in the City's name.

Local Government Investment Pools - At December 31, 2017, the City had \$1,047,673 and \$5,979,505 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, 2017, BURA had restricted cash of \$1,901,274 restricted for debt service.

The City and its component units had the following investments at December 31, 2017:

INVESTMENT TYPE	S&P RATING	FAIR VALUE	INVESTMENT MATURITIES		Fair Value Measurement
			LESS THAN ONE YEAR	FROM ONE TO FIVE YEARS	
Measured at Fair Value					
U.S. Treasury Securities	AA+	26,580,247	3,464,855	22,834,364	Level 1
Supra National Agency Bond	AAA	9,398,162	494,248	8,903,915	Level 2
Bank Note	AA-	958,520		958,520	Level 2
U.S. Agency Securities	AA+	12,343,889	1,018,009	11,325,880	Level 2
Certificate of Deposit	A+ to A-1	11,525,677	5,262,620	6,263,057	Level 2
Municipal Bond	A+ to AAA	5,967,815	1,352,720	4,615,095	Level 2
Corporate Notes	A to AA+	14,135,267	3,965,439	10,216,176	Level 2
Measured at Net Asset Value					
Colotrust	AAAm	1,047,673	1,047,673	-	N/A
CSIP	AAAm	23,437	23,437	-	N/A
Measured at Amortized Cost					
Csafe	AAAm	5,979,505	5,979,505	-	N/A
Total		\$ 87,960,192	\$ 22,608,506	\$ 65,117,007	
Percent of Total			26%	74%	

The City has no assets reported at fair value on a nonrecurring basis and no other investment meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 is summarized, as follows:

	<u>BALANCE</u> <u>12/31/16</u>		<u>ADDITIONS</u>		<u>DELETIONS</u>		<u>BALANCE</u> <u>12/31/17</u>
GOVERNMENTAL ACTIVITIES							
Capital Assets, Not Being Depreciated							
Land	\$22,513,087	\$	3,779,540	\$	-		\$26,292,627
Water rights	2,036,050		-		-		2,036,050
Construction in Progress	10,106,377		3,179,059		(8,087,449)		5,197,987
Total Capital Assets, Not Being Depreciated	<u>34,655,514</u>		<u>6,958,599</u>		<u>(8,087,449)</u>		<u>33,526,664</u>
Capital Assets, Being Depreciated							
Building and Improvements	87,558,464		4,277,813	-	(939,697)		\$90,896,580
Infrastructure	74,648,343		9,821,816	-	-		84,470,159
Other Assets	732,108		123,577	-	(11,380)		844,305
Machinery and Equipment	13,084,879		2,785,927		(572,022)		15,298,784
Total Capital Assets, Being Depreciated	<u>176,023,794</u>		<u>17,009,133</u>		<u>(1,523,099)</u>		<u>191,509,828</u>
Less Accumulated Depreciation							
Building and Improvements	(52,709,689)		842,446		(4,389,131)		(56,256,374)
Infrastructure	(27,386,654)		-		(3,161,945)		(30,548,599)
Other Assets	(376,339)		7,316		(123,950)		(492,973)
Machinery and Equipment	(9,938,649)		559,788		(1,076,408)		(10,455,269)
Total Accumulated Depreciation	<u>(90,411,331)</u>		<u>1,409,550</u>	-	<u>(8,751,434)</u>		<u>(97,753,215)</u>
Total Capital Assets, Being Depreciated, Net	<u>85,612,463</u>		<u>18,418,683</u>		<u>(10,274,533)</u>		<u>93,756,613</u>
Governmental Activities Capital Assets, Net	<u>\$ 120,267,977</u>	\$	<u>25,377,282</u>	\$	<u>(18,361,982)</u>	\$	<u>127,283,277</u>

This Space is Intentionally Left Blank.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

	<u>BALANCE</u> <u>12/31/16</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/17</u>
<u>BUSINESS -TYPE ACTIVITIES</u>				
Capital Assets, Not Being Depreciated				
Land	\$ 7,203,159	\$ 682,473	-	\$ 7,885,632
Water Rights	18,071,830	1,761,868	-	19,833,698
Wastewater Connection Fees	10,883,604	920,804	-	11,804,408
Construction in Progress	6,157,768	6,081,928	(2,919,941)	9,319,755
Total Capital Assets, Not Being Depreciated	<u>42,316,361</u>	<u>9,447,073</u>	<u>(2,919,941)</u>	<u>48,843,493</u>
Capital Assets, Being Depreciated				
Building and Improvements	30,180,924	764,015	-	30,944,939
Collection and Distribution Systems	136,063,750	5,910,930	-	141,974,680
Machinery and Equipment	4,980,598	527,460	(31,657)	5,476,401
Other Assets	216,300	-	-	216,300
Total Capital Assets, Being Depreciated	<u>171,441,572</u>	<u>7,202,405</u>	<u>(31,657)</u>	<u>178,612,320</u>
Less Accumulated Depreciation				
Building and Improvements	(21,929,387)	-	(784,936)	(22,714,323)
Collection and Distribution Systems	(57,670,526)	-	(5,320,619)	(62,991,145)
Machinery and Equipment	(2,601,953)	31,657	(434,070)	(3,004,366)
Other Assets	(128,519)	-	(69,385)	(197,904)
Total Accumulated Depreciation	<u>(82,330,385)</u>	<u>31,657</u>	<u>(6,609,010)</u>	<u>(88,907,738)</u>
Total Capital Assets, Being Depreciated, Net	<u>89,111,187</u>	<u>7,234,062</u>	<u>(6,640,667)</u>	<u>89,704,582</u>
Business-Type Activities Capital Assets, Net	<u>\$ 131,427,548</u>	<u>\$ 16,681,135</u>	<u>\$ (9,560,608)</u>	<u>\$ 138,548,075</u>

	<u>BALANCE</u> <u>12/31/16</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/17</u>
<u>BRIGHTON URBAN RENEWAL AUTHORITY</u>				
Capital Assets, Being Depreciated				
Building and Improvements	\$ 5,599,815	\$ -	\$ -	5,599,815
Machinery and Equipment	91,315	-	-	91,315
Total Capital Assets, Being Depreciated	<u>5,691,130</u>	<u>-</u>	<u>-</u>	<u>5,691,130</u>
Less Accumulated Depreciation				
Building and Improvements	(1,381,107)	-	(228,528)	(1,609,635)
Machinery and Equipment	(45,198)	-	(6,477)	(51,675)
Total Accumulated Depreciation	<u>(1,426,305)</u>	<u>-</u>	<u>(235,005)</u>	<u>(1,661,310)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,264,825</u>	<u>-</u>	<u>(235,005)</u>	<u>4,029,820</u>
BURA Activities Capital Assets, Net	<u>\$ 4,264,825</u>	<u>\$ -</u>	<u>\$ (235,005)</u>	<u>\$ 4,029,820</u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Depreciation expense was charged to functions/programs of the Primary Government as follows:

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>
General Government	\$ 710,603	\$ -
Public Safety	524,827	-
Streets and Fleet	5,253,116	-
Eagle View Adult Center	281,001	-
Recreation Center	291,607	-
Parks	1,647,811	-
Cemetery	37,217	-
Community Development	5,251	-
Water	-	4,259,613
Wastewater	-	1,467,842
Storm Drainage	-	881,555
Total Depreciation Expense	<u>\$ 8,751,433</u>	<u>\$ 6,609,010</u>

LONG-TERM DEBT TRANSACTIONS - GOVERNMENTAL ACTIVITIES

	<u>BALANCE</u> <u>12/31/16</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2010 Certificates of Participation	25,515,000	-	830,000	24,685,000	855,000
2016 Certificates of Participation	6,123,715	40,898	277,236	5,887,378	370,237
Debt Premium	118,346	-	6,256	112,090	6,256
2017 Capital Lease	-	1,608,264	-	1,608,264	216,073
Net Pension Liability	-	349,344	-	349,344	-
Compensated Absences	1,909,657	1,189,339	1,273,716	1,825,280	1,368,960
Total	<u>\$33,666,718</u>	<u>\$ 3,187,845</u>	<u>\$ 2,387,208</u>	<u>\$34,467,356</u>	<u>\$ 2,816,526</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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

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, 2017 was \$0.

Annual debt service requirements for the outstanding 2010 COPs Certificates of Participation at December 31, 2017, were as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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 - 2027	5,855,000	5,903,303	11,758,303
2028 - 2032	7,995,000	3,763,020	11,758,020
2033 - 2035	6,205,000	855,900	7,060,900
Total	<u>\$ 24,685,000</u>	<u>\$ 17,655,148</u>	<u>\$ 42,340,148</u>

2016 Certificates of Participation

During March 2016, the City issued \$7,000,000 Certificates of Participation (COP), 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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

COPs are structured as lease purchase agreements. These agreements allow 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%.

The 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>
2018	85,872	53,686	139,558
2019	87,970	51,587	139,557
2020	90,121	49,436	139,557
2021	92,325	47,233	139,558
2022	94,581	44,976	139,557
2023 - 2027	664,426	188,104	852,530
2028 - 2031	1,115,358	61,841	1,177,199
Total	<u><u>\$ 2,230,653</u></u>	<u><u>\$ 496,864</u></u>	<u><u>\$ 2,727,517</u></u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Parks & 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,	Principal	Interest	Total
2018	45,640	28,534	74,174
2019	46,756	27,418	74,174
2020	47,899	26,275	74,174
2021	49,070	25,104	74,174
2022	50,269	23,904	74,174
2023 - 2027	353,139	99,976	453,115
2028 - 2031	592,806	32,868	625,675
Total	<u>\$ 1,185,580</u>	<u>\$ 264,080</u>	<u>\$ 1,449,660</u>

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 2026 are as follows:

Year Ended December 31,	Principal	Interest	Total
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 - 2026	1,124,663	86,151	1,210,814
Total	<u>\$ 2,336,309</u>	<u>\$ 388,023</u>	<u>\$ 2,724,332</u>

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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

2017 Master Equipment Lease Purchase Agreement (Capital Lease)

The Master Equipment Lease Purchase Agreement (MELPA) is a tax-exempt lease-purchase program used by the City to finance capital equipment. The City entered into the Master Lease Agreement, as of December 8, 2017 with Signature Public Funding Corp.

The interest rate for the lease is 2.09%. Annual debt service requirements for the outstanding MELPA for the years ending December 31, 2018 through 2024 are as follows:

Year Ended December 31,	Interest	Principal	Total
2018	32,021	216,072	248,093
2019	27,953	220,140	248,093
2020	23,327	224,766	248,093
2021	18,605	229,488	248,093
2022	13,784	234,309	248,093
2023 - 2024	12,696	483,490	496,186
Total	<u>\$128,386</u>	<u>\$1,608,265</u>	<u>\$1,736,651</u>

LONG TERM DEBT TRANSACTIONS - BUSINESS-TYPE ACTIVITIES

	<u>BALANCE</u> <u>12/31/16</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2016 Revenue Bonds	27,270,000	-	1,085,000	26,185,000	\$ 1,100,000
2016 Certificates of Participation	859,231	-	31,313	827,918	\$ 36,469
Bond Premium	1,249,424	-	60,213	1,189,211	60,213
Compensated Absences	171,880	214,757	185,614	201,023	192,432
Total	<u>\$29,550,535</u>	<u>\$ 214,757</u>	<u>\$ 1,362,140</u>	<u>\$28,403,152</u>	<u>\$ 1,389,114</u>

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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.

Annual debt service requirements for the outstanding 2017 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,	Principal	Interest	Total
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 - 2027	4,925,000	2,923,662	7,848,662
2028 - 2032	5,040,000	1,830,250	6,870,250
2033 - 2037	5,440,000	572,700	6,012,700
Total	<u>\$ 20,075,000</u>	<u>\$ 8,830,700</u>	<u>\$ 28,905,700</u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

Annual debt service requirements for the outstanding 2017 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,	Principal	Interest	Total
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 - 2027	1,345,000	865,700	2,210,700
2028 - 2032	1,645,000	567,900	2,212,900
2033 - 2037	1,990,000	206,000	2,196,000
Total	\$ 6,110,000	\$ 2,741,000	\$ 8,851,000

2016A 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 projects (EPC). Further details are discussed in the “Long-Term Debt Transactions—Governmental Activities” section.

ECP projects funded by the Water Fund were: 1) “Utility Water Shop” communicating thermostats to control HVAC, 2) “Reverse Osmosis Plant” heat recovery unit, 3) “Greensand Plant” weather-stripping, 3) Water Wells energy efficient pumping system, and 5) “North Booster Pump Station” jockey pump installation.

ECP projects funded by the Wastewater Fund were “Wastewater Treatment Facility”, including: 1) communicating thermostats to control HVAC, 2) lighting, and 3) weather-stripping.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Year Ended December 31,	Principal	Interest	Total
2018	32,051	20,038	52,089
2019	32,834	19,254	52,088
2020	33,637	18,452	52,088
2021	34,459	17,629	52,088
2022	35,301	16,787	52,088
2023 - 2027	247,990	70,208	318,198
2028 - 2031	416,295	23,082	439,377
Total	<u>\$ 832,568</u>	<u>\$ 185,449</u>	<u>\$ 1,018,017</u>

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

Year Ended December 31,	Principal	Interest	Total
2018	4,418	2,762	7,180
2019	4,526	2,654	7,180
2020	4,637	2,543	7,180
2021	4,750	2,430	7,180
2022	4,866	2,314	7,180
2023 - 2027	34,183	9,677	7,180
2028 - 2031	13,830	1,311	15,141
Total	<u>\$ 114,762</u>	<u>\$ 25,562</u>	<u>\$ 140,324</u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

LONG TERM DEBT TRANSACTIONS - COMPONENT UNIT, BURA

	<u>BALANCE</u> <u>12/31/16</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCE</u> <u>12/31/17</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2015A Revenue Bonds	9,765,000	-	745,000	9,020,000	770,000
Loan Payable--City of Brighton	2,510,000	-	-	2,510,000	-
Loan Payable--BHA	23,101	-	23,101	-	-
Compensated Absences	24,411	7,010	10,727	20,694	20,694
Total	<u>\$ 12,322,512</u>	<u>\$ 7,010</u>	<u>\$ 778,828</u>	<u>\$11,550,694</u>	<u>\$ 790,694</u>

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. 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.

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.

Annual debt service requirements for the outstanding Brighton Urban Renewal Authority Revenue Bonds at December 31, 2017 are as follows:

Year Ended December 31,	Principal	Interest	Total
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 - 2027	4,900,000	526,225	5,426,225
Total	<u>\$ 9,020,000</u>	<u>\$ 1,825,950</u>	<u>\$ 10,845,950</u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017, BURA paid \$23,101 on the loan, resulting in zero outstanding balance.

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

The following represents these classifications and the purposes for which the amounts can be spent as of December 31, 2017.

<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>						
Prepays	\$ 148,362	\$ -	\$ -	\$ -	\$ -	\$ 148,362
Total Nonspendable	148,362	-	-	-	-	148,362
<u>Restricted</u>						
Voter Approved TABOR	982,194	284,181	215,740	-	-	1,482,115
Denver Airport Agreement	496,000	-	-	-	-	496,000
Voter Approved TABOR:						
Cemetery	-	-	-	-	13,606	13,606
Highway	-	-	-	-	1,729	1,729
Lodging	-	-	-	-	8,135	8,135
Voter Approved Sales Tax	-	7,230,539	8,595,158	-	-	15,825,697
Voter Approved Lodging Tax	-	-	-	-	547,055	547,055
Enabling Legislation Lottery	-	-	-	-	593,506	593,506
Voter approved Adams County						
Road and Bridge Sales Tax	-	6,659,487	-	-	-	6,659,487
PEG Channel Franchise Fees	-	74,806	-	-	-	74,806
Colorado Department of						
Transportation Highway Fees	-	-	-	-	872,868	872,868
Total Restricted	1,478,194	14,249,013	8,810,898	-	2,036,899	26,575,004
<u>Committed</u>						
City Council Ordinances or Resolutions						
Committed to 2018 Budget	2,393,549	-	-	-	-	2,393,549
Impact Fees Fund--Capital Outla	-	-	-	8,102,654	-	8,102,654
Impact Fees Fund--Agreements	17,951	-	-	33,088	-	51,039
Cemetery Fund	-	-	-	-	81,520	81,520
Landscaping Fund	-	-	-	-	51,133	51,133
Cemetery Perpetual Care Fund	-	-	-	-	1,612,750	1,612,750
Food Sales Tax	134,000	-	-	-	-	134,000
Committed Emergency Reserve	5,859,519	1,816,988	-	-	-	7,676,507
Committed Stabilization Reserve	2,928,002	-	-	-	-	2,928,002
	11,333,021	1,816,988	-	8,135,742	1,745,403	23,031,154
<u>Assigned</u>						
Oil & Gas Revenues Reserved For						
Specific Projects	3,629,771	-	-	-	-	3,629,771
<u>Unassigned</u>	3,407,860	-	-	-	-	3,407,860
Total	\$ 19,997,208	\$ 16,066,001	\$ 8,810,898	\$ 8,135,742	\$ 3,782,302	\$ 56,792,151

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

INTERFUND TRANSACTIONS

The composition of interfund transfers as of December 31, 2017 is as follows:

<u>TRANSFERS IN FUND</u>	<u>TRANSFERS OUT FUND</u>	<u>AMOUNT</u>
General	Landscaping	\$ 6,000
Capital Improvement	General	1,500,000
General	Brighton Urban Renewal Authority	108,805
Total		<u>\$1,614,805</u>

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 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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017.

	<u>2017</u>
Estimated unpaid claims, January 1	\$ 282,200
Incurred Claims	2,501,976
Claims Payments	<u>(2,501,976)</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.

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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 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 9.5 percent and 8 percent. Respectively, of base salary for a total contribution rate of 17.5 percent in 2017. 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 financial statements are recognized in the period in which they are due.

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

At December 31, 2017, the City reported a net pension liability of \$349,344 for its proportional share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

projected contributions of all participating entities, actuarially determined. At December 31, 2016, the City's proportion was 0.92 percent, which was the same proportion measured as of December 31, 2015.

At December 31, 2017, 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 Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>dr</u>	<u>(cr)</u>	<u>dr</u>	<u>(cr)</u>
Difference Expected and Actual Experience	-	(282)	-	-
Change in Assumptions	-	(851)	-	-
Difference Projected and Actual Investment Earnings	-	(1,182,233)	-	-
Proportion Change, Net Current Year Layer	6,355	-	-	-
Expected and Actual Experience Difference	-	-	19,219	-
Employer contributions in 2016		(383,230)	-	-
Employer contributions in 2017	407,130	-	-	-

\$407,130 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, 2017. 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:

2018	\$342,528
2019	342,528
2020	322,062
2021	131,053
2022	60,217
Thereafter	\$205,909

Actuarial Assumptions

The January 1, 2016 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2016. 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
Long-term investment Rate of Return *	7.50%
Projected Salary Increases *	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.5%

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

The collective total pension liability as of December 31, 2016 is based upon the January 1, 2017 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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	36.00%	9.25%
Equity Long/Short	10.00%	7.35%
Illiquid Alternatives	23.00%	10.75%
Fixed Income	15.00%	4.10%
Absolute Return	10.00%	6.55%
Managed Futures	4.00%	5.50%
Cash	2.00%	0.00%
Total	<u>100.00%</u>	

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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	2,828,457	332,431	(1,740,640)

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%.

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

<u>YEAR</u> <u>ENDED</u> <u>DECEMBER</u> <u>31,</u>	<u>DEFINED BENEFIT PLAN</u> <u>REQUIRED CONTRIBUTIONS</u>		<u>MONEY PURCHASE PLAN</u> <u>REQUIRED CONTRIBUTIONS</u>		<u>DEFERRED 457 PLAN</u> <u>REQUIRED CONTRIBUTIONS</u>	
	<u>CITY</u>	<u>EMPLOYEES</u>	<u>CITY</u>	<u>EMPLOYEES</u>	<u>CITY</u>	<u>EMPLOYEES</u>
2017	395,604	463,028	-	-	30,683	41,157
2016	355,996	423,962	-	-	27,234	56,049
2015	357,826	357,826	7,890	7,890	23,110	23,110

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.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 2017, 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, 2017, the City and employee contributions were \$1,378,797 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.

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 May 17, 2017, the City of Brighton sold improved real property located in the County of Adams, State of Colorado at the address 575 Bush Street, Brighton, Colorado to the Brighton Housing Authority. The sale price was \$75,000 and did not convey mineral rights, any water well permits, or any groundwater rights.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5. PENDING GASB PRONOUNCEMENTS

As of December 31, 2017, The GASB had issued several statements not yet required to be implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, issued in June 2015, will be effective for the City beginning with its fiscal year ending December 31, 2018. The Statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust of OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of their governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 84, Fiduciary Activities, issued February 2017, will be effective for the City beginning with its fiscal year ending December 31, 2019. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) Pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 85, Omnibus, issued March 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. This Statement is designed to address the proactive issues

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits).

GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for the lease terminations any modifications, sales-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, issued March 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date of contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreement related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

Management, if applicable to the City, intends to adopt these Statements by the required date and will modify and expand its financial statements and disclosures accordingly.

This Page Intentionally Left Blank



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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Sales	\$ 16,113,218	\$ 16,113,218	\$ 16,850,538	\$ 737,320
Use	4,097,637	4,097,637	4,044,246	(53,391)
Property	2,270,743	2,270,743	2,257,942	(12,801)
Franchise	1,301,518	1,301,518	1,241,952	(59,566)
Other	38,220	38,220	31,844	(6,376)
Total Taxes	<u>23,821,336</u>	<u>23,821,336</u>	<u>24,426,522</u>	<u>605,186</u>
Licenses and Permits	1,095,848	1,095,848	1,052,924	(42,924)
Intergovernmental	2,626,445	3,103,205	2,823,167	(280,038)
Charges for Services	697,626	697,626	751,369	53,743
Charges for Services - Recreation Center	1,495,000	1,495,000	1,503,416	8,416
Fines and Forfeitures	425,000	425,000	437,226	12,226
Investment Earnings	205,000	205,000	257,253	52,253
Miscellaneous	1,068,041	1,100,491	3,783,402	2,682,911
Total Revenues	<u>31,434,296</u>	<u>31,943,506</u>	<u>35,035,279</u>	<u>3,091,773</u>
EXPENDITURES				
General Government				
General Services	198,124	365,899	252,453	113,446
Historic City Hall	51,000	58,000	65,321	(7,321)
City Council	568,236	568,236	474,699	93,537
Municipal Court	467,023	582,448	579,331	3,117
City Manager	398,495	743,495	568,651	174,844
Asst City Manager Development	291,712	291,712	276,000	15,712
Asst City Manager Operations	217,934	217,934	241,830	(23,896)
Human Resources	745,555	775,555	630,115	145,440
Finance	1,628,980	1,631,863	1,616,199	15,664
City Clerk	324,873	324,873	311,742	13,131
Facilities Maintenance	1,702,282	1,695,282	1,506,652	188,630
Legal	616,922	524,000	470,329	53,671
Youth Resource Program	256,727	348,916	375,295	(26,379)
Special Events	345,290	374,095	352,511	21,584
Information Systems	1,672,595	1,758,082	1,793,326	(35,244)
Arts & Culture	103,448	110,611	108,423	2,188
Public Information Office	417,020	417,020	423,479	(6,459)
Economic Development	496,091	496,091	502,331	(6,240)
Total General Government	<u>10,502,307</u>	<u>11,284,112</u>	<u>10,548,687</u>	<u>735,425</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, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
(Continued)				
Public Safety				
Police Crime Control	7,613,065	7,613,508	7,554,817	58,691
Police Support Services	1,929,594	1,843,664	1,822,173	21,491
Animal Control	220,656	220,656	227,567	(6,911)
Victims Services	393,912	469,481	510,711	(41,230)
Emergency Management	150,136	150,136	165,190	(15,054)
Code Enforcement	263,758	263,758	238,273	25,485
Police Grants and Contracts	-	137,065	25,598	111,467
Total Public Safety	<u>10,571,121</u>	<u>10,698,268</u>	<u>10,544,329</u>	<u>153,939</u>
Streets and Fleet				
Administration	696,214	799,814	616,077	183,737
Streets	2,329,980	2,494,880	2,369,007	125,873
Fleet	<u>423,711</u>	<u>423,711</u>	<u>401,938</u>	<u>21,773</u>
Total Streets and Fleet	<u>3,449,905</u>	<u>3,718,405</u>	<u>3,387,022</u>	<u>331,383</u>
Parks and Recreation				
Eagle View Adult Center	489,696	489,696	482,355	7,341
Recreation Center	2,968,729	2,968,729	2,921,853	46,876
Parks	2,147,556	2,150,416	2,223,040	(72,624)
Parks and Recreation - Administration	560,187	590,187	506,763	83,424
Total Parks and Recreation	<u>6,166,168</u>	<u>6,199,028</u>	<u>6,134,011</u>	<u>65,017</u>
Community Development				
Community Development Administration	828,802	849,802	488,884	360,918
Building Inspection	516,638	531,638	750,201	(218,563)
Planning and Zoning	863,847	1,120,547	682,134	438,413
Historic Preservation	75,669	124,869	35,367	89,502
Engineering	<u>231,830</u>	<u>405,280</u>	<u>169,165</u>	<u>236,115</u>
Total Community Development	<u>2,516,786</u>	<u>3,032,136</u>	<u>2,125,751</u>	<u>906,385</u>
Total Expenditures	<u>33,206,287</u>	<u>34,931,949</u>	<u>32,739,800</u>	<u>2,192,149</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(1,771,991)</u>	<u>(2,988,443)</u>	<u>2,295,479</u>	<u>5,283,922</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	148,000	148,000	114,805	(33,195)
Transfers Out	<u>(193,210)</u>	<u>(1,693,210)</u>	<u>(1,500,000)</u>	<u>193,210</u>
Total Other Financing Sources (Uses)	<u>(45,210)</u>	<u>(1,545,210)</u>	<u>(1,385,195)</u>	<u>160,015</u>
Net Change in Fund Balance	<u>\$ (1,817,201)</u>	<u>\$ (4,533,653)</u>	910,284	<u>\$ 5,443,937</u>
Fund Balance--January 1			<u>19,086,924</u>	
Fund Balance--December 31			<u>\$ 19,997,208</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 575,000	\$ 885,640	\$ 1,715,103	\$ 829,463
Investment Income	60,000	60,000	62,671	2,671
Total Revenues	<u>635,000</u>	<u>945,640</u>	<u>1,777,774</u>	<u>832,134</u>
EXPENDITURES				
Developer Reimbursements	<u>200,000</u>	<u>510,640</u>	<u>310,640</u>	<u>200,000</u>
Total Expenditures	<u>200,000</u>	<u>510,640</u>	<u>310,640</u>	<u>200,000</u>
Excess of Revenues Over Expenditures	<u>435,000</u>	<u>435,000</u>	<u>1,467,134</u>	<u>1,032,134</u>
OTHER FINANCING SOURCES				
Transfers Out	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>3,000,000</u>
Total Other Financing Sources	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>3,000,000</u>
Net Change in Fund Balance	<u><u>\$ (2,565,000)</u></u>	<u><u>\$ (2,565,000)</u></u>	<u>1,467,134</u>	<u><u>\$ 4,032,134</u></u>
Fund Balance--January 1			<u>6,668,608</u>	
Fund Balance--December 31			<u><u>\$ 8,135,742</u></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, 2017

Employer's proportion of the net pension (asset)		0.92%
Employer's proportion of the net pension (asset)	\$	333,079
Employer's covered-employee payroll	\$	4,553,362
Employer's proportion of the net pension (asset) as a percentage of its covered-employee payroll		7.32%
Plan fiduciary net position as a percentage of the total pension liability		98.21%

* 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				
	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 426,287	\$ 383,230	\$ 357,826	\$ 321,048	\$ 296,229
Contributions in relation to the statutorily required contribution	426,287	383,230	357,826	321,048	296,229
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 4,553,362	\$ 4,074,515	\$ 4,067,067	\$ 3,613,646	\$ 3,262,257
Contributions as a percentage of covered- employee payroll	9.36%	9.41%	8.80%	8.88%	9.08%

Notes to the Required Supplementary Information

Changes of assumptions

1. The price inflation assumption was lowered to 2.50% from 3.00%.
2. Effective January 1, 2016, the post-retirement mortality assumption for healthy lives was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for blue collar employees with scale BB.
3. Beginning in 2015, members elected to increase member contribution rated 0.50% annually through 2022 when the contribution rate will reach 12.00%.
4. Employer contribution rates will remain at 8.00%

Changes in benefits--There are no changes in benefits.

*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.

This Page Intentionally Left Blank



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, 2017

	SPECIAL REVENUE FUNDS					PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL
	LANDSCAPING FUND	LOTTERY RESERVE FUND	CEMETERY FUND	HIGHWAY FUND	LODGING TAX FUND		
ASSETS							
Cash and Investments	\$ 106,133	\$ 598,643	\$ 99,246	\$ 890,787	\$ 592,435	\$ 1,612,750	\$ 3,899,994
Accounts Receivable	-	-	36,868	-	-	-	36,868
Taxes Receivable	-	-	-	-	23,117	-	23,117
Total Assets	\$ 106,133	\$ 598,643	\$ 136,114	\$ 890,787	\$ 615,552	\$ 1,612,750	\$ 3,959,979
LIABILITIES							
Accounts Payable	\$ -	\$ 5,137	\$ 7,381	\$ 16,190	\$ 59,967	\$ -	\$ 88,675
Retainage Payable	-	-	5,500	-	-	-	\$ 5,500
Accrued Wages Payable	-	-	7,857	-	395	-	8,252
Deposits and Escrows	55,000	-	20,250	-	-	-	75,250
Total Liabilities	55,000	5,137	40,988	16,190	60,362	-	177,677
FUND BALANCES							
Restricted	-	593,506	13,606	874,597	555,190	-	2,036,899
Committed	51,133	-	81,520	-	-	1,612,750	1,745,403
Total Fund Balances	51,133	593,506	95,126	874,597	555,190	1,612,750	3,782,302
Total Liabilities and Fund Balances	\$ 106,133	\$ 598,643	\$ 136,114	\$ 890,787	\$ 615,552	\$ 1,612,750	\$ 3,959,979

CITY OF BRIGHTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	SPECIAL REVENUE FUNDS					PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LANDSCAPING FUND	LOTTERY RESERVE FUND	CEMETERY FUND	HIGHWAY FUND	LODGING TAX FUND		
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 325,230	\$ -	\$ 325,230
Intergovernmental	-	357,763	-	-	-	-	357,763
Charges for Services	-	-	303,769	-	-	53,845	357,614
Investment Earnings	953	3,769	1,165	6,343	4,150	11,068	27,448
Miscellaneous	-	-	58,262	-	-	-	58,262
Total Revenues	953	361,532	363,196	6,343	329,380	64,913	1,126,317
EXPENDITURES							
Current							
General Government	-	-	-	-	271,157	-	271,157
Streets and Fleet	-	-	-	57,630	-	-	57,630
Cemetery	-	-	453,524	-	-	-	453,524
Capital Outlay	-	303,222	-	-	-	-	303,222
Total Expenditures	-	303,222	453,524	57,630	271,157	-	1,085,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	953	58,310	(90,328)	(51,287)	58,223	64,913	40,784
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(6,000)	-	-	-	-	-	(6,000)
Total Other Financing Sources (Uses)	(6,000)	-	-	-	-	-	(6,000)
Net Change in Fund Balances	(5,047)	58,310	(90,328)	(51,287)	58,223	64,913	34,784
Fund Balances--January 1	56,180	535,196	185,454	925,884	496,967	1,547,837	3,747,518
Fund Balances--December 31	\$ 51,133	\$ 593,506	\$ 95,126	\$ 874,597	\$ 555,190	\$ 1,612,750	\$ 3,782,302

CITY OF BRIGHTON, COLORADO
LANDSCAPING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Earnings	\$ 800	\$ 800	\$ 953	\$ 153
Total Revenues	<u>800</u>	<u>800</u>	<u>953</u>	<u>153</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><u>\$ (5,200)</u></u>	<u><u>\$ (5,200)</u></u>	<u>(5,047)</u>	<u><u>\$ 153</u></u>
 Fund Balance--January 1			<u>56,180</u>	
 Fund Balance--December 31			<u><u>\$ 51,133</u></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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 357,763	\$ 32,763
Investment Earnings	800	800	3,769	2,969
Total Revenues	<u>325,800</u>	<u>325,800</u>	<u>361,532</u>	<u>35,732</u>
EXPENDITURES				
Park Improvements	<u>115,000</u>	<u>542,742</u>	<u>303,222</u>	<u>239,520</u>
Total Expenditures	<u>115,000</u>	<u>542,742</u>	<u>303,222</u>	<u>239,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>210,800</u>	<u>(216,942)</u>	<u>58,310</u>	<u>275,252</u>
Net Change in Fund Balance	<u>\$ 210,800</u>	<u>\$ (216,942)</u>	58,310	<u>\$ 275,252</u>
Fund Balance--January 1			<u>535,196</u>	
Fund Balance--December 31			<u>\$ 593,506</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 251,000	\$ 251,000	\$ 303,769	\$ 52,769
Investment Earnings	1,000	1,000	1,165	165
Miscellaneous	10,500	10,500	58,262	47,762
Total Revenues	<u>262,500</u>	<u>262,500</u>	<u>363,196</u>	<u>100,696</u>
EXPENDITURES				
Salaries and Wages	202,189	202,189	197,099	5,090
Benefits	84,261	84,261	63,997	20,264
Contracted Services	12,000	10,700	11,033	(333)
Supplies and Materials	19,100	19,100	14,610	4,490
Repairs and Maintenance	24,000	33,300	35,449	(2,149)
Travel Expenses	1,100	1,100	42	1,058
Vehicles	15,110	15,110	10,291	4,819
Communication	1,100	1,100	1,122	(22)
Utilities	21,000	21,000	60,892	(39,892)
Printing	2,000	2,000	1,227	773
Miscellaneous	4,850	4,850	2,007	2,843
Capital Outlay	-	63,226	55,755	7,471
Total Expenditures	<u>386,710</u>	<u>457,936</u>	<u>453,524</u>	<u>4,412</u>
Deficiency of Revenues Under Expenditures	(124,210)	(195,436)	(90,328)	105,108
OTHER FINANCING SOURCES				
Transfers In	<u>124,210</u>	<u>124,210</u>	<u>-</u>	<u>(124,210)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (71,226)</u>	<u>(90,328)</u>	<u>\$ (19,102)</u>
Fund Balance--January 1			<u>185,454</u>	
Fund Balance--December 31			<u>\$ 95,126</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Earnings	\$ 4,000	\$ 4,000	\$ 6,343	\$ 2,343
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>6,343</u>	<u>2,343</u>
EXPENDITURES				
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>57,630</u>	<u>2,370</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>57,630</u>	<u>2,370</u>
Deficiency of Revenues Under Expenditures	<u>(56,000)</u>	<u>(56,000)</u>	<u>(51,287)</u>	<u>4,713</u>
Net Change in Fund Balance	<u>\$ (56,000)</u>	<u>\$ (56,000)</u>	(51,287)	<u>\$ 4,713</u>
Fund Balance--January 1			<u>925,884</u>	
Fund Balance--December 31			<u>\$ 874,597</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Lodging Tax	\$ 300,000	\$ 300,000	\$ 325,230	\$ 25,230
Investment Earnings	3,000	3,000	4,150	1,150
Total Revenues	<u>303,000</u>	<u>303,000</u>	<u>329,380</u>	<u>26,380</u>
EXPENDITURES				
Salaries and Wages	23,607	23,607	13,737	9,870
Benefits	5,166	5,166	3,541	1,625
Contracted Services	1,000	1,000	-	1,000
Supplies and Materials	800	800	131	669
Miscellaneous	11,500	11,500	824	10,676
Grants	<u>350,000</u>	<u>350,000</u>	<u>252,924</u>	<u>97,076</u>
Total Expenditures	<u>392,073</u>	<u>392,073</u>	<u>271,157</u>	<u>120,916</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(89,073)</u>	<u>(89,073)</u>	<u>58,223</u>	<u>(147,296)</u>
Net Change in Fund Balance	<u>\$ (89,073)</u>	<u>\$ (89,073)</u>	58,223	<u>\$ (147,296)</u>
Fund Balance--January 1			<u>496,967</u>	
Fund Balance--December 31			<u>\$ 555,190</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, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Charges for Services	\$ 30,000	\$ 30,000	\$ 53,845	\$ 23,845
Investment Earnings	8,000	8,000	11,068	3,068
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>64,913</u>	<u>26,913</u>
 Net Change in Fund Balance	 <u>\$ 38,000</u>	 <u>\$ 38,000</u>	 64,913	 <u>\$ 26,913</u>
 Fund Balance--January 1			 <u>1,547,837</u>	
 Fund Balance--December 31			 <u>\$ 1,612,750</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Sales	\$ 4,737,000	\$ 4,737,000	\$ 4,539,279	\$ (197,721)
Franchise	293,000	293,000	333,851	40,851
Other	28,000	28,000	28,028	28
Total Taxes	5,058,000	5,058,000	4,901,158	(156,842)
Intergovernmental	964,000	964,000	2,072,220	1,108,220
Investment Earnings	57,000	57,000	102,644	45,644
Miscellaneous	16,000	16,000	191,929	175,929
Total Revenues	6,095,000	6,095,000	7,267,951	1,172,951
EXPENDITURES				
Capital Projects				
General Government				
IT-Software	150,000	253,061	195,413	57,648
Other Projects	-	738,717	189,846	548,871
Total General Government	150,000	991,778	385,259	606,519
Public Safety				
Police Building and Other Projects	249,000	140,433	52,490	87,943
Streets and Fleet				
Seal, Coat, & Overlay	-	215,267	169,656	45,611
Bridge/76 Interchange	-	1,324,401	125,304	1,199,097
Traffic Signals	-	757,375	455,452	301,923
40th Ave/Southern Road	500,000	829,470	237,512	591,958
Roadway Repairs	1,150,000	2,731,042	2,524,850	206,192
Other Projects	-	3,678,530	241,281	3,437,249
Total Streets and Fleet	1,650,000	9,536,085	3,754,055	5,782,030
Parks and Recreation				
Hwy 85-Bromley Ln	-	36,776	24,582	12,194
Landscape 1st/Strong Parking Lot	-	66,519	43,563	22,956
Sculpture - Strong Street	-	131,500	43,577	87,923
Veteran's Memorial	-	9,900	4,875	5,025
Total Parks and Recreation	-	244,695	116,597	128,098
Cemetery	41,000	41,000	28,580	12,420
Energy Performance Projects	2,780,617	2,780,617	1,094,404	1,686,213
Total Capital Projects	4,870,617	13,734,608	5,431,385	8,303,223
(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, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
(Continued)				
Equipment				
General Government				
IT Equipment	85,000	153,609	150,300	3,309
Eye for Art Acquisitions	-	36,773	22,005	14,768
Peg KBRI- Channel Room Equipment	25,000	37,441	8,065	29,376
Fiber Network	400,000	400,940	-	400,940
Historic City Hall Equipment	-	16,400	11,525	4,875
Total General Government	<u>510,000</u>	<u>645,163</u>	<u>191,896</u>	<u>453,267</u>
Public Safety				
Police Equipment	200,000	236,368	206,612	29,756
Patrol Car Technology	-	5,293	-	5,293
Total Public Safety	<u>200,000</u>	<u>241,661</u>	<u>206,612</u>	<u>35,049</u>
Streets and Fleet				
Fleet Vehicles	<u>600,000</u>	<u>3,789,728</u>	<u>1,949,437</u>	<u>1,840,291</u>
Parks and Recreation				
Art Sculptures	<u>200,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Equipment	<u>1,510,000</u>	<u>4,701,552</u>	<u>2,347,945</u>	<u>2,353,607</u>
Debt Service				
Principal	977,034	977,034	977,034	-
Interest and Loan Charges	714,851	714,851	714,851	-
Loan Fees	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total Debt Service	<u>1,693,385</u>	<u>1,693,385</u>	<u>1,693,385</u>	<u>-</u>
Total Expenditures	<u>8,074,002</u>	<u>20,129,545</u>	<u>9,472,715</u>	<u>10,656,830</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,979,002)</u>	<u>(14,034,545)</u>	<u>(2,204,764)</u>	<u>11,829,781</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	1,608,264	1,608,264	-
Grants to other agencies	(168,000)	(168,000)	(164,833)	3,167
Developer Contributions	-	-	102,108	102,108
Transfers In	<u>3,068,000</u>	<u>4,568,000</u>	<u>1,500,000</u>	<u>(3,068,000)</u>
Total Other Financing Sources (Uses)	<u>2,900,000</u>	<u>6,008,264</u>	<u>3,045,539</u>	<u>(2,962,725)</u>
Net Change in Fund Balance	<u>\$ 920,998</u>	<u>\$ (8,026,281)</u>	<u>840,775</u>	<u>\$ 8,867,056</u>
Fund Balance--January 1			<u>15,225,226</u>	
Fund Balance--December 31			<u>\$ 16,066,001</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Sales Taxes	\$ 3,189,000	\$ 3,189,000	\$ 3,420,646	\$ 231,646
Intergovernmental	1,943,962	4,353,367	2,799,700	(1,553,667)
Investment Earnings	19,000	19,000	62,634	43,634
Miscellaneous	54,000	54,000	166,764	112,764
Total Revenues	<u>5,205,962</u>	<u>7,615,367</u>	<u>6,449,744</u>	<u>(1,165,623)</u>
Expenditures				
Capital Projects				
Recreation Center Improvements	<u>473,100</u>	<u>630,334</u>	<u>344,206</u>	<u>286,128</u>
Parks				
Bromley/Hishinuma Farm	-	272,368	71,645	200,723
Other Projects	<u>407,000</u>	<u>1,390,099</u>	<u>1,153,065</u>	<u>237,034</u>
Total Parks	<u>407,000</u>	<u>1,662,467</u>	<u>1,224,710</u>	<u>437,757</u>
Open Space				
Open Space Land Acquisitions	1,600,000	1,676,804	3,250	1,673,554
EPC Projects (Sustainability)	-	64,199	53,800	10,399
Other Improvements	<u>301,120</u>	<u>5,738,321</u>	<u>4,291,846</u>	<u>1,446,475</u>
Total Open Space	<u>1,901,120</u>	<u>7,479,324</u>	<u>4,348,896</u>	<u>3,130,428</u>
Total Capital Projects	<u>2,781,220</u>	<u>9,772,125</u>	<u>5,917,812</u>	<u>3,854,313</u>
Capital Equipment	95,900	132,510	110,898	21,612
Debt Service				
Principal	130,202	130,202	120,308	9,894
Interest	<u>1,053,725</u>	<u>1,053,725</u>	<u>1,042,323</u>	<u>11,402</u>
Total Expenditures	<u>4,061,047</u>	<u>11,088,562</u>	<u>7,191,341</u>	<u>3,897,221</u>
Excess of Revenues Over Expenditures	1,144,915	(3,473,195)	(741,597)	2,731,598
OTHER FINANCING SOURCES				
Transfers Out	-	(31,100)	-	31,100
	<u>-</u>	<u>(31,100)</u>	<u>-</u>	<u>31,100</u>
Net Change in Fund Balance	<u>\$ 1,144,915</u>	<u>\$ (3,504,295)</u>	(741,597)	<u>\$ 2,762,698</u>
Fund Balance--January 1			<u>9,552,495</u>	
Fund Balance-December 31			<u>\$ 8,810,898</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 11,988,993	\$ 11,988,993	\$ 14,186,208	\$ 2,197,215
Tap Fees	40,880	40,880	74,939	34,059
Plant Investment Fees	2,555,000	2,555,000	6,705,270	4,150,270
Grants	825,971	825,971	-	(825,971)
Investment Earnings	270,000	270,000	271,072	1,072
Developer Contributions	-	-	2,615,500	2,615,500
Miscellaneous	136,640	136,640	128,872	(7,768)
Total Revenues	<u>15,817,484</u>	<u>15,817,484</u>	<u>23,981,861</u>	<u>8,164,377</u>
EXPENSES				
Programs (fund level of budgetary control)				
Water Treatment Plant	5,274,979	5,293,529	5,228,942	64,587
Water Resources	1,440,872	1,611,612	1,344,621	266,991
Distribution	797,459	816,084	591,418	224,666
Administration	543,001	543,001	556,933	(13,932)
Engineering	304,257	304,257	246,212	58,045
Utility Billing	473,392	473,392	392,443	80,949
Utility Assistance Fund	10,000	10,000	8,789	1,211
Principal Paid Long Term Debt	870,000	884,001	884,678	(677)
Interest Paid and Fees	780,850	799,510	800,576	(1,066)
Budget Reserves	100,000	100,000	-	100,000
Total Program Expenses	<u>10,594,810</u>	<u>10,835,386</u>	<u>10,054,612</u>	<u>780,774</u>
Projects (project level of budgetary control)				
Water Treatment Plant	5,550,000	23,806,449	124,523	23,681,926
Ken Mitchell Cell 1 Upgrades	-	57,191	38,520	18,671
Storage Tank Structural Repair	6,280,000	6,874,008	401,855	6,472,153
Distribution Line Replacement	-	1,087,219	33,892	1,053,327
148th Ave Augmentation	-	130,070	33,690	96,380
South Platte Reservoir Upgrades	8,200,000	10,994,957	3,257,987	7,736,970
Water Meters	320,000	1,385,682	975,140	410,542
Ken Mitchell 2015 Flood Damage	-	597,682	162,739	434,943
Beebe Draw Well Field Capacity Upgrades	-	1,700,000	-	1,700,000
Distribution Line Purchase and Install	2,600,000	3,600,000	360,698	3,239,302
EPC (Sustainability)	-	402,493	167,378	235,115
Water Master Plan	50,000	81,278	11,706	69,572
Utilities Heavy Equipment Vehicles	-	62,010	61,632	378
Water Acquisition	1,663,200	1,663,200	1,761,868	(98,668)
Other Projects	914,300	4,233,858	683,922	3,549,936
Total Projects	<u>25,577,500</u>	<u>56,676,097</u>	<u>8,075,550</u>	<u>48,600,547</u>
Total Expenses	<u>36,172,310</u>	<u>67,511,483</u>	<u>18,130,162</u>	<u>49,381,321</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenses Before Reconciling Items	<u>\$ (20,354,826)</u>	<u>\$ (51,693,999)</u>	5,851,699	<u>\$ 57,545,698</u>
ADJUSTMENTS TO US GAAP BASIS				
Capitalized Assets			7,461,848	
Principal Paid Long Term Debt			884,678	
Bond Premium Amortization				
and Interest Accrued			63,085	
Depreciation			<u>(4,259,613)</u>	
Change in Net Position, GAAP Basis			10,001,697	
Net Position--January 1			<u>106,012,687</u>	
Net Position--December 31			<u>\$ 116,014,384</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 6,712,216	\$ 6,712,216	\$ 7,435,416	\$ 723,200
Plant Investment Fees	306,600	306,600	1,579,850	1,273,250
Investment Earnings	120,000	120,000	115,183	(4,817)
Developer Contributions	-	-	1,692,936	1,692,936
Miscellaneous	12,500	12,500	28,845	16,345
Total Revenues	<u>7,151,316</u>	<u>7,151,316</u>	<u>10,852,230</u>	<u>3,700,914</u>
EXPENSES				
Programs (fund level of budgetary control)				
Waste Water Treatment Plant	2,477,980	2,507,100	2,049,623	457,477
Waste Water Collections	707,238	711,393	686,496	24,897
Administration	531,345	531,345	484,372	46,973
Engineering	147,587	147,587	252,062	(104,475)
Utility Billing	382,741	382,741	404,719	(21,978)
Principal	216,256	216,256	216,635	(379)
Interest Expense and Fees	243,297	243,297	243,248	49
Total Program Expenses	<u>4,706,444</u>	<u>4,739,719</u>	<u>4,337,155</u>	<u>402,564</u>
Projects (project level of budgetary control)				
Collections Line Rehabilitation	25,000	3,233,472	1,665,253	1,568,219
South Platte River Interconnect Line	-	793,804	770,821	22,983
Manhole Rehabilitation	50,000	622,237	-	622,237
Wastewater Treatment Plant	275,500	490,402	44,688	445,714
Regional Interceptor Tie-in	-	191,746	120,768	70,978
Wastewater Master Planning	25,000	158,394	24,472	133,922
Budget Reserves	100,000	100,000	-	100,000
Other Projects	817,500	1,014,281	18,265	996,016
Total Project Expenses	<u>1,293,000</u>	<u>6,604,336</u>	<u>2,644,267</u>	<u>3,960,069</u>
Total Expenses	<u>5,999,444</u>	<u>11,344,055</u>	<u>6,981,422</u>	<u>4,362,633</u>
Excess (Deficiency) of Revenues Over (Under) Expenses Before Reconciling Items	<u>\$ 1,151,872</u>	<u>\$ (4,192,739)</u>	3,870,808	<u>\$ 8,063,547</u>
ADJUSTMENTS TO US GAAP BASIS				
Capitalized Assets			1,841,721	
Principal Paid			216,635	
Bond Premium Amortization and Interest Accrued			10,172	
Depreciation			(1,467,842)	
Collection Line Rehabilitation			(2,535,106)	
Metro Taps Purchased			(920,804)	
Change in Net Position, GAAP Basis			<u>1,015,584</u>	
Net Position--January 1			<u>39,370,812</u>	
Net Position--December 31			<u>\$ 40,386,396</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 627,709	\$ 627,709	\$ 732,814	\$ 105,105
Plant Investment Fees	450,000	450,000	844,796	394,796
Grant Revenue	-	-	65,396	65,396
Earnings on Investment	30,000	30,000	44,790	14,790
Developer Contributions	-	-	1,642,583	1,642,583
Total Revenues	<u>1,107,709</u>	<u>1,107,709</u>	<u>3,330,379</u>	<u>2,222,670</u>
EXPENSES				
Programs (fund level of budgetary control)				
Operations	1,826,910	2,867,670	623,213	2,244,457
Administration	127,453	244,051	126,937	117,114
Budget Reserves	100,000	100,000	-	100,000
Total Program Expenses	<u>2,054,363</u>	<u>3,211,721</u>	<u>750,150</u>	<u>2,461,571</u>
Projects (project level of budgetary control)				
Weld County Master Plan	-	46,502	19,094	27,408
Storm Line Replacement	950,000	1,050,000	309,871	740,129
Local District Improvements	131,000	971,760	754,771	216,989
Stormwater Master Plan	20,000	85,429	8,721	76,708
Storm Line Upgrades	-	100,000	-	100,000
2016 Utilities Rate Study	5,000	9,668	655	9,013
Hwy 85 & Veterans Park	421,000	421,000	103,068	317,932
Total Projects	<u>1,527,000</u>	<u>2,684,359</u>	<u>1,196,180</u>	<u>1,170,247</u>
Total Expenses	<u>3,581,363</u>	<u>5,896,080</u>	<u>1,946,330</u>	<u>3,631,818</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenses Before Reconciling Items	<u>\$ (2,473,654)</u>	<u>\$ (4,788,371)</u>	1,384,049	<u>\$ 5,854,488</u>
ADJUSTMENTS TO US GAAP BASIS				
Depreciation			(881,555)	
Capitalized Assets			<u>1,050,188</u>	
Change in Net Position, GAAP Basis			1,552,682	
Net Position--January 1			<u>17,909,251</u>	
Net Position--December 31			<u>\$ 19,461,933</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, 2017

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL
CURRENT ASSETS			
Cash and Investments	\$ 1,722,923	\$ 141,709	\$ 1,864,632
Accounts Receivable	389,341	6,582	395,923
Inventories	-	126,825	126,825
Prepaid Expenses	20,897	-	20,897
Total Current Assets	<u>2,133,161</u>	<u>275,116</u>	<u>2,408,277</u>
LIABILITIES			
Accounts Payable	2,334	5,691	8,025
Estimated Claims Incurred but not Reported	<u>282,200</u>	<u>-</u>	<u>282,200</u>
Total Liabilities	<u>284,534</u>	<u>5,691</u>	<u>290,225</u>
NET POSITION			
Unrestricted	1,848,627	269,425	2,118,052
Total Net Position	<u>\$ 1,848,627</u>	<u>\$ 269,425</u>	<u>\$ 2,118,052</u>

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 4,206,407	\$ 486,561	\$ 4,692,968
Miscellaneous	717,154	-	717,154
Total Operating Revenues	<u>4,923,561</u>	<u>486,561</u>	<u>5,410,122</u>
OPERATING EXPENSES			
Insurance Claims	3,193,457	-	3,193,457
Insurance Premiums	614,804	-	614,804
Professional Services	298,567	-	298,567
Vehicle Repairs	-	278,203	278,203
Vehicle Fuel	-	204,083	204,083
Total Operating Expenses	<u>4,106,828</u>	<u>482,286</u>	<u>4,589,114</u>
Operating Income (Loss)	816,733	4,275	821,008
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	9,000	537	9,537
Sale of Assets	-	124,200	124,200
Capital Outlay	-	(51,092)	(51,092)
Nonoperating Income	<u>9,000</u>	<u>73,645</u>	<u>82,645</u>
Change in Net Position	<u>825,733</u>	<u>77,920</u>	<u>903,653</u>
Net Position--January 1	<u>1,022,894</u>	<u>191,505</u>	<u>1,214,399</u>
Net Postion--December 31	<u><u>\$ 1,848,627</u></u>	<u><u>\$ 269,425</u></u>	<u><u>\$ 2,118,052</u></u>

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 3,872,136	481,418	\$ 4,353,554
Other Receipts	717,154	-	717,154
Payments to Suppliers and Service Providers	<u>(4,188,749)</u>	<u>(517,659)</u>	<u>(4,706,408)</u>
Net Cash Provided By (Used in) Operating Activities	<u>400,541</u>	<u>(36,241)</u>	<u>364,300</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Assets	-	73,108	73,108
Investment Earnings	<u>9,000</u>	<u>537</u>	<u>9,537</u>
Net Cash Provided By Investing Activities	<u>9,000</u>	<u>73,645</u>	<u>82,645</u>
 Net Increase in Cash and Cash Equivalents	 409,541	 37,404	 446,945
 Cash and Cash Equivalents--January 1	 <u>1,313,382</u>	 <u>104,305</u>	 <u>1,417,687</u>
Cash and Cash Equivalents--December 31	<u>\$ 1,722,923</u>	<u>\$ 141,709</u>	<u>\$ 1,864,632</u>
 Reconciliation of operating income (loss) to net cash provided by operating activities:			
 Operating Income (Loss)	 \$ 816,733	 \$ 4,275	 \$ 821,008
 Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
(Increase)Decrease in Accounts Receivable	(334,271)	(5,143)	(339,414)
(Increase) in Inventories	-	(2,379)	(2,379)
(increase) in Prepaids	(20,897)	-	(20,897)
(Decrease) in Accounts Payable	<u>(61,024)</u>	<u>(32,994)</u>	<u>(94,018)</u>
Total Adjustments	<u>(416,192)</u>	<u>(40,516)</u>	<u>(456,708)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 400,541</u>	<u>\$ (36,241)</u>	<u>\$ 364,300</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING REVENUES				
Charges for Services	\$ 3,981,000	\$ 3,981,000	\$ 4,206,407	\$ 225,407
Miscellaneous	375,000	375,000	717,154	342,154
Total Operating Revenues	<u>4,356,000</u>	<u>4,356,000</u>	<u>4,923,561</u>	<u>567,561</u>
OPERATING EXPENSES				
Insurance Claims	3,505,000	3,505,000	3,193,457	311,543
Insurance Premiums	825,000	825,000	614,804	210,196
Professional Services	262,000	262,000	298,567	(36,567)
Total Operating Expenses	<u>4,592,000</u>	<u>4,592,000</u>	<u>4,106,828</u>	<u>485,172</u>
Operating Income	<u>(236,000)</u>	<u>(236,000)</u>	<u>816,733</u>	<u>1,052,733</u>
NONOPERATING REVENUES				
Investment Earnings	5,000	5,000	9,000	4,000
Total Nonoperating Revenues	<u>5,000</u>	<u>5,000</u>	<u>9,000</u>	<u>4,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ (231,000)</u>	<u>\$ (231,000)</u>	<u>825,733</u>	<u>\$ 1,056,733</u>
Net Position--January 1			<u>1,022,894</u>	
Net Position--December 31			<u>\$ 1,848,627</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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING REVENUES				
Charges for Services	\$ 533,000	\$ 533,000	\$ 486,561	\$ (46,439)
Total Operating Revenues	<u>533,000</u>	<u>533,000</u>	<u>486,561</u>	<u>(46,439)</u>
OPERATING EXPENSES				
Administration	10,000	10,000	-	10,000
Vehicle Repairs	200,000	200,000	278,203	(78,203)
Vehicle Fuel	320,000	320,000	204,083	115,917
Total Operating Expenses	<u>530,000</u>	<u>530,000</u>	<u>482,286</u>	<u>47,714</u>
Operating Income	<u>3,000</u>	<u>3,000</u>	<u>4,275</u>	<u>(94,153)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	-	-	537	537
Sale of Assets	40,000	40,000	124,200	84,200
Capital Outlay	-	(52,000)	(51,092)	(908)
Nonoperating Income	<u>40,000</u>	<u>(12,000)</u>	<u>73,645</u>	<u>83,829</u>
Income (Loss) Before Transfers	<u>43,000</u>	<u>(9,000)</u>	<u>77,920</u>	<u>(10,324)</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ 43,000</u>	<u>\$ (9,000)</u>	<u>77,920</u>	<u>\$ (10,324)</u>
Net Position--January 1			<u>191,505</u>	
Net Position--December 31			<u>\$ 269,425</u>	

CITY OF BRIGHTON, COLORADO
COMPONENT UNITS
BALANCE SHEET
DECEMBER 31, 2017

	BRIGHTON URBAN RENEWAL AUTHORITY	BRIGHTON CULTURAL ARTS COMMISSION	TOTAL
ASSETS			
Cash and Investments	\$ 1,962,019	\$ 130,784	\$ 2,092,803
Restricted Cash and Investments	1,901,274	-	1,901,274
Accounts Receivable	2,547	4,159	6,706
Taxes Receivable	4,501,817	-	4,501,817
Total Assets	<u>\$ 8,367,657</u>	<u>\$ 134,943</u>	<u>\$ 8,502,600</u>
LIABILITIES			
Accounts Payable	\$ 13,865	\$ 2,434	\$ 16,299
Sales Tax Rebate Payable	235,176	-	235,176
Accrued Wages Payable	7,444	-	7,444
Accrued Liabilities	902,790	34,190	936,980
Security Deposits	6,813	-	6,813
Total Liabilities	<u>1,166,088</u>	<u>36,624</u>	<u>1,202,712</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue-Property Taxes	4,502,800	-	4,502,800
Total Deferred Inflows of Resources	<u>4,502,800</u>	<u>-</u>	<u>4,502,800</u>
FUND BALANCES			
Restricted	1,901,274	34,190	1,935,464
Unassigned	797,495	64,129	861,624
Total Fund Balances	<u>2,698,769</u>	<u>98,319</u>	<u>2,797,088</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,367,657</u>	<u>\$ 134,943</u>	<u>\$ 8,502,600</u>
Amount Reported in the Statement of Net Position is Different:			
Total Fund Balances	\$ 2,698,769	\$ 98,319	\$ 2,797,088
Land Purchased For Resale	2,919,825	-	2,919,825
Capital Assets, Net of Accumulated Depreciation	4,029,820	-	4,029,820
Deferred Charge on Refunding	236,035	-	236,035
Less: Accrued Interest	(54,310)	-	(54,310)
Less: Long-Term Debt	(11,550,694)	-	(11,550,694)
Total Net Position	<u>\$ (1,720,555)</u>	<u>\$ 98,319</u>	<u>\$ (1,622,236)</u>

CITY OF BRIGHTON, COLORADO
COMPONENT UNITS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	BRIGHTON URBAN RENEWAL AUTHORITY	BRIGHTON CULTURAL ARTS COMMISSION	TOTAL
REVENUES			
Taxes	\$ 5,164,858	\$ -	\$ 5,164,858
Intergovernmental	-	93,388	93,388
Charges for Services	80,201	355	80,556
Investment Earnings	14,064	598	14,662
Miscellaneous	2,318	-	2,318
Grant & Contributions	64,701	-	64,701
Oil & Gas	33,768	-	33,768
Sale of Assets	519	-	519
Total Revenues	<u>5,360,429</u>	<u>94,341</u>	<u>5,454,770</u>
EXPENDITURES			
Current			
Personal Services	326,211	-	326,211
Purchased Services	157,879	9,147	167,026
Operating Expenses	218,511	83,270	301,781
Capital Outlay	101,064	-	101,064
Advertising	-	5,068	5,068
Tax Rebates and Incentives	3,314,195	-	3,314,195
Debt Service			
Principal	768,101	-	768,101
Interest and Fiscal Charges	341,775	-	341,775
Loan Fees	2,007	-	2,007
Total Expenditures	<u>5,229,743</u>	<u>97,485</u>	<u>5,327,228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>130,686</u>	<u>(3,144)</u>	<u>127,542</u>
Net Change in Fund Balances	130,686	(3,144)	127,542
Fund Balances--January 1	<u>2,568,083</u>	<u>101,463</u>	<u>2,669,546</u>
Fund Balances--December 31	<u>\$ 2,698,769</u>	<u>\$ 98,319</u>	<u>\$ 2,797,088</u>
Amount Reported In the Statement of Activities is Different:			
Net Change in Fund Balances	\$ 130,686	\$ (3,144)	\$ 127,542
Land Held For Resale	414,087	-	414,087
Accrued Interest	(54,310)	-	(54,310)
Depreciation Expense	(235,005)	-	(235,005)
Debt Principal Payments	768,101	-	768,101
Change in Accrued Compensated Absences	3,717	-	3,717
Amortization of Loss on Refunding	(24,823)	-	(24,823)
Change in Net Position	<u>\$ 1,002,453</u>	<u>\$ (3,144)</u>	<u>\$ 999,309</u>

BRIGHTON URBAN RENEWAL AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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	\$ 300,000	\$ 300,000	\$ 452,549	\$ 152,549
Property	4,600,900	4,601,000	4,712,310	111,310
Total Taxes	4,900,900	4,901,000	5,164,859	263,859
Charges For Services	50,000	50,000	80,201	30,201
Miscellaneous	18,000	18,000	36,604	18,604
Grant from City of Brighton	-	75,000	64,701	(10,299)
Investment Earnings	11,175	11,175	14,064	2,889
Total Revenues	4,980,075	5,055,175	5,360,429	305,254
EXPENDITURES				
Current				
Personal Services	375,158	379,158	326,211	52,947
Purchased Services	213,000	266,496	157,879	108,617
Operating Expenses	277,115	292,719	218,518	74,201
Capital Outlay	90,000	422,200	101,064	321,136
Tax Rebates	3,164,000	3,164,000	3,314,195	(150,195)
Total Current	4,119,273	4,524,573	4,117,867	406,706
Debt Service				
Principal	745,000	768,101	768,101	-
Interest	341,775	341,775	341,775	-
Loan Fee	-	2,000	2,000	-
Total Debt Service	1,086,775	1,111,876	1,111,876	-
Total Expenditures	5,206,048	5,636,449	5,229,743	406,706
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225,973)	(581,274)	130,686	711,960
Net Change in Fund Balance	\$ (225,973)	\$ (581,274)	130,686	\$ 711,960
Fund Balances--January 1			2,568,083	
Fund Balances--December 31			<u>\$ 2,698,769</u>	

BRIGHTON CULTURAL ARTS COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 93,388	\$ 3,388
Charges For Services	-	-	355	355
Investment Earnings	-	-	598	598
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>94,341</u>	<u>4,341</u>
EXPENDITURES				
Grants and Awards	81,500	81,500	81,351	(149)
Operating Expenses	<u>19,000</u>	<u>19,000</u>	<u>16,134</u>	<u>(2,866)</u>
Total Expenditures	<u>100,500</u>	<u>100,500</u>	<u>97,485</u>	<u>(3,015)</u>
Deficiency of Revenues Under Expenditures	(10,500)	(10,500)	(3,144)	7,207
Net Change in Fund Balance	<u>\$ (10,500)</u>	<u>\$ (10,500)</u>	<u>(3,144)</u>	<u>\$ 7,207</u>
Fund Balance--January 1			<u>101,463</u>	
Fund Balance--December 31			<u>\$ 98,319</u>	

This Page Intentionally Left Blank



BrightonSM
COLORADO

Statistical Section



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in capital assets										
Restricted	\$ 63,732	\$ 67,286	\$ 65,761	\$ 84,567	\$ 88,732	\$ 88,599	\$ 87,903	\$ 90,489	\$ 86,601	\$ 94,990
Unrestricted	4,733	7,202	7,721	7,379	26,050	12,544	12,720	15,869	26,569	26,575
	13,755	13,506	19,470	19,787	1,950	18,920	23,641	25,707	32,960	32,961
Total governmental activities net position	\$ 82,220	\$ 87,994	\$ 92,952	\$111,733	\$116,732	\$120,063	\$124,264	\$132,065	\$ 146,130	\$ 154,526
Business-type Activities										
Net Investment in capital assets										
Unrestricted	\$ 80,721	\$ 85,533	\$ 87,297	\$ 91,641	\$ 99,217	\$ 97,800	\$ 95,536	\$ 98,864	\$ 102,032	\$110,314
	45,947	42,518	42,574	46,752	40,850	46,551	52,342	57,016	61,261	65,549
Total business-type activities net position	\$126,668	\$128,051	\$129,871	\$138,393	\$140,067	\$144,351	\$147,878	\$155,880	\$ 163,293	\$ 175,863
Primary Government										
Net Investment in capital assets										
Restricted	\$144,453	\$152,819	\$153,058	\$176,208	\$187,949	\$186,399	\$183,439	\$189,353	\$ 188,633	\$ -
Unrestricted	4,733	7,202	7,721	7,379	26,050	12,544	12,720	15,869	26,569	1,935
	59,702	56,024	62,044	66,539	42,800	65,471	75,983	82,723	94,221	(3,557)
Total primary government net position	\$208,888	\$216,045	\$222,823	\$250,126	\$256,799	\$264,414	\$272,142	\$287,945	\$ 309,423	\$ (1,622)

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 8,620	\$ 8,780	\$ 7,874	\$ 9,327	\$ 8,754	\$ 8,512	\$ 10,552	\$ 10,649	\$ 11,035	\$ 11,550
Public Safety	5,676	5,645	5,947	5,891	7,670	7,985	8,650	9,494	10,649	12,642
Streets and Fleet	4,194	4,609	4,906	5,315	2,108	8,503	7,057	8,842	9,289	11,869
Parks and Recreation	3,880	3,690	3,301	4,831	4,950	6,242	7,633	7,924	8,024	9,296
Cemetery	295	273	283	495	336	377	313	380	456	515
Community Development	1,198	1,143	926	881	1,203	1,362	1,441	1,903	1,941	2,407
Noise Mitigation Program	77	-	-	-	-	-	-	-	-	-
Interest on long-term debt	617	615	1,164	1,790	1,693	1,652	1,765	1,594	1,658	1,909
Total governmental activities expenses	24,557	24,755	24,401	28,530	26,714	34,633	37,411	40,786	43,052	50,188
Business-type Activities:										
Water	5,962	6,026	8,108	9,849	11,702	11,410	11,762	11,768	13,305	13,979
Waste Water	3,890	4,022	4,001	4,386	4,493	4,449	4,627	4,756	5,209	9,837
Storm Drainage	1,073	476	437	898	2,766	1,140	971	1,011	1,153	1,778
Total business-type activities expenses	10,925	10,524	12,546	15,133	18,961	16,999	17,360	17,535	19,667	25,594
Total primary governmental expenses	\$ 35,482	\$ 35,279	\$ 36,947	\$ 43,663	\$ 45,675	\$ 51,632	\$ 54,771	\$ 58,321	\$ 62,719	\$ 75,782
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 536	\$ 104	\$ 202	\$ 166	\$ 727	\$ 809	\$ 925	\$ 682	\$ 729	\$ 1,465
Public Safety	508	445	646	539	662	622	638	164	247	208
Streets and Fleet	124	505	139	122	343	666	463	454	509	1,121
Parks and Recreation	938	925	939	1,220	1,551	1,539	1,833	1,522	1,696	2,245
Cemetery	215	249	238	220	251	306	262	254	397	412
Community Development	724	906	702	598	470	1,910	801	1,271	1,239	1,353
Noise Mitigation Program	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,248	1,137	1,376	1,535	1,629	1,595	5,276	2,355	3,376	5,361
Capital grants and contributions	3,635	3,355	4,020	19,040	2,543	4,901	1,920	8,556	5,527	12,709
Total governmental activities program revenues	7,928	7,626	8,262	23,440	8,176	12,348	12,118	15,258	13,720	24,874
Business-type activities:										
Charges for services:										
Water	6,302	5,610	6,709	6,982	8,794	8,244	8,820	10,023	11,664	14,261
Waste Water	3,480	3,471	3,556	3,835	4,926	4,839	5,690	4,993	6,843	7,435
Storm Drainage	624	396	286	229	420	843	595	507	613	733
Capital grants and contributions	748	2,218	2,830	11,966	4,140	6,636	5,388	9,651	7,016	15,081
Total business-type activities program revenues	11,154	11,695	13,381	23,012	18,280	20,562	20,493	25,174	26,136	37,510
Total primary government program revenues	\$ 19,082	\$ 19,321	\$ 21,643	\$ 46,452	\$ 26,456	\$ 32,910	\$ 32,611	\$ 40,432	\$ 39,856	\$ 62,384
Net (Expense)/Revenue										
Governmental activities	(16,629)	(17,129)	(16,140)	(5,090)	(18,538)	(22,285)	(25,293)	(25,528)	(29,332)	(25,314)
Business-type activities	229	1,171	835	7,879	(681)	3,563	3,133	7,639	6,469	11,916
Total primary government net (expense)/revenue	\$ (16,400)	\$ (15,958)	\$ (15,305)	\$ 2,789	\$ (19,219)	\$ (18,722)	\$ (22,160)	\$ (17,889)	\$ (22,863)	\$ (13,398)
General Revenues and Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,819	\$ 1,904	\$ 1,836	\$ 1,847	\$ 1,811	\$ 1,832	\$ 1,828	\$ 2,037	\$ 2,319	\$ 2,367
Sales and use taxes	16,495	15,821	17,071	18,143	19,512	21,559	24,978	26,596	37,406	29,180
Other taxes	1,524	1,521	1,355	1,377	1,627	1,751	2,006	2,035	2,361	1,636
Unrestricted grants and contributions	55	238	194	982	301	269	-	-	-	-
Investment income	756	143	239	149	67	1	551	1,072	684	522
Noise Mitigation Program	-	-	-	-	-	-	-	-	-	-
Gain(Loss) on sale of capital assets	-	2,686	-	-	-	-	-	-	-	-
Miscellaneous	-	397	406	1,374	278	208	156	508	628	5
Transfers	(3)	194	(5)	-	(59)	(4)	(25)	-	-	-
Total governmental activities	20,646	22,904	21,096	23,872	23,537	25,616	29,494	32,248	43,398	33,710
Business-type activities:										
Investment income	\$ 1,478	\$ 314	\$ 153	\$ 201	\$ 257	\$ 140	\$ 138	\$ 267	\$ 510	\$ 431
Miscellaneous	527	113	806	441	2,039	577	232	95	434	223
Transfers	3	(194)	5	-	59	4	25	-	-	-
Total business-type activities	2,008	233	964	642	2,355	721	395	362	944	654
Total primary government	\$ 22,654	\$ 23,137	\$ 22,060	\$ 24,514	\$ 25,892	\$ 26,337	\$ 29,889	\$ 32,610	\$ 44,342	\$ 34,364
Changes in Net Position										
Governmental activities	\$ 4,017	\$ 5,775	\$ 4,957	\$ 18,782	\$ 4,999	\$ 3,331	\$ 4,201	\$ 6,720	\$ 14,065	\$ 8,396
Business-type activities	2,237	1,404	1,799	8,521	1,674	4,284	3,527	8,001	7,413	12,570
Total primary government	\$ 6,254	\$ 7,179	\$ 6,756	\$ 27,303	\$ 6,673	\$ 7,615	\$ 7,728	\$ 14,721	\$ 21,478	\$ 20,966

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)

	2008	2009	2010	2010	2011	2012	2013	2014	2015	2016	2017
General Fund											
Reserved	\$ 1,242	\$ 1,095	\$ 1,257	\$ 1,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,817	2,208	5,494	5,494	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	408	421	205	254	100	179	148
Restricted	-	-	-	-	574	630	669	742	833	1,408	1,478
Committed	-	-	-	-	5,649	5,846	6,923	7,784	7,878	10,229	11,333
Assigned	-	-	-	-	18	18	18	546	1,661	2,337	3,630
Unassigned	-	-	-	-	1,259	1,953	2,961	3,213	2,074	4,934	3,408
Total General Fund	\$ 4,059	\$ 3,303	\$ 6,751	\$ 6,751	\$ 7,908	\$ 8,868	\$10,776	\$12,539	\$12,546	\$ 19,087	\$ 19,997
All Other Governmental Funds Combined											
Reserved	\$ 3,818	\$ 5,608	\$17,685	\$17,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:											
Special revenue funds	4,616	5,302	5,479	5,479	-	-	-	-	-	-	-
Capital projects funds	9,119	7,367	10,265	10,265	-	-	-	-	-	-	-
Restricted	-	-	-	-	2,126	2,072	1,577	11,978	15,035	24,982	25,097
Committed	-	-	-	-	896	997	1,598	11,759	11,252	10,212	11,698
Assigned	-	-	-	-	5,401	5,680	-	-	-	-	-
Total all other governmental funds	\$17,553	\$18,277	\$33,429	\$33,429	\$ 8,423	\$ 8,749	\$ 3,175	\$23,737	\$26,287	\$ 35,194	\$ 36,795

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues by Source										
Taxes	\$ 21,608	\$ 19,245	\$ 20,262	\$ 21,367	\$ 22,951	\$ 25,142	\$ 28,331	\$ 30,030	\$ 41,185	\$ 33,074
Licenses, fees and permits	487	570	507	428	430	1,244	659	1,004	966	1,053
Intergovernmental	2,866	4,246	5,477	6,523	4,444	4,528	6,861	5,112	6,754	8,053
Charges for services	1,952	2,169	1,879	1,910	2,253	3,272	3,010	2,863	3,259	4,327
Fines and forfeitures	386	396	479	446	541	484	421	462	449	437
Investment income	756	143	239	149	66	1	551	1,072	684	513
Miscellaneous	521	397	406	1,454	1,088	1,090	1,533	2,386	2,071	4,200
Total revenues	28,576	27,166	29,249	32,277	31,773	35,761	41,366	42,929	55,368	51,657
Expenditures by Function										
General Government	8,697	8,585	10,332	8,325	7,053	7,782	9,459	9,454	10,302	10,820
Public Safety	5,126	5,269	5,481	5,555	7,330	7,504	8,167	9,048	10,185	10,544
Streets and Fleet	9,710	5,176	3,054	2,264	2,650	3,086	2,509	2,948	3,076	3,445
Parks and Recreation	3,010	3,194	2,958	3,320	4,331	4,590	5,199	4,907	5,155	6,134
Cemetery	261	239	289	256	303	334	272	331	417	454
Community Development	1,166	1,124	920	877	1,198	1,360	1,441	1,901	1,941	2,436
Noise Mitigation Program	77	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	78	-	1,037	-	-	-	-	-	-	-
Capital Projects	3,835	3,314	4,821	21,489	5,483	3,395	7,271	6,334	12,518	14,111
Debt Service										
Principal	2,172	2,862	1,836	1,162	1,090	1,135	1,170	1,225	805	1,097
Interest	631	665	1,077	1,790	1,693	1,684	1,639	1,594	1,629	1,759
Total expenditures	34,763	30,428	31,805	45,038	31,131	30,870	37,127	37,742	46,028	50,800
Excess (deficiency) of revenues over (under) expenditures	(6,187)	(3,262)	(2,556)	(12,761)	642	4,891	4,239	5,187	9,340	857
Other Financing Sources (Uses)										
Bond Proceeds	7,700	-	26,565	-	-	-	-	-	-	-
Bond Premium	194	-	159	-	-	-	-	-	-	-
Lease Proceeds	500	-	-	-	-	-	-	-	-	-
Grants to Other Agencies	-	-	-	-	-	-	-	-	(116)	(165)
Payments to escrow agent	-	-	(5,564)	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	3,036	-	-	-	-	-	-	6,115	1,608
Developer Contributions	-	-	-	-	-	-	-	-	-	102
Transfers in	3,994	616	3,240	595	143	1,699	616	802	2,308	1,615
Transfers out	(3,997)	(422)	(3,245)	(595)	(203)	(2,129)	(1,041)	(3,432)	(2,199)	(1,506)
Total other financing sources (uses)	8,391	2,230	21,155	-	(60)	(430)	(425)	(2,630)	6,108	1,654
Net change in fund balances	\$ 2,204	\$ (32)	\$ 18,599	\$ (12,761)	\$ 582	\$ 4,461	\$ 3,814	\$ 2,557	\$ 15,448	\$ 2,511
Debt service as a percentage of non-capital expenditures	9.06%	13.01%	10.80%	12.54%	10.85%	10.26%	9.41%	8.98%	7.26%	7.78%

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

City of Brighton, CO

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General merchandise	\$ 4,457	\$ 4,534	\$ 4,464	\$ 4,379	\$ 5,450	\$ 6,355	\$ 6,766	\$ 6,774	6,202	5,939
Food stores	1,741	1,988	2,073	2,206	2,807	2,896	3,416	4,089	4,737	5,394
Eating and drinking establishments	1,377	1,387	1,499	1,612	2,116	2,252	2,462	2,568	2,810	2,808
Building materials/home improvements	1,254	1,172	1,319	1,278	1,814	2,860	3,415	2,774	21,410	3,347
Auto dealers/repairs/supplies	844	810	889	994	1,320	1,477	1,687	2,067	2,207	2,222
Utilities	1,057	1,026	1,192	1,249	1,330	1,469	1,583	1,442	1,519	1,548
Telecommunications	688	722	712	710	883	850	993	957	1,072	1,147
Hotel	-	-	-	-	494	257	370	408	366	412
Other retail stores	617	672	647	715	179	213	144	153	192	424
All other categories	2,954	2,241	2,797	3,202	639	956	1,297	1,285	1,354	1,895
Total	\$14,989	\$14,552	\$15,592	\$16,345	\$17,032	\$19,585	\$22,133	\$22,517	\$ 41,869	\$ 25,136
City direct sales tax rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	0.10%	0.10%	0.10%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total direct and overlapping sales tax rates	8.60%	8.60%	8.60%	8.60%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%

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
2008 and Current Year
(amounts expressed in thousands)**

	Fiscal Year 2008		Fiscal Year 2017	
	Sales Tax Revenue	Percentage of Total	Sales Tax Revenue	Percentage of Total
Sales Tax Revenue--Top Ten Remitters				
General Merchandise	\$ 4,457	30%	\$ 3,776	15%
Food Stores	1,741	12%	3,059	12%
Utilities	1,057	7%	1,548	6%
Building Materials	1,254	8%	3,347	13%
Total Sales Tax Top Ten Remitters	8,509	57%	11,730	47%
Sales Tax Revenue--All Other Remitters	6,480	43%	13,406	53%
Total Sales Tax Revenue	<u>\$ 14,989</u>	<u>100%</u>	<u>\$ 25,136</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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
¹ Sales Tax Revenue Bonds	\$ 7,990	\$ 6,630	\$ 5,365	\$ 4,375	\$ 3,345	\$ 2,270	\$ 1,160	\$ -	\$ -	\$ -
2010 Certificate of Participation	6,095	5,710	26,565	26,565	26,505	26,445	26,385	26,320	25,515	24,685
2016 Certificate of Participation	-	-	-	-	-	-	-	-	6,124	5,887
Capital Leases	1,454	338	172	-	-	-	-	-	-	1,608
Total Governmental Activities	15,539	12,678	32,102	30,940	29,850	28,715	27,545	26,320	31,639	32,180
Business-type Activities										
² General Obligation Water Bonds	5,705	4,355	2,465	485	-	-	-	-	-	-
Water/Sewer Revenue Bonds	2,396	30,165	30,165	30,165	30,015	29,310	28,580	27,845	-	-
2016 Revenue Bonds	-	-	-	-	-	-	-	-	27,270	26,185
2016 Certificate of Participation	-	-	-	-	-	-	-	-	876	828
State Water Loan Note	33	2,095	1,785	1,458	1,121	769	400	-	-	-
Total Business-type Activities	8,134	36,615	34,415	32,108	31,136	30,079	28,980	27,845	28,146	27,013
Total Primary Government										
Sales Tax Revenue Bonds	7,990	6,630	5,365	4,375	3,345	2,270	1,160	-	-	-
Certificate of Participation	6,095	5,710	31,870	26,565	26,505	26,445	26,385	26,320	-	-
Capital Leases	1,454	338	175	-	-	-	-	-	-	-
General Obligation Water Bonds	5,705	4,355	2,465	485	-	-	-	-	-	-
Water/Sewer Revenue Bonds	2,396	30,165	30,165	30,165	30,015	29,310	28,580	27,845	-	-
2010 Certificate of Participation	-	-	-	-	-	-	-	-	25,515	24,685
2016 Certificate of Participation	-	-	-	-	-	-	-	-	7,000	6,715
2016 Revenue Bonds	-	-	-	-	-	-	-	-	27,270	26,185
State Water Loan Note	33	2,095	1,785	1,458	1,121	769	400	-	-	-
Total primary government	\$ 23,673	\$ 49,293	\$ 71,825	\$ 63,048	\$ 60,986	\$ 58,794	\$ 56,525	\$ 54,165	\$ 59,785	\$ 57,585
³ Percentage of Per Capita Personal Income	2.33%	4.78%	6.80%	5.70%	5.20%	4.72%	4.40%	4.07%	4.22%	n/a (4)
^{3, 4} Debt Per Capita	\$ 0.71	\$ 1.53	\$ 2.15	\$ 1.88	\$ 1.79	\$ 1.68	\$ 1.60	\$ 1.52	\$ 1.62	\$ 1.51

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 2017 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General (water) bonded debt outstanding										
General obligation debt ¹	\$ 5,705	\$ 4,355	\$ 2,465	\$ 485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	5,705	4,355	2,465	485	-	-	-	-	-	-
Actual water sales ²	6,258	5,561	6,695	6,982	8,794	8,244	8,739	10,023	11,664	11,664
G.O. debt ratio to actual water sales	1	1	0	0	-	-	-	-	-	-
G.O. debt per capita ³	171	136	74	15	-	-	-	-	-	-
Total net debt applicable to debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt limit ⁴	72,767	68,454	84,336	71,190	83,570	82,792	83,192	96,700	127,303	127,049
Legal debt margin ⁵	72,767	68,454	84,336	71,190	83,570	82,792	83,192	96,700	127,303	127,049
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	2,425,567	2,281,815	2,811,204	2,373,014	2,785,662	2,759,749	2,773,064	3,223,343	4,243,434	4,234,952
Legal debt limit percentage	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Legal debt limit	\$ 72,767	\$ 68,454	\$ 84,336	\$ 71,190	\$ 83,570	\$ 82,792	\$ 83,192	\$ 96,700	\$ 127,303	\$ 127,049

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, 2017
(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	268,400	9%	24,156
Prairie Center Metro. Dist. #1-5	72,140	100%	72,140
Brighton Crossing Metro. Dist. #4	15,275	100%	15,275
Bromley Park Metro. Dist. #2	53,240	100%	53,240
Total Overlapping Debt	409,055		164,811
Total Direct and Overlapping Debt	\$ 409,055		\$ 164,811

SOURCES:

Adams-Weld School District 27J
Prairie Center Metro. Districts #1 - 5
Brighton Crossing Metro. District #4
Bromley Park Metro. Districts #2

Table 11. Coverage Information for Non-General Obligation Debt
For Debt Outstanding as of December 31, 2017
(amounts expressed in thousands)

Water Activity Enterprise Revenue Bonds							
Fiscal Year	Gross Water/Sewer Revenues	Less: Operating Expenses ³	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2009	10,810	5,623	5,187	-	208	208	24.92
2010	12,931	7,550	5,381	-	1,370	1,370	3.93
2011	12,075	8,063	4,012		1,370	1,370	2.93
2012	17,406	9,281	8,125	150	1,370	1,520	5.35
2013	19,271	9,296	9,975	705	1,367	2,072	4.81
2014	20,274	9,807	10,467	730	1,352	2,082	5.03
2015	24,289	9,936	14,353	735	1,338	2,073	6.92
2016	25,024	11,636	13,388	930	1,319	2,249	5.95
2017	30,526	12,247	18,279	1,085	1,022	2,107	8.68

Notes:

- 1) The Water Activity Enterprise Revenue Bonds are repaid from net available revenues of the Water and Waste Water Funds.
- 2) Operating Expenses do not include amortization, depreciation, interest expense, and loss on disposal of capital assets.
- 3) The City refunded the 2009 Water Activity Enterprise Revenue Bonds in September 2016. Coverage ratio is presented for amounts due before the refunding transaction was completed. Details of the refunding transaction can be found in the "Notes to Basic Financial Statements, Note 3. Long-Term Debt Transactions--Business-Type Activities."

**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
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	35,671	1,329,494	37,271	33	17,610	3.9%
2016	36,912	1,416,609	38,378	33	16,526	4.1%
2017	38,192	n/a	n/a	33	17,169	4.1%

SOURCE:

¹ Bureau of Census Adams and Weld Counties

² State Department of Labor and Employment

³ US Bureau of Economic Analysis

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 2017 total personal income and per capita personal income is not available at the time of print.

**Table 13. Principal Employers
2008 and Current Year**

	2008			2017		
	Employees	Percentage	Rank	Employees	Percentage	Rank
Adams County	1,700	29%	1	2,108	26%	1
School District 27J	1,579	27%	2	1,792	22%	2
Vestas	-	-		1,500	19%	3
Platte Valley Medical Center	607	10%	3	626	8%	5
City of Brighton	247	4%	4	344	4%	6
King Soopers	-	-		291	4%	8
Wal-mart	365	6%	5	318	4%	7
Metalwest	300	5%	6	-	-	
Transwest	-	-		231	3%	9
Petrocco Farms	300	5%	7	-	-	
Haliburton	-	-		735	9%	4
Staples	-	-		146	2%	10
Sakata Farms	300	5%	8	-	-	
K-Mart Distribution Center	206	4%	9	-	-	
Super Target	200	3%	10	-	-	
TOTAL	5,804	100%		8,091	100%	

SOURCE: Brighton Economic Development Corporation

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

Functions/Programs	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
General Government										
Municipal Court	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	5.0
City Manager	4.2	4.0	2.0	2.0	3.5	4.5	3.6	4.1	4.0	1.0
Human Resources	3.0	3.0	4.0	3.0	4.0	4.0	4.0	4.0	6.0	6.0
Finance	8.0	8.0	8.0	8.0	8.0	8.0	10.0	12.0	13.0	12.0
City Clerk	4.0	4.0	4.0	3.5	3.0	3.0	3.0	3.0	4.0	3.0
Facilities Maintenance	11.0	11.0	10.0	9.0	11.0	11.0	12.0	12.0	18.0	18.0
Youth Resource Program	0.0	1.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	3.0
Special Events	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.5	4.0	3.0
Arts and Culture Office	-	-	-	-	-	-	1.0	1.5	1.0	1.0
Information Systems	8.9	10.0	7.0	6.0	7.0	8.0	8.0	8.0	7.0	10.0
Public Information Office	-	-	2.0	2.0	2.0	3.0	3.3	4.0	4.0	3.0
Development Office	-	-	-	-	-	0.0	1.0	1.0	0.0	0.0
Economic Development	2.0	3.0	3.0	3.3	3.4	4.0	4.0	4.0	3.0	4.0
Total General Government	<u>50.1</u>	<u>53.0</u>	<u>49.0</u>	<u>43.8</u>	<u>49.9</u>	<u>52.5</u>	<u>56.9</u>	<u>63.1</u>	<u>71.0</u>	<u>69.0</u>
Public Safety										
Police Crime Control	53.0	58.0	53.0	53.0	53.0	56.0	58.0	60.0	68.0	64.0
Police Support Services	12.0	12.0	13.0	13.0	13.0	13.0	13.0	14.0	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	0.0	0.0	0.0	1.0	1.0	2.0	2.0	5.0	5.0	7.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement	2.0	2.5	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Total Public Safety	<u>71.0</u>	<u>76.5</u>	<u>72.0</u>	<u>73.0</u>	<u>73.0</u>	<u>77.0</u>	<u>80.0</u>	<u>86.0</u>	<u>94.0</u>	<u>92.0</u>
Public Works										
Administration	5.8	6.0	4.0	4.0	5.0	4.0	4.0	5.0	5.0	7.0
Streets	14.5	14.5	13.5	13.5	13.5	13.5	14.5	13.5	14.0	17.0
Fleet	3.5	3.5	3.5	3.5	3.5	4.5	4.5	4.5	6.0	5.0
Total Public Works	<u>23.8</u>	<u>24.0</u>	<u>21.0</u>	<u>21.0</u>	<u>22.0</u>	<u>22.0</u>	<u>23.0</u>	<u>23.0</u>	<u>25.0</u>	<u>29.0</u>
Culture, Parks and Recreation										
Eagle View Adult Center	4.0	4.0	3.5	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Recreation Center	18.5	18.5	17.5	17.5	17.6	16.5	20.3	20.3	18.0	19.0
Parks	11.0	9.5	9.5	9.8	9.8	10.3	11.0	11.0	12.0	13.0
Parks and Recreation-Administration	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Total Culture, Parks and Recreation	<u>36.5</u>	<u>35.0</u>	<u>33.5</u>	<u>34.3</u>	<u>35.4</u>	<u>34.8</u>	<u>40.3</u>	<u>40.3</u>	<u>39.0</u>	<u>41.0</u>
Community Development										
Building Inspection	6.0	4.0	3.0	2.0	2.0	2.0	2.2	3.0	3.0	5.0
Community Development Administration	6.0	8.0	7.0	7.0	8.0	8.0	8.0	8.0	9.0	8.0
Planning and Zoning	5.0	5.0	4.0	3.0	3.0	4.5	4.5	5.0	6.0	6.0
Engineering	1.0	2.5	0.5	0.5	0.5	0.5	0.5	2.0	2.0	2.0
Total Community Development	<u>18.0</u>	<u>19.5</u>	<u>14.5</u>	<u>12.5</u>	<u>13.5</u>	<u>15.0</u>	<u>15.2</u>	<u>18.0</u>	<u>20.0</u>	<u>21.0</u>
Total Cemetery	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0
Total Governmental Activities	<u>203.4</u>	<u>212.0</u>	<u>194.0</u>	<u>188.6</u>	<u>197.8</u>	<u>205.3</u>	<u>219.4</u>	<u>234.4</u>	<u>252.0</u>	<u>256.0</u>
Business-Type Activities										
Water										
Operations	16.2	14.5	14	14	14.3	14.3	18.9	18.9	15.45	13
Administration	4	6.3	6.2	6.2	6.2	6.8	6.3	6.3	7.45	6.5
Total Water	<u>20.2</u>	<u>20.8</u>	<u>20.2</u>	<u>20.2</u>	<u>20.5</u>	<u>21.1</u>	<u>25.2</u>	<u>25.2</u>	<u>22.9</u>	<u>19.5</u>
Sewer										
Operations	14.2	12.5	12	12	12.5	13	13.4	13.4	17	15
Administration	4	6.2	6.3	6.3	6.5	6	5.8	5.8	7.45	6.5
Total Sewer	<u>18.2</u>	<u>18.7</u>	<u>18.3</u>	<u>18.3</u>	<u>19.0</u>	<u>19.0</u>	<u>19.2</u>	<u>19.2</u>	<u>24.5</u>	<u>21.5</u>
Storm Drainage										
Operations	2.0	1.0	2.0	1.0	2.0	2.0	2.3	2.3	2.3	2
Total Storm Drainage	<u>2.0</u>	<u>1.0</u>	<u>2.0</u>	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	<u>2.0</u>
Total Business-Type Activities	<u>40.4</u>	<u>40.5</u>	<u>40.5</u>	<u>39.5</u>	<u>41.5</u>	<u>42.1</u>	<u>46.7</u>	<u>46.7</u>	<u>49.7</u>	<u>43.0</u>
Component Units										
Urban Renewal Authority	2.8	2.8	3.0	5.7	5.2	5.0	5.0	4.0	6.0	4.0
Total Component Units	<u>2.8</u>	<u>2.8</u>	<u>3.0</u>	<u>5.7</u>	<u>5.2</u>	<u>5.0</u>	<u>5.0</u>	<u>4.0</u>	<u>6.0</u>	<u>4.0</u>
Total FTE Employees By Functions/Programs	<u>246.6</u>	<u>255.3</u>	<u>237.5</u>	<u>233.8</u>	<u>244.5</u>	<u>252.4</u>	<u>271.1</u>	<u>285.1</u>	<u>355.0</u>	<u>344.0</u>

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Calls for service	48,748	47,606	44,663	42,478	42,573	43,195	46,023	52,456	56,092	55,805
Arrests	2,864	2,650	2,795	2,600	2,716	2,365	2,365	2,620	2,791	2,240
Summons issued	5,342	5,269	5,362	4,904	5,986	5,225	5,226	5,044	5,463	4,680
Streets										
Street resurfacing (miles)	22	25	-	1	-	-	-	-	2	5
Street slurry seal (miles)	16	16	-	2	3	4	5	10	9	6
Street chip seal (miles)	-	-	-	-	-	-	-	-	-	5
Parks and Recreation										
Recreation Center admissions	82,650	91,000	145,050	141,464	154,783	174,553	183,960	191,190	-	192,605
Senior Center program participants	21,141	22,511	22,200	23,979	27,897	29,645	31,239	33,778	37,296	40,269
Senior Center services	-	-	10,352	10,734	11,071	10,672	11,144	10,733	11,075	14,491
Water										
Gallons pumped (millions)	2,023	1,806	1,668	1,722	1,902	1,621	1,671	1,755	1,858	1,978
Average daily consumption (million gallons)	6	5	5	5	5	4	5	5	5	5
Wastewater										
Gallons treated (millions)	761	767	806	814	731	755	751	775	756	740
Cemetery										
Interments	139	114	119	112	128	138	120	115	149	170

SOURCE: Various City departments.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	31	31	31	52	51	51	51	53	55
Streets										
Street Miles	149	151	151	151	151	151	153	154	159	161
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	48
Park acreage	236	236	245	300	300	300	300	300	300	303
Swimming pools	3	3	3	3	4	4	4	4	4	4
Tennis courts	8	8	8	8	8	8	8	8	8	8
Skateboard Park	1	2	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)	672	672	650	767	767	767	960	960	960	1023
Trails (miles)	27	27	27	27	27	27	34	34	34	38
Water										
Treatment plant	1	1	1	2	2	2	2	2	2	2
Water mains (miles)	130	130	200	150	190	195	195	195	227	225
Water customers	9,324	9,281	9,319	9,485	9,576	9,736	10,068	10,436	10,104	11,700
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	146	146	146	146	146	169
Storm drainage										
Storm sewer (miles)	43	43	60	60	60	60	60	60	60	76
Cemeteries	2	2	2	2	2	2	2	2	2	2

SOURCE: Various City departments.



BrightonSM
COLORADO

Compliance Section



COMPLIANCE SECTION

SINGLE AUDIT

In 2017 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 2017	
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)	3,680,011
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,361,351
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	88,295
3. Other local imposts (from page 2)	2,909,903	c. Other	
4. Miscellaneous local receipts (from page 2)	585,325	d. Total (a. through c.)	88,295
5. Transfers from toll facilities		4. General administration & miscellaneous	523,665
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	768,658
a. Bonds - Original Issues		6. Total (1 through 5)	6,421,980
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)	3,495,228	b. Redemption	0
B. Private Contributions	1,411,932	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,463,533	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,370,694	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)	6,421,980
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
925,884	6,370,694	6,421,980	874,597
E. Reconciliation			
1			
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	37,695
b. Other local imposts:		b. Traffic Fines & Penalties	250,870
1. Sales Taxes	2,662,029	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	16,716
5. Specific Ownership &/or Other	247,874	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,909,903	h. Other	280,044
c. Total (a. + b.)	2,909,903	i. Total (a. through h.)	585,325
(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	1,084,563	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	125,523	d. Federal Transit Admin	
d. Other (Specify)-DOLA Grants	253,447	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal--CDBG Grant	0
f. Total (a. through e.)	378,970	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,463,533	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		383,085	383,085
(3). System Preservation		2,791,759	2,791,759
(4). System Enhancement & Operation		505,166	505,166
(5). Total Construction (1) + (2) + (3) + (4)		3,680,011	3,680,011
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,680,011	3,680,011

Notes and Comments:

This Page Intentionally Left Blank