

City of Brush, Colorado

Financial Statements

For the Year ended December 31, 2018

Table of Contents

	Page
INTRODUCTORY SECTION	1
Letter of Transmittal	2-4
List of Elected and Appointed Officials	5
Organizational Chart	6
 FINANCIAL SECTION	 7
Independent Auditors' Report	9-10
Management's Discussion and Analysis	11-16
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	20-21
Fund Financial Statements	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position – Proprietary Funds	26-29
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	30-33
Statement of Cash Flows – Proprietary Funds	34-37
Notes to Financial Statements	38-67
 Required Supplementary Information	
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Police Statewide Defined Benefit Plan	70-71
Schedule of City Contributions – Police Statewide Defined Benefit Plan	72-73
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Brush Combined Volunteer Fire Pension Plan	74-75
Schedule of City Contributions – Brush Combined Volunteer Fire Pension Plan	76-77
General Fund – Budgetary Comparison Schedule	78
Fire Equipment Improvement Fund – Budgetary Comparison Schedule	79
Notes to the Required Supplementary Information	76-77

Table of Contents

	<u>Page</u>
Other Supplementary Information	
General Fund	
Budgetary Comparison Schedule – Revenues	86-87
Budgetary Comparison Schedule – Expenditures	88-93
Nonmajor Governmental Funds	
Combining Balance Sheet	96-97
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	98-99
Special Surplus and Deficiency Fund – Budgetary Comparison Schedule	100
Conservation Trust Fund – Budgetary Comparison Schedule	101
Police Forfeiture Confiscation Fund – Budgetary Comparison Schedule	102
Capital Improvement Fund – Budgetary Comparison Schedule	103
Joslin Needham Fund – Budgetary Comparison Schedule	104
Cemetery Perpetual Care Fund – Budgetary Comparison Schedule	105
Proprietary Funds	
Water Fund – Budgetary Comparison Schedule	108-109
Trash and Garbage Fund – Budgetary Comparison Schedule	110-111
Waste Water Fund – Budgetary Comparison Schedule	112-113
Storm Water Fund – Budgetary Comparison Schedule	114-115
Golf Course Fund – Budgetary Comparison Schedule	116-117
Colorado Department of Highways Local Highway Finance Report	118-119

INTRODUCTORY SECTION

September 9,

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

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Lauer, Szabo & Associates, PC, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Brush’s financial statements for the year ended December 31, 2018. The independent auditors report is located at the front of the financial section of this report.

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

Profile of the Government

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

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

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

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

Local economy

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

City parks have expanded over the last few years with the addition of a golf course in 2015. The most recent updates to this golf course have been improvements to the clubhouse and parking lot. Future improvements will be made by replacing the existing 50 year old sprinkler system with a new one.

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

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

Retail is not as prominent as the City of Brush would like as sales tax drives our General Fund. The 2017 sales tax revenues increased by \$34,992 (2%) from the prior year. City sales tax for 2018 increased \$159,464 (11%). Sales tax revenues have seen steady growth over the last four years and there are still signs of economic growth in other areas. In 2018 the increased sales tax is attributed to growth and improvements along the I-76 exits.

For several years now housing has been a concern to the City. In 2017 the City began to notice increased residential growth. That growth continued thru 2018 with the construction of 3 new houses and by the end of 2018 there were building permits for housing which will be completed in 2019. Also in 2018 a lamb processing facility was negotiated and some construction on the facility had begun.

Long-term financial planning

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

In 2006, thru a joint effort between the Chamber of Commerce and the City of Brush, a ballot issue was passed to increase sales tax by .6% for future street improvements throughout the City. These funds go into the Capital Improvement Fund and are utilized for street related projects only.

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

The City continues to see rising cost in the purchase of fire trucks and other equipment for the fire department. In 2014 the City was able to pass a sales tax ballot issue specific to the fire department for the purchase of equipment and building improvements effective January 1, 2015. In 2016 the City and the Brush Rural Fire Protection District began seeking grant funding for the improvement and future expansion of the apparatus bays at the fire station. There was a DOLA grant for \$780,000 awarded for this project in November of 2017. In 2018 the apparatus bays were completed in mid-November.

Major initiatives

The City of Brush recognizes the need for additional water supplies and at the same time understands the value of water conservation. The City purchased additional water shares in 2016. Water rates were increased in 2018 and will increase again in 2019 by the Denver/Boulder CPI.

Acknowledgements

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

Respectfully submitted,

Monty Torres
City Administrator

Joanne Gosselink
Finance Officer

City of Brush
List of Elected and Appointed Officials
December 31, 2018

Elected Officials

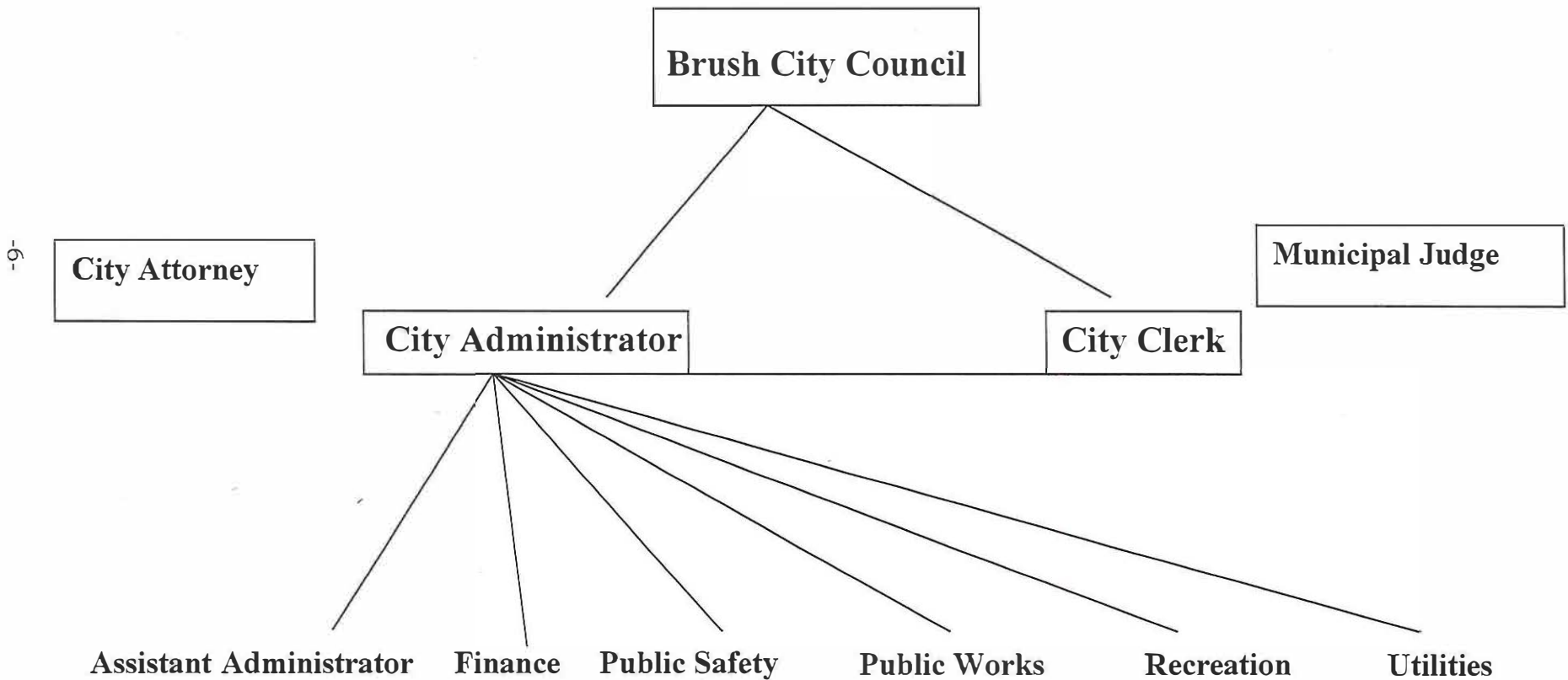
Mayor	Charles R. Bain
Council Member - Ward 1	Marlene Baker
Council Member - Ward 1	Dana Sherman
Council Member - Ward 2	Victoria Quinlin
Council Member - Ward 2	Daniel Scalise
Council Member - Ward 3	Jeanine Anderson
Council Member - Ward 3	Heath Becker

Appointed Officials

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

Functional Organizational Chart

Citizens of Brush!



FINANCIAL SECTION

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brush (the City) as of and for the year ended December 31, 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.

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 6, 2019

Management's Discussion and Analysis

As management of the City of Brush, we offer readers of the City of Brush financial statements this narrative overview and analysis of the financial activities of the City of Brush for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-4 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Brush exceeded its liabilities at the close of the most recent fiscal year by \$30,905,186. Of this amount, \$5,985,903 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Brush's governmental funds reported combined ending fund balances of \$3,710,083 a decrease of \$143,634 in comparison with the prior year. Of this amount \$2,605,367 is available for spending at the government's discretion (unassigned, assigned and committed fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,291,129 or 60 percent of total general fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

Condensed financial statements for government wide statements are as follows:

City of Brush Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	4,602,861	4,608,243	4,157,188	3,917,080	8,760,049	8,525,323
Net pension asset	126,485				126,485	
Capital assets-net of accumulated depreciation	7,840,059	6,245,217	22,451,349	22,131,573	30,291,408	28,376,790
Total assets	12,569,405	10,853,460	26,608,537	26,048,653	39,177,942	36,902,113
Deferred outflow of resources						
Pension deferrals	267,645	256,148			267,645	256,148
Total assets and deferred outflows of resources	12,837,050	11,109,608	26,608,537	26,048,653	39,445,587	37,158,261
Liabilities						
Long-term liabilities outstanding	424,641	473,187	6,435,916	6,891,778	6,860,557	7,364,965
Other liabilities	195,423	87,179	655,827	918,461	851,250	1,005,640
Total liabilities	620,064	560,366	7,091,743	7,810,239	7,711,807	8,370,605
Deferred inflow of resources						
Pension deferrals	131,239	9,100			131,239	9,100
Deferred tax revenue	697,355	667,348			697,355	667,348
Total Deferred Inflows	828,594	676,448			828,594	676,448
Net position						
Net investment in capital assets	7,840,059	6,245,217	15,656,165	14,882,284	23,496,224	21,127,501
Restricted	1,175,395	1,334,011	247,664	242,844	1,423,059	1,576,855
Unrestricted	2,372,938	2,293,566	3,612,965	3,113,286	5,985,903	5,406,852
Total net position	11,388,392	9,872,794	19,516,794	18,238,414	30,905,186	28,111,208
Total liabilities, deferred outflows of resources & net position	12,837,050	11,109,608	26,608,537	26,048,653	39,445,587	37,158,261

City of Brush Changes in Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	378,171	426,603	4,210,293	3,965,635	4,588,464	4,392,238
Capital grants	428,814	410,960			428,814	410,960
Operating grants	1,227,167	284,013	184,510	368,326	1,411,677	652,339
General Revenues						
Property taxes	656,551	611,968			656,551	611,968
Other	3,393,761	3,085,066	224,220	462,273	3,617,981	3,547,339
Total revenues	6,084,464	4,818,610	4,619,023	4,796,234	10,703,487	9,614,844
Program expenses						
General government	971,435	985,177			971,435	985,177
Public safety	1,206,517	1,353,599			1,206,517	1,353,599
Public works	1,050,237	1,056,456			1,050,237	1,056,456
Culture and recreation	885,299	823,998			885,299	823,998
Water			1,084,186	1,090,867	1,084,186	1,090,867
Trash and garbage			509,144	493,590	509,144	493,590
Waste water			1,447,507	1,455,436	1,447,507	1,455,436
Storm water			290,930	256,326	290,930	256,326
Golf course			464,254	518,232	464,254	518,232
Total expenses	4,113,488	4,219,230	3,796,021	3,814,451	7,909,509	8,033,681
Excess (deficiency) before transfers	1,970,976	599,380	823,002	981,783	2,793,978	1,581,163
Transfers	(455,378)	(245,521)	455,378	245,521		
Change in net position	1,515,598	353,859	1,278,380	1,227,304	2,793,978	1,581,163
Net position – beginning of year	9,872,794	9,518,935	18,238,414	17,011,110	28,111,208	26,530,045
Net position – ending	11,388,392	9,872,794	19,516,794	18,238,414	30,905,186	28,111,208

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

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

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

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

The City of Brush adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on pages 85-93 for the general fund to demonstrate compliance with this budget.

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

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

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

The basic proprietary fund financial statements can be found on pages 26-33 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-67 of the report. Notes to the required supplementary information can be found on pages 80-81.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the general fund supplemental information. Combining and individual nonmajor fund statements and schedules can be found on pages 95-105 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Brush, assets exceeded liabilities by \$30,905,186 at the close of 2018.

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

Five percent of the City of Brush's net position represent resources that are subject to external restrictions on how they may be used. There is \$5,985,903 of unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities increased the City of Brush's net position by \$1,515,598, thereby accounting for 54 percent of the total growth in the net position of the City of Brush.

Business-type activities. Business-type activities increased the City of Brush's net position by \$1,278,380. The increase to net position is 46 percent of the increase.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Brush's governmental funds reported combined ending fund balances of \$3,710,083 a decrease of \$143,634 in comparison with the prior year. Approximately 62 percent of this total amount (\$2,291,129) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes.

The general fund is the chief operating fund of the City of Brush. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,291,129, while total fund balance reached \$2,676,256. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 60 percent of total general fund expenditures, while total fund balance represents 70 percent of that same amount.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,612,965. The total growth in net position for the Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course funds was \$468,091, \$34,126, \$381,547, \$42,237, and \$352,379, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Brush's business-type activities.

General Fund Budgetary Highlights

During the year actual revenues were more than budgeted revenues by \$366,521 of which \$151,095 can be attributed to taxes and insurance claims of approximately \$120,000. During the year actual expenditures were less than budgeted expenditures by \$742,009. The savings is attributed to personnel, professional services and capital purchases.

Capital Assets and Debt Administration

Capital assets. The City of Brush's investments in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$30,291,408 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and streets.

Major capital asset events during the current fiscal year included the completion of the fire department apparatus bays.

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

Long-term debt. At the end of the current fiscal year, the City of Brush will have total bonded debt outstanding of \$6,550,000. This debt is paid with waste water revenues.

There was \$435,000 in principal paid on the waste water treatment plant loan which was secured through the Colorado Water & Power Authority.

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

Economic Factors and Next Year's Budget and Rates.

The City of Brush continues to see growth in the business area. There was a 9 percent increase in sales tax for 2018, with a 6% increase projected for 2019. In 2018 property taxes for the City of Brush increased by less than 1 percent.

During the current fiscal year, unassigned fund balance in the general fund increased by \$109,659. The City of Brush has appropriated \$661,975 of fund balances for spending in the 2019 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2019 fiscal year.

Requests for Information

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

Basic Financial Statements

The basic financial statements of the City include the following:

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

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

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

CITY OF BRUSH, COLORADO
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 419,341	\$ 552,488	\$ 971,829
Investments	2,604,467	3,144,326	5,748,793
Cash with county treasurer	6,613		6,613
Receivables	1,516,634	378,850	1,895,484
Inventory	55,806	81,524	137,330
Net pension asset	126,485		126,485
Capital assets, net of depreciation	7,840,059	22,451,349	30,291,408
Total assets	12,569,405	26,608,537	39,177,942
Deferred outflows of resources			
Pension deferrals	267,645		267,645
Total assets and deferred outflows of resources	\$ 12,837,050	\$ 26,608,537	\$ 39,445,587
Liabilities			
Accounts payable	\$ 167,436	\$ 68,177	\$ 235,613
Police bond account	5,791		5,791
Payroll tax withheld and accrued	5,996	(1,043)	4,953
Unearned revenues	16,200	68,400	84,600
Accrued interest payable		75,293	75,293
Noncurrent liabilities			
Due within one year		445,000	445,000
Due in more than one year	424,641	6,435,916	6,860,557
Total liabilities	620,064	7,091,743	7,711,807
Deferred inflows of resources			
Deferred property tax revenues	697,355		697,355
Pension deferrals	131,239		131,239
Total deferred inflows of resources	828,594	-	828,594
Net position			
Net investment in capital assets	7,840,059	15,656,165	23,496,224
Restricted	1,175,395	247,664	1,423,059
Unrestricted	2,372,938	3,612,965	5,985,903
Total net position	11,388,392	19,516,794	30,905,186
Total liabilities, deferred inflows of resources and net position	\$ 12,837,050	\$ 26,608,537	\$ 39,445,587

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

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CITY OF BRUSH, COLORADO
Statement of Activities
For the Year Ended December 31, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 971,435	\$ 139,334		
Public safety	1,206,517	792	\$ 263	\$ 880,000
Public works	1,050,237		358,865	
Culture and recreation	885,299	238,045	69,686	347,167
Total governmental activities	4,113,488	378,171	428,814	1,227,167
Business-type activities				
Water	1,084,186	1,423,809		66,910
Trash and garbage	509,144	551,879		
Waste Water	1,447,507	1,647,585		117,600
Storm water	290,930	314,205		
Golf course	464,254	272,815		
Total business-type activities	3,796,021	4,210,293	-	184,510
Total	\$ 7,909,509	\$ 4,588,464	\$ 428,814	\$ 1,411,677

General revenues and transfers

Taxes

- Property taxes, levied for general purposes
- Sales and use taxes
- Specific ownership taxes
- Franchise taxes
- Cigarette taxes

Unrestricted interest on investments

Sale of assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (832,101)		\$ (832,101)
(325,462)		(325,462)
(691,372)		(691,372)
(230,401)		(230,401)
(2,079,336)	\$ -	(2,079,336)
	406,533	406,533
	42,735	42,735
	317,678	317,678
	23,275	23,275
	(191,439)	(191,439)
-	598,782	598,782
(2,079,336)	598,782	(1,480,554)
656,551		656,551
2,200,223		2,200,223
85,896		85,896
262,890		262,890
5,629		5,629
26,399	37,702	64,101
	4,777	4,777
812,724	181,741	994,465
(455,378)	455,378	-
3,594,934	679,598	4,274,532
1,515,598	1,278,380	2,793,978
9,872,794	18,238,414	28,111,208
<u>\$ 11,388,392</u>	<u>\$ 19,516,794</u>	<u>\$ 30,905,186</u>

CITY OF BRUSH, COLORADO
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Fire Equipment Improvement Fund	Other Governmental Funds	Total
Assets				
Cash	\$ 227,426	\$ 2,663	\$ 183,461	\$ 413,550
Investments	2,070,069		534,398	2,604,467
Police bond cash	5,791			5,791
Cash with county treasurer	6,613			6,613
Accrued interest receivable	4,766	1,484	1,351	7,601
Property tax receivable	652,824	44,531		697,355
Accounts receivable	376,749	36,685	57,712	471,146
Grants receivable		340,532		340,532
Due from other funds	40,000			40,000
Inventory	55,806			55,806
Total assets	\$ 3,440,044	\$ 425,895	\$ 776,922	\$ 4,642,861
Liabilities				
Accounts payable	\$ 82,652	\$ 81,657	\$ 2,802	\$ 167,111
Police bond account	5,791			5,791
Due to other funds		40,000		40,000
Due to other agencies	325			325
Payroll tax withheld and accrued	5,996			5,996
Unearned revenues	16,200			16,200
Total liabilities	110,964	121,657	2,802	235,423
Deferred inflows of resources				
Deferred property tax revenues	652,824	44,531		697,355
Total deferred inflows of resources	652,824	44,531	-	697,355
Fund balance				
Nonspendable inventory	55,806			55,806
Restricted	50,163	259,707	739,040	1,048,910
Committed	1,350		35,080	36,430
Assigned	277,808			277,808
Unassigned	2,291,129			2,291,129
Total fund balance	2,676,256	259,707	774,120	3,710,083
Total liabilities, deferred inflows of resources and fund balance	\$ 3,440,044	\$ 425,895	\$ 776,922	\$ 4,642,861

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

CITY OF BRUSH, COLORADO

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2018**

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

Total fund balance - governmental funds	\$ 3,710,083
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	7,840,059
Net pension assets and related deferred outflows of resources are not financial resources and therefore are not reported as assets in governmental funds.	394,130
Long-term liabilities and related deferred inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(555,880)</u>
Net position of the governmental activities	<u>\$ 11,388,392</u>

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

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Fire Equipment Improvement Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 2,613,568	\$ 262,029	\$ 335,592	\$ 3,211,189
Licenses and permits	60,676			60,676
Intergovernmental	403,576	780,000	54,586	1,238,162
Fines and forfeitures	32,835			32,835
Charges for services	227,795	1	11,300	239,096
Miscellaneous	839,741	103,016	359,749	1,302,506
Total revenues	4,178,191	1,145,046	761,227	6,084,464
Expenditures				
Current				
General government	927,809			927,809
Public safety	1,146,072	15,125	4,000	1,165,197
Public works	764,178		15,249	779,427
Culture and recreation	719,525		59,376	778,901
Capital outlay	274,842	1,602,114	650,343	2,527,299
Total expenditures	3,832,426	1,617,239	728,968	6,178,633
Excess of revenues over (under) expenditures	345,765	(472,193)	32,259	(94,169)
Other financing sources (uses)				
Transfers in	70,801			70,801
Transfers out	(120,000)		(266)	(120,266)
Total other financing sources (uses)	(49,199)	-	(266)	(49,465)
Net change in fund balances	296,566	(472,193)	31,993	(143,634)
Fund balance at beginning of year	2,379,690	731,900	742,127	3,853,717
Fund balance at end of year	\$ 2,676,256	\$ 259,707	\$ 774,120	\$ 3,710,083

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

CITY OF BRUSH, COLORADO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

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

Net change in fund balance - governmental funds	\$ (143,634)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	1,594,842
In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(9,967)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	<u>74,357</u>
Change in net position of governmental activities	<u><u>\$ 1,515,598</u></u>

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

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2018

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Assets				
Current assets				
Cash	\$ 191,294	\$ 115,064	\$ 159,679	\$ 72,969
Investments	1,389,583	150,321	1,220,417	384,005
Accrued interest receivable	2,996	159	3,234	1,477
Accounts receivable	342,031			
Other receivables	5,464	1,021	18,983	
Inventory	38,464	14,901		
Total current assets	1,969,832	281,466	1,402,313	458,451
Property, plant and equipment				
Land	1,166,468	1,475	719,400	
Building and improvements	170,477	85,117		
Water system	7,009,864			
Waste water plant and sewer system			14,118,612	
Equipment	752,133	395,433	546,371	3,066,092
Office equipment	127,286			
Water rights stock	1,520,105			
Subtotal	10,746,333	482,025	15,384,383	3,066,092
Accumulated depreciation	(4,522,666)	(274,709)	(2,697,041)	(505,647)
Property, plant and equipment, net	6,223,667	207,316	12,687,342	2,560,445
Total assets	\$ 8,193,499	\$ 488,782	\$ 14,089,655	\$ 3,018,896

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

Golf Course Fund	Total
\$ 13,482	\$ 552,488
	3,144,326
	7,866
	342,031
3,485	28,953
28,159	81,524
45,126	4,157,188
302,743	2,190,086
439,765	695,359
	7,009,864
	14,118,612
154,241	4,914,270
	127,286
	1,520,105
896,749	30,575,582
(124,170)	(8,124,233)
772,579	22,451,349
<u>\$ 817,705</u>	<u>\$ 26,608,537</u>

(continued)

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2018

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 14,857	\$ 10,794	\$ 15,281	\$ 17,122
Accrued interest payable			75,293	
Due to other entity			861	
Payroll tax withheld and accrued		66	249	
Sales tax payable				
Unearned lease revenues	68,400			
Current portion of note payable			445,000	
Total current liabilities	83,257	10,860	536,684	17,122
Long-term liabilities				
Accrued compensated absences	49,804	21,470	2,598	8,181
Note payable			6,350,184	
Total long-term liabilities	49,804	21,470	6,352,782	8,181
Total liabilities	133,061	32,330	6,889,466	25,303
Net position				
Net investment in capital assets	6,223,667	207,316	5,892,158	2,560,445
Restricted for debt service			247,664	
Unrestricted	1,836,771	249,136	1,060,367	433,148
Total net position	8,060,438	456,452	7,200,189	2,993,593
Total liabilities and net position	\$ 8,193,499	\$ 488,782	\$ 14,089,655	\$ 3,018,896

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

Golf Course Fund	Total
\$ 8,894	\$ 66,948
	75,293
	861
(1,358)	(1,043)
368	368
	68,400
	445,000
7,904	655,827
3,679	85,732
	6,350,184
3,679	6,435,916
11,583	7,091,743
772,579	15,656,165
	247,664
33,543	3,612,965
806,122	19,516,794
<u>\$ 817,705</u>	<u>\$ 26,608,537</u>

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Operating revenues				
Charges for services	\$ 1,423,809	\$ 551,879	\$ 1,647,585	\$ 314,205
Operating expenses				
Salaries	222,053	139,909	149,879	36,173
Employee benefits	90,569	83,035	70,268	16,479
Supplies	16,135	8,747	11,157	1,989
Professional services	249,214	93,170	380,554	46,760
Telephone	861	344	2,592	124
Lab fees	2,845			
Medical	320	234	640	
Utilities	62,533	4,675	91,349	
Association dues	608			
Travel and training	106		1,125	
Computer and radio maintenance	6,760	2,992	6,503	2,755
Advertising	686	346	711	
Building maintenance	404	1,393		
Licenses and permits	35,178		26,923	
Insurance - general	18,889	307	39,736	5,921
Well electricity	31,381			
System maintenance & materials	85,496		156,781	32,668
Purchase of trash containers		8,686		
Landfill contract		99,657		
Fuel and oil	8,268	19,117	8,766	8,502
Repairs & maintenance - vehicle	2,683	9,513	4,876	2,788
Ground maintenance				
Restaurant				
Bar				
Cart repairs and rental				
Noncapital outlay	9,025	1,677	4,449	
Depreciation and amortization	240,172	35,342	319,828	136,771
Total operating expenses	1,084,186	509,144	1,276,137	290,930
Operating income (loss)	339,623	42,735	371,448	23,275

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

Golf Course Fund	Total
\$ 272,815	\$ 4,210,293
171,166	719,180
35,551	295,902
3,644	41,672
6,150	775,848
	3,921
	2,845
2,363	3,557
33,149	191,706
	608
	1,231
838	19,848
894	2,637
846	2,643
1,875	63,976
1,386	66,239
	31,381
	274,945
	8,686
	99,657
4,079	48,732
1,502	21,362
45,059	45,059
59,053	59,053
30,347	30,347
4,660	4,660
	15,151
47,599	779,712
450,161	3,610,558
(177,346)	599,735

(continued)

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Nonoperating revenues (expenses)				
Interest on investments	11,275	1,641	20,874	3,910
Plant investment fee	19,668			
Surcharge fee			57,632	
Farm income	28,581		11,300	
Rental income	6,962		5,048	
DOW lease	5,040		3,360	
Easement	4,195			
Convenience fee	2,800			
Grant income	45,000		105,000	
Farm expense			(3,346)	
Golf course income				
Golf course expense				
Gain on sale of assets	4,777			
Interest and fiscal charges			(168,024)	
Total nonoperating revenues (expenses)	<u>128,298</u>	<u>1,641</u>	<u>31,844</u>	<u>3,910</u>
Income (loss) before transfers and capital contributions	467,921	44,376	403,292	27,185
Capital contributions	21,910		12,600	19,252
Transfers in				
Transfers out	<u>(21,740)</u>	<u>(10,250)</u>	<u>(34,345)</u>	<u>(4,200)</u>
Change in net position	468,091	34,126	381,547	42,237
Net position at beginning of year	<u>7,592,347</u>	<u>422,326</u>	<u>6,818,642</u>	<u>2,951,356</u>
Net position at end of year	<u>\$ 8,060,438</u>	<u>\$ 456,452</u>	<u>\$ 7,200,189</u>	<u>\$ 2,993,593</u>

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

Golf Course Fund	Total
2	37,702
	19,668
	57,632
	39,881
	12,010
	8,400
	4,195
	2,800
	150,000
	(3,346)
37,155	37,155
(14,093)	(14,093)
	4,777
	(168,024)
<u>23,064</u>	<u>188,757</u>
(154,282)	788,492
386,661	440,423
120,000	120,000
	(70,535)
<u>352,379</u>	<u>1,278,380</u>
<u>453,743</u>	<u>18,238,414</u>
<u>\$ 806,122</u>	<u>\$ 19,516,794</u>

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,428,599	\$ 552,705	\$ 1,630,200	\$ 314,205
Internal activity	(285,703)			
Payments to suppliers	(615,292)	(333,071)	(800,341)	(110,514)
Payments to employees	(217,325)	(137,378)	(149,938)	(35,864)
Net cash provided (used) by operating activities	310,279	82,256	679,921	167,827
Cash flows from noncapital financing activities				
Miscellaneous revenues			57,632	
Transfers in				
Transfers out	(21,740)	(10,250)	(34,345)	(4,200)
Net cash provided (used) by noncapital financing activities	(21,740)	(10,250)	23,287	(4,200)
Cash flows from capital and related financing activities				
Grant proceeds	45,000		105,000	
Purchase of capital assets	(239,778)		(335,054)	(118,741)
Capital contributed from tap fees	21,910		12,600	
Plant investment fees	19,668			
Proceeds from sale of assets	4,777			
Principal paid on capital debt			(435,000)	
Interest and fiscal charges			(191,728)	
Net cash used by capital and related financing activities	(148,423)	-	(844,182)	(118,741)
Cash flows from investing activities				
Golf course income/(loss)				
Farm income/loss - net	28,581		7,954	
Rental and easement income	15,397		8,408	
Interest on investments	5,776	1,434	9,744	913
Sale of investments	1,660,137	150,091	780,091	230,000
Purchase of investments	(1,890,000)	(150,000)	(700,000)	(330,000)
Net cash provided (used) by investing activities	(180,109)	1,525	106,197	(99,087)

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

Golf Course Fund	Total
\$ 269,330	\$ 4,195,039
(241,123)	(285,703)
(170,433)	(2,100,341)
	(710,938)
(142,226)	1,098,057
	57,632
120,000	120,000
	(70,535)
120,000	107,097
	150,000
	(693,573)
	34,510
	19,668
	4,777
	(435,000)
	(191,728)
-	(1,111,346)
23,062	23,062
	36,535
	23,805
2	17,869
	2,820,319
	(3,070,000)
23,064	(148,410)

(continued)

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Net change in cash and cash equivalents	(39,993)	73,531	(34,777)	(54,201)
Cash and cash equivalents at beginning of year	231,287	41,533	194,456	127,170
Cash and cash equivalents at end of year	<u>\$ 191,294</u>	<u>\$ 115,064</u>	<u>\$ 159,679</u>	<u>\$ 72,969</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 339,623	\$ 42,735	\$ 371,448	\$ 23,275
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	240,172	35,342	319,828	136,771
Change in assets and liabilities				
Receivables	4,790	826	(17,385)	
Interfund items	(285,703)			
Inventory	(1,165)	1,627		
Accounts payable	7,834	(737)	5,815	7,472
Other liabilities		(68)	274	
Accrued compensated absences	4,728	2,531	(59)	309
Net cash provided (used) by operating activities	<u>\$ 310,279</u>	<u>\$ 82,256</u>	<u>\$ 679,921</u>	<u>\$ 167,827</u>
Noncash capital financing activities				
Capital assets contributed from other funds				<u>\$ 19,252</u>

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

Golf Course Fund	Total
838	(54,602)
<u>12,644</u>	<u>607,090</u>
<u>\$ 13,482</u>	<u>\$ 552,488</u>
\$ (177,346)	\$ 599,735
47,599	779,712
(3,485)	(15,254)
(10,404)	(285,703)
2,386	(9,942)
(1,709)	22,770
733	(1,503)
<u>733</u>	<u>8,242</u>
<u>\$ (142,226)</u>	<u>\$ 1,098,057</u>
<u>\$ 386,661</u>	<u>\$ 405,913</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basic Financial Statements

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements (continued)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The City has collected nearly 100% of all property taxes at December 31. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

General Fund

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

Fire Equipment Improvement Fund

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

Additionally, the City reports the following nonmajor funds:

Special Surplus and Deficiency Fund

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

Conservation Trust Fund

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Police Forfeiture and Confiscation Fund

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

Capital Improvement Fund

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

Joslin-Needham Fund

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

Cemetery Perpetual Care Fund

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the City's enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

Water Fund

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

Waste Water Fund

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Trash and Garbage Fund

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

Storm Water Fund

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

Golf Course Fund

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

D. Budgets

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets (continued)

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

The actual results of operations are presented in accordance with generally accepted accounting principles, which differ in certain respects from those practices used in the preparation of the 2018 budget (Note 7). For purposes of preparing the budgetary comparison schedules, the actual results of operations have been adjusted to a basis consistent with the City's budgeted revenues and expenditures.

E. Cash and Cash Equivalents

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

F. Interfund Receivables and Payables

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

G. Inventories

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

H. Prepaid Items

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Encumbrances

The City does not utilize encumbrance accounting.

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Compensated Absences (continued)

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

L. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

M. Interfund Transactions

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position

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

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

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

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

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

● Fund Balance Classifications

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

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance Classifications (continued)

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the city council (the City's highest level of decision-making authority),

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

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

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

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

P. Use of Estimates

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

Note 2: DEPOSITS AND INVESTMENTS

Cash and Deposits

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 2: DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits might not be returned to it. The City does not have deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$5,884,282, of which \$750,000 was insured and \$5,134,282 was collateralized with securities held by the pledging institution’s trust department or agent in the City’s name.

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

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in CSAFE	\$ 1,039,622	\$ 1,039,622	-	-

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

Note 3: RECEIVABLES

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Utility accounts	\$ -	\$ 342,031	\$ 342,031
Property taxes	697,355	-	697,355
Accounts	471,146	28,953	500,099
Interest	7,601	7,866	15,467
Grants	340,532	-	340,532
Total	\$ 1,516,634	\$ 378,850	\$ 1,895,484

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Non-depreciable assets:				
Land	\$ 492,622	\$ -	\$ -	\$ 492,622
Depreciable assets:				
Buildings	1,749,616	1,602,165	-	3,351,781
Equipment	2,387,125	117,387	(47,350)	2,457,162
Vehicles	1,237,336	96,327	(33,541)	1,300,122
Infrastructure	4,636,427	180,434	-	4,816,861
Land improvements	921,085	103,335	-	1,024,420
Other	18,735	-	-	18,735
Less accumulated depreciation	<u>(5,197,729)</u>	<u>(504,806)</u>	<u>80,891</u>	<u>(5,621,644)</u>
Net depreciable capital assets	<u>5,752,595</u>	<u>1,594,842</u>	<u>-</u>	<u>7,347,437</u>
Governmental activities capital assets, net	<u>\$ 6,245,217</u>	<u>\$ 1,594,842</u>	<u>\$ -</u>	<u>\$ 7,840,059</u>
Business-type activities				
Non-depreciable assets:				
Land	\$ 1,936,804	\$ -	\$ -	\$ 1,936,804
Water right stocks	<u>1,520,105</u>	<u>-</u>	<u>-</u>	<u>1,520,105</u>
Total non-depreciable assets	3,456,909	-	-	3,456,909
Depreciable assets:				
Buildings	577,415	117,943	-	695,359
Equipment	4,452,157	309,300	(117,061)	4,644,396
Systems	21,106,674	418,962	-	21,525,636
Land improvements	-	253,283	-	253,283
Less accumulated depreciation	<u>(7,461,582)</u>	<u>(779,712)</u>	<u>117,061</u>	<u>(8,124,233)</u>
Net depreciable capital assets	<u>18,674,664</u>	<u>319,776</u>	<u>-</u>	<u>18,994,440</u>
Business-type activities capital assets, net	<u>\$ 22,131,573</u>	<u>\$ 319,776</u>	<u>\$ -</u>	<u>\$ 22,451,349</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS (continued)

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

Governmental activities	
General government	\$ 12,620
Public safety	110,003
Public works	277,927
Culture and recreation	<u>104,256</u>
Total governmental activities	504,806
Business-type activities	
Water	240,172
Trash and garbage	35,342
Waste water	319,828
Storm water	136,771
Golf course	<u>47,599</u>
Total business-type activities	<u>779,712</u>
Total depreciation expense	<u>\$ 1,284,518</u>

Note 5: BONDS/NOTES PAYABLE

Business-Type Activities

Waste Water Fund - Note

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

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

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

The loan agreement with Colorado Water Resources and Power Development Authority contains several covenants including the establishment and maintenance of an operations and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses. The City has restricted \$247,664 of net position in satisfaction of the three-month renewal and maintenance reserve requirement at year-end. The City must also maintain waste water rates, fees and other charges that will cover operation and maintenance expenses and at least 110% of debt services for the calendar year. The City believes it has met this requirement for the year ended December 31, 2018.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 5: BONDS/NOTES PAYABLE (continued)

Details of the note are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 445,000	\$ 180,703	\$ 625,703
2020	455,000	170,244	625,244
2021	465,000	160,194	625,194
2022	475,000	150,055	625,055
2023	485,000	144,986	629,986
2024	485,000	140,291	625,291
2025	490,000	135,401	625,401
2026	500,000	126,556	626,556
2027	510,000	117,919	627,919
2028	520,000	109,471	629,471
2029	545,000	82,295	627,295
2030	575,000	55,032	630,032
2031	<u>600,000</u>	<u>27,595</u>	<u>627,595</u>
Total	<u>\$ 6,550,000</u>	<u>\$ 1,600,742</u>	<u>\$ 8,150,742</u>

Note 6: CHANGES IN LONG-TERM DEBT

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental Activities					
Compensated absences	\$ 187,300	\$ 9,967	\$ -	\$ 197,267	\$ -
Net pension liability	<u>285,887</u>	<u>-</u>	<u>(58,513)</u>	<u>227,374</u>	<u>-</u>
Total	<u>\$ 473,187</u>	<u>\$ 9,967</u>	<u>\$ (58,513)</u>	<u>\$ 424,641</u>	<u>\$ -</u>
Business-type Activities					
Compensated absences	\$ 77,489	\$ 8,243	\$ -	\$ 85,732	\$ -
Premium on note payable	264,289	-	(19,106)	245,184	-
Note payable	<u>6,985,000</u>	<u>-</u>	<u>(435,000)</u>	<u>6,550,000</u>	<u>445,000</u>
Total	<u>\$ 7,326,778</u>	<u>\$ 8,243</u>	<u>\$ (454,106)</u>	<u>\$ 6,880,916</u>	<u>\$ 445,000</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

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

For the governmental activities, the net pension liability and compensated absences are generally liquidated by the general fund. The total amount of interest cost incurred and expensed was \$168,024.

Note 7: COMMITMENTS AND CONTINGENCIES

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

The City has restricted \$176,000 of fund balance as a result of Article X, Section 20 (TABOR) of the Colorado Constitution and believes it is in compliance with the provisions of the TABOR Amendment.

Note 8: BUDGETARY DATA

The City may authorize Supplemental appropriations during the budget year. During 2018, the following supplemental appropriations were enacted.

Fund	Amount
Fire Equipment Improvement Fund	\$ 52,625
Joslin Needham Fund	<u>467,000</u>
Totals	<u>\$ 519,625</u>

The actual results of operations are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2018 budget. For purposes of preparing the budgetary comparison schedules, the actual results of operations have been adjusted to a basis consistent with the City's budgeted revenues and expenditures. Adjustments necessary to convert the net income/revenues in excess of expenditures at the end of year on the GAAP basis to the budgetary basis are as follows:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 8: BUDGETARY DATA (continued)

	<u>Water Fund</u>	<u>Trash and Garbage Fund</u>	<u>Waste Water Fund</u>	<u>Storm Water Fund</u>	<u>Golf Course Fund</u>
Change in net position - GAAP basis	\$ 468,091	\$ 34,126	\$ 381,547	\$ 42,237	\$ 352,379
Depreciation and amortization	240,172	35,342	319,828	136,771	47,599
Principal payment Amortized premium	-	-	(435,000)	-	-
Accrued interest	-	-	(19,105)	-	-
Capital outlay	<u>(239,778)</u>	<u>-</u>	<u>(335,054)</u>	<u>(118,741)</u>	<u>-</u>
Budgetary basis	<u>\$ 468,485</u>	<u>\$ 69,468</u>	<u>\$ (92,383)</u>	<u>\$ 60,267</u>	<u>\$ 399,978</u>

Note 9: PENSION FUNDS

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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

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

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited 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. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Members of the SWDB Plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.5 percent of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2017. Per the 2014 member election, members of the affiliate social security group had their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the City were \$36,880.

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

At December 31, 2018 the City reported an asset of \$126,485 for its proportionate 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 asset was determined by an actuarial valuation as of January 1, 2018. 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, 2017, the City's proportion was .0879 percent, which was a decrease of .0101 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension income of \$45,462. At December 31, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 65,118	\$ 101,717
Changes in assumptions or other inputs	21,216	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	11,798	-
Difference between expected & actual experience	-	9,818
Contributions subsequent to measurement date	94,063	1,325
	<u>36,880</u>	<u>-</u>
Totals	<u>\$ 229,075</u>	<u>\$ 112,860</u>

\$36,880 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, _____</u>	<u>Amount</u>
2019	\$ 18,667
2020	16,819
2021	(3,503)
2022	(11,045)
2023	14,384
2024	14,384
2025	14,933
2026	10,226
2027	<u>4,470</u>
Totals	<u>\$ 79,335</u>

Actuarial assumptions. The collective total pension liability as of December 31, 2017 is based upon the January 1, 2018 actuarial valuation, which was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2018
Actuarial method	Entry age normal
Amortization method	Level percent of payroll, open
Amortization period	30 years
Long-term investment rate of return*	7.5%

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Projected salary increases*	4.0% – 14.0%
Cost of living adjustments (COLA)	0.0%
*Includes inflation at	2.5%

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

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

<u>Asset Class</u>	<u>Long-Term Expected Target Allocation</u>	<u>Rate of Return</u>
Global Equity	37.0%	8.33%
Equity Long/Short	9.0%	7.15%
Illiquid Alternatives	24.0%	9.70%
Fixed Income	15.0%	3.00%
Absolute Return	9.0%	6.46%
Managed Futures	4.0%	6.85%
Cash	2.0%	2.26%
Totals	<u>100.0%</u>	

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

	1% Decrease	Current Discount	1% Increase
	(6.50%)	(7.50%)	(8.50%)
Proportionate share of the net pension liability (asset)	\$ 137,704	\$ (126,485)	\$ (345,860)

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

Payables to the pension plan

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Brush Combined Volunteer Pension Fund

Summary of significant accounting policies

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

General information about the pension plan

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

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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

Contributions. Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2018 included \$26,774 from the State of Colorado matching funds, \$22,335 from Brush Rural Fire Protection District and \$17,810 from the City.

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 proportionate share of net pension liability of \$227,374. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The proportionate share was determined by the total contributions of the City and the Brush Rural Fire Protection District made in 2017.

For the year ended December 31, 2018, the City recognized pension expense of \$25,795. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 453	\$ -
Changes in assumptions or other inputs	6,652	-
Net difference between projected and actual earnings on pension plan investments	13,655	18,380
Contributions subsequent to the measurement date	<u>17,810</u>	<u>-</u>
Total	<u>\$ 38,570</u>	<u>\$ 18,380</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

\$17,810 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31, ___</u>	<u>Amount</u>
2019	\$ 7,500
2020	2,422
2021	(2,947)
2022	<u>(4,595)</u>
Totals	<u>\$ 2,380</u>

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of a regularly scheduled experience study in 2015. As a result of the 2015 experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.0 percent to 2.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	2.00%	2.26%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Long Short	9.00%	7.15%
Global Public Equity	37.00%	8.33%
Managed Futures	4.00%	6.85%
Private Capital	<u>24.00%</u>	9.70%
Totals	<u>100%</u>	

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

	1% Decrease <u>(6.50%)</u>	Discount <u>(7.50%)</u>	Current 1% Increase <u>(8.50%)</u>
Net pension liability (asset)	\$ 291,965	\$ 227,374	\$ 173,391

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

Payables to the pension plan

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

Defined Contribution Plan

The City participates in the City of Brush, Colorado Money Purchase Pension Plan (the Plan), a defined contribution plan administered by Great West Retirement. Benefit terms, including contribution requirements, for the Plan are established and may be amended by City Council. The City is required to contribute 5% of covered employee's salary, while employees are not required to make any contributions. For the year, the City recognized pension expense of \$63,038. Employee vesting begins at two years with 20% and continues at 20% per year until fully vested in year six.

Note 10: DEFERRED COMPENSATION PLAN

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

Note 11: RISK MANAGEMENT

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 11: RISK MANAGEMENT (continued)

The City recognized as an expense/expenditure the amounts paid to CIRSA annually in the amounts of \$150,895 for the Worker’s Compensation Pool and \$124,316 for the Property/Casualty Pool. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve its budgets nor does it have the ability to significantly affect the operations of the unit. CIRSA is affiliated and shares facilities with Colorado Intergovernmental Risk Sharing Agency for Worker’s Compensation (CIRSA/WC).

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

Note 12: GRANTS

The City receives financial assistance from various governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the City. However, in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements or on the overall financial position of the City at December 31, 2018.

Note 13: INTERFUND TRANSFERS AND BALANCES

All interfund borrowings and transfers are as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General Fund	Fire Equipment Improvement Fund	\$ <u>40,000</u>

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 13: INTERFUND TRANSFERS AND BALANCES (continued)

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 266
General Fund	Water Fund	21,740
General Fund	Trash & Garbage Fund	10,250
General Fund	Waste Water Fund	34,345
General Fund	Storm Water Fund	4,200
Golf Course Fund	General Fund	<u>120,000</u>
Totals		<u>\$ 190,801</u>

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

Note 14: OTHER SIGNIFICANT MATTERS

Conduit Debt

Financing Agreement

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

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

Other Financing Agreement

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 14: OTHER SIGNIFICANT MATTERS (continued)

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

Note 15: FUND BALANCE CLASSIFICATIONS

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Emergencies	\$ 176,000	\$ -	\$ -
Tricentennial celebration	3,455	-	-
Park improvements	45,742	7,808	-
Police equipment	1,297	-	-
Police improvements	7,154	-	-
Street improvements	555,555	1,350	-
Fire equipment	259,707	-	-
Cemetery maintenance	-	27,272	-
Community enhancements	-	-	104,190
General equipment	-	-	<u>173,618</u>
Total	<u>\$ 1,048,910</u>	<u>\$ 36,430</u>	<u>\$ 277,808</u>

Restricted fund balances

TABOR requires an emergency reserve be set aside for 2018 in the amount of 3% or more of its fiscal year spending. At December 31, 2018, the City has restricted \$129,292 in the Special Surplus and Deficiency Fund and \$46,708 in the General Fund for emergencies.

In addition, the General Fund ending fund balance is restricted in the amount of \$3,455 for funds held on behalf of the City of Brush Bi-Centennial Committee.

The City presently levies a four percent (4%) sales tax. The sales tax is collected by the Colorado Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by the vendors. The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2006, increasing the sales tax rate by six-tenths of a percent from the previous three percent. The 2007 increase is specifically for street maintenance, improvements, and other related municipal purposes. The money is to be deposited in the Capital Improvement Fund. All amounts not spent at year-end are restricted for the purposes designated by the legislation. At December 31, 2018 the amount of fund balance restricted for street maintenance was \$555,555. This amount is restricted by enabling legislation.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 15: FUND BALANCE CLASSIFICATIONS (continued)

The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2014, increasing the sales tax rate by four-tenths of a percent from the previous three and six-tenths percent. Along with the increased sales tax revenues, the City has also established a separate mill levy specifically for the purchase of fire equipment and building improvements. The money is to be deposited in the Fire Equipment Fund. All amounts not spent at year-end are restricted for the purposes designated by legislation. At December 31, 2018 the amount of fund balance restricted for fire equipment and building improvements is \$259,707.

The City receives monies from the State under the Colorado lottery program to be spent for park and recreation purposes only. At December 31, 2018 the amount of fund balance restricted in the Conservation Trust Fund for park maintenance and improvements was \$45,742.

The City has received funds from drug related court cases which the police department has been involved in. By state statute, expense is to be used for police equipment replacement. At December 31, 2018 the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund for police drug enforcement equipment was \$1,297.

The City received evidence funds at the time of police arrests. At December 31, 2018 the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund from evidence seizures was \$7,154.

Note 16: NET POSITION CLASSIFICATIONS

At year end, the government wide statement of net position reports the following restricted net position:

<u>Restricted For</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Emergencies	\$ 176,000	\$ -	\$ 176,000
Tricentennial Celebration	3,455	-	3,455
Park Improvements	45,742	-	45,742
Police Equipment	1,297	-	1,297
Police Improvements	7,154	-	7,154
Street Improvements	555,555	-	555,555
Fire Equipment	259,707	-	259,707
Pensions	126,485	-	126,485
Debt Service	<u>-</u>	<u>247,664</u>	<u>247,664</u>
Total	<u>\$ 1,175,395</u>	<u>\$ 247,664</u>	<u>\$ 1,423,059</u>

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Required Supplementary Information

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

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

CITY OF BRUSH, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) ¹
Police Statewide Defined Benefit Plan
December 31, 2018

	2018	2017	2016	2015
City's proportion of the net pension liability/(asset)	0.0879%	0.0980%	0.0979%	0.0831%
City's proportionate share of the net pension liability/(asset)	\$ (126,485)	\$ 35,394	\$ (1,725)	\$ (93,757)
City's covered payroll	\$ 510,449	\$ 502,160	\$ 480,214	\$ 371,990
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-24.8%	7.0%	-0.4%	-25.2%
Plan fiduciary net position as a percentage of the total pension liability	106.3%	98.2%	100.1%	106.8%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2014

0.0949%

\$ (84,870)

\$ 413,228

-20.5%

105.8%

CITY OF BRUSH, COLORADO
Schedule of City Contributions ¹
Police Statewide Defined Benefit Plan
December 31, 2018

	2018	2017	2016	2015
Contractually required contribution	\$ 36,880	\$ 40,836	\$ 40,172	\$ 38,417
Contributions in relation to the contractually required contribution	(36,880)	(40,836)	(40,172)	(38,417)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 460,995	\$ 510,449	\$ 502,160	\$ 480,214
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

<u>2014</u>	<u>2013</u>
\$ 29,759	\$ 33,058
<u>(29,759)</u>	<u>(33,058)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 371,990	\$ 413,228
8.00%	8.00%

CITY OF BRUSH, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability ¹
Brush Combined Volunteer Fire Pension Plan
December 31, 2018

	2018	2017	2016	2015
City's proportion of the net pension liability	44%	44%	44%	44%
City's proportionate share of the net pension liability	\$ 227,374	\$ 250,493	\$ 229,944	\$ 218,325
City's covered payroll	N/A	N/A	N/A	N/A
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	62.47%	58.47%	60.53%	62.37%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2014

44%

\$ 213,008

N/A

N/A

62.47%

CITY OF BRUSH, COLORADO
Schedule of City Contributions ¹
Brush Combined Volunteer Fire Pension Plan
December 31, 2018

	2018	2017	2016	2015
Contractually required contribution	\$ 17,810	\$ 16,740	\$ 16,662	\$ 17,316
Contributions in relation to the contractually required contribution	(17,810)	(16,740)	(16,662)	(17,316)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2014		2013	
\$	18,687	\$	17,278
	<u>(18,687)</u>		<u>(17,278)</u>
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
	N/A		N/A
	N/A		N/A

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 2,392,880	\$ 2,392,880	\$ 2,613,568	\$ 220,688
Licenses and permits	30,600	30,600	60,676	30,076
Intergovernmental	403,600	403,600	403,576	(24)
Fines and forfeitures	50,150	50,150	32,835	(17,315)
Charges for services	196,250	196,250	227,795	31,545
Miscellaneous	738,190	738,190	839,741	101,551
Total revenues	3,811,670	3,811,670	4,178,191	366,521
Expenditures				
Current				
General government	1,087,995	1,087,995	927,809	160,186
Public safety	1,333,845	1,333,845	1,146,072	187,773
Public works	923,075	923,075	764,178	158,897
Culture and recreation	790,420	790,420	719,525	70,895
Capital outlay	439,100	439,100	274,842	164,258
Total expenditures	4,574,435	4,574,435	3,832,426	742,009
Excess of revenues over (under) expenditures	(762,765)	(762,765)	345,765	1,108,530
Other financing sources (uses)				
Transfers in	398,115	398,115	70,801	(327,314)
Transfers out	(426,080)	(426,080)	(120,000)	306,080
Total other financing sources (uses)	(27,965)	(27,965)	(49,199)	(21,234)
Net change in fund balance	\$ (790,730)	\$ (790,730)	296,566	\$ 1,087,296
Fund balance at beginning of year			2,379,690	
Fund balance at end of year			\$ 2,676,256	

CITY OF BRUSH, COLORADO
Fire Equipment Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property tax	\$ 41,695	\$ 41,695	\$ 42,060	\$ 365
Sales tax	195,000	195,000	219,969	24,969
Equipment and building rental			1	1
Grant income	780,000	780,000	780,000	-
Joint venture	390,000	390,000	100,000	(290,000)
Interest on investments	1,000	1,000	3,016	2,016
Total revenues	1,407,695	1,407,695	1,145,046	(262,649)
Expenditures				
Capital outlay				
Building	1,560,000	1,607,500	1,602,114	5,386
Equipment	10,000	10,000		10,000
Building lease		15,125	15,125	-
Total expenditures	1,570,000	1,632,625	1,617,239	15,386
Net change in fund balance	\$ (162,305)	\$ (224,930)	(472,193)	\$ (247,263)
Fund balance at beginning of year			731,900	
Fund balance at end of year			\$ 259,707	

CITY OF BRUSH, COLORADO
Notes to the Required Supplementary Information

Note 1: BUDGETARY DATA

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

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

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

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

CITY OF BRUSH, COLORADO
Notes to the Required Supplementary Information

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

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org/annual-reports.html.

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Other Supplementary Information

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

Such statements and schedules include:

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

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Budgetary Comparison Schedules – General Fund

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

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 611,280	\$ 611,280	\$ 614,491	\$ 3,211
Specific ownership taxes	80,000	80,000	85,896	5,896
Sales taxes	1,475,000	1,475,000	1,626,095	151,095
Use taxes	8,000	8,000	24,196	16,196
Gas and electric franchise	175,000	175,000	217,680	42,680
Phone franchise	3,600	3,600	3,288	(312)
TV franchise	40,000	40,000	41,922	1,922
Total taxes	2,392,880	2,392,880	2,613,568	220,688
Licenses and permits				
Liquor	9,000	9,000	14,261	5,261
Amusement	500	500	360	(140)
Building and plumbing	15,500	15,500	38,173	22,673
Animal and miscellaneous	5,600	5,600	7,882	2,282
Total licenses and permits	30,600	30,600	60,676	30,076
Intergovernmental				
Highway users tax	140,000	140,000	182,987	42,987
Severance tax	20,000	20,000	31,448	11,448
Payment in lieu of taxes	6,000	6,000		(6,000)
Morgan County - road fund rebate	140,000	140,000	156,989	16,989
State Highway 34 maintenance	11,100	11,100	11,194	94
Grant income	85,000	85,000	20,695	(64,305)
School liaison	1,500	1,500	263	(1,237)
Total intergovernmental	403,600	403,600	403,576	(24)
Fines and forfeitures				
Court fines	50,150	50,150	32,835	(17,315)
Total fines and forfeitures	50,150	50,150	32,835	(17,315)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services				
Zoning	500	500	1,050	550
Cemetery	30,000	30,000	40,713	10,713
Swimming pool	26,200	26,200	30,891	4,691
Other recreation activities	119,300	119,300	132,251	12,951
Park fees	20,250	20,250	22,890	2,640
Total charges for services	196,250	196,250	227,795	31,545
Miscellaneous				
Interest on investments	9,420	9,420	18,537	9,117
Farm income	2,040	2,040	2,220	180
Airport rent	500	500	11,104	10,604
Administrative fees	716,230	716,230	649,198	(67,032)
Donations			300	300
Miscellaneous	10,000	10,000	158,382	148,382
Total miscellaneous	738,190	738,190	839,741	101,551
Total revenues	<u>\$ 3,811,670</u>	<u>\$ 3,811,670</u>	<u>\$ 4,178,191</u>	<u>\$ 366,521</u>

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Legislative				
Council salaries	\$ 22,500	\$ 22,500	\$ 22,200	\$ 300
Employee benefits	1,795	1,795	1,759	36
Travel	7,000	7,000	5,295	1,705
Dues	200	200	203	(3)
Computer maintenance	1,200	1,200	1,000	200
Insurance			20	(20)
Total legislative	32,695	32,695	30,477	2,218
City clerk				
Clerk's salary	57,875	57,875	60,000	(2,125)
Employee benefits	16,205	16,205	16,409	(204)
Supplies	800	800	422	378
Telephone	50	50	24	26
Dues	370	370	530	(160)
Travel	2,000	2,000	99	1,901
Elections	2,000	2,000	1,384	616
Records management	7,400	7,400	4,620	2,780
Total city clerk	86,700	86,700	83,488	3,212
Executive				
Mayor's salaries	7,800	7,800	7,800	-
Employee benefits	615	615	611	4
Travel	1,500	1,500	2,348	(848)
Dues	200	200	5	195
Computer maintenance	200	200	200	-
Total executive	10,315	10,315	10,964	(649)
City administrator				
Salaries	99,270	99,270	99,266	4
Employee benefits	42,855	42,855	47,464	(4,609)
Telephone	2,000	2,000	1,739	261
Dues	3,100	3,100	1,182	1,918
Travel	3,700	3,700	2,449	1,251
Fuel and oil	850	850	71	779
Repairs and maintenance	550	550		550
Capital outlay	34,000	34,000		34,000
Total city administrator	186,325	186,325	152,171	34,154

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
Administration				
Salaries	182,675	182,675	175,583	7,092
Employee benefits	71,015	71,015	65,953	5,062
Supplies	14,000	14,000	14,416	(416)
Professional services	87,475	87,475	15,080	72,395
Pension contributions	17,515	17,515	17,810	(295)
Telephone	6,000	6,000	5,967	33
Utilities	10,000	10,000	5,955	4,045
Dues	4,000	4,000	3,982	18
Travel and training	7,000	7,000	1,138	5,862
Advertising	5,000	5,000	5,152	(152)
Insurance and bonds - general	49,550	49,550	55,613	(6,063)
Radio & computer maintenance	10,600	10,600	7,876	2,724
Contributions	34,000	34,000	25,244	8,756
Employee incentive program	18,000	18,000	24,316	(6,316)
Fuel and oil	400	400		400
Repairs & maintenance - auto	100	100	112	(12)
Miscellaneous			138	(138)
Capital outlay			7,535	(7,535)
Total administration	517,330	517,330	431,870	85,460
Community development				
Salaries	86,590	86,590	85,868	722
Employee benefits	20,115	20,115	19,795	320
Supplies	2,150	2,150	1,750	400
Professional services	70,000	70,000	27,760	42,240
Telephone	350	350	483	(133)
Dues	1,500	1,500	1,470	30
Travel and training	3,400	3,400	1,359	2,041
Building & radio maintenance	7,310	7,310	1,930	5,380
Tree board	5,800	5,800	5,390	410
Community outreach	3,300	3,300	2,396	904
Fuel and oil	550	550	251	299
Repairs & maintenance - auto	300	300	507	(207)
Capital outlay	146,600	146,600	85,462	61,138
Total community development	347,965	347,965	234,421	113,544

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2018

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Marketing				
Salaries	44,390	44,390	41,231	3,159
Employee benefits	21,115	21,115	24,282	(3,167)
Supplies	2,300	2,300	546	1,754
Telephone	250	250	63	187
Dues	775	775	250	525
Travel and training	3,500	3,500	2,067	1,433
Advertising	3,000	3,000	312	2,688
Economic development	11,335	11,335	8,414	2,921
Fuel and oil	600	600	250	350
Total marketing	87,265	87,265	77,415	9,850
Total general government	1,268,595	1,268,595	1,020,806	247,789
Public safety				
Police				
Salaries - permanent	580,320	580,320	516,832	63,488
Salaries - clerical/code enforcer	93,250	93,250	104,575	(11,325)
Employee benefits	320,410	320,410	279,342	41,068
Supplies	34,600	34,600	33,794	806
Legal fees	24,300	24,300	14,483	9,817
Professional services	3,500	3,500	3,226	274
Telephone	14,000	14,000	8,337	5,663
Utilities	7,500	7,500	5,804	1,696
Dues	1,500	1,500	699	801
Travel and training	16,000	16,000	14,426	1,574
Advertising	1,500	1,500	826	674
Repairs & maintenance - general	40,000	40,000	39,968	32
Recruiting	1,800	1,800		1,800
Animal control	12,075	12,075	4,169	7,906
Investigations	14,000	14,000	4,868	9,132
School liaison	1,700	1,700		1,700
Policing and emergency services	6,500	6,500	5,915	585
K-9 program	3,000	3,000	410	2,590
Fuel and oil	27,000	27,000	20,918	6,082
Repairs & maintenance - auto	21,500	21,500	13,493	8,007
Capital outlay	83,000	83,000	98,970	(15,970)
Total police	1,307,455	1,307,455	1,171,055	136,400

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire Department				
Fringe benefits	11,090	11,090	10,648	442
Repairs, maintenance and supplies	33,650	33,650	25,799	7,851
Telephone	4,000	4,000	1,960	2,040
Utilities	8,500	8,500	4,769	3,731
Professional services	1,500	1,500	260	1,240
Dues	2,400	2,400	3,498	(1,098)
Travel and training	10,000	10,000	5,102	4,898
Advertising	7,000	7,000	(100)	7,100
Building maintenance	9,000	9,000	441	8,559
Fireworks	8,000	8,000	11,153	(3,153)
Radio & computer maintenance	250	250	4,176	(3,926)
Fuel and oil	5,000	5,000	851	4,149
Repairs & maintenance - auto	9,000	9,000	5,430	3,570
Total fire department	109,390	109,390	73,987	35,403
Total public safety	1,416,845	1,416,845	1,245,042	171,803
Public works				
Streets				
Salaries	248,265	248,265	183,869	64,396
Employee benefits	151,750	151,750	123,213	28,537
Supplies	28,150	28,150	18,306	9,844
Professional services	3,000	3,000	340	2,660
Medical	1,000	1,000	980	20
Telephone	1,100	1,100	1,113	(13)
Electrical - street lights	105,000	105,000	91,326	13,674
Dues	400	400		400
Travel and training	5,000	5,000		5,000
Advertising	200	200	587	(387)
Building maintenance	9,000	9,000	2,120	6,880
Radio & computer maintenance	800	800	562	238
Street repair	37,000	37,000	23,750	13,250
Forestry	4,000	4,000	22,395	(18,395)
Alley maintenance	1,000	1,000		1,000
Sidewalk maintenance	7,000	7,000	4,958	2,042
Pest and weed abatement	42,000	42,000	35,379	6,621
Snow removal	12,500	12,500	2,002	10,498

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2018

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Streets (continued)				
Christmas lights	3,000	3,000	37	2,963
Fuel and oil	38,000	38,000	14,813	23,187
Repairs & maintenance - auto	64,000	64,000	28,067	35,933
Capital outlay	95,000	95,000	62,090	32,910
Total streets	857,165	857,165	615,907	241,258
Airport facilities				
Supplies	5,000	5,000	348	4,652
Electric	800	800	1,211	(411)
Building maintenance	3,000	3,000	52,323	(49,323)
Insurance	3,100	3,100	2,178	922
Runway repairs	12,000	12,000		12,000
Capital outlay	5,500	5,500		5,500
Total airport facilities	29,400	29,400	56,060	(26,660)
Cemetery				
Salaries	66,675	66,675	76,229	(9,554)
Employee benefits	30,135	30,135	31,580	(1,445)
Supplies	23,000	23,000	29,665	(6,665)
Medical	600	600	649	(49)
Telephone	2,000	2,000	2,559	(559)
Utilities	3,200	3,200	2,609	591
Dues	100	100		100
Travel and training	200	200	31	169
Advertising	600	600	107	493
Building maintenance			264	(264)
Foundations and burial service	3,000	3,000	1,865	1,135
Fuel and oil	3,000	3,000	4,351	(1,351)
Repairs & maintenance - auto	4,500	4,500	4,392	108
Total cemetery	137,010	137,010	154,301	(17,291)
Total public works	1,023,575	1,023,575	826,268	197,307

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation department				
Salaries	273,095	273,095	241,614	31,481
Employee benefits	59,135	59,135	55,533	3,602
Supplies	2,900	2,900	2,312	588
Telephone	2,500	2,500	1,708	792
Utilities	3,500	3,500	2,578	922
Dues	250	250	229	21
Travel and training	2,500	2,500	1,172	1,328
Advertising	2,000	2,000	1,238	762
Building & field maintenance	21,400	21,400	34,618	(13,218)
Copy/computer maintenance	6,000	6,000	3,849	2,151
Adult programs	4,525	4,525	1,982	2,543
Youth summer programs	37,800	37,800	23,415	14,385
Youth winter programs	21,350	21,350	10,095	11,255
Swimming pool programs	30,050	30,050	28,399	1,651
Special events programs	61,800	61,800	52,752	9,048
Fuel and oil	1,000	1,000	149	851
Repairs & maintenance - auto	1,250	1,250	422	828
Capital outlay	75,000	75,000	20,785	54,215
Total recreation department	606,055	606,055	482,850	123,205
Parks				
Salaries	126,640	126,640	110,326	16,314
Employee benefits	46,475	46,475	43,333	3,142
Supplies	39,300	39,300	58,247	(18,947)
Medical	800	800	630	170
Utilities and telephone	35,000	35,000	38,066	(3,066)
Dues	500	500	28	472
Travel and training	500	500		500
Advertising	750	750	107	643
Chemicals and maintenance			1,661	(1,661)
Fuel and oil	4,000	4,000	4,384	(384)
Repairs & maintenance - auto	5,400	5,400	678	4,722
Total parks	259,365	259,365	257,460	1,905
Total culture and recreation	865,420	865,420	740,310	125,110
Total expenditures	4,574,435	4,574,435	3,832,426	742,009

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

The City reports the following nonmajor governmental funds:

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

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

CITY OF BRUSH, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2018

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Capital Improvement Fund
Assets				
Cash	\$ 3,502	\$ 45,742	\$ 8,451	\$ 112,982
Investments	125,295			384,005
Accrued interest receivable	495			856
Accounts receivable				2,684
Sales tax receivable				55,028
Total assets	<u>\$ 129,292</u>	<u>\$ 45,742</u>	<u>\$ 8,451</u>	<u>\$ 555,555</u>
Liabilities				
Accounts payable				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance				
Restricted	129,292	45,742	8,451	555,555
Committed				
Total fund balance	<u>129,292</u>	<u>45,742</u>	<u>8,451</u>	<u>555,555</u>
Total liabilities and fund balance	<u>\$ 129,292</u>	<u>\$ 45,742</u>	<u>\$ 8,451</u>	<u>\$ 555,555</u>

Joslin Needham Fund	Cemetery Perpetual Care Fund	Total
\$ 10,610	\$ 2,174 25,098	\$ 183,461 534,398 1,351 2,684 55,028
<u>\$ 10,610</u>	<u>\$ 27,272</u>	<u>\$ 776,922</u>
<u>\$ 2,802</u>		<u>\$ 2,802</u>
2,802	\$ -	2,802
7,808	27,272	739,040 35,080
<u>7,808</u>	<u>27,272</u>	<u>774,120</u>
<u>\$ 10,610</u>	<u>\$ 27,272</u>	<u>\$ 776,922</u>

CITY OF BRUSH, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2018

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Capital Improvement Fund
Revenues				
Taxes				\$ 335,592
Intergovernmental revenue		\$ 54,586		
Charges for services				
Miscellaneous	\$ 1,231	48	\$ 799	8,171
Total revenues	1,231	54,634	799	343,763
Expenditures				
Public safety			4,000	
Public works				15,249
Culture and recreation		11,636		
Capital outlay		30,814		180,434
Total expenditures	-	42,450	4,000	195,683
Excess of revenues over (under) expenditures	1,231	12,184	(3,201)	148,080
Other financing uses				
Transfers out				
Net change in fund balances	1,231	12,184	(3,201)	148,080
Fund balance at beginning of year	128,061	33,558	11,652	407,475
Fund balance at end of year	\$ 129,292	\$ 45,742	\$ 8,451	\$ 555,555

Joslin Needham Fund	Cemetery Perpetual Care Fund	Total
		\$ 335,592
		54,586
	\$ 11,300	11,300
\$ 347,434	2,066	359,749
347,434	13,366	761,227
		4,000
		15,249
47,740		59,376
410,282	28,813	650,343
458,022	28,813	728,968
(110,588)	(15,447)	32,259
	(266)	(266)
(110,588)	(15,713)	31,993
118,396	42,985	742,127
\$ 7,808	\$ 27,272	\$ 774,120

CITY OF BRUSH, COLORADO
Special Surplus and Deficiency Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest on investments	\$ 600	\$ 600	\$ 1,231	\$ 631
Expenditures				-
Net change in fund balance	<u>\$ 600</u>	<u>\$ 600</u>	1,231	<u>\$ 631</u>
Fund balance at beginning of year			<u>128,061</u>	
Fund balance at end of year			<u>\$ 129,292</u>	

CITY OF BRUSH, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Colorado lottery funds	\$ 52,000	\$ 52,000	\$ 54,586	\$ 2,586
Interest on investments	10	10	48	38
Total revenues	52,010	52,010	54,634	2,624
Expenditures				
Culture and recreation				
Noncapital outlay			11,636	(11,636)
Capital outlay - park improvements	45,000	45,000	30,814	14,186
Total expenditures	45,000	45,000	42,450	2,550
Net change in fund balance	\$ 7,010	\$ 7,010	12,184	\$ 5,174
Fund balance at beginning of year			33,558	
Fund balance at end of year			\$ 45,742	

CITY OF BRUSH, COLORADO
Police Forfeiture Confiscation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Evidence seizures	\$ 1,000	\$ 1,000	\$ 531	\$ (469)
Forfeitures	200	200	261	61
Interest on investments	20	20	7	(13)
Total revenues	1,220	1,220	799	(421)
Expenditures				
Public safety				
Evidence seizures	2,000	2,000		2,000
Drug forfeiture	4,000	4,000	4,000	-
Total expenditures	6,000	6,000	4,000	2,000
Net change in fund balance	\$ (4,780)	\$ (4,780)	(3,201)	\$ 1,579
Fund balance at beginning of year			11,652	
Fund balance at end of year			\$ 8,451	

CITY OF BRUSH, COLORADO
Capital Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales tax	\$ 295,000	\$ 295,000	\$ 329,963	\$ 34,963
Cigarette tax	5,700	5,700	5,629	(71)
Miscellaneous			5,144	5,144
Interest on investments	2,025	2,025	3,027	1,002
Total revenues	302,725	302,725	343,763	41,038
Expenditures				
Public works				
Street and drainage	230,000	230,000	195,683	34,317
Total expenditures	230,000	230,000	195,683	34,317
Net change in fund balance	\$ 72,725	\$ 72,725	148,080	\$ 75,355
Fund balance at beginning of year			407,475	
Fund balance at end of year			\$ 555,555	

CITY OF BRUSH, COLORADO
Joslin Needham Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Contributions		\$ 347,170	\$ 347,167	\$ (3)
Interest on investments	\$ 200	200	267	67
Total revenues	200	347,370	347,434	64
Expenditures				
Culture and recreation				
Noncapital outlay			47,740	(47,740)
Capital outlay		467,000	410,282	56,718
Total expenditures		467,000	458,022	8,978
Net change in fund balance	\$ 200	\$ (119,630)	(110,588)	\$ 9,042
Fund balance at beginning of year			118,396	
Fund balance at end of year			\$ 7,808	

CITY OF BRUSH, COLORADO
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Perpetual care sales	\$ 10,000	\$ 10,000	\$ 11,300	\$ 1,300
Contributions	1,000	1,000	1,800	800
Interest on investments	1,500	1,500	266	(1,234)
Total revenues	12,500	12,500	13,366	866
Expenditures				
Public works				
Memorial	1,000	1,000		1,000
Cemetery improvements	30,000	30,000	28,813	1,187
Total expenditures	31,000	31,000	28,813	2,187
Excess of revenues over (under) expenditures	(18,500)	(18,500)	(15,447)	3,053
Other financing uses				
Transfers out	(1,500)	(1,500)	(266)	1,234
Net change in fund balance	\$ (20,000)	\$ (20,000)	(15,713)	\$ 4,287
Fund balance at beginning of year			42,985	
Fund balance at end of year			\$ 27,272	

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Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary funds:

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

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

CITY OF BRUSH, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Water services	\$ 1,091,000	\$ 1,091,000	\$ 1,380,611	\$ 289,611
Delinquent fees	28,000	28,000	35,619	7,619
Miscellaneous	1,000	1,000	7,579	6,579
Total operating revenues	1,120,000	1,120,000	1,423,809	303,809
Operating expenses				
Salaries	233,885	233,885	222,053	11,832
Employee benefits	97,300	97,300	90,569	6,731
Supplies	30,250	30,250	16,135	14,115
Professional services	320,560	320,560	249,214	71,346
Telephone	1,500	1,500	861	639
Lab fees	20,000	20,000	2,845	17,155
Medical	350	350	320	30
Utilities	60,000	60,000	62,533	(2,533)
Association dues	600	600	608	(8)
Travel and training	3,000	3,000	106	2,894
Computer and radio maintenance	11,000	11,000	6,760	4,240
Advertising	1,300	1,300	686	614
Building maintenance	5,000	5,000	404	4,596
Licenses and permits	40,000	40,000	35,178	4,822
Insurance - general	19,965	19,965	18,889	1,076
Well electricity	40,000	40,000	31,381	8,619
Water system maintenance and materials	65,000	65,000	79,193	(14,193)
Line maintenance	20,000	20,000	6,303	13,697
Fuel and oil	12,000	12,000	8,268	3,732
Repairs & maintenance - vehicle	6,000	6,000	2,683	3,317
Noncapital outlay			9,025	(9,025)
Capital outlay	323,610	323,610	239,778	83,832
Total operating expenses	1,311,320	1,311,320	1,083,792	227,528
Operating income (loss)	(191,320)	(191,320)	340,017	531,337

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	4,000	4,000	11,275	7,275
Plant investment fee	7,000	7,000	19,668	12,668
Farm income	26,500	26,500	28,581	2,081
Rental income	7,200	7,200	6,962	(238)
DOW lease	500	500	5,040	4,540
Easement	7,700	7,700	4,195	(3,505)
Convenience fee	1,800	1,800	2,800	1,000
Joint venture	15,000	15,000		(15,000)
Gain on sale of assets			4,777	4,777
Grant income			45,000	45,000
Water conservation	(40,000)	(40,000)		40,000
Bond payment	(79,175)	(79,175)		79,175
Total nonoperating revenues (expenses)	(49,475)	(49,475)	128,298	177,773
Net income (loss) before transfers and capital contributions	(240,795)	(240,795)	468,315	709,110
Transfers out	(21,740)	(21,740)	(21,740)	-
Capital contributions - tap fees	1,000	1,000	21,910	20,910
Change in net position	<u>\$ (261,535)</u>	<u>\$ (261,535)</u>	468,485	<u>\$ 730,020</u>
Adjustments to GAAP Basis				
Add capital purchases			239,778	
Deduct depreciation			(240,172)	
Change in net position - GAAP Basis			468,091	
Net position at beginning of year			7,592,347	
Net position at end of year			<u>\$ 8,060,438</u>	

CITY OF BRUSH, COLORADO
Trash and Garbage Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Trash services	\$ 510,000	\$ 510,000	\$ 524,754	\$ 14,754
Sale of cans	5,000	5,000	9,134	4,134
Miscellaneous	12,000	12,000	17,991	5,991
Total operating revenues	527,000	527,000	551,879	24,879
Operating expenses				
Salaries	137,795	137,795	139,909	(2,114)
Employee benefits	79,590	79,590	83,035	(3,445)
Supplies	10,000	10,000	8,747	1,253
Professional services	93,270	93,270	93,170	100
Medical	800	800	234	566
Telephone	150	150	344	(194)
Utilities	6,000	6,000	4,675	1,325
Travel and training	600	600	600	600
Computer and radio maintenance	6,200	6,200	2,992	3,208
Building maintenance	2,000	2,000	1,393	607
Advertising	1,000	1,000	346	654
Insurance - general	815	815	307	508
Purchase of trash containers	30,000	30,000	8,686	21,314
Landfill contract	100,000	100,000	99,657	343
Fuel and oil	25,000	25,000	19,117	5,883
Repairs & maintenance - vehicle	20,000	20,000	9,513	10,487
Noncapital outlay			1,677	(1,677)
Capital outlay	2,500	2,500		2,500
Total operating expenses	515,720	515,720	473,802	41,918
Operating income	11,280	11,280	78,077	66,797
Nonoperating revenues				
Interest on investments	1,500	1,500	1,641	141
Total nonoperating revenues	1,500	1,500	1,641	141
Net income before transfers	12,780	12,780	79,718	66,938

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	(10,250)	(10,250)	(10,250)	-
Change in net position	<u>\$ 2,530</u>	<u>\$ 2,530</u>	69,468	<u>\$ 66,938</u>
Adjustments to GAAP Basis				
Deduct depreciation			(35,342)	
Change in net position - GAAP Basis			34,126	
Net position at beginning of year			422,326	
Net position at end of year			<u>\$ 456,452</u>	

CITY OF BRUSH, COLORADO
Waste Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Sewer fees	\$ 1,570,000	\$ 1,570,000	\$ 1,645,010	\$ 75,010
Miscellaneous	1,000	1,000	2,500	1,500
Administrative fees	75	75	75	-
Total operating revenues	1,571,075	1,571,075	1,647,585	76,510
Operating expenses				
Salaries	154,985	154,985	149,879	5,106
Employee benefits	75,830	75,830	70,268	5,562
Supplies	32,800	32,800	11,157	21,643
Professional services	464,760	464,760	380,554	84,206
Medical	1,000	1,000	640	360
Telephone	3,000	3,000	2,592	408
Utilities	128,400	128,400	91,349	37,051
Association dues	1,500	1,500		1,500
Travel and training	7,000	7,000	1,125	5,875
Computer and radio maintenance	8,050	8,050	6,503	1,547
Advertising	500	500	711	(211)
Insurance - general	41,210	41,210	39,736	1,474
Permits	20,890	20,890	26,923	(6,033)
Repairs and maintenance	110,000	110,000	81,736	28,264
Sanitary sewer cleaning	75,000	75,000	75,036	(36)
Manholes	20,000	20,000	9	19,991
Sewer lines	20,000	20,000		20,000
Fuel and oil	9,000	9,000	8,766	234
Repairs & maintenance - vehicle	5,200	5,200	4,876	324
Noncapital outlay			4,449	(4,449)
Capital outlay	347,220	347,220	335,054	12,166
Total operating expenses	1,526,345	1,526,345	1,291,363	234,982
Operating income	44,730	44,730	356,222	311,492

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	5,000	5,000	20,874	15,874
Surcharge fees	10,000	10,000	57,632	47,632
Rental income	4,800	4,800	5,048	248
Farm income	6,890	6,890	11,300	4,410
DOW lease			3,360	3,360
Grant income			105,000	105,000
Joint venture	35,000	35,000		(35,000)
Farm expense	(7,000)	(7,000)	(3,346)	3,654
Principal paid on notes	(435,000)	(435,000)	(435,000)	-
Interest and fiscal charges	(191,730)	(191,730)	(191,728)	2
Total nonoperating revenues (expenses)	(572,040)	(572,040)	(426,860)	145,180
Net loss before transfers and capital contributions	(527,310)	(527,310)	(70,638)	456,672
Transfers out	(34,345)	(34,345)	(34,345)	-
Capital contributions - tap fees	6,000	6,000	12,600	6,600
Change in net position	<u>\$ (555,655)</u>	<u>\$ (555,655)</u>	(92,383)	<u>\$ 463,272</u>
Adjustments to GAAP Basis				
Add capital purchases			335,054	
Add principal paid on notes			435,000	
Add amortized premium			19,105	
Add change in accrued interest			4,599	
Deduct depreciation			(319,828)	
Change in net position - GAAP Basis			381,547	
Net position at beginning of year			<u>6,818,642</u>	
Net position at end of year			<u>\$ 7,200,189</u>	

CITY OF BRUSH, COLORADO
Storm Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Service fees	\$ 310,000	\$ 310,000	\$ 311,046	\$ 1,046
Storm water assessment	3,160	3,160	3,159	(1)
Miscellaneous	100	100		(100)
Total operating revenues	313,260	313,260	314,205	945
Operating expenses				
Salaries	37,050	37,050	36,173	877
Employee benefits	16,475	16,475	16,479	(4)
Supplies	3,400	3,400	1,989	1,411
Professional services	41,915	41,915	46,760	(4,845)
Medical	100	100		100
Telephone	200	200	124	76
Utilities	300	300		300
Travel and training	500	500		500
Computer and radio maintenance	3,060	3,060	2,755	305
Advertising	200	200		200
Insurance - general	7,010	7,010	5,921	1,089
Sewer cleaning	30,000	30,000	30,000	-
Line maintenance	5,000	5,000		5,000
Pond maintenance	5,000	5,000		5,000
Assessment maintenance	5,000	5,000	1,046	3,954
Curb and gutter maintenance	10,000	10,000	1,622	8,378
Fuel and oil	9,000	9,000	8,502	498
Repairs & maintenance - vehicle	10,000	10,000	2,788	7,212
Capital outlay	110,000	110,000	118,741	(8,741)
Total operating expenses	294,210	294,210	272,900	21,310
Operating income	19,050	19,050	41,305	22,255
Nonoperating revenues				
Interest on investments	500	500	3,910	3,410
Total nonoperating revenues	500	500	3,910	3,410
Net income before transfers and capital contributions	19,550	19,550	45,215	25,665

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	(4,200)	(4,200)	(4,200)	-
Capital contributions			19,252	19,252
Change in net position	<u>\$ 15,350</u>	<u>\$ 15,350</u>	60,267	<u>\$ 44,917</u>
Adjustments to GAAP Basis				
Add capital outlay			118,741	
Deduct depreciation			(136,771)	
Change in net position - GAAP Basis			42,237	
Net position at beginning of year			<u>2,951,356</u>	
Net position at end of year			<u>\$ 2,993,593</u>	

CITY OF BRUSH, COLORADO
Golf Course Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Membership dues	\$ 60,000	\$ 60,000	\$ 51,770	\$ (8,230)
Cart rental fees	18,000	18,000	20,579	2,579
Cart storage	5,100	5,100	3,705	(1,395)
Trail and license	7,000	7,000	4,463	(2,537)
Golf course fees	38,000	38,000	26,976	(11,024)
Restaurant income	160,000	160,000	85,381	(74,619)
Bar income	110,000	110,000	78,986	(31,014)
Miscellaneous	500	500	955	455
Total operating revenues	398,600	398,600	272,815	(125,785)
Operating expenses				
Salaries	219,915	219,915	171,166	48,749
Employee benefits	28,320	28,320	35,551	(7,231)
Supplies	4,400	4,400	3,644	756
Ground maintenance	52,000	52,000	45,059	6,941
Professional services	11,500	11,500	6,150	5,350
Medical			2,363	(2,363)
Utilities	37,500	37,500	33,149	4,351
Building maintenance	2,000	2,000	846	1,154
Travel and training	1,500	1,500		1,500
Computer maintenance	1,500	1,500	838	662
Advertising	3,000	3,000	894	2,106
Insurance - general	2,000	2,000	1,386	614
Licenses and permits	1,000	1,000	1,875	(875)
Cart repairs and rental	800	800	4,660	(3,860)
Restaurant	90,000	90,000	59,053	30,947
Bar	50,000	50,000	30,347	19,653
Fuel and oil	4,200	4,200	4,079	121
Repairs & maintenance - vehicle	7,500	7,500	1,502	5,998
Total operating expenses	517,135	517,135	402,562	114,573
Operating income (loss)	(118,535)	(118,535)	(129,747)	(11,212)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Tournament income	6,000	6,000	17,477	11,477
Golf lessons	500	500	650	150
Building and club rental	750	750	4,384	3,634
Merchandise sales	15,000	15,000	11,369	(3,631)
Handicap income	4,500	4,500	3,275	(1,225)
Interest on investments	50	50	2	(48)
Merchandise	(15,000)	(15,000)	(10,553)	4,447
Handicap dues	(4,500)	(4,500)	(3,540)	960
Total nonoperating revenues (expenses)	7,300	7,300	23,064	15,764
Net income (loss) before transfers	(111,235)	(111,235)	(106,683)	4,552
Transfers in	100,000	100,000	120,000	20,000
Capital contributions			386,661	386,661
Change in net position	<u>\$ (11,235)</u>	<u>\$ (11,235)</u>	399,978	<u>\$ 24,552</u>
Adjustments to GAAP Basis				
Deduct depreciation			(47,599)	
Change in net position - GAAP Basis			352,379	
Net position at beginning of year			453,743	
Net position at end of year			<u>\$ 806,122</u>	

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

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2018
This Information From The Records Of City of Brush!	Prepared By: Joanne Gosselink Phone: 970-842-5001

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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)	195,683
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	378,522
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	86,058
2. General fund appropriations	205,178	b. Snow and ice removal	2,002
3. Other local imposts (from page 2)	573,019	c. Other	
4. Miscellaneous local receipts (from page 2)	20,904	d. Total (a. through c.)	88,060
5. Transfers from toll facilities		4. General administration & miscellaneous	17,266
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	305,256
a. Bonds - Original Issues		6. Total (1 through 5)	984,787
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)	799,101	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	185,686	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	984,787	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)	984,787

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
		984,787	984,787		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	74,131	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	20,904
1. Sales Taxes	418,077	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	80,811	g. Other Misc. Receipts	
6. Total (1. through 5.)	498,888	h. Other	
c. Total (a. + b.)	573,019	i. Total (a. through h.)	20,904
	(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	185,686	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	185,686	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		195,683	195,683
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	195,683	195,683
			(Carry forward to page 1)

Notes and Comments: