

City of Brush, Colorado

Financial Statements

For the Year ended December 31, 2022

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INTRODUCTORY SECTION

July 27 2023,

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, 2022. 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, storm water, and golf course services are provided and function 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, parking lot and the 50-year old sprinkler system. In 2022 the city continued to do improvements to the club house and the cart barns.

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 2021 sales tax revenues increased by \$289,504 (14%) from the prior year. City sales tax for 2022 increased \$72,356 (3%). Sales tax revenues have seen steady growth over the last five years and there are still signs of economic growth in other areas. In 2022 the increased sales tax could be attributed to the cost of inflation.

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 2022. In 2022 there were 3 building permits issued for new houses.

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 .4% 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 2022. In 2021 council approved a new resolution to increase water rates for 2021 by 10% and future increases for 2022, 2023 and 2024 will be 6%.

The City of Brush recognizes the possibility of new industrial users and the age of our waste water treatment plant. The City constantly monitors the available funds for future users and improvements. In 2022 a new resolution was passed to increase the waste water rate by 7% and future increases for 2023, 2024 and 2025 will be 7% each year to help cover increasing costs of operations and future improvements.

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

ELECTED OFFICIALS

WARD	CITY COUNCIL	EXPIRES
1	Alison Gorrell	January, 2026
1	Nathan Tyree	January, 2024
2	Chad White	January, 2026
2	Scott Klinkhammer	January, 2024
3	Justin Spradlin	January, 2024
3	Larry Lundstrom	January, 2026
At Large	Dana Sherman – Mayor	January, 2026

APPOINTED OFFICIALS

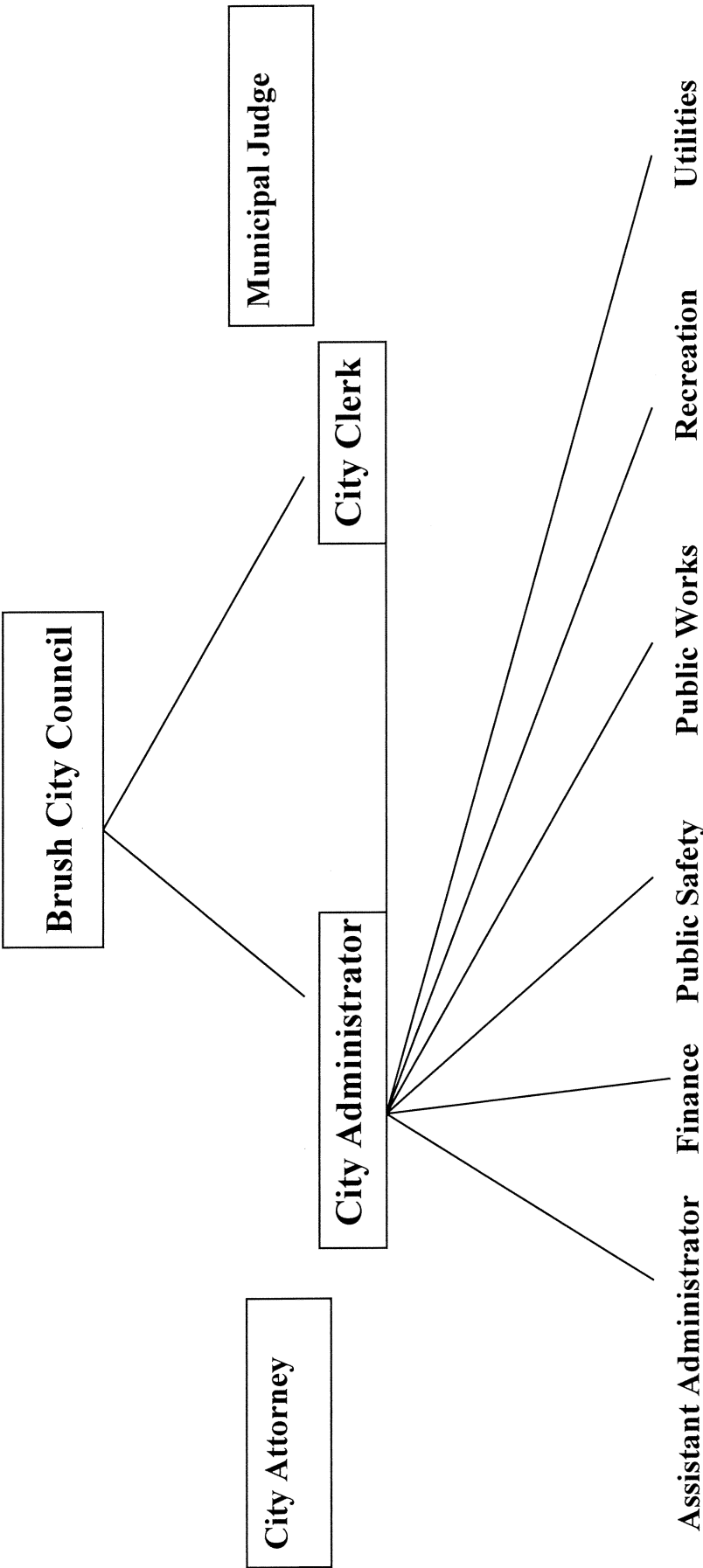
City Administrator	Monty Torres
City Clerk	Loranda Packard
City Attorney	Dan Krob
Municipal Judge	Steve Jones

DEPARTMENTAL OFFICIALS

Emergency Preparedness	Derek Bos
Assistant City Administrator	Tyler Purvis
Finance Director	Joanne Gosselink
Fire Chief	Tad Anderson
Police Chief	Derek Bos
Recreation Director	Lance Schwindt
Public Works 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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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

inquires 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.

Supplementary 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 and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information and 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 taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
July 27, 2023

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, 2022. 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 \$40,013,742. Of this amount, \$9,147,430 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 \$6,775,959 a decrease of \$121,997 in comparison with the prior year. Of this amount \$4,681,937 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 \$3,837,238 or 78 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 20-23 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	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	9,916,610	9,105,691	5,440,141	4,976,020	15,336,751	14,081,711
Net pension asset						
Capital assets-net of accumulated depreciation	9,757,233	8,114,952	23,762,248	24,037,425	33,519,481	32,152,377
Total assets	19,673,843	17,220,643	29,202,389	29,013,445	48,876,232	46,234,088
Deferred outflow of resources						
Pension deferrals	313,319	346,849			313,319	346,849
Total assets and deferred outflows of resources	<u>19,987,162</u>	<u>17,567,492</u>	<u>29,202,389</u>	<u>29,013,445</u>	<u>49,189,551</u>	<u>46,580,937</u>
Liabilities						
Long-term liabilities outstanding	412,475	446,013	4,902,804	5,495,923	5,315,279	5,941,936
Other liabilities	1,623,163	778,959	763,025	765,124	2,386,188	1,544,083
Total liabilities	2,035,638	1,224,972	5,665,829	6,261,047	7,701,467	7,486,019
Deferred inflow of resources						
Pension deferrals	379,887	235,447			379,887	235,447
Leases	181,848	-	-	-	181,848	-
Deferred tax revenue	912,607	991,623			912,607	991,623
Total Deferred Inflows	1,474,342	1,227,070			1,474,342	1,227,070
Net position						
Net investment in capital assets	9,757,233	8,114,952	18,383,951	18,393,256	28,141,184	26,508,208
Restricted	2,458,715	2,738,267	266,413	272,576	2,725,128	3,010,843
Unrestricted	4,261,234	4,262,231	4,886,196	4,086,566	9,147,430	8,348,797
Total net position	16,477,182	15,115,450	23,536,560	22,752,398	40,013,742	37,867,848
Total liabilities, deferred outflows of resources & net position	<u>19,987,162</u>	<u>17,567,492</u>	<u>29,202,389</u>	<u>29,013,445</u>	<u>49,189,551</u>	<u>46,580,937</u>

City of Brush Changes in Net Position

	Governmental activities		Business-type activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	597,058	463,373	5,257,168	4,985,036	5,854,226	5,448,409
Capital grants	422,216	322,795	16,050	32,900	438,266	355,695
Operating grants	566,515	510,409		29,110	566,515	539,519
General Revenues						
Property taxes	1,044,598	889,299			1,044,598	889,299
Other	4,681,641	4,722,319	256,045	182,311	4,937,686	4,904,630
Total revenues	7,312,028	6,908,195	5,529,263	5,229,357	12,841,291	12,137,552
Program expenses						
General government	1,446,700	1,310,096			1,446,700	1,310,096
Public safety	1,641,609	1,644,352			1,641,609	1,644,352
Public works	1,241,962	1,149,428			1,241,962	1,149,428
Culture and recreation	1,128,544	954,265			1,128,544	954,265
Water			1,727,501	1,346,813	1,727,501	1,346,813
Trash and garbage			652,535	637,160	652,535	637,160
Waste water			1,493,538	1,482,592	1,493,538	1,482,592
Storm water			374,156	318,373	374,156	318,373
Golf course			988,852	874,903	988,852	874,903
Total expenses	5,458,815	5,058,141	5,236,582	4,659,841	10,695,397	9,717,982
Excess (deficiency) before transfers	1,853,213	1,850,054	292,681	569,516	2,145,894	2,419,570
Transfers	(491,481)	(279,491)	491,481	279,491		
Change in net position	1,361,732	1,570,563	784,162	849,007	2,145,894	2,419,570
Net position – beginning of year	15,115,450	13,544,887	22,752,398	21,903,391	37,867,848	35,448,278
Net position – ending	16,477,182	15,115,450	23,536,560	22,752,398	40,013,742	37,867,848

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, capital improvement and grants funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Brush adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on pages 90-98 for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 28-39 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 40-71 of the report. Notes to the required supplementary information can be found on page 85.

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 56-67 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 100-109 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 \$40,013,742 at the close of 2022.

Capital assets reflect 70 percent of the City of Brush's total assets (e.g., land, buildings, machinery, and equipment). The City of Brush uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Brush's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Six percent of the City of Brush's net position represent resources that are subject to external restrictions on how they may be used. There is \$9,147,430 of unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities increased the City of Brush's net position by \$1,361,732, thereby accounting for 63 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 \$784,162. The increase to net position is 37 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 \$6,775,959 a decrease of \$121,997 in comparison with the prior year. Approximately 57 percent of this total amount (\$3,837,238) 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 \$3,837,238, while total fund balance reached \$4,609,866. 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 70 percent of total general fund expenditures, while total fund balance represents 84 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 \$4,886,196. The total growth in net position for the Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course funds was \$180,135, \$(47,077), \$560,443 \$(31,185), and \$121,846, 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 \$691,003 of which \$439,223 can be attributed to taxes. During the year actual expenditures were less than budgeted expenditures by \$1,114,124. The savings is attributed to administration, public works and recreation.

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, 2022, amounts to \$33,519,481 (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 51-52 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 \$4,710,000. This debt is paid with waste water revenues.

There was \$475,000 in principal paid on the waste water treatment plant loan which was secured through the Colorado Water & Power Authority.

The City also has lease obligations payable with a remaining balance owed of \$499,534 at year end. The lease proceeds were used to finance a new sprinkler system and golf carts 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 52-55 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 3 percent increase in sales tax for 2022, with a slight increase projected for 2023. In 2022 property taxes for the City of Brush increased by 18 percent.

During the current fiscal year, unassigned fund balance in the general fund increased by \$215,370. The City of Brush has appropriated \$1,137,170 of fund balances for spending in the 2023 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2023 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.

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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, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 3,692,793	\$ 743,378	\$ 4,436,171
Certificates of deposit	3,745,580	3,160,000	6,905,580
Investments	217,792	870,721	1,088,513
Cash with county treasurer	7,692		7,692
Receivables	1,771,380	543,166	2,314,546
Inventory	58,340	122,876	181,216
Net pension asset	423,033		423,033
Capital assets, net of depreciation	9,757,233	23,762,248	33,519,481
Total assets	19,673,843	29,202,389	48,876,232
Deferred outflows of resources			
Pension deferrals	313,319		313,319
Total assets and deferred outflows of resources	<u>\$ 19,987,162</u>	<u>\$ 29,202,389</u>	<u>\$ 49,189,551</u>
Liabilities			
Accounts payable	\$ 270,253	\$ 96,572	\$ 366,825
Police bond account	10,594		10,594
Unearned revenues		54,000	54,000
Unearned grant revenues	1,342,316		1,342,316
Accrued interest payable		52,587	52,587
Noncurrent liabilities			
Due within one year		559,866	559,866
Due in more than one year	197,878	4,902,804	5,100,682
Net pension liability	214,597		214,597
Total liabilities	2,035,638	5,665,829	7,701,467
Deferred inflows of resources			
Deferred property tax revenues	912,607		912,607
Pension deferrals	379,887		379,887
Leases	181,848		181,848
Total deferred inflows of resources	1,474,342	-	1,474,342
Net position			
Net investment in capital assets	9,757,233	18,383,951	28,141,184
Restricted	2,458,715	266,413	2,725,128
Unrestricted	4,261,234	4,886,196	9,147,430
Total net position	16,477,182	23,536,560	40,013,742
Total liabilities, deferred inflows of resources and net position	<u>\$ 19,987,162</u>	<u>\$ 29,202,389</u>	<u>\$ 49,189,551</u>

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, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,446,700	\$ 222,880	\$ 20,000	\$ 16,000
Public safety	1,641,609	96,227	42,253	206,216
Public works	1,241,962	48,481	435,940	18,000
Culture and recreation	1,128,544	229,470	68,322	182,000
Total governmental activities	5,458,815	597,058	566,515	422,216
Business-type activities				
Water	1,727,501	1,808,492		8,400
Trash and garbage	652,535	611,640		
Waste Water	1,493,538	1,976,430		7,650
Storm water	374,156	315,128		
Golf course	988,852	545,478		
Total business-type activities	5,236,582	5,257,168	-	16,050
Total	\$ 10,695,397	\$ 5,854,226	\$ 566,515	\$ 438,266

General revenues and transfers

Taxes

Property taxes, levied for general purposes

Sales and use taxes

Specific ownership taxes

Franchise taxes

Cigarette taxes

Unrestricted interest

Miscellaneous

Sale of assets

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
\$ (1,187,820)		\$ (1,187,820)
(1,296,913)		(1,296,913)
(739,541)		(739,541)
(648,752)		(648,752)
(3,873,026)	\$ -	(3,873,026)
	89,391	89,391
	(40,895)	(40,895)
	490,542	490,542
	(59,028)	(59,028)
	(443,374)	(443,374)
-	36,636	36,636
(3,873,026)	36,636	(3,836,390)
1,044,598		1,044,598
3,358,865		3,358,865
100,283		100,283
339,485		339,485
3,906		3,906
27,530	27,914	55,444
792,987	172,708	965,695
58,585	55,423	114,008
(491,481)	491,481	-
5,234,758	747,526	5,982,284
1,361,732	784,162	2,145,894
15,115,450	22,752,398	37,867,848
<u>\$ 16,477,182</u>	<u>\$ 23,536,560</u>	<u>\$ 40,013,742</u>

CITY OF BRUSH, COLORADO
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Capital Improvement Fund	Grant Fund	Other Governmental Funds
Assets				
Cash	\$ 1,411,680	\$ 55,611	\$ 1,342,316	\$ 872,592
Certificates of deposit	2,565,580	300,000		880,000
Investments	108,896	108,896		
Police bond cash	10,594			
Cash with county treasurer	7,692			
Accrued interest receivable	5,148	952		1,210
Property tax receivable	854,331			58,276
Accounts receivable	522,253	88,084		59,278
Lease receivable				181,848
Due from other funds	54,648			7,984
Inventory	58,340			
Total assets	\$ 5,599,162	\$ 553,543	\$ 1,342,316	\$ 2,061,188
Liabilities				
Accounts payable	\$ 124,046			\$ 145,882
Police bond account	10,594			
Due to other funds				62,632
Due to other agencies	325			
Unearned grant revenue			\$ 1,342,316	
Total liabilities	134,965	\$ -	1,342,316	208,514
Deferred inflows of resources				
Deferred property tax revenues	854,331			58,276
Leases				181,848
Total deferred inflows of resources	854,331	-	-	240,124
Fund balance				
Nonspendable	58,340			
Restricted	95,892	553,543		1,386,247
Committed	12,530			226,303
Assigned	605,866			
Unassigned	3,837,238			
Total fund balance	4,609,866	553,543	-	1,612,550
Total liabilities, deferred inflows of resources and fund balance	\$ 5,599,162	\$ 553,543	\$ 1,342,316	\$ 2,061,188

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

	Amounts reported for governmental activities in the statement of net position are different because:	
Total	Total fund balance - governmental funds	\$ 6,775,959
\$ 3,682,199	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	9,757,233
3,745,580	Net pension assets and related deferred outflows of resources are not financial resources and therefore are not reported as assets in governmental funds.	736,352
217,792	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.	(792,362)
10,594		
7,692		
7,310		
912,607		
669,615		
181,848		
62,632		
58,340		
<u>\$ 9,556,209</u>	Net position of the governmental activities	<u>\$ 16,477,182</u>
\$ 269,928		
10,594		
62,632		
325		
<u>1,342,316</u>		
1,685,795		
912,607		
<u>181,848</u>		
1,094,455		
58,340		
2,035,682		
238,833		
605,866		
<u>3,837,238</u>		
6,775,959		
<u>\$ 9,556,209</u>		

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

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Capital Improvement Fund	Grant Fund	Other Governmental Funds
Revenues				
Taxes	\$ 3,937,173	\$ 507,732		\$ 402,232
Licenses and permits	87,952			
Intergovernmental	602,284		\$ 42,847	274,538
Fines and forfeitures	18,711			
Charges for services	264,225			32,930
Miscellaneous	799,318	3,908		279,593
Total revenues	5,709,663	511,640	42,847	989,293
Expenditures				
Current				
General government	1,408,980		20,000	
Public safety	1,522,508		22,847	4,000
Public works	929,304	39,546		
Culture and recreation	907,941			127,913
Capital outlay	169,288	1,027,312		828,857
Total expenditures	4,938,021	1,066,858	42,847	960,770
Excess of revenues over (under) expenditures	771,642	(555,218)	-	28,523
Other financing sources (uses)				
Sale of assets				30,000
Transfers in	39,337			
Transfers out	(436,209)			(72)
Total other financing sources (uses)	(396,872)	-	-	29,928
Net change in fund balances	374,770	(555,218)	-	58,451
Fund balance at beginning of year	4,235,096	1,108,761		1,554,099
Fund balance at end of year	\$ 4,609,866	\$ 553,543	\$ -	\$ 1,612,550

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

	Amounts reported for governmental activities in the statement of activities are different because:	
Total	Net change in fund balance - governmental funds	\$ (121,997)
\$ 4,847,137	Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	
87,952		
919,669		
18,711		
297,155		
1,082,819		1,356,691
7,253,443	In the statement of activities, certain operating expenses are measured by 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.	
1,428,980		
1,549,355		(17,298)
968,850		
1,035,854	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 year.	
2,025,457		144,336
7,008,496	Change in net position of governmental activities	\$ 1,361,732
244,947		
30,000		
39,337		
(436,281)		
(366,944)		
(121,997)		
6,897,956		
\$ 6,775,959		

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

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Assets				
Current assets				
Cash	\$ 200,346	\$ 106,974	\$ 188,988	\$ 225,930
Certificates of deposit	1,630,000	50,000	1,300,000	180,000
Investments	217,607		544,218	108,896
Accrued interest receivable	3,574	132	2,282	615
Accounts receivable	523,411	1,127		
Other receivables	8,781		1,723	
Inventory	42,244	38,206		
Total current assets	2,625,963	196,439	2,037,211	515,441
Noncurrent assets				
Property, plant and equipment				
Land and improvements	1,143,512	1,475	652,537	841,507
Building and improvements	466,848	85,117		
Water system	8,294,409			
Waste water plant and sewer system			14,443,756	2,419,926
Equipment	847,904	473,931	790,591	351,112
Office equipment	127,286			
Water rights stock	1,654,764			
Subtotal	12,534,723	560,523	15,886,884	3,612,545
Accumulated depreciation	(5,269,095)	(309,802)	(4,007,416)	(1,095,911)
Total noncurrent assets	7,265,628	250,721	11,879,468	2,516,634
Total assets	\$ 9,891,591	\$ 447,160	\$ 13,916,679	\$ 3,032,075

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

CITY OF BRUSH, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 19,318	\$ 13,856	\$ 44,038	\$ 1,126
Due to other entity			1,714	
Unearned lease revenues	54,000			
Accrued interest payable			43,917	
Current portion of note payable			485,000	
Current portion of lease obligation				
Total current liabilities	73,318	13,856	574,669	1,126
Long-term liabilities				
Accrued compensated absences	37,040	27,075	7,946	8,017
Note payable			4,393,763	
Lease obligations				
Total long-term liabilities	37,040	27,075	4,401,709	8,017
Total liabilities	110,358	40,931	4,976,378	9,143
Net position				
Net investment in capital assets	7,265,628	250,721	7,000,705	2,516,634
Restricted for debt service			266,413	
Unrestricted	2,515,605	155,508	1,673,183	506,298
Total net position	9,781,233	406,229	8,940,301	3,022,932
Total liabilities and net position	\$ 9,891,591	\$ 447,160	\$ 13,916,679	\$ 3,032,075

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

Golf Course Fund	Total
\$ 16,520	\$ 94,858
	1,714
	54,000
8,670	52,587
	485,000
74,866	74,866
100,056	763,025
4,295	84,373
	4,393,763
424,668	424,668
428,963	4,902,804
529,019	5,665,829
1,350,263	18,383,951
	266,413
35,602	4,886,196
1,385,865	23,536,560
\$ 1,914,884	\$ 29,202,389

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Operating revenues				
Charges for services	\$ 1,808,492	\$ 611,640	\$ 1,976,430	\$ 315,128
Operating expenses				
Salaries	462,348	186,326	171,082	48,683
Employee benefits	202,622	125,268	64,536	22,087
Supplies	37,758	9,185	26,865	2,518
Professional services	398,673	112,930	339,764	38,145
Telephone	5,171	1,165	3,230	215
Lab fees	13,807			
Medical	1,941	944	741	
Utilities	79,951	1,941	135,144	
Association dues	916		330	
Travel and training	8,773	32	3,224	250
Computer and radio maintenance	13,432	3,008	10,574	2,972
Advertising	4,391	102	178	
Building maintenance	19,266	1,257	1,561	
Licenses and permits	41,199		20,934	
Insurance - general	35,325	1,663	61,628	11,375
Well electricity	16,639			
System maintenance & materials	97,164		194,195	37,800
Purchase of trash containers		8,450		
Landfill contract		105,237		
Fuel and oil	11,334	30,387	6,813	11,277
Repairs & maintenance - vehicle	5,837	20,232	1,076	7,621
Miscellaneous				
Ground maintenance				
Restaurant				
Bar				
Cart repairs and rental				
Noncapital outlay	48,759			30,160
Depreciation and amortization	221,340	44,408	341,972	161,053
Total operating expenses	1,726,646	652,535	1,383,847	374,156
Operating income (loss)	81,846	(40,895)	592,583	(59,028)

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

Golf Course Fund	Total
\$ 545,478	\$ 5,257,168
356,740	1,225,179
62,536	477,049
3,636	79,962
19,176	908,688
4,297	14,078
	13,807
	3,626
41,682	258,718
	1,246
	12,279
8,159	38,145
853	5,524
618	22,702
1,125	63,258
8,801	118,792
	16,639
	329,159
	8,450
	105,237
7,430	67,241
3,281	38,047
250	250
85,662	85,662
154,309	154,309
46,292	46,292
628	628
	78,919
140,225	908,998
945,700	5,082,884
(400,222)	174,284

(continued)

CITY OF BRUSH, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
Nonoperating revenues (expenses)				
Interest on investments	10,077	278	14,793	2,758
Plant investment fee	27,370		6,750	
Surcharge fee			6,170	
Farm income	37,229		28,173	
Rental income	1,730		7,200	
DOW lease	120		680	
Water rights	4,288			
Easement	3,458			
Convenience fee	5,991			
Sale of assets	25,510		29,913	
Farm expense	(855)		(19,005)	
Golf course income				
Golf course expense				
Interest and fiscal charges			(90,686)	
Total nonoperating revenues (expenses)	114,918	278	(16,012)	2,758
Income (loss) before transfers and capital contributions	196,764	(40,617)	576,571	(56,270)
Capital contributions	8,400		7,650	9,083
Transfers in				18,167
Transfers out	(25,029)	(6,460)	(23,778)	(2,165)
Change in net position	180,135	(47,077)	560,443	(31,185)
Net position at beginning of year	9,601,098	453,306	8,379,858	3,054,117
Net position at end of year	<u>\$ 9,781,233</u>	<u>\$ 406,229</u>	<u>\$ 8,940,301</u>	<u>\$ 3,022,932</u>

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

Golf Course Fund	Total
8 27,914 34,120 6,170 65,402 8,930 800 4,288 3,458 5,991 55,423 (19,860) 43,549 (19,305) (23,847)	27,914 34,120 6,170 65,402 8,930 800 4,288 3,458 5,991 55,423 (19,860) 43,549 (19,305) (114,533)
405	102,347
(399,817)	276,631
85,454 436,209	110,587 454,376 (57,432)
121,846	784,162
1,264,019	22,752,398
\$ 1,385,865	\$ 23,536,560

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	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	\$ 1,692,634	\$ 612,024	\$ 1,976,042	\$ 315,128
Internal activity				
Payments to suppliers	(1,031,849)	(456,589)	(847,234)	(163,259)
Payments to employees	(474,423)	(188,541)	(171,468)	(48,133)
Net cash provided (used) by operating activities	186,362	(33,106)	957,340	103,736
Cash flows from noncapital financing activities				
Miscellaneous revenues			6,170	
Transfers in				
Transfers out	(15,945)	(6,460)	(14,695)	(2,165)
Net cash provided (used) by noncapital financing activities	(15,945)	(6,460)	(8,525)	(2,165)
Cash flows from capital and related financing activities				
Purchase of capital assets	(190,202)		(209,034)	(84,625)
Capital contributed from tap fees	8,400		7,650	
Plant investment fees	27,370		6,750	
Grant proceeds	29,110			
Principal paid on capital debt			(475,000)	
Interest and fiscal charges			(113,132)	
Net cash used by capital and related financing activities	(125,322)	-	(782,766)	(84,625)
Cash flows from investing activities				
Golf course income/(loss)				
Farm income/(loss) - net	36,374		9,168	
Rental and easement income	11,987		7,880	
Interest on investments	4,544	190	6,746	884
Sale of investments	1,630,000	50,000	1,200,000	280,000
Purchase of investments	(1,880,000)	(50,000)	(1,300,000)	(130,000)
Net cash provided (used) by investing activities	(197,095)	190	(76,206)	150,884

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

Golf Course Fund		Total
\$ 544,992	\$ 5,140,820	
(126,209)	(126,209)	
(464,105)	(2,963,036)	
(356,762)	(1,239,327)	
(402,084)	812,248	
436,209	6,170	
	436,209	
	(39,265)	
436,209	403,114	
	(483,861)	
	16,050	
	34,120	
	29,110	
(71,767)	(546,767)	
(24,978)	(138,110)	
(96,745)	(1,089,458)	
24,244	24,244	
	45,542	
	19,867	
8	12,372	
	3,160,000	
	(3,360,000)	
24,252	(97,975)	

(continued)

CITY OF BRUSH, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

(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	(152,000)	(39,376)	89,843	167,830
Cash and cash equivalents at beginning of year	352,346	146,350	99,145	58,100
Cash and cash equivalents at end of year	<u>\$ 200,346</u>	<u>\$ 106,974</u>	<u>\$ 188,988</u>	<u>\$ 225,930</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 81,846	\$ (40,895)	\$ 592,583	\$ (59,028)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	221,340	44,408	341,972	161,053
Change in assets and liabilities				
Receivables	(115,858)	384	(388)	
Inventory	(277)	(10,994)		
Prepaid expenses	7,614	5,157	4,665	841
Accounts payable	3,772	(28,951)	19,000	320
Due to other funds				
Other liabilities			(106)	
Accrued compensated absences	(12,075)	(2,215)	(386)	550
Net cash provided (used) by operating activities	<u>\$ 186,362</u>	<u>\$ (33,106)</u>	<u>\$ 957,340</u>	<u>\$ 103,736</u>
Noncash capital financing activities				
Capital assets contributed from (to) other funds	<u>\$ (9,084)</u>	<u>\$ -</u>	<u>\$ (9,083)</u>	<u>\$ 27,250</u>

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

<u>Golf Course Fund</u>	<u>Total</u>
(38,368)	27,929
<u>59,508</u>	<u>715,449</u>
<u>\$ 21,140</u>	<u>\$ 743,378</u>

\$ (400,222)	\$ 174,284
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140,225	908,998
(486)	(116,348)
(15,050)	(26,321)
841	19,118
1,873	(3,986)
(126,209)	(126,209)
(3,034)	(3,140)
(22)	(14,148)
<u>\$ (402,084)</u>	<u>\$ 812,248</u>

<u>\$ 85,454</u>	<u>\$ 94,537</u>
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CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basic Financial Statements

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements (continued)

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

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

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

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

General Fund

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

Capital Improvement Fund

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

Grant Fund

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

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.

Conservation Trust Fund

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Police Forfeiture and Confiscation Fund

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

Fire Equipment Improvement Fund

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

Joslin-Needham Fund

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

Cemetery Perpetual Care Fund

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

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

The City reports the following major proprietary funds:

Water Fund

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

Waste Water Fund

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Trash and Garbage Fund

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

Storm Water Fund

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

Golf Course Fund

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

D. Budgets

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

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

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets (continued)

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

The actual results of operations are presented in accordance with generally accepted accounting principles, which differ in certain respects from those practices used in the preparation of the 2022 budget (Note 8). 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 13).

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 \$11,569,467, of which \$500,000 was insured and \$11,069,467 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	\$ 1,088,513	\$ 1,088,513	-	-

Credit risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least on nationally recognized rating agency at the time of purchase. The City has no investment policy that would further limit its investment choices. At year-end, the City's investment in CSAFE was rated AAAM by Standard and Poor's.

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	\$ -	\$ 524,538	\$ 524,538
Property taxes	912,607	-	912,607
Accounts	669,615	12,025	681,640
Leases	181,848	-	181,848
Interest	7,310	6,603	13,913
Total	\$ 1,771,380	\$ 543,166	\$ 2,314,546

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Non-depreciable assets:				
Land	\$ 492,622	\$ -	\$ -	\$ 492,622
Construction in progress	-	296,812	-	296,812
Total non-depreciable assets	492,622	296,812	-	789,434
Depreciable assets:				
Buildings	3,369,181	28,782	-	3,397,963
Equipment	3,133,613	863,522	(171,324)	3,825,811
Vehicles	1,624,897	-	-	1,624,897
Infrastructure	5,486,735	1,027,312	-	6,514,047
Land improvements	1,138,864	13,491	-	1,152,355
Other	18,735	-	-	18,735
Less accumulated depreciation	(7,149,695)	(579,890)	163,576	(7,566,009)
Net depreciable assets	7,622,330	1,353,217	(7,748)	8,967,799
Governmental activities capital assets, net	\$ 8,114,952	\$ 1,650,029	\$ (7,748)	\$ 9,757,233
Business-type activities				
Non-depreciable assets:				
Land	\$ 1,797,524	\$ -	\$ -	\$ 1,797,524
Water right stocks	1,550,514	104,250	-	1,654,764
Total non-depreciable assets	3,348,038	104,250	-	3,452,288
Depreciable assets:				
Buildings	1,212,549	44,140	-	1,256,689
Equipment	2,579,025	299,237	30,383	2,908,645
Systems	25,053,903	104,188	-	25,158,091
Land improvements	2,109,369	17,500	-	2,126,869
Less accumulated depreciation	(10,351,631)	(886,997)	34,123	(11,204,505)
Subtotal	20,603,215	(421,932)	64,506	20,245,789

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 4: CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Right to use assets:				
Equipment	104,506	-	-	104,506
Less accumulated depreciation	<u>(18,334)</u>	<u>(22,001)</u>	<u>-</u>	<u>(40,335)</u>
Subtotal	<u>86,172</u>	<u>(22,001)</u>	<u>-</u>	<u>64,171</u>
Net depreciable assets	<u>20,689,387</u>	<u>(443,933)</u>	<u>64,506</u>	<u>20,309,960</u>
Business-type activities capital assets, net	<u>\$ 24,037,425</u>	<u>\$ (339,683)</u>	<u>\$ 64,506</u>	<u>\$ 23,762,248</u>

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

Governmental activities

General government	\$ 11,332
Public safety	205,375
Public works	266,988
Culture and recreation	<u>96,195</u>
Total governmental activities	579,890

Business-type activities

Water	221,340
Trash and garbage	44,408
Waste water	341,972
Storm water	161,053
Golf course	<u>140,225</u>
Total business-type activities	<u>908,998</u>
Total depreciation expense	<u>\$ 1,488,888</u>

Note 5: NOTES/LEASES PAYABLE

Business-Type Activities

Waste Water Fund – Note Payable

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%.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 5: NOTES/LEASES PAYABLE (continued)

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 \$266,413 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, 2022.

The City's outstanding note with CWRPDA in the amount of \$4,710,000 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.

On June 3, 2021, CWRPDA issued refunding State Revolving Fund (SRF) bonds Series 2022A. CWRDPA was legally obligated to pass through the savings from the refunding to its borrowers. This resulted in a credit of \$396,562 issued to the City, which will reduce future debt service payments and is reflected in the table on the following page.

Golf Course Fund – Leases Payable

In August 2019, the City entered into an agreement with Farmers State 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 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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 5: NOTES/LEASES PAYABLE (continued)

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.

\$104,506 has been recorded as an intangible right to use lease in the Business-Type Activities capital assets. Due to the implementation of GASB Statement No. 87, this lease for 28 golf carts met the criteria of a lease; thus, requiring it to be recorded by the City. This asset will be amortized over the lease term of 4.75 years since it is shorter than the useful life and the City is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The lease will end in 2025.

The lease agreement contains a provision that, in the event of default, the lessor may (1) terminate all or any portion of the equipment schedules to the lease; (2) with or without terminating the lease, take possession of the equipment, with or without judicial process; (3) proceed by court action, either at law or in equity, to enforce performance by the City of the applicable covenants and terms of the lease, or to recover from the City any and all damages or expenses, including reasonable attorneys' fees. The lessor shall be entitled upon an event of default to damages in an amount equal to all rent then due but unpaid, plus the aggregate amount of rent thereafter coming due for the remaining term of the lease, plus the lessor's costs and expenses of pursuing its remedies hereunder (including without limitation, attorneys' fees), minus all amounts received by the lessor after using reasonable efforts to sell or re-lease the equipment after repossession or from any guaranty by the dealer or any third-party; and (4) sell the equipment or enter into a new lease of the equipment.

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>Leases Payable</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 74,866	\$ 21,878	\$ 485,000	\$ 105,400
2024	78,049	18,695	485,000	104,400
2025	81,474	15,270	490,000	102,865
2026	61,980	11,931	500,000	89,870
2027	64,769	9,143	510,000	80,700
2028-2031	<u>138,396</u>	<u>9,428</u>	<u>2,240,000</u>	<u>131,845</u>
Totals	<u>\$ 499,534</u>	<u>\$ 86,345</u>	<u>\$ 4,710,000</u>	<u>\$ 615,080</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	\$ 180,580	\$ 17,298*	\$ -	\$ 197,878	\$ -
Business-type Activities					
Compensated absences	\$ 98,521	\$ -	\$ (14,148)*	\$ 84,373	\$ -
Premium on note payable	187,868		(19,105)	168,763	-
Note payable	5,185,000	-	(475,000)	4,710,000	485,000
Lease obligations	571,301	-	(71,767)	499,534	74,866
Total	\$ 6,042,690	\$ -	\$ (580,020)	\$ 5,462,670	\$ 559,866

*The change in the compensated absences liability is presented as a net change.

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 \$225,000 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 2022, the following supplemental appropriations were enacted.

Fund	Amount
Capital Improvement Fund	\$ 435,000
Fire Equipment Fund	530,000
Golf Course Fund	220,000
Police Forfeiture and Confiscation Fund	4,000
Joslin Needham Fund	236,000
Cemetery Perpetual Care Fund	<u>20,000</u>
Totals	<u>\$ 1,445,000</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. 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	\$ 276,034	\$ 334,746	\$ -	\$ 423,033	\$ (48,920)
Volunteer Fire	<u>37,285</u>	<u>45,141</u>	<u>214,597</u>	<u>-</u>	<u>(11,952)</u>
Total	<u>\$ 313,319</u>	<u>\$ 379,887</u>	<u>\$ 214,597</u>	<u>\$ 423,033</u>	<u>\$ (60,872)</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.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

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).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Contributions. 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 increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. 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 reflect the actual cost or reentry by department. 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 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. 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 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 during the year ended December 31, 2022 were \$52,563.

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

At December 31, 2022 the City reported an asset of \$423,033 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. 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, 2021, the City's proportion was .0781 percent, which was an increase of .0083 percent from its proportion measured as of December 31, 2020.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

For the year ended December 31, 2022, the City recognized pension expense of \$(48,920). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 279,180
Changes in assumptions and other inputs	55,888	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	44,485	45,669
Difference between expected and actual experience	123,098	9,897
Contributions subsequent to measurement date	<u>52,563</u>	<u>-</u>
Totals	<u>\$ 276,034</u>	<u>\$ 334,746</u>

\$52,563 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:

Year Ended December 31, <u> </u>	<u>Amount</u>
2023	\$ (38,734)
2024	(64,497)
2025	(33,337)
2026	(10,884)
2027	23,920
Thereafter	<u>12,257</u>
Totals	<u>\$ (111,275)</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, 2021. 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, 2022	January 1, 2021
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, net*	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 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, 2021, 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	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income – Rates	10%	4.01%
Fixed Income – Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	<u>2%</u>	2.32%
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 1.84 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)	\$ (58,339)	\$ (423,033)	\$ (725,162)

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	40
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>21</u>
Total	<u><u>63</u></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, 2022 included \$33,439 from the State of Colorado matching funds, \$24,185 from Brush Rural Fire Protection District and \$30,901 from the City.

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

At December 31, 2022 the City reported a proportionate share of net pension liability of \$214,597. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The proportionate share was determined by the total contributions of the City and the Brush Rural Fire Protection District made in 2021.

At December 31, 2021, the City's proportion was 49 percent, which was an increase of 1 percent from its proportion measured as of December 31, 2020.

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

For the year ended December 31, 2022, the City recognized pension expense of \$(11,952). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,493
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	43,648
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,384	-
Contributions subsequent to the measurement date	<u>30,901</u>	<u>-</u>
Total	<u>\$ 37,285</u>	<u>\$ 45,141</u>

\$30,901 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:

Year Ended December 31, <u> </u>	<u>Amount</u>
2023	\$ (6,500)
2024	(14,913)
2025	(10,764)
2026	<u>(6,580)</u>
Totals	<u>\$ (38,757)</u>

CITY OF BRUSH, COLORADO
Notes to Financial Statements

Note 9: PENSION FUNDS (continued)

Actuarial assumptions. The total pension liability in the January 1, 2021 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, 2021 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%	2.32%
Fixed Income – Rates	10.00%	4.01%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	<u>26.00%</u>	10.63%
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>\$ 289,257</u>	<u>\$ 214,597</u>	<u>\$ 152,183</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 Empower 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 \$100,594. 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 \$264,592 for the Worker's Compensation Pool and \$184,979 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, 2022.

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	Other Governmental Funds	\$ 54,648
Other Governmental Funds	Other Governmental Funds	<u>7,984</u>
Totals		<u>\$ 62,632</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	\$ 72
General Fund	Water Fund	15,945
General Fund	Trash & Garbage Fund	6,460
General Fund	Waste Water Fund	14,695
General Fund	Storm Water Fund	2,165
Storm Water Fund	Water Fund	9,084
Storm Water Fund	Waste Water Fund	9,083
Golf Course Fund	General Fund	<u>436,209</u>
Totals		<u>\$ 493,713</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. The City also transferred ownership of an asset from the Water and Waste Water Funds to the Storm Water Fund.

Note 14: FUND BALANCE CLASSIFICATIONS

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Inventory	\$ 58,340	\$ -	\$ -	\$ -
Emergencies	-	225,000	-	-
Bicentennial celebration	-	3,462	-	-
Tricentennial celebration	-	2,118	-	-
Park improvements	-	109,562	149,831	-
Police equipment	-	149	-	-
Police improvements	-	6,255	-	-
Street improvements	-	553,543	12,530	-
Fire equipment	-	1,135,593	-	-
Cemetery maintenance	-	-	76,472	-
Community enhancements	-	-	-	354,523
General equipment	-	-	-	<u>251,343</u>
Total	<u>\$ 58,340</u>	<u>\$ 2,035,682</u>	<u>\$ 238,833</u>	<u>\$ 605,866</u>

Restricted fund balances

TABOR requires an emergency reserve be set aside for 2022 in the amount of 3% or more of its fiscal year spending. At December 31, 2022, the City has restricted \$134,688 in the Special Surplus and Deficiency Fund and \$90,312 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, 2022, the amount of fund balance restricted for street maintenance was \$553,543. 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, 2022, the amount of fund balance restricted for fire equipment and building improvements is \$1,135,593.

The City receives monies from the State under the Colorado lottery program to be spent for park and recreation purposes only. At December 31, 2022, the amount of fund balance restricted in the Conservation Trust Fund for park maintenance and improvements was \$109,562.

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, 2022, the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund for police drug enforcement equipment was \$149.

The City received evidence funds at the time of police arrests. At December 31, 2022, the amount of fund balance restricted in the Police Forfeiture and Confiscation Fund from evidence seizures was \$6,255.

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	\$ 225,000	\$ -	\$ 225,000
Bicentennial Celebration	3,462	-	3,462
Tricentennial Celebration	2,118	-	2,118
Park Improvements	109,562	-	109,562
Police Equipment	149	-	149
Police Improvements	6,255	-	6,255
Street Improvements	553,543	-	553,543
Fire Equipment	1,135,593	-	1,135,593
Pensions	423,033	-	423,033
Debt Service	-	266,413	266,413
Total	<u>\$ 2,458,715</u>	<u>\$ 266,413</u>	<u>\$ 2,725,128</u>

Note 16: OPERATING LEASES

In August 2019, the City entered into a ten-year lease agreement with the Brush Rural Fire Protection District (the District) to lease the vested rights to the city-owned fire department building. Based on this agreement, the City is receiving annual payments of \$30,578 due each year on July 1st, with a fixed interest rate of 4.25%. The lease agreement provides for an annual determination by the District Board to renew or not renew the lease on or before December 31, and budgeted and appropriated funds sufficient to pay all the lease payments for the ensuing renewal term.

The City is reporting a lease receivable of \$181,848 at year-end. For the year ended December 31, 2022, the City reported lease revenue of \$21,918 and interest revenue of \$8,660 related to the lease payments received.

In accordance with GASBS No. 87, the lease was retroactively measured as of January 1, 2022.

Note 17: BUDGET VIOLATION

Expenditures in the Conservation Trust Fund exceeded appropriations by \$17,683, 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
- Capital Improvement Fund – Budgetary Comparison Schedule
- Grant 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, 2022**

	2022	2021	2020	2019
City's proportion of the net pension liability/(asset)	0.0781%	0.0698%	0.0809%	0.0687%
City's proportionate share of the net pension liability/(asset)	\$ (423,033)	\$ (151,562)	\$ (45,767)	\$ 86,817
City's covered payroll	\$ 628,400	\$ 521,382	\$ 595,492	\$ 460,995
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-67.3%	-29.1%	-7.7%	18.8%
Plan fiduciary net position as a percentage of the total pension liability	116.2%	106.7%	101.9%	95.2%

* 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.

2018	2017	2016	2015	2014
0.0879%	0.0980%	0.0979%	0.0831%	0.0949%
\$ (126,485)	\$ 35,394	\$ (1,725)	\$ (93,757)	\$ (84,870)
\$ 510,449	\$ 502,160	\$ 480,214	\$ 371,990	\$ 413,228
-24.8%	7.0%	-0.4%	-25.2%	-20.5%
106.3%	98.2%	100.1%	106.8%	105.8%

CITY OF BRUSH, COLORADO
Schedule of City Contributions
Police Statewide Defined Benefit Plan
December 31, 2022

	2022	2021	2020	2019
Contractually required contribution	\$ 52,563	\$ 53,414	\$ 44,317	\$ 47,639
Contributions in relation to the contractually required contribution	(52,563)	(53,414)	(44,317)	(47,639)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 618,390	\$ 628,400	\$ 521,382	\$ 595,492
Contributions as a percentage of covered payroll	8.50%	8.50%	8.50%	8.00%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 36,880	\$ 40,836	\$ 40,172	\$ 38,417	\$ 29,759	\$ 33,058
<u>(36,880)</u>	<u>(40,836)</u>	<u>(40,172)</u>	<u>(38,417)</u>	<u>(29,759)</u>	<u>(33,058)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 460,995	\$ 510,449	\$ 502,160	\$ 480,214	\$ 371,990	\$ 413,228
8.00%	8.00%	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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability	49%	48%	46%	46%
City's proportionate share of the net pension liability	\$ 214,597	\$ 265,433	\$ 285,751	\$ 309,642
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	69.61%	61.63%	57.33%	53.70%

* 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.

2018	2017	2016	2015	2014
44%	44%	44%	44%	44%
\$ 227,374	\$ 250,493	\$ 229,944	\$ 218,325	\$ 213,008
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
62.47%	58.47%	60.53%	62.37%	62.47%

CITY OF BRUSH, COLORADO
Schedule of City Contributions
Brush Combined Volunteer Fire Pension Plan
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 30,901	\$ 22,283	\$ 21,271	\$ 18,385
Contributions in relation to the contractually required contribution	<u>(30,901)</u>	<u>(22,283)</u>	<u>(21,271)</u>	<u>(18,385)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 17,810	\$ 16,740	\$ 16,662	\$ 17,316	\$ 18,687	\$ 17,278
<u>(17,810)</u>	<u>(16,740)</u>	<u>(16,662)</u>	<u>(17,316)</u>	<u>(18,687)</u>	<u>(17,278)</u>
<u>\$ -</u>	<u>\$ -</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	N/A	N/A	N/A	N/A

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 3,497,950	\$ 3,497,950	\$ 3,937,173	\$ 439,223
Licenses and permits	53,660	53,660	87,952	34,292
Intergovernmental	432,805	432,805	602,284	169,479
Fines and forfeitures	30,000	30,000	18,711	(11,289)
Charges for services	237,400	237,400	264,225	26,825
Miscellaneous	766,845	766,845	799,318	32,473
Total revenues	5,018,660	5,018,660	5,709,663	691,003
Expenditures				
Current				
General government	1,596,625	1,596,625	1,408,980	187,645
Public safety	1,858,395	1,858,395	1,522,508	335,887
Public works	1,075,740	1,075,740	929,304	146,436
Culture and recreation	987,635	987,635	907,941	79,694
Capital outlay	533,750	533,750	169,288	364,462
Total expenditures	6,052,145	6,052,145	4,938,021	1,114,124
Excess of revenues over (under) expenditures	(1,033,485)	(1,033,485)	771,642	1,805,127
Other financing sources (uses)				
Transfers in	404,915	404,915	39,337	(365,578)
Transfers out	(538,065)	(538,065)	(436,209)	101,856
Total other financing sources (uses)	(133,150)	(133,150)	(396,872)	(263,722)
Net change in fund balance	\$ (1,166,635)	\$ (1,166,635)	374,770	\$ 1,541,405
Fund balance at beginning of year			4,235,096	
Fund balance at end of year			\$ 4,609,866	

CITY OF BRUSH, COLORADO
Capital Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Sales tax	\$ 450,000	\$ 450,000	\$ 503,826	\$ 53,826
Cigarette tax	7,000	7,000	3,906	(3,094)
Interest on investments	3,005	3,005	3,636	631
Sale of property			272	272
Total revenues	460,005	460,005	511,640	51,635
Expenditures				
Public works				
Street and drainage	910,600	1,345,600	1,066,858	278,742
Total expenditures	910,600	1,345,600	1,066,858	278,742
Net change in fund balance	\$ (450,595)	\$ (885,595)	(555,218)	\$ 330,377
Fund balance at beginning of year			1,108,761	
Fund balance at end of year			\$ 553,543	

CITY OF BRUSH, COLORADO
Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Federal grant	\$ 841,160	\$ 841,160	\$ 42,847	(798,313)
Total revenues	841,160	841,160	42,847	(798,313)
Expenditures				
General government				
Federal grant			20,000	(20,000)
Public safety				
Federal grant	1,522,320	1,522,320	22,847	1,499,473
Total expenditures	1,522,320	1,522,320	42,847	1,479,473
Net change in fund balance	\$ (681,160)	\$ (681,160)	-	\$ 681,160
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

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.

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

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

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Other Supplementary Information

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

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – 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, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Property taxes	\$ 910,650	\$ 910,650	\$ 978,250	\$ 67,600
Specific ownership taxes	85,000	85,000	100,283	15,283
Sales taxes	2,200,000	2,200,000	2,492,660	292,660
Use taxes	30,000	30,000	26,495	(3,505)
Gas and electric franchise	230,000	230,000	296,150	66,150
Phone franchise	1,300	1,300	762	(538)
TV franchise	41,000	41,000	42,573	1,573
Total taxes	3,497,950	3,497,950	3,937,173	439,223
Licenses and permits				
Liquor	3,500	3,500	3,390	(110)
Amusement	360	360		(360)
Building and plumbing	42,500	42,500	54,913	12,413
Animal and miscellaneous	7,300	7,300	29,649	22,349
Total licenses and permits	53,660	53,660	87,952	34,292
Intergovernmental				
Highway users tax	150,000	150,000	157,733	7,733
Severance tax	13,000	13,000	92,082	79,082
Morgan County - road fund rebate	200,000	200,000	264,165	64,165
State Highway 34 maintenance	11,100	11,100	13,992	2,892
School resource	58,705	58,705	74,312	15,607
Total intergovernmental	432,805	432,805	602,284	169,479
Fines and forfeitures				
Court fines	30,000	30,000	18,711	(11,289)
Total fines and forfeitures	30,000	30,000	18,711	(11,289)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services				
Zoning	1,000	1,000	1,835	835
Cemetery	43,000	43,000	32,920	(10,080)
Swimming pool	30,300	30,300	34,683	4,383
Other recreation activities	129,100	129,100	141,568	12,468
Park fees	34,000	34,000	53,219	19,219
Total charges for services	237,400	237,400	264,225	26,825
Miscellaneous				
Interest on investments	15,400	15,400	12,313	(3,087)
Farm income	2,220	2,220	4,000	1,780
Airport rent	10,800	10,800	4,546	(6,254)
Lease income	18,000	18,000	18,300	300
Administrative fees	681,425	681,425	681,425	-
Local grants and donations	29,000	29,000	19,406	(9,594)
Miscellaneous	10,000	10,000	59,328	49,328
Total miscellaneous	766,845	766,845	799,318	32,473
Total revenues	<u>\$ 5,018,660</u>	<u>\$ 5,018,660</u>	<u>\$ 5,709,663</u>	<u>\$ 691,003</u>

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Legislative				
Council salaries	\$ 21,900	\$ 21,900	\$ 22,299	\$ (399)
Employee benefits	1,875	1,875	1,844	31
Supplies			827	(827)
Travel	8,000	8,000	14,097	(6,097)
Dues	300	300		300
Computer maintenance	1,200	1,200	1,000	200
Total legislative	33,275	33,275	40,067	(6,792)
City clerk				
Clerk's salary	67,930	67,930	72,071	(4,141)
Employee benefits	19,120	19,120	19,289	(169)
Supplies	2,375	2,375	149	2,226
Telephone	50	50		50
Dues	740	740	312	428
Travel	3,000	3,000	2,582	418
Elections	1,500	1,500		1,500
Records management	7,400	7,400	7,214	186
Total city clerk	102,115	102,115	101,617	498
Executive				
Mayor's salaries	7,800	7,800	8,017	(217)
Employee benefits	625	625	621	4
Travel	2,400	2,400	964	1,436
Computer maintenance	200	200	200	-
Total executive	11,025	11,025	9,802	1,223
City administrator				
Salaries	130,270	130,270	133,208	(2,938)
Employee benefits	60,030	60,030	60,549	(519)
Telephone	2,200	2,200	2,792	(592)
Dues	3,100	3,100	100	3,000
Travel	5,200	5,200	5,105	95
Fuel and oil	250	250	179	71
Total city administrator	201,050	201,050	201,933	(883)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Administration				
Salaries	262,510	262,510	246,929	15,581
Employee benefits	85,655	85,655	76,259	9,396
Supplies	18,000	18,000	17,428	572
Professional services	70,500	70,500	42,494	28,006
Pension contributions	26,090	26,090	30,901	(4,811)
Telephone	15,000	15,000	22,356	(7,356)
Utilities	10,000	10,000	10,212	(212)
Dues	5,000	5,000	3,543	1,457
Travel and training	10,000	10,000	4,115	5,885
Advertising	6,000	6,000	10,282	(4,282)
Building maintenance	12,000	12,000	3,451	8,549
Insurance and bonds - general	63,925	63,925	71,313	(7,388)
Radio & computer maintenance	11,000	11,000	44,429	(33,429)
Contributions	41,000	41,000	30,467	10,533
Employee incentive program	24,000	24,000	25,284	(1,284)
Subdivision development	50,000	50,000		50,000
Fuel and oil	300	300	5,943	(5,643)
Repairs & maintenance - auto	100	100	885	(785)
Miscellaneous	5,000	5,000	6,253	(1,253)
Total administration	716,080	716,080	652,544	63,536
Community development				
Salaries	174,070	174,070	156,458	17,612
Employee benefits	69,640	69,640	50,663	18,977
Supplies	2,300	2,300	3,768	(1,468)
Professional services	120,000	120,000	27,422	92,578
Telephone	860	860	726	134
Utilities			11,656	(11,656)
Dues	6,375	6,375	500	5,875
Travel and training	6,475	6,475	5,857	618
Computer maintenance	5,900	5,900	23,345	(17,445)
Advertising			1,060	(1,060)
Building & radio maintenance	7,500	7,500	2,432	5,068
Safety reimbursement	250	250		250
Economic development	8,195	8,195	8,320	(125)
Tree board	6,000	6,000	6,149	(149)
Community outreach	4,100	4,100	1,248	2,852
Historic preservation	1,500	1,500	555	945

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

(continued)				Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Fuel and oil	500	500	590	(90)
Repairs & maintenance - auto	500	500		500
Miscellaneous			1,022	(1,022)
Community enhancement	27,600	27,600	5,628	21,972
Total community development	441,765	441,765	307,399	134,366
Municipal court				
Salaries	45,960	45,960	45,622	338
Employee benefits	16,110	16,110	17,057	(947)
Supplies	675	675	871	(196)
Legal fees	25,000	25,000	26,947	(1,947)
Telephone	50	50		50
Dues	20	20	349	(329)
Advertising			385	(385)
Computer maintenance	2,500	2,500	1,150	1,350
Travel and training	1,000	1,000	3,237	(2,237)
Total municipal court	91,315	91,315	95,618	(4,303)
Total general government	1,596,625	1,596,625	1,408,980	187,645
Public safety				
Police				
Salaries - permanent	918,725	918,725	742,540	176,185
Salaries - clerical/code enforcer	118,120	118,120	102,380	15,740
Employee benefits	447,840	447,840	338,678	109,162
Supplies	46,800	46,800	28,049	18,751
Professional services	14,500	14,500	9,337	5,163
Telephone	14,000	14,000	8,195	5,805
Utilities	7,500	7,500	7,000	500
Dues	1,500	1,500	355	1,145
Travel and training	16,000	16,000	32,408	(16,408)
Advertising	1,500	1,500	4,116	(2,616)
Repairs & maintenance - general	34,000	34,000	35,221	(1,221)
Recruiting	2,000	2,000	2,162	(162)
Animal control	8,075	8,075	6,434	1,641
Investigations	18,000	18,000	12,058	5,942
School liaison	1,700	1,700		1,700
Policing and emergency services	7,000	7,000	1,563	5,437
K-9 program	3,000	3,000		3,000

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Police (continued)				
SWAT	5,000	5,000	4,651	349
Fuel and oil	40,800	40,800	50,075	(9,275)
Repairs & maintenance - auto	26,000	26,000	35,741	(9,741)
Total police	1,732,060	1,732,060	1,420,963	311,097
Fire Department				
Fringe benefits	10,535	10,535	12,917	(2,382)
Repairs, maintenance and supplies	37,550	37,550	15,000	22,550
Telephone	4,000	4,000	2,607	1,393
Utilities	8,500	8,500	5,635	2,865
Professional services	7,500	7,500	343	7,157
Dues	3,500	3,500	3,811	(311)
Travel and training	10,000	10,000	16,830	(6,830)
Advertising	500	500		500
Building maintenance	9,000	9,000	174	8,826
Fireworks	9,000	9,000	21,996	(12,996)
Radio & computer maintenance	12,000	12,000	283	11,717
Fuel and oil	5,000	5,000	4,565	435
Repairs & maintenance - auto	9,250	9,250	17,384	(8,134)
Total fire department	126,335	126,335	101,545	24,790
Total public safety	1,858,395	1,858,395	1,522,508	335,887
Public works				
Streets				
Salaries	317,690	317,690	336,529	(18,839)
Employee benefits	216,025	216,025	180,058	35,967
Supplies	29,150	29,150	18,472	10,678
Professional services	3,000	3,000	332	2,668
Medical	2,000	2,000	1,837	163
Telephone	1,200	1,200	904	296
Electrical - street lights	105,000	105,000	90,295	14,705
Dues	400	400	382	18
Travel and training	5,000	5,000	1,944	3,056
Advertising	800	800	82	718

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

(continued)				Variance with Final Budget Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
Streets (continued)				
Building maintenance	3,000	3,000	1,308	1,692
Radio & computer maintenance			330	(330)
Street repair	37,000	37,000	24,326	12,674
Forestry	4,000	4,000	4,126	(126)
Alley maintenance	1,000	1,000	1,287	(287)
Sidewalk maintenance	7,000	7,000	1,189	5,811
Pest and weed abatement	42,000	42,000	38,120	3,880
Snow removal	12,500	12,500	21,494	(8,994)
Christmas lights	3,000	3,000		3,000
Fuel and oil	26,000	26,000	39,075	(13,075)
Repairs & maintenance - auto	64,000	64,000	37,127	26,873
Total streets	879,765	879,765	799,217	80,548
Airport facilities				
Supplies	6,500	6,500	942	5,558
Electric	2,500	2,500	1,290	1,210
Building maintenance	2,000	2,000	429	1,571
Insurance	3,000	3,000	2,643	357
Improvements	12,000	12,000		12,000
Total airport facilities	26,000	26,000	5,304	20,696
Cemetery				
Salaries	95,885	95,885	65,107	30,778
Employee benefits	32,090	32,090	25,039	7,051
Supplies	20,500	20,500	13,195	7,305
Medical	800	800	234	566
Telephone	2,400	2,400	2,111	289
Utilities	3,500	3,500	2,608	892
Travel and training	500	500	101	399
Advertising	600	600	173	427
Foundations and burial service	4,000	4,000	4,936	(936)
Fuel and oil	4,200	4,200	4,285	(85)
Repairs & maintenance - auto	5,000	5,000	6,994	(1,994)
Miscellaneous	500	500		500
Total cemetery	169,975	169,975	124,783	45,192
Total public works	1,075,740	1,075,740	929,304	146,436

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation department				
Salaries	351,605	351,605	339,475	12,130
Employee benefits	76,770	76,770	77,151	(381)
Supplies	2,950	2,950	1,726	1,224
Professional services			15	(15)
Telephone	2,000	2,000	1,298	702
Utilities	3,000	3,000	4,417	(1,417)
Dues	250	250	435	(185)
Travel and training	3,500	3,500	1,454	2,046
Advertising	1,500	1,500	1,002	498
Building & field maintenance	34,000	34,000	16,280	17,720
Copy/computer maintenance	8,500	8,500	9,067	(567)
Adult programs	5,575	5,575	1,570	4,005
Youth summer programs	34,550	34,550	34,166	384
Youth winter programs	21,700	21,700	15,778	5,922
Swimming pool programs	34,850	34,850	45,595	(10,745)
Special events programs	79,700	79,700	49,841	29,859
Fuel and oil	1,000	1,000	4,115	(3,115)
Repairs & maintenance - auto	1,250	1,250	418	832
Total recreation department	662,700	662,700	603,803	58,897
Parks				
Salaries	159,445	159,445	172,335	(12,890)
Employee benefits	60,640	60,640	61,003	(363)
Supplies	53,400	53,400	22,281	31,119
Professional services			15	(15)
Medical	800	800	81	719
Telephone	1,700	1,700	1,819	(119)
Utilities	35,000	35,000	37,711	(2,711)
Dues	500	500		500
Travel and training	2,500	2,500	380	2,120
Advertising	950	950	815	135
Fuel and oil	4,000	4,000	6,474	(2,474)
Repairs & maintenance - auto	6,000	6,000	1,224	4,776
Total parks	324,935	324,935	304,138	20,797
Total culture and recreation	987,635	987,635	907,941	79,694

(continued)

CITY OF BRUSH, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

(continued)	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Favorable
				(Unfavorable)
Capital outlay	533,750	533,750	169,288	364,462
Total expenditures	\$ 6,052,145	\$ 6,052,145	\$ 4,938,021	\$ 1,114,124

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

CITY OF BRUSH, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Fire Equipment Improvement Fund
Assets				
Cash	\$ 34,540	\$ 157,739	\$ 6,404	\$ 393,997
Certificates of deposit	100,000			780,000
Accrued interest receivable	148			1,062
Property tax receivable				58,276
Accounts receivable				1
Sales tax receivable				58,222
Lease receivable				181,848
Due from other funds				
Total assets	<u>\$ 134,688</u>	<u>\$ 157,739</u>	<u>\$ 6,404</u>	<u>\$ 1,473,406</u>
Liabilities				
Accounts payable		\$ 40,193		\$ 97,689
Due to other funds		7,984		
Total liabilities	<u>\$ -</u>	<u>48,177</u>	<u>\$ -</u>	<u>97,689</u>
Deferred inflows of resources				
Deferred property tax revenues				58,276
Leases				181,848
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,124</u>
Fund balance				
Restricted	134,688	109,562	6,404	1,135,593
Committed				
Total fund balance	<u>134,688</u>	<u>109,562</u>	<u>6,404</u>	<u>1,135,593</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 134,688</u>	<u>\$ 157,739</u>	<u>\$ 6,404</u>	<u>\$ 1,473,406</u>

Special Revenue Funds		
Joslin Needham Fund	Cemetery Perpetual Care Fund	Total
\$ 204,495	\$ 75,417	\$ 872,592
		880,000
		1,210
		58,276
	1,055	1,056
		58,222
		181,848
7,984		7,984
<u>\$ 212,479</u>	<u>\$ 76,472</u>	<u>\$ 2,061,188</u>
\$ 8,000		\$ 145,882
54,648		62,632
62,648	\$ -	208,514
		58,276
		181,848
-	-	240,124
149,831	76,472	1,386,247
		226,303
149,831	76,472	1,612,550
<u>\$ 212,479</u>	<u>\$ 76,472</u>	<u>\$ 2,061,188</u>

CITY OF BRUSH, COLORADO**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balance****For the Year Ended December 31, 2022**

	Special Revenue Funds			
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Fire Equipment Improvement Fund
Revenues				
Taxes				\$ 402,232
Intergovernmental revenue		\$ 68,322		206,216
Charges for services				21,915
Miscellaneous	\$ 285	125	\$ 8	62,657
Total revenues	285	68,447	8	693,020
Expenditures				
Public safety			4,000	
Culture and recreation		38,503		8,375
Capital outlay		15,180		733,222
Total expenditures	-	53,683	4,000	741,597
Excess of revenues over (under) expenditures	285	14,764	(3,992)	(48,577)
Other financing sources (uses)				
Sale of assets				30,000
Transfers out				
Total other financing sources (uses)	-	-	-	30,000
Net change in fund balances	285	14,764	(3,992)	(18,577)
Fund balance at beginning of year	134,403	94,798	10,396	1,154,170
Fund balance at end of year	\$ 134,688	\$ 109,562	\$ 6,404	\$ 1,135,593

Special Revenue Funds		
Joslin Needham Fund	Cemetery Perpetual Care Fund	Total
		\$ 402,232
		274,538
	\$ 11,015	32,930
\$ 216,396	122	279,593
216,396	11,137	989,293
		4,000
81,035		127,913
80,455		828,857
161,490	-	960,770
54,906	11,137	28,523
		30,000
	(72)	(72)
-	(72)	29,928
54,906	11,065	58,451
94,925	65,407	1,554,099
\$ 149,831	\$ 76,472	\$ 1,612,550

CITY OF BRUSH, COLORADO
Special Surplus and Deficiency Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Interest on investments	\$ 100	\$ 100	\$ 285	\$ 185
Expenditures				-
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	285	<u>\$ 185</u>
Fund balance at beginning of year			<u>134,403</u>	
Fund balance at end of year			<u>\$ 134,688</u>	

CITY OF BRUSH, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Colorado lottery funds	\$ 55,000	\$ 55,000	\$ 68,322	\$ 13,322
Interest on investments	50	50	125	75
Total revenues	55,050	55,050	68,447	13,397
Expenditures				
Culture and recreation				
Capital outlay - improvements	36,000	36,000	53,683	(17,683)
Total expenditures	36,000	36,000	53,683	(17,683)
Net change in fund balance	<u>\$ 19,050</u>	<u>\$ 19,050</u>	14,764	<u>\$ (4,286)</u>
Fund balance at beginning of year			94,798	
Fund balance at end of year			<u>\$ 109,562</u>	

CITY OF BRUSH, COLORADO
Police Forfeiture Confiscation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Forfeitures	\$ 10	\$ 10		\$ (10)
Interest on investments			\$ 8	8
Total revenues	10	10	8	(2)
Expenditures				
Public safety		4,000	4,000	-
Total expenditures	-	4,000	4,000	-
Net change in fund balance	\$ 10	\$ (3,990)	(3,992)	\$ (2)
Fund balance at beginning of year			10,396	
Fund balance at end of year			\$ 6,404	

CITY OF BRUSH, COLORADO
Fire Equipment Improvement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property tax	\$ 62,120	\$ 62,120	\$ 66,348	\$ 4,228
Sales tax	290,000	290,000	335,884	45,884
Equipment and building rental			(3)	(3)
Grant income			206,216	206,216
Joint venture			51,962	51,962
Lease revenue	30,580	30,580	21,918	(8,662)
Interest on lease			8,660	8,660
Interest on investments	2,000	2,000	2,035	35
Total revenues	384,700	384,700	693,020	308,320
Expenditures				
Capital outlay				
Equipment	96,000	416,000	412,432	3,568
Building	219,125	429,125	329,165	99,960
Total expenditures	315,125	845,125	741,597	103,528
Excess of revenues over (under) expenditures	69,575	(460,425)	(48,577)	411,848
Other financing sources				
Sale of assets			30,000	30,000
Net change in fund balance	\$ 69,575	\$ (460,425)	(18,577)	\$ 441,848
Fund balance at beginning of year			1,154,170	
Fund balance at end of year			\$ 1,135,593	

CITY OF BRUSH, COLORADO
Joslin Needham Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Contributions		\$ 236,000	\$ 216,000	\$ (20,000)
Interest on investments	\$ 200	200	396	196
Total revenues	200	236,200	216,396	(19,804)
Expenditures				
Culture and recreation				
Capital outlay		236,000	161,490	74,510
Total expenditures	-	236,000	161,490	74,510
Net change in fund balance	\$ 200	\$ 200	54,906	\$ 54,706
Fund balance at beginning of year			94,925	
Fund balance at end of year			\$ 149,831	

CITY OF BRUSH, COLORADO
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Perpetual care sales	\$ 14,000	\$ 14,000	\$ 11,015	\$ (2,985)
Contributions	1,000	1,000	50	(950)
Interest on investments	1,500	1,500	72	(1,428)
Total revenues	16,500	16,500	11,137	(5,363)
Expenditures				
Public works				
Memorial	1,000	1,000		1,000
Cemetery improvements	35,000	55,000		55,000
Total expenditures	36,000	56,000	-	56,000
Excess of revenues over (under) expenditures	(19,500)	(39,500)	11,137	50,637
Other financing uses				
Transfers out	(1,500)	(1,500)	(72)	1,428
Net change in fund balance	<u>\$ (21,000)</u>	<u>\$ (41,000)</u>	11,065	<u>\$ 52,065</u>
Fund balance at beginning of year			65,407	
Fund balance at end of year			<u>\$ 76,472</u>	

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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, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Water services	\$ 1,802,000	\$ 1,802,000	\$ 1,752,702	\$ (49,298)
Delinquent fees	20,000	20,000	29,448	9,448
Miscellaneous	1,000	1,000	26,342	25,342
Total operating revenues	1,823,000	1,823,000	1,808,492	(14,508)
Operating expenses				
Salaries	503,210	503,210	462,348	40,862
Employee benefits	212,680	212,680	202,622	10,058
Supplies	32,250	32,250	37,758	(5,508)
Professional services	409,000	409,000	398,673	10,327
Lab fees	20,000	20,000	13,807	6,193
Medical	350	350	1,941	(1,591)
Telephone	1,500	1,500	5,171	(3,671)
Utilities	60,000	60,000	79,951	(19,951)
Association dues	2,000	2,000	916	1,084
Travel and training	6,000	6,000	8,773	(2,773)
Computer and radio maintenance	11,000	11,000	13,432	(2,432)
Advertising	1,300	1,300	4,391	(3,091)
Building maintenance	5,000	5,000	19,266	(14,266)
Licenses and permits	40,000	40,000	41,199	(1,199)
Insurance - general	37,035	37,035	35,325	1,710
Well electricity	40,000	40,000	16,639	23,361
Water system maintenance and materials	75,000	75,000	97,164	(22,164)
Line maintenance	20,000	20,000		20,000
Fuel and oil	12,000	12,000	11,334	666
Repairs & maintenance - vehicle	6,000	6,000	5,837	163
Noncapital outlay			48,759	(48,759)
Capital outlay	581,050	581,050	190,202	390,848
Total operating expenses	2,075,375	2,075,375	1,695,508	379,867
Operating income (loss)	(252,375)	(252,375)	112,984	365,359

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Nonoperating revenues (expenses)				
Interest on investments	6,000	6,000	10,077	4,077
Plant investment fee	10,000	10,000	27,370	17,370
Farm income	30,470	30,470	37,229	6,759
Rental income	6,800	6,800	1,730	(5,070)
DOW lease	1,440	1,440	120	(1,320)
Water rights	3,600	3,600	4,288	688
Easement	4,000	4,000	3,458	(542)
Convenience fee	5,000	5,000	5,991	991
Sale of assets			25,510	25,510
Farm expense			(855)	(855)
Water conservation	(100,000)	(100,000)		100,000
Total nonoperating revenues (expenses)	(32,690)	(32,690)	114,918	147,608
Net income (loss) before transfers and capital contributions	(285,065)	(285,065)	227,902	512,967
Transfers out	(15,945)	(15,945)	(25,029)	(9,084)
Capital contributions - tap fees	6,000	6,000	8,400	2,400
Change in net position	<u>\$ (295,010)</u>	<u>\$ (295,010)</u>	211,273	<u>\$ 506,283</u>
Adjustments to GAAP Basis				
Add capital purchases			190,202	
Deduct depreciation			(221,340)	
Change in net position - GAAP Basis			180,135	
Net position at beginning of year			<u>9,601,098</u>	
Net position at end of year			<u>\$ 9,781,233</u>	

CITY OF BRUSH, COLORADO
Trash and Garbage Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Trash services	\$ 585,000	\$ 585,000	\$ 584,555	\$ (445)
Sale of cans	8,000	8,000	10,379	2,379
Miscellaneous	17,000	17,000	16,706	(294)
Total operating revenues	610,000	610,000	611,640	1,640
Operating expenses				
Salaries	187,015	187,015	186,326	689
Employee benefits	116,390	116,390	125,268	(8,878)
Supplies	13,000	13,000	9,185	3,815
Professional services	112,930	112,930	112,930	-
Medical	800	800	944	(144)
Telephone	200	200	1,165	(965)
Utilities	6,000	6,000	1,941	4,059
Travel and training	600	600	32	568
Computer and radio maintenance	4,000	4,000	3,008	992
Building maintenance	400	400	1,257	(857)
Advertising	1,000	1,000	102	898
Insurance - general	1,745	1,745	1,663	82
Purchase of trash containers	35,000	35,000	8,450	26,550
Landfill contract	120,000	120,000	105,237	14,763
Fuel and oil	25,000	25,000	30,387	(5,387)
Repairs & maintenance - vehicle	22,000	22,000	20,232	1,768
Capital outlay	10,000	10,000		10,000
Total operating expenses	656,080	656,080	608,127	47,953
Operating income (loss)	(46,080)	(46,080)	3,513	49,593
Nonoperating revenues				
Interest on investments	1,500	1,500	278	(1,222)
Total nonoperating revenues	1,500	1,500	278	(1,222)
Net income (loss) before transfers	(44,580)	(44,580)	3,791	48,371

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Transfers out	(6,460)	(6,460)	(6,460)	-
Change in net position	<u>\$ (51,040)</u>	<u>\$ (51,040)</u>	(2,669)	<u>\$ 48,371</u>
Adjustments to GAAP Basis				
Deduct depreciation			<u>(44,408)</u>	
Change in net position - GAAP Basis			(47,077)	
Net position at beginning of year			<u>453,306</u>	
Net position at end of year			<u>\$ 406,229</u>	

CITY OF BRUSH, COLORADO
Waste Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Sewer fees	\$ 1,850,000	\$ 1,850,000	\$ 1,975,390	\$ 125,390
Miscellaneous	1,000	1,000	1,040	40
Administrative fees	75	75		(75)
Total operating revenues	1,851,075	1,851,075	1,976,430	125,355
Operating expenses				
Salaries	176,470	176,470	171,082	5,388
Employee benefits	83,685	83,685	64,536	19,149
Supplies	41,000	41,000	26,865	14,135
Professional services	366,550	366,550	339,764	26,786
Medical	1,000	1,000	741	259
Telephone	3,500	3,500	3,230	270
Utilities	135,000	135,000	135,144	(144)
Association dues	1,500	1,500	330	1,170
Travel and training	7,000	7,000	3,224	3,776
Computer and radio maintenance	8,500	8,500	10,574	(2,074)
Advertising	500	500	178	322
Building maintenance	900	900	1,561	(661)
Insurance - general	65,330	65,330	61,628	3,702
Permits	23,000	23,000	20,934	2,066
Repairs and maintenance	65,000	65,000	65,548	(548)
Sanitary sewer cleaning	86,000	86,000	128,425	(42,425)
Manholes	20,000	20,000	222	19,778
Sewer lines	20,000	20,000		20,000
Line televising	45,000	45,000		45,000
Fuel and oil	9,000	9,000	6,813	2,187
Repairs & maintenance - vehicle	4,000	4,000	1,076	2,924
Capital outlay	386,500	386,500	209,034	177,466
Total operating expenses	1,549,435	1,549,435	1,250,909	298,526
Operating income	301,640	301,640	725,521	423,881

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Interest on investments	7,000	7,000	14,793	7,793
Surcharge fees	25,000	25,000	6,170	(18,830)
Rental income	4,800	4,800	7,200	2,400
Farm income	16,970	16,970	28,173	11,203
DOW lease	3,360	3,360	680	(2,680)
Plant investment fees	294,000	294,000	6,750	(287,250)
Sale of assets			29,913	29,913
Farm expense	(10,000)	(10,000)	(19,005)	(9,005)
Principal paid on notes	(475,000)	(475,000)	(475,000)	-
Interest and fiscal charges	(113,420)	(113,420)	(113,132)	288
Total nonoperating revenues (expenses)	(247,290)	(247,290)	(513,458)	(266,168)
Net income before transfers and capital contributions	54,350	54,350	212,063	157,713
Transfers out	(14,695)	(14,695)	(23,778)	(9,083)
Capital contributions - tap fees	6,000	6,000	7,650	1,650
Change in net position	\$ 45,655	\$ 45,655	195,935	\$ 150,280
Adjustments to GAAP Basis				
Add capital purchases			209,034	
Add principal paid on notes			475,000	
Add amortized premium			19,105	
Add change in accrued interest			3,341	
Deduct depreciation			(341,972)	
Change in net position - GAAP Basis			560,443	
Net position at beginning of year			8,379,858	
Net position at end of year			\$ 8,940,301	

CITY OF BRUSH, COLORADO
Storm Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Service fees	\$ 313,000	\$ 313,000	\$ 311,969	\$ (1,031)
Storm water assessment	3,000	3,000	3,159	159
Miscellaneous	100	100		(100)
Total operating revenues	316,100	316,100	315,128	(972)
Operating expenses				
Salaries	48,575	48,575	48,683	(108)
Employee benefits	21,770	21,770	22,087	(317)
Supplies	3,400	3,400	2,518	882
Professional services	41,645	41,645	38,145	3,500
Medical	100	100		100
Telephone	200	200	215	(15)
Travel and training	500	500	250	250
Computer and radio maintenance	3,000	3,000	2,972	28
Advertising	200	200		200
Insurance - general	11,925	11,925	11,375	550
Sewer cleaning	30,000	30,000	30,000	-
Line maintenance	5,000	5,000	76	4,924
Pond maintenance	5,000	5,000		5,000
Assessment maintenance	5,000	5,000	1,860	3,140
Curb and gutter maintenance	19,000	19,000	5,864	13,136
Fuel and oil	9,000	9,000	11,277	(2,277)
Repairs & maintenance - vehicle	12,000	12,000	7,621	4,379
Noncapital outlay			30,160	(30,160)
Capital outlay	219,000	219,000	84,625	134,375
Total operating expenses	435,315	435,315	297,728	137,587
Operating income (loss)	(119,215)	(119,215)	17,400	136,615
Nonoperating revenues				
Interest on investments	1,000	1,000	2,758	1,758
Total nonoperating revenues	1,000	1,000	2,758	1,758
Net income (loss) before transfers and capital contributions	(118,215)	(118,215)	20,158	138,373

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Transfers in			18,167	18,167
Transfers out	(2,165)	(2,165)	(2,165)	-
Capital contributions			9,083	9,083
Change in net position	<u>\$ (120,380)</u>	<u>\$ (120,380)</u>	45,243	<u>\$ 165,623</u>
Adjustments to GAAP Basis				
Add capital purchases			84,625	
Deduct depreciation			<u>(161,053)</u>	
Change in net position - GAAP Basis			(31,185)	
Net position at beginning of year			<u>3,054,117</u>	
Net position at end of year			<u>\$ 3,022,932</u>	

CITY OF BRUSH, COLORADO
Golf Course Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Membership dues	\$ 62,000	\$ 62,000	\$ 59,533	\$ (2,467)
Cart rental fees	45,000	80,000	64,990	(15,010)
Cart storage	8,000	8,000	5,200	(2,800)
Trail and license	7,000	7,000	7,645	645
Golf course fees	63,000	83,000	73,422	(9,578)
Restaurant income	140,000	240,000	194,624	(45,376)
Bar income	120,000	150,000	138,781	(11,219)
Miscellaneous	500	500	1,283	783
Total operating revenues	445,500	630,500	545,478	(85,022)
Operating expenses				
Salaries	263,090	373,090	356,740	16,350
Employee benefits	46,385	46,385	62,536	(16,151)
Supplies	5,400	5,400	3,636	1,764
Ground maintenance	50,000	80,000	85,662	(5,662)
Professional services	9,500	9,500	19,176	(9,676)
Medical	2,000	2,000		2,000
Telephone	4,500	4,500	4,297	203
Utilities	31,500	31,500	41,682	(10,182)
Building maintenance	4,500	4,500	618	3,882
Travel and training	5,000	5,000		5,000
Computer maintenance	2,000	2,000	8,159	(6,159)
Advertising	4,500	4,500	853	3,647
Insurance - general	6,500	6,500	8,801	(2,301)
Licenses and permits	2,000	2,000	1,125	875
Cart repairs and rental	20,500	20,500	628	19,872
Restaurant	105,000	165,000	154,309	10,691
Bar	45,000	65,000	46,292	18,708
Fuel and oil	5,500	5,500	7,430	(1,930)
Repairs & maintenance - vehicle	7,000	7,000	3,281	3,719
Miscellaneous			250	(250)
Total operating expenses	619,875	839,875	805,475	34,400
Operating loss	(174,375)	(209,375)	(259,997)	(50,622)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues (expenses)				
Tournament income	5,000	5,000	12,280	7,280
Golf lessons	500	500	250	(250)
Building and club rental	4,750	4,750	8,793	4,043
Merchandise sales	10,000	10,000	17,996	7,996
Handicap income	4,000	4,000	4,230	230
League fees	4,600	4,600		(4,600)
Interest on investments	50	50	8	(42)
Merchandise	(14,000)	(14,000)	(16,505)	(2,505)
Handicap dues	(4,000)	(4,000)	(2,800)	1,200
Principal paid on lease	(51,976)	(51,976)	(71,767)	(19,791)
Interest and fiscal charges	(21,939)	(21,939)	(24,978)	(3,039)
Total nonoperating revenues (expenses)	(63,015)	(63,015)	(72,493)	(9,478)
Net loss before transfers and capital contributions	(237,390)	(272,390)	(332,490)	(60,100)
Transfers in	173,915	233,915	436,209	202,294
Capital contributions			85,454	85,454
Change in net position	<u>\$ (63,475)</u>	<u>\$ (38,475)</u>	189,173	<u>\$ 142,194</u>
Adjustments to GAAP Basis				
Add principal paid on leases			71,767	
Add change in accrued interest			1,131	
Deduct depreciation			(140,225)	
Change in net position - GAAP Basis			121,846	
Net position at beginning of year			<u>1,264,019</u>	
Net position at end of year			<u>\$ 1,385,865</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.

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22This Information From The Records Of:
City of BrushPrepared By:
Joanne Gosselink 970-842-5001

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 966,846.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 561,775.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 87,611.00
2. General fund appropriations	\$ 374,767.00	b. Snow and ice removal	\$ 6,569.00
3. Other local imposts (from page 2)	\$ 1,517,201.00	c. Other	\$ 38,120.00
4. Miscellaneous local receipts (from page 2)	\$ 11,942.00	d. Total (a. through c.)	\$ 132,300.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 19,287.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 380,568.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 2,060,776.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 1,903,910.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 156,866.00	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 2,060,776.00	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 2,060,776.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 2,060,776.00	\$ 2,060,776.00		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:
	COLORADO
	YEAR ENDING (mm/yy):
	12/22

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	\$ 111,079.00	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 11,942.00
1. Sales Taxes	\$ 1,300,085.00	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	\$ 106,037.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,406,122.00	h. Other	
c. Total (a. + b.)	\$ 1,517,201.00	i. Total (a. through h.)	\$ 11,942.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 156,866.00	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 Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 156,866.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs		\$ 32,418.00	\$ 32,418.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 934,428.00	\$ 934,428.00
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 934,428.00	\$ 934,428.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 966,846.00	\$ 966,846.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: