

CITY OF BRIGHTON, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

Prepared By the Finance Department

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

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Introductory Section

June 28, 2019

To the Honorable Mayor, members of City Council, residents and customers of the City of Brighton, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) for the City of Brighton, Colorado (the City), for the year ended December 31, 2018. This report consists of management's representations concerning the finances of the City of Brighton. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is reported in a manner designed to present fairly the financial position and activities of the various funds of the City. The City has included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City charter and state law require an audit by independent certified public accountants selected by the City Council. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2018 are free of material misstatements. The City's financial statements have been audited by Haynie & Company, a firm of license certified public accountants. The independent auditor concluded, based upon the audit evidence obtained, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America (US GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY OF BRIGHTON

The City of Brighton (Brighton), Colorado incorporated in 1887 and chartered as a home-rule city in 2000. Brighton is located in Adams and Weld Counties, which is in the northeast Denver Metropolitan area, and is the county seat for Adams County. Brighton is a freestanding community, visually and physically separated from the Denver Metropolitan region, with diverse housing, employment, services, recreation, and entertainment. It has a historic Downtown that

anchors the City's small town identity and its original neighborhoods. The City currently occupies 21 square miles and serves a population of approximately 39,211.

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

Brighton is empowered to levy sales, use, and lodging taxes within its boundaries. In 2018, the mill levy for property tax remained at 6.65 mills upon each dollar of the total valuation of assessment for all taxable property within the City. The 2018 property taxes collected were based on the net assessed valuation for the City of Brighton, as certified by the Adams and Weld County Assessors, which was \$379,413,570 and \$23,611,720 respectively. The City also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

The financial statements, schedules and statistical tables contained in this report include all funds under the control of the City Council including component units. For the year 2018, the City Council was responsible for passing resolutions, adopting the annual budget and appropriations resolutions, appointing advisory board and commission members, and hiring the City Manager, City Attorney, Municipal Judge, Prosecuting Attorney, and Liquor Hearing Officer. The City Manager is responsible for implementing the policies and ordinances of the Council, overseeing the day-to-day City operations, and appointing department directors and other staff members.

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

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

Brighton's budget is planned on a calendar year basis as required by Article X of the City of Brighton Charter. The budget presents a complete financial plan for all estimated revenues, other

financing sources, expenditures, and other financing uses. This annual budget serves as the foundation for the City of Brighton's financial planning and control. The entire budget document is posted at www.brightonco.gov.

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

MAJOR INITIATIVES

- The Economic Development Corporation and Brighton Urban Renewal Authority launched the Brighton Investment Program to provide grant funding to local businesses to help ensure businesses continue to thrive in Brighton. Seven businesses received funding in 2018.
- Redevelopment of the former K-Mart shopping center began in 2018, and Brighton welcomed three new businesses in this center as part of this larger redevelopment project.
- Development began on the I-76 Commerce Center, a 1.8 million square foot facility expected to create 1,000 primary jobs.
- The City implemented Vision Zero, a coordinated effort aimed at eliminating all traffic fatalities and severe injuries while increasing safe and equitable mobility for residents and visitors. Public Works staff began updating and replacing signage around schools.
- In response to School District 27J's move to a four-day school week in the fall of 2018, the Recreation Center initiated a program to keep kids safe, active and learning on Mondays when there is no school.
- The City acquired the historic train depot. This space will be transformed into an amenity the entire community can enjoy while making sure to preserve the historical significance of the building.
- Implementation of the Balancing Act and Taxpayer Receipt online tool was completed which allows residents a fun and easy way to learn about the City's budget and how sales and property tax dollars are used in the community.
- The City of Commerce City and Brighton joined forces to create a Sexual Assault Task Force, the first of its kind in Colorado. This joint task force provides an integrated approach to the response and investigation of sex crimes.
- The Police Department formed a Youth Services Unit consisting of a Commander and seven School Resource Officers (SROs). SROs are present in School District 27J high schools, middle schools and two charter schools during the school year and during the summer months, the SROs will focus on helping at-risk youth.

LOCAL ECONOMY

The City of Brighton's economic indicators showed steady growth throughout the year. The unemployment rate in 2018 was 3.5% and population increased 1,019 to 39,211. The City issued 212 single family permits in 2018 compared with 100 in 2017, a 112% increase. Sales tax collections increased \$2.3 million in 2018, a 9.2% increase over 2017.

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

FOR THE FUTURE

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

Brighton City Council has continued its commitment to expanding both the employment base and range of retail opportunities by funding and working in cooperation with the Brighton Economic Development Corporation (BEDC), Brighton Urban Renewal Authority (BURA), Brighton Housing Authority (BHA), Adams County Economic Development (ACED) and Upstate Colorado Economic Development.

ACKNOWLEDGEMENTS

We recognize the dedicated efforts of all officials and staff involved in managing and accounting for the City's financial operations. The process of financial planning, management, and accounting requires a team effort by City Council and City Staff to be successful. The preparation of this 2018 Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Finance Department. We express our sincere appreciation to them for the contributions made in the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support to maintain the highest standards of professionalism and in the development of effective policies relating to the City's Finances.

Respectfully submitted,



Philip Rodriguez, MPA
City Manager



Maria Ostrom, CPA
Interim Finance Director



Elected and Appointed Officials

CITY COUNCIL



Back row: **Mary Ellen Pollack**, Ward 2; **Lynn Baca**, Ward 3; **Ken Kreutzer**, Mayor; **Mark Humbert**, Ward 4; **J.W. Edwards**, Mayor Pro Tem

Front row: **Kirby Wallin**, Ward 1; **Greg Mills**, Ward 2; **Clint Blackhurst**, Ward 3; **Matt Johnston**, Ward 4

CITY MANAGER



Philip Rodriguez

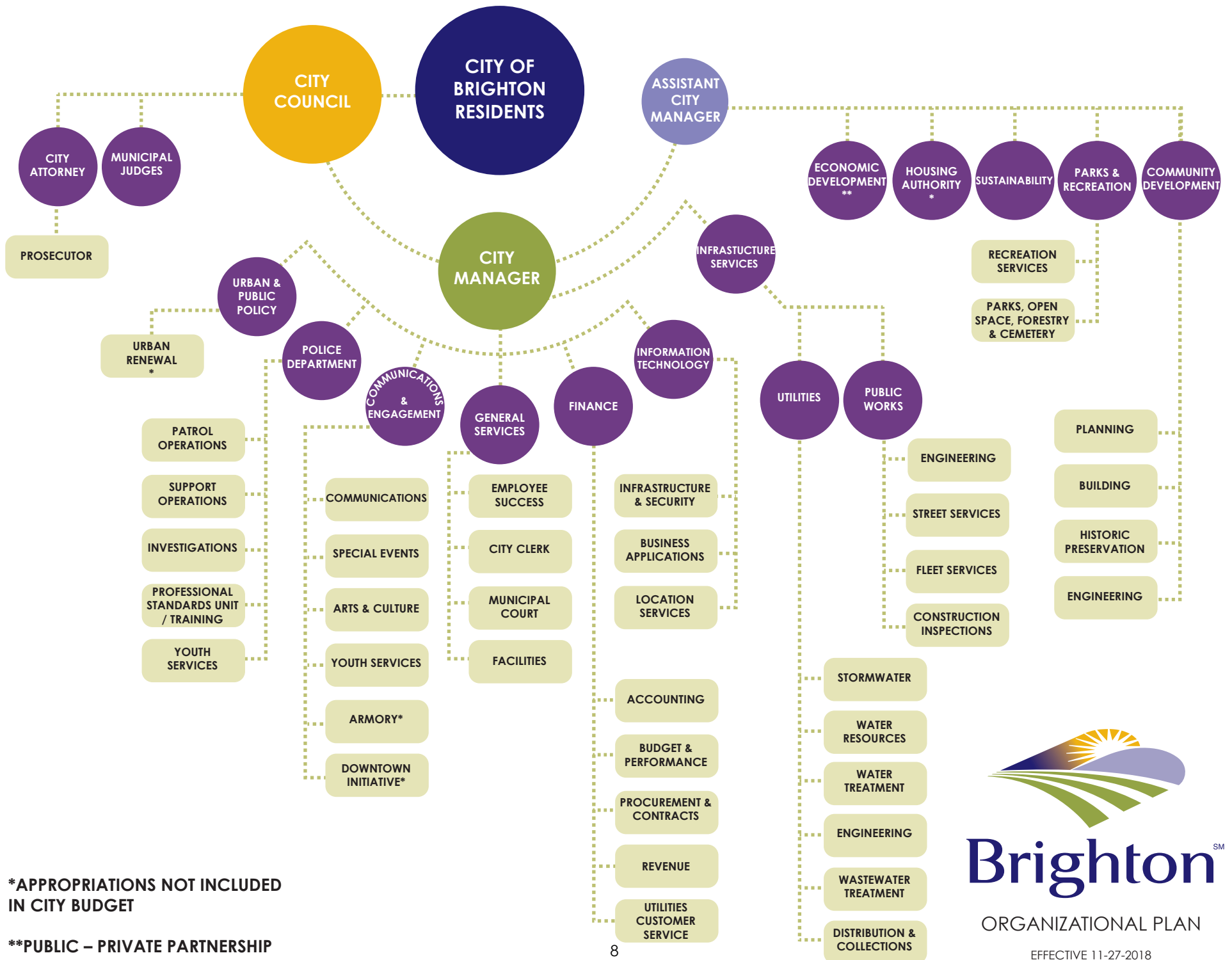
**CITY OF BRIGHTON, COLORADO
CITY OFFICIALS
DECEMBER 31, 2018**

Mayor and City Council

Mayor	Kenneth Kreutzer
Council Members:	
Mayor Pro Tem	J. W. Edwards
Ward 1	Kirby Wallin
Ward 2	Mary Ellen Pollack
Ward 2	Gregory Mills
Ward 3	Clint Blackhurst
Ward 3	Lynn Baca
Ward 4	Mathew Johnston
Ward 4	Mark Humbert

Administrative

City Manager	Philip Rodriguez
City Attorney	Jack Bajorek
Presiding Municipal Judge	Kristin Brown
Assistant City Manager- Development	Marv Falconburg
Police Chief	Paul Southard
Parks and Recreation Director	Gary Wardle
Infrastructure Director	Michael Woodruff
Community Development Director	Holly Prather
Economic Development Director	Michael Martinez
Interim Finance Director	Maria Ostrom
Administrative Services Director	Karen Borkowski-Surine
Information Technology and Innovation Director	David Guo
Public Information & Community Resources Director	Kristen Chernosky
Director of Urban and Public Policy	Ryan Johnson
City Clerk	Natalie Hoel



Financial Section



Certified Public Accountants (a professional corporation)

1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

To the City Council
City of Brighton, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Brighton, Colorado (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Brighton, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 9 to the financial statements, certain transactions related to pensions and long-term debt were recorded incorrectly in a prior year. As a result, beginning net position has been restated to correct presentation of this balance in the prior year. In addition, one of the component units incorrectly recorded land held for resale in a prior year. As a result, beginning net position has also been restated to correct presentation of this balance in the prior year.

Other Matters

Required Supplementary Information

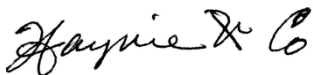
Accounting principles generally accepted in the United States of America require that the management's discussion and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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 introductory section, combining and individual nonmajor fund financial statements and schedules, component unit financial statements and schedules, statistical section and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements schedules, component unit financial statements and schedules, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining and individual nonmajor fund financial statements and schedules, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Littleton, Colorado
June 25, 2019

RESERVE FOR AUDIT LETTER

Management's Discussion & Analysis

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CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

As management of the City of Brighton (the City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities and deferred inflows of resources at the end of 2018 by \$356.1 million (net position). Of this amount, \$105.3 million is unrestricted in the governmental activities and may be used to meet the City's ongoing obligations.
- Citywide net position increased \$24.1 million (7.7%) in 2018. The governmental net position increased by \$12.0 million (7.7%) and the business-type net position increased by \$12.0 million (6.9%).
- The General Fund, the City's primary operating fund, ended 2018 with a \$25.2 million fund balance. Approximately 50.4% of this amount (\$12.7 million) is available for spending at the government's discretion (assigned and unassigned fund balance).
- The City's governmental activities show revenues of \$59.9 million, an increase of \$1.3 million (2.2%) over the prior year. Primary revenue sources are sales and use taxes of \$33.7 million (a \$4.6 million increase over 2017), charges for services \$7.4 million (a \$0.6 million increase over 2017), and operating and capital grants of \$10.4 million (a decrease of \$7.6 million from 2017).
- Citywide governmental activities expenses were \$47.8 million, a decrease of \$0.8 million in comparison with 2017. This decrease is attributed to a \$1.6 million decrease in Streets and Fleet.
- The City's business-type activities show revenues of \$35.0 million, a decrease of \$3.2 million from 2017. The largest revenue source is charges for services (\$22.8 million) followed by capital grants and contributions \$10.7 million). The business-type expenses were \$23.0 million, a decrease of \$2.6 million in comparison with 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

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

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

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

The government-wide financial statements are on pages 24 and 25 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories, governmental funds and proprietary funds.

Governmental Funds

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

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, a *reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities* is provided on page 29.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

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

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

The basic governmental funds financial statements start on page 26 of this report.

Proprietary Funds

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

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the basic financial statements. Combining statements and budgetary schedules can be found on pages 64-88 of this report. The *local highway finance* report can be found on pages 110-111 of this report.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City of Brighton's assets exceed liabilities and deferred inflows of resources by \$356.1 million at the close of the most recent fiscal year. The following table reflects the condensed *statement of net position*.

Table 1
Net Position
As of December 31,

	Governmental Activities		Business-type Activities		Total	
	2018	2017-Restated	2018	2017	2018	2017-Restated
Current and Other Assets	\$ 79,170,630	\$ 69,711,297	\$ 65,959,695	\$ 69,046,427	\$ 145,130,325	\$ 138,757,724
Capital Assets	129,872,059	127,283,277	154,179,828	138,548,075	284,051,887	265,831,352
Total Assets	209,042,689	196,994,574	220,139,523	207,594,502	429,182,212	404,589,076
Deferred Outflow of Resources	1,560,804	1,884,377	-	-	1,560,804	1,884,377
Long-term Liabilities	29,640,756	31,667,095	26,027,165	27,106,302	55,667,921	58,773,397
Other Liabilities	9,612,924	8,373,525	6,202,028	4,625,487	15,814,952	12,999,012
Total Liabilities	39,253,680	40,040,620	32,229,193	31,731,789	71,482,873	71,772,409
Deferred Inflows of Resources	3,208,680	2,718,740	-	-	3,208,680	2,718,740
Net Position:						
Net Investment in capital assets	98,818,947	94,990,545	126,258,931	110,313,895	225,077,878	205,304,440
Restricted	25,486,102	26,575,004	190,184	-	25,676,286	26,575,004
Unrestricted	43,836,084	34,554,042	61,461,215	65,548,818	105,297,299	100,102,860
Total Net Position	\$ 168,141,133	\$ 156,119,591	\$ 187,910,330	\$ 175,862,713	\$ 356,051,463	\$ 331,982,304

The City of Brighton uses its capital assets to provide services to the citizens. At the end of 2018, the investment in capital assets of \$284.1 million (land, buildings, improvements, equipment, etc.), net of debt used to acquire those assets of \$59.0 million, amounts to \$225.1 million, or 63.2% of the City's total net position of \$356.1 million. During the current fiscal year, the City's net position increased by \$24.1 million. In the governmental activities, revenues exceeded expenses by 80.1% and in the business-type activities, revenues exceeded expenses by 65.5%.

Governmental Activities Analysis

Governmental activities increased the City's net position by \$12.0 million, accounting for 50.0% of the City's \$24.1 million overall increase in net position. The following factors contributed to this increase (see Table 2):

- Sales and use taxes increased \$4.6 million due to a sustained increase in commercial development around the City and an increase vendors reporting online sales.
- Oil and gas revenue of \$0.9 million and insurance recoveries and reimbursements of \$1.5 million.
- Total governmental expenses decreased by \$0.8 million in 2018. Most of this is attributable to vacancy savings and lower than projected spending on professional services and repairs and maintenance.

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Business-Type Activities Analysis

Business-Type activities increased the City's net position by \$12.0 million, accounting for 50.0% of the City's \$24.1 million increase in net position. Below is information regarding business-type activities (see Table 2):

- Water expenses increased 5.5% in 2018 (\$0.8 million) when compared with 2017.
- Waste Water expenses decreased \$3.3 million in 2018, a decrease of 33.9%.
- Storm Drainage expenses decreased slightly (\$70,000), a decrease of 3.9% in 2018.

Table 2
Changes in Net Position
For the Years Ended December 31,

	Governmental Activities		Business-type Activities		Total	
	2018	2017-Restated	2018	2017	2018	2017-Restated
Revenues						
Program Revenues						
Charges for Services	\$ 7,386,586	\$ 6,804,366	\$ 22,804,156	\$ 22,429,377	\$ 30,190,742	\$ 29,233,743
Operating Grants and Contributions	2,711,965	5,360,377	106,768	-	2,818,733	5,360,377
Capital Grants and Contributions	7,729,987	12,709,100	10,730,244	15,080,935	18,460,231	27,790,035
General Revenues						
Sales and Use Taxes	33,747,107	29,179,939	-	-	33,747,107	29,179,939
Property Taxes	2,663,482	2,366,747	-	-	2,663,482	2,366,747
Other Taxes	1,673,440	1,635,675	-	-	1,673,440	1,635,675
Investment Earnings	1,165,987	522,187	930,729	431,045	2,096,716	953,232
Miscellaneous	2,772,906	5,007	434,810	223,113	3,207,716	228,120
Total Revenues	59,851,460	58,583,398	35,006,707	38,164,470	94,858,167	96,747,868
Expenses						
General Government	11,337,021	11,550,453	-	-	11,337,021	11,550,453
Public Safety	11,361,832	11,048,969	-	-	11,361,832	11,048,969
Streets & Fleet	10,275,383	11,869,389	-	-	10,275,383	11,869,389
Parks and Recreation	9,457,794	9,295,458	-	-	9,457,794	9,295,458
Cemetery	580,576	514,582	-	-	580,576	514,582
Community Development	3,107,371	2,406,770	-	-	3,107,371	2,406,770
Interest on Long-term Debt	1,709,941	1,908,596	-	-	1,709,941	1,908,596
Water Operations	-	-	14,750,402	13,980,164	14,750,402	13,980,164
Waste Water Operations	-	-	6,501,111	9,836,646	6,501,111	9,836,646
Storm Drainage Operations	-	-	1,707,577	1,777,697	1,707,577	1,777,697
Total Expenses	47,829,918	48,594,217	22,959,090	25,594,507	70,789,008	74,188,724
Increase in Net Position	12,021,542	9,989,181	12,047,617	12,569,963	24,069,159	22,559,144
Net Position--January 1, restated	156,119,591	146,130,410	175,862,713	163,292,750	331,982,304	309,423,160
Net Position--December 31	\$ 168,141,133	\$ 156,119,591	\$ 187,910,330	\$ 175,862,713	\$ 356,051,463	\$ 331,982,304

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the total Governmental fund balances were \$63.4 million, an increase of \$6.6 million compared to the prior year. Fund Balances categories and amounts are: non-spendable fund balances less than \$0.1 million, restricted fund balances were \$24.9 million, committed fund balances \$25.7 million, assigned fund balances \$3.6 million, and unassigned fund balances \$9.1 million.

The *General Fund* is the main operating fund of the City. At December 31, 2018, the total fund balance was \$25.2 million, which was an increase of \$5.2 million from 2017. Tax revenue of \$28.6 million was 70.2% of the total General Fund revenue and increased \$4.1 million (16.9%) over the prior year.

General Fund expenditures increased from 2017 by \$2.6 million (8.0%). Software maintenance, general repairs and maintenance, and utilities were the major changes contributing to this increase.

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

The Capital Improvement Fund revenues increased \$0.3 million (4.3%) over 2017, due to an increase in sales tax. Capital project expenditures decreased \$0.8 million from 2017. Fund balance in the Capital Improvement Fund decreased \$0.3 million as anticipated due to planned use of fund balance for various on-going projects.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements.

The net position of the enterprise funds increased \$12.0 million from 2017 and ended the year with a combined net position of \$187.9 million. The combined unrestricted net position is \$61.5 million at year-end, which includes collections of plant investment fees for future appropriation of capital outlay due to growth requirements of the system.

**CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues totaled \$40.7 million, an increase of \$5.7 million over 2017. This represents a positive variance from budget of \$8.2 million. The revenue variance was primarily due to higher than projected revenues from sales and use taxes (an additional \$3.1 million). Miscellaneous revenues had a positive revenue variance of \$2.5 million, primarily due to insurance recoveries, expense reimbursements, and oil and gas royalties.

General Fund expenditures totaled \$35.3 million, an increase of \$2.6 million from 2017. The variance between actual expenditures and the final budget amounted to approximately \$0.7 million in unspent appropriations. The largest budget variance was related to professional services, specifically attorney's fees. In 2018, the City began utilizing in-house legal counsel which reduced the need for or reliance on outside counsel.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets for the governmental and business-type activities amount to \$284.1 million (net of accumulated depreciation) at December 31, 2018. This was an increase of \$18.2 million from 2017. This investment in capital assets includes land, water rights, buildings and improvements, machinery, equipment, water, wastewater and storm drainage infrastructure as well as street system infrastructure. The City has a five-year *Capital Improvement Plan* that is updated each year in order to assist the City in long-term planning and budgeting for capital assets.

Table 3
Capital Assets (net of depreciation)
As of December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 26,292,627	\$ 26,292,627	\$ 9,513,128	\$ 7,885,632	\$ 35,805,755	\$ 34,178,259
Water Rights	2,036,050	2,036,050	22,135,448	19,833,698	24,171,498	21,869,748
Wastewater Connection Fees	-	-	12,345,412	11,804,408	12,345,412	11,804,408
Construction in Progress	8,378,718	5,197,987	10,664,286	9,319,755	19,043,004	14,517,742
Buildings and Improvements	35,495,731	34,640,206	14,029,326	8,230,616	49,525,057	42,870,822
Infrastructure	49,679,862	53,921,560	82,295,963	78,983,535	131,975,825	132,905,095
Machinery and Equipment	7,676,030	4,843,515	3,186,256	2,472,035	10,862,286	7,315,550
Other Assets	313,041	351,332	10,009	18,396	323,050	369,728
Total Capital Assets	\$ 129,872,059	\$ 127,283,277	\$ 154,179,828	\$ 138,548,075	\$ 284,051,887	\$ 265,831,352

Additional detailed information on the City's Capital Assets can be found in footnote 4, starting on page 45 of this report.

Long-term Debt

As of December 31, 2018, the City had total debt outstanding of \$59.8 million (bonds, certificates of participation, and compensated absence payable.) This was a decrease of \$2.8 million. The 2017 capital lease funded six heavy duty snowplow trucks. COPs issued in 2016 funded energy

CITY OF BRIGHTON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

performance capital projects in the City. Of this long-term debt amount \$25.1 million represents bonds secured by specified revenue sources (i.e. revenue bonds) for water and waste water projects. \$23.8 million represents debt primarily secured by the new facilities being financed by 2010 certificates of participation.

Table 4
Outstanding Debt
As of December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
2016 Revenue Bonds	\$ -	\$ -	\$ 25,085,000	\$ 26,185,000	\$ 25,085,000	\$ 26,185,000
Bond Premium	-	-	1,128,998	1,189,211	1,128,998	1,189,211
2010 Certificates of Participation	23,830,000	24,685,000	-	-	23,830,000	24,685,000
2010 COP Premium	105,834	112,090	-	-	105,834	112,090
2016 Certificates of Participation	5,340,780	5,887,378	964,564	1,001,033	6,305,344	6,888,411
2017 Capital Lease	1,392,192	1,608,264	-	-	1,392,192	1,608,264
Compensated Absences	1,795,163	1,825,280	194,424	201,023	1,989,587	2,026,303
Total Outstanding Debt	<u>\$ 32,463,969</u>	<u>\$ 34,118,012</u>	<u>\$ 27,372,986</u>	<u>\$ 28,576,267</u>	<u>\$ 59,836,955</u>	<u>\$ 62,694,279</u>

Additional detail information on the City's long-term obligations can be found in footnote 6, starting on page 47 of this report

REQUESTS FOR INFORMATION

The City's financial statements are designed to provide users with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information presented in this report or requesting additional information should be addressed to the City's Finance Department at 500 South 4th Avenue, Brighton, Colorado 80601 or telephone 303-655-2000.

Basic Financial Statements

CITY OF BRIGHTON, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and Investments	\$ 65,882,895	\$ 63,459,118	\$ 129,342,013	\$ 2,593,099
Restricted Cash and Investments	976,096	190,184	1,166,280	2,036,304
Accounts Receivable	1,101,609	2,204,634	3,306,243	435,442
Taxes Receivable	6,957,747	-	6,957,747	4,350,198
Grants Receivable	269,338	-	269,338	
Inventories	130,115	105,759	235,874	-
Prepays	85,002	-	85,002	1,981
Notes Receivable	2,510,000	-	2,510,000	-
Net Pension Asset	1,257,827	-	1,257,827	-
Land Held for Sale	-	-	-	1,625,000
Capital Assets, Not Being Depreciated	36,707,395	54,658,274	91,365,669	-
Capital Assets, Net of				
Accumulated Depreciation	93,164,664	99,521,554	192,686,218	3,845,675
Total Assets	209,042,688	220,139,523	429,182,211	14,887,699
DEFERRED OUTFLOW OF RESOURCES				
Deferred Charge on Refunding	38,892	-	38,892	211,212
Items Related to Pension Plan	1,521,912	-	1,521,912	-
	1,560,804	-	1,560,804	211,212
LIABILITIES				
Accounts Payable	1,594,348	2,954,272	4,548,620	274,211
Sales Tax Rebate Payable	-	-	-	434,776
Retainage Payable	257,454	656,824	914,278	-
Accrued Wages Payable	972,820	151,081	1,123,901	7,824
Accrued Interest Payable	165,745	85,510	251,255	62,105
Accrued Liabilities	618,845	-	618,845	1,165,702
Deposits and Escrows	3,180,499	1,008,519	4,189,018	345
Noncurrent Liabilities				
Debt Due Within One Year	2,823,213	1,345,822	4,169,035	809,312
Debt Due In More Than One Year	29,640,756	26,027,165	55,667,921	9,969,771
Total Liabilities	39,253,680	32,229,193	71,482,873	12,724,046
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue--Property Taxes	2,712,341	-	2,712,341	4,355,418
Items Related to Pension Plan	496,339	-	496,339	-
Total Deferred Inflows of Resources	3,208,680	-	3,208,680	4,355,418
NET POSITION				
Net Investment in Capital Assets	98,818,947	126,258,931	225,077,878	3,845,675
Restricted For				
Emergencies - TABOR	1,473,234	-	1,473,234	-
Debt	-	-	-	1,003,231
Capital Outlay	23,357,060	-	23,357,060	-
Other Purposes	655,808	190,184	845,992	1,073,460
Unrestricted	43,836,083	61,461,215	105,297,298	(7,902,919)
Total Net Position	\$ 168,141,132	\$ 187,910,330	\$ 356,051,462	\$ (1,980,553)

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

CITY OF BRIGHTON, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT								
Governmental Activities								
General Government	\$ 11,337,021	\$ 869,935	\$ 397,023	\$ 85,852	\$ (9,984,211)	\$ -	\$ (9,984,211)	\$ -
Public Safety	11,361,832	614,475	1,254,745	1,821,188	(7,671,424)	-	(7,671,424)	-
Streets & Fleet	10,275,383	1,379,431	40,480	5,740,775	(3,114,697)	-	(3,114,697)	-
Parks and Recreation	9,457,794	1,526,497	1,012,320	82,172	(6,836,805)	-	(6,836,805)	-
Cemetery	580,576	346,344	-	-	(234,232)	-	(234,232)	-
Community Development	3,107,371	2,649,904	7,397	-	(450,070)	-	(450,070)	-
Interest on Long-Term Debt	1,709,941	-	-	-	(1,709,941)	-	(1,709,941)	-
Total Governmental Activities	47,829,918	7,386,586	2,711,965	7,729,987	(30,001,380)	-	(30,001,380)	-
Business-Type Activities								
Water	14,750,402	14,027,615	106,768	7,844,425	-	7,228,406	7,228,406	-
Waste Water	6,501,111	7,960,153	-	1,565,035	-	3,024,077	3,024,077	-
Storm Drainage	1,707,577	816,388	-	1,320,784	-	429,595	429,595	-
Total Business-Type Activities	22,959,090	22,804,156	106,768	10,730,244	-	10,682,078	10,682,078	-
Total Primary Government	70,789,008	30,190,742	2,818,733	18,460,231	(30,001,380)	10,682,078	(19,319,302)	-
COMPONENT UNITS								
Brighton Urban Renewal Authority	5,066,474	71,150	75,000	-	-	-	-	(4,920,324)
Brighton Cultural Arts Commission	26,581	330	51,904	-	-	-	-	25,653
Total Component Units	\$ 5,093,055	\$ 71,480	\$ 126,904	\$ -	-	-	-	(4,894,671)
GENERAL REVENUES								
Sales Taxes					27,436,338	-	27,436,338	925,295
Use Taxes					6,310,769	-	6,310,769	-
Property Taxes					2,663,482	-	2,663,482	4,836,043
Franchise Taxes					1,617,015	-	1,617,015	-
Other Taxes					56,425	-	56,425	-
Investment Earnings					1,165,987	930,729	2,096,716	63,759
Miscellaneous					2,653,250	434,810	3,088,060	6,082
Sale of Capital Assets					119,656	-	119,656	-
Total General Revenues					42,022,922	1,365,539	43,388,461	5,831,179
Change in Net Position					12,021,542	12,047,617	24,069,159	936,508
Net Position--January 1, restated					156,119,591	175,862,713	331,982,304	(2,917,061)
Net Position--December 31					\$ 168,141,133	\$ 187,910,330	\$ 356,051,463	\$ (1,980,553)

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

CITY OF BRIGHTON, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2018

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 25,097,444	\$ 15,511,750	\$ 22,555,068	\$ 63,164,262
Restricted Cash and Investments	-	902,176	73,920	976,096
Accounts Receivable	522,598	99,775	371,249	993,622
Taxes Receivable	5,510,848	964,959	481,940	6,957,747
Grants Receivable	268,740	598	-	269,338
Prepays	22,818	19,891	1,125	43,834
Total Assets	<u>\$ 31,422,448</u>	<u>\$ 17,499,149</u>	<u>\$ 23,483,302</u>	<u>\$ 72,404,899</u>
LIABILITIES				
Accounts Payable	\$ 701,067	\$ 621,921	\$ 253,470	\$ 1,576,458
Retainage Payable	-	240,230	17,224	257,454
Accrued Wages Payable	951,329	-	9,429	960,758
Accrued Liabilities	274,362	88,483	-	362,845
Deposits and Escrows	1,575,580	768,236	836,683	3,180,499
Total Liabilities	<u>3,502,338</u>	<u>1,718,870</u>	<u>1,116,806</u>	<u>6,338,014</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue-Property Taxes	2,712,341	-	-	2,712,341
Total Deferred Inflows of Resources	<u>2,712,341</u>	<u>-</u>	<u>-</u>	<u>2,712,341</u>
FUND BALANCES				
Nonspendable	22,818	19,891	1,125	43,834
Restricted	1,532,106	13,140,807	10,216,253	24,889,166
Committed	10,956,403	2,619,581	12,149,118	25,725,102
Assigned	3,629,771	-	-	3,629,771
Unassigned	9,066,671	-	-	9,066,671
Total Fund Balances	<u>25,207,769</u>	<u>15,780,279</u>	<u>22,366,496</u>	<u>63,354,544</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,422,448</u>	<u>\$ 17,499,149</u>	<u>\$ 23,483,302</u>	<u>\$ 72,404,899</u>

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

CITY OF BRIGHTON, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

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

Total fund balances - governmental funds		\$ 63,354,544
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Cost of capital assets	236,331,796	
Less: accumulated depreciation	<u>(106,459,737)</u>	129,872,059
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in the fund statements.		
Note Receivable		2,510,000
Net Pension Asset		1,257,827
Governmental funds report the effect of deferred charges on refunding debt when it is first issued, whereas these amounts are amortized over the life of the bonds in the government wide financial statements		
		38,892
Deferred outflows and inflows of resources related to pension plans are applicable to future periods and, therefore, are not reported in the governmental funds.		
Items Related to Pension Plan-Outflow		1,521,912
Items Related to Pension Plan-Inflow		(496,339)
Long-term liabilities, including bonds payable and capital leases, are not due in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Long-term debt net of premium	(30,668,805)	
Accrued interest on long-term debt	<u>(165,745)</u>	(30,834,550)
Accrued compensated absences are not due from current financial resources and, therefore, are not reported in the governmental funds.		
		(1,795,163)
Internal service funds are used by management to charge the costs of benefit activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		2,711,951
Net position--governmental activities		<u>\$ 168,141,133</u>

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

CITY OF BRIGHTON, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 28,558,803	\$ 5,350,772	\$ 4,174,954	\$ 38,084,529
Licenses and Permits	2,157,989	-	-	2,157,989
Grants and Intergovernmental	3,205,576	1,884,459	957,994	6,048,029
Charges for Services	3,013,420	-	1,708,758	4,722,178
Fines and Forfeitures	404,481	-	-	404,481
Investment Earnings	575,874	239,813	322,905	1,138,592
Miscellaneous	2,793,486	108,118	101,938	3,003,542
Total Revenues	<u>40,709,629</u>	<u>7,583,162</u>	<u>7,266,549</u>	<u>55,559,340</u>
EXPENDITURES				
Current				
General Government	10,400,282	-	187,277	10,587,559
Public Safety	11,725,490	-	-	11,725,490
Streets and Fleet	3,212,131	-	-	3,212,131
Parks and Recreation	6,863,303	-	81,842	6,945,145
Cemetery	-	-	517,698	517,698
Community Development	3,144,743	-	-	3,144,743
Debt Service				
Principal	-	1,284,182	145,671	1,429,853
Interest and Fees	-	649,143	1,042,274	1,691,417
Capital Outlay	-	6,783,917	3,001,883	9,785,800
Total Expenditures	<u>35,345,949</u>	<u>8,717,242</u>	<u>4,976,645</u>	<u>49,039,836</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,363,680</u>	<u>(1,134,080)</u>	<u>2,289,904</u>	<u>6,519,504</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	83,700	848,358	318,050	1,250,108
Transfers Out	(255,360)	-	(970,400)	(1,225,760)
Proceeds on Sale of Capital Assets	18,541	-	-	18,541
Total Other Financing Sources (Uses)	<u>(153,119)</u>	<u>848,358</u>	<u>(652,350)</u>	<u>42,889</u>
Net Change in Fund Balances	5,210,561	(285,722)	1,637,554	6,562,393
Fund Balances--January 1	<u>19,997,208</u>	<u>16,066,001</u>	<u>20,728,942</u>	<u>56,792,151</u>
Fund Balances--December 31	<u>\$ 25,207,769</u>	<u>\$ 15,780,279</u>	<u>\$ 22,366,496</u>	<u>\$ 63,354,544</u>

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

CITY OF BRIGHTON, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Net change in fund balances--total governmental funds	\$	6,562,393
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The internal service funds' activity is allocated to business type activities in the fund statements, however, is included in the governmental activities on the statement of activities.		593,899
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay--capitalized	7,627,799	
Developer contributions	4,145,070	
Depreciation	<u>(9,184,086)</u>	2,588,783

Current year pension contributions are included in deferred outflows of resources in the governmental funds and revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Current year pension contributions	425,329	
Items related to pension plan	<u>388,512</u>	813,841

Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	1,430,981
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Some expense reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	30,117	
Change in accrued interest	21,180	
Accretion of bond premium	6,256	
Amortization of deferred charge on refunding	<u>(25,908)</u>	<u>31,645</u>

Change in net position--governmental activities	\$	<u><u>12,021,542</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF BRIGHTON, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	WASTE WATER FUND	STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS					
Current Assets					
Cash and Investments	\$ 39,339,835	\$ 18,479,358	\$ 5,639,925	\$ 63,459,118	\$ 2,718,633
Restricted Cash and Investments	135,168	55,016	-	190,184	-
Accounts Receivable	1,097,633	982,785	124,216	2,204,634	107,987
Inventories	105,759	-	-	105,759	130,115
Prepays	-	-	-	-	41,168
Total Current Assets	40,678,395	19,517,159	5,764,141	65,959,695	2,997,903
Noncurrent Assets					
Capital Assets					
Land and Water Rights	29,208,528	1,757,575	682,473	31,648,576	-
Wastewater Connection Fees	-	12,345,412	-	12,345,412	-
Building and Improvements	26,078,188	10,811,002	685,817	37,575,007	-
Collection and Distribution Systems	95,608,586	31,086,496	24,061,855	150,756,937	-
Machinery and Equipment	3,802,878	2,745,257	128,215	6,676,350	-
Other Assets	109,547	86,435	20,318	216,300	-
Less Accumulated Depreciation	(57,852,822)	(27,420,949)	(10,429,269)	(95,703,040)	-
Construction in Progress	10,450,909	45,610	167,767	10,664,286	-
Total Noncurrent Assets	107,405,814	31,456,838	15,317,176	154,179,828	-
Total Assets	148,084,209	50,973,997	21,081,317	220,139,523	2,997,903
LIABILITIES					
Current Liabilities					
Accounts Payable	1,933,841	624,065	396,366	2,954,272	17,890
Retainage Payable	549,645	93,493	13,686	656,824	-
Accrued Wages Payable	86,274	58,162	6,645	151,081	12,062
Accrued Interest Payable	65,509	20,001	-	85,510	-
Deposits and Escrows	184,977	155,377	668,165	1,008,519	-
Estimated Unpaid Claims	-	-	-	-	256,000
Compensated Absences, Current Portion	108,100	73,493	4,666	186,259	-
Bonds Payable, Current Portion	932,834	226,729	-	1,159,563	-
Total Current Liabilities	3,861,180	1,251,320	1,089,528	6,202,028	285,952
Noncurrent Liabilities					
Compensated Absences	-	8,165	-	8,165	-
Bonds Payable	20,011,077	6,007,923	-	26,019,000	-
Total Noncurrent Liabilities	20,011,077	6,016,088	-	26,027,165	-
Total Liabilities	23,872,257	7,267,408	1,089,528	32,229,193	285,952
NET POSITION					
Net Investment in Capital Assets	85,846,749	25,108,692	15,303,490	126,258,931	-
Unrestricted	38,365,202	18,597,898	4,688,299	61,651,399	2,711,951
Total Net Position	\$ 124,211,951	\$ 43,706,590	\$ 19,991,789	\$ 187,910,330	\$ 2,711,951

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

CITY OF BRIGHTON, COLORADO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
			STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	
	WATER FUND	WASTE WATER FUND			INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Charges For Services	\$ 14,027,615	\$ 7,960,153	\$ 816,388	\$ 22,804,156	\$ 5,480,408
Tap Fees	106,768	-	-	106,768	
Miscellaneous	374,135	31,953	28,722	434,810	442,324
Total Operating Revenues	14,508,518	7,992,106	845,110	23,345,734	5,922,732
OPERATING EXPENSES					
Operations	8,013,187	3,569,325	660,978	12,243,490	742,147
Administration	887,926	805,330	110,413	1,803,669	407,750
Insurance Claims	-	-	-	-	3,513,602
Insurance Premiums	-	-	-	-	769,496
Depreciation	4,420,102	1,490,716	884,484	6,795,302	-
Total Operating Expenses	13,321,215	5,865,371	1,655,875	20,842,461	5,432,995
Operating Income (Loss)	1,187,303	2,126,735	(810,765)	2,503,273	489,737
NONOPERATING REVENUES (EXPENSES)					
Plant Investment Fees	6,587,094	1,382,505	982,141	8,951,740	-
Grants	897,998	-	-	897,998	-
Developer Contributions	359,333	182,530	338,643	880,506	-
Sale of Capital Assets	-	-	-	-	101,115
Investment Earnings	595,026	264,164	71,539	930,729	27,395
Interest Expense	(737,792)	(349,621)	-	(1,087,413)	-
Total Nonoperating Revenues	7,701,659	1,479,578	1,392,323	10,573,560	128,510
Income Before Capital Contributions and Transfers	8,888,962	3,606,313	581,558	13,076,833	618,247
CAPITAL EXPENSES	(691,395)	(286,119)	(51,702)	(1,029,216)	-
TRANSFERS OUT	-	-	-	-	(24,348)
Change in Net Position	8,197,567	3,320,194	529,856	12,047,617	593,899
Net Position--January 1	116,014,384	40,386,396	19,461,933	175,862,713	2,118,052
Net Position--December 31	\$ 124,211,951	\$ 43,706,590	\$ 19,991,789	\$ 187,910,330	\$ 2,711,951

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

CITY OF BRIGHTON, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	WASTE WATER FUND	STORM DRAINAGE FUND	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts From Customers	\$ 14,303,732	\$ 7,827,742	\$ 834,455	22,965,929	\$ 5,767,480
Other Receipts	374,135	31,953	28,722	434,810	442,324
Payments to Suppliers and Service Providers	(4,863,830)	(2,386,685)	(286,671)	(7,537,186)	(5,002,735)
Payments to Employees For Salaries and Benefits	(2,712,123)	(2,000,040)	(279,177)	(4,991,340)	(457,230)
Net Cash Provided By Operating Activities	7,101,914	3,472,970	297,329	10,872,213	749,839
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers To Other Funds	-	-	-	-	(24,348)
Net Cash Used in Noncapital Financing Activities	-	-	-	-	(24,348)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Plant Investment Fees	6,587,094	1,382,505	982,141	8,951,740	-
Grants	897,998	-	-	897,998	-
Acquisition and Construction of Capital Assets	(16,898,996)	(2,986,640)	(2,157,630)	(22,043,266)	-
Metro Taps Purchased	-	(540,844)	-	(540,844)	-
Proceeds on Sale of Capital Assets	-	-	-	-	101,115
Principal Paid on Capital Debt	(916,547)	(221,568)	-	(1,138,115)	-
Interest Paid on Capital Debt	(773,222)	(237,177)	-	(1,010,399)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	(11,103,673)	(2,603,724)	(1,175,489)	(14,882,886)	101,115
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income	597,518	266,390	80,650	944,558	27,395
Net Cash Provided By Investing Activities	597,518	266,390	80,650	944,558	27,395
Net Increase (Decrease) in Cash and Cash Equivalents:	(3,404,241)	1,135,636	(797,510)	(3,066,115)	854,001
Cash and Cash Equivalents--January 1	42,879,244	17,398,738	6,437,435	66,715,417	1,864,632
Cash and Cash Equivalents--December 31	\$ 39,475,003	\$ 18,534,374	\$ 5,639,925	\$ 63,649,302	\$ 2,718,633
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (loss)	\$ 1,187,303	\$ 2,126,735	\$ (810,765)	\$ 2,503,273	\$ 489,737
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:					
Depreciation Expense	4,420,102	1,490,716	884,484	6,795,302	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	169,349	(132,411)	18,067	55,005	287,936
(Increase) in Inventories	(35,266)	-	-	(35,266)	(3,290)
(Increase) Decrease in Prepaid Items	-	878	-	878	(20,271)
(Decrease) Increase in Accounts Payable	735,072	196,671	(75,503)	856,240	9,865
Increase in Retainage Payable	549,645	93,493	13,686	656,824	-
Increase in Accrued Wages Payable	8,733	1,709	1,440	11,882	12,062
(Decrease) in Unpaid Claims	-	-	-	-	(26,200)
(Decrease) Increase in Compensated Absences	(2,324)	(4,257)	(18)	(6,599)	-
(Decrease) Increase in Deposits and Escrows	69,300	(300,564)	265,938	34,674	-
Total Adjustments	5,914,611	1,346,235	1,108,094	8,368,940	260,102
Net Cash Provided by Operating Activities	\$ 7,101,914	\$ 3,472,970	\$ 297,329	\$ 10,872,213	\$ 749,839
Non-Cash Transactions:					
Capital Assets Contributed by Developers	\$ 359,333	\$ 182,530	\$ 338,643	\$ 880,506	\$ -

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

Notes to the Basic Financial Statements

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CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

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

The determination to include separate governmental entities is based on the criteria of GASB Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

These entities do not issue separate financial statements.

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes,

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which are supported primarily by fees and charges to external customers. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

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

The City reports the following major governmental funds:

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

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

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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

- The Storm Drainage Fund accounts for the financial activities associated with the storm drainage services.

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

The City reports the following internal service funds:

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

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

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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

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

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

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

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

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

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

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

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

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

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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

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

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

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

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

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

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

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

Non-Spendable Fund Balances indicate amounts that are not in a spendable form such as inventory, or are required to be maintained intact principal of an endowment fund such as the Cemetery Perpetual Care Fund. Restricted Fund Balances indicate amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors, or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers. Committed Fund Balances indicate amounts that can be used only for the specific purposes determined by a formal action of the City Council the City's highest level of decision making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council assigns fund balance through subsidiary agreements such as Development Agreements, Fee Schedule Resolutions, and Service Plan Agreements or through the annual Budget Adoption Resolution. Unassigned Fund Balances indicate the residual classification for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

Emergency and General Fund Stabilization Reserve - On July 20, 2010 the City Council adopted Resolution No. 2010-88 which established Emergency and General Fund Stabilization Reserves which are reported under the committed fund balance classification. The Emergency Reserve is equal to two months (17%) of General Fund revenues and three months (25%) of Capital improvement Fund revenues. The Emergency Reserve shall be used to off-set costs incurred by the City for unforeseen emergency circumstances which threaten the health, safety or welfare of the City, such as weather related occurrences, floods, terror attacks, destruction or incapacitation of City services or facilities, etc. All withdrawals/expenditures from the Emergency Reserve shall be pre-approved by an affirmative vote of seven (7) members of the City Council. The City Manager may authorize an immediate withdrawal/expenditure if an emergency exists which threatens the health, safety or welfare of the City and pre-approval of the Council is not feasible.

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

REVENUES AND EXPENDITURES/EXPENSES

Program Revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

Tax Year

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

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

Ensuing Collection Year

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

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

Before the beginning of the calendar year, the Council must enact an appropriation resolution, which corresponds with the budget. This resolution allows the City to legally expend monies for

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

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

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

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

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

STATE CONSTITUTIONAL AMENDMENT

On November 3, 1992, the voters of the State approved Article X, Section 20 to the State Constitution commonly known as the Taxpayer's Bill of Rights (TABOR) limiting growth of public entities and their ability to borrow and tax. On November 3, 2016, the qualified electors of the City approved Ballot Issue 2K, which permits the City to collect, retain and spend the full amount of taxes and other revenue above the TABOR amendment limitations.

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

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

TABOR also requires the City to set aside a portion of its spending for an emergency reserve. In 2018, the required reserve of 3% of current year spending, excluding voter approved amounts, federal revenues, bond proceeds, and other restrictions under TABOR, totaled \$1,473,234. The City is not allowed to use the emergency reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 3. DEPOSITS AND INVESTMENTS

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral, as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. All deposits in 2018 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

At December 31, 2018, the City and Component Units' deposits had a carrying value of \$43,933,373 and a bank balance of \$43,710,784. Of the bank balances totaling \$43,710,784, \$650,088 was covered by FDIC insurance with the balance being covered by PDPA.

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

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

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

The City and its component units had the following investments at December 31, 2018:

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Investment Type	Measurement	S&P Rating	Total	< 1 Year	2-3 Years	4-5 Years
U.S. Government Treasuries	Fair Value - Level 1	AA+	\$ 33,038,706	\$ 2,211,360	\$ 14,552,486	\$ 16,274,860
Supra National Agency	Fair Value - Level 2	AAA	13,122,438	347,681	10,224,150	2,550,607
Municipal Bond	Fair Value - Level 2	A to AAA	5,998,721	2,291,602	1,987,730	1,719,389
U.S. Government Agencies	Fair Value - Level 2	AA+	9,412,029	361,760	6,482,270	2,567,999
Corporate Notes	Fair Value - Level 2	BBB+ to AAA	7,111,233	1,552,329	5,558,904	-
Commercial Paper	Fair Value - Level 2	A-1	1,882,429	1,882,429	-	-
Certificate of Deposit	Fair Value - Level 2	A+ to A-1	10,261,538	5,152,676	5,108,862	-
Bank Note	Fair Value - Level 2	A+	951,295	951,295	-	-
Colotrust	Net Asset Value	AAAm	1,069,678	1,069,678	-	-
CSIP	Net Asset Value	AAAm	175,579	175,579	-	-
Federated Gov't Obligations	Net Asset Value	AAAm	1,167,172	1,167,172	-	-
CSAFE	Amortized Cost	AAAm	7,013,505	7,013,505	-	-
Total			<u>\$ 91,204,323</u>	<u>\$ 24,177,066</u>	<u>\$ 43,914,402</u>	<u>\$ 23,112,855</u>
% of Total				27%	48%	25%

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

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest to Level 3. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

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

Credit Risk - State and City statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). The same statutes also limit investments in money market funds to those that maintain a constant share price, with remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the position of an outside party. At December 31, 2018, the City's investments securities were held by the counterparty (broker), in the City's name.

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

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NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, is summarized, as follows:

GOVERNMENTAL ACTIVITIES	BALANCE 12/31/17	ADDITIONS	DELETIONS	BALANCE 12/31/18
Capital Assets, Not Being Depreciated				
Land	\$26,292,627	\$ -	\$ -	\$26,292,627
Water rights	2,036,050	-	-	2,036,050
Construction in Progress	5,197,987	3,180,731	-	8,378,718
Total Capital Assets, Not Being Depreciated	<u>33,526,664</u>	<u>3,180,731</u>	<u>-</u>	<u>36,707,395</u>
Capital Assets, Being Depreciated				
Building and Improvements	90,896,579	1,584,339	-	\$92,480,918
Infrastructure	84,470,159	2,901,826	-	87,371,985
Other Assets	844,305	22,525	-	866,830
Machinery and Equipment	15,298,783	4,083,447	(477,563)	18,904,668
Total Capital Assets, Being Depreciated	<u>191,509,826</u>	<u>8,592,137</u>	<u>(477,563)</u>	<u>199,624,400</u>
Less Accumulated Depreciation				
Building and Improvements	(53,497,527)	-	(3,487,660)	(56,985,187)
Infrastructure	(33,307,446)	-	(4,384,677)	(37,692,123)
Other Assets	(492,972)	-	(60,817)	(553,789)
Machinery and Equipment	(10,455,268)	477,563	(1,250,932)	(11,228,638)
Total Accumulated Depreciation	<u>(97,753,213)</u>	<u>477,563</u>	<u>(9,184,086)</u>	<u>(106,459,737)</u>
Total Capital Assets, Being Depreciated, Net	<u>93,756,613</u>	<u>9,069,700</u>	<u>(9,661,649)</u>	<u>93,164,664</u>
Governmental Activities Capital Assets, Net	<u>\$ 127,283,277</u>	<u>\$ 12,250,431</u>	<u>\$ (9,661,649)</u>	<u>\$ 129,872,059</u>

BUSINESS -TYPE ACTIVITIES	BALANCE 12/31/17	ADDITIONS	DELETIONS	BALANCE 12/31/18
Capital Assets, Not Being Depreciated				
Land	\$ 7,885,632	\$ 1,627,496	-	\$ 9,513,128
Water Rights	19,833,698	2,301,750	-	22,135,448
Wastewater Connection Fees	11,804,408	541,004	-	12,345,412
Construction in Progress	9,319,755	2,297,627	(953,095)	10,664,286
Total Capital Assets, Not Being Depreciated	<u>48,843,493</u>	<u>6,767,877</u>	<u>(953,095)</u>	<u>54,658,274</u>
Capital Assets, Being Depreciated				
Building and Improvements	30,944,939	6,630,068	-	37,575,007
Collection and Distribution Systems	141,974,680	8,782,257	-	150,756,937
Machinery and Equipment	5,476,401	1,199,949	-	6,676,350
Other Assets	216,300	-	-	216,300
Total Capital Assets, Being Depreciated	<u>178,612,320</u>	<u>16,612,274</u>	<u>-</u>	<u>195,224,594</u>
Less Accumulated Depreciation				
Building and Improvements	(22,714,323)	-	(831,358)	(23,545,681)
Collection and Distribution Systems	(62,991,145)	-	(5,469,829)	(68,460,974)
Machinery and Equipment	(3,004,366)	-	(485,728)	(3,490,094)
Other Assets	(197,904)	-	(8,387)	(206,291)
Total Accumulated Depreciation	<u>(88,907,738)</u>	<u>-</u>	<u>(6,795,302)</u>	<u>(95,703,040)</u>
Total Capital Assets, Being Depreciated, Net	<u>89,704,582</u>	<u>16,612,274</u>	<u>(6,795,302)</u>	<u>99,521,554</u>
Business-Type Activities Capital Assets, Net	<u>\$138,548,075</u>	<u>\$23,380,150</u>	<u>\$ (7,748,397)</u>	<u>\$154,179,828</u>

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BRIGHTON URBAN RENEWAL AUTHORITY	BALANCE 12/31/17	ADDITIONS	DELETIONS	BALANCE 12/31/18
Capital Assets, Being Depreciated				
Building and Improvements	\$ 5,599,815	\$ -	\$ -	5,599,815
Machinery and Equipment	91,315	47,590	-	138,905
Total Capital Assets, Being Depreciated	5,691,130	47,590	-	5,738,720
Less Accumulated Depreciation				
Building and Improvements	(1,609,635)	-	(227,046)	(1,836,681)
Machinery and Equipment	(51,675)	-	(4,689)	(56,364)
Total Accumulated Depreciation	(1,661,310)	-	(231,735)	(1,893,045)
Total Capital Assets, Being Depreciated, Net	4,029,820	47,590	(231,735)	3,845,675
BURA Activities Capital Assets, Net	\$ 4,029,820	\$ 47,590	\$ (231,735)	\$ 3,845,675

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

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
General Government	\$ 873,330	\$ -
Public Safety	492,050	-
Public Works	5,513,422	-
Eagle View Adult Center	280,896	-
Recreation Center	293,721	-
Parks	1,682,465	-
Cemetery	42,950	-
Community Development	5,251	-
Water	-	4,420,102
Wastewater	-	1,490,716
Storm Drainage	-	884,484
Total Depreciation Expense	<u>\$ 9,184,086</u>	<u>\$ 6,795,302</u>

NOTE 5. INTERFUND TRANSACTIONS

The composition of interfund transfers as of December 31, 2018 is as follows:

TRANSFER IN FUND	TRANSFER OUT FUND	AMOUNT
General	Landscaping	\$ 6,000
General	Lodging	77,700
Capital Improvement	General	17,310
Capital Improvement	Lodging	306,700
Capital Improvement	Impact Fees	500,000
Capital Improvement	Fleet	24,348
Parks and Recreation	Impact Fees	80,000
Cemetery	General	238,050
		<u>\$ 1,250,108</u>

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

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NOTE 6. LONG-TERM DEBT

GOVERNMENTAL ACTIVITIES – LONG-TERM DEBT TRANSACTIONS

	<u>BALANCE</u> <u>12/31/17</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2010 Certificates of Participation	\$ 24,685,000	\$ -	\$ 855,000	\$ 23,830,000	\$ 890,000
2016 Certificates of Participation	5,700,688		359,908	5,340,780	366,700
Debt Premium	112,090	-	6,256	105,834	-
2017 Capital Lease	1,608,264	-	216,073	1,392,192	220,140
Net Pension Liability (Asset)	333,079	-	(1,590,906)	(1,257,827)	-
Compensated Absences	1,825,280	1,338,843	1,368,960	1,795,163	1,346,373
Total	<u>\$34,264,401</u>	<u>\$ 1,338,843</u>	<u>\$ 1,215,291</u>	<u>\$31,206,142</u>	<u>\$ 2,823,213</u>

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

2010 Certificates of Participation

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

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

A portion of the proceeds of the Certificates of Participation, Series 2010A, were issued to refund the Certificates of Participation, Series 2000. The refunding resulted in an accounting loss of \$259,110 and an economic gain of \$76,296 and reduced the City's aggregate debt service payments by approximately \$389,486. Proceeds of \$4,867,643 plus other available funds of \$696,467 were deposited with an escrow agent to provide for all future debt service requirements of the Certificates of Participation, Series 2000. As a result, the refunded Certificates of Participation are considered defeased and have been removed from the financial statements. The outstanding balance of the defeased debt at December 31, 2018 was \$0.

2016 Certificates of Participation

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

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

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

2017 Master Lease Equipment Purchase Agreement (Capital Lease)

The Master Equipment Lease Purchase Agreement is a tax-exempt lease-purchase program used by the City to finance capital equipment. The City entered into the Master Lease Agreement as of December 8, 2017. The interest rate for the lease is 2.09%. Principal and interest payments are due semi-annually through 2024.

Annual debt service requirements for the outstanding 2010 Certificates of Participation, the 2016 Certificates of Participation, Tax Exempt Series 2016A, the 2016 Certificates of Participation, Taxable Series 2016B, and the 2017 Master Equipment Lease Purchase Agreement at December 31, 2018, were as follows:

Year Ending December 31,	Certificates of Participation				Master Lease	
	2010 Principal	2010 Interest	2016 Principal	2016 Interest	2017 Principal	2017 Interest
2019	\$ 890,000	\$ 1,463,390	\$ 366,700	\$ 146,240	\$ 220,140	\$ 27,953
2020	925,000	1,429,515	377,827	135,114	224,766	23,327
2021	960,000	1,392,315	389,299	123,643	229,488	18,605
2022	1,000,000	1,350,915	401,125	111,814	234,309	13,784
2023	1,050,000	1,300,290	413,320	99,621	239,232	8,861
2024 - 2028	6,210,000	5,552,533	2,117,236	308,285	244,257	3,835
2029 - 2033	8,525,000	3,232,337	1,275,272	54,777	-	-
2034 - 2035	4,270,000	437,063	-	-	-	-
Total	<u>\$ 23,830,000</u>	<u>\$ 16,158,358</u>	<u>\$ 5,340,780</u>	<u>\$ 979,493</u>	<u>\$ 1,392,192</u>	<u>\$ 96,365</u>

BUSINESS-TYPE ACTIVITIES - LONG TERM DEBT TRANSACTIONS

	<u>BALANCE</u> <u>12/31/17</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2016 Revenue Bonds	\$ 26,185,000	\$ -	\$ 1,100,000	\$ 25,085,000	\$ 1,120,000
2016 Certificates of Participation	1,001,033	-	36,469	964,564	39,563
Bond Premium	1,189,211	-	60,213	1,128,998	
Compensated Absences	201,023	-	6,599	194,424	186,259
Total	<u>\$28,576,267</u>	<u>\$ -</u>	<u>\$ 1,203,281</u>	<u>\$27,372,986</u>	<u>\$ 1,345,822</u>

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2016 Water Activity Enterprise Revenue Bonds

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

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

2016 Certificates of Participation

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

Annual debt service requirements for the outstanding 2016 Water Activity Enterprise Revenue Bonds, and the 2016 Certificates of Participation for the Water Fund and Wastewater Fund at December 31, 2018, were as follows:

Year Ending December 31,	<u>2016A Certificates of Participation</u>		<u>2016 Enterprise Bonds</u>	
	Principal	Interest	Principal	Interest
2019	\$ 39,563	\$ 23,200	\$ 1,120,000	\$ 955,800
2020	40,530	22,233	1,160,000	921,600
2021	41,521	21,242	1,195,000	885,125
2022	42,536	20,227	1,225,000	853,863
2023	43,576	19,187	1,255,000	826,625
2024 - 2028	376,129	76,867	6,305,000	3,568,212
2029 - 2033	380,710	16,353	6,810,000	2,077,525
2034 - 2037	-	-	6,015,000	493,850
Total	<u>\$ 964,564</u>	<u>\$ 199,308</u>	<u>\$ 25,085,000</u>	<u>\$ 10,582,600</u>

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

COMPONENT UNIT, BURA - LONG TERM DEBT TRANSACTIONS

	<u>BALANCE</u> <u>12/31/17</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>12/31/18</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
2015 Tax Increment Bonds	\$ 9,020,000	\$ -	\$ 770,000	\$ 8,250,000	\$ 795,000
Loan Payable--City of Brighton	2,510,000	-	-	2,510,000	-
Compensated Absences	20,694	-	1,611	19,083	14,312
Total	<u>\$11,550,694</u>	<u>\$ -</u>	<u>\$ 771,611</u>	<u>\$10,779,083</u>	<u>\$ 809,312</u>

2015 Revenue Bonds - On December 15, 2015, BURA issued \$9,890,000 Tax Increment Revenue Refunding Bonds, Series 2015A and \$555,000 Taxable Tax Increment Revenue Bonds, Series 2015B, which were issued to refund the BURA outstanding Tax Increment Revenue Refunding and Improvement Bonds, Series 2009 and provide funding for an improvement project in the BURA area respectively. Proceeds of the refunding were reduced by an \$80,000 call premium and \$88,000 bond issuance costs, which were expensed.

The 2015A and 2015B Series have interest rates of 3.50% and 5.4% respectively. Principal payments are due annually on December 1, through 2027. Interest payments are due semi-annually on June 1 and December 1. The bonds are payable solely from sales tax increment revenues collected from the Brighton Pavilions and incremental property taxes generated by the urban renewal area.

Annual debt service requirements for the outstanding bonds at December 31, 2018 are as follows:

Year Ending December 31,	<u>2015 Tax Increment Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 795,000	\$ 315,700
2020	825,000	288,750
2021	850,000	260,925
2022	880,000	232,050
2023	915,000	202,300
2024 - 2027	3,985,000	354,725
Total	<u>\$ 8,250,000</u>	<u>\$ 1,654,450</u>

Loan Payable—City of Brighton - In March 2015, the City and BURA entered into a promissory note in which the City loaned BURA \$2,510,000 at a simple interest rate of .4% for a term of six months, interest and principal are payable at maturity. Such monies were used by BURA to acquire real property and appurtenance located at 880 South Main Street, 750 South Main Street and 740 South Main Street, Brighton, Adams County, Colorado. The loan is secured by these properties. On September 15, 2015 a Promissory Note Extension and Amendment Agreement was executed extending the maturity date of the note to September 18, 2022. All other terms and conditions in the Note remained unchanged and in effect.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7. RETIREMENT PLANS

EMPLOYEE RETIREMENT AND DEFERRED COMPENSATION PLANS

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

The Fire and Police Pension Association (FPPA) uses the accrual basis of accounting. The net pension liability, deferred outflows of resources and deferred inflows of resources related pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position were calculated using this basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. Contact FPPA at 1-800-332-2772 to obtain a copy of the report or visit their website <http://www.fppaco.org>.

Description of Benefits

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

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

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

Contributions

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

Members of the SWDB plan and their employers contributed at a rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2016. Member contribution rates

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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

Basis of Presentation

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

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

At December 31, 2018, the City reported a net pension asset of \$1,257,827 for its proportional share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 and a measurement date of December 31, 2017. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2018, the City's proportion was 0.87 percent, which was a decrease of .05 from its proportion measured as of December 31, 2017.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Expected and Actual Experience	\$ 907,074	\$ 13,938
Change in Assumptions	189,509	-
Difference Projected and Actual Investment Earnings	-	427,075
Proportion Changes and Differences City Contributions and Proportionate Share Contributions	-	55,326
City Contributions Subsequent to Measurement Date	425,329	-
	<u>\$ 1,521,912</u>	<u>\$ 496,339</u>

\$425,329 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, 2019. Other amounts reported as deferred

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2019	\$ 139,854
2020	120,405
2021	(61,117)
2022	(128,435)
2023	124,446
Thereafter	405,091
	<u>\$ 600,244</u>

Actuarial Assumptions

The January 1, 2017 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2017. The valuation used the following actuarial assumption and other inputs.

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.50%
Projected Salary Increases*	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%
*includes Inflation at	2.50%

The collective total pension liability as of December 31, 2017 is based upon the January 1, 2018 actuarial valuation.

Long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Manzged Futures	4%	6.85%
Cash	2%	2.26%
Total	<u>100%</u>	

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 1,369,399	\$ (1,257,827)	\$ (3,439,401)

Pension Plan Fiduciary Net Position

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

Other Information

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

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

<u>YEAR</u> <u>ENDED</u> <u>DECEMBER 31,</u>	<u>DEFINED BENEFIT PLAN</u> <u>REQUIRED CONTRIBUTIONS</u>		<u>DEFERRED 457 PLAN</u> <u>REQUIRED CONTRIBUTIONS</u>	
	<u>CITY</u>	<u>EMPLOYEES</u>	<u>CITY</u>	<u>EMPLOYEES</u>
2018	425,329	523,321	34,760	47,179
2017	395,604	463,028	30,683	41,157
2016	355,996	423,962	27,234	56,049

International City Management Association – Retirement Corporation (ICMA-RC) - Full-time and Part-time benefitted employees not covered under FPPA are covered by a single employer defined contribution money purchase retirement plan. The contribution requirements of plan

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

participants and the City are established and may be amended by the City Council. The Plan is administered by ICMA-RC. In 2018, the contribution rate was set at 18%, the employee contributes 9% and the City contributes 9% of each participant's covered salary. During the year ended December 31, 2018, the City and employee contributions were \$1,366,468 each, equal to the required contributions.

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

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

NOTE 8. OTHER INFORMATION

RISK MANAGEMENT

Colorado Intergovernmental Risk Sharing Agency (CIRSA) - The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to State statute.

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

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

Self-Funded Health Plan - The City established a self-funded health plan effective January 1, 2014. The purpose of the program is to pay the health claims of eligible City employees and their

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

covered dependents. As of January 1, 2014 the City entered into an administrative services only arrangement with United Health Care, whereby the City pays United Health Care a separate amount for administrative costs and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The following is a summary of changes in the City's estimated unpaid claims as of December 31, 2018.

	<u>2018</u>
Estimated unpaid claims, January 1	\$ 282,200
Incurred Claims	2,966,203
Claims Payments	<u>(2,992,403)</u>
Estimated unpaid claims, December 31	<u>\$ 256,000</u>

COMMITMENTS AND CONTINGENCIES

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

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

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

TAX ABATEMENTS

The City offers individual business incentive packages to attract new businesses, grow the local economy, and to provide quality job opportunities for residents. Incentive agreements are discretionary and are considered on a case-by-case basis by the City Council. A written agreement is required and agreements become final after City Council action.

Incentive agreements are performance based, that is, money is disbursed once a business meets or exceeds specific performance measures. Specific performance measures may include: (a) meeting the requirements of the eligibility threshold for jobs and wages; (b) requiring new revenues generated by the business to equal or exceed the total dollar amount of the incentive provided during the period of the incentive agreement by rebate or refund; (c) requiring any rebate or refund to come from the revenues actually generated by that business; or (d) requiring the completion of significant development review process milestones such as successful completion and issuance of a development permit, building permit or certificate of occupancy.

Incentive packages vary and may include the City agreeing to forego a portion of its sales tax, a direct subsidy for public infrastructure costs or a rebate of sales taxes, use taxes, permit fees, or property taxes. All incentive agreements are subject to annual appropriations by City Council as required in the Colorado Constitution and the City Charter. In 2018, the City paid \$2,742,124 and BURA (component unit) paid \$2,215,304 in tax abatements.

CITY OF BRIGHTON, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9. PRIOR PERIOD ADJUSTMENTS

The City has determined that certain transactions related to pensions and long-term debt were recorded incorrectly in a prior year. In the Government-wide statements, Deferred Outflows, Deferred Inflows were understated, and Liabilities were overstated in the governmental activities. Therefore, the January 1, 2018 beginning net position has been restated at \$156,119,591 to reflect the correct presentation of this balance in the prior year.

BURA has determined that certain transactions were recorded incorrectly in a prior year. Land held for resale should have been recognized as a fund level asset at its realizable value. The result of this correction was to increase BURA's assets and fund equity by \$1,625,000. In the Government-wide statements, Net Position decreased by \$1,294,825 as of December 31, 2017 resulting in a restated negative net position of \$3,015,380 on January 1, 2018.

NOTE 10. PENDING GASB PRONOUNCEMENTS

As of December 31, 2018, The GASB had issued several statements not yet required to be implemented by the City. Management intends to adopt each Statement, if applicable, by the required date, and modify and expand financial statements and disclosures accordingly. The statements which might impact the City are as follows:

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

GASB Statement No. 87, Leases, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments.

GASB Statement No. 88, Certain Disclosures Related to Debt, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt.

GASB Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 90 defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB Statement No. 91, Conduit Debt Obligations, will be effective for the City beginning with its fiscal year ending December 31, 2021, with earlier adoption encouraged. Statement No. 91 clarifies the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer, and establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations.

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Required Supplementary Information

CITY OF BRIGHTON, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Sales	\$ 15,876,000	\$ 15,926,000	\$ 18,273,025	\$ 2,347,025
Use	5,600,400	5,600,400	6,310,769	710,369
Property	2,680,100	2,680,100	2,663,482	(16,618)
Franchise	1,295,800	1,295,800	1,285,070	(10,730)
Other	37,200	37,200	26,457	(10,743)
Total Taxes	<u>25,489,500</u>	<u>25,539,500</u>	<u>28,558,803</u>	<u>3,019,303</u>
Licenses and Permits	1,091,750	1,091,750	2,157,989	1,066,239
Grants and Intergovernmental	2,487,352	2,506,677	3,205,576	698,899
Charges for Services	2,318,850	2,318,850	3,013,420	694,570
Fines and Forfeitures	447,000	447,000	404,481	(42,519)
Investment Earnings	293,000	293,000	575,874	282,874
Miscellaneous	1,006,544	334,085	2,793,486	2,459,401
Total Revenues	<u>33,133,996</u>	<u>32,530,862</u>	<u>40,709,629</u>	<u>8,178,767</u>
EXPENDITURES				
General Government	11,014,202	11,460,552	10,400,282	1,060,270
Public Safety	11,249,045	11,309,045	11,725,490	(416,445)
Streets and Fleet	3,248,781	3,416,061	3,212,131	203,930
Parks and Recreation	7,150,537	7,244,207	6,863,303	380,904
Community Development	2,292,460	2,568,160	3,144,743	(576,583)
Total Expenditures	<u>34,955,025</u>	<u>35,998,025</u>	<u>35,345,949</u>	<u>652,076</u>
Excess of Revenues Over Expenditures	<u>(1,821,029)</u>	<u>(3,467,163)</u>	<u>5,363,680</u>	<u>8,830,843</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	131,000	258,200	83,700	(174,500)
Transfers Out	(283,500)	(300,810)	(255,360)	45,450
Proceeds on Sales of Capital Assets	-	-	18,541	18,541
Total Other Financing Sources (Uses)	<u>(152,500)</u>	<u>(42,610)</u>	<u>(153,119)</u>	<u>(110,509)</u>
Net Change in Fund Balance	<u>\$ (1,973,529)</u>	<u>\$ (3,509,773)</u>	<u>5,210,561</u>	<u>\$ 8,720,334</u>
Fund Balance--January 1			<u>19,997,208</u>	
Fund Balance--December 31			<u>\$ 25,207,769</u>	

CITY OF BRIGHTON, COLORADO
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)*
DECEMBER 31, 2018

	2018	2017	2016	2015
Employer's proportion of the net pension (asset)	0.87%	0.92%	0.92%	0.89%
Employer's proportion of the net pension (asset)	\$ (1,257,827)	\$ 333,079	\$ (16,218)	\$ (934,282)
Employer's covered payroll	\$ 4,553,362	\$ 4,074,515	\$ 4,067,067	\$ 3,613,646
Employer's proportion of the net pension (asset) as a percentage of its covered payroll	-27.62%	8.17%	-0.40%	-25.85%
Plan fiduciary net position as a percentage of the total pension liability	106.30%	98.21%	100.10%	106.80%

* Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year-end) of the net pension liability in accordance with GASB Statement No. 68. Information determined under the provisions of GASB 68 is not available for years prior to 2014, in future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRIGHTON, COLORADO
SCHEDULE OF EMPLOYER CONTRIBUTIONS*
DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 425,329	\$ 395,604	\$ 355,996	\$ 357,826	\$ 321,048
Contributions in relation to the statutorily required contribution	425,329	395,604	355,996	357,826	321,048
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 4,949,607	\$ 4,553,362	\$ 4,074,515	\$ 4,067,067	\$ 3,613,646
Contributions as a percentage of covered payroll	8.59%	8.69%	8.74%	8.80%	8.88%

Notes to the Required Supplementary Information

Changes of assumptions

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

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

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

Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS - DESCRIPTION

COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES

Special Revenue Funds

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

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

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

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

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

Impact Fees – to account for the accumulation of development impact fees collected under Article 3-5 of the City's Municipal Code.

Permanent Fund

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

Capital Projects Fund

Parks and Recreation Capital Improvement Fund – to account for the City's parks and recreation capital projects which are financed by a 0.6% sales tax approved by voters in 1991, and intergovernmental revenues.

CITY OF BRIGHTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

	SPECIAL REVENUE FUNDS						PERMANENT FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LANDSCAPING FUND	LOTTERY RESERVE FUND	CEMETERY FUND	HIGHWAY FUND	LODGING TAX FUND	IMPACT FEES FUND	CEMETERY PERPETUAL CARE FUND	PARKS AND RECREATION CAPITAL FUND	
ASSETS									
Cash and Investments	\$ 144,310	\$ 300,479	\$ 86,841	\$ 887,069	\$ 409,388	\$ 9,791,102	\$ 1,695,345	\$ 9,240,534	\$ 22,555,068
Restricted Cash and Investments	-	-	-	-	-	-	-	73,920	73,920
Accounts Receivable	-	-	43,231	-	-	-	-	328,018	371,249
Taxes Receivable	-	-	-	-	20,507	-	-	461,433	481,940
Prepays	-	-	-	-	-	-	-	1,125	1,125
Total Assets	<u>\$ 144,310</u>	<u>\$ 300,479</u>	<u>\$ 130,072</u>	<u>\$ 887,069</u>	<u>\$ 429,895</u>	<u>\$ 9,791,102</u>	<u>\$ 1,695,345</u>	<u>\$ 10,105,030</u>	<u>\$ 23,483,302</u>
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ 4,865	\$ -	\$ 47,768	\$ 4,800	\$ -	\$ 196,037	\$ 253,470
Retainage Payable	-	-	-	-	-	-	-	17,224	17,224
Accrued Wages Payable	-	-	9,429	-	-	-	-	-	9,429
Deposits and Escrows	97,440	-	20,250	-	-	713,080	-	5,913	836,683
Total Liabilities	<u>97,440</u>	<u>-</u>	<u>34,544</u>	<u>-</u>	<u>47,768</u>	<u>717,880</u>	<u>-</u>	<u>219,174</u>	<u>1,116,806</u>
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	1,125	1,125
Restricted	-	300,479	13,606	1,729	15,708	-	-	9,884,731	10,216,253
Committed	46,870	-	81,922	885,340	366,419	9,073,222	1,695,345	-	12,149,118
Total Fund Balances	<u>46,870</u>	<u>300,479</u>	<u>95,528</u>	<u>887,069</u>	<u>382,127</u>	<u>9,073,222</u>	<u>1,695,345</u>	<u>9,885,856</u>	<u>22,366,496</u>
Total Liabilities and Fund Balances	<u>\$ 144,310</u>	<u>\$ 300,479</u>	<u>\$ 130,072</u>	<u>\$ 887,069</u>	<u>\$ 429,895</u>	<u>\$ 9,791,102</u>	<u>\$ 1,695,345</u>	<u>\$ 10,105,030</u>	<u>\$ 23,483,302</u>

CITY OF BRIGHTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	SPECIAL REVENUE FUNDS						PERMANENT FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LANDSCAPING FUND	LOTTERY RESERVE FUND	CEMETERY FUND	HIGHWAY FUND	LODGING TAX FUND	IMPACT FEES FUND	CEMETERY PERPETUAL CARE FUND	PARKS AND RECREATION CAPITAL FUND	
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 391,582	\$ -	\$ -	\$ 3,783,372	\$ 4,174,954
Grants and Intergovernmental	-	372,755	-	-	-	-	-	585,239	957,994
Charges for Services	-	-	270,217	-	-	1,379,431	59,110	-	1,708,758
Investment Earnings	1,737	7,090	-	12,472	7,032	138,049	23,485	133,040	322,905
Miscellaneous	-	-	17,017	-	-	-	-	84,921	101,938
Total Revenues	1,737	379,845	287,234	12,472	398,614	1,517,480	82,595	4,586,572	7,266,549
EXPENDITURES									
Current									
General Government	-	-	-	-	187,277	-	-	-	187,277
Parks and Recreation	-	-	-	-	-	-	-	81,842	81,842
Cemetery	-	-	517,698	-	-	-	-	-	517,698
Debt Service									
Principal	-	-	-	-	-	-	-	145,671	145,671
Interest and Fees	-	-	-	-	-	-	-	1,042,274	1,042,274
Capital Outlay	-	672,872	7,184	-	-	-	-	2,321,827	3,001,883
Total Expenditures	-	672,872	524,882	-	187,277	-	-	3,591,614	4,976,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,737	(293,027)	(237,648)	12,472	211,337	1,517,480	82,595	994,958	2,289,904
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	238,050	-	-	-	-	80,000	318,050
Transfers Out	(6,000)	-	-	-	(384,400)	(580,000)	-	-	(970,400)
Total Other Financing Sources (Uses)	(6,000)	-	238,050	-	(384,400)	(580,000)	-	80,000	(652,350)
Net Change in Fund Balances	(4,263)	(293,027)	402	12,472	(173,063)	937,480	82,595	1,074,958	1,637,554
Fund Balances--January 1	51,133	593,506	95,126	874,597	555,190	8,135,742	1,612,750	8,810,898	20,728,942
Fund Balances--December 31	\$ 46,870	\$ 300,479	\$ 95,528	\$ 887,069	\$ 382,127	\$ 9,073,222	\$ 1,695,345	\$ 9,885,856	\$ 22,366,496

CITY OF BRIGHTON, COLORADO
LANDSCAPING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Earnings	\$ 1,000	\$ 1,000	\$ 1,737	\$ 737
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,737</u>	<u>737</u>
 OTHER FINANCING USES				
Transfers Out	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Other Financing Uses	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
 Net Change in Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(4,263)</u>	<u><u>\$ 737</u></u>
 Fund Balance--January 1			<u>51,133</u>	
 Fund Balance--December 31			<u><u>\$ 46,870</u></u>	

CITY OF BRIGHTON, COLORADO
LOTTERY RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Intergovernmental	\$ 345,000	\$ 345,000	\$ 372,755	\$ 27,755
Investment Earnings	4,000	4,000	7,090	3,090
Total Revenues	<u>349,000</u>	<u>349,000</u>	<u>379,845</u>	<u>30,845</u>
EXPENDITURES				
Capital Outlay	<u>300,000</u>	<u>690,000</u>	<u>672,872</u>	<u>17,128</u>
Total Expenditures	<u>300,000</u>	<u>690,000</u>	<u>672,872</u>	<u>17,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49,000</u>	<u>(341,000)</u>	<u>(293,027)</u>	<u>47,973</u>
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>363,000</u>	<u>-</u>	<u>363,000</u>
	<u>-</u>	<u>363,000</u>	<u>-</u>	<u>363,000</u>
Net Change in Fund Balance	<u>\$ 49,000</u>	<u>\$ (341,000)</u>	<u>(293,027)</u>	<u>\$ 47,973</u>
Fund Balance--January 1			<u>593,506</u>	
Fund Balance--December 31			<u>\$ 300,479</u>	

CITY OF BRIGHTON, COLORADO
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 258,500	\$ 258,500	\$ 270,217	\$ 11,717
Investment Earnings	1,200	1,200	-	(1,200)
Miscellaneous	17,000	17,000	17,017	17
Total Revenues	<u>276,700</u>	<u>276,700</u>	<u>287,234</u>	<u>10,534</u>
EXPENDITURES				
Salaries and Wages	294,200	294,200	270,432	23,768
Contracted Services	236,514	236,514	224,995	11,519
Supplies and Materials	25,228	34,178	22,271	11,907
Miscellaneous	500	3,700	-	3,700
Capital Outlay	-	-	7,184	(7,184)
Total Expenditures	<u>556,442</u>	<u>568,592</u>	<u>524,882</u>	<u>43,710</u>
Deficiency of Revenues Under Expenditures	(279,742)	(291,892)	(237,648)	54,244
OTHER FINANCING SOURCES				
Transfers In	<u>283,500</u>	<u>283,500</u>	<u>238,050</u>	<u>(45,450)</u>
Net Change in Fund Balance	<u>\$ 3,758</u>	<u>\$ (8,392)</u>	402	<u>\$ 8,794</u>
Fund Balance--January 1			<u>95,126</u>	
Fund Balance--December 31			<u>\$ 95,528</u>	

CITY OF BRIGHTON, COLORADO
HIGHWAY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Earnings	\$ 5,500	\$ 5,500	\$ 12,472	\$ 6,972
Total Revenues	<u>5,500</u>	<u>5,500</u>	<u>12,472</u>	<u>6,972</u>
EXPENDITURES				
Miscellaneous	60,000	60,000	-	60,000
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Deficiency of Revenues Under Expenditures	<u>(54,500)</u>	<u>(54,500)</u>	<u>12,472</u>	<u>66,972</u>
Net Change in Fund Balance	<u>\$ (54,500)</u>	<u>\$ (54,500)</u>	12,472	<u>\$ 66,972</u>
Fund Balance--January 1			<u>874,597</u>	
Fund Balance--December 31			<u>\$ 887,069</u>	

CITY OF BRIGHTON, COLORADO
LODGING TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Lodging Tax	\$ 353,500	\$ 353,500	\$ 391,582	\$ 38,082
Investment Earnings	3,000	3,000	7,032	4,032
Total Revenues	<u>356,500</u>	<u>356,500</u>	<u>398,614</u>	<u>42,114</u>
EXPENDITURES				
Salaries and Wages	40,000	40,000	40,000	-
Contracted Services	2,500	2,500	-	2,500
Supplies and Materials	2,300	2,300	-	2,300
Miscellaneous	10,000	10,000	-	10,000
Grants	322,300	322,300	147,277	175,023
Total Expenditures	<u>377,100</u>	<u>377,100</u>	<u>187,277</u>	<u>189,823</u>
Excess of Revenues				
Under Expenditures	<u>(20,600)</u>	<u>(20,600)</u>	<u>211,337</u>	<u>(231,937)</u>
OTHER FINANCING USES				
Transfers Out	<u>(77,700)</u>	<u>(390,200)</u>	<u>(384,400)</u>	<u>(5,800)</u>
	<u>(77,700)</u>	<u>(390,200)</u>	<u>(384,400)</u>	<u>(5,800)</u>
Net Change in Fund Balance	<u>\$ (98,300)</u>	<u>\$ (410,800)</u>	<u>(173,063)</u>	<u>\$ (237,737)</u>
Fund Balance--January 1			<u>555,190</u>	
Fund Balance--December 31			<u>\$ 382,127</u>	

CITY OF BRIGHTON, COLORADO
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 550,000	\$ 550,000	\$ 1,379,431	\$ 829,431
Investment Earnings	74,700	74,700	138,049	63,349
Total Revenues	<u>624,700</u>	<u>624,700</u>	<u>1,517,480</u>	<u>892,780</u>
EXPENDITURES				
Developer Reimbursements	<u>100,000</u>	<u>100,000</u>	-	100,000
Total Expenditures	<u>100,000</u>	<u>100,000</u>	-	<u>100,000</u>
Excess of Revenues Over Expenditures	<u>524,700</u>	<u>524,700</u>	<u>1,517,480</u>	<u>992,780</u>
OTHER FINANCING SOURCES				
Transfers Out	<u>(830,000)</u>	<u>(580,000)</u>	<u>(580,000)</u>	-
Total Other Financing Sources	<u>(830,000)</u>	<u>(580,000)</u>	<u>(580,000)</u>	-
Net Change in Fund Balance	<u>\$ (305,300)</u>	<u>\$ (55,300)</u>	937,480	<u>\$ 992,780</u>
Fund Balance--January 1			<u>8,135,742</u>	
Fund Balance--December 31			<u>\$ 9,073,222</u>	

CITY OF BRIGHTON, COLORADO
CEMETERY PERPETUAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Charges for Services	\$ 60,000	\$ 60,000	\$ 59,110	\$ (890)
Investment Earnings	12,500	12,500	23,485	10,985
Total Revenues	<u>72,500</u>	<u>72,500</u>	<u>82,595</u>	<u>10,095</u>
OTHER FINANCING SOURCES				
Transfers In	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Net Change in Fund Balance	<u>\$ 73,000</u>	<u>\$ 73,000</u>	82,595	<u>\$ 9,595</u>
Fund Balance--January 1			<u>1,612,750</u>	
Fund Balance--December 31			<u>\$ 1,695,345</u>	

CITY OF BRIGHTON, COLORADO
PARKS AND RECREATION CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Sales Taxes	\$ 4,089,300	\$ 4,089,300	\$ 3,783,372	\$ (305,928)
Grants and Intergovernmental	769,500	1,982,770	585,239	(1,397,531)
Investment Earnings	77,300	77,300	133,040	55,740
Miscellaneous	84,000	84,000	84,921	921
Total Revenues	<u>5,020,100</u>	<u>6,233,370</u>	<u>4,586,572</u>	<u>(1,646,798)</u>
EXPENDITURES				
Parks and Recreation	-	-	81,842	81,842
Capital Outlay	3,976,673	7,745,764	2,321,827	(5,423,937)
Debt Service				
Principal	145,671	145,671	145,671	-
Interest	1,035,509	1,035,509	1,040,024	4,515
Bond Fees	3,000	3,000	2,250	(750)
Total Expenditures	<u>5,160,853</u>	<u>8,929,944</u>	<u>3,591,614</u>	<u>(5,338,330)</u>
Excess of Revenues Over Expenditures	(140,753)	(2,696,574)	994,958	(6,985,128)
OTHER FINANCING SOURCES				
Transfers In	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (60,753)</u>	<u>\$ (2,616,574)</u>	1,074,958	<u>\$ (6,985,128)</u>
Fund Balance--January 1			<u>8,810,898</u>	
Fund Balance-December 31			<u>\$ 9,885,856</u>	

CITY OF BRIGHTON, COLORADO
CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Taxes				
Sales	\$ 6,132,078	\$ 6,132,078	\$ 4,988,859	\$ (1,143,219)
Franchise	350,000	350,000	331,945	(18,055)
Other	30,200	30,200	29,968	(232)
Total Taxes	<u>6,512,278</u>	<u>6,512,278</u>	<u>5,350,772</u>	<u>(1,161,506)</u>
Grants and Intergovernmental	1,224,000	1,928,800	1,884,459	(44,341)
Investment Earnings	93,000	93,000	239,813	146,813
Miscellaneous	-	62,616	108,118	45,502
Total Revenues	<u>7,829,278</u>	<u>8,596,694</u>	<u>7,583,162</u>	<u>(1,013,532)</u>
EXPENDITURES				
Capital Outlay	7,443,500	13,343,840	6,783,917	(6,559,923)
Debt Service				
Principal	1,073,335	1,073,335	1,284,182	210,847
Interest	867,838	867,838	647,643	(220,195)
Loan Fees	1,500	1,500	1,500	-
Total Expenditures	<u>9,386,173</u>	<u>15,286,513</u>	<u>8,717,242</u>	<u>(6,569,271)</u>
Deficiency of Revenues Under Expenditures	<u>(1,556,895)</u>	<u>(6,689,819)</u>	<u>(1,134,080)</u>	<u>(7,582,803)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>1,721,375</u>	<u>857,638</u>	<u>848,358</u>	<u>(9,280)</u>
Total Other Financing Sources	<u>1,721,375</u>	<u>857,638</u>	<u>848,358</u>	<u>(9,280)</u>
Net Change in Fund Balance	<u>\$ 164,480</u>	<u>\$ (5,832,181)</u>	<u>(285,722)</u>	<u>\$ (7,592,083)</u>
Fund Balance--January 1			<u>16,066,001</u>	
Fund Balance--December 31			<u>\$ 15,780,279</u>	

CITY OF BRIGHTON, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION --
BUDGET AND ACTUAL (NON US GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 15,178,258	\$ 15,178,258	\$ 14,027,615	\$ (1,150,643)
Tap Fees	45,000	45,000	106,768	61,768
Plant Investment Fees	3,420,605	3,420,605	6,587,094	3,166,489
Grants	-	1,200,000	897,998	(302,002)
Investment Earnings	351,000	351,000	595,026	244,026
Developer Contributions	-	-	359,333	359,333
Miscellaneous	113,150	113,150	374,135	260,985
Total Revenues	<u>19,108,013</u>	<u>20,308,013</u>	<u>22,947,969</u>	<u>2,639,956</u>
EXPENSES				
Programs (fund level of budgetary control)				
Water Treatment Plant	2,209,565	2,582,565	2,186,344	396,221
Water Resources	4,821,417	4,821,417	4,766,043	55,374
Distribution	840,097	840,097	709,269	130,828
Administration	545,858	545,858	510,552	35,306
Engineering	412,507	412,507	351,531	60,976
Utility Billing	498,103	498,103	370,597	127,506
Utility Assistance Fund	10,000	10,000	6,777	3,223
Principal	870,000	870,000	916,547	(46,547)
Interest Paid and Fees	780,000	780,000	773,222	6,778
Budget Reserves	100,000	100,000	-	100,000
Total Program Expenses	<u>11,087,547</u>	<u>11,460,547</u>	<u>10,590,882</u>	<u>869,665</u>
Projects (project level of budgetary control)				
Water Treatment	2,082,000	7,923,678	2,527,520	5,396,158
Water Resources	11,071,000	12,089,564	12,549,726	(460,162)
Distribution	3,538,000	3,538,000	1,812,565	1,725,435
Administration, Other	40,000	40,000	9,185	30,815
Total Projects	<u>16,731,000</u>	<u>23,591,242</u>	<u>16,898,996</u>	<u>6,692,246</u>
Total Expenses	<u>27,818,547</u>	<u>35,051,789</u>	<u>27,489,878</u>	<u>7,561,911</u>
Deficiency of Revenues Under Expenses Before Reconciling Items	<u>\$ (8,710,534)</u>	<u>\$ (14,743,776)</u>	(4,541,909)	<u>\$ 10,201,867</u>
ADJUSTMENTS TO US GAAP BASIS				
Capitalized Assets			16,208,206	
Long Term Debt Adjustments			951,372	
Depreciation			(4,420,102)	
Change in Net Position, GAAP Basis			<u>8,197,567</u>	
Net Position--January 1			<u>116,014,384</u>	
Net Position--December 31			<u>\$ 124,211,951</u>	

CITY OF BRIGHTON, COLORADO
WASTE WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL (NON US GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 7,939,154	\$ 7,939,154	\$ 7,960,153	\$ 20,999
Plant Investment Fees	461,046	461,046	1,382,505	921,459
Investment Earnings	150,050	150,050	264,164	114,114
Developer Contributions	-	-	182,530	182,530
Miscellaneous	25,000	25,000	31,953	6,953
Total Revenues	<u>8,575,250</u>	<u>8,575,250</u>	<u>9,821,305</u>	<u>1,246,055</u>
EXPENSES				
Programs (fund level of budgetary control)				
Waste Water Treatment Plant	2,901,920	2,901,920	2,554,217	347,703
Waste Water Collections	916,612	916,612	674,819	241,793
Administration	485,808	485,808	441,868	43,940
Engineering	446,660	446,660	340,289	106,371
Utility Billing	499,084	499,084	363,462	135,622
Budget Reserves	100,000	100,000	-	100,000
Principal	210,000	210,000	221,568	(11,568)
Interest Expense and Fees	240,000	240,000	239,281	719
Total Program Expenses	<u>5,800,084</u>	<u>5,800,084</u>	<u>4,835,504</u>	<u>964,580</u>
Projects (project level of budgetary control)				
Waste Water Treatment Plant	450,000	2,475,028	1,805,696	669,332
Waste Water Collections	522,500	1,713,450	1,169,945	543,505
Administration	-	216,350	10,999	205,351
Total Project Expenses	<u>972,500</u>	<u>4,404,828</u>	<u>2,986,640</u>	<u>1,418,188</u>
Total Expenses	<u>6,772,584</u>	<u>10,204,912</u>	<u>7,822,144</u>	<u>2,382,768</u>
Excess (Deficiency) of Revenues Over (Under) Expenses Before Reconciling Items	<u>\$ 1,802,666</u>	<u>\$ (1,629,662)</u>	1,999,161	<u>\$ 3,628,823</u>
ADJUSTMENTS TO US GAAP BASIS				
Capitalized Assets			3,241,525	
Long Term Debt Adjustments			111,068	
Depreciation			(1,490,716)	
Metro Taps Purchased			(540,844)	
Change in Net Position, GAAP Basis			<u>3,320,194</u>	
Net Position--January 1			<u>40,386,396</u>	
Net Position--December 31			<u>\$ 43,706,590</u>	

CITY OF BRIGHTON, COLORADO
STORM DRAINAGE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL (NON US GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Charges for Services	\$ 921,437	\$ 921,437	\$ 816,388	\$ (105,049)
Plant Investment Fees	937,060	937,060	982,141	45,081
Earnings on Investment	50,000	50,000	71,539	21,539
Developer Contributions	-	-	338,643	338,643
Miscellaneous	1,181,360	1,181,360	28,722	(1,152,638)
Total Revenues	<u>3,089,857</u>	<u>3,089,857</u>	<u>2,237,433</u>	<u>(852,424)</u>
EXPENSES				
Programs (fund level of budgetary control)				
Operations	405,159	405,159	660,978	(255,819)
Administration	120,791	120,791	110,413	10,378
Budget Reserves	100,000	100,000	-	100,000
Total Program Expenses	<u>625,950</u>	<u>625,950</u>	<u>771,391</u>	<u>(145,441)</u>
Projects (project level of budgetary control)				
Local Storm Drainage Improvements	3,680,000	2,177,000	2,145,395	31,605
Other Projects	547,435	547,435	3,125	544,310
Total Projects	<u>4,227,435</u>	<u>2,724,435</u>	<u>2,148,520</u>	<u>575,915</u>
Total Expenses	<u>4,853,385</u>	<u>3,350,385</u>	<u>2,919,911</u>	<u>430,474</u>
Deficiency of Revenues Under Expenses Before Reconciling Items	<u>\$ (1,763,528)</u>	<u>\$ (260,528)</u>	(682,478)	<u>\$ (421,950)</u>
ADJUSTMENTS TO US GAAP BASIS				
Depreciation			(884,484)	
Capitalized Assets			<u>2,096,818</u>	
Change in Net Position, GAAP Basis			529,856	
Net Position--January 1			<u>19,461,933</u>	
Net Position--December 31			<u>\$ 19,991,789</u>	

INTERNAL SERVICE FUNDS - DESCRIPTION
COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES

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

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

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

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2018

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL
CURRENT ASSETS			
Cash and Investments	\$ 2,371,992	\$ 346,641	\$ 2,718,633
Accounts Receivable	102,269	5,718	107,987
Inventories	-	130,115	130,115
Prepaid Expenses	41,168	-	41,168
Total Current Assets	<u>2,515,429</u>	<u>482,474</u>	<u>2,997,903</u>
LIABILITIES			
Accounts Payable	8,070	9,820	17,890
Accrued Wages Payable	-	12,062	12,062
Estimated Claims Incurred but not Reported	256,000	-	256,000
Total Liabilities	<u>264,070</u>	<u>21,882</u>	<u>285,952</u>
NET POSITION			
Unrestricted	2,251,359	460,592	2,711,951
Total Net Position	<u>\$ 2,251,359</u>	<u>\$ 460,592</u>	<u>\$ 2,711,951</u>

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 4,526,034	\$ 954,374	\$ 5,480,408
Miscellaneous	442,324	-	442,324
Total Operating Revenues	<u>4,968,358</u>	<u>954,374</u>	<u>5,922,732</u>
OPERATING EXPENSES			
Insurance Claims	3,513,602	-	3,513,602
Insurance Premiums	769,496	-	769,496
Professional Services	306,433	-	306,433
Administration		407,750	407,750
Vehicle Repairs	-	228,714	228,714
Vehicle Fuel	-	207,000	207,000
Total Operating Expenses	<u>4,589,531</u>	<u>843,464</u>	<u>5,432,995</u>
Operating Income	378,827	110,910	489,737
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	23,905	3,490	27,395
Sale of Assets	-	101,115	101,115
Nonoperating Income	<u>23,905</u>	<u>104,605</u>	<u>128,510</u>
TRANSFERS OUT	<u>-</u>	<u>(24,348)</u>	<u>(24,348)</u>
Change in net position	<u>402,732</u>	<u>191,167</u>	<u>593,899</u>
Net Position--January 1	<u>1,848,627</u>	<u>269,425</u>	<u>2,118,052</u>
Net Postion--December 31	<u>\$ 2,251,359</u>	<u>\$ 460,592</u>	<u>\$ 2,711,951</u>

CITY OF BRIGHTON, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	BENEFITS INTERNAL SERVICE FUND	FLEET INTERNAL SERVICE FUND	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ 4,813,106	954,374	\$ 5,767,480
Other Receipts	442,324	-	442,324
Payments to Employees For Salaries and Benefits	-	(457,230)	(457,230)
Payments to Suppliers and Service Providers	(4,630,266)	(372,469)	(5,002,735)
Net Cash Provided By Operating Activities	<u>625,164</u>	<u>124,675</u>	<u>749,839</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers To Other Funds	-	(24,348)	(24,348)
Net Cash Used In Noncapital Financing Activities	<u>-</u>	<u>(24,348)</u>	<u>(24,348)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds on Sale of Capital Assets	-	101,115	101,115
Net Cash Provided By Capital and Related Financing Activities	<u>-</u>	<u>101,115</u>	<u>101,115</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	23,905	3,490	27,395
Net Cash Provided By Investing Activities	<u>23,905</u>	<u>3,490</u>	<u>27,395</u>
Net Increase in Cash and Cash Equivalents	649,069	204,932	854,001
Cash and Cash Equivalents--January 1	1,722,923	141,709	1,864,632
Cash and Cash Equivalents--December 31	<u>\$ 2,371,992</u>	<u>\$ 346,641</u>	<u>\$ 2,718,633</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 378,827	\$ 110,910	\$ 489,737
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	287,072	864	287,936
(Increase) in Inventories	-	(3,290)	(3,290)
(Increase) in Prepaids	(20,271)	-	(20,271)
Increase in Accounts Payable	5,736	4,129	9,865
Increase in Accrued Wages Payable	-	12,062	12,062
(Decrease) in Unpaid Claims	(26,200)	-	(26,200)
Total Adjustments	<u>246,337</u>	<u>13,765</u>	<u>260,102</u>
Net Cash Provided by Operating Activities	<u>\$ 625,164</u>	<u>\$ 124,675</u>	<u>\$ 749,839</u>

CITY OF BRIGHTON, COLORADO
BENEFITS INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING REVENUES				
Charges for Services	\$ 4,106,000	\$ 4,106,000	\$ 4,526,034	\$ 420,034
Miscellaneous	375,000	375,000	442,324	67,324
Total Operating Revenues	<u>4,481,000</u>	<u>4,481,000</u>	<u>4,968,358</u>	<u>487,358</u>
OPERATING EXPENSES				
Insurance Claims	3,452,000	3,452,000	3,513,602	(61,602)
Insurance Premiums	825,000	825,000	769,496	55,504
Professional Services	328,600	328,600	306,433	22,167
Total Operating Expenses	<u>4,605,600</u>	<u>4,605,600</u>	<u>4,589,531</u>	<u>16,069</u>
Operating Income	<u>(124,600)</u>	<u>(124,600)</u>	<u>378,827</u>	<u>503,427</u>
NONOPERATING REVENUES				
Investment Earnings	9,100	9,100	23,905	14,805
Total Nonoperating Revenues	<u>9,100</u>	<u>9,100</u>	<u>23,905</u>	<u>14,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ (115,500)</u>	<u>\$ (115,500)</u>	402,732	<u>\$ 518,232</u>
Net Position--January 1			<u>1,848,627</u>	
Net Position--December 31			<u>\$ 2,251,359</u>	

CITY OF BRIGHTON, COLORADO
FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OPERATING REVENUES				
Charges for Services	\$ 951,554	\$ 951,554	\$ 954,374	\$ 2,820
Miscellaneous	20,015	20,015	-	(20,015)
Total Operating Revenues	<u>971,569</u>	<u>971,569</u>	<u>954,374</u>	<u>(17,195)</u>
OPERATING EXPENSES				
Administration	446,884	446,884	407,750	39,134
Vehicle Repairs	321,880	321,880	228,714	93,166
Vehicle Fuel	207,804	207,804	207,000	804
Total Operating Expenses	<u>976,568</u>	<u>976,568</u>	<u>843,464</u>	<u>133,104</u>
Operating Income	<u>(4,999)</u>	<u>(4,999)</u>	<u>110,910</u>	<u>(150,299)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	-	-	3,490	3,490
Sale of Assets	20,000	20,000	101,115	81,115
Nonoperating Income	<u>20,000</u>	<u>20,000</u>	<u>104,605</u>	<u>84,605</u>
Income (Loss) Before Transfers	15,001	15,001	215,515	(65,694)
TRANSFERS OUT	<u>-</u>	<u>(24,348)</u>	<u>(24,348)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	<u>\$ 15,001</u>	<u>\$ (9,347)</u>	191,167	<u>\$ (65,694)</u>
Net Position--January 1			<u>269,425</u>	
Net Position--December 31			<u>\$ 460,592</u>	

CITY OF BRIGHTON, COLORADO
COMPONENT UNITS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

	BRIGHTON URBAN RENEWAL AUTHORITY	BRIGHTON CULTURAL ARTS COMMISSION	TOTAL
ASSETS			
Cash and Investments	\$ 2,427,392	\$ 165,707	\$ 2,593,099
Restricted Cash and Investments	2,036,304	-	2,036,304
Accounts Receivable	435,442	-	435,442
Taxes Receivable	4,350,198	-	4,350,198
Prepaid Items	1,981	-	1,981
Land Held for Sale	1,625,000	-	1,625,000
Total Assets	<u>\$ 10,876,317</u>	<u>\$ 165,707</u>	<u>\$ 11,042,024</u>
LIABILITIES			
Accounts Payable	\$ 274,126	\$ 85	\$ 274,211
Sales Tax Rebate Payable	434,776	-	434,776
Accrued Wages Payable	7,824	-	7,824
Accrued Liabilities	1,125,315	40,387	1,165,702
Deposits and Escrows	345	-	345
Total Liabilities	<u>1,842,386</u>	<u>40,472</u>	<u>1,882,858</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue-Property Taxes	4,355,418	-	4,355,418
Total Deferred Inflows of Resources	<u>4,355,418</u>	<u>-</u>	<u>4,355,418</u>
FUND BALANCES			
Nonspendable	1,626,981	-	1,626,981
Restricted	2,036,304	40,387	2,076,691
Unassigned	1,015,228	84,848	1,100,076
Total Fund Balances	<u>4,678,513</u>	<u>125,235</u>	<u>4,803,748</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,876,317</u>	<u>\$ 165,707</u>	<u>\$ 11,042,024</u>
Amount Reported in the Statement of Net Position is Different:			
Total Fund Balances	\$ 4,678,513	\$ 125,235	\$ 4,803,748
Capital Assets, Net of Accumulated			
Depreciation	3,845,675	-	3,845,675
Deferred Charge on Refunding	211,212	-	211,212
Compensated Absences	(19,083)	-	(19,083)
Accrued Interest	(62,105)	-	(62,105)
Long-Term Debt	(10,760,000)	-	(10,760,000)
Total Net Position	<u>\$ (2,105,788)</u>	<u>\$ 125,235</u>	<u>\$ (1,980,553)</u>

CITY OF BRIGHTON, COLORADO
COMPONENT UNITS - COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	BRIGHTON URBAN RENEWAL AUTHORITY	BRIGHTON CULTURAL ARTS COMMISSION	TOTAL
REVENUES			
Sales Tax	\$ 925,295	\$ -	\$ 925,295
Property Tax	4,836,043	-	4,836,043
Grants and Intergovernmental	75,000	51,904	126,904
Charges for Services	71,150	330	71,480
Investment Earnings	62,496	1,263	63,759
Miscellaneous	6,082	-	6,082
Total Revenues	<u>5,976,066</u>	<u>53,497</u>	<u>6,029,563</u>
EXPENDITURES			
Personal Services	229,290	-	229,290
Purchased Services	242,184	-	242,184
Operating Expenses	208,790	26,581	235,371
Capital Outlay	47,590	-	47,590
Tax Rebates and Incentives	3,805,768	-	3,805,768
Debt Service			
Principal	770,000	-	770,000
Interest and Fiscal Charges	315,700	-	315,700
Loan Fees	2,000	-	2,000
Total Expenditures	<u>5,621,322</u>	<u>26,581</u>	<u>5,647,903</u>
Net Change in Fund Balances	354,744	26,916	381,660
Fund Balances--January 1, restated	<u>4,323,769</u>	<u>98,319</u>	<u>4,422,088</u>
Fund Balances--December 31	<u>\$ 4,678,513</u>	<u>\$ 125,235</u>	<u>\$ 4,803,748</u>
Amount Reported In the Statement of Activities is Different:			
Net Change in Fund Balances	\$ 354,744	\$ 26,916	\$ 381,660
Capital Outlay	47,590	-	47,590
Change in Accrued Interest	(7,795)	-	(7,795)
Depreciation Expense	(231,735)	-	(231,735)
Debt Principal Payments	770,000	-	770,000
Change in Accrued Compensated Absences	1,611	-	1,611
Amortization of Loss on Refunding	(24,823)	-	(24,823)
Change in Net Position	<u>\$ 909,592</u>	<u>\$ 26,916</u>	<u>\$ 936,508</u>

BRIGHTON URBAN RENEWAL AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Taxes				
Sales Tax	\$ 300,000	\$ 609,900	\$ 925,295	\$ 315,395
Property	4,641,150	4,641,150	4,836,043	194,893
Total Taxes	4,941,150	5,251,050	5,761,338	510,288
Charges For Services	130,000	130,000	71,150	(58,850)
Miscellaneous	18,000	18,000	6,082	(11,918)
Grants	-	-	75,000	75,000
Investment Earnings	11,530	11,530	62,496	50,966
Total Revenues	<u>5,100,680</u>	<u>5,410,580</u>	<u>5,976,066</u>	<u>565,486</u>
EXPENDITURES				
Current				
Personal Services	368,119	368,119	229,290	138,829
Purchased Services	354,451	363,951	242,184	121,767
Operating Expenses	286,240	286,240	208,790	77,450
Capital Outlay	160,000	638,050	47,590	590,460
Tax Rebates	3,125,000	3,434,900	3,805,768	(370,868)
Total Current	<u>4,293,810</u>	<u>5,091,260</u>	<u>4,533,622</u>	<u>557,638</u>
Debt Service				
Principal	770,000	770,000	770,000	-
Interest	315,700	315,700	315,700	-
Loan Fee	-	-	2,000	(2,000)
Total Debt Service	<u>1,085,700</u>	<u>1,085,700</u>	<u>1,087,700</u>	<u>-</u>
Total Expenditures	<u>5,379,510</u>	<u>6,176,960</u>	<u>5,621,322</u>	<u>557,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(278,830)</u>	<u>(766,380)</u>	<u>354,744</u>	<u>1,123,124</u>
Net Change in Fund Balance	<u>\$ (278,830)</u>	<u>\$ (766,380)</u>	<u>354,744</u>	<u>\$ 1,123,124</u>
Fund Balances--January 1, restated			<u>4,323,769</u>	
Fund Balances--December 31			<u>\$ 4,678,513</u>	

BRIGHTON CULTURAL ARTS COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Intergovernmental	\$ 52,000	\$ 52,000	\$ 51,904	\$ (96)
Charges For Services	-	-	330	330
Investment Earnings	-	-	1,263	1,263
Total Revenues	<u>52,000</u>	<u>52,000</u>	<u>53,497</u>	<u>1,497</u>
EXPENDITURES				
Grants and Awards	-	-	700	(700)
Operating Expenses	<u>52,000</u>	<u>52,000</u>	<u>25,881</u>	<u>26,119</u>
Total Expenditures	<u>52,000</u>	<u>52,000</u>	<u>26,581</u>	<u>25,419</u>
Deficiency of Revenues Under Expenditures	-	-	26,916	(23,922)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>26,916</u>	<u>\$ (23,922)</u>
Fund Balance--January 1			<u>98,319</u>	
Fund Balance--December 31			<u>\$ 125,235</u>	

Statistical Section

CITY OF BRIGHTON, COLORADO
STATISTICAL SECTION
DECEMBER 31, 2018

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This part of the City of Brighton comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the governments overall financial health.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in capital assets	\$ 67,286	\$ 65,761	\$ 84,567	\$ 88,732	\$ 88,599	\$ 87,903	\$ 90,489	\$ 86,601	\$ 94,990	\$ 98,819
Restricted	7,202	7,721	7,379	26,050	12,544	12,720	15,869	26,569	26,575	25,486
Unrestricted	13,506	19,470	19,787	1,950	18,920	23,641	25,707	32,960	32,961	43,836
Total governmental activities net position	<u>\$ 87,994</u>	<u>\$ 92,952</u>	<u>\$ 111,733</u>	<u>\$ 116,732</u>	<u>\$ 120,063</u>	<u>\$ 124,264</u>	<u>\$ 132,065</u>	<u>\$ 146,130</u>	<u>\$ 154,526</u>	<u>\$ 168,141</u>
Business-type Activities										
Net Investment in capital assets	\$ 85,533	\$ 87,297	\$ 91,641	\$ 99,217	\$ 97,800	\$ 95,536	\$ 98,864	\$ 102,032	\$ 110,314	\$ 126,259
Restricted	-	-	-	-	-	-	-	-	-	190
Unrestricted	42,518	42,574	46,752	40,850	46,551	52,342	57,016	61,261	65,549	61,461
Total business-type activities net position	<u>\$ 128,051</u>	<u>\$ 129,871</u>	<u>\$ 138,393</u>	<u>\$ 140,067</u>	<u>\$ 144,351</u>	<u>\$ 147,878</u>	<u>\$ 155,880</u>	<u>\$ 163,293</u>	<u>\$ 175,863</u>	<u>\$ 187,910</u>
Primary Government										
Net Investment in capital assets	\$ 152,819	\$ 153,058	\$ 176,208	\$ 187,949	\$ 186,399	\$ 183,439	\$ 189,353	\$ 188,633	\$ 205,304	\$ 225,078
Restricted	7,202	7,721	7,379	26,050	12,544	12,720	15,869	26,569	26,575	25,676
Unrestricted	56,024	62,044	66,539	42,800	65,471	75,983	82,723	94,221	98,510	105,297
Total primary government net position	<u>\$ 216,045</u>	<u>\$ 222,823</u>	<u>\$ 250,126</u>	<u>\$ 256,799</u>	<u>\$ 264,414</u>	<u>\$ 272,142</u>	<u>\$ 287,945</u>	<u>\$ 309,423</u>	<u>\$ 330,389</u>	<u>\$ 356,051</u>

SOURCE: Current and prior year's financial statements

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 8,780	\$ 7,874	\$ 9,327	\$ 8,754	\$ 8,512	\$ 10,552	\$ 10,649	\$ 11,035	\$ 11,550	\$ 11,337
Public Safety	5,645	5,947	5,891	7,670	7,985	8,650	9,494	10,649	12,642	11,362
Streets and Fleet	4,609	4,906	5,315	2,108	8,503	7,057	8,842	9,289	11,869	10,275
Parks and Recreation	3,690	3,301	4,831	4,950	6,242	7,633	7,924	8,024	9,296	9,458
Cemetery	273	283	495	336	377	313	380	456	515	581
Community Development	1,143	926	881	1,203	1,362	1,441	1,903	1,941	2,407	3,107
Interest on long-term debt	615	1,164	1,790	1,693	1,652	1,765	1,594	1,658	1,909	1,710
Total governmental activities expenses	24,755	24,401	28,530	26,714	34,633	37,411	40,786	43,052	50,188	47,830
Business-type Activities:										
Water	6,026	8,108	9,849	11,702	11,410	11,762	11,768	13,305	13,979	14,750
Waste Water	4,022	4,001	4,386	4,493	4,449	4,627	4,756	5,209	9,837	6,501
Storm Drainage	476	437	898	2,766	1,140	971	1,011	1,153	1,778	1,708
Total business-type activities expenses	10,524	12,546	15,133	18,961	16,999	17,360	17,535	19,667	25,594	22,959
Total primary governmental expenses	35,279	36,947	43,663	45,675	51,632	54,771	58,321	62,719	75,782	70,789
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	104	202	166	727	809	925	682	729	1,465	870
Public Safety	445	646	539	662	622	638	164	247	208	614
Streets and Fleet	505	139	122	343	666	463	454	509	1,121	1,379
Parks and Recreation	925	939	1,220	1,551	1,539	1,833	1,522	1,696	2,245	1,526
Cemetery	249	238	220	251	306	262	254	397	412	347
Community Development	906	702	598	470	1,910	801	1,271	1,239	1,353	2,650
Operating grants and contributions	1,137	1,376	1,535	1,629	1,595	5,276	2,355	3,376	5,361	2,712
Capital grants and contributions	3,355	4,020	19,040	2,543	4,901	1,920	8,556	5,527	12,709	7,730
Total governmental activity revenues	7,626	8,262	23,440	8,176	12,348	12,118	15,258	13,720	24,874	17,828
Business-type activities:										
Charges for services										
Water	5,610	6,709	6,982	8,794	8,244	8,820	10,023	11,664	14,261	14,028
Waste Water	3,471	3,556	3,835	4,926	4,839	5,690	4,993	6,843	7,435	7,960
Storm Drainage	396	286	229	420	843	595	507	613	733	816
Operating grants and contributions	-	-	-	-	-	-	-	-	-	107
Capital grants and contributions	2,218	2,830	11,966	4,140	6,636	5,388	9,651	7,016	15,081	10,730
Total business-type activities revenues	11,695	13,381	23,012	18,280	20,562	20,493	25,174	26,136	37,510	33,641
Total primary government revenues	19,321	21,643	46,452	26,456	32,910	32,611	40,432	39,856	62,384	51,469
Net (Expense)/Revenue										
Governmental activities	(17,129)	(16,140)	(5,090)	(18,538)	(22,285)	(25,293)	(25,528)	(29,332)	(25,314)	(30,002)
Business-type activities	1,171	835	7,879	(681)	3,563	3,133	7,639	6,469	11,916	10,682
Total primary government net (expense)/revenue	(15,958)	(15,305)	2,789	(19,219)	(18,722)	(22,160)	(17,889)	(22,863)	(13,398)	(19,320)
General Revenues and Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	15,821	17,071	18,143	19,512	21,559	24,978	26,596	37,406	29,180	33,748
Property taxes	1,904	1,836	1,847	1,811	1,832	1,828	2,037	2,319	2,367	2,663
Other taxes	1,521	1,355	1,377	1,627	1,751	2,006	2,035	2,361	1,636	1,673
Unrestricted grants and contributions	238	194	982	301	269	-	-	-	-	-
Investment earnings	143	239	149	67	1	551	1,072	684	522	1,166
Gain(Loss) on sale of capital assets	2,686	-	-	-	-	-	-	-	-	120
Miscellaneous	397	406	1,374	278	208	156	508	628	5	2,653
Transfers	194	(5)	-	(59)	(4)	(25)	-	-	-	-
Total governmental activities	22,904	21,096	23,872	23,537	25,616	29,494	32,248	43,398	33,710	42,023
Business-type activities:										
Investment income	314	153	201	257	140	138	267	510	431	931
Miscellaneous	113	806	441	2,039	577	232	95	434	223	435
Transfers	(194)	5	-	59	4	25	-	-	-	-
Total business-type activities	233	964	642	2,355	721	395	362	944	654	1,366
Total primary government	23,137	22,060	24,514	25,892	26,337	29,889	32,610	44,342	34,364	43,389
Changes in Net Position										
Governmental activities	5,775	4,957	18,782	4,999	3,331	4,201	6,720	14,065	8,396	12,021
Business-type activities	1,404	1,799	8,521	1,674	4,284	3,527	8,001	7,413	12,570	12,048
Total primary government	\$ 7,179	\$ 6,756	\$ 27,303	\$ 6,673	\$ 7,615	\$ 7,728	\$ 14,721	\$ 21,478	\$ 20,966	\$ 24,069

SOURCE: Current and prior year's financial statements

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 1,095	\$ 1,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,208	5,494	-	-	-	-	-	-	-	-
Nonspendable	-	-	408	421	205	254	100	179	148	23
Restricted	-	-	574	630	669	742	833	1,408	1,478	1,532
Committed	-	-	5,649	5,846	6,923	7,784	7,878	10,229	11,333	10,956
Assigned	-	-	18	18	18	546	1,661	2,337	3,630	3,630
Unassigned	-	-	1,259	1,953	2,961	3,213	2,074	4,934	3,408	9,067
Total General Fund	<u>\$ 3,303</u>	<u>\$ 6,751</u>	<u>\$ 7,908</u>	<u>\$ 8,868</u>	<u>\$ 10,776</u>	<u>\$ 12,539</u>	<u>\$ 12,546</u>	<u>\$ 19,087</u>	<u>\$ 19,997</u>	<u>\$ 25,208</u>
All Other Governmental Funds Combined										
Reserved	\$ 5,608	\$ 17,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,302	5,479	-	-	-	-	-	-	-	-
Capital projects funds	7,367	10,265	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	20
Restricted	-	-	2,126	2,072	1,577	11,978	15,035	24,982	25,097	23,357
Committed	-	-	896	997	1,598	11,759	11,252	10,212	11,698	14,769
Assigned	-	-	5,401	5,680	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 18,277</u>	<u>\$ 33,429</u>	<u>\$ 8,423</u>	<u>\$ 8,749</u>	<u>\$ 3,175</u>	<u>\$ 23,737</u>	<u>\$ 26,287</u>	<u>\$ 35,194</u>	<u>\$ 36,795</u>	<u>\$ 38,146</u>

SOURCE: Current and prior year's financial statements

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues by Source										
Taxes	\$ 19,245	\$ 20,262	\$ 21,367	\$ 22,951	\$ 25,142	\$ 28,331	\$ 30,030	\$ 41,185	\$ 33,074	\$ 38,085
Licenses, fees and permits	570	507	428	430	1,244	659	1,004	966	1,053	2,158
Grants & Intergovernmental	4,246	5,477	6,523	4,444	4,528	6,861	5,112	6,754	8,053	6,048
Charges for services	2,169	1,879	1,910	2,253	3,272	3,010	2,863	3,259	4,327	4,722
Fines and forfeitures	396	479	446	541	484	421	462	449	437	404
Investment income	143	239	149	66	1	551	1,072	684	513	1,139
Miscellaneous	397	406	1,454	1,088	1,090	1,533	2,386	2,071	4,200	3,003
Total revenues	27,166	29,249	32,277	31,773	35,761	41,366	42,929	55,368	51,657	55,559
Expenditures by Function										
General Government	8,585	10,332	8,325	7,053	7,782	9,459	9,454	10,302	10,820	10,588
Public Safety	5,269	5,481	5,555	7,330	7,504	8,167	9,048	10,185	10,544	11,725
Streets and Fleet	5,176	3,054	2,264	2,650	3,086	2,509	2,948	3,076	3,445	3,212
Parks and Recreation	3,194	2,958	3,320	4,331	4,590	5,199	4,907	5,155	6,134	6,945
Cemetery	239	289	256	303	334	272	331	417	454	518
Community Development	1,124	920	877	1,198	1,360	1,441	1,901	1,941	2,436	3,145
Noise Mitigation Program	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	1,037	-	-	-	-	-	-	-	-
Capital Projects	3,314	4,821	21,489	5,483	3,395	7,271	6,334	12,518	14,111	9,786
Debt Service										
Principal	2,862	1,836	1,162	1,090	1,135	1,170	1,225	805	1,097	1,430
Interest	665	1,077	1,790	1,693	1,684	1,639	1,594	1,629	1,759	1,691
Total expenditures	30,428	31,805	45,038	31,131	30,870	37,127	37,742	46,028	50,800	49,040
Excess (deficiency) of revenues over (under) expenditures	(3,262)	(2,556)	(12,761)	642	4,891	4,239	5,187	9,340	857	6,519
Other Financing Sources (Uses)										
Bond Proceeds	-	26,565	-	-	-	-	-	-	-	-
Bond Premium	-	159	-	-	-	-	-	-	-	-
Grants to Other Agencies	-	-	-	-	-	-	-	(116)	(165)	-
Payments to escrow agent	-	(5,564)	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	3,036	-	-	-	-	-	-	6,115	1,608	19
Developer Contributions	-	-	-	-	-	-	-	-	102	-
Transfers in	616	3,240	595	143	1,699	616	802	2,308	1,615	1,250
Transfers out	(422)	(3,245)	(595)	(203)	(2,129)	(1,041)	(3,432)	(2,199)	(1,506)	(1,226)
Total other financing sources (uses)	3,230	21,155	-	(60)	(430)	(425)	(2,630)	6,108	1,654	43
Net change in fund balances	\$ (32)	\$ 18,599	\$ (12,761)	\$ 582	\$ 4,461	\$ 3,814	\$ 2,557	\$ 15,448	\$ 2,511	\$ 6,562

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General merchandise	\$ 4,534	\$ 4,464	\$ 4,379	\$ 5,450	\$ 6,355	\$ 6,766	\$ 6,774	6,202	5,939	\$ 7,350
Food stores	1,988	2,073	2,206	2,807	2,896	3,416	4,089	4,737	5,394	5,352
Eating and drinking establishments	1,387	1,499	1,612	2,116	2,252	2,462	2,568	2,810	2,808	3,458
Building materials/home improvements	1,172	1,319	1,278	1,814	2,860	3,415	2,774	21,410	3,347	4,414
Auto dealers/repairs/supplies	810	889	994	1,320	1,477	1,687	2,067	2,207	2,222	2,492
Utilities	1,026	1,192	1,249	1,330	1,469	1,583	1,442	1,519	1,548	1,558
Telecommunications	722	712	710	883	850	993	957	1,072	1,147	1,109
Hotel	-	-	-	494	257	370	408	366	412	495
Other retail stores	672	647	715	179	213	144	153	192	424	523
All other categories	2,241	2,797	3,202	639	956	1,297	1,285	1,354	1,895	2,576
Total	<u>\$14,552</u>	<u>\$15,592</u>	<u>\$16,345</u>	<u>\$17,032</u>	<u>\$19,585</u>	<u>\$22,133</u>	<u>\$22,517</u>	<u>\$ 41,869</u>	<u>\$ 25,136</u>	<u>\$27,436</u>
City direct sales tax rate	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Brighton	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Adams County	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Rapid Transit District (RTD)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Scientific and Cultural Facilities District (SCFD)	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Football Stadium District	0.10%	0.10%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total direct and overlapping sales tax rates	<u>8.60%</u>	<u>8.60%</u>	<u>8.60%</u>	<u>8.50%</u>	<u>8.50%</u>	<u>8.50%</u>	<u>8.50%</u>	<u>8.50%</u>	<u>8.50%</u>	<u>8.50%</u>

SOURCE: State of Colorado Department of Revenue

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

**Table 7. Sales Tax Revenue Information
2008 and Current Year
(amounts expressed in thousands)**

	Fiscal Year 2017		Fiscal Year 2018	
	<u>Sales Tax Revenue</u>	<u>Percentage of Total</u>	<u>Sales Tax Revenue</u>	<u>Percentag e of Total</u>
Sales Tax Revenue--Top Ten Remitters				
General Merchandise	\$ 3,776	15%	\$ 3,193	11%
Food Stores	3,059	12%	4,226	14%
Utilities	1,548	6%	1,101	4%
Building Materials	<u>3,347</u>	<u>13%</u>	<u>2,650</u>	<u>9%</u>
Total Sales Tax Top Ten Remitters	11,730	47%	11,170	38%
Sales Tax Revenue--All Other Remitters	<u>13,406</u>	<u>53%</u>	<u>18,157</u>	<u>62%</u>
Total Sales Tax Revenue	<u><u>\$ 25,136</u></u>	<u><u>100%</u></u>	<u><u>\$ 29,327</u></u>	<u><u>100%</u></u>

SOURCE: City of Brighton sales tax system.

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-restated</u>	<u>2018</u>
Governmental Activities										
Sales Tax Revenue Bonds	\$ 6,630	\$ 5,365	\$ 4,375	\$ 3,345	\$ 2,270	\$ 1,160	\$ -	\$ -	\$ -	\$ -
2010 Certificate of Participation	5,710	26,565	26,565	26,505	26,445	26,385	26,320	25,515	24,797	23,936
2016 Certificate of Participation	-	-	-	-	-	-	-	6,124	5,887	5,341
Capital Leases	338	172	-	-	-	-	-	-	1,608	1,392
Total Governmental Activities	<u>12,678</u>	<u>32,102</u>	<u>30,940</u>	<u>29,850</u>	<u>28,715</u>	<u>27,545</u>	<u>26,320</u>	<u>31,639</u>	<u>32,292</u>	<u>30,669</u>
Business-type Activities										
General Obligation Water Bonds	4,355	2,465	485	-	-	-	-	-	-	-
Water/Sewer Revenue Bonds	30,165	30,165	30,165	30,015	29,310	28,580	27,845	-	-	-
2016 Revenue Bonds	-	-	-	-	-	-	-	27,270	27,374	26,214
2016 Certificate of Participation	-	-	-	-	-	-	-	876	1,001	965
State Water Loan Note	2,095	1,785	1,458	1,121	769	400	-	-	-	-
Total Business-type Activities	<u>36,615</u>	<u>34,415</u>	<u>32,108</u>	<u>31,136</u>	<u>30,079</u>	<u>28,980</u>	<u>27,845</u>	<u>28,146</u>	<u>28,375</u>	<u>27,179</u>
Total Primary Government										
Sales Tax Revenue Bonds	6,630	5,365	4,375	3,345	2,270	1,160	-	-	-	-
Certificate of Participation	5,710	31,870	26,565	26,505	26,445	26,385	26,320	-	-	-
Capital Leases	338	175	-	-	-	-	-	-	-	-
General Obligation Water Bonds	4,355	2,465	485	-	-	-	-	-	-	-
Water/Sewer Revenue Bonds	30,165	30,165	30,165	30,015	29,310	28,580	27,845	-	-	-
2010 Certificate of Participation	-	-	-	-	-	-	-	25,515	24,797	23,936
2016 Certificate of Participation	-	-	-	-	-	-	-	7,000	6,888	6,306
2016 Revenue Bonds	-	-	-	-	-	-	-	27,270	27,374	26,214
State Water Loan Note	2,095	1,785	1,458	1,121	769	400	-	-	-	-
Total primary government	<u>\$49,293</u>	<u>\$71,825</u>	<u>\$63,048</u>	<u>\$60,986</u>	<u>\$58,794</u>	<u>\$56,525</u>	<u>\$54,165</u>	<u>\$59,785</u>	<u>\$59,059</u>	<u>\$56,456</u>
Percentage of Per Capita Personal Income	4.78%	6.80%	5.70%	5.20%	4.72%	4.40%	4.07%	4.22%	3.75%	3.41%
Debt Per Capita	\$ 1.53	\$ 2.15	\$ 1.88	\$ 1.79	\$ 1.68	\$ 1.60	\$ 1.52	\$ 1.62	\$ 1.55	\$ 1.44

SOURCE: Current and prior year's financial statements

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General (water) bonded debt outstanding										
General obligation debt ¹	\$ 4,355	\$ 2,465	\$ 485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	4,355	2,465	485	-	-	-	-	-	-	-
Actual water sales	5,561	6,695	6,982	8,794	8,244	8,739	10,023	11,664	11,664	13,565
G.O. debt ratio to actual water sales	1	0	0	-	-	-	-	-	-	-
G.O. debt per capita ²	136	74	15	-	-	-	-	-	-	-
Total net debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Legal debt limit ³	68,454	84,336	71,190	83,570	82,792	83,192	96,700	127,303	127,049	130,020
Legal debt margin ⁴	68,454	84,336	71,190	83,570	82,792	83,192	96,700	127,303	127,049	130,020
Legal debt margin as a percentage of debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Computation of maximum debt allowed:										
Actual value of property	2,281,815	2,811,204	2,373,014	2,785,662	2,759,749	2,773,064	3,223,343	4,243,434	4,234,952	4,334,016
Legal debt limit percentage	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Legal debt limit	<u>\$ 68,454</u>	<u>\$ 84,336</u>	<u>\$ 71,190</u>	<u>\$ 83,570</u>	<u>\$ 82,792</u>	<u>\$ 83,192</u>	<u>\$ 96,700</u>	<u>\$ 127,303</u>	<u>\$ 127,049</u>	<u>\$ 130,020</u>

SOURCE: Current and prior year's financial statements.

NOTES:

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

2 See Table 12 for personal income and population data.

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

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

**Table 10. Direct and Overlapping Governmental Activities Debt
As of December 31, 2018**

Jurisdiction	Debt Outstanding Government Activities	Percentage Applicable to the City	Estimated Share of Overlapping Debt
<u>Direct Debt:</u>			
City of Brighton	\$ 29,276,614	100%	\$ 29,276,614
<u>Overlapping Debt:</u>			
Counties	194,418,412	6%	11,565,951
School Districts	984,187,019	40%	394,373,580
Special Districts	276,660,769	71%	197,513,656
Total Overlapping Debt	1,455,266,200		603,453,188
Total Direct and Overlapping Debt	<u>\$ 1,484,542,814</u>		<u>\$ 632,729,802</u>

Note: overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

Source: Adams County and Weld County Assessor's office and individual taxing entities.

**Table 11. Coverage Information for Non-General Obligation Debt
For Debt Outstanding as of December 31, 2018
(amounts expressed in thousands)**

Water Activity Enterprise Revenue Bonds							
Fiscal Year	Gross Water/Sewer Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2009	10,810	5,623	5,187	-	208	208	24.92
2010	12,931	7,550	5,381	-	1,370	1,370	3.93
2011	12,075	8,063	4,012		1,370	1,370	2.93
2012	17,406	9,281	8,125	150	1,370	1,520	5.35
2013	19,271	9,296	9,975	705	1,367	2,072	4.81
2014	20,274	9,807	10,467	730	1,352	2,082	5.03
2015	24,289	9,936	14,353	735	1,338	2,073	6.92
2016	25,024	11,636	13,388	930	1,319	2,249	5.95
2017	30,526	12,247	18,279	1,085	1,022	2,107	8.68
2018	32,227	13,277	18,950	1,100	989	2,089	9.07

Notes:

- 1) The Water Activity Enterprise Revenue Bonds are repaid from net available revenues of the Water and Waste Water Funds.
- 2) Operating Expenses do not include amortization, depreciation, interest expense, or loss on disposal of capital assets.

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

Fiscal Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	32,120	1,046,727	32,588	33	13,711	7.1%
2010	33,352	1,055,589	31,650	32	14,469	10.2%
2011	33,490	1,106,598	33,043	32	15,089	9.5%
2012	34,132	1,183,602	34,677	32	15,669	9.0%
2013	35,031	1,245,851	35,232	34	16,193	7.5%
2014	35,367	1,283,768	35,385	35	17,129	5.5%
2015	35,671	1,329,494	37,271	33	17,610	3.9%
2016	36,912	1,416,609	38,378	33	16,526	4.1%
2017	38,192	1,574,083	41,215	33	17,169	2.9%
2018	39,211	1,657,018	42,259	33	18,712	3.5%

SOURCE: City of Brighton, Community Development and Economic Development

**Table 13. Principal Employers
2017 and Current Year**

	2008			2017		
	Employees	Percentage	Rank	Employees	Percentage	Rank
Adams County	1,700	29%	1	2,108	26%	1
School District 27J	1,579	27%	2	1,792	22%	2
Vestas		0%		1,500	19%	3
Platte Valley Medical Center	607	10%	3	626	8%	5
City of Brighton	247	4%	8	344	4%	6
King Soopers		0%		291	4%	8
Wal-mart	365	6%	4	318	4%	7
Metalwest	300	-	5	-	-	
Transwest		0%		231	3%	9
Petrocco Farms	300	-	6	-	-	
Haliburton		0%		735	9%	4
Staples		2%		146	2%	10
Sakata Farms	300	-	7	-	-	
K-Mart Distribution Center	206	-	9	-	-	
Super Target	200	-	10	-	-	
TOTAL	<u>5,804</u>	<u>79%</u>		<u>8,091</u>	<u>100%</u>	

NOTES: 2018 data not available when this report was printed.

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

Functions/Programs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
General Government										
Municipal Court	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	5.0	5.0
City Manager	4.0	2.0	2.0	3.5	4.5	3.6	4.1	4.0	4.0	4.4
Human Resources	3.0	4.0	3.0	4.0	4.0	4.0	4.0	6.0	6.0	5.0
Finance	8.0	8.0	8.0	8.0	8.0	10.0	12.0	13.0	12.0	12.0
City Clerk	4.0	4.0	3.5	3.0	3.0	3.0	3.0	4.0	3.0	3.1
Facilities Maintenance	11.0	10.0	9.0	11.0	11.0	12.0	12.0	18.0	18.0	20.0
Youth Resource Program	1.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	3.0	0.0
Special Events	4.0	4.0	2.0	2.0	2.0	2.0	2.5	4.0	3.0	0.0
Arts and Culture Office	-	-	-	-	-	1.0	1.5	1.0	1.0	-
Information Systems	10.0	7.0	6.0	7.0	8.0	8.0	8.0	7.0	10.0	10.0
Public Information Office	-	2.0	2.0	2.0	3.0	3.3	4.0	4.0	3.0	11
Development Office	-	-	-	-	0.0	1.0	1.0	0.0	0.0	-
Economic Development	3.0	3.0	3.3	3.4	4.0	4.0	4.0	3.0	4.0	4.4
Total General Government	53.0	49.0	43.8	49.9	52.5	56.9	63.1	71.0	72.0	74.9
Public Safety										
Police Crime Control	58.0	53.0	53.0	53.0	56.0	58.0	60.0	68.0	64.0	65.0
Police Support Services	12.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	15.0
Animal Control	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Victims Services	0.0	0.0	1.0	1.0	2.0	2.0	5.0	5.0	7.0	7.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement	2.5	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Total Public Safety	76.5	72.0	73.0	73.0	77.0	80.0	86.0	94.0	92.0	94.0
Public Works										
Administration	6.0	4.0	4.0	5.0	4.0	4.0	5.0	5.0	7.0	6.0
Streets	14.5	13.5	13.5	13.5	13.5	14.5	13.5	14.0	17.0	17.0
Fleet	3.5	3.5	3.5	3.5	4.5	4.5	4.5	6.0	5.0	6.0
Total Public Works	24.0	21.0	21.0	22.0	22.0	23.0	23.0	25.0	29.0	29.0
Culture, Parks and Recreation										
Eagle View Adult Center	4.0	3.5	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Recreation Center	18.5	17.5	17.5	17.6	16.5	20.3	20.3	18.0	19.0	17.0
Parks	9.5	9.5	9.8	9.8	10.3	11.0	11.0	12.0	13.0	15.0
Parks and Recreation-Administration	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	3.0
Total Culture, Parks and Recreation	35.0	33.5	34.3	35.4	34.8	40.3	40.3	39.0	41.0	40.0
Community Development										
Building Inspection	4.0	3.0	2.0	2.0	2.0	2.2	3.0	3.0	5.0	6.0
Community Development Administration	8.0	7.0	7.0	8.0	8.0	8.0	8.0	9.0	8.0	8.0
Planning and Zoning	5.0	4.0	3.0	3.0	4.5	4.5	5.0	6.0	6.0	6.0
Engineering	2.5	0.5	0.5	0.5	0.5	0.5	2.0	2.0	2.0	2.0
Total Community Development	19.5	14.5	12.5	13.5	15.0	15.2	18.0	20.0	21.0	22.0
Total Cemetery	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Total Governmental Activities	212.0	194.0	188.6	197.8	205.3	219.4	234.4	252.0	259.0	263.9
Business-Type Activities										
Water										
Operations	14.5	14.0	14.0	14.3	14.3	18.9	18.9	20.0	24.0	26.0
Administration	6.3	6.2	6.2	6.2	6.8	6.3	6.3	8.0	8.0	8.0
Total Water	20.8	20.2	20.2	20.5	21.1	25.2	25.2	28.0	32.0	34.0
Sewer										
Operations	12.5	12.0	12.0	12.5	16.0	15.7	15.7	17.0	20.0	20.0
Administration	6.2	6.3	6.3	6.5	6.0	5.8	5.8	8.0	8.0	8.0
Total Sewer	18.7	18.3	18.3	19.0	22.0	21.5	21.5	25.0	28.0	28.0
Storm Drainage										
Operations	1.0	2.0	1.0	2.0	2.0	2.3	2.3	3.0	4.0	4.0
Total Storm Drainage	1.0	2.0	1.0	2.0	2.0	2.3	2.3	3.0	4.0	4.0
Total Business-Type Activities	40.5	40.5	39.5	41.5	45.1	49.0	49.0	56.0	64.0	66.0
Component Units										
Urban Renewal Authority	2.8	3.0	5.7	5.2	5.0	5.0	4.0	6.0	4.0	-
Total Component Units	2.8	3.0	5.7	5.2	5.0	5.0	4.0	6.0	4.0	-
Total FTE Employees By Functions/Programs	255.3	237.5	233.8	244.5	255.4	273.4	287.4	367.0	387.0	329.9

Note: This Table reports FTEs related to amounts expensed. Totals may differ from authorized FTEs due to vacancies during the year.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Calls for service	47,606	44,663	42,478	42,573	43,195	46,023	52,456	56,092	55,805	56,777
Arrests	2,650	2,795	2,600	2,716	2,365	2,365	2,620	2,791	2,240	1,961
Summons issued	5,269	5,362	4,904	5,986	5,225	5,226	5,044	5,463	4,680	4,824
Streets										
Street resurfacing (miles)	25	-	1	-	-	-	-	2	5	6
Street slurry seal (miles)	16	-	2	3	4	5	10	9	6	12
Street chip seal (miles)	-	-	-	-	-	-	-	-	5	8
Parks and Recreation										
Recreation Center admissions	91,000	145,050	141,464	154,783	174,553	183,960	191,190	-	192,605	178,072
Senior Center program participants	22,511	22,200	23,979	27,897	29,645	31,239	33,778	37,296	40,269	41,390
Senior Center services	-	10,352	10,734	11,071	10,672	11,144	10,733	11,075	14,491	17,476
Water										
Gallons pumped (millions)	1,806	1,668	1,722	1,902	1,621	1,671	1,755	1,858	1,978	1,932
Average daily consumption (million gallons)	5	5	5	5	4	5	5	5	5	5
Wastewater										
Gallons treated (millions)	767	806	814	731	755	751	775	756	740	788
Cemetery										
Interments	114	119	112	128	138	120	115	149	170	109

SOURCE: Various City departments.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	31	31	31	52	51	51	51	53	55	55
Streets										
Street Miles	151	151	151	151	151	153	154	159	161	162
Parks and Recreation										
Recreation Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Parks	47	47	47	47	47	47	47	47	48	43
Park acreage	236	245	300	300	300	300	300	300	303	241
Swimming pools	3	3	3	4	4	4	4	4	4	2
Tennis courts	8	8	8	8	8	8	8	8	8	8
Skateboard Park	2	2	2	2	2	2	2	2	2	2
Inline Hockey Rink	1	1	1	1	1	1	1	1	1	-
4-Plex Ball fields	2	2	2	2	2	2	2	2	2	2
Open Space (acres)	672	650	767	767	767	960	960	960	1023	869
Trails (miles)	27	27	27	27	27	34	34	34	38	32
Water										
Treatment plant	1	1	2	2	2	2	2	2	2	2
Water mains (miles)	130	200	150	190	195	195	195	227	225	235
Water customers	9,281	9,319	9,485	9,576	9,736	10,068	10,436	10,104	11,700	11,782
Storage capacity (million gallons)	17	17	17	17	17	17	17	17	17	17
Wastewater										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewer (miles)	112	112	112	146	146	146	146	146	169	180
Storm drainage										
Storm sewer (miles)	43	60	60	60	60	60	60	60	76	101
Cemeteries										
	2	2	2	2	2	2	2	2	2	2

SOURCE: Various City departments.

Compliance Section

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COMPLIANCE SECTION

SINGLE AUDIT

In 2018 the City did not have federal expenditures more than \$750,000, therefore, the Schedule of Expenditures of Federal Awards is not presented.

OTHER REPORTS

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Brighton	
		YEAR ENDING : December 2018	
This Information From The Records Of (example - City of _ or County of		Prepared By: Phone:	Maria Ostrom 30-655-2130

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		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,419,387
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,260,500
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	111,554
3. Other local imposts (from page 2)	1,852,165	c. Other	
4. Miscellaneous local receipts (from page 2)	691,588	d. Total (a. through c.)	111,554
5. Transfers from toll facilities		4. General administration & miscellaneous	570,533
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	849,617
a. Bonds - Original Issues		6. Total (1 through 5)	6,211,591
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,543,753	b. Redemption	
B. Private Contributions	2,030,789	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,649,522	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,224,064	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,211,591

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
	874,597	6,224,064	6,211,591	887,070	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2018	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	119,226
b. Other local imposts:		b. Traffic Fines & Penalties	230,380
1. Sales Taxes	1,588,328	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	16,398
5. Specific Ownership &/or Other	263,838	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,852,165	h. Other	325,583
c. Total (a. + b.)	1,852,165	i. Total (a. through h.)	691,588
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,365,621	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	129,984	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	153,917	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	283,901	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,649,522	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			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		303,261	303,261
(3). System Preservation		1,775,053	1,775,053
(4). System Enhancement & Operation		341,073	341,073
(5). Total Construction (1) + (2) + (3) + (4)	0	2,419,387	2,419,387
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,419,387	2,419,387
			(Carry forward to page 1)
Notes and Comments:			

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