

Brighton Crossings Operations Board

Financial Statements
with Independent Auditor's Report

December 31, 2023



Brighton Crossings Operations Board

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December 31, 2023

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Directors
Brighton Crossings Operations Board
Brighton, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Brighton Crossings Operations Board (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the Authority as of December 31, 2023, and the 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 Authority'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.

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

The Authority has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
August 29, 2024



Basic Financial Statements

Brighton Crossings Operations Board
Statement of Net Position
Proprietary Funds
December 31, 2023

	Total
Assets	
<i>Current Assets</i>	
Cash and Investments	\$ 573,294
Accounts Receivable	
General	1,874,811
Brighton Crossing Metropolitan District No. 4	442,809
Brighton Crossing Metropolitan District No. 6	71,561
Prepaid Expenses	52,987
Total Current Assets	3,015,462
<i>Noncurrent Assets</i>	
Capital Assets, <i>not being depreciated</i>	26,673,078
Capital Assets, <i>being depreciated</i>	13,492,984
Total Noncurrent Assets	40,166,062
Total Assets	\$ 43,181,524
Liabilities and Net Position	
<i>Current Liabilities</i>	
Accounts Payable	\$ 207,277
Unearned Fees	143,233
Total Liabilities	350,510
<i>Net Position</i>	
Net Investment in Capital Assets	40,166,062
Unrestricted	2,664,952
Total Net Position	42,831,014
Total Liabilities and Net Position	\$ 43,181,524

Brighton Crossings Operations Board
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Total
Operating Revenues	
Operating Fees	
Brighton Crossing Metropolitan District No. 4	\$ 550,000
Brighton Crossing Metropolitan District No. 6	278,241
General Operation Fees	1,500,090
Program Fees	2,269,044
 Total Operating Revenues	 4,597,375
Operating Expenses	
Administrative	876,166
Maintenance and Repair	736,060
Utilities	400,561
Venture Center	633,264
Fitness Center	17,199
Master Association Expense	345,088
Depreciation	484,018
 Total Operating Expenses	 3,492,356
Net Operating Income	1,105,019
Nonoperating Revenues (Expense)	
Developer Contributions	25,377
ARC Fees	12,955
Investment Income	1,128
Capital Asset Transfers	
Brighton Crossing Metropolitan District No. 6	17,864,356
Change in Net Position	19,008,835
Net Position, Beginning of Year	23,822,179
Net Position, End of Year	\$ 42,831,014

Brighton Crossings Operations Board
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Total
Cash Flows From Operating Activities	
Cash Received from Fees	\$ 2,859,235
Cash Payments to Suppliers	<u>(3,011,707)</u>
Net Cash Used by Operating Activities	<u>(152,472)</u>
Cash Flows From Capital and Related Financing Activities	
Proceeds From Grants	25,377
ARC Fees	<u>12,955</u>
Net Cash Used by Capital and Related Financing Activities	<u>38,332</u>
Cash Flows From Investing Activities	
Investment Earnings Received	<u>1,128</u>
Net Cash Used by Capital and Related Financing Activities	<u>1,128</u>
Net Decrease in Cash	(113,012)
Cash, Beginning of Year	<u>686,306</u>
Cash, End of Year	<u><u>\$ 573,294</u></u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities	
Net Operating Loss	\$ 1,105,019
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	484,018
Changes in Assets and Liabilities	
Accounts Receivable	(1,513,764)
Due from Brighton Crossing Metropolitan District No. 4	(226,657)
Due from Brighton Crossing Metropolitan District No. 6	(71,241)
Prepaid Expenses	8,397
Accounts Payable	(11,766)
Unearned Fees	<u>73,522</u>
Net Cash Used by Operating Activities	<u><u>\$ (152,472)</u></u>

See Notes to the Financial Statements.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

Brighton Crossings Operations Board (the Authority) was established under the name of Brighton Crossings District as a contractual District and political subdivision of the State of Colorado, pursuant to the Brighton Crossings District Establishment Agreement, dated April 15, 2020, by and among Brighton Crossing Metropolitan District No. 4 (District No. 4), Brighton Crossing Metropolitan District No. 5 (District No. 5), Brighton Crossing Metropolitan District No. 6 (District No. 6), Brighton Crossing Metropolitan District No. 7 (District No. 7) and Brighton Crossing Metropolitan District No. 8 (District No. 8) (collectively, the Districts), as amended by the First Amendment to Brighton Crossings District Establishment Agreement, dated June 11, 2020 (collectively, the Establishment Agreement). The Authority's service area consists of the boundaries of the Districts, which are located entirely within the City of Brighton (the City). The Authority changed its name to Brighton Crossings Operations Board through the first amendment to the established agreement.

The purpose of the Authority is to provide the joint operations, maintenance and repair of the public improvements and provision of services, including but not limited to covenant enforcement and design control services for the benefit of the Authority, the residents and property owners within the Authority. The Authority's primary source of revenues are transfers from the Districts and general operations fees. The Authority is governed by a Board of Directors, composed of one Director appointed by each of the Districts' elected Boards of Directors.

Definition of Reporting Entity

The accounting policies of the Authority, located in Adams County, Colorado, conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

As required by GAAP, these financial statements present the activities of the Authority, which is legally separate and financially independent of other state and local governments. The Authority follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The Authority is not financially accountable for any other organization. The Authority has no component units as defined by the GASB.

The Authority has no employees and all operations and administrative functions are contracted.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental fund balance sheet/statement of net position and the governmental fund statement of revenues, expenditures, and changes in fund balance/statement of activities) report information on all of the governmental activities of the Authority. The statement of net position reports all financial and capital resources of the Authority. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the Authority is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental fund is supported by general revenues.

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority uses an enterprise fund to account for its operations. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where a fee is charged to external users for goods or services.

The financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Enterprise 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 ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments

The Authority's financial instruments include cash and investments, accounts receivable and accounts payable. The Authority estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The Authority's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The Authority follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Estimates

The preparation of these financial statements in conformity with GAAP requires the Authority management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has no items that qualify for reporting in this category.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the Authority is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Fees

General operations fees are charged to residents and property owners pursuant to a fee schedule as determined by the Board of Directors, and such revenues are used to pay the overall operational costs of providing the facilities and services, and not for the purpose of paying general administrative costs of the Authority. Accounts receivable mainly consists of the general operation fees. An allowance for doubtful accounts is established based on an aggregate basis by using historical write-off rate factors and management's analysis. Uncollectible accounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. Prepaid fees mainly consist of resident and property owner's prepayments related to the general operations fees. Prepaid fees are recognized as a liability until the period in which the revenue is recognized.

Administrative transfer fees are established for the purpose of paying the costs of setting up new accounts for residents and property owners with the Authority. The fee is based on a fee schedule as determined by the Board of Directors.

Alley fees are established for the purpose of paying the costs associated with the operations and maintenance of public improvements and facilities related to the alleys owned and/or maintained by the Authority. The fee is based on a fee schedule as determined by the Board of Directors.

Subsequent Events

We have evaluated subsequent events through August 29, 2024, the date the financial statements were available to be issued.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 2: Cash and Investments

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The Authority follows state statutes for deposits. None of the Authority's deposits were exposed to custodial credit risk. At December 31, 2023, all of the Authority's bank deposits of \$172,788 collateralized with securities held by the financial institutions' agents but not in their name.

Investments

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Credit Risk

The Authority has not adopted a formal investment policy; however, the Authority follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the Authority's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2023, the Authority had no investments.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ending December 31, 2023, follows:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
<i>Capital Assets, Not Being Depreciated</i>				
Land and Sites	\$ 10,520,203	\$ 934,689	\$ -	\$ 11,454,892
Construction in Progress	-	15,218,186	-	15,218,186
Total Capital Assets, Not Being Depreciated	10,520,203	16,152,875	-	26,673,078
<i>Capital Assets, Being Depreciated</i>				
Infrastructure	13,308,067	1,711,481	-	15,019,548
Less Accumulated Depreciation Infrastructure	(1,042,546)	(484,018)	-	(1,526,564)
Total Capital Assets, Being Depreciated, net	12,265,521	1,227,463	-	13,492,984
Total Capital Assets	\$ 22,785,724	\$ 17,380,338	\$ -	\$ 40,166,062

During the year ended December 31, 2023 it was determined that capital assets totaling \$76,683,818 were recorded as construction in progress in error. \$22,785,724 of the construction in progress balance represented capital assets net of accumulated depreciation conveyed to the District by Brighton Crossing Districts No. 4 and District No. 6 from 2019 to 2022 and placed in service at the time of conveyance. The remaining \$53,898,094 was transferred to the City of Brighton as projects were completed. The prior period adjustment discussed in Note 6 reflects the correction of the error to properly state the beginning net position and capital asset balances of the District for the year.

Note 4: Related Parties

Some of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the Authority. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 5: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the Authority may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The Authority has elected to participate in the Colorado Special Districts property and Liability Pool (the Pool) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Brighton Crossings Operations Board

Notes to Financial Statements

December 31, 2023

Note 5: Risk Management (Continued)

The Authority pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the Authority may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 6: Restatement of Prior Year Net Position

Net position and capital asset balances as of December 31, 2022 were restated to reflect the correction of District construction in progress and capital assets. The effect of the restatement is as follows:

	<u>2022 Balance as Reported</u>	<u>Asset Restatement</u>	<u>2022 Balance as Restated</u>
Statement of Net Position			
Assets	\$ <u>78,009,027</u>	\$ <u>(53,898,094)</u>	\$ <u>24,110,933</u>
Net Position	\$ <u>77,720,273</u>	\$ <u>(53,898,094)</u>	\$ <u>23,822,179</u>

Required Supplementary Information

Brighton Crossings Operations Board
 Budgetary Comparison Schedule
 Proprietary Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Fees			
Brighton Crossing Metropolitan District No. 4	\$ 373,000	\$ 550,000	\$ 177,000
Brighton Crossing Metropolitan District No. 6	315,000	278,241	(36,759)
General Operation Fees	1,487,300	1,500,090	12,790
Administrative Transfer Fees	40,000	29,200	(10,800)
Alley Fees	67,680	72,105	4,425
Architecture Review Fees	8,500	12,955	4,455
Courtyard Fees	20,400	13,600	(6,800)
Covenant Violation Fees	10,000	8,375	(1,625)
Legal Fees	60,000	107,476	47,476
Trash Fees	257,289	260,672	3,383
Maintenance Fees	29,520	1,777,616	1,748,096
Development Fees	198,025	25,377	(172,648)
Investment Income	2,500	1,128	(1,372)
Capital Asset Transfers			
Brighton Crossing Metropolitan District No. 6	-	17,864,356	17,864,356
Total Revenues	<u>2,869,214</u>	<u>22,501,191</u>	<u>19,631,977</u>
Expenses			
Administrative			
Accounting and Audit	129,500	140,500	(11,000)
Collections	60,000	95,215	(35,215)
District Management & Administration	151,000	141,010	9,990
District Facilities Management	142,800	138,880	3,920
Insurance	75,075	50,666	24,409
Legal	35,000	32,639	2,361
Community Education and Outreach	30,240	22,262	7,978
Committee Coordination	15,000	-	15,000
Developer Coordination	48,025	93,119	(45,094)
Office Expense	53,000	161,563	(108,563)
Bad Debt	500	312	188
Maintenance and Repair	885,483	736,060	149,423
Utilities	370,000	400,561	(30,561)
Venture Center	553,066	633,264	(80,198)
Fitness Center	14,467	17,199	(2,732)
Master Association Expense	368,729	345,088	23,641
Contingency	90,000	-	90,000
Total Expenses	<u>3,021,885</u>	<u>3,008,338</u>	<u>13,547</u>
Change in Net Position, Budgetary Basis	<u>\$ (152,671)</u>	<u>19,492,853</u>	<u>\$ 19,645,524</u>
Adjustments to GAAP Basis			
Depreciation	-	(484,018)	-
Capital Asset Transfers Out	39,760	-	(39,760)
Change in net Position, GAAP Basis		19,008,835	
Net Position, Beginning of Year		<u>23,822,179</u>	
Net Position, End of Year		<u>\$ 42,831,014</u>	

See Accompanying Independent Auditor's Report.

Brighton Crossings Operations Board
Notes to Required Supplementary Information
December 31, 2023

Note 1: Stewardship, Compliance and Accountability

Budgets

Budgets are legally adopted for all funds of the Authority. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Authority follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District Board.
- Budgets are legally adopted for all funds of the Authority. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.