

City of Brush, Colorado

Financial Statements

For the Year ended December 31, 2020

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INTRODUCTORY SECTION

August 16,

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, 2020. 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, Colorado Lamb Processing, 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. In 2020 work was completed on the 50-year-old sprinkler system which was replaced.

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 2019 sales tax revenues increased by \$387,342 (19%) from the prior year. City sales tax for 2020 increased \$117,363 (6%). Sales tax revenues have seen steady growth over the last four years and there are still signs of economic growth in other areas. In 2020 the increased sales tax is attributed to growth and internet sales which is a newly established requirement by the State of Colorado.

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 and 2019. In 2018 a lamb processing facility was negotiated and some construction on the facility had begun. Construction continued and was completed on the facility in 2020.

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.

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 2020. Water rates were increased in 2019 by the Denver/Boulder CPI and but were not increased in 2020 due to COVID and the number of citizens which were without jobs during this time.

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, 2020

Elected Officials

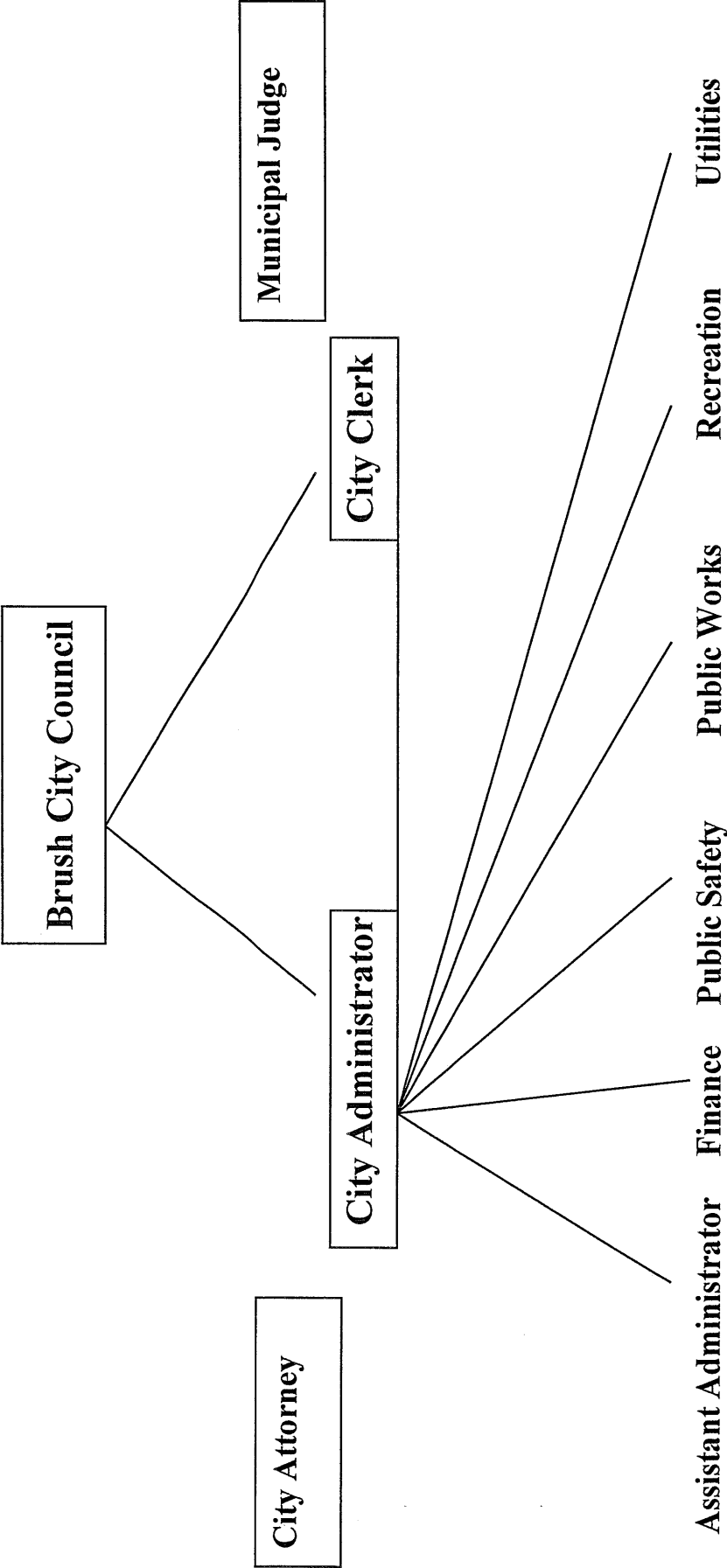
Mayor	Charles R. Bain
Council Member - Ward 1	Alison Gorrell
Council Member - Ward 1	Dana Sherman
Council Member - Ward 2	Kevin Strauch
Council Member - Ward 2	Daniel Scalise
Council Member - Ward 3	Larry Lundstrom
Council Member - Ward 3	Justin Spradlin

Appointed Officials

City Administrator	Monty Torres
City Clerk	Loranda Packard
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, 2020, 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, 2020, 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
August 16, 2021

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, 2020. 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 \$35,448,278. Of this amount, \$7,433,633 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 \$5,969,724 a increase of \$1,054,294 in comparison with the prior year. Of this amount \$3,609,978 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 \$3,130,733 or 71 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	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	6,987,140	6,141,833	4,644,189	5,879,590	11,631,329	12,021,423
Net pension asset						
Capital assets-net of accumulated depreciation	7,819,058	7,833,333	23,966,357	23,016,533	31,785,415	30,849,866
Total assets	14,806,198	13,975,166	28,610,546	28,896,123	43,416,744	42,871,289
Deferred outflow of resources						
Pension deferrals	342,759	430,041			342,759	430,041
Total assets and deferred outflows of resources	15,148,957	14,405,207	28,610,546	28,896,123	43,759,503	43,301,330
Liabilities						
Long-term liabilities outstanding	496,288	606,244	5,968,401	6,496,926	6,464,689	7,103,170
Other liabilities	70,635	363,881	738,754	1,188,926	809,389	1,552,807
Total liabilities	566,923	970,125	6,707,155	7,685,852	7,274,078	8,655,977
Deferred inflow of resources						
Pension deferrals	136,133	9,559			136,133	9,559
Deferred tax revenue	901,014	862,522			901,014	862,522
Total Deferred Inflows	1,037,147	872,081			1,037,147	872,081
Net position						
Net investment in capital assets	7,819,058	7,833,333	17,572,186	16,685,454	25,391,244	24,518,787
Restricted	2,352,472	1,552,964	270,929	825,060	2,623,401	2,378,024
Unrestricted	3,373,357	3,176,704	4,060,276	3,699,757	7,433,633	6,876,461
Total net position	13,544,887	12,563,001	21,903,391	21,210,271	35,448,278	33,773,272
Total liabilities, deferred outflows of resources & net position	15,148,957	14,405,207	28,610,546	28,896,123	43,759,503	43,301,330

City of Brush Changes in Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	394,079	550,406	4,510,965	4,379,134	4,905,044	4,929,540
Capital grants	809,739	468,587			809,739	468,587
Operating grants	318,000	210,499	167,332	28,700	485,332	239,199
General Revenues						
Property taxes	785,013	685,491			785,013	685,491
Other	4,266,333	4,033,516	235,275	868,147	4,501,608	4,901,663
Total revenues	6,573,164	5,948,499	4,913,572	5,275,981	11,486,736	11,224,480
Program expenses						
General government	1,637,861	1,062,468			1,637,861	1,062,468
Public safety	1,487,861	1,445,302			1,487,861	1,445,302
Public works	1,247,760	1,065,626			1,247,760	1,065,626
Culture and recreation	910,230	956,934			910,230	956,934
Water			1,201,169	1,053,459	1,201,169	1,053,459
Trash and garbage			553,480	538,612	553,480	538,612
Waste water			1,763,033	1,403,464	1,763,033	1,403,464
Storm water			333,490	284,113	333,490	284,113
Golf course			676,846	546,416	676,846	546,416
Total expenses	5,283,712	4,530,330	4,528,018	3,826,064	9,811,730	8,356,394
Excess (deficiency) before transfers	1,289,452	1,418,169	385,554	1,449,917	1,675,006	2,868,086
Transfers	(307,566)	(243,560)	307,566	243,560		
Change in net position	981,886	1,174,609	693,120	1,693,477	1,675,006	2,868,086
Net position – beginning of year	12,563,001	11,388,392	21,210,271	19,516,794	33,773,272	30,905,186
Net position – ending	13,544,887	12,563,001	21,903,391	21,210,271	35,448,278	33,773,272

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 nine 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, which is considered to be the City's only major fund. Data from the other eight 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 26-37 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 38-69 of the report. Notes to the required supplementary information can be found on pages 81-82.

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 53-65 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 96-107 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 \$35,448,278 at the close of 2020.

Capital assets reflect 73 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.

Seven 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 \$7,433,633 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 \$981,886, thereby accounting for 59 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 \$693,120. The increase to net position is 41 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 \$5,969,724 a increase of \$1,054,294 in comparison with the prior year. Approximately 52 percent of this total amount (\$3,130,733) 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 \$3,130,733, while total fund balance reached \$3,656,848. 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 71 percent of total general fund expenditures, while total fund balance represents 83 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 \$4,060,276. The total growth in net position for the Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course funds was \$477,629, \$21,793 \$100,561, \$(18,152), and \$111,289, 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 \$372,145 of which \$358,384 can be attributed to taxes. During the year actual expenditures were less than budgeted expenditures by \$901,465. 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, 2020, amounts to \$31,785,415 (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 fire department equipment and street improvements.

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 \$5,650,000. This debt is paid with waste water revenues.

There was \$455,000 in principal paid on the waste water treatment plant loan which was secured through the Colorado Water & Power Authority.

The City also has a capital lease obligation payable with a remaining balance owed of \$537,197 at year end. The lease proceeds were used to finance a new sprinkler system for the golf course.

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 6 percent increase in sales tax for 2020, with a slight increase projected for 2021. In 2020 property taxes for the City of Brush increased by 13 percent.

During the current fiscal year, unassigned fund balance in the general fund increased by \$309,719. The City of Brush has appropriated \$657,665 of fund balances for spending in the 2021 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2021 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.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary 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, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 1,868,897	\$ 632,223	\$ 2,501,120
Certificates of deposit	3,145,580	2,760,000	5,905,580
Investments	214,030	855,682	1,069,712
Cash with county treasurer	7,518		7,518
Receivables	1,532,307	427,256	1,959,563
Internal balances	120,000	(120,000)	-
Inventory	53,041	89,028	142,069
Net pension asset	45,767		45,767
Capital assets, net of depreciation	7,819,058	23,966,357	31,785,415
Total assets	14,806,198	28,610,546	43,416,744
Deferred outflows of resources			
Pension deferrals	342,759		342,759
Total assets and deferred outflows of resources	\$ 15,148,957	\$ 28,610,546	\$ 43,759,503
Liabilities			
Accounts payable	\$ 60,048	\$ 85,916	\$ 145,964
Police bond account	10,587		10,587
Unearned revenues		61,200	61,200
Accrued interest payable		76,900	76,900
Noncurrent liabilities			
Due within one year		514,738	514,738
Due in more than one year	210,537	5,968,401	6,178,938
Net pension liability	285,751		285,751
Total liabilities	566,923	6,707,155	7,274,078
Deferred inflows of resources			
Deferred property tax revenues	901,014		901,014
Pension deferrals	136,133		136,133
Total deferred inflows of resources	1,037,147	-	1,037,147
Net position			
Net investment in capital assets	7,819,058	17,572,186	25,391,244
Restricted	2,352,472	270,929	2,623,401
Unrestricted	3,373,357	4,060,276	7,433,633
Total net position	13,544,887	21,903,391	35,448,278
Total liabilities, deferred inflows of resources and net position	\$ 15,148,957	\$ 28,610,546	\$ 43,759,503

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, 2020

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,637,861	\$ 211,994	\$ 388,372	
Public safety	1,487,861	30,579	10,177	
Public works	1,247,760	13,815	355,434	
Culture and recreation	910,230	137,691	55,756	\$ 318,000
Total governmental activities	5,283,712	394,079	809,739	318,000
Business-type activities				
Water	1,201,169	1,529,551		58,985
Trash and garbage	553,480	568,944		
Waste Water	1,763,033	1,720,466		108,347
Storm water	333,490	314,817		
Golf course	676,846	377,187		
Total business-type activities	4,528,018	4,510,965	-	167,332
Total	\$ 9,811,730	\$ 4,905,044	\$ 809,739	\$ 485,332
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
\$ (1,037,495)		\$ (1,037,495)
(1,447,105)		(1,447,105)
(878,511)		(878,511)
(398,783)		(398,783)
(3,761,894)	\$ -	(3,761,894)
	387,367	387,367
	15,464	15,464
	65,780	65,780
	(18,673)	(18,673)
	(299,659)	(299,659)
-	150,279	150,279
(3,761,894)	150,279	(3,611,615)
785,013		785,013
2,902,419		2,902,419
96,219		96,219
273,472		273,472
7,182		7,182
36,807	45,370	82,177
	25,283	25,283
950,234	164,622	1,114,856
(307,566)	307,566	-
4,743,780	542,841	5,286,621
981,886	693,120	1,675,006
12,563,001	21,210,271	33,773,272
<u>\$ 13,544,887</u>	<u>\$ 21,903,391</u>	<u>\$ 35,448,278</u>

CITY OF BRUSH, COLORADO
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Other Governmental Funds	Total
Assets			
Cash	\$ 1,086,606	\$ 771,703	\$ 1,858,309
Certificates of deposit	1,835,580	1,310,000	3,145,580
Investments	107,015	107,015	214,030
Police bond cash	10,588		10,588
Cash with county treasurer	7,518		7,518
Accrued interest receivable	6,702	5,309	12,011
Property tax receivable	843,478	57,536	901,014
Accounts receivable	430,390	120,887	551,277
Grants receivable		68,005	68,005
Due from other funds	187,754	7,984	195,738
Inventory	53,041		53,041
Total assets	\$ 4,568,672	\$ 2,448,439	\$ 7,017,111
Liabilities			
Accounts payable	\$ 57,434	\$ 2,289	\$ 59,723
Police bond account	10,587		10,587
Due to other funds		75,738	75,738
Due to other agencies	325		325
Total liabilities	68,346	78,027	146,373
Deferred inflows of resources			
Deferred property tax revenues	843,478	57,536	901,014
Total deferred inflows of resources	843,478	57,536	901,014
Fund balance			
Nonspendable inventory	53,041		53,041
Restricted	56,091	2,250,614	2,306,705
Committed	6,280	62,262	68,542
Assigned	410,703		410,703
Unassigned	3,130,733		3,130,733
Total fund balance	3,656,848	2,312,876	5,969,724
Total liabilities, deferred inflows of resources and fund balance	\$ 4,568,672	\$ 2,448,439	\$ 7,017,111

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, 2020**

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

Total fund balance - governmental funds	\$ 5,969,724
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	7,819,058
--	-----------

Net pension assets and related deferred outflows of resources are not financial resources and therefore are not reported as assets in governmental funds.	388,526
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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.	(632,421)
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Net position of the governmental activities	<u>\$ 13,544,887</u>
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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, 2020

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	\$ 3,281,444	\$ 782,861	\$ 4,064,305
Licenses and permits	117,234	484,178	601,412
Intergovernmental	439,978		439,978
Fines and forfeitures	30,122		30,122
Charges for services	139,721	1	139,722
Miscellaneous	801,151	496,474	1,297,625
Total revenues	4,809,650	1,763,514	6,573,164
Expenditures			
Current			
General government	1,163,043	414,607	1,577,650
Public safety	1,267,762		1,267,762
Public works	792,795	177,026	969,821
Culture and recreation	687,954	62,309	750,263
Capital outlay	506,181	347,093	853,274
Total expenditures	4,417,735	1,001,035	5,418,770
Excess of revenues over (under) expenditures	391,915	762,479	1,154,394
Other financing sources (uses)			
Transfers in	73,840		73,840
Transfers out	(173,915)	(25)	(173,940)
Total other financing sources (uses)	(100,075)	(25)	(100,100)
Net change in fund balances	291,840	762,454	1,054,294
Fund balance at beginning of year	3,365,008	1,550,422	4,915,430
Fund balance at end of year	\$ 3,656,848	\$ 2,312,876	\$ 5,969,724

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, 2020**

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

Net change in fund balance - governmental funds	\$ 1,054,294
---	--------------

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 depreciation exceeded capital outlays in the current period.	(14,275)
--	----------

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).	(752)
---	-------

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.	(57,381)
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Change in net position of governmental activities	<u>\$ 981,886</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Assets				
Current assets				
Cash	\$ 152,993	\$ 139,817	\$ 125,562	\$ 108,696
Certificates of deposit	1,230,000	50,000	1,000,000	480,000
Investments	213,848		534,819	107,015
Accrued interest receivable	7,307	134	3,608	710
Accounts receivable	388,318			
Other receivables	23,405	1,696	1,043	
Inventory	54,128	14,199		
Total current assets	2,069,999	205,846	1,665,032	696,421
Noncurrent assets				
Property, plant and equipment				
Land and improvements	1,143,512	1,475	652,537	
Building and improvements	268,526	85,117		
Water system	8,246,022			
Waste water plant and sewer system			14,412,389	
Equipment	751,949	473,931	579,991	3,110,642
Office equipment	127,286			
Water rights stock	1,550,514			
Subtotal	12,087,809	560,523	15,644,917	3,110,642
Accumulated depreciation	(4,875,197)	(220,986)	(3,350,208)	(788,209)
Total noncurrent assets	7,212,612	339,537	12,294,709	2,322,433
Total assets	\$ 9,282,611	\$ 545,383	\$ 13,959,741	\$ 3,018,854

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

Golf Course Fund	Total
\$ 105,155	\$ 632,223
	2,760,000
	855,682
	11,759
1,035	389,353
	26,144
20,701	89,028
126,891	4,764,189
1,252,520	3,050,044
568,584	922,227
	8,246,022
	14,412,389
268,866	5,185,379
	127,286
	1,550,514
2,089,970 (292,904)	33,493,861 (9,527,504)
1,797,066	23,966,357
\$ 1,923,957	\$ 28,730,546

(continued)

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2020

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 8,410	\$ 12,023	\$ 52,165	\$ 538
Due to other funds				
Due to other entity			1,144	
Sales tax payable				
Unearned lease revenues	61,200			
Accrued interest payable			66,747	
Current portion of note payable			465,000	
Current portion of capital lease obligation				
Total current liabilities	69,610	12,023	585,056	538
Long-term liabilities				
Accrued compensated absences	41,709	28,919	7,941	8,779
Note payable			5,391,974	
Capital lease obligation				
Total long-term liabilities	41,709	28,919	5,399,915	8,779
Total liabilities	111,319	40,942	5,984,971	9,317
Net position				
Net investment in capital assets	7,212,612	339,537	6,437,735	2,322,433
Restricted for debt service			270,929	
Unrestricted (deficit)	1,958,680	164,904	1,266,106	687,104
Total net position	9,171,292	504,441	7,974,770	3,009,537
Total liabilities and net position	\$ 9,282,611	\$ 545,383	\$ 13,959,741	\$ 3,018,854

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

Golf Course Fund	Total
\$ 9,347	\$ 82,483
120,000	120,000
	1,144
2,289	2,289
	61,200
10,153	76,900
	465,000
49,738	49,738
191,527	858,754
1,620	88,968
	5,391,974
487,459	487,459
489,079	5,968,401
680,606	6,827,155
1,259,869	17,572,186
	270,929
(16,518)	4,060,276
1,243,351	21,903,391
\$ 1,923,957	\$ 28,730,546

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Operating revenues				
Charges for services	\$ 1,529,551	\$ 568,944	\$ 1,720,466	\$ 314,817
Operating expenses				
Salaries	205,305	153,573	136,671	38,468
Employee benefits	95,392	95,351	70,446	18,698
Supplies	12,201	6,677	23,441	1,981
Professional services	313,800	103,550	417,490	35,610
Telephone	1,203	162	2,346	256
Lab fees	2,970			
Medical	160	210	755	
Utilities	55,688	2,556	90,942	
Association dues	621		550	
Travel and training	162	5	714	
Computer and radio maintenance	11,433	3,040	7,585	3,040
Advertising	2,573	752	78	
Building maintenance	22,266		314	
Licenses and permits	34,281		21,201	
Insurance - general	29,042	961	60,900	11,867
Well electricity	18,317			
System maintenance & materials	53,150		184,519	61,873
Purchase of trash containers		9,262		
Landfill contract		110,226		
Fuel and oil	4,874	16,206	4,310	5,331
Repairs & maintenance - vehicle	6,437	11,716	5,365	9,186
Ground maintenance				
Restaurant				
Bar				
Cart repairs and rental				
Noncapital outlay	19,889		18,978	3,679
Depreciation and amortization	211,048	39,233	331,390	143,501
Total operating expenses	1,100,812	553,480	1,377,995	333,490
Operating income (loss)	428,739	15,464	342,471	(18,673)

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

Golf Course Fund	Total
\$ 377,187	\$ 4,510,965
227,182	761,199
35,964	315,851
943	45,243
10,558	881,008
3,678	7,645
	2,970
480	1,605
33,479	182,665
	1,171
	881
6,208	31,306
1,375	4,778
722	23,302
	55,482
3,581	106,351
700	19,017
	299,542
	9,262
	110,226
4,843	35,564
3,226	35,930
44,849	44,849
108,322	108,322
39,177	39,177
75	75
12,908	55,454
106,690	831,862
644,960	4,010,737
(267,773)	500,228

(continued)

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Nonoperating revenues (expenses)				
Interest on investments	21,182	2,679	17,094	4,391
Plant investment fee	43,010		7,057	
Surcharge fee			17,948	
Farm income	29,946		22,532	
Rental income	4,515		3,900	
DOW lease	1,440		3,360	
Water rights	3,600			
Easement	4,324			
Convenience fee	3,730			
Grant income	28,885		67,397	
Farm expense	(100,357)		(238,087)	
Golf course income				
Golf course expense				
Gain on sale of assets		15,000		
Interest and fiscal charges			(146,951)	
Total nonoperating revenues (expenses)	40,275	17,679	(245,750)	4,391
Income (loss) before transfers and capital contributions	469,014	33,143	96,721	(14,282)
Capital contributions	30,100		40,950	
Transfers in				
Transfers out	(21,485)	(11,350)	(37,110)	(3,870)
Change in net position	477,629	21,793	100,561	(18,152)
Net position at beginning of year	8,693,663	482,648	7,874,209	3,027,689
Net position at end of year	\$ 9,171,292	\$ 504,441	\$ 7,974,770	\$ 3,009,537

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

Golf Course Fund	Total
24	45,370
	50,067
	17,948
	52,478
	8,415
	4,800
	3,600
	4,324
	3,730
	96,282
	(338,444)
19,260	19,260
(6,503)	(6,503)
10,283	25,283
(25,383)	(172,334)
(2,319)	(185,724)
(270,092)	314,504
207,466	278,516
173,915	173,915
	(73,815)
111,289	693,120
1,132,062	21,210,271
<u>\$ 1,243,351</u>	<u>\$ 21,903,391</u>

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	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	\$ 1,514,328	\$ 568,592	\$ 1,719,960	\$ 314,817
Payments to suppliers	(723,385)	(364,712)	(886,744)	(153,334)
Payments to employees	(209,111)	(150,392)	(132,127)	(38,689)
Net cash provided (used) by operating activities	581,832	53,488	701,089	122,794
Cash flows from noncapital financing activities				
Miscellaneous revenues			17,948	
Transfers in				
Transfers out	(21,485)	(11,350)	(37,110)	(3,870)
Net cash provided (used) by noncapital financing activities	(21,485)	(11,350)	(19,162)	(3,870)
Cash flows from capital and related financing activities				
Purchase of capital assets	(1,118,469)	(200,894)	(178,518)	(44,550)
Capital contributed from tap fees	30,100		40,950	
Plant investment fees	43,010		7,057	
Grant proceeds	28,885		67,397	
Proceeds from sale of assets		15,000		
Principal paid on capital debt			(455,000)	
Interest and fiscal charges			(170,244)	
Net cash used by capital and related financing activities	(1,016,474)	(185,894)	(688,358)	(44,550)
Cash flows from investing activities				
Golf course income/(loss)				
Farm income/(loss) - net	(70,411)		(215,555)	
Rental and easement income	14,009		7,260	
Interest on investments	29,509	2,661	16,247	5,863
Sale of investments	1,581,535	250,512	976,023	380,000
Purchase of investments	(1,030,000)	(50,000)	(800,000)	(480,000)
Net cash provided (used) by investing activities	524,642	203,173	(16,025)	(94,137)

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

Golf Course Fund	Total
\$ 377,187	\$ 4,494,884
(321,254)	(2,449,429)
(225,562)	(755,881)
(169,629)	1,289,574
173,915	17,948
	173,915
	(73,815)
173,915	118,048
(467,101)	(2,009,532)
	71,050
	50,067
	96,282
10,283	25,283
(47,803)	(502,803)
(26,108)	(196,352)
(530,729)	(2,466,005)
12,757	12,757
	(285,966)
	21,269
24	54,304
	3,188,070
	(2,360,000)
12,781	630,434

(continued)

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

(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	68,515	59,417	(22,456)	(19,763)
Cash and cash equivalents at beginning of year	84,478	80,400	148,018	128,459
Cash and cash equivalents at end of year	<u>\$ 152,993</u>	<u>\$ 139,817</u>	<u>\$ 125,562</u>	<u>\$ 108,696</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 428,739	\$ 15,464	\$ 342,471	\$ (18,673)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	211,048	39,233	331,390	143,501
Change in assets and liabilities				
Receivables	(15,223)	(352)	(506)	
Inventory	(15,424)	(276)		
Accounts payable	(18,556)	1,051	25,623	(1,048)
Payroll liabilities	(4,946)	(4,813)	(3,052)	(765)
Other liabilities			619	
Accrued compensated absences	(3,806)	3,181	4,544	(221)
Net cash provided (used) by operating activities	<u>\$ 581,832</u>	<u>\$ 53,488</u>	<u>\$ 701,089</u>	<u>\$ 122,794</u>
Noncash capital financing activities				
Capital assets contributed from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Golf Course Fund</u>	<u>Total</u>
(513,662)	(427,949)
<u>618,817</u>	<u>1,060,172</u>
<u>\$ 105,155</u>	<u>\$ 632,223</u>
\$ (267,773)	\$ 500,228
106,690	831,862
	(16,081)
2,229	(13,471)
(13,095)	(6,025)
(345)	(13,921)
1,045	1,664
1,620	5,318
<u>\$ (169,629)</u>	<u>\$ 1,289,574</u>
<u>\$ 207,466</u>	<u>\$ 207,466</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.

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.

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.

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)

Fire Equipment Improvement Fund

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

Joslin-Needham Fund

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

Cemetery Perpetual Care Fund

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

Grant Fund

This fund was established to account for the activity of federal and state grants.

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 2020 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.

O. Fund Balance Classifications

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

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

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

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

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 \$8,646,171, of which \$750,000 was insured and \$7,896,171 was collateralized with securities held by the pledging institution's trust department or agent in the City's name.

During the year, the City invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. CSAFE is an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. 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	<u>\$ 1,069,712</u>	<u>\$ 1,069,712</u>	<u>-</u>	<u>-</u>

Credit risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one 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.

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	\$ -	\$ 389,353	\$ 389,353
Property taxes	901,014	-	901,014
Accounts	551,277	26,144	577,421
Grants	68,005	-	68,005
Interest	<u>12,011</u>	<u>11,759</u>	<u>23,770</u>
Total	<u>\$ 1,532,307</u>	<u>\$ 427,256</u>	<u>\$ 1,959,563</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable assets:				
Land	\$ 492,622	\$ -	\$ -	\$ 492,622
Depreciable assets:				
Buildings	3,351,781	6,500	-	3,358,281
Equipment	2,725,389	214,826	-	2,940,215
Vehicles	1,356,028	244,874	-	1,600,902
Infrastructure	4,949,636	-	-	4,949,636
Land improvements	1,024,420	82,300	-	1,106,720
Other	18,735	-	-	18,735
Less accumulated depreciation	<u>(6,085,278)</u>	<u>(562,775)</u>	<u>-</u>	<u>(6,648,053)</u>
Net depreciable capital assets	<u>7,340,711</u>	<u>(14,275)</u>	<u>-</u>	<u>7,326,436</u>
Governmental activities capital assets, net	<u>\$ 7,833,333</u>	<u>\$ (14,275)</u>	<u>\$ -</u>	<u>\$ 7,819,058</u>
Business-type activities				
Non-depreciable assets:				
Land	\$ 1,841,284	\$ 5,700	\$ -	\$ 1,846,984
Water right stocks	1,520,105	30,409	-	1,550,514
Construction in progress	<u>930,366</u>	<u>-</u>	<u>(930,366)</u>	<u>-</u>
Total non-depreciable assets	4,291,755	36,109	(930,366)	3,397,498
Depreciable assets:				
Buildings	704,020	156,801	61,406	922,227
Equipment	5,098,592	336,469	(122,396)	5,312,665
Systems	21,486,921	1,171,490	-	22,658,411
Land improvements	253,283	80,817	868,960	1,203,060
Less accumulated depreciation	<u>(8,818,038)</u>	<u>(831,862)</u>	<u>122,396</u>	<u>(9,527,504)</u>
Net depreciable capital assets	<u>18,724,778</u>	<u>913,715</u>	<u>930,366</u>	<u>20,568,859</u>
Business-type activities capital assets, net	<u>\$ 23,016,533</u>	<u>\$ 949,824</u>	<u>\$ -</u>	<u>\$ 23,966,357</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	\$ 12,397
Public safety	168,534
Public works	269,443
Culture and recreation	<u>112,401</u>

Total governmental activities 562,775

Business-type activities

Water	211,048
Trash and garbage	39,233
Waste water	331,390
Storm water	143,501
Golf course	<u>106,690</u>

Total business-type activities 831,862

Total depreciation expense \$ 1,394,637

Note 5: NOTES/LEASES 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 \$270,929 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, 2020.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 5: NOTES/LEASES PAYABLE (continued)

The City's outstanding note with CWRPDA in the amount of \$5,650,000 is secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to take any action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation, or agreement including, without limitation, appointment ex parte of a receiver of the system.

Golf Course Fund – Capital Lease Obligation

In August 2019, the City entered into an agreement with Farmers Stat Bank of Brush to finance a lease obligation. The lease proceeds are to be used to purchase a new sprinkler system for the golf course. The agreement calls for a lease term of ten years. Annual payments of \$73,912 are due August 1st of each year, with a final payment due in August 2029. The average interest rate over the lease term is 4.50%. The capital lease obligation is secured by the sprinkler system owned by the City. The cost of the sprinkler system capitalized with this lease is \$585,000.

The lease agreement contains a provision that, in the event of default, the lessor may (1) terminate the lease term and may give notice to the City to return the leased property with fifteen days of the date of such notice and may then exercise all rights and remedies of a security party under the Colorado Uniform Commercial Code with respect to the leased property (2) recover from the City rentals which would have otherwise been payable hereunder, allocable to any period in which the City continues to use the lease property, or (3) take whatever action at law or in equity may appear necessary or desirable to enforce its right in and to the lease property under the lease. The City shall pay the lessor all costs and expenses, including reasonable attorney fees, incurred by the lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions and provisions hereof.

The following schedule represents the City's debt service requirements to maturity for the outstanding long-term debt at year-end:

<u>Year Ending December 31,</u>	<u>Capital Lease</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 49,738	\$ 24,174	\$ 465,000	\$ 160,194
2022	51,976	21,936	475,000	150,055
2023	54,315	19,597	485,000	144,986
2024	56,712	17,200	485,000	140,291
2025	59,311	14,601	490,000	135,401
2026-2030	265,145	30,502	2,650,000	491,274
2031	-	-	600,000	27,594
Totals	<u>\$ 537,197</u>	<u>\$ 128,010</u>	<u>\$ 5,650,000</u>	<u>\$ 1,249,795</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

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	\$ 209,785	\$ 752	\$ -	\$ 210,537	\$ -
Business-type Activities					
Compensated absences	\$ 83,650	\$ 5,318	\$ -	\$ 88,968	\$ -
Premium on note payable	226,079	-	(19,105)	206,974	-
Note payable	6,105,000	-	(455,000)	5,650,000	465,000
Capital lease obligation	585,000	-	(47,803)	537,197	49,738
Total	\$ 6,999,729	\$ 5,318	\$ (521,908)	\$ 6,483,139	\$ 514,738

For the governmental activities, the compensated absences are generally liquidated by the general fund. The total amount of interest cost incurred and expensed was \$196,352.

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 \$184,000 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.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 8: BUDGETARY DATA

The City may authorize Supplemental appropriations during the budget year. During 2020, the following supplemental appropriations were enacted.

<u>Fund</u>	<u>Amount</u>
Golf Course Fund	\$ 50,000
Grant Fund	428,000
Joslin Needham Fund	<u>338,000</u>
Totals	<u>\$ 816,000</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 2020 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:

	<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	\$ 477,629	\$ 21,793	\$ 100,561	\$ (18,152)	\$ 111,289
Depreciation and amortization	211,048	39,233	331,390	143,501	106,690
Principal payment	-	-	(455,000)	-	(47,803)
Amortized premium	-	-	(19,105)	-	-
Accrued interest	-	-	(4,188)	-	(725)
Capital outlay	<u>(1,118,469)</u>	<u>(200,894)</u>	<u>(178,518)</u>	<u>(44,550)</u>	<u>(31,789)</u>
Budgetary basis	<u>\$ (429,792)</u>	<u>\$ (139,868)</u>	<u>\$ (224,860)</u>	<u>\$ 80,799</u>	<u>\$ 137,662</u>

Note 9: PENSION FUNDS

The City is covered under four separate pension plans. In addition, employees may also make voluntary contributions to the deferred compensation plan as discussed in Note 10.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Below is a summary of the deferred inflows/outflows, net pension assets and liabilities, and pension expense for the defined benefit plans.

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension Asset	Pension Expense
SWDB	\$ 307,859	\$ 124,606	\$ -	\$ 45,767	\$ 84,817
Volunteer Fire	<u>34,900</u>	<u>11,527</u>	<u>285,751</u>	<u>-</u>	<u>38,152</u>
Total	<u>\$ 342,759</u>	<u>\$ 136,133</u>	<u>\$ 285,751</u>	<u>\$ 45,767</u>	<u>\$ 122,969</u>

The City's retirement plans and related disclosures are as follows:

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.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

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.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

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' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Through December 31, 2020, 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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 pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. 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 pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the City were \$44,317.

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

At December 31, 2020 the City reported an asset of \$45,767 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. 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, 2019, the City's proportion was .0809 percent, which was an increase of .0122 percent from its proportion measured as of December 31, 2018.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

For the year ended December 31, 2020, the City recognized pension expense of \$84,817. At December 31, 2020, 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>
Net difference between projected and actual investment earnings	\$ -	\$ 88,472
Changes in assumptions and other inputs	78,318	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	30,457	35,214
Difference between expected and actual experience	154,767	920
Contributions subsequent to measurement date	<u>44,317</u>	<u>-</u>
Totals	<u>\$ 307,859</u>	<u>\$ 124,606</u>

\$44,317 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. 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>
2021	\$ 9,885
2022	2,343
2023	27,772
2024	2,010
2025	33,169
Thereafter	<u>63,757</u>
Totals	<u>\$ 138,936</u>

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2019. The valuations used the following actuarial assumption and other inputs:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2020	January 1, 2019
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0%	0%
	* Includes inflation at	2.5%
2.5%		

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions effective for actuarial valuations prior to January 1, 2020 were used in the determination of the actuarially determined contributions for December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 (assumed at 2.5 percent). 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, 2019, are summarized in the following table:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	38%	7.00%
Equity Long/Short	8%	6.00%
Private Markets	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.00 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.

Discount rate. 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 7.00 percent; the municipal bond rate is 2.75 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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 7.00 percent, 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:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

	1% Decrease (6.00%)	Current Discount (7.00)	1% Increase (8.00)
Proportionate share of the net pension liability (asset)	\$ 277,494	\$ (45,767)	\$ (313,869)

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.

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.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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, effective 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	37
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>23</u>
Total	<u>66</u>

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, 2020 included \$28,571 from the State of Colorado matching funds, \$23,056 from Brush Rural Fire Protection District and \$21,271 from the City.

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

At December 31, 2020 the City reported a proportionate share of net pension liability of \$285,751. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. The proportionate share was determined by the total contributions of the City and the Brush Rural Fire Protection District made in 2019.

At December 31, 2019, the City's proportion was 46 percent, which was the same as its proportion measured as of December 31, 2018.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

For the year ended December 31, 2020, the City recognized pension expense of \$38,152. At December 31, 2020, 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	\$ 1,790	\$ -
Changes in assumptions or other inputs	8,609	-
Net difference between projected and actual earnings on pension plan investments	-	11,527
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,230	-
Contributions subsequent to the measurement date	<u>21,271</u>	<u>-</u>
Total	<u>\$ 34,900</u>	<u>\$ 11,527</u>

\$21,271 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 subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, __</u>	<u>Amount</u>
2021	\$ 11,077
2022	(4,200)
2023	395
2024	<u>(5,170)</u>
Totals	<u>\$ 2,102</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Actuarial assumptions. The total pension liability in the January 1, 2020 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	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

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 nominal rates of return for each major asset class included in the Fund's target asset allocation of December 31, 2018 are summarized in the following table:

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	2.00%	2.52%
Fixed Income	15.00%	5.20%
Managed Futures	4.00%	5.00%
Absolute Return	8.00%	5.50%
Long Short	8.00%	6.00%
Global Equity	38.00%	7.00%
Private Markets	<u>25.00%</u>	9.20%
Totals	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.00 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 7.00 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 (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount (7.00%)</u>	<u>Current 1% Increase (8.00%)</u>
Net pension liability (asset)	\$ <u>358,465</u>	\$ <u>285,751</u>	\$ <u>225,194</u>

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.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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 \$56,392. 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.

The City recognized as an expense/expenditure the amounts paid to CIRSA annually in the amounts of \$205,302 for the Worker's Compensation Pool and \$177,511 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.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 11: RISK MANAGEMENT (continued)

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, 2020.

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	Golf Course Fund	\$ 120,000
General Fund	Other Governmental Funds	67,754
Other Governmental Funds	Other Governmental Funds	<u>7,984</u>
Totals		<u>\$ 195,738</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	\$ 25
General Fund	Water Fund	21,485
General Fund	Trash & Garbage Fund	11,350
General Fund	Waste Water Fund	37,110
General Fund	Storm Water Fund	3,870
Golf Course Fund	General Fund	<u>173,915</u>
Totals		<u>\$ 247,755</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 transferred funds to the Golf Course Fund to help subsidize the operations of the golf course.

Note 14: FUND BALANCE CLASSIFICATIONS

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Emergencies	\$ 184,000	\$ -	\$ -
Bicentennial celebration	3,462	-	-
Tricentennial celebration	2,118	-	-
Park improvements	131,575	12,275	-
Police equipment	138	-	-
Police improvements	7,154	-	-
Street improvements	1,133,894	6,280	-
Fire equipment	844,364	-	-
Cemetery maintenance	-	49,987	-
Community enhancements	-	-	237,070
General equipment	<u>-</u>	<u>-</u>	<u>173,633</u>
Total	<u>\$ 2,306,705</u>	<u>\$ 68,542</u>	<u>\$ 410,703</u>

Restricted fund balances

TABOR requires an emergency reserve be set aside for 2020 in the amount of 3% or more of its fiscal year spending. At December 31, 2020, the City has restricted \$133,489 in the Special Surplus and Deficiency Fund and \$50,511 in the General Fund for emergencies.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 14: FUND BALANCE CLASSIFICATIONS (continued)

In addition, the General Fund ending fund balance is restricted in the amount of \$3,462 and \$2,118 for funds held on behalf of the City of Brush Bi and Tri-Centennial Committee, respectively.

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, 2020 the amount of fund balance restricted for street maintenance was \$1,133,894. This amount is restricted by enabling legislation.

The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2014, increasing the sales tax rate by four-tenths of a percent from the previous three and six-tenths percent. Along with the increased sales tax revenues, the City has also established a separate mill levy specifically for the purchase of fire equipment and building improvements. The money is to be deposited in the Fire Equipment Fund. All amounts not spent at year-end are restricted for the purposes designated by legislation. At December 31, 2020 the amount of fund balance restricted for fire equipment and building improvements is \$844,364.

The City receives monies from the State under the Colorado lottery program to be spent for park and recreation purposes only. At December 31, 2020 the amount of fund balance restricted in the Conservation Trust Fund for park maintenance and improvements was \$131,575.

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, 2020 the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund for police drug enforcement equipment was \$138.

The City received evidence funds at the time of police arrests. At December 31, 2020 the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund from evidence seizures was \$7,154.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 15: 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	\$ 184,000	\$ -	\$ 184,000
Bicentennial Celebration	3,462	-	3,462
Tricentennial Celebration	2,118	-	2,118
Park Improvements	131,575	-	131,575
Police Equipment	138	-	138
Police Improvements	7,154	-	7,154
Street Improvements	1,133,894	-	1,133,894
Fire Equipment	844,364	-	844,364
Pensions	45,767	-	45,767
Debt Service	-	270,929	270,929
Total	<u>\$ 2,352,472</u>	<u>\$ 270,929</u>	<u>\$ 2,623,401</u>

Note 16: OPERATING LEASES

In August 2019, the City entered into an operating lease agreement with the Brush Rural Fire Protection District to lease the vested rights to the city-owned fire department building. The leased building has a cost of \$1,596,541, accumulated depreciation of \$39,913, and carrying costs of \$1,556,628.

Future minimum rentals to be received under this lease as of December 31, 2020 are as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
2021	\$ 30,578
2022	30,578
2023	30,578
2024	30,578
2025	30,578
2026-2029	<u>122,313</u>
Total	<u>\$ 275,203</u>

Note 17: BUDGET VIOLATION

Expenditures/Expenses in the Joslin Needham Fund, Waste Water Fund and Golf Course Fund exceeded appropriations by \$5,352, \$69,009 and \$13,248, respectively, which may be a violation of local government budget laws.

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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, 2020**

	2020	2019	2018	2017
City's proportion of the net pension liability/(asset)	0.0809%	0.0687%	0.0879%	0.0980%
City's proportionate share of the net pension liability/(asset)	\$ (45,767)	\$ 86,817	\$ (126,485)	\$ 35,394
City's covered payroll	\$ 595,492	\$ 460,995	\$ 510,449	\$ 502,160
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-7.7%	18.8%	-24.8%	7.0%
Plan fiduciary net position as a percentage of the total pension liability	101.9%	95.2%	106.3%	98.2%

* 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.

2016	2015	2014
0.0979%	0.0831%	0.0949%
\$ (1,725)	\$ (93,757)	\$ (84,870)
\$ 480,214	\$ 371,990	\$ 413,228
-0.4%	-25.2%	-20.5%
100.1%	106.8%	105.8%

CITY OF BRUSH, COLORADO
Schedule of City Contributions ¹
Police Statewide Defined Benefit Plan
December 31, 2020

	2020	2019	2018	2017
Contractually required contribution	\$ 44,317	\$ 47,639	\$ 36,880	\$ 40,836
Contributions in relation to the contractually required contribution	(44,317)	(47,639)	(36,880)	(40,836)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 521,382	\$ 595,492	\$ 460,995	\$ 510,449
Contributions as a percentage of covered payroll	8.50%	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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 40,172	\$ 38,417	\$ 29,759	\$ 33,058
<u>(40,172)</u>	<u>(38,417)</u>	<u>(29,759)</u>	<u>(33,058)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 502,160	\$ 480,214	\$ 371,990	\$ 413,228
8.00%	8.00%	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, 2020**

	2020	2019	2018	2017
City's proportion of the net pension liability	46%	46%	44%	44%
City's proportionate share of the net pension liability	\$ 285,751	\$ 309,642	\$ 227,374	\$ 250,493
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	57.33%	53.70%	62.47%	58.47%

* 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.

2016	2015	2014
44%	44%	44%
\$ 229,944	\$ 218,325	\$ 213,008
N/A	N/A	N/A
N/A	N/A	N/A
60.53%	62.37%	62.47%

CITY OF BRUSH, COLORADO
Schedule of City Contributions ¹
Brush Combined Volunteer Fire Pension Plan
December 31, 2020

	2020	2019	2018	2017
Contractually required contribution	\$ 21,271	\$ 18,385	\$ 17,810	\$ 16,740
Contributions in relation to the contractually required contribution	(21,271)	(18,385)	(17,810)	(16,740)
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.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 16,662	\$ 17,316	\$ 18,687	\$ 17,278
<u>(16,662)</u>	<u>(17,316)</u>	<u>(18,687)</u>	<u>(17,278)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 2,923,060	\$ 2,923,060	\$ 3,281,444	\$ 358,384
Licenses and permits	38,400	38,400	117,234	78,834
Intergovernmental	473,100	473,100	439,978	(33,122)
Fines and forfeitures	30,200	30,200	30,122	(78)
Charges for services	214,500	214,500	139,721	(74,779)
Miscellaneous	758,245	758,245	801,151	42,906
Total revenues	4,437,505	4,437,505	4,809,650	372,145
Expenditures				
Current				
General government	1,284,235	1,284,235	1,163,043	121,192
Public safety	1,400,510	1,400,510	1,267,762	132,748
Public works	980,455	980,455	792,795	187,660
Culture and recreation	900,950	900,950	687,954	212,996
Capital outlay	753,050	753,050	506,181	246,869
Total expenditures	5,319,200	5,319,200	4,417,735	901,465
Excess of revenues over (under) expenditures	(881,695)	(881,695)	391,915	1,273,610
Other financing sources (uses)				
Transfers in	537,070	537,070	73,840	(463,230)
Transfers out	(635,670)	(635,670)	(173,915)	461,755
Total other financing sources (uses)	(98,600)	(98,600)	(100,075)	(1,475)
Net change in fund balance	\$ (980,295)	\$ (980,295)	291,840	\$ 1,272,135
Fund balance at beginning of year			3,365,008	
Fund balance at end of year			\$ 3,656,848	

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.

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 – Proprietary 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, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Property taxes	\$ 789,860	\$ 789,860	\$ 734,884	\$ (54,976)
Specific ownership taxes	82,000	82,000	96,219	14,219
Sales taxes	1,800,000	1,800,000	2,130,800	330,800
Use taxes	8,000	8,000	46,069	38,069
Gas and electric franchise	200,000	200,000	229,440	29,440
Phone franchise	1,700	1,700	1,363	(337)
TV franchise	41,500	41,500	42,669	1,169
Total taxes	2,923,060	2,923,060	3,281,444	358,384
Licenses and permits				
Liquor	10,000	10,000	7,185	(2,815)
Amusement	500	500		(500)
Building and plumbing	20,500	20,500	101,722	81,222
Animal and miscellaneous	7,400	7,400	8,327	927
Total licenses and permits	38,400	38,400	117,234	78,834
Intergovernmental				
Highway users tax	146,000	146,000	136,258	(9,742)
Severance tax	20,000	20,000	43,212	23,212
Morgan County - road fund rebate	199,000	199,000	187,982	(11,018)
State Highway 34 maintenance	11,100	11,100	11,194	94
Grant income	92,000	92,000	55,055	(36,945)
School liaison	5,000	5,000	6,277	1,277
Total intergovernmental	473,100	473,100	439,978	(33,122)
Fines and forfeitures				
Court fines	30,200	30,200	30,122	(78)
Total fines and forfeitures	30,200	30,200	30,122	(78)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services				
Zoning	1,000	1,000	2,030	1,030
Cemetery	28,500	28,500	45,396	16,896
Swimming pool	30,000	30,000	10,189	(19,811)
Other recreation activities	125,000	125,000	46,639	(78,361)
Park fees	30,000	30,000	35,467	5,467
Total charges for services	214,500	214,500	139,721	(74,779)
Miscellaneous				
Interest on investments	30,860	30,860	23,463	(7,397)
Farm income	2,220	2,220	2,331	111
Airport rent	500	500	13,765	13,265
Lease income	12,600	12,600	3,300	(9,300)
Administrative fees	669,065	669,065	669,064	(1)
Local grants and donations	28,000	28,000	19,700	(8,300)
Miscellaneous	15,000	15,000	69,528	54,528
Total miscellaneous	758,245	758,245	801,151	42,906
Total revenues	<u>\$ 4,437,505</u>	<u>\$ 4,437,505</u>	<u>\$ 4,809,650</u>	<u>\$ 372,145</u>

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Legislative				
Council salaries	\$ 21,900	\$ 21,900	\$ 22,200	\$ (300)
Employee benefits	2,025	2,025	1,822	203
Travel	7,000	7,000	1,844	5,156
Dues	300	300		300
Computer maintenance	1,200	1,200	1,200	-
Total legislative	32,425	32,425	27,066	5,359
City clerk				
Clerk's salary	56,400	56,400	60,646	(4,246)
Employee benefits	25,935	25,935	17,553	8,382
Supplies	1,800	1,800	993	807
Telephone	50	50	127	(77)
Dues	560	560		560
Travel	3,000	3,000	943	2,057
Elections	1,500	1,500		1,500
Records management	7,400	7,400	4,869	2,531
Total city clerk	96,645	96,645	85,131	11,514
Executive				
Mayor's salaries	7,200	7,200	7,200	-
Employee benefits	610	610	571	39
Travel	1,500	1,500	224	1,276
Dues	200	200	33	167
Computer maintenance	200	200	200	-
Total executive	9,710	9,710	8,228	1,482
City administrator				
Salaries	104,290	104,290	104,289	1
Employee benefits	51,400	51,400	53,738	(2,338)
Telephone	2,000	2,000	2,133	(133)
Dues	3,100	3,100	1,097	2,003
Travel	4,500	4,500	896	3,604
Fuel and oil	250	250	123	127
Total city administrator	165,540	165,540	162,276	3,264

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Administration				
Salaries	212,650	212,650	205,630	7,020
Employee benefits	84,520	84,520	70,642	13,878
Supplies	16,000	16,000	15,855	145
Professional services	57,000	57,000	66,464	(9,464)
Pension contributions	22,630	22,630	21,271	1,359
Telephone	7,000	7,000	13,621	(6,621)
Utilities	10,000	10,000	7,778	2,222
Dues	4,000	4,000	3,409	591
Travel and training	10,000	10,000	3,315	6,685
Advertising	6,000	6,000	5,921	79
Building maintenance	8,900	8,900	2,357	6,543
Insurance and bonds - general	66,525	66,525	65,020	1,505
Radio & computer maintenance	11,100	11,100	6,379	4,721
Contributions	31,500	31,500	47,627	(16,127)
Employee incentive program	20,000	20,000	19,123	877
Fuel and oil	400	400	187	213
Repairs & maintenance - auto	100	100	1,295	(1,195)
Miscellaneous	5,000	5,000	6,715	(1,715)
Total administration	573,325	573,325	562,609	10,716
Community development				
Salaries	43,730	43,730	44,004	(274)
Employee benefits	14,720	14,720	16,205	(1,485)
Supplies	1,000	1,000	60	940
Professional services	110,000	110,000	35,379	74,621
Telephone	400	400	273	127
Dues	1,500	1,500	181	1,319
Travel and training	3,400	3,400	3,888	(488)
Advertising			237	(237)
Building & radio maintenance			26,909	(26,909)
Safety reimbursement	250	250		250
Tree board	6,000	6,000	2,046	3,954
Community outreach	4,000	4,000	1,738	2,262
Historic preservation	500	500	615	(115)
Fuel and oil	500	500	1,090	(590)
Repairs & maintenance - auto	500	500	121	379
Community enhancement	27,600	27,600	15,924	11,676
Total community development	214,100	214,100	148,670	65,430

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2020

(continued)				
	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Marketing				
Salaries	64,720	64,720	55,488	9,232
Employee benefits	29,640	29,640	18,800	10,840
Supplies	2,300	2,300	243	2,057
Telephone	250	250		250
Dues	600	600	250	350
Travel and training	3,500	3,500	9,548	(6,048)
Advertising	4,000	4,000	79	3,921
Economic development	11,195	11,195	8,303	2,892
Fuel and oil	600	600		600
Repairs & maintenance - auto	325	325		325
Total marketing	117,130	117,130	92,711	24,419
Municipal court				
Salaries	33,100	33,100	29,677	3,423
Employee benefits	14,060	14,060	13,401	659
Supplies	1,600	1,600	549	1,051
Legal fees	18,000	18,000	22,495	(4,495)
Telephone	100	100		100
Dues	500	500		500
Computer maintenance	7,000	7,000	10,230	(3,230)
Travel and training	1,000	1,000		1,000
Total municipal court	75,360	75,360	76,352	(992)
Total general government	1,284,235	1,284,235	1,163,043	121,192
Public safety				
Police				
Salaries - permanent	659,005	659,005	596,237	62,768
Salaries - clerical/code enforcer	64,735	64,735	79,037	(14,302)
Employee benefits	337,095	337,095	321,610	15,485
Supplies	46,800	46,800	44,490	2,310
Professional services	11,500	11,500	10,497	1,003
Telephone	14,000	14,000	13,062	938
Utilities	7,500	7,500	3,935	3,565

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Police (continued)				
Dues	1,500	1,500	915	585
Travel and training	14,000	14,000	16,194	(2,194)
Advertising	1,500	1,500	1,002	498
Repairs & maintenance - general	34,000	34,000	27,700	6,300
Recruiting	1,800	1,800	715	1,085
Animal control	11,075	11,075	3,898	7,177
Investigations	14,000	14,000	11,972	2,028
School liaison	1,700	1,700		1,700
Policing and emergency services	7,000	7,000	1,950	5,050
K-9 program	3,000	3,000	1,251	1,749
SWAT	7,000	7,000		7,000
Fuel and oil	24,000	24,000	21,535	2,465
Repairs & maintenance - auto	26,000	26,000	10,604	15,396
Total police	1,287,210	1,287,210	1,166,604	120,606
Fire Department				
Fringe benefits	11,000	11,000	10,595	405
Repairs, maintenance and supplies	33,650	33,650	56,938	(23,288)
Telephone	4,000	4,000	2,795	1,205
Utilities	8,500	8,500	2,285	6,215
Professional services	1,500	1,500		1,500
Dues	2,400	2,400	5,106	(2,706)
Travel and training	10,000	10,000	2,700	7,300
Advertising	1,000	1,000		1,000
Building maintenance	9,000	9,000	1,076	7,924
Fireworks	9,000	9,000	11,023	(2,023)
Radio & computer maintenance	9,000	9,000	4,181	4,819
Fuel and oil	5,000	5,000	623	4,377
Repairs & maintenance - auto	9,250	9,250	3,836	5,414
Total fire department	113,300	113,300	101,158	12,142
Total public safety	1,400,510	1,400,510	1,267,762	132,748

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2020

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public works				
Streets				
Salaries	256,755	256,755	237,390	19,365
Employee benefits	187,670	187,670	177,576	10,094
Supplies	28,150	28,150	18,870	9,280
Professional services	3,000	3,000		3,000
Medical	2,000	2,000	1,313	687
Telephone	1,100	1,100	1,118	(18)
Electrical - street lights	105,000	105,000	96,805	8,195
Dues	400	400	360	40
Travel and training	5,000	5,000	717	4,283
Advertising	200	200	504	(304)
Building maintenance	3,000	3,000	4,572	(1,572)
Radio & computer maintenance	800	800	1,267	(467)
Street repair	37,000	37,000	26,258	10,742
Forestry	4,000	4,000	10,535	(6,535)
Alley maintenance	1,000	1,000		1,000
Sidewalk maintenance	7,000	7,000	2,189	4,811
Pest and weed abatement	42,000	42,000	15,761	26,239
Snow removal	12,500	12,500	2,276	10,224
Christmas lights	3,000	3,000	563	2,437
Fuel and oil	25,000	25,000	15,114	9,886
Repairs & maintenance - auto	64,000	64,000	31,781	32,219
Total streets	788,575	788,575	644,969	143,606
Airport facilities				
Supplies	6,500	6,500	298	6,202
Electric	3,000	3,000	2,399	601
Building maintenance	4,000	4,000	4,488	(488)
Insurance	3,000	3,000	2,643	357
Improvements	12,000	12,000		12,000
Total airport facilities	28,500	28,500	9,828	18,672

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Cemetery				
Salaries	79,310	79,310	73,044	6,266
Employee benefits	41,070	41,070	28,148	12,922
Supplies	25,500	25,500	23,334	2,166
Professional services			110	(110)
Medical	800	800	522	278
Telephone	2,200	2,200	2,369	(169)
Utilities	3,200	3,200	2,850	350
Travel and training	200	200		200
Advertising	600	600	222	378
Foundations and burial service	3,000	3,000	727	2,273
Fuel and oil	3,000	3,000	3,115	(115)
Repairs & maintenance - auto	4,500	4,500	3,557	943
Total cemetery	163,380	163,380	137,998	25,382
Total public works	980,455	980,455	792,795	187,660
Culture and recreation				
Recreation department				
Salaries	320,740	320,740	245,631	75,109
Employee benefits	71,780	71,780	65,866	5,914
Supplies	3,050	3,050	3,500	(450)
Telephone	2,000	2,000	1,731	269
Utilities	2,500	2,500	2,754	(254)
Dues	250	250	76	174
Travel and training	2,000	2,000	1,239	761
Advertising	1,500	1,500	500	1,000
Building & field maintenance	25,500	25,500	16,656	8,844
Copy/computer maintenance	8,000	8,000	2,306	5,694
Adult programs	4,025	4,025	2,531	1,494
Youth summer programs	37,650	37,650	7,086	30,564
Youth winter programs	16,200	16,200	13,037	3,163
Swimming pool programs	32,350	32,350	23,909	8,441
Special events programs	78,500	78,500	8,477	70,023
Fuel and oil	1,000	1,000	7	993
Repairs & maintenance - auto	1,250	1,250	370	880
Total recreation department	608,295	608,295	395,676	212,619

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2020

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Parks				
Salaries	140,395	140,395	133,656	6,739
Employee benefits	51,210	51,210	53,585	(2,375)
Supplies	52,300	52,300	67,421	(15,121)
Medical	800	800	35	765
Telephone	1,000	1,000	1,761	(761)
Utilities	35,000	35,000	31,834	3,166
Dues	500	500		500
Travel and training	500	500		500
Advertising	950	950		950
Fuel and oil	4,000	4,000	2,995	1,005
Repairs & maintenance - auto	6,000	6,000	991	5,009
Total parks	292,655	292,655	292,278	377
Total culture and recreation	900,950	900,950	687,954	212,996
Capital outlay	753,050	753,050	506,181	246,869
Total expenditures	5,319,200	5,319,200	4,417,735	901,465

**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.
- Fire Equipment Improvement Fund – This fund accounts for the acquisition of fire equipment and building improvements.
- Joslin-Needham Fund – This fund is established to provide for separate accountability of monies contributed to the City by the Joslin-Needham Family Foundation earmarked for particular projects.
- Cemetery Perpetual Care Fund – This fund is established to accumulate funds for the perpetual care and maintenance of the City's cemetery grounds. Current Council resolutions also allow capital purchases in this fund.
- Grant Fund – This fund was established to account for the activity of federal and state grants.

CITY OF BRUSH, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Capital Improvement Fund
Assets				
Cash	\$ 32,425	\$ 140,864	\$ 7,292	\$ 291,602
Certificates of deposit	100,000			660,000
Investments				107,015
Accrued interest receivable	1,064			2,498
Property tax receivable				
Accounts receivable				2,204
Sales tax receivable				70,575
Grants receivable				
Due from other funds				
Total assets	\$ 133,489	\$ 140,864	\$ 7,292	\$ 1,133,894
Liabilities				
Accounts payable		\$ 1,305		
Due to other funds		7,984		
Total liabilities	\$ -	9,289	\$ -	\$ -
Deferred inflows of resources				
Deferred property tax revenues				
Total deferred inflows of resources	-	-	-	-
Fund balance				
Restricted	133,489	131,575	7,292	1,133,894
Committed				
Total fund balance	133,489	131,575	7,292	1,133,894
Total liabilities, deferred inflows of resources and fund balance	\$ 133,489	\$ 140,864	\$ 7,292	\$ 1,133,894

Special Revenue Funds				
Fire Equipment Improvement Fund	Joslin Needham Fund	Cemetery Perpetual Care Fund	Grant Fund	Total
\$ 245,564	\$ 4,291	\$ 48,932	\$ 733	\$ 771,703
550,000				1,310,000
				107,015
1,747				5,309
57,536				57,536
3		1,055		3,262
47,050				117,625
			68,005	68,005
	7,984			7,984
<u>\$ 901,900</u>	<u>\$ 12,275</u>	<u>\$ 49,987</u>	<u>\$ 68,738</u>	<u>\$ 2,448,439</u>
			\$ 984	\$ 2,289
			67,754	75,738
\$ -	\$ -	\$ -	68,738	78,027
57,536				57,536
57,536	-	-	-	57,536
844,364				2,250,614
	12,275	49,987		62,262
844,364	12,275	49,987	-	2,312,876
<u>\$ 901,900</u>	<u>\$ 12,275</u>	<u>\$ 49,987</u>	<u>\$ 68,738</u>	<u>\$ 2,448,439</u>

CITY OF BRUSH, COLORADO**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2020**

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Capital Improvement Fund
Revenues				
Taxes				\$ 442,527
Intergovernmental revenue		\$ 55,756		
Charges for services				
Miscellaneous	\$ 1,910	73	\$ 4	7,141
Total revenues	1,910	55,829	4	449,668
Expenditures				
General government				
Public works				177,026
Culture and recreation		1,385		
Capital outlay		20,970		
Total expenditures	-	22,355	-	177,026
Excess of revenues over (under) expenditures	1,910	33,474	4	272,642
Other financing uses				
Transfers out				
Net change in fund balances	1,910	33,474	4	272,642
Fund balance at beginning of year	131,579	98,101	7,288	861,252
Fund balance at end of year	\$ 133,489	\$ 131,575	\$ 7,292	\$ 1,133,894

Special Revenue Funds				
Fire Equipment Improvement Fund	Joslin Needham Fund	Cemetery Perpetual Care Fund	Grant Fund	Total
\$ 340,334				\$ 782,861
		\$ 13,815	\$ 414,607	484,178
1				1
148,981	\$ 338,340	25		496,474
489,316	338,340	13,840	414,607	1,763,514
			414,607	414,607
	60,924			177,026
43,695	282,428			62,309
				347,093
43,695	343,352	-	414,607	1,001,035
445,621	(5,012)	13,840	-	762,479
		(25)		(25)
445,621	(5,012)	13,815	-	762,454
398,743	17,287	36,172	-	1,550,422
\$ 844,364	\$ 12,275	\$ 49,987	\$ -	\$ 2,312,876

CITY OF BRUSH, COLORADO
Special Surplus and Deficiency Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Interest on investments	\$ 1,200	\$ 1,200	\$ 1,910	\$ 710
Expenditures				-
Net change in fund balance	<u>\$ 1,200</u>	<u>\$ 1,200</u>	1,910	<u>\$ 710</u>
Fund balance at beginning of year			<u>131,579</u>	
Fund balance at end of year			<u>\$ 133,489</u>	

CITY OF BRUSH, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Colorado lottery funds	\$ 56,000	\$ 56,000	\$ 55,756	\$ (244)
Interest on investments	50	50	73	23
Total revenues	56,050	56,050	55,829	(221)
Expenditures				
Culture and recreation				
Capital outlay - improvements	57,500	57,500	22,355	35,145
Total expenditures	57,500	57,500	22,355	35,145
Net change in fund balance	\$ (1,450)	\$ (1,450)	33,474	\$ 34,924
Fund balance at beginning of year			98,101	
Fund balance at end of year			\$ 131,575	

CITY OF BRUSH, COLORADO
Police Forfeiture Confiscation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Forfeitures	\$ 10	\$ 10		\$ (10)
Interest on investments			\$ 4	4
Total revenues	10	10	4	(6)
Expenditures				
Public safety				-
Total expenditures	-	-	-	-
Net change in fund balance	\$ 10	\$ 10	4	\$ (6)
Fund balance at beginning of year			7,288	
Fund balance at end of year			\$ 7,292	

CITY OF BRUSH, COLORADO
Capital Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Sales tax	\$ 360,000	\$ 360,000	\$ 435,345	\$ 75,345
Cigarette tax	4,500	4,500	7,182	2,682
Interest on investments	3,005	3,005	7,141	4,136
Total revenues	367,505	367,505	449,668	82,163
Expenditures				
Public works				
Street and drainage	530,000	530,000	177,026	352,974
Total expenditures	530,000	530,000	177,026	352,974
Net change in fund balance	\$ (162,495)	\$ (162,495)	272,642	\$ 435,137
Fund balance at beginning of year			861,252	
Fund balance at end of year			\$ 1,133,894	

CITY OF BRUSH, COLORADO
Fire Equipment Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property tax	\$ 53,980	\$ 53,980	\$ 50,129	\$ (3,851)
Sales tax	240,000	240,000	290,205	50,205
Equipment and building rental			1	1
Grant income	350,000	350,000		
Joint venture	103,000	103,000	114,552	11,552
Lease purchase	30,580	30,580	30,578	(2)
Interest on investments	4,500	4,500	3,851	(649)
Total revenues	782,060	782,060	489,316	57,256
Expenditures				
Capital outlay				
Building	31,000	31,000		31,000
Equipment	700,000	700,000	43,695	656,305
Total expenditures	731,000	731,000	43,695	687,305
Net change in fund balance	\$ 51,060	\$ 51,060	445,621	\$ 394,561
Fund balance at beginning of year			398,743	
Fund balance at end of year			\$ 844,364	

CITY OF BRUSH, COLORADO
Joslin Needham Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Contributions		\$ 338,000	\$ 338,000	\$ -
Interest on investments	\$ 200	200	340	140
Total revenues	200	338,200	338,340	140
Expenditures				
Culture and recreation				
Noncapital outlay		105,000	60,924	44,076
Capital outlay		233,000	282,428	(49,428)
Total expenditures	-	338,000	343,352	(5,352)
Net change in fund balance	\$ 200	\$ 200	(5,012)	\$ (5,212)
Fund balance at beginning of year			17,287	
Fund balance at end of year			\$ 12,275	

CITY OF BRUSH, COLORADO
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Perpetual care sales	\$ 9,000	\$ 9,000	\$ 13,815	\$ 4,815
Contributions	1,000	1,000		(1,000)
Interest on investments	1,500	1,500	25	(1,475)
Total revenues	11,500	11,500	13,840	2,340
Expenditures				
Public works				
Memorial	1,000	1,000		1,000
Total expenditures	1,000	1,000	-	1,000
Excess of revenues over (under) expenditures	10,500	10,500	13,840	3,340
Other financing uses				
Transfers out	(1,500)	(1,500)	(25)	1,475
Net change in fund balance	<u>\$ 9,000</u>	<u>\$ 9,000</u>	13,815	<u>\$ 4,815</u>
Fund balance at beginning of year			36,172	
Fund balance at end of year			<u>\$ 49,987</u>	

CITY OF BRUSH, COLORADO
Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Eben Ezer Elevator grant		\$ 110,000	\$ 97,090	\$ (12,910)
DOLA - Covid grant		318,000	317,517	(483)
Total revenues	\$ -	428,000	414,607	(13,393)
Expenditures				
General government				
Eben Ezer Elevator		110,000	97,090	12,910
Covid grant		318,000	317,517	483
Total expenditures	-	428,000	414,607	13,393
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

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Budgetary Comparison Schedules – Proprietary 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, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Water services	\$ 1,502,000	\$ 1,502,000	\$ 1,493,579	\$ (8,421)
Delinquent fees	30,000	30,000	23,900	(6,100)
Miscellaneous	1,000	1,000	12,072	11,072
Total operating revenues	1,533,000	1,533,000	1,529,551	(3,449)
Operating expenses				
Salaries	298,375	298,375	205,305	93,070
Employee benefits	142,335	142,335	95,392	46,943
Supplies	32,250	32,250	12,201	20,049
Professional services	424,050	424,050	313,800	110,250
Telephone	1,500	1,500	1,203	297
Lab fees	20,000	20,000	2,970	17,030
Medical	350	350	160	190
Utilities	60,000	60,000	55,688	4,312
Association dues	700	700	621	79
Travel and training	3,000	3,000	162	2,838
Computer and radio maintenance	11,000	11,000	11,433	(433)
Advertising	1,300	1,300	2,573	(1,273)
Building maintenance	5,000	5,000	22,266	(17,266)
Licenses and permits	40,000	40,000	34,281	5,719
Insurance - general	27,890	27,890	29,042	(1,152)
Well electricity	40,000	40,000	18,317	21,683
Water system maintenance and materials	65,000	65,000	53,150	11,850
Line maintenance	20,000	20,000		20,000
Fuel and oil	12,000	12,000	4,874	7,126
Repairs & maintenance - vehicle	5,000	5,000	6,437	(1,437)
Noncapital outlay			19,889	(19,889)
Capital outlay	1,192,300	1,192,300	1,118,469	73,831
Total operating expenses	2,402,050	2,402,050	2,008,233	393,817
Operating income (loss)	(869,050)	(869,050)	(478,682)	390,368

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	20,000	20,000	21,182	1,182
Plant investment fee	10,000	10,000	43,010	33,010
Farm income	30,880	30,880	29,946	(934)
Rental income	6,800	6,800	4,515	(2,285)
DOW lease	1,440	1,440	1,440	-
Water rights	3,600	3,600	3,600	-
Easement	4,000	4,000	4,324	324
Convenience fee	3,000	3,000	3,730	730
Grant income			28,885	28,885
Farm expense			(100,357)	(100,357)
Water conservation	(100,000)	(100,000)		100,000
Total nonoperating revenues (expenses)	(20,280)	(20,280)	40,275	60,555
Net income (loss) before transfers and capital contributions	(889,330)	(889,330)	(438,407)	450,923
Transfers out	(21,485)	(21,485)	(21,485)	-
Capital contributions - tap fees	1,000	1,000	30,100	29,100
Change in net position	\$ (909,815)	\$ (909,815)	(429,792)	\$ 480,023
Adjustments to GAAP Basis				
Add capital purchases			1,118,469	
Deduct depreciation			(211,048)	
Change in net position - GAAP Basis			477,629	
Net position at beginning of year			8,693,663	
Net position at end of year			\$ 9,171,292	

CITY OF BRUSH, COLORADO
Trash and Garbage Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Trash services	\$ 530,000	\$ 530,000	\$ 541,210	\$ 11,210
Sale of cans	5,000	5,000	12,595	7,595
Miscellaneous	14,000	14,000	15,139	1,139
Total operating revenues	549,000	549,000	568,944	19,944
Operating expenses				
Salaries	147,225	147,225	153,573	(6,348)
Employee benefits	91,285	91,285	95,351	(4,066)
Supplies	13,000	13,000	6,677	6,323
Professional services	103,650	103,650	103,550	100
Medical	800	800	210	590
Telephone	200	200	162	38
Utilities	8,000	8,000	2,556	5,444
Travel and training	600	600	5	595
Computer and radio maintenance	4,200	4,200	3,040	1,160
Building maintenance	4,000	4,000		4,000
Advertising	1,000	1,000	752	248
Insurance - general	1,395	1,395	961	434
Purchase of trash containers	35,000	35,000	9,262	25,738
Landfill contract	120,000	120,000	110,226	9,774
Fuel and oil	25,000	25,000	16,206	8,794
Repairs & maintenance - vehicle	12,000	12,000	11,716	284
Capital outlay	186,025	186,025	200,894	(14,869)
Total operating expenses	753,380	753,380	715,141	38,239
Operating income (loss)	(204,380)	(204,380)	(146,197)	58,183
Nonoperating revenues				
Gain on sale of assets			15,000	15,000
Interest on investments	1,500	1,500	2,679	1,179
Total nonoperating revenues	1,500	1,500	17,679	16,179
Net income (loss) before transfers	(202,880)	(202,880)	(128,518)	74,362

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	(11,350)	(11,350)	(11,350)	-
Change in net position	<u>\$ (214,230)</u>	<u>\$ (214,230)</u>	(139,868)	<u>\$ 74,362</u>
Adjustments to GAAP Basis				
Add capital purchases			200,894	
Deduct depreciation			<u>(39,233)</u>	
Change in net position - GAAP Basis			21,793	
Net position at beginning of year			<u>482,648</u>	
Net position at end of year			<u>\$ 504,441</u>	

CITY OF BRUSH, COLORADO
Waste Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Sewer fees	\$ 1,700,000	\$ 1,700,000	\$ 1,720,466	\$ 20,466
Miscellaneous	1,000	1,000		(1,000)
Administrative fees	75	75		(75)
Total operating revenues	1,701,075	1,701,075	1,720,466	19,391
Operating expenses				
Salaries	133,840	133,840	136,671	(2,831)
Employee benefits	67,900	67,900	70,446	(2,546)
Supplies	34,300	34,300	23,441	10,859
Professional services	558,855	558,855	417,490	141,365
Medical	1,000	1,000	755	245
Telephone	3,500	3,500	2,346	1,154
Utilities	128,000	128,000	90,942	37,058
Association dues	1,500	1,500	550	950
Travel and training	7,000	7,000	714	6,286
Computer and radio maintenance	7,000	7,000	7,585	(585)
Advertising	500	500	78	422
Building maintenance	900	900	314	586
Insurance - general	58,015	58,015	60,900	(2,885)
Permits	20,890	20,890	21,201	(311)
Repairs and maintenance	65,000	65,000	29,540	35,460
Sanitary sewer cleaning	75,000	75,000	126,436	(51,436)
Manholes	20,000	20,000	21,449	(1,449)
Sewer lines	20,000	20,000	7,094	12,906
Line televising	45,000	45,000		45,000
Fuel and oil	9,000	9,000	4,310	4,690
Repairs & maintenance - vehicle	9,000	9,000	5,365	3,635
Noncapital outlay			18,978	(18,978)
Capital outlay	119,000	119,000	178,518	(59,518)
Total operating expenses	1,385,200	1,385,200	1,225,123	160,077
Operating income	315,875	315,875	495,343	179,468

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Nonoperating revenues (expenses)				
Interest on investments	15,000	15,000	17,094	2,094
Surcharge fees	25,000	25,000	17,948	(7,052)
Rental income	4,800	4,800	3,900	(900)
Farm income	17,270	17,270	22,532	5,262
DOW lease	3,360	3,360	3,360	-
Plant investment fees	294,000	294,000	7,057	(286,943)
Grant income			67,397	67,397
Farm expense	(9,000)	(9,000)	(238,087)	(229,087)
Principal paid on notes	(445,000)	(445,000)	(455,000)	(10,000)
Interest and fiscal charges	(180,245)	(180,245)	(170,244)	10,001
Total nonoperating revenues (expenses)	(274,815)	(274,815)	(724,043)	(449,228)
Net income (loss) before transfers and capital contributions	41,060	41,060	(228,700)	(269,760)
Transfers out	(37,110)	(37,110)	(37,110)	-
Capital contributions - tap fees	6,000	6,000	40,950	34,950
Change in net position	\$ 9,950	\$ 9,950	(224,860)	\$ (234,810)
Adjustments to GAAP Basis				
Add capital purchases			178,518	
Add principal paid on notes			455,000	
Add amortized premium			19,105	
Add change in accrued interest			4,188	
Deduct depreciation			(331,390)	
Change in net position - GAAP Basis			100,561	
Net position at beginning of year			7,874,209	
Net position at end of year			\$ 7,974,770	

CITY OF BRUSH, COLORADO
Storm Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Service fees	\$ 311,000	\$ 311,000	\$ 311,777	\$ 777
Storm water assessment	3,160	3,160	3,098	(62)
Miscellaneous	100	100	(58)	(158)
Total operating revenues	314,260	314,260	314,817	557
Operating expenses				
Salaries	39,910	39,910	38,468	1,442
Employee benefits	21,680	21,680	18,698	2,982
Supplies	3,400	3,400	1,981	1,419
Professional services	100,110	100,110	35,610	64,500
Medical	100	100		100
Telephone	200	200	256	(56)
Travel and training	500	500		500
Computer and radio maintenance	3,000	3,000	3,040	(40)
Advertising	200	200		200
Insurance - general	11,565	11,565	11,867	(302)
Sewer cleaning	30,000	30,000	30,000	-
Line maintenance	5,000	5,000	20,403	(15,403)
Pond maintenance	5,000	5,000		5,000
Assessment maintenance	5,000	5,000	9,630	(4,630)
Curb and gutter maintenance	10,000	10,000	1,840	8,160
Fuel and oil	9,000	9,000	5,331	3,669
Repairs & maintenance - vehicle	10,000	10,000	9,186	814
Noncapital outlay			3,679	(3,679)
Capital outlay	178,000	178,000	44,550	133,450
Total operating expenses	432,665	432,665	234,539	198,126
Operating income (loss)	(118,405)	(118,405)	80,278	198,683
Nonoperating revenues				
Interest on investments	6,000	6,000	4,391	(1,609)
Total nonoperating revenues	6,000	6,000	4,391	(1,609)
Net income (loss) before transfers	(112,405)	(112,405)	84,669	197,074

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Transfers out	(3,870)	(3,870)	(3,870)	-
Change in net position	<u>\$ (116,275)</u>	<u>\$ (116,275)</u>	80,799	<u>\$ 197,074</u>
Adjustments to GAAP Basis				
Add capital purchases			44,550	
Deduct depreciation			<u>(143,501)</u>	
Change in net position - GAAP Basis			(18,152)	
Net position at beginning of year			<u>3,027,689</u>	
Net position at end of year			<u>\$ 3,009,537</u>	

CITY OF BRUSH, COLORADO
Golf Course Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Membership dues	\$ 60,000	\$ 60,000	\$ 63,101	\$ 3,101
Cart rental fees	19,000	19,000	30,469	11,469
Cart storage	4,000	4,000	4,525	525
Trail and license	5,800	5,800	5,925	125
Golf course fees	34,000	34,000	58,825	24,825
Restaurant income	140,000	140,000	121,086	(18,914)
Bar income	100,000	100,000	80,878	(19,122)
Miscellaneous	500	500	12,378	11,878
Total operating revenues	363,300	363,300	377,187	13,887
Operating expenses				
Salaries	213,600	263,600	227,182	36,418
Employee benefits	36,770	36,770	35,964	806
Supplies	5,400	5,400	943	4,457
Ground maintenance	42,000	42,000	44,849	(2,849)
Professional services	8,500	8,500	10,558	(2,058)
Medical	2,000	2,000	480	1,520
Telephone	3,200	3,200	3,678	(478)
Utilities	31,000	31,000	33,479	(2,479)
Building maintenance	4,500	4,500	722	3,778
Travel and training	2,000	2,000		2,000
Computer maintenance	1,500	1,500	6,208	(4,708)
Advertising	4,500	4,500	1,375	3,125
Insurance - general	3,340	3,340	3,581	(241)
Licenses and permits	2,000	2,000	700	1,300
Cart repairs and rental	3,500	3,500	75	3,425
Restaurant	80,000	80,000	108,322	(28,322)
Bar	40,000	40,000	39,177	823
Fuel and oil	4,500	4,500	4,843	(343)
Repairs & maintenance - vehicle	7,000	7,000	3,226	3,774
Miscellaneous	2,000	2,000		2,000
Noncapital outlay			12,908	(12,908)
Capital outlay			31,789	(31,789)
Total operating expenses	497,310	547,310	570,059	(22,749)
Operating income (loss)	(134,010)	(184,010)	(192,872)	(8,862)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Tournament income	5,000	5,000	3,433	(1,567)
Golf lessons	500	500	80	(420)
Building and club rental	4,250	4,250	2,711	(1,539)
Merchandise sales	10,000	10,000	7,916	(2,084)
Handicap income	3,500	3,500	4,140	640
League fees	4,600	4,600	980	(3,620)
Interest on investments	50	50	24	(26)
Merchandise	(12,000)	(12,000)	(2,928)	9,072
Handicap dues	(4,000)	(4,000)	(3,575)	425
Gain on sale of assets			10,283	10,283
Principal paid on lease	(47,803)	(47,803)	(47,803)	-
Interest and fiscal charges	(26,112)	(26,112)	(26,108)	4
Total nonoperating revenues (expenses)	(62,015)	(62,015)	(50,847)	11,168
Net loss before transfers and capital contributions	(196,025)	(246,025)	(243,719)	2,306
Transfers in	173,915	173,915	173,915	-
Capital contributions			207,466	207,466
Change in net position	<u>\$ (22,110)</u>	<u>\$ (72,110)</u>	137,662	<u>\$ 2,306</u>
Adjustments to GAAP Basis				
Add capital outlay			31,789	
Add principal paid on leases			47,803	
Add change in accrued interest			725	
Deduct depreciation			(106,690)	
Change in net position - GAAP Basis			111,289	
Net position at beginning of year			1,132,062	
Net position at end of year			<u>\$ 1,243,351</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: City of Brush YEAR ENDING : December 2020
This Information From The Records Of City of Brush:	Prepared By: Joanne Gosselink Phone: 970-842-5001

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	249,573
3. Other local imposts (from page 2)	765,210
4. Miscellaneous local receipts (from page 2)	19,579
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,034,362
B. Private Contributions	
C. Receipts from State government (from page 2)	136,258
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,170,620

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	177,026
2. Maintenance:	479,047
3. Road and street services:	
a. Traffic control operations	100,032
b. Snow and ice removal	2,276
c. Other	
d. Total (a. through c.)	102,308
4. General administration & miscellaneous	24,325
5. Highway law enforcement and safety	387,914
6. Total (1 through 5)	1,170,620
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,170,620

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
		1,170,620	1,170,620		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2020	
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	123,155	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	19,579
1. Sales Taxes	546,493	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	95,562	g. Other Misc. Receipts	
6. Total (1. through 5.)	642,055	h. Other	
c. Total (a. + b.)	765,210	i. Total (a. through h.)	19,579
	(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	136,258	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)	136,258	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		177,026	177,026
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	177,026	177,026
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	177,026	177,026
			(Carry forward to page 1)
Notes and Comments:			