

City of Brush, Colorado

Financial Statements

For the Year ended December 31, 2017

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Office of the State Auditor

July 31, 2018

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INTRODUCTORY SECTION

July 18,

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Brush.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, 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.

Lauer, Szabo & Associates, PC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Brush's financial statements for the year ended December 31, 2017. The independent auditors report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Brush, incorporated in 1884, is located in northeastern Colorado, 90 miles from Denver. Brush is located in a large agricultural area and serves a population of 5,446. The City of Brush is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which the City has done from time to time, and to collect sales tax. The current sales tax rate is 4 percent.

The City of Brush operates under the council-administrator form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and six other members, all elected on a non-partisan basis. The Council appoints the government's administrator, who in turn appoints the heads of the various departments. Council members serve four-year terms, with three members elected every two years. The mayor is elected for a four-year term and is elected at large; constituents of their wards elect the remaining Council members.

The City of Brush provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; and recreational and cultural activities. Water, trash, waste water, and storm water services are provided and functions as enterprise funds of the City of Brush and therefore has been included as an integral part of the City of Brush's financial statements. Additional information on all of these departments can be found in the notes to the financial statements (See Note 1.C).

The Council is required to adopt a final budget by no later than December 15th of each fiscal year. This annual budget serves as the foundation for the City of Brush's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department, (e.g., police).

Local economy

Brush! is nestled in the agriculturally rich South Platte River Valley. In 1886 a number of Danish families formed a settlement, attracted to the rich and loam soil. Today bountiful crops of corn, soy, sugar beets and wheat still prevail. Although Brush remains agriculturally based, ag support industries, energy production and health care have helped diversify and strengthen our economy. Major employers include Colorado Energy Management and the adjacent tomato factory linked by waste heat from the cogeneration plant, Eben Ezer and Sunset Manor care facilities, East Morgan County Hospital, the School District and City government. The population growth is at a manageable rate of 2-3%. The City continues to partner with developers to extend infrastructure conducive to designed growth.

City parks have expanded over the last few years with the addition of Prairie Trails and Watrous parks. The most recent update to the parks was in 2014 for a newly constructed Skate Park.

Of utmost concern is water. Future development is dependent upon ample and quality water. For water rights and augmentation purposes the City is seeking additional augmentation and water sources. The appointed Water Advisory Committee, utilizing the City's Raw Water Master Plan and Water Infrastructure Master Plan are essential in developing and managing Brush's most valuable natural resource. The City is also working on a feasibility study on a reverse osmosis system to treat other water sources for the City.

Skilled labor is readily available, especially due to the close proximity of Morgan Community College and Northeastern Junior College as well as the availability of long distance learning with Colorado universities.

Retail is not as prominent as the City of Brush would like as sales tax drives our General Fund. The 2016 sales tax revenues increased by \$17,535 (1%) from the prior year. City sales tax for 2017 increased \$34,992 (2%). Sales tax revenues have seen steady growth over the last three years and there are still signs of economic growth in other areas. In 2017 Love's Travel Stops & Country Stores opened its doors in December. Love's has 4 additional subdivided lots for future commercial growth next to the interstate.

For several years now housing has been a concern to the City. In 2017 there was a movement in the housing area.

Long-term financial planning

The Council has set a budgetary and planning policy guideline to have enough cash reserves set aside at the end of each fiscal year to cover three to six months of expenditures for emergency purposes. When possible the targeted cash reserves are six months.

To better improve the City of Brush's downtown business area, the Council is currently working with the local Chamber of Commerce on a Main Street project which will improve the current storm drainage for the downtown businesses. This project was completed in 2017. In 2006, thru a joint effort between the Chamber of Commerce and the City of Brush, a ballot issue was passed to increase sales tax by .6% for future street improvements throughout the City. These funds go into the Capital Improvement Fund and are utilized for street related projects only.

The new sales tax increase went into effect January 1, 2007. Citizens witnessed numerous improvements to streets and money is being reserved for future street improvements.

The City continues to see rising cost in the purchase of fire trucks and other equipment for the fire department. The current fire building needs to be expanded as well. In 2014 the City was able to pass a sales tax ballot issue specific to the fire department for the purchase of equipment and building improvements effective January 1, 2015. In 2016 the City and the Brush Rural Fire Protection District began seeking grant funding for the improvement and future expansion of the apparatus bays at the fire station. There was a DOLA grant for \$780,000 awarded for this project in November of 2017.

Major initiatives

The City of Brush recognizes the need for additional water supplies and at the same time understands the value of water conservation. The City purchased additional water shares in 2016. Water rates were increased in 2016 and will increase over the next 3 years by the Denver/Boulder CPI.

Acknowledgements

The preparation of this report would not have been possible without the dedicated service of the finance department. Credit must also be given to the Mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Brush's finances.

Respectfully submitted,

Monty Torres
City Administrator

Joanne Gosselink
Finance Officer

City of Brush
List of Elected and Appointed Officials
December 31, 2016

Elected Officials

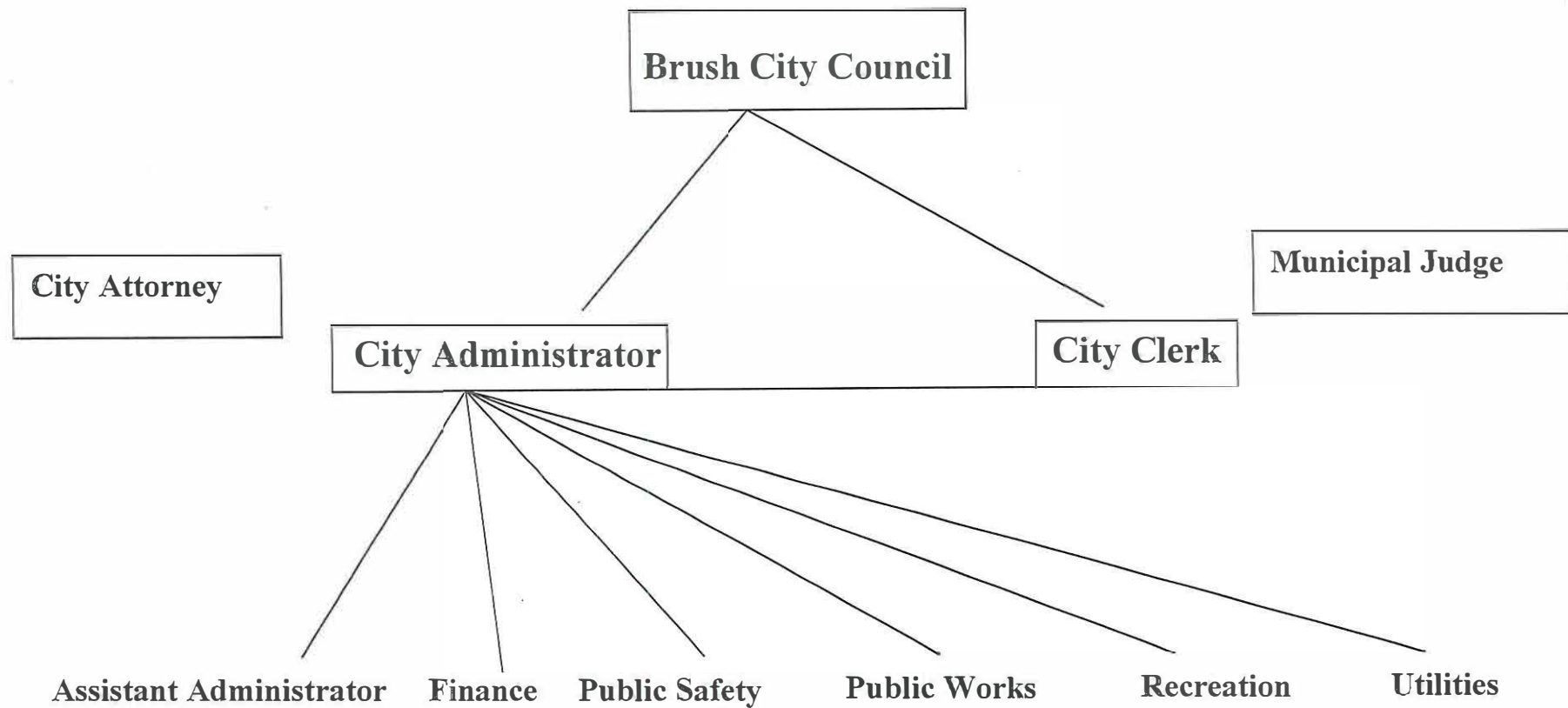
Mayor	Charles Schonberger
Council Member - Ward 1	Marlene Baker
Council Member - Ward 1	Rick Bain
Council Member - Ward 2	Victoria Quinlin
Council Member - Ward 2	Kim Dykes
Council Member - Ward 3	Jeanine Anderson
Council Member - Ward 3	Heath Becker

Appointed Officials

City Administrator	Monty Torres
Assistant Administrator	Karen Schminke
City Clerk	Andrea Strand
Finance Director	Joanne Gosselink
Fire Chief	Tad Anderson
Parks and Recreation Director	Lance Schwindt
Police Chief	Travis Anderson
Public Works/Utilities Director	Dale Colerick

Functional Organizational Chart

Citizens of Brush!



FINANCIAL SECTION

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Independent Auditors' Report

To the Honorable Mayor and Members of City Council
City of Brush
Brush, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brush (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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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, budgetary comparison information and historical pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
July 18, 2018

Management's Discussion and Analysis

As management of the City of Brush, we offer readers of the City of Brush financial statements this narrative overview and analysis of the financial activities of the City of Brush for the fiscal 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, which can be found on pages 2-4 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Brush exceeded its liabilities at the close of the most recent fiscal year by \$28,111,208. Of this amount, \$5,406,852 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Brush's governmental funds reported combined ending fund balances of \$3,853,717 a decrease of \$144,428 in comparison with the prior year. Of this amount \$2,519,706 is available for spending at the government's discretion (unassigned, assigned and committed fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,379,690 or 61 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Brush's basic financial statements. The City of Brush's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City of Brush assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Brush is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Brush that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City of Brush include general government, public safety, streets, economic development, parks, and culture and recreation. The business-type activities of the City of Brush include water, trash and garbage, waste water, storm water operations and the golf course.

The government-wide financial statements have no component units reported in them. These financial statements can be found on pages 18-21 of this report.

Condensed financial statements for government wide statements are as follows:

City of Brush Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	4,608,243	4,692,797	3,917,080	3,540,746	8,525,323	8,233,542
Net pension asset	-	1,725			-	1,725
Capital assets-net of accumulated depreciation	6,245,217	5,735,945	22,131,573	21,950,169	28,376,790	27,686,114
Total assets	10,853,460	10,430,467	26,048,653	25,490,915	36,902,113	35,921,381
Deferred outflow of resources						
Pension deferrals	256,148	222,226			256,148	222,226
Total assets and deferred outflows of resources	11,109,608	10,652,693	26,048,653	25,490,915	37,158,261	36,143,607
Liabilities						
Long-term liabilities outstanding	473,187	428,799	6,891,778	7,340,748	7,364,965	7,769,547
Other liabilities	87,189	70,693	918,461	1,139,056	1,005,640	1,209,749
Total liabilities	560,366	499,492	7,810,239	8,479,804	8,370,605	8,979,296
Deferred inflow of resources						
Pension deferrals	9,100	10,307			9,100	10,307
Deferred tax revenue	667,348	623,959			667,348	623,959
Total Deferred Inflows	676,448	634,266			676,448	634,266
Net position						
Net investment in capital assets	6,245,217	5,735,945	14,882,284	14,251,774	21,127,501	19,987,719
Restricted	1,334,011	1,428,014	242,844	232,392	1,576,855	1,660,406
Unrestricted	2,293,566	2,354,976	3,113,286	2,526,944	5,406,852	4,881,920
Total net position	9,872,794	9,518,935	18,238,414	17,011,111	28,111,208	26,530,045
Total liabilities, deferred outflows of resources & net position	11,109,608	10,652,693	26,048,653	25,490,915	37,158,261	36,143,607

City of Brush Changes in Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	426,603	666,126	3,965,635	3,715,002	4,392,238	4,381,128
Capital grants	410,960	450,551	-	783,850	410,960	1,234,401
Operating grants	284,013	25,292	368,326	-	652,339	25,292
General Revenues						
Property taxes	611,968	634,957	-	-	611,968	634,957
Other	3,085,066	2,967,783	462,273	363,548	3,547,339	3,331,331
Total revenues	4,818,610	4,744,709	4,796,234	4,862,400	9,614,844	9,607,109
Program expenses						
General government	985,177	1,006,129	-	-	985,177	1,006,129
Public safety	1,353,599	1,262,986	-	-	1,353,599	1,262,986
Public works	1,056,456	1,094,612	-	-	1,056,456	1,094,612
Culture and recreation	823,998	924,712	-	-	823,998	924,712
Water	-	-	1,090,867	996,538	1,090,867	996,538
Trash and garbage	-	-	493,590	472,790	493,590	472,790
Waste water	-	-	1,455,436	1,398,796	1,455,436	1,398,796
Storm water	-	-	256,326	202,457	256,326	202,457
Golf course	-	-	518,232	595,489	518,232	595,489
Total expenses	4,219,230	4,288,439	3,814,451	3,666,070	8,033,681	7,954,509
Excess (deficiency) before transfers	599,380	456,270	981,783	1,196,330	1,581,163	1,652,600
Transfers	(245,521)	(419,813)	245,521	419,813	-	-
Change in net position	353,859	36,457	1,227,304	1,616,143	1,581,163	1,652,600
Net position – beginning of year	9,518,935	9,482,478	17,011,110	15,394,967	26,530,045	24,877,445
Net position – ending	9,872,794	9,518,935	18,238,414	17,011,110	28,111,208	26,530,045

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 of Brush, 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 of Brush can be divided into two categories: governmental funds and proprietary funds.

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

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

The City of Brush maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital improvement fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Brush adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on pages 82-89 for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary funds. The City of Brush maintains five enterprise funds classified as proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brush uses enterprise funds to account for its Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Trash and Garbage, Waste Water, Storm Water and Golf Course operations, all of which are considered to be major funds of the City of Brush.

The basic proprietary fund financial statements can be found on pages 28-33 of this report.

Notes to the 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 can be found on pages 38-67 of the report. Notes to the required supplementary information can be found on pages 76-77.

Other information. Included in the basic financial statements and accompanying notes, this report presents information concerning the City of Brush's progress in funding its obligation to provide pension benefits to its employees. The information can be found in note 9 on pages 53-63 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the general fund supplemental information. Combining and individual nonmajor fund statements and schedules can be found on pages 91-101 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Brush, assets exceeded liabilities by \$28,111,208 at the close of 2017.

Capital assets reflect 77 percent of the City of Brush's total assets (e.g., land, buildings, machinery, and equipment). The City of Brush uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Brush's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Six percent of the City of Brush's net position represent resources that are subject to external restrictions on how they may be used. There is \$5,406,852 of unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Brush is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities. Governmental activities increased the City of Brush's net position by \$353,859, thereby accounting for 22 percent of the total growth in the net position of the City of Brush.

Business-type activities. Business-type activities increased the City of Brush's net position by \$1,227,304. The increase to net position is 78 percent of the increase.

Financial Analysis of the Government's Funds

As noted earlier the City of Brush uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Brush'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 of Brush'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.

As of the end of the current fiscal year, the City of Brush's governmental funds reported combined ending fund balances of \$3,853,717 a decrease of \$144,428 in comparison with the prior year. Approximately 57 percent of this total amount (\$2,181,470) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes.

The general fund is the chief operating fund of the City of Brush. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,181,470, while total fund balance reached \$2,379,690. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 56 percent of total general fund expenditures, while total fund balance represents 61 percent of that same amount.

Proprietary funds. The City of Brush's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,113,286. The total growth in net position for the Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course funds was \$273,856, \$44,370, \$334,536, \$620,941, and (\$46,399), respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Brush's business-type activities.

General Fund Budgetary Highlights

During the year actual revenues were more than budgeted revenues by \$295,678 of which \$182,362 can be attributed to taxes. During the year actual expenditures were less than budgeted expenditures by \$818,755. The savings is attributed to personnel, professional services and capital purchases.

Capital Assets and Debt Administration

Capital assets. The City of Brush's investments in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$28,376,790 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and streets.

Major capital asset events during the current fiscal year included the completion of the downtown storm drainage project, street improvements which included changing Elm Street from a dirt street to a paved street with curb and gutter.

Additional information on the City of Brush's capital assets can be found in note 4 on pages 49-50 of this report.

Long-term debt. At the end of the current fiscal year, the City of Brush will have total bonded debt outstanding of \$6,985,000. This debt is paid with waste water revenues.

There was \$430,000 in principal paid on the waste water treatment plant loan which was secured through the Colorado Water & Power Authority.

Additional information on the City of Brush's long-term debt can be found in notes 5, and 6 on page 50-52 of this report.

Economic Factors and Next Year's Budget and Rates.

The City of Brush continues to see growth in the business area. There was a 2 percent increase in sales tax for 2017, with a 3% increase projected for 2018. In 2017 property taxes for the City of Brush decreased by 4 percent.

During the current fiscal year, unassigned fund balance in the general fund increased by \$139,904. The City of Brush has appropriated \$740,330 of fund balances for spending in the 2018 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2018 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Brush's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 600 Edison St., City of Brush, Brush, CO 80723.

Basic Financial Statements

The basic financial statements of the City include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

CITY OF BRUSH, COLORADO
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 645,836	\$ 607,090	\$ 1,252,926
Investments	2,347,706	2,875,746	5,223,452
Cash with county treasurer	6,361		6,361
Receivables	1,273,819	362,662	1,636,481
Due from other funds	285,703		285,703
Inventory	48,818	71,582	120,400
Capital assets, net of depreciation	6,245,217	22,131,573	28,376,790
Total assets	10,853,460	26,048,653	36,902,113
Deferred outflows of resources			
Pension deferrals	256,148		256,148
Total assets and deferred outflows of resources	\$ 11,109,608	\$ 26,048,653	\$ 37,158,261
Liabilities			
Accounts payable	\$ 48,480	\$ 45,440	\$ 93,920
Police bond account	4,361		4,361
Payroll tax withheld and accrued	7,338	427	7,765
Unearned revenues	27,000	72,000	99,000
Due to other funds		285,703	285,703
Accrued interest payable		79,891	79,891
Noncurrent liabilities			
Due within one year		435,000	435,000
Due in more than one year	473,187	6,891,778	7,364,965
Total liabilities	560,366	7,810,239	8,370,605
Deferred inflows of resources			
Deferred property tax revenues	667,348		667,348
Pension deferrals	9,100		9,100
Total deferred inflows of resources	676,448	-	676,448
Net position			
Net investment in capital assets	6,245,217	14,882,284	21,127,501
Restricted	1,334,011	242,844	1,576,855
Unrestricted	2,293,566	3,113,286	5,406,852
Total net position	9,872,794	18,238,414	28,111,208
Total liabilities, deferred inflows of resources and net position	\$ 11,109,608	\$ 26,048,653	\$ 37,158,261

The accompanying notes are an integral part of these financial statements.

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CITY OF BRUSH, COLORADO
Statement of Activities
For the Year Ended December 31, 2017

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 985,177	\$ 200,827	\$ 3,500	
Public safety	1,353,599	430	526	\$ 24,810
Public works	1,056,456		326,382	184,703
Culture and recreation	823,998	225,346	80,552	74,500
Total governmental activities	4,219,230	426,603	410,960	284,013
Business-type activities				
Water	1,090,867	1,171,345		2,000
Trash and garbage	493,590	541,899		
Waste Water	1,455,436	1,574,483		1,500
Storm water	256,326	312,284		364,826
Golf course	518,232	365,624		
Total business-type activities	3,814,451	3,965,635	-	368,326
Total	\$ 8,033,681	\$ 4,392,238	\$ 410,960	\$ 652,339

General revenues and transfers

Taxes

Property taxes, levied for general purposes

Sales and use taxes

Specific ownership taxes

Franchise taxes

Cigarette taxes

Unrestricted interest on investments

Sale of assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

The accompanying notes are an integral part of these financial statements.

Nct (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (780,850)		\$ (780,850)
(1,327,833)		(1,327,833)
(545,371)		(545,371)
(443,600)		(443,600)
(3,097,654)	\$ -	(3,097,654)
	82,478	82,478
	48,309	48,309
	120,547	120,547
	420,784	420,784
	(152,608)	(152,608)
-	519,510	519,510
(3,097,654)	519,510	(2,578,144)
611,968		611,968
2,058,918		2,058,918
84,776		84,776
229,056		229,056
5,479		5,479
19,574	21,440	41,014
1,953	3,546	5,499
685,310	437,287	1,122,597
(245,521)	245,521	-
3,451,513	707,794	4,159,307
353,859	1,227,304	1,581,163
9,518,935	17,011,110	26,530,045
\$ 9,872,794	\$ 18,238,414	\$ 28,111,208

CITY OF BRUSH, COLORADO
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total
Assets				
Cash	\$ 232,762	\$ 81,547	\$ 327,166	\$ 641,475
Investments	1,565,726	101,980	680,000	2,347,706
Police bond cash	4,361			4,361
Cash with county treasurer	6,361			6,361
Accrued interest receivable	6,001	951	2,680	9,632
Property tax receivable	624,797		42,551	667,348
Accounts receivable	314,813	50,481	58,466	423,760
Grants receivable		173,079		173,079
Due from other funds	285,703			285,703
Inventory	48,819			48,819
Total assets	\$ 3,089,343	\$ 408,038	\$ 1,110,863	\$ 4,608,244
Liabilities				
Accounts payable	\$ 45,832	\$ 563	\$ 1,760	\$ 48,155
Police bond account	4,361			4,361
Due to other agencies	325			325
Payroll tax withheld and accrued	7,338			7,338
Unearned revenues	27,000			27,000
Total liabilities	84,856	563	1,760	87,179
Deferred inflows of resources				
Deferred property tax revenues	624,797		42,551	667,348
Total deferred inflows of resources	624,797		42,551	667,348
Fund balance				
Nonspendable inventory	48,819			48,819
Restricted	21,365	407,475	905,171	1,334,011
Committed	1,772		161,381	163,153
Assigned	175,083			175,083
Unassigned	2,181,470			2,181,470
Total fund balance	2,379,690	407,475	1,066,552	3,853,717
Total liabilities, deferred inflows of resources and fund balance	\$ 3,089,343	\$ 408,038	\$ 1,110,863	\$ 4,608,244

The accompanying notes are an integral part of these financial statements.

CITY OF BRUSH, 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 balance - governmental funds	\$ 3,853,717
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	6,245,217
Net pension deferrals reported in the governmental activities are not financial resources and therefore are not reported in governmental funds.	247,047
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(473,187)</u>
Net position of the governmental activities	<u><u>\$ 9,872,794</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 2,432,152	\$ 314,565	\$ 243,480	\$ 2,990,197
Licenses and permits	125,677			125,677
Intergovernmental	365,648	184,703	77,472	627,823
Fines and forfeitures	41,535			41,535
Charges for services	216,868		10,079	226,947
Miscellaneous	719,543	4,574	80,361	804,478
Total revenues	3,901,423	503,842	411,392	4,816,657
Expenditures				
Current				
General government	946,054			946,054
Public safety	1,229,374		8,418	1,237,792
Public works	698,178	85,572		783,750
Culture and recreation	689,506		35,702	725,208
Capital outlay	344,873	762,648	117,608	1,225,129
Total expenditures	3,907,985	848,220	161,728	4,917,933
Excess of revenues over (under) expenditures	(6,562)	(344,378)	249,664	(101,276)
Other financing sources (uses)				
Transfers in	34,935			34,935
Transfers out	(80,000)		(40)	(80,040)
Sale of fixed assets	1,953			1,953
Total other financing sources (uses)	(43,112)	-	(40)	(43,152)
Net change in fund balances	(49,674)	(344,378)	249,624	(144,428)
Fund balance at beginning of year	2,429,364	751,853	816,928	3,998,145
Fund balance at end of year	\$ 2,379,690	\$ 407,475	\$ 1,066,552	\$ 3,853,717

The accompanying notes are an integral part of these financial statements.

CITY OF BRUSH, 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 balance - governmental funds	\$ (144,428)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	509,272
In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	11,555
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	(22,540)
Change in net position of governmental activities	<u>\$ 353,859</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Assets				
Current assets				
Cash	\$ 231,287	\$ 41,533	\$ 194,456	\$ 127,170
Investments	1,153,925	150,091	1,289,749	281,981
Accrued interest receivable	3,293	273	2,862	504
Accounts receivable	346,790	1,847	1,598	
Other receivables	5,495			
Inventory	37,299	16,528		
Total current assets	1,778,089	210,272	1,488,665	409,655
Property, plant and equipment				
Land	1,166,468	1,475	719,400	
Building and improvements	170,477	85,117		
Water system	6,864,645			
Waste water plant and sewer system			13,844,869	
Equipment	731,116	395,433	528,577	2,928,099
Office equipment	127,286			
Water rights stock	1,520,105			
Subtotal	10,580,097	482,025	15,092,846	2,928,099
Accumulated depreciation	(4,356,037)	(239,367)	(2,420,730)	(368,876)
Property, plant and equipment, net	6,224,060	242,658	12,672,116	2,559,223
Total assets	\$ 8,002,149	\$ 452,930	\$ 14,160,781	\$ 2,968,878

The accompanying notes are an integral part of these financial statements.

Golf Course Fund		Total
\$ 12,644	\$ 607,090	
	2,875,746	
	6,932	
	350,235	
	5,495	
17,755	71,582	
30,399	3,917,080	
49,461	1,936,804	
321,821	577,415	
	6,864,645	
	13,844,869	
138,806	4,722,031	
	127,286	
	1,520,105	
510,088	29,593,155	
(76,572)	(7,461,582)	
433,516	22,131,573	
\$ 463,915	\$ 26,048,653	

(continued)

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds			
(continued)	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 7,023	\$ 11,531	\$ 9,466	\$ 9,650
Accrued interest payable			79,891	
Due to other funds	285,703			
Due to other entity			570	
Payroll tax withheld and accrued		134	266	
Sales tax payable				
Unearned lease revenues	72,000			
Current portion of note payable			435,000	
Total current liabilities	364,726	11,665	525,193	9,650
Long-term liabilities				
Accrued compensated absences	45,076	18,939	2,657	7,872
Note payable			6,814,289	
Total long-term liabilities	45,076	18,939	6,816,946	7,872
Total liabilities	409,802	30,604	7,342,139	17,522
Net position				
Net investment in capital assets	6,224,060	242,658	5,422,827	2,559,223
Restricted for debt service			242,844	
Unrestricted	1,368,287	179,668	1,152,971	392,133
Total net position	7,592,347	422,326	6,818,642	2,951,356
Total liabilities and net position	\$ 8,002,149	\$ 452,930	\$ 14,160,781	\$ 2,968,878

The accompanying notes are an integral part of these financial statements.

<u>Golf Course Fund</u>	<u>Total</u>
\$ 6,508	\$ 44,178
	79,891
	285,703
	570
27	427
692	692
	72,000
	435,000
7,227	918,461
2,945	77,489
	6,814,289
2,945	6,891,778
10,172	7,810,239
433,516	14,882,284
	242,844
20,227	3,113,286
453,743	18,238,414
<u>\$ 463,915</u>	<u>\$ 26,048,653</u>

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
●perating revenues				
Charges for services	\$ 1,171,345	\$ 541,899	\$ 1,574,483	\$ 312,284
●perating expenses				
Salaries	216,472	132,801	149,565	35,196
Employee benefits	87,890	74,710	69,922	15,460
Supplies	13,980	7,108	19,032	2,452
Professional services	269,929	87,275	371,910	33,170
Telephone	825	122	2,961	122
Lab fees	3,283			
Medical		170		100
Utilities	50,498	3,545	72,028	138
Association dues	602		770	
Travel and training	1,439		517	
Computer and radio maintenance	6,623	3,039	7,493	3,052
Advertising	579	177	120	30
Building maintenance	623	2,202		
Licenses and permits	33,698		9,188	
Insurance - general	17,644	242	41,309	2,269
Well electricity	29,954			
System maintenance & materials	96,619		173,404	33,919
Purchase of trash containers		33,428		
Landfill contract		101,382		
Fuel and oil	6,799	13,937	6,883	6,051
Repairs & maintenance - vehicle	3,734	12,600	1,798	1,344
Ground maintenance				
Restaurant				
Bar				
Noncapital outlay	4,218		27,208	
Depreciation and amortization	245,098	20,852	319,180	123,023
Total operating expenses	1,090,507	493,590	1,273,288	256,326
●perating income (loss)	80,838	48,309	301,195	55,958

The accompanying notes are an integral part of these financial statements.

Golf Course Fund	Total
\$ 365,624	\$ 3,965,635
198,129	732,163
25,976	273,958
714	43,286
7,597	769,881
	4,030
	3,283
2,575	2,845
32,487	158,696
	1,372
812	2,768
3,918	24,125
5,070	5,976
559	3,384
2,100	44,986
	61,464
	29,954
	303,942
	33,428
	101,382
4,934	38,604
7,347	26,823
42,676	42,676
75,772	75,772
40,261	40,261
	31,426
41,921	750,074
492,848	3,606,559
(127,224)	359,076

(continued)

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Nonoperating revenues (expenses)				
Interest on investments	8,962	936	9,953	1,581
Plant investment fee	149,922		157,500	
Surcharge fee			37,886	
Farm income	23,031		18,188	
Rental income	7,026		4,800	
DOW lease	4,854		2,927	
Easement	6,132			
Convenience fee	2,366			
Grant income				364,826
Farm expense	(360)		(5,138)	
Golf course income				
Golf course expense				
Gain (loss) on disposal of assets				
Interest and fiscal charges			(177,010)	
Total nonoperating revenues (expenses)	201,933	936	49,106	366,407
Income (loss) before transfers and capital contributions	282,771	49,245	350,301	422,365
Capital contributions	2,000		1,500	200,416
Transfers in				
Transfers out	(10,915)	(4,875)	(17,265)	(1,840)
Change in net position	273,856	44,370	334,536	620,941
Net position at beginning of year	7,318,491	377,956	6,484,106	2,330,415
Net position at end of year	\$ 7,592,347	\$ 422,326	\$ 6,818,642	\$ 2,951,356

The accompanying notes are an integral part of these financial statements.

Golf Course Fund	Total
8	21,440
	307,422
	37,886
	41,219
	11,826
	7,781
	6,132
	2,366
	364,826
	(5,498)
22,655	22,655
(25,384)	(25,384)
3,546	3,546
	(177,010)
825	619,207
(126,399)	978,283
	203,916
80,000	80,000
	(34,895)
(46,399)	1,227,304
500,142	17,011,110
\$ 453,743	\$ 18,238,414

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,170,708	\$ 541,579	\$ 1,573,370	\$ 312,284
Internal activity	(64,297)			
Payments to suppliers	(666,608)	(337,723)	(831,683)	(165,305)
Payments to employees	(215,421)	(132,528)	(148,801)	(35,093)
Net cash provided (used) by operating activities	224,382	71,328	592,886	111,886
Cash flows from noncapital financing activities				
Miscellaneous revenues			37,886	
Transfers in				
Transfers out	(10,915)	(4,875)	(17,265)	(1,840)
Net cash provided (used) by noncapital financing activities	(10,915)	(4,875)	20,621	(1,840)
Cash flows from capital and related financing activities				
Grant proceeds				606,932
Purchase of capital assets	(67,333)	(158,071)	(68,074)	(450,184)
Capital contributed from tap fees	2,000		1,500	
Plant investment fees	149,922		157,500	
Proceeds from sale of assets	12,601			
Principal paid on capital debt			(430,000)	
Interest and fiscal charges			(199,239)	
Net cash provided (used) by capital and related financing activities	97,190	(158,071)	(538,313)	156,748
Cash flows from investing activities				
Golf course income/(loss)				
Farm income/loss - net	22,671		13,050	
Rental and easement income	16,778		7,727	
Interest on investments	3,790	699	2,953	1,121
Sale of investments	760,080	150,053	650,053	
Purchase of investments	(1,150,000)	(150,000)	(780,000)	(180,000)
Net cash provided (used) by investing activities	(346,681)	752	(106,217)	(178,879)

The accompanying notes are an integral part of these financial statements.

Golf Course Fund	Total
\$ 365,624	\$ 3,963,565
	(64,297)
(266,724)	(2,268,043)
(195,184)	(727,027)
(96,284)	904,198
	37,886
80,000	80,000
	(34,895)
80,000	82,991
	606,932
	(743,662)
	3,500
	307,422
3,546	16,147
	(430,000)
	(199,239)
3,546	(438,900)
(2,729)	(2,729)
	35,721
	24,505
8	8,571
	1,560,186
	(2,260,000)
(2,721)	(633,746)

(continued)

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Net change in cash and cash equivalents	(36,024)	(90,866)	(31,023)	87,915
Cash and cash equivalents at beginning of year	267,311	132,399	225,479	39,255
Cash and cash equivalents at end of year	<u>\$ 231,287</u>	<u>\$ 41,533</u>	<u>\$ 194,456</u>	<u>\$ 127,170</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 80,838	\$ 48,309	\$ 301,195	\$ 55,958
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	245,098	20,852	319,180	123,023
Change in assets and liabilities				
Receivables	(637)	(320)	(1,113)	
Interfund items	(64,297)			
Inventory	(2,194)	6,805		
Accounts payable	(35,477)	(4,647)	(25,759)	(67,198)
Other liabilities		56	(1,381)	
Accrued compensated absences	1,051	273	764	103
Net cash provided (used) by operating activities	<u>\$ 224,382</u>	<u>\$ 71,328</u>	<u>\$ 592,886</u>	<u>\$ 111,886</u>
Noncash capital financing activities				
Capital assets acquired through contribution from General Fund				<u>\$ 200,416</u>

The accompanying notes are an integral part of these financial statements.

<u>Golf Course Fund</u>	<u>Total</u>
(15,459)	(85,457)
<u>28,103</u>	<u>692,547</u>
<u>\$ 12,644</u>	<u>\$ 607,090</u>
\$ (127,224)	\$ 359,076
41,921	750,074
	(2,070)
	(64,297)
(2,049)	2,562
(11,075)	(144,156)
(802)	(2,127)
<u>2,945</u>	<u>5,136</u>
<u>\$ (96,284)</u>	<u>\$ 904,198</u>
<u></u>	<u>\$ 200,416</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Brush, Colorado have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the City's financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements should present the City of Brush, Colorado (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete. Based on the foregoing criteria, the City has no component units.

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole, excluding fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. 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 business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements (continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. The City does not have any fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column in the financial section of the basic financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The City has collected nearly 100% of all property taxes at December 31. Grants and similar items are recognized 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 soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

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 represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

Capital Improvement Fund

This fund accounts for capital outlay acquisitions of the governmental fund types.

Additionally, the City reports the following nonmajor funds:

Special Surplus and Deficiency Fund

This fund presently accounts for the emergency reserves required under the Tabor amendment (Note 7).

Conservation Trust Fund

This fund was established by the City to provide for an accounting of those funds received through the State of Colorado Lottery Fund Program. The State requires that these funds be expended in the areas of parks and recreation development.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Police Forfeiture and Confiscation Fund

This fund is used to account for monies collected from the sale of evidence seized by the Police department (Note 7).

Fire Equipment Improvement Fund

This fund accounts for the acquisition of fire equipment and building improvements.

Joslin-Needham Fund

This fund is established to provide for separate accountability of monies contributed to the City by the Joslin-Needham Family Foundation earmarked for particular projects.

Cemetery Perpetual Care Fund

This fund is established to accumulate funds for the perpetual care and maintenance of the City's cemetery grounds. Current Council resolutions also allow capital purchases in this fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the City's enterprise funds are charges to customers for 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.

The City reports the following major proprietary funds:

Water Fund

This fund was established to account for the operation of a City-owned and operated public water system.

Waste Water Fund

This fund was established to account for the operation of a City-owned and operated public sewer system.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Trash and Garbage Fund

This fund was established to provide for separate accountability of fees derived from the City-operated public trash system.

Storm Water Fund

This fund was established to provide for separate accountability of fees derived for the use of street and storm sewer cleaning.

Golf Course Fund

This fund was established to account for the operations of a City-owned and operated public golf course.

D. Budgets

Annually appropriated budgets were adopted for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles except for depreciation, debt service, and capital outlay. All governmental funds and proprietary funds are budgeted on the modified accrual basis of accounting. All appropriations lapse at year end. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Colorado statutes provide the following timetable which is followed in the adoption of the budgets:

- (1) Submission of the proposed budget to the local governing body by October 15 of each year.
- (2) Certification of mill levies to the Board of County Commissioners by December 15.
- (3) Final adoption of budget and appropriations by December 31 of each year.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets (continued)

- (4) Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
- (5) Liens are placed on property for which taxes are delinquent in November of each year.

The actual results of operations are presented in accordance with generally accepted accounting principles, which differ in certain respects from those practices used in the preparation of the 2017 budget (Note 7). For purposes of preparing the budgetary comparison schedules, the actual results of operations have been adjusted to a basis consistent with the City's budgeted revenues and expenditures.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise funds consider cash on hand, demand deposits, and short-term investments with an original maturity of three months or less to be cash and cash equivalents (Note 2).

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "interfund note receivable/payable." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items for enterprise funds.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Encumbrances

The City does not utilize encumbrance accounting.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of five years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statements of Net Assets. A composite depreciation rate is used for infrastructure assets. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25-50 years
Improvements Other than Buildings	15-50 years
Water Distribution System	10-50 years
Sewer Collection System	10-50 years
Machinery and Equipment	5-20 years
Vehicles	5-15 years
Infrastructure	20-80 years

K. Compensated Absences

Accumulated vacation leave is reported as a liability for all leave related to past employee service for which payment to the employee is considered probable. Vested vacation and sick pay benefits are accrued when incurred. A liability for unused sick leave benefits is accrued only if the employees are eligible or it is probable that the employee will be compensated for the benefits through cash payments upon termination or retirement. The sick leave liability is estimated based on the City's assumptions concerning the probability for making payments for sick leave and its vested payment policy (vesting method).

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Compensated Absences (continued)

Accumulated vacation leave and payments for sick leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay the benefit. Accumulated vacation leave and sick leave termination payments for proprietary fund types are recorded as fund liabilities.

L. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund 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 statements of net position. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditure/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers (Note 12).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements

N. Net Position

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position (continued)

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

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

Unrestricted – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

O. Fund Balance Classifications

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance classification includes 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),

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance Classifications (continued)

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the city council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

P. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Note 2: DEPOSITS AND INVESTMENTS

Cash and Deposits

Colorado State statutes govern the City's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 2: DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned to it. The City does not have deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$5,562,707, of which \$500,000 was insured and \$5,062,707 was collateralized with securities held by the pledging institution's trust department or agent in the City's name.

At year-end, the City had the following investments:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in CSAFE	\$ 1,019,387	\$ 1,019,387	-	-

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least on nationally recognized rating agency at the time of purchase. The City has no investment policy that would further limit its investment choices. At year-end, the City's investment in CSAFE was rated AAAM by Standard and Poor's and AAA by Moody's rating services. CSAFE is an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00.

Note 3: RECEIVABLES

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Utility accounts	\$ -	\$ 350,235	\$ 350,235
Property taxes	667,348	-	667,348
Accounts	423,760	-	423,760
Interest	9,632	6,932	16,564
Grants	173,079	5,495	178,574
Total	\$ 1,273,819	\$ 362,662	\$ 1,636,481

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows

	Balance December 31, 2016	Additions and Adjustments	Deletions and Adjustments	Balance December 31, 2017
<u>Governmental Activities</u>				
Non-depreciable assets:				
Land	\$ 492,622			\$ 492,622
Depreciable assets:				
Buildings	1,706,928	\$ 42,688		1,749,616
Equipment	2,426,150	104,326	\$ (143,351)	2,387,125
Vehicles	1,180,466	95,332	(38,462)	1,237,336
Infrastructure	3,873,201	763,226		4,636,427
Land improvements	916,785	4,300		921,085
Other	18,735			18,735
Less Accumulated Depreciation	(4,878,942)	(500,600)	181,813	(5,197,729)
Net Depreciable Capital Assets	5,243,323	509,272	-	5,752,595
Total Governmental Activities	\$ 5,735,945	\$ 509,272		\$ 6,245,217
<u>Business-Type Activities</u>				
Non-depreciable assets:				
Land	\$ 1,936,804			\$ 1,936,804
Water right stocks	1,520,105			1,520,105
Total non-depreciable assets	3,456,909		-	3,456,909
Buildings	577,415			577,415
Equipment	4,264,674	532,686	(345,203)	4,452,157
Systems	20,687,424	431,851	(12,601)	21,106,674
Less Accumulated Depreciation	(7,036,253)	(750,074)	324,745	(7,461,582)
Net Depreciable Capital Assets	18,493,260	214,463	(33,059)	18,674,664
Total Business-Type Activities	\$ 21,950,169	\$ 214,463	\$ (33,059)	\$ 22,131,573

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities

General government	\$ 12,119
Public safety	116,071
Public works	272,978
Culture and recreation	<u>99,432</u>
Total governmental activities	500,600

Business-type activities

Water	245,098
Trash and garbage	20,852
Waste water	319,180
Storm water	123,023
Golf course	<u>41,921</u>
Total business-type activities	<u>750,074</u>

Total depreciation expense	<u>\$ 1,250,674</u>
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Note 5: BONDS/NOTES PAYABLE

Business-Type Activities

Waste Water Fund - Note

During 2010 the City received a \$9,465,000 loan from the Colorado Water Resources and Power Development Authority.

Payments are due semi-annually on February 1 and August 1 beginning February 1, 2011 and ending August 1, 2031. The net effective interest rate is 2.50%.

The City may prepay the loan repayments, in whole or in part (but if in part, in the amount of \$100,000 or any integral multiple of \$100,000) upon prior written notice of not less than ninety days.

The loan agreement with Colorado Water Resources and Power Development Authority contains several covenants including the establishment and maintenance of an operations and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses. The City has restricted \$242,844 of net position in satisfaction of the three month renewal and maintenance reserve requirement at year-end. The City must also maintain waste water rates, fees and other charges that will cover operation and maintenance expenses and at least 110% of debt services for the calendar year. The City believes it has met this requirement for the year ended December 31, 2017.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 5: BONDS/NOTES PAYABLE (continued)

Details of the note are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 435,000	\$ 191,727	\$ 626,727
2019	445,000	180,703	625,703
2020	455,000	170,244	625,244
2021	465,000	160,194	625,194
2022	475,000	150,055	625,055
2023	485,000	144,986	629,986
2024	485,000	140,291	625,291
2025	490,000	135,401	625,401
2026	500,000	126,556	626,556
2027	510,000	117,919	627,919
2028	520,000	109,471	629,471
2029	545,000	82,295	627,295
2030	575,000	55,032	630,032
2031	<u>600,000</u>	<u>27,595</u>	<u>627,595</u>
Total	<u>\$ 6,985,000</u>	<u>\$ 1,792,469</u>	<u>\$ 8,777,469</u>

Note 6: CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental Activities					
Compensated absences	\$ 198,855	\$ -	\$ (11,555)	\$ 187,300	\$ -
Net pension liability	<u>229,944</u>	<u>55,943</u>	<u>-</u>	<u>285,887</u>	<u>-</u>
Total	<u>\$ 428,799</u>	<u>\$ 55,943</u>	<u>\$ (11,555)</u>	<u>\$ 473,187</u>	<u>\$ -</u>
Business-type Activities					
Compensated absences	\$ 72,353	\$ 5,136	\$ -	\$ 77,489	\$ -
Premium on note payable	283,395	-	(19,106)	264,289	-
Note payable	<u>7,415,000</u>	<u>-</u>	<u>(430,000)</u>	<u>6,985,000</u>	<u>435,000</u>
Total	<u>\$ 7,770,748</u>	<u>\$ 5,136</u>	<u>\$ (449,106)</u>	<u>\$ 7,326,778</u>	<u>\$ 435,000</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 6: CHANGES IN LONG-TERM DEBT (continued)

For the governmental activities, compensated absences are generally liquidated by the general fund.

The total amount of interest cost incurred and expensed was \$177,010.

Note 7: COMMITMENTS AND CONTINGENCIES

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts. In, November, 2000, the City's electorate approved a resolution to permit the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatever, without limitation, in 2000 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution, provided however, that no local tax rate or property mill levy shall be increased at any time, nor shall any new tax be imposed, without the prior consent of voters of the City. TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The City has restricted \$146,000 of fund balance as a result of Article X, Section 20 (TABOR) of the Colorado Constitution and believes it is in compliance with the provisions of the TABOR Amendment.

Note 8: BUDGETARY DATA

The City may authorize Supplemental appropriations during the budget year. During 2017, the following supplemental appropriations were enacted.

<u>Fund</u>	<u>Amount</u>
Conservation Trust Fund	\$ 7,500
Joslin Needham Fund	74,500
Cemetery Perpetual Care Fund	<u>4,300</u>
Totals	<u>\$ 86,300</u>

The actual results of operations are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2017 budget. For purposes of preparing the budgetary comparison schedules, the actual results of operations have been adjusted to a basis consistent with the City's budgeted revenues and expenditures. Adjustments necessary to convert the net income/revenues in excess of expenditures at the end of year on the GAAP basis to the budgetary basis are as follows:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 8: BUDGETARY DATA (continued)

	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	Golf Course Fund
<u>Net income (loss)</u>					
GAAP Basis	\$ 273,856	\$ 44,370	\$ 334,536	\$ 620,941	\$ (46,399)
Depreciation and amortization	245,098	20,852	319,180	123,023	41,921
Principal payment	-	-	(430,000)	-	-
Amortized premium	-	-	(19,105)	-	-
Accrued interest	-	-	(3,125)	-	-
Capital outlay	(67,333)	(158,071)	(68,074)	(650,600)	-
Budgetary basis	\$ 451,621	\$ (92,849)	\$ 133,412	\$ 93,364	\$ (4,478)

Note 9: PENSION FUNDS

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2016 has 216 participating employer fire and police departments.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits provided. 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. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the 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 by election of the membership.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Members of the SWDB Plan and their employers are contributing at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 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 reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2016. Per the 2014 member election, members of the affiliate social security group will have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the City were \$40,836.

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 liability of \$35,394 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability 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 projected contributions of all participating entities, actuarially determined. At December 31, 2016, the City's proportion was .0980 percent, which was an increase of .0001 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$14,194. At December 31, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 94,830	\$ -
Changes in assumptions or other inputs	24,159	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	13,435	-
	-	7,573
Difference between expected & actual experience	31,593	1,527
Contributions subsequent to measurement date	40,836	-
Totals	<u>\$ 204,853</u>	<u>\$ 9,100</u>

\$40,836 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:

<u>Year Ended December 31, —</u>	<u>Amount</u>
2018	\$ 36,789
2019	36,789
2020	34,941
2021	14,619
2022	7,078
2023	7,078
2024	7,078
2025	7,626
2026	2,919
Totals	<u>\$ 154,917</u>

Actuarial assumptions. The collective total pension liability as of December 31, 2016 is based upon the January 1, 2017 actuarial valuation, which was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2017
Actuarial method	Entry age normal
Amortization method	Level percent of payroll, open
Amortization period	30 years
Long-term investment rate of return*	7.5%
Projected salary increases*	4.0% – 14.0%
Cost of living adjustment	0.0%
*Includes inflation at	2.5%

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The 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 expense 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:

<u>Asset Class</u>	<u>Long-Term Expected Target Allocation</u>	<u>Rate of Return</u>
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.00%*
Totals	<u>100.0%</u>	

* While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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 position 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.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20- year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the City's proportionate share of the net pension liability/ (asset) to changes in the discount rate. Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the City's proportionate share of the net pension liability/ (asset) calculated using a Single Discount Rate of 7.50%, as well as what the City's proportionate share of the net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 301,144	\$ 35,394	\$ (185,325)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Brush Combined Volunteer Pension Fund

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (income), information about the fiduciary net position of the Brush Combined Volunteer Pension Fund and additions to/deductions from Brush Combined Volunteer Pension Fund's net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan administration. The City's defined benefit pension plan for volunteers currently provides normal retirement, funeral, disability retirement and survivor benefits to plan members and beneficiaries. The plan is affiliated with the Fire and Police Member's Benefit Fund, an agent multiple-employer pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. Title 31, Article 30 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plans that participate in FPPA to the respective member entities. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for Public Employee Retirement System (PERS) Affiliated Local Plans that can be obtained at www.fppaco.org.

The City and the Brush Rural Fire Protection District formed an intergovernmental agreement in 2003 to consolidate the City and Rural pension plans into one, effect January 1, 2004. All of the plan assets are managed and benefits paid by FPPA. The City reports its proportionate share of the combined Pension Plan on its financial statements that include the net pension liability of the plan.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>26</u>
Total	<u>66</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Benefits provided. The plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$260 per month). Vesting for reduced monthly pension benefits begins at 10 years of service, with full pension after 20 years. The plan provides for a lump-sum burial benefit of \$520 upon the death of an active or retired firefighter. The plan also provides disability monthly benefit ranging from \$130 to \$260 and survivor monthly benefit on \$130.

Contributions. Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2017 included \$26,925 from the State of Colorado matching funds, \$21,409 from Brush Rural Fire Protection District and \$16,740 from the City.

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 proportionate share of net pension liability of \$250,493. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017. The proportionate share was determined by the total contributions of the City and the Brush Rural Fire Protection District made in 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$8,346. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,520	\$ -
Changes in assumptions or other inputs	12,052	-
Net difference between projected and actual earnings on pension plan investments	19,983	-
Contributions subsequent to the measurement date	<u>16,740</u>	<u>-</u>
Total	<u>\$ 51,295</u>	<u>\$ -</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

\$16,740 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2017	\$ 13,794
2018	12,095
2019	7,017
2020	<u>1,649</u>
Totals	<u>\$ 34,555</u>

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar open*
Remaining amortization period	20 years*
Asset valuation method	5-year smoothed fair value
Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	50% per year of eligibility until 100% at age 65

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. The mortality table for disabled retirees is the RP-2000 Disabled Mortality Table. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of a regularly scheduled experience study in 2015. As a result of the 2015 experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.0 percent to 3.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

The 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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 which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	36%	6.75%
Equity Long/Short	10%	4.85%
Illiquid Alternatives	23%	8.25%
Fixed Income	15%	0.50%
Absolute Return	10%	4.05%
Managed Futures	4%	3.00%
Cash	2%	0.00%*
Totals	<u>100%</u>	

*While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

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 will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Directors' funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's net pension liability to changes in the discount rate. The following presents the City's net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

	1% Decrease (6.50%)	Discount (7.50%)	Current 1% Increase (8.50%)
Net pension liability (asset)	\$ 315,287	\$ 250,493	\$ 196,353

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Brush Rural Fire Protection District Volunteer Pension Fund financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Defined Contribution Plan

The City participates in the City of Brush, Colorado Money Purchase Pension Plan (the Plan), a defined contribution plan administered by Great West Retirement. Benefit terms, including contribution requirements, for the Plan are established and may be amended by City Council. The City is required to contribute 5% of covered employee's salary, while employees are not required to make any contributions. For the year, the City recognized pension expense of \$68,044. Employee vesting begins at two years with 20% and continues at 20% per year until fully vested in year six.

Note 10: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In 1998 this plan moved all assets into a trust for the exclusive benefit of the participants and their beneficiaries, as required by the Internal Revenue Code.

Note 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates in the Colorado Intergovernmental Risk Sharing Agency (herewith referred to as "CIRSA"). CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to person or property which might result in claims being made against members of CIRSA, their employees or officers.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 11: RISK MANAGEMENT (continued)

The City recognized as an expense/expenditure the amounts paid to CIRSA annually in the amounts of \$128,366 for the Worker's Compensation Pool and \$121,519 for the Property/Casualty Pool. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City.

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 or 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 its budgets nor does it have the ability to significantly affect the operations of the unit. CIRSA is affiliated and shares facilities with Colorado Intergovernmental Risk Sharing Agency for Worker's Compensation (CIRSA/WC).

The City carries airport liability and boiler and machinery coverage through commercial carriers.

Note 12: GRANTS

The City receives financial assistance from various governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the City. However in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements or on the overall financial position of the City at December 31, 2017.

Note 13: INTERFUND TRANSFERS AND BALANCES

All interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 40
General Fund	Water Fund	10,915
General Fund	Trash & Garbage Fund	4,875
General Fund	Waste Water Fund	17,265
General Fund	Storm Water Fund	1,840
Golf Course Fund	General Fund	<u>80,000</u>
Totals		<u>\$ 114,935</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 13: INTERFUND TRANSFERS AND BALANCES (continued)

The transfer between the general fund and other governmental funds is for earnings on Cemetery Perpetual Care investments. The transfer from the enterprise funds to the General Fund are annual transfers for community enhancement projects which includes the City's economic development efforts. The General Fund also transfers funds to the Golf Course Fund to help subsidize the cost of operations.

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General Fund	Water Fund	\$ <u>285,703</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 14: OTHER SIGNIFICANT MATTERS

Conduit Debt

Financing Agreement

On March 1, 1997, the City of Brush provided for the advance refunding of the 1985 Series Industrial Development Revenue Bond with the issuance of an \$8,964,000, 1997 Series Industrial Development Revenue Bond (Training Centers International, Ltd.)

The bonds and interest appurtenant thereto do not constitute debt or indebtedness of the City under Colorado law and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

Other Financing Agreement

On October 21, 1994, the City of Brush provided for the issuance of a \$6,065,000, 1994 Series Industrial Development Revenue Bond (Eben Ezer Lutheran Care Center).

On August 9, 2004, the City of Brush provided for the issuance of a \$5,450,000, 2004A and B Series Industrial Development Revenue Bond (Eben Ezer Lutheran Care Center). The issuance of these bonds was for the repayment of the 1994 Series Industrial Development Revenue Bond.

The bonds and interest appurtenant thereto do not constitute debt or indebtedness of the City under Colorado law and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 15: FUND BALANCE CLASSIFICATIONS

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Emergencies	\$ 146,000	\$ -	\$ -
Tricentennial celebration	3,426	-	-
Park improvements	33,558	118,396	-
Police equipment	5,359	-	-
Police improvements	6,293	-	-
Street improvements	407,475	1,772	-
Fire equipment	731,900	-	-
Cemetery maintenance	-	42,985	-
Community enhancements	-	-	62,973
General equipment	-	-	112,110
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,334,011</u>	<u>\$ 163,153</u>	<u>\$ 175,083</u>

Restricted fund balances

TABOR requires an emergency reserve be set aside for 2017 in the amount of 3% or more of its fiscal year spending. At December 31, 2017, the City has restricted \$128,061 in the Special Surplus and Deficiency Fund and \$17,939 in the General Fund for emergencies.

In addition, the General Fund ending fund balance is restricted in the amount of \$3,426 for funds held on behalf of the City of Brush Bi-Centennial Committee.

The City presently levies a four percent (4%) sales tax. The sales tax is collected by the Colorado Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by the vendors. The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2006, increasing the sales tax rate by six-tenths of a percent from the previous three percent. The 2007 increase is specifically for street maintenance, improvements, and other related municipal purposes. The money is to be deposited in the Capital Improvement Fund. All amounts not spent at year-end are restricted for the purposes designated by the legislation. At December 31, 2017 the amount of fund balance restricted for street maintenance was \$407,475. This amount is restricted by enabling legislation.

The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2014, increasing the sales tax rate by four-tenths of a percent from the previous three and six-tenths percent. Along with the increased sales tax revenues, the City has also established a separate mill levy specifically for the purchase of fire equipment and building improvements. The money is to be deposited in the Fire Equipment Fund. All amounts not spent at year-end are restricted for the purposes designated by legislation. At December 31, 2017 the amount of fund balance restricted for fire equipment and building improvements is \$731,900.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 15: FUND BALANCE CLASSIFICATIONS (continued)

The City receives monies from the State under the Colorado lottery program to be spent for park and recreation purposes only. At December 31, 2017 the amount of fund balance restricted in the Conservation Trust Fund for park maintenance and improvements was \$33,558.

The City has received funds from drug related court cases which the police department has been involved in. By state statute, expense is to be used for police equipment replacement. At December 31, 2017 the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund for police drug enforcement equipment was \$5,359.

The City received evidence funds at the time of police arrests. At December 31, 2017 the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund from evidence seizures was \$6,293.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Police Statewide Defined Benefit Plan
- Schedule of City Contributions – Police Statewide Defined Benefit Plan
- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Brush Combined Volunteer Fire Pension Plan
- Schedule of City Contributions – Brush Combined Volunteer Fire Pension Plan
- General Fund – Budgetary Comparison Schedule
- Capital Improvement Fund – Budgetary Comparison Schedule
- Notes to the Required Supplementary Information

CITY OF BRUSH, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) ¹****Police Statewide Defined Benefit Plan****December 31, 2017**

Measurement period ending December 31,	2016	2015	2014
City's proportion of the net pension liability/(asset)	0.0979518%	0.0978810%	0.0830756%
City's proportionate share of the net pension liability/(asset)	\$ 35,394	\$ (1,725)	\$ (93,757)
City's covered-employee payroll	\$ 502,160	\$ 480,214	\$ 373,595
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	7.0%	-0.4%	-25.1%
Plan fiduciary net position as a percentage of the total pension liability	98.2%	100.1%	106.8%

¹ Information is not available prior to the measurement period ended December 31, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO
Schedule of City Contributions ¹
Police Statewide Defined Benefit Plan
December 31, 2017

Measurement period ending December 31,	2016	2015	2014
Contractually required contribution	\$ 40,172	\$ 38,417	\$ 29,887
Contributions in relation to the contractually required contribution	(40,172)	(38,417)	(29,887)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 502,160	\$ 480,214	\$ 373,595
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

¹ Information is not available prior to the measurement period ended December 31, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability ¹****Brush Combined Volunteer Fire Pension Plan****December 31, 2017**

Measurement period ending December 31,	2016	2015	2014
City's proportion of the net pension liability	44%	44%	44%
City's proportionate share of the net pension liability	\$ 250,493	\$ 229,944	\$ 218,325
City's covered-employee payroll	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	58.47%	60.53%	62.37%

¹ Information is not available prior to the measurement period ended December 31, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO
Schedule of City Contributions ¹
Brush Combined Volunteer Fire Pension Plan
December 31, 2017

Measurement period ending December 31,	2016	2015	2014
Contractually required contribution	\$ 16,662	\$ 17,316	\$ 18,687
Contributions in relation to the contractually required contribution	(16,662)	(17,316)	(18,687)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A

¹ Information is not available prior to the measurement period ended December 31, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 2,249,790	\$ 2,249,790	\$ 2,432,152	\$ 182,362
Licenses and permits	31,200	31,200	125,677	94,477
Intergovernmental	317,100	317,100	365,648	48,548
Fines and forfeitures	60,150	60,150	41,535	(18,615)
Charges for services	201,550	201,550	216,868	15,318
Miscellaneous	745,955	745,955	719,543	(26,412)
Total revenues	3,605,745	3,605,745	3,901,423	295,678
Expenditures				
Current				
General government	1,068,325	1,068,325	946,054	122,271
Public safety	1,290,925	1,290,925	1,229,374	61,551
Public works	900,505	900,505	698,178	202,327
Culture and recreation	805,710	805,710	689,506	116,204
Capital outlay	424,100	424,100	344,873	79,227
Total expenditures	4,489,565	4,489,565	3,907,985	581,580
Excess of revenues over (under) expenditures	(883,820)	(883,820)	(6,562)	877,258
Other financing sources (uses)				
Transfers in	253,570	253,570	34,935	(218,635)
Transfers out	(317,175)	(317,175)	(80,000)	237,175
Sale of fixed assets			1,953	1,953
Total other financing sources (uses)	(63,605)	(63,605)	(43,112)	20,493
Net change in fund balance	\$ (947,425)	\$ (947,425)	(49,674)	\$ 897,751
Fund balance at beginning of year			2,429,364	
Fund balance at end of year			\$ 2,379,690	

CITY OF BRUSH, COLORADO
Capital Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Sales tax	\$ 285,000	\$ 285,000	\$ 309,086	\$ 24,086
Cigarette tax	5,400	5,400	5,479	79
Miscellaneous			558	558
Interest on investments	1,025	1,025	4,016	2,991
Grant income	346,225	346,225	184,703	(161,522)
Total revenues	637,650	637,650	503,842	(133,808)
Expenditures				
Public works				
Noncapital outlay			85,572	(85,572)
Street and drainage	1,081,080	1,081,080	762,648	318,432
Total expenditures	1,081,080	1,081,080	848,220	232,860
Net change in fund balance	\$ (443,430)	\$ (443,430)	(344,378)	\$ 99,052
Fund balance at beginning of year			751,853	
Fund balance at end of year			\$ 407,475	

CITY OF BRUSH, COLORADO
Notes to the Required Supplementary Information

Note 1: BUDGETARY DATA

Annual budgets are established for all funds of the City as required by its local code. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by City council. Within these control levels, management may transfer appropriations without City council approval. Revisions to the budget were made throughout the year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15th of each year, or in conformity with the general state law, the budget is submitted to the City council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, an appropriation ordinance making a levy in mills upon all taxable property within the City for the ensuing fiscal year.
- A public hearing on the budget shall be held by City council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the City council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

CITY OF BRUSH, COLORADO

Notes to the Required Supplementary Information

Note 2: FACTORS AFFECTING TRENDS IN AMOUNTS REPORTED IN THE PENSION SCHEDULES – POLICE STATEWIDE DEFINED BENEFIT PLAN

Changes in plan provisions. The plan provisions have not changed since the prior valuation. The member contribution rates will increase in 2017 as a result of the member election.

Benefit adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Changes of assumptions. Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the City not required to be accounted for in other funds. This fund represents an accounting of the City's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the City's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Property taxes	\$ 568,990	\$ 568,990	\$ 572,890	\$ 3,900
Specific ownership taxes	82,000	82,000	84,776	2,776
Sales taxes	1,375,000	1,375,000	1,466,630	91,630
Use taxes	8,000	8,000	78,800	70,800
Gas and electric franchise	175,000	175,000	184,089	9,089
Phone franchise	3,800	3,800	3,518	(282)
TV franchise	37,000	37,000	41,449	4,449
Total taxes	2,249,790	2,249,790	2,432,152	182,362
Licenses and permits				
Liquor	9,000	9,000	11,946	2,946
Amusement	600	600	480	(120)
Building and plumbing	16,000	16,000	105,417	89,417
Animal and miscellaneous	5,600	5,600	7,834	2,234
Total licenses and permits	31,200	31,200	125,677	94,477
Intergovernmental				
Highway users tax	140,000	140,000	147,933	7,933
Severance tax	30,000	30,000	22,240	(7,760)
Payment in lieu of taxes	6,000	6,000	3,500	(2,500)
Morgan County - road fund rebate	130,000	130,000	145,688	15,688
State Highway 34 maintenance	11,100	11,100	16,791	5,691
Grant income	25,800	25,800	28,970	3,170
School liaison			526	526
Total intergovernmental	342,900	342,900	365,648	22,748
Fines and forfeitures				
Court fines	60,150	60,150	41,535	(18,615)
Total fines and forfeitures	60,150	60,150	41,535	(18,615)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services				
Zoning	500	500	1,600	1,100
Cemetery	29,500	29,500	34,313	4,813
Swimming pool	25,700	25,700	29,789	4,089
Other recreation activities	121,350	121,350	125,216	3,866
Park fees	24,500	24,500	25,950	1,450
Total charges for services	201,550	201,550	216,868	15,318
Miscellaneous				
Interest on investments	8,120	8,120	11,627	3,507
Farm income	2,040	2,040	2,220	180
Airport rent	500	500	7,554	7,054
Administrative fees	699,495	699,495	635,198	(64,297)
Music festival			7,140	7,140
Donations			6,250	6,250
Miscellaneous	10,000	10,000	49,554	39,554
Total miscellaneous	720,155	720,155	719,543	(612)
Total revenues	\$ 3,605,745	\$ 3,605,745	\$ 3,901,423	\$ 295,678

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Legislative				
Council salaries	\$ 21,600	\$ 21,600	\$ 21,600	\$ -
Employee benefits	1,725	1,725	1,721	4
Travel	7,000	7,000	5,457	1,543
Dues	200	200	244	(44)
Computer maintenance	1,200	1,200	1,000	200
Total legislative	31,725	31,725	30,022	1,703
City clerk				
Clerk's salary	56,740	56,740	56,680	60
Employee benefits	15,670	15,670	15,564	106
Supplies	800	800	119	681
Telephone	50	50	17	33
Dues	360	360	370	(10)
Travel	2,000	2,000	1,060	940
Elections	5,000	5,000	5,678	(678)
Records management	6,000	6,000	3,057	2,943
Total city clerk	86,620	86,620	82,545	4,075
Executive				
Mayor's salaries	7,200	7,200	7,200	-
Employee benefits	565	565	562	3
Travel	1,500	1,500	58	1,442
Dues	200	200	84	116
Computer maintenance	200	200	200	-
Total executive	9,665	9,665	8,104	1,561
City administrator				
Salaries	97,320	97,320	97,320	-
Employee benefits	41,540	41,540	40,997	543
Telephone	2,000	2,000	1,711	289
Dues	3,100	3,100	397	2,703
Travel	3,700	3,700	2,518	1,182
Fuel and oil	850	850	19	831
Repairs and maintenance	550	550	5	545
Total city administrator	149,060	149,060	142,967	6,093

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Administration				
Salaries	158,420	158,420	166,030	(7,610)
Employee benefits	66,005	66,005	63,168	2,837
Supplies	16,500	16,500	10,685	5,815
Professional services	106,975	106,975	25,826	81,149
Pension contributions	16,300	16,300	16,740	(440)
Telephone	6,000	6,000	5,961	39
Utilities	12,000	12,000	6072	5,928
Dues	4,000	4,000	3,447	553
Travel and training	4,000	4,000	5,056	(1,056)
Advertising	5,000	5,000	4,740	260
Insurance and bonds - general	48,765	48,765	56,974	(8,209)
Radio & computer maintenance	10,600	10,600	4,739	5,861
Contributions	30,000	30,000	42,321	(12,321)
Employee incentive program	15,000	15,000	18,359	(3,359)
Fuel and oil	400	400	176	224
Repairs & maintenance - auto	100	100	134	(34)
Total administration	500,065	500,065	430,428	69,637
Community development				
Salaries	84,895	84,895	84,370	525
Employee benefits	19,535	19,535	19,132	403
Supplies	2,150	2,150	1,873	277
Professional services	47,000	47,000	12,184	34,816
Telephone	350	350	330	20
Dues	1,500	1,500	1,354	146
Travel and training	3,400	3,400	1,286	2,114
Building & radio maintenance	7,310	7,310	1,834	5,476
Tree board	5,500	5,500	4,942	558
Community outreach	33,900	33,900	46,451	(12,551)
Fuel and oil	550	550	196	354
Repairs & maintenance - auto	300	300	17	283
Capital outlay - buildings	31,100	31,100	43,692	(12,592)
Total community development	237,490	237,490	217,661	19,829

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2017

(continued)		Budgeted Amounts		Variance with
	Original	Final	Actual	Final Budget Favorable (Unfavorable)
Marketing				
Salaries	43,520	43,520	40,423	3,097
Employee benefits	20,195	20,195	23,269	(3,074)
Supplies	2,300	2,300	259	2,041
Telephone	250	250	83	167
Dues	775	775	565	210
Travel and training	3,500	3,500	2,005	1,495
Advertising	3,000	3,000	1,235	1,765
Economic development	10,335	10,335	10,003	332
Fuel and oil	600	600	177	423
Repairs & maintenance - auto	325	325		325
Total marketing	84,800	84,800	78,019	6,781
Total general government	1,099,425	1,099,425	989,746	109,679
Public safety				
Police				
Salaries - permanent	571,820	571,820	549,036	22,784
Salaries - clerical/code enforcer	91,445	91,445	100,252	(8,807)
Employee benefits	298,560	298,560	304,887	(6,327)
Supplies	44,600	44,600	30,360	14,240
Legal fees	24,300	24,300	15,882	8,418
Professional services	5,000	5,000	1,170	3,830
Telephone	5,000	5,000	12,086	(7,086)
Utilities	7,500	7,500	5,495	2,005
Dues	1,000	1,000	1,067	(67)
Travel and training	16,000	16,000	15,096	904
Advertising	1,500	1,500	1,288	212
Repairs & maintenance - general	30,000	30,000	17,425	12,575
Recruiting	1,800	1,800		1,800
Animal control	12,075	12,075	1,467	10,608
Investigations	12,000	12,000	10,099	1,901
School liaison	1,700	1,700	1,027	673
Policing and emergency services	2,500	2,500	902	1,598
K-9 program	10,000	10,000	11,923	(1,923)
Fuel and oil	27,000	27,000	21,001	5,999
Repairs & maintenance - auto	20,000	20,000	16,810	3,190
Capital outlay	47,000	47,000	45,778	1,222
Total police	1,230,800	1,230,800	1,163,051	67,749

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire Department				
Fringe benefits	13,325	13,325	11,088	2,237
Repairs, maintenance and supplies	31,650	31,650	41,990	(10,340)
Telephone	4,000	4,000	3,413	587
Utilities	8,500	8,500	3,771	4,729
Professional services	1,500	1,500	1,702	(202)
Dues	900	900	3,172	(2,272)
Travel and training	10,000	10,000	14,944	(4,944)
Building maintenance	7,000	7,000	146	6,854
Fireworks	9,000	9,000		9,000
Radio & computer maintenance	7,250	7,250	9,592	(2,342)
Fuel and oil	5,000	5,000	1,062	3,938
Repairs & maintenance - auto	9,000	9,000	21,221	(12,221)
Total fire department	107,125	107,125	112,101	(4,976)
Total public safety	1,337,925	1,337,925	1,275,152	62,773
Public works				
Streets				
Salaries	243,890	243,890	223,579	20,311
Employee benefits	143,800	143,800	141,705	2,095
Supplies	28,150	28,150	13,043	15,107
Professional services	3,000	3,000	322	2,678
Medical	1,000	1,000	623	377
Telephone	1,100	1,100	969	131
Electrical - street lights	105,000	105,000	87,881	17,119
Dues	400	400	650	(250)
Travel and training	5,000	5,000	660	4,340
Advertising	200	200	252	(52)
Building maintenance	9,000	9,000	2,932	6,068
Radio maintenance	800	800		800
Street repair	37,000	37,000	17,092	19,908
Forestry	4,000	4,000	1,667	2,333
Alley maintenance	1,000	1,000		1,000
Sidewalk maintenance	7,000	7,000	4,033	2,967
Pest and weed abatement	42,000	42,000	35,030	6,970
Snow removal	12,500	12,500		12,500

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2017

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Streets (continued)				
Christmas lights	800	800	864	(64)
Fuel and oil	38,000	38,000	15,363	22,637
Repairs & maintenance - auto	62,000	62,000	14,653	47,347
Capital outlay	270,000	270,000	232,933	37,067
Total streets	1,015,640	1,015,640	794,251	221,389
Airport facilities				
Supplies	5,000	5,000	235	4,765
Electric	800	800	314	486
Building maintenance	3,000	3,000	3,955	(955)
Insurance	3,100	3,100	2,178	922
Runway repairs	12,000	12,000	686	11,314
Total airport facilities	23,900	23,900	7,368	16,532
Cemetery				
Salaries	63,365	63,365	71,145	(7,780)
Employee benefits	29,000	29,000	29,339	(339)
Supplies	21,800	21,800	15,428	6,372
Medical	600	600	264	336
Telephone	2,000	2,000	2,217	(217)
Utilities	3,200	3,200	2,146	1,054
Dues	100	100		100
Travel and training	200	200	25	175
Advertising	600	600	190	410
Building maintenance			16	(16)
Foundations and burial service	3,000	3,000	793	2,207
Fuel and oil	3,000	3,000	3,503	(503)
Repairs & maintenance - auto	4,100	4,100	4,426	(326)
Capital outlay	47,000	47,000	17,673	29,327
Total cemetery	177,965	177,965	147,165	30,800
Total public works	1,217,505	1,217,505	948,784	268,721

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation department				
Salaries	270,220	270,220	246,947	23,273
Employee benefits	57,980	57,980	49,866	8,114
Supplies	2,700	2,700	1,718	982
Professional services	15,000	15,000	960	14,040
Telephone	2,000	2,000	3,241	(1,241)
Utilities	3,500	3,500	2,603	897
Dues	300	300	105	195
Travel and training	2,500	2,500	740	1,760
Advertising	2,000	2,000	1,096	904
Building & field maintenance	23,500	23,500	15,097	8,403
Copy/computer maintenance	4,800	4,800	4,600	200
Adult programs	5,075	5,075	1,488	3,587
Youth summer programs	44,150	44,150	27,397	16,753
Youth winter programs	19,550	19,550	13,827	5,723
Swimming pool programs	35,950	35,950	32,583	3,367
Special events programs	59,500	59,500	51,868	7,632
Fuel and oil	1,400	1,400	79	1,321
Repairs & maintenance - auto	1,250	1,250	88	1,162
Capital outlay	25,000	25,000	4,797	20,203
Total recreation department	576,375	576,375	459,100	117,275
Parks				
Salaries	121,425	121,425	109,693	11,732
Employee benefits	44,835	44,835	43,080	1,755
Supplies	40,025	40,025	43,686	(3,661)
Medical	800	800	613	187
Utilities and telephone	35,000	35,000	29,893	5,107
Dues	500	500		500
Travel and training	500	500		500
Advertising	750	750	69	681
Fuel and oil	4,500	4,500	3,415	1,085
Repairs & maintenance - auto	6,000	6,000	4,754	1,246
Capital outlay	4,000	4,000		4,000
Total parks	258,335	258,335	235,203	23,132
Total culture and recreation	834,710	834,710	694,303	140,407
Total expenditures	4,489,565	4,489,565	3,907,985	581,580

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**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The City reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Special Surplus and Deficiency Fund – This fund presently accounts for the emergency reserves required under the TABOR amendment.
- Conservation Trust Fund – This fund was established by the City to provide for an accounting of those funds received through the State of Colorado Lottery Fund Program. The State requires that these funds be expended in the areas of parks and recreation development.
- Police Forfeiture and Confiscation Fund – This fund is used to account for monies collected from the sale of evidence seized by the Police department (Note 7).
- Fire Equipment Improvement Fund – This fund accounts for the acquisition of fire equipment and building improvements.
- Joslin-Needham Fund – This fund is established to provide for separate accountability of monies contributed to the City by the Joslin-Needham Family Foundation earmarked for particular projects.
- Cemetery Perpetual Care Fund – This fund is established to accumulate funds for the perpetual care and maintenance of the City's cemetery grounds. Current Council resolutions also allow capital purchases in this fund.

CITY OF BRUSH, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Fire Equipment Improvement Fund
Assets				
Cash	\$ 2,563	\$ 33,558	\$ 11,652	\$ 142,907
Investments	125,000			530,000
Accrued interest receivable	498			2,106
Accounts receivable				23,811
Property tax receivable				42,551
Sales tax receivable				33,076
Total assets	<u>\$ 128,061</u>	<u>\$ 33,558</u>	<u>\$ 11,652</u>	<u>\$ 774,451</u>
Liabilities				
Accounts payable				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources				
Deferred property tax revenues				42,551
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,551</u>
Fund balance				
Restricted	128,061	33,558	11,652	731,900
Committed				
Total fund balance	<u>128,061</u>	<u>33,558</u>	<u>11,652</u>	<u>731,900</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 128,061</u>	<u>\$ 33,558</u>	<u>\$ 11,652</u>	<u>\$ 774,451</u>

Joslin Needham Fund	Cemetery Perpetual Care Fund	Total
\$ 120,156	\$ 16,330	\$ 327,166
	25,000	680,000
	76	2,680
	1,579	25,390
		42,551
		33,076
\$ 120,156	\$ 42,985	\$ 1,110,863
\$ 1,760		\$ 1,760
1,760	\$ -	1,760
		42,551
-	-	42,551
118,396	42,985	905,171
		161,381
118,396	42,985	1,066,552
\$ 120,156	\$ 42,985	\$ 1,110,863

CITY OF BRUSH, COLORADO**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balance****For the Year Ended December 31, 2017**

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Fire Equipment Improvement Fund
Revenues				
Taxes				\$ 243,480
Intergovernmental revenue		\$ 53,662		23,810
Charges for services				1
Miscellaneous	\$ 667	9	\$ 438	3,945
Total revenues	667	53,671	438	271,236
Expenditures				
Public safety			8,418	
Culture and recreation		9,600		
Capital outlay		26,920		48,615
Total expenditures	-	36,520	8,418	48,615
Excess of revenues over (under) expenditures	667	17,151	(7,980)	222,621
Other financing uses				
Transfers out				
Net change in fund balances	667	17,151	(7,980)	222,621
Fund balance at beginning of year	127,394	16,407	19,632	509,279
Fund balance at end of year	\$ 128,061	\$ 33,558	\$ 11,652	\$ 731,900

Joslin Necdhham Fund	Cemetery Perpetual Care Fund	Total
		\$ 243,480
		77,472
	\$ 10,078	10,079
\$ 74,685	617	80,361
74,685	10,695	411,392
		8,418
26,102		35,702
37,773	4,300	117,608
63,875	4,300	161,728
10,810	6,395	249,664
	(40)	(40)
10,810	6,355	249,624
107,586	36,630	816,928
\$ 118,396	\$ 42,985	\$ 1,066,552

CITY OF BRUSH, COLORADO
Special Surplus and Deficiency Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Interest on investments	\$ 370	\$ 370	\$ 667	\$ 297
Expenditures				
Net change in fund balance	<u>\$ 370</u>	<u>\$ 370</u>	667	<u>\$ 297</u>
Fund balance at beginning of year			<u>127,394</u>	
Fund balance at end of year			<u>\$ 128,061</u>	

CITY OF BRUSH, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Colorado lottery funds	\$ 52,500	\$ 52,500	\$ 53,662	\$ 1,162
Interest on investments	100	100	9	(91)
Total revenues	52,600	52,600	53,671	1,071
Expenditures				
Culture and recreation				
Noncapital outlay			9,600	(9,600)
Capital outlay - park improvements	33,500	41,000	26,920	14,080
Total expenditures	33,500	41,000	36,520	4,480
Net change in fund balance	\$ 19,100	\$ 11,600	17,151	\$ 5,551
Fund balance at beginning of year			16,407	
Fund balance at end of year			\$ 33,558	

CITY OF BRUSH, COLORADO
Police Forfeiture Confiscation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Evidence seizures	\$ 2,000	\$ 2,000	\$ 274	\$ (1,726)
Forfeitures	200	200	156	(44)
Interest on investments	20	20	8	(12)
Total revenues	2,220	2,220	438	(1,782)
Expenditures				
Public safety				
Evidence seizures	2,000	2,000		2,000
Drug forfeiture	10,000	10,000	8,418	1,582
Total expenditures	12,000	12,000	8,418	3,582
Net change in fund balance	<u>\$ (9,780)</u>	<u>\$ (9,780)</u>	(7,980)	<u>\$ 1,800</u>
Fund balance at beginning of year			19,632	
Fund balance at end of year			<u>\$ 11,652</u>	

CITY OF BRUSH, COLORADO
Fire Equipment Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property tax	\$ 38,815	\$ 38,815	\$ 39,078	\$ 263
Sales tax	190,000	190,000	204,402	14,402
Equipment and building rental	6,150	6,150	1	(6,149)
Grant income	690,000	690,000	23,810	(666,190)
Contributions			1,000	1,000
Joint venture	360,000	360,000		(360,000)
Interest on investments	1,000	1,000	2,945	1,945
Total revenues	1,285,965	1,285,965	271,236	(1,014,729)
Expenditures				
Capital outlay				
Building	1,410,000	1,410,000	9,283	1,400,717
Equipment	10,000	10,000	39,332	(29,332)
Total expenditures	1,420,000	1,420,000	48,615	1,371,385
Net change in fund balance	\$ (134,035)	\$ (134,035)	222,621	\$ 356,656
Fund balance at beginning of year			509,279	
Fund balance at end of year			\$ 731,900	

CITY OF BRUSH, COLORADO
Joslin Needham Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Contributions		\$ 74,500	\$ 74,500	\$ -
Interest on investments	\$ 200	200	185	(15)
Total revenues	200	74,700	74,685	(15)
Expenditures				
Culture and recreation				
Noncapital outlay			26,102	(26,102)
Capital outlay		74,500	37,773	36,727
Total expenditures	-	74,500	63,875	10,625
Net change in fund balance	\$ 200	\$ 200	10,810	\$ 10,610
Fund balance at beginning of year			107,586	
Fund balance at end of year			\$ 118,396	

CITY OF BRUSH, COLORADO
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Perpetual care sales	\$ 8,000	\$ 8,000	\$ 10,078	\$ 2,078
Contributions	1,000	1,000	500	(500)
Interest on investments	1,500	1,500	117	(1,383)
Total revenues	10,500	10,500	10,695	195
Expenditures				
Public works				
Repairs and maintenance	1,000	1,000		1,000
Memorial improvements		4,300	4,300	-
Total expenditures	1,000	5,300	4,300	1,000
Excess of revenues over (under) expenditures	9,500	5,200	6,395	1,195
Other financing uses				
Transfers out	(1,500)	(1,500)	(40)	1,460
Net change in fund balance	<u>\$ 8,000</u>	<u>\$ 3,700</u>	6,355	<u>\$ 2,655</u>
Fund balance at beginning of year			36,630	
Fund balance at end of year			<u>\$ 42,985</u>	

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Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Water Fund – This fund was established to account for the operation of a City-owned and operated public water system.
- Waste Water Fund – This fund was established to account for the operation of a City-owned and operated public sewer system.
- Trash and Garbage Fund – This fund was established to provide for separate accountability of fees derived from the City-operated public trash system.
- Storm Water Fund – This fund was established to provide for separate accountability of fees derived for the use of street and storm sewer cleaning.
- Golf Course Fund – This fund was established to account for the operations of a City-owned and operated public golf course.

CITY OF BRUSH, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Water services	\$ 1,027,000	\$ 1,027,000	\$ 1,099,008	\$ 72,008
Administrative fees	25,000	25,000	35,793	10,793
Miscellaneous	1,000	1,000	36,544	35,544
Total operating revenues	1,053,000	1,053,000	1,171,345	118,345
Operating expenses				
Salaries	229,455	229,455	216,472	12,983
Employee benefits	94,115	94,115	87,890	6,225
Supplies	30,250	30,250	13,980	16,270
Professional services	313,240	313,240	269,929	43,311
Telephone	1,500	1,500	825	675
Lab fees	20,000	20,000	3,283	16,717
Medical	350	350		350
Utilities	60,000	60,000	50,498	9,502
Association dues	600	600	602	(2)
Travel and training	3,000	3,000	1,439	1,561
Computer and radio maintenance	11,000	11,000	6,623	4,377
Advertising	1,300	1,300	579	721
Building maintenance	5,000	5,000	623	4,377
Licenses and permits	40,000	40,000	33,698	6,302
Insurance - general	18,140	18,140	17,644	496
Well electricity	40,000	40,000	29,954	10,046
Water system maintenance and materials	65,000	65,000	96,469	(31,469)
Line maintenance	20,000	20,000	150	19,850
Fuel and oil	12,000	12,000	6,799	5,201
Repairs & maintenance - vehicle	6,000	6,000	3,734	2,266
Noncapital outlay			4,218	(4,218)
Capital outlay	268,000	268,000	67,333	200,667
Total operating expenses	1,238,950	1,238,950	912,742	326,208
Operating income	(185,950)	(185,950)	258,603	444,553

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	3,000	3,000	8,962	5,962
Plant investment fee	7,000	7,000	149,922	142,922
Farm income	26,500	26,500	23,031	(3,469)
Rental income	7,200	7,200	7,026	(174)
DOW lease			4,854	4,854
Easement	7,700	7,700	6,132	(1,568)
Convenience fee	1,800	1,800	2,366	566
Water conservation	(40,000)	(40,000)		40,000
Farm expense			(360)	(360)
Bond payment	(79,175)	(79,175)		79,175
Total nonoperating revenues (expenses)	(65,975)	(65,975)	201,933	267,908
Net income before transfers and capital contributions	(251,925)	(251,925)	460,536	712,461
Transfers out	(10,915)	(10,915)	(10,915)	-
Capital contributions - tap fees	1,000	1,000	2,000	1,000
Change in net position	\$ (261,840)	\$ (261,840)	451,621	\$ 713,461
Adjustments to GAAP Basis				
Add capital purchases			67,333	
Deduct depreciation			(245,098)	
Change in net position - GAAP Basis			273,856	
Net position at beginning of year			7,318,491	
Net position at end of year			\$ 7,592,347	

CITY OF BRUSH, COLORADO
Trash and Garbage Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Trash services	\$ 505,000	\$ 505,000	\$ 514,941	\$ 9,941
Sale of cans	5,000	5,000	10,062	5,062
Miscellaneous	8,000	8,000	16,896	8,896
Total operating revenues	518,000	518,000	541,899	23,899
Operating expenses				
Salaries	135,620	135,620	132,801	2,819
Employee benefits	169,940	169,940	74,710	95,230
Supplies	10,000	10,000	7,108	2,892
Professional services	87,375	87,375	87,275	100
Medical	800	800	170	630
Telephone	150	150	122	28
Utilities	5,000	5,000	3,545	1,455
Travel and training	600	600		600
Computer and radio maintenance	2,950	2,950	3,039	(89)
Building maintenance	2,000	2,000	2,202	(202)
Advertising	1,000	1,000	177	823
Insurance - general	740	740	242	498
Purchase of trash containers	25,000	25,000	33,428	(8,428)
Landfill contract	95,000	95,000	101,382	(6,382)
Fuel and oil	25,000	25,000	13,937	11,063
Repairs & maintenance - vehicle	20,000	20,000	12,600	7,400
Capital outlay	200,000	200,000	158,071	41,929
Total operating expenses	781,175	781,175	630,809	150,366
Operating income	(263,175)	(263,175)	(88,910)	174,265
Nonoperating revenues				
Interest on investments	500	500	936	436
Capital lease proceeds	100,000	100,000		(100,000)
Total nonoperating revenues	100,500	100,500	936	(99,564)
Net income before transfers	(162,675)	(162,675)	(87,974)	74,701

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Transfers out	(4,875)	(4,875)	(4,875)	-
Change in net position	\$ (167,550)	\$ (167,550)	(92,849)	\$ 74,701
Adjustments to GAAP Basis				
Add capital purchases			158,071	
Deduct depreciation			(20,852)	
Change in net position - GAAP Basis			44,370	
Net position at beginning of year			377,956	
Net position at end of year			\$ 422,326	

CITY OF BRUSH, COLORADO
Waste Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Sewer fees	\$ 1,520,000	\$ 1,520,000	\$ 1,571,996	\$ 51,996
Miscellaneous	1,000	1,000	2,337	1,337
Administrative fees	75	75	150	75
Total operating revenues	1,521,075	1,521,075	1,574,483	53,408
Operating expenses				
Salaries	149,715	149,715	149,565	150
Employee benefits	71,510	71,510	69,922	1,588
Supplies	32,600	32,600	19,032	13,568
Professional services	401,885	401,885	371,910	29,975
Medical	1,000	1,000		1,000
Telephone	2,300	2,300	2,961	(661)
Utilities	126,000	126,000	72,028	53,972
Association dues	1,500	1,500	770	730
Travel and training	7,000	7,000	517	6,483
Computer and radio maintenance	8,050	8,050	7,493	557
Advertising	500	500	120	380
Insurance - general	41,515	41,515	41,309	206
Permits	20,890	20,890	9,188	11,702
Repairs and maintenance	100,000	100,000	77,177	22,823
Sanitary sewer cleaning	75,000	75,000	93,631	(18,631)
Manholes	20,000	20,000	47	19,953
Sewer lines	20,000	20,000	2,549	17,451
Fuel and oil	9,000	9,000	6,883	2,117
Repairs & maintenance - vehicle	3,600	3,600	1,798	1,802
Noncapital outlay			27,208	(27,208)
Capital outlay	435,000	435,000	68,074	366,926
Total operating expenses	1,527,065	1,527,065	1,022,182	504,883
Operating income (loss)	(5,990)	(5,990)	552,301	558,291

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Nonoperating revenues (expenses)				
Interest on investments	3,500	3,500	9,953	6,453
Surcharge fees	5,000	5,000	37,886	32,886
Rental income	4,800	4,800	4,800	-
Farm income	6,890	6,890	18,188	11,298
DOW lease			2,927	2,927
Plant investment fees			157,500	157,500
Grant income	100,000	100,000		(100,000)
Farm expense	(7,000)	(7,000)	(5,138)	1,862
Principal paid on notes	(430,000)	(430,000)	(430,000)	-
Interest and fiscal charges	(199,240)	(199,240)	(199,240)	-
Total nonoperating revenues (expenses)	(516,050)	(516,050)	(403,124)	112,926
Net income before transfers and capital contributions	(522,040)	(522,040)	149,177	671,217
Transfers out	(17,265)	(17,265)	(17,265)	-
Capital contributions - tap fees	6,000	6,000	1,500	(4,500)
Change in net position	\$ (533,305)	\$ (533,305)	133,412	\$ 666,717
Adjustments to GAAP Basis				
Add capital purchases			68,074	
Add principal paid on notes			430,000	
Add amortized premium			19,105	
Add change in accrued interest			3,125	
Deduct depreciation			(319,180)	
Change in net position - GAAP Basis			334,536	
Net position at beginning of year			6,484,106	
Net position at end of year			\$ 6,818,642	

CITY OF BRUSH, COLORADO
Storm Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Service fees	\$ 308,200	\$ 308,200	\$ 309,125	\$ 925
Storm water assessment	3,160	3,160	3,159	(1)
Miscellaneous	100	100		(100)
Total operating revenues	311,460	311,460	312,284	824
Operating expenses				
Salaries	36,365	36,365	35,196	1,169
Employee benefits	15,980	15,980	15,460	520
Supplies	3,400	3,400	2,452	948
Professional services	36,670	36,670	33,170	3,500
Medical	100	100	100	-
Telephone	200	200	122	78
Utilities	300	300	138	162
Travel and training	500	500		500
Computer and radio maintenance	3,060	3,060	3,052	8
Advertising	200	200	30	170
Insurance - general	2,730	2,730	2,269	461
Sewer cleaning	25,000	25,000	25,000	-
Line maintenance	15,000	15,000	540	14,460
Pond maintenance	5,000	5,000		5,000
Assessment maintenance	7,000	7,000	248	6,752
Curb and gutter maintenance	10,000	10,000	8,131	1,869
Fuel and oil	9,000	9,000	6,051	2,949
Repairs & maintenance - vehicle	14,000	14,000	1,344	12,656
Capital outlay	816,080	816,080	650,600	165,480
Total operating expenses	1,000,585	1,000,585	783,903	216,682
Operating income	(689,125)	(689,125)	(471,619)	217,506
Nonoperating revenues				
Grant income	491,080	491,080	364,826	(126,254)
Interest on investments	1,500	1,500	1,581	81
Total nonoperating revenues	492,580	492,580	366,407	(126,173)
Net income before transfers and capital contributions	(196,545)	(196,545)	(105,212)	91,333

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	(1,840)	(1,840)	(1,840)	-
Capital contributions			200,416	200,416
Change in net position	<u>\$ (198,385)</u>	<u>\$ (198,385)</u>	93,364	<u>\$ 291,749</u>
Adjustments to GAAP Basis				
Add capital outlay			650,600	
Deduct depreciation			<u>(123,023)</u>	
Change in net position - GAAP Basis			620,941	
Net position at beginning of year			<u>2,330,415</u>	
Net position at end of year			<u>\$ 2,951,356</u>	

CITY OF BRUSH, COLORADO
Golf Course Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Membership dues	\$ 60,000	\$ 60,000	\$ 62,813	\$ 2,813
Barn/cart fees	15,000	15,000	21,599	6,599
Cart storage	5,100	5,100	5,260	160
Trail and license	7,000	7,000	5,635	(1,365)
Golf course fees	38,000	38,000	36,729	(1,271)
Restaurant income	160,000	160,000	129,961	(30,039)
Bar income	105,000	105,000	99,908	(5,092)
Miscellaneous	500	500	3,719	3,219
Total operating revenues	390,600	390,600	365,624	(24,976)
Operating expenses				
Salaries	218,515	218,515	198,129	20,386
Employee benefits	27,155	27,155	25,976	1,179
Supplies	4,400	4,400	714	3,686
Ground maintenance	52,000	52,000	42,676	9,324
Professional services	8,500	8,500	7,597	903
Medical			2,575	(2,575)
Utilities	28,700	28,700	32,487	(3,787)
Building maintenance	2,500	2,500	559	1,941
Travel and training	100	100	812	(712)
Computer maintenance	3,000	3,000	3,918	(918)
Advertising	3,000	3,000	5,070	(2,070)
Insurance - general	2,000	2,000		2,000
Licenses and permits	1,000	1,000	2,100	(1,100)
Cart repairs and rental	800	800		800
Restaurant	145,000	145,000	75,772	69,228
Bar	40,000	40,000	40,261	(261)
Fuel and oil	3,000	3,000	4,934	(1,934)
Repairs & maintenance - vehicle	4,000	4,000	7,347	(3,347)
Total operating expenses	543,670	543,670	450,927	92,743
Operating income	(153,070)	(153,070)	(85,303)	67,767

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Tournament income	15,000	15,000	7,539	(7,461)
Building and club rental	1,250	1,250	183	(1,067)
Merchandise sales	20,000	20,000	11,693	(8,307)
Handicap income	4,500	4,500	3,240	(1,260)
Interest on investments	50	50	8	(42)
Gain (loss) on disposal of assets			3,546	3,546
Merchandise	(15,000)	(15,000)	(21,039)	(6,039)
Handicap dues	(3,000)	(3,000)	(4,345)	(1,345)
Total nonoperating revenues (expenses)	22,800	22,800	825	(21,975)
Net income before transfers	(130,270)	(130,270)	(84,478)	45,792
Transfers in	100,000	100,000	80,000	(20,000)
Change in net position	<u>\$ (30,270)</u>	<u>\$ (30,270)</u>	(4,478)	<u>\$ 25,792</u>
Adjustments to GAAP Basis				
Deduct depreciation			(41,921)	
Change in net position - GAAP Basis			(46,399)	
Net position at beginning of year			500,142	
Net position at end of year			<u>\$ 453,743</u>	

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**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain statewide accountability for moneys used for highway and street purposes. To ensure date accuracy, House Bill 1008 mandates that this report be included in the City's financial statements.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Brush YEAR ENDING : December 2017
This Information From The Records Of City of Brush:	Prepared By: Joanne Gosselink Phone: 970-842-5001

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	D. Receipts from Federal Highway Administration
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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	303,757
3. Other local imposts (from page 2)	1,006,419
4. Miscellaneous local receipts (from page 2)	26,844
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,337,020
B. Private Contributions	
C. Receipts from State government (from page 2)	320,565
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,657,585

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	782,692
2. Maintenance:	406,480
3. Road and street services:	
a. Traffic control operations	84,685
b. Snow and ice removal	
c. Other	35,001
d. Total (a. through c.)	119,686
4. General administration & miscellaneous	12,270
5. Highway law enforcement and safety	336,457
6. Total (1 through 5)	1,657,585
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	1,657,585

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				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	E. Reconciliation
	0	1,657,585	1,657,585	0	0

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	154,229	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	26,844
1. Sales Taxes	768,541	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	
5. Specific Ownership &/or Other	83,649	g. Other Misc. Receipts	
6. Total (1. through 5.)	852,190	h. Other	
c. Total (a. + b.)	1,006,419	i. Total (a. through h.)	26,844
(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	147,486	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		d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant	173,079	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	173,079	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	320,565	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-of-Way Costs			0
b. Engineering Costs	8,291	11,855	20,146
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	209,058	553,488	762,546
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	209,058	553,488	762,546
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	217,349	565,343	782,692
			(Carry forward to page 1)

Notes and Comments: