

City of Brush, Colorado

Financial Statements

For the Year ended December 31, 2013

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INTRODUCTORY SECTION

July 29, 2014

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, 2013. 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 5,410. 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 3.6 percent.

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

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

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

Local economy

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

City parks have expanded over the last few years with the addition of Prairie Trails and Watrous parks. The most recent update to the parks was in 2010 for a new Frisbee golf course constructed at Watrous Park.

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 2012 sales tax revenues increased by \$25,455 (2%) from the prior year. City sales tax for 2013 increased \$103,216 (8%). Sales tax revenues have seen increased revenue over the last two years and there are still signs of economic growth in other areas. The new animal harvest facility was completed and operation in the fall of 2012. The primary product of this facility is Beef and Bison. Renovation continues on a vacant building for a new cheese factory.

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 is six months.

To better improve the City of Brush's downtown business area, the Council is currently working with the local Chamber of Commerce on a Main Street project which will improve the current storm drainage for the downtown businesses. The cost of this project would be approximately 1.5 million dollars. 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.

Major initiatives

The City of Brush recognizes the need for additional water supplies and at the same time understands the value of water conservation. In 2008 a tiered water billing system was initiated to help generate additional revenue and to help with water conservation.

Acknowledgements

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

Respectfully submitted,

Monty Torres
City Administrator

Joanne Gosselink
Finance Officer

City of Brush
List of Elected and Appointed Officials
December 31, 2013

Elected Officials

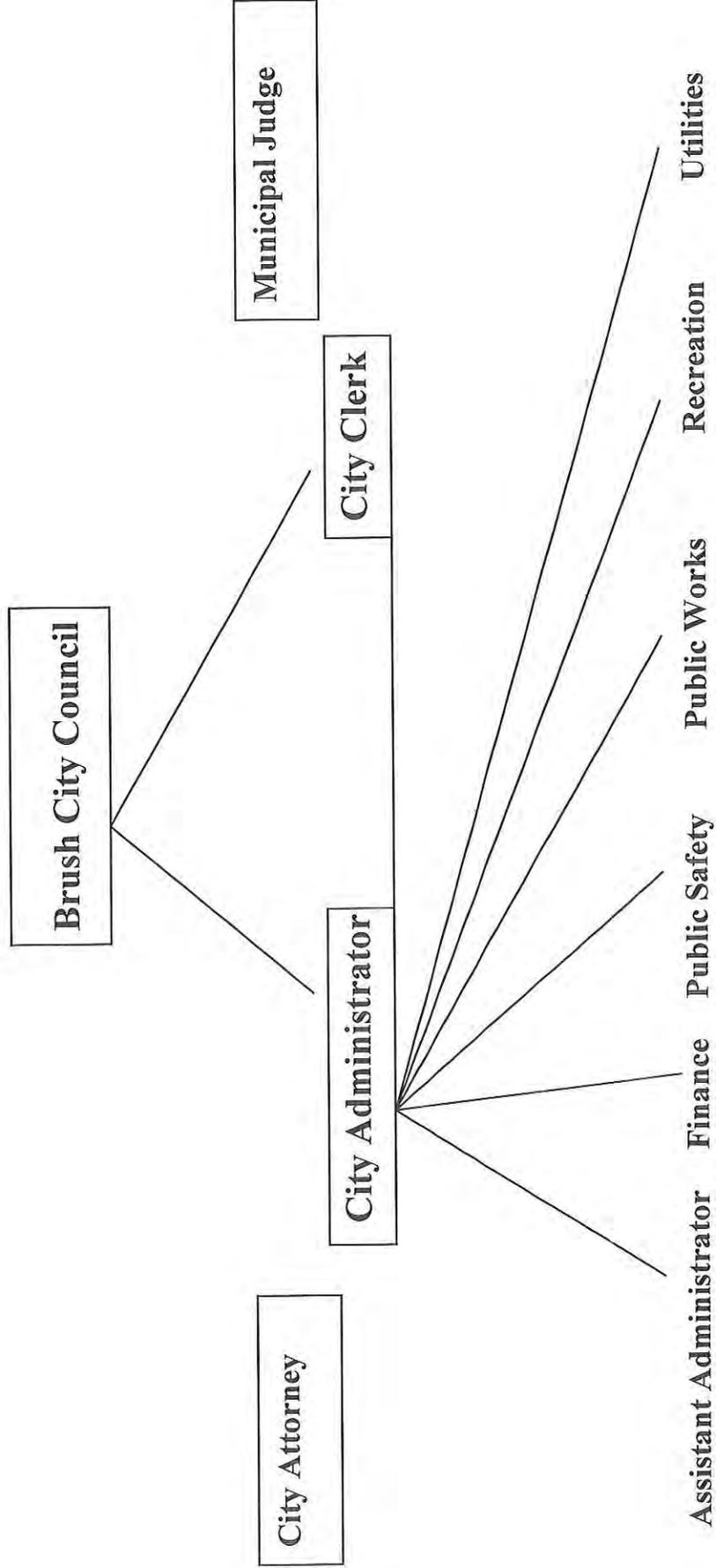
Mayor	Charles Schonberger
Council Member - Ward 1	Rick Bain
Council Member - Ward 1	Mark Smith
Council Member - Ward 2	Kim Dykes
Council Member - Ward 2	Vicky Quinlin
Council Member - Ward 3	Heath Becker
Council Member - Ward 3	Jeanine Anderson

Appointed Officials

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

Functional Organizational Chart

Citizens of Brush!



FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The other supplementary information 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. 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
August 18, 2014

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, 2013. 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 \$23,564,699. Of this amount, \$8,882,864 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Brush's governmental funds reported combined ending fund balances of \$3,816,587 an increase of \$467,170 in comparison with the prior year. Of this amount \$2,469,232 is available for spending at the government's discretion (unreserved, unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,357,047 or 69 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 assets presents information on all of the City of Brush assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, and storm water operations.

The government-wide financial statements have no component units reported in them. These financial statements can be found on pages 17-19 of this report.

Condensed financial statements for government wide statements are as follows:

City of Brush Net Position

	Governmental				Total	
	activities		Business-type activities		Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	4,514,221	4,087,850	4,966,921	4,741,764	9,481,142	8,829,614
Capital assets-net of accumulated depreciation	5,248,513	5,302,163	19,037,156	19,242,397	24,285,669	24,544,560
Total assets	<u>9,762,734</u>	<u>9,390,013</u>	<u>24,004,077</u>	<u>23,984,161</u>	<u>33,766,811</u>	<u>33,374,174</u>
Long-term liabilities outstanding	182,237	176,450	8,666,495	9,093,508	8,848,732	9,269,958
Other liabilities	55,463	100,366	655,747	671,383	711,210	771,479
Total liabilities	<u>237,700</u>	<u>276,816</u>	<u>9,322,242</u>	<u>9,764,891</u>	<u>9,559,942</u>	<u>10,041,437</u>
Deferred inflow of resources						
Deferred tax revenue	642,170	638,067			642,170	638,067
Net investment in capital assets	5,248,513	5,302,163	10,031,445	9,799,581	15,279,958	15,101,744
Restricted	1,162,579	927,587	186,862	186,862	1,349,441	1,114,449
Unrestricted	2,471,772	2,245,380	4,463,528	4,232,827	6,935,300	6,478,207
Total net position	<u>8,882,864</u>	<u>8,475,130</u>	<u>14,681,835</u>	<u>14,219,270</u>	<u>23,564,699</u>	<u>22,694,400</u>

City of Brush Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>Primary Government</u>	<u>2012</u>
					<u>2013</u>	<u>2012</u>
Revenues						
Program revenues						
Charges for services	\$ 687,956	\$ 665,856	\$ 3,188,112	\$ 3,157,261	\$ 3,876,068	\$ 3,823,117
Capital grants	181,490	126,227	42,700	226,000	224,190	352,227
General revenues						
Property taxes	627,149	627,514			627,149	627,514
Other	2,553,072	2,514,869	291,183	100,120	2,844,255	2,614,989
Total revenues	4,049,667	3,934,466	3,521,995	3,483,381	7,571,662	7,417,847
Program expenses						
General government	842,926	737,650			842,926	737,650
Public safety	1,097,469	1,015,910			1,097,469	1,015,910
Public works	1,095,035	1,087,075			1,095,035	1,087,075
Culture & recreation	669,293	730,755			669,293	730,755
Water			966,275	957,937	966,275	957,937
Trash & garbage			435,459	462,175	435,459	462,175
Waste water			1,421,848	803,350	1,421,848	803,350
Storm water			173,058	134,672	173,058	134,672
Total expenses	3,704,723	3,571,390	2,996,640	2,358,134	6,701,363	5,929,524
Excess (deficiency) before transfers	344,944	363,076	525,355	1,125,247	870,299	1,488,323
Transfers	62,790	62,780	(62,790)	(62,780)	-	
Increase (decrease) in net position	407,734	425,856	462,565	1,062,467	870,299	1,488,323
Net position - beginning of year	8,475,130	8,049,274	14,219,270	13,156,803	22,694,400	21,206,077
Net position - ending	\$ 8,882,864	\$ 8,475,130	\$ 14,681,835	\$ 14,219,270	\$ 23,564,699	\$ 22,694,400

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 twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the only major governmental fund. Data from the other 11 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 49-55 for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-22 of this report.

Proprietary funds. The City of Brush maintains four 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, and Storm Water 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 and Storm Water 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 23-26 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 27-49 of the report.

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 8 on pages 44-45 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 56-68 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 \$23,564,700 at the close of 2013.

Capital assets reflect 72 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 \$6,932,760 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 \$407,735, thereby accounting for 47 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 \$462,565. The increase to net position is 53 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Brush's governmental funds reported combined ending fund balances of \$3,816,588, an increase of \$461,171 in comparison with the prior year. Approximately 65 percent of this total amount (\$2,469,232) constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes.

The general fund is the chief operating fund of the City of Brush. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,357,047, while total fund balance reached \$2,655,739. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 69 percent of total general fund expenditures, while total fund balance represents 78 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 \$4,463,528. The total growth in net position for the Water, Trash and Garbage, Waste Water, and Storm Water funds was \$267,478, \$(49,707), \$78,223 and \$166,571, 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 \$305,755 of which \$195,631 can be attributed to taxes. During the year actual expenditures were less than budgeted expenditures by \$615,216. The savings is mostly in personnel.

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, 2013, amounts to \$24,285,699 (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 were for equipment purchases.

Additional information on the City of Brush's capital assets can be found in note 3 on pages 38-39 of this report.

Long-term debt. At the end of the current fiscal year, the City of Brush had total bonded debt outstanding of \$8,255,000. This debt is paid with waste water revenues.

The annual debt payment in the water fund is for a water share loan in the amount of \$18,000, which was paid off in 2013. There was \$400,000 in principal paid on the waste water treatment plant loan which was secured thru the Colorado Water & Power Authority.

Additional information on the City of Brush's long-term debt can be found in notes 4, and 5 on page 39-40 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 11 percent increase in sales tax for 2013, with no increase projected for 2014. In 2013 property taxes for the City of Brush were unchanged and building permits showed an increase of \$30,774.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased by \$182,178. The City of Brush has appropriated \$763,108 of fund balances for spending in the 2014 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2014 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 Officer, 600 Edison St., City of Brush, Brush, CO 80723.

CITY OF BRUSH, COLORADO

STATEMENT OF NET POSITION
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash (Notes 1 & 2)	\$ 268,105	\$ 757,667	\$ 1,025,772
Investments (Notes 1 & 2)	3,202,018	3,801,260	7,003,278
Cash on deposit with Morgan County Treasurer (Notes 1 & 2)	5,421		5,421
Receivables (Note 1)			
Accrued interest	1,857	3,276	5,133
Accounts receivable	69,989	333,187	403,176
Sales tax receivable	268,751		268,751
Highway users tax receivable	11,439		11,439
General property taxes receivable	642,170		642,170
Other receivables		32,456	32,456
Inventory (Note 1)	44,471	39,075	83,546
Total Current Assets	4,514,221	4,966,921	9,481,142
Noncurrent Assets			
Capital Assets (Notes 1 & 3)			
Land	492,622	827,690	1,320,312
Property and equipment	8,586,031	22,436,173	31,022,204
Water rights stock		972,555	972,555
Less: accumulated depreciation	<u>(3,830,140)</u>	<u>(5,199,262)</u>	<u>(9,029,402)</u>
Total Capital Assets	5,248,513	19,037,156	24,285,669
Total Assets	\$ 9,762,734	\$ 24,004,077	\$ 33,766,811
Liabilities			
Current Liabilities			
Accounts payable	\$ 46,426	\$ 66,302	\$ 112,728
Police bond account	2,721		2,721
Due to other agencies	721	486	1,207
Payroll taxes withheld and accrued	5,595	144	5,739
Accrued interest expense		92,415	92,415
Deferred tax revenue			
Unearned lease revenues		86,400	86,400
Current portion of notes payable (Notes 4 & 5)		410,000	410,000
Total Current Liabilities	55,463	655,747	711,210
Long-Term Liabilities			
Accrued compensated absences (Notes 1 & 5)	182,237	70,784	253,021
Notes payable (Notes 4 & 5)		8,595,711	8,595,711
Total Long-Term Liabilities	182,237	8,666,495	8,848,732
Total Liabilities	237,700	9,322,242	9,559,942
Deferred inflow of resources			
Deferred tax revenues	642,170		642,170
Net Position (Notes 1 & 6)			
Net investment in capital assets	5,248,513	10,031,445	15,279,958
Restricted:			
Restricted for performance bond	88,756		88,756
Restricted for Tricentennial celebration	1,311		1,311
Restricted for emergency	118,262		118,262
Restricted for park improvements and maintenance	137,234		137,234
Restricted for police equipment	12,895		12,895
Restricted for street improvements	664,096		664,096
Restricted for fire equipment	140,025		140,025
Restricted for debt service		240,878	240,878
Unrestricted	2,471,772	4,409,512	6,881,284
Total Net Position	\$ 8,882,864	\$ 14,681,835	\$ 23,564,699

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Governmental Activities						
General Government	\$ 842,926	\$ 76,255	\$ 8,614	\$ (758,057)	\$ (758,057)	\$ (758,057)
Public Safety	1,097,469	125,225	24,774	(947,470)	(947,470)	(947,470)
Public Works	1,095,035	331,603	42,795	(720,637)	(720,637)	(720,637)
Culture and recreation	669,293	154,873	105,307	(409,113)	(409,113)	(409,113)
Total Governmental Activities	3,704,723	687,956	181,490	(2,835,277)	(2,835,277)	(2,835,277)
Business-Type Activities						
Water	966,275	984,404	27,700		\$ 45,829	45,829
Trash and Garbage	435,459	394,189			(41,270)	(41,270)
Waste Water	1,421,848	1,494,169	15,000		87,321	87,321
Storm Water	173,058	315,350			142,292	142,292
Total Business-Type Activities	2,996,640	3,188,112	42,700		234,172	234,172
Total Primary Government	\$ 6,701,363	\$ 3,876,068	\$ 224,190	(2,835,277)	234,172	(2,601,105)

CITY OF BRUSH, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

General Revenues			
Taxes			627,149
Local property		627,149	
Specific ownership		87,095	
Franchise		245,712	
Sales		1,679,933	
Cigarette		6,829	6,829
Other revenues		526,504	280,985
Investment earnings		6,999	10,198
Transfers		62,790	(62,790)
Total General Revenues		<u>3,243,011</u>	<u>3,471,404</u>
Change in Net Position		<u>407,734</u>	<u>870,299</u>
Net Position at Beginning of Year -		<u>8,475,130</u>	<u>14,219,270</u>
Net Position at End of Year		<u>\$ 8,882,864</u>	<u>\$ 14,681,835</u>
			<u>\$ 23,564,699</u>

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash (Notes 1 & 2)	\$ 104,874	\$ 160,510	\$ 265,384
Investments (Notes 1 & 2)	2,241,731	960,287	3,202,018
Police bond cash (Notes 1 & 2)	2,721		2,721
Cash on deposit with Morgan County Treasurer (Notes 1 & 2)	5,421		5,421
Accrued interest revenue	1,265	592	1,857
Accounts receivable (Note 1)	67,724	2,265	69,989
General property taxes receivable	601,163	41,007	642,170
Sales tax receivable	223,959	44,792	268,751
Highway users tax receivable	11,439		11,439
Inventory	44,471		44,471
Total Assets	\$ 3,304,768	\$ 1,209,453	\$ 4,514,221
Liabilities			
Accounts payable	\$ 38,829	\$ 7,597	\$ 46,426
Police bond account	2,721		2,721
Due to other agencies	721		721
Payroll taxes withheld and accrued	5,595		5,595
Total Liabilities	47,866	7,597	55,463
Deferred inflow of resources			
Deferred tax revenue	601,163	41,007	642,170
Fund Equity			
Fund Balance (Notes 1 & 6)			
Nonspendable for inventory	44,471		44,471
Restricted for performance bond	88,756		88,756
Restricted for Tricentennial celebration	1,311		1,311
Restricted for emergency		118,262	118,262
Restricted for park improvements and maintenance		137,234	137,234
Restricted for police equipment		12,895	12,895
Restricted for street improvements		664,096	664,096
Restricted for fire equipment		140,025	140,025
Committed for park improvements		27,912	27,912
Committed for cemetery maintenance		49,411	49,411
Committed for emergency		8,221	8,221
Committed for grant projects		2,793	2,793
Committed for main street improvements	5,779		5,779
Assigned for community enhancement	143,781		143,781
Assigned for general equipment	14,593		14,593
Unassigned	2,357,048		2,357,048
Total Fund Equity	2,655,739	1,160,849	3,816,588
Total Liabilities, Deferred Inflow of Resources and Fund Equity	\$ 3,304,768	\$ 1,209,453	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 3)	5,248,513
Long-term liabilities including accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(182,237)
Net Position of Governmental Activities	\$ 8,882,864

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 2,319,818	\$ 326,900	\$ 2,646,718
Licenses and permits	90,355		90,355
Intergovernmental revenue	332,293	59,307	391,600
Charges for services	188,458	7,396	195,854
Fines and forfeits	83,093	180	83,273
Miscellaneous	593,958	47,907	641,865
Total Revenues	3,607,975	441,690	4,049,665
Expenditures			
General government	826,977		826,977
Public safety	943,799		943,799
Public works	849,365		849,365
Culture and recreation	586,435	18,018	604,453
Capital Outlay	224,718	195,974	420,692
Total Expenditures	3,431,294	213,992	3,645,286
Revenues in Excess (Deficiency) of Expenditures	176,681	227,698	404,379
Other Financing Sources (Uses)			
Transfers in	62,893		62,893
Transfers out		(103)	(103)
Total Other Financing Sources (Uses)	62,893	(103)	62,790
Net change in fund balances	239,574	227,595	467,169
Fund Balance - Beginning of year	2,416,165	933,254	3,349,419
Fund Balance - End of year	<u>\$ 2,655,739</u>	<u>\$ 1,160,849</u>	<u>\$ 3,816,588</u>

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net change in fund balances of governmental funds \$ 467,169

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense	\$ (418,406)	
Capital outlays	<u>364,758</u>	(53,648)

In the statement of activities, certain operating expenses such as accrued compensated absences, are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid or accrued short term). This amount represents the net effect of long-term accrued compensated absences on the statement of activities.

(5,787)

Change in net position of governmental activities \$ 407,734

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
December 31, 2013

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	
ASSETS					
Current Assets (Notes 1 & 2)					
Cash (Notes 1 & 2)	\$138,977	\$43,699	\$507,968	\$67,023	\$757,667
Investments (Notes 1 & 2)	1,060,319	200,155	2,200,768	340,018	3,801,260
Accrued interest revenue	931	77	2,045	223	3,276
Accounts receivable (Note 1)	317,838	1,678	11,002	2,669	333,187
Other receivables	32,456				32,456
Inventory (Note 1)	38,535	540			39,075
Total Current Assets	1,589,056	246,149	2,721,783	409,933	4,966,921
Property, Plant and Equipment (Note 1 & 3)					
Land	805,203	1,475	21,012		827,690
Buildings and improvements	161,321				161,321
Water system	6,329,322				6,329,322
Waste water plant and sewer system			13,361,616		13,361,616
Equipment	590,697	338,070	430,603	1,061,373	2,420,743
Office equipment	127,286				127,286
Water rights stock	972,555				972,555
Construction in progress			35,885		35,885
Subtotal	8,986,384	339,545	13,849,116	1,061,373	24,236,418
Less accumulated depreciation	(3,518,367)	(275,138)	(1,197,788)	(207,969)	(5,199,262)
Property, Plant and Equipment - Net	5,468,017	64,407	12,651,328	853,404	19,037,156
Total Assets	<u>\$ 7,057,073</u>	<u>\$ 310,556</u>	<u>\$ 15,373,111</u>	<u>\$ 1,263,337</u>	<u>\$ 24,004,077</u>

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (Cont.)
 December 31, 2013

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	
LIABILITIES AND NET POSITION					
Current Liabilities					
Accounts payable	\$ 20,981	\$ 10,482	\$ 33,725	\$ 1,114	\$ 66,302
Accrued interest payable			92,415		92,415
Due to other entity			486		486
Payroll taxes withheld and accrued	35	98	11		144
Unearned lease revenues	86,400				86,400
Note payable (Notes 4 & 5)			410,000		410,000
Total Current Liabilities	107,416	10,580	536,637	1,114	655,747
Long-Term Liabilities					
Accrued compensated absences (Note 5)	39,127	14,829	8,807	8,021	70,784
Notes payable (Notes 4 & 5)			8,595,711		8,595,711
Total Long-Term Liabilities	39,127	14,829	8,604,518	8,021	8,666,495
Total Liabilities	146,543	25,409	9,141,155	9,135	9,322,242
Net Position (Note 6)					
Net investment in capital assets	5,468,017	64,407	3,645,617	853,404	10,031,445
Restricted for debt service (Note 6)			240,878		240,878
Unrestricted	1,442,513	220,740	2,345,461	400,798	4,409,512
Total Net position	\$ 6,910,530	\$ 285,147	\$ 6,231,956	\$ 1,254,202	\$ 14,681,835

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Business-Type Activities- Enterprise Funds				Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	
Operating Revenue					
Services	\$ 930,849	\$ 380,414	\$ 1,492,736	\$ 312,162	\$ 3,116,161
Sale of trash bags		218			218
Sale of trash cans		6,196			6,196
Administrative fees	26,393		75		26,468
Storm water maintenance assessment				3,159	3,159
Miscellaneous	27,162	7,361	1,358	29	35,910
Total Operating Revenue	984,404	394,189	1,494,169	315,350	3,188,112
Operating Expense					
Cost of sales and services	535,504	333,032	535,499	93,164	1,497,199
Administration	202,766	78,498	394,672	28,904	704,840
Depreciation	222,675	23,929	292,279	50,990	589,873
Total Operating Expense	960,945	435,459	1,222,450	173,058	2,791,912
Income (Loss)	23,459	(41,270)	271,719	142,292	396,200
Nonoperating Revenue (Expense)					
Interest on investments	3,529	443	5,361	865	10,198
Joint venture	45,535				45,535
Farm income	43,564		6,888		50,452
Water rights and credit leases	14,003				14,003
Capacity and development fees	130,388		10,693		141,081
Water contributions	17,700				17,700
Special assessments				26,314	26,314
DOW lease	3,600				3,600
Water conservation	(3,400)				(3,400)
Farm expense	(1,930)		(410)		(2,340)
Interest expense (Note 5)			(198,988)		(198,988)
Total Nonoperating Revenue (Expense)	252,989	443	(176,456)	27,179	104,155
Income (Loss) before transfers and capital contributions	276,448	(40,827)	95,263	169,471	500,355
Transfers out	(18,970)	(8,880)	(32,040)	(2,900)	(62,790)
Capital Contributions - tap fees	10,000		15,000		25,000
Change in net position	267,478	(49,707)	78,223	166,571	462,565
Net Position - Beginning of year	6,643,052	334,854	6,153,733	1,087,631	14,219,270
Net Position - End of year	\$ 6,910,530	\$ 285,147	\$ 6,231,956	\$ 1,254,202	\$ 14,681,835

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2013

	Business - Type Activities Enterprise Funds				Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	
Cash flows from operating activities:					
Cash receipts from customers	\$ 936,472	\$ 394,713	\$ 1,483,773	\$ 324,468	\$ 3,139,426
Cash payments to suppliers for goods and services	(480,376)	(216,179)	(753,882)	(115,078)	(1,565,515)
Cash payments to employees for services	(296,064)	(192,356)	(181,695)	(49,376)	(719,491)
Net cash provided (used) by operating activities	160,032	(13,822)	548,196	160,014	854,420
Cash flows from noncapital financing activities:					
Special assessments				26,314	26,314
Water conservation	(3,400)				(3,400)
Transfers	(18,970)	(8,880)	(32,040)	(2,900)	(62,790)
Net cash provided (used) by noncapital financing activities	(22,370)	(8,880)	(32,040)	23,414	(39,876)
Cash flows from capital and related financing activities:					
Additions to capital assets	(241,631)		(125,718)	(17,282)	(384,631)
Principal paid on debt	(19,080)		(400,000)		(419,080)
Interest paid on debt			(219,191)		(219,191)
Community donations	45,535				45,535
Capital contributed from tap fees	10,000		15,000		25,000
DOW lease	90,030				90,030
Capacity and development fee principal collections	130,388		10,693		141,081
Water rights and credit leases	14,003				14,003
Water contributions	17,700				17,700
Net cash provided (used) by capital and related financing activities	46,945		(719,216)	(17,282)	(689,553)
Cash flows from investing activities:					
Farm income/(loss) - net	41,634		6,478		48,112
Interest received on investments	3,358	624	5,322	809	10,113
Net cash provided by investing activities	44,992	624	11,800	809	58,225
Net increase (decrease) in cash and cash equivalents	229,599	(22,078)	(191,260)	166,955	183,216
Cash & cash equivalents - beginning of year	969,697	265,932	2,899,996	240,086	4,375,711
Cash & cash equivalents - end of year	<u>\$ 1,199,296</u>	<u>\$ 243,854</u>	<u>\$ 2,708,736</u>	<u>\$ 407,041</u>	<u>\$ 4,558,927</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	\$ 23,459	\$ (41,270)	\$ 271,719	\$ 142,292	\$ 396,200
Adjustment to reconcile operating income to net cash provided by operating activities:					
Depreciation	222,675	23,929	292,279	50,990	589,873
Changes in assets and liabilities					
Decrease (Increase) in due from other funds				6,569	6,569
Decrease (Increase) in accounts receivable	(18,144)	524	(10,396)	2,549	(25,467)
Decrease (Increase) in inventory	1,740	5,060			6,800
Decrease (Increase) in other receivables	(29,788)				(29,788)
Increase (Decrease) in accounts payable	(36,401)	(2,679)	(8,871)	(42,864)	(90,815)
Increase (Decrease) in other liabilities	(3,509)	614	3,465	478	1,048
Total Adjustments	136,573	27,448	276,477	17,722	458,220
Net cash provided (used) by operating activities	<u>\$ 160,032</u>	<u>\$ (13,822)</u>	<u>\$ 548,196</u>	<u>\$ 160,014</u>	<u>\$ 854,420</u>

The accompanying notes are an integral part of these statements.

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 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, there are no component units included in the accompanying financial statements.

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. 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 activity 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. 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.

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. The City has no items that qualify for reporting in this category.

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. The City has one item that qualifies for reporting in this category. Accordingly, the item deferred tax revenues, is reported on both the statement of net position and the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied and that the amounts become available.

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.

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.

Trash and Garbage Fund

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

Storm Water Fund

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

Additionally, the City reports the following funds.

Grant Fund

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

Special Surplus and Deficiency Fund

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

Conservation Trust Fund

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

Police Forfeiture and Confiscation Fund

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

Capital Improvement Fund

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

Fire Equipment Improvement Fund

This fund accounts for the acquisition of fire equipment.

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

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

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.

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

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 2013 budget (Note 7). For purposes of preparing the Schedule of Revenues and Expenditures - Budget and Actual, the actual results of operations have been adjusted to a basis consistent with the City's budgeted revenues and expenditures.

E. Cash and Investments

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 December 31, 2013 are recorded as prepaid items for enterprise funds.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Encumbrances

The City does not utilize encumbrance accounting.

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Compensated Absences (continued)

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

L. Long-term Obligations

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

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

M. Interfund Transactions

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

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

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position

Net Position comprise 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 invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

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

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.

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),

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance Classifications (continued)

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 \$7,589,558, of which \$750,000 was insured and \$6,839,558 was collateralized with securities held by the pledging institution’s trust department or agent in the City’s name.

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

Investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-5	6-10
Investment in certificate of deposits	\$ 6,502,941	\$ 6,502,941	\$ -	\$ -
Investment in CSAFE	500,337	500,337	-	-
Totals	\$ 7,003,278	\$7,003,278	\$ -	\$ -

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The City has not 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: CAPITAL ASSETS

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

Governmental Activities	
General Government	\$ 9,901
Public Safety	98,548
Public Works	236,625
Culture and Recreation	73,334
Total Governmental Activities	\$ 418,408
Business-type Activities	
Water	\$ 222,675
Trash and Garbage	23,929
Waste Water	292,279
Storm Water	50,990
Total Business-type Activities	\$ 589,873

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 3: CAPITAL ASSETS (continued)

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance December 31, 2012	Additions and Adjustments	Deletions and Adjustments	Balance December 31, 2013
<u>Governmental Activities</u>				
Non-depreciable assets:				
Land	\$ 492,622			\$ 492,622
Depreciable assets:				
Buildings	1,631,347	\$ 14,236		1,645,583
Equipment	2,239,191	174,432	\$ (213,527.00)	2,200,096
Vehicles	980,307	85,541		1,065,848
Infrastructure	3,249,534	48,216		3,297,750
Land improvements	289,683	68,335		358,018
Other	18,735			18,735
Less Accumulated Depreciation	(3,599,256)	(418,408)	187,527	(3,830,137)
Net Depreciable Capital Assets	4,809,541	(27,648)	(26,000)	4,755,893
Total Governmental Activities	\$ 5,302,163	\$ (27,648)	(26,000)	\$ 5,248,515
<u>Business-Type Activities</u>				
Non-depreciable assets:				
Land	\$ 827,690			\$ 827,690
Water right stocks	972,555			972,555
Total non-depreciable assets	1,800,245			1,800,245
Buildings	161,321			161,321
Equipment	2,326,198	\$ 354,297.00	\$ (96,582.00)	2,583,913
Systems	19,631,455	59,483		19,690,938
Less Accumulated Depreciation	(4,676,822)	(589,874)	67,435	(5,199,261)
Net Depreciable Capital Assets	17,442,152	(176,094)	(29,147)	17,236,911
Total Business-Type Activities	\$ 19,242,397	\$ (176,094)	\$ (29,147)	\$ 19,037,156

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 4: BONDS/NOTES PAYABLE

Business-Type Activities

Waste Water Fund - Note

During 2010 the City received a \$9,465,000 loan from the Colorado Water Resources and Power Development Authority. Details of the note are as follows:

<u>REPAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST AND FEES</u>	<u>TOTAL LOAN REPAYMENT</u>
2014	\$ 410,000.00	\$ 218,707.75	\$ 628,707.75
2015	415,000.00	212,742.91	627,742.91
2016	425,000.00	203,466.17	628,466.17
2017	430,000.00	199,238.95	629,238.95
2018	435,000.00	191,727.53	626,727.53
2019	445,000.00	180,702.71	625,702.71
2020	455,000.00	170,243.61	625,243.61
2021	465,000.00	160,193.75	625,193.75
2022	475,000.00	150,054.71	625,054.71
2023	485,000.00	144,985.71	629,985.71
2024	485,000.00	140,290.71	625,290.71
2025	490,000.00	135,401.52	625,401.52
2026	500,000.00	126,556.04	626,556.04
2027	510,000.00	117,919.44	627,919.44
2028	520,000.00	109,471.18	629,471.18
2029	545,000.00	82,295.44	627,295.44
2030	575,000.00	55,031.96	630,031.96
2031	600,000.00	27,594.72	627,594.72
	<u>\$ 8,665,000.00</u>	<u>\$ 2,626,624.81</u>	<u>\$ 11,291,624.81</u>

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 4: BONDS/NOTES PAYABLE (continued)

Interest is payable semi-annually on February 1, and August 1 beginning February 1, 2011.

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 \$240,878 of net position in satisfaction of the three month renewal and maintenance reserve requirement at year-end. The City must also maintain 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 did not meet this requirement for the year ended December 31, 2013.

Note 5: CHANGES IN LONG-TERM DEBT

The following is a summary of changes in the City's long-term debt for the year ended December 31, 2013:

	Balance December 31, 2012	Additions	Retirements	Balance December 31, 2013	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 176,450	\$ 5,787		\$ 182,237	
Business-type activities					
Compensated absences payable	\$ 68,692	2,092		\$ 70,784	
Notes payable	9,083,000		418,000	8,665,000	410,000
Total Business-type activities	\$ 9,151,692	\$ 2,092	\$ 418,000	\$ 8,735,784	\$ 410,000

For the governmental activities, compensated absences are generally liquidated by the general fund.

The total amount of interest cost incurred and expensed was \$198,988.

Note 6: 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.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 6: COMMITMENTS AND CONTINGENCIES (continued)

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 anytime, 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 made the following fund balance reservation as a result of Article X, Section 20 (TABOR) of the Colorado Constitution.

Emergency Reserve

The Article requires an emergency reserve be set aside for 2013 in the amount of 3% or more of its fiscal year spending. At December 31, 2013, the City has restricted \$118,262 in the Special Surplus and Deficiency Fund for emergencies.

The City believes it is in compliance with the provisions of the TABOR Amendment.

In addition, the General Fund ending fund balance is restricted in the amount of \$1,311 for funds held on behalf of the City of Brush Bi-Centennial Committee.

The City has received a settlement payment from a performance bond provided by a developer in the Rosewood Subdivision. The settlement payment is to be used for the completion/development of the subdivision. At December 31, 2013 the balance of the funds earmarked for the subdivision was \$88,756.

The City presently levies a three and six-tenths percent (3.6%) 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, 2013 the amount of fund balance restricted for street maintenance was \$664,096. This amount is restricted by enabling legislation.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 7: BUDGETARY DATA

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 2013 budget. For purposes of preparing the Statements of Revenues, and Expenditures - Budget and Actual, the actual results of operations have been adjusted to a basis consistent with the City's budgeted revenues and expenditures. Adjustments necessary to convert the net income/revenues in excess of expenditures at the end of year on the GAAP basis to the budgetary basis are as follows:

	Proprietary Fund Types			
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund
<u>Net Income (Loss)</u>				
GAAP Basis	\$ 267,478	\$ (49,707)	\$ 78,223	\$ 166,571
Increase (Decrease) due to:				
Depreciation and amortization	222,675	23,929	292,279	50,990
Debt service-principal	(19,080)		(400,000)	
Capitalized interest			0	
Amortized premium			(19,105)	
Accrued interest			(1,098)	
Capital Outlay	(241,631)		(125,718)	(17,282)
Budgetary Basis	<u>\$ 229,442</u>	<u>\$ (25,778)</u>	<u>\$ (175,419)</u>	<u>\$ 200,279</u>

The City may authorize Supplemental appropriations during the budget year. During 2013, the following supplemental appropriations were enacted.

Fund	Amount
General Fund	\$ 13,000
Water Fund	146,150
Waste Water Fund	70,000
Police Forfeiture & Confiscation Fund	7,000
Joslin-Needham Fund	46,000
Totals	<u>\$ 282,150</u>

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS

Policemen Pension Fund - F.P.P.A.

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the Colorado Fire and Police Pension Association. The Statewide Death and Disability Plan is a non-contributory plan. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Plan members and the City are required to contribute at a rate set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8.0% of covered salary and for the City is 8.0% of covered salary. The City made the required contributions of \$33,058, \$30,666, and \$33,446, to the Statewide Defined Benefit Plan for the year ended December 31, 2013, 2012 and 2011, respectively, equal to their required contributions.

Volunteer Firemen's Pension Fund – FPPA Administered

Plan Description - The Fire and Police Pension Association (FPPA) administers a single-employer public employee retirement system (PERS) established for the City of Brush Volunteer Firefighters. The Public Employee Retirement System (PERS) provides retirement benefits as well as death and disability benefits. In 2013 the regular benefit was \$240 per month. A participant becomes fully vested after 20 years of active service and reaching age 50. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Plan provisions and contribution requirements are established by the local pension board. FPPA issues independent annual reports. The report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

In 2004 the City of Brush and the Brush Rural Fire Protection District created a new combined entity for the Firemen's Pension retirement fund, which is administered by FPPA. The new entity files an annual report with the Colorado State Auditor's office. A copy of this report can be obtained by writing to the City of Brush, 600 Edison, Brush, CO 80723 or by calling 970-842-5001.

In 2013 the City contributed \$17,278 to the plan and the State of Colorado made a contribution of \$14,671 to the City for the plan. The total contribution sent to FPPA in 2013 was \$31,949.

City of Brush, Colorado Money Purchase Pension Plan

The City participates in a defined contribution money purchase retirement plan for all employees (not covered by the police pension fund), age 18 or over with 12 months of service (1000 hours minimum). Under the plan, administered by Great West Retirement, the City is required to contribute 5% of covered employees salary. The covered payroll during 2013 was \$1,035,624 with total payroll of \$1,988,372. Contributions by the City were \$51,781. Vesting begins at two years with 20% and continues at 20% per year until fully vested in year six.

Note 9: 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 10: 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.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 10: RISK MANAGEMENT (continued)

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 \$158,745 for the Worker's Compensation Pool and \$114,269 for the Property/Casualty Pool. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City.

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

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

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

Note 11: 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, 2013.

CITY OF BRUSH, COLORADO
 NOTES TO FINANCIAL STATEMENTS

Note 12: INTERFUND TRANSFERS AND BALANCES

All interfund transfers are as follows:

General Fund	Other Governmental Funds	\$ 103
General Fund	Water Fund	18,970
General Fund	Trash & Garbage Fund	8,880
General Fund	Waste Water Fund	32,040
General Fund	Storm Water Fund	2,900
		\$ 62,893
		\$ 62,893

The transfer from Cemetery Perpetual Care Fund to General Fund is 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.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 13: OTHER SIGNIFICANT MATTERS

Conduit Debt

Financing Agreement

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

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

Other Financing Agreement

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

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

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

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues				
Taxes				
Current property (Net of Treasurer's fees of \$11,620)	\$ 585,475	\$ 585,475	\$ 587,076	\$ 1,601
Specific ownership	75,000	75,000	87,095	12,095
Sales	1,210,000	1,210,000	1,373,002	163,002
Use	8,000	8,000	26,933	18,933
Gas occupation	10,000	10,000	10,000	
Total	<u>1,888,475</u>	<u>1,888,475</u>	<u>2,084,106</u>	<u>195,631</u>
Franchise				
Gas and electric	175,000	175,000	196,536	21,536
Telephone	5,600	5,600	5,023	(577)
Television cable	33,000	33,000	34,153	1,153
Total	<u>213,600</u>	<u>213,600</u>	<u>235,712</u>	<u>22,112</u>
Licenses and permits				
Liquor	7,700	7,700	12,218	4,518
Amusement	960	960	1,110	150
Building and plumbing	16,000	16,000	69,225	53,225
Animal and miscellaneous	5,600	5,600	7,802	2,202
Total	<u>30,260</u>	<u>30,260</u>	<u>90,355</u>	<u>60,095</u>
Intergovernmental revenue				
Highway user's tax	142,000	142,000	143,444	1,444
Severance tax	20,000	20,000	28,938	8,938
State FPPA contribution	15,130	15,130	14,671	(459)
Payment in lieu of taxes	5,200	5,200	6,317	1,117
Morgan County - road fund rebate	108,000	108,000	108,024	24
State Highway 34 maintenance	9,795	9,795	6,125	(3,670)
School Liaison			24,774	24,774
Total	<u>300,125</u>	<u>300,125</u>	<u>332,293</u>	<u>32,168</u>
Charges for services				
Zoning	500	500	2,700	2,200
Cemetery	26,500	26,500	30,885	4,385
Swimming pool	25,000	25,000	24,589	(411)
Other recreation activities	154,300	154,300	106,862	(47,438)
Picnic shelters	5,900	5,900	8,088	2,188
Camping fees	4,500	4,500	15,334	10,834
Total	<u>\$ 216,700</u>	<u>\$ 216,700</u>	<u>\$ 188,458</u>	<u>\$ (28,242)</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (Continued)
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Fines and forfeits				
Court	\$ 60,850	\$ 60,850	\$ 83,093	\$ 22,243
Miscellaneous				
Interest	7,250	7,250	5,092	(2,158)
Rural and Hillrose rent	6,150	6,150	6,150	
Farm income	2,040	2,040		(2,040)
Airport rent	500	500	475	(25)
Administrative fees	509,770	509,770	509,770	
Grant income	55,000	55,000	51,408	(3,592)
Special events	5,000	5,000	4,329	(671)
Donations	500	500	2,025	1,525
Miscellaneous	6,000	6,000	14,709	8,709
Total	592,210	592,210	593,958	1,748
Total Revenues	3,302,220	3,302,220	3,607,975	305,755
Expenditures (See Schedules)				
General government	829,240	829,240	834,013	(4,773)
Public safety	1,163,695	1,176,695	991,230	185,465
Public works	1,242,580	1,242,580	998,963	243,617
Culture and recreation	797,995	797,995	607,088	190,907
Total Expenditures	4,033,510	4,046,510	3,431,294	615,216
Revenues in Excess (Deficiency) of Expenditures	(731,290)	(744,290)	176,681	920,971
Other Financing Sources (Uses)				
Sale of property	2,000	2,000		(2,000)
Transfer In	360,830	360,830	357,933	(2,897)
Transfer Out	(295,040)	(295,040)	(295,040)	
Total Other Financing Sources (Uses)	67,790	67,790	62,893	(4,897)
Net change in fund balance	\$ (663,500)	\$ (676,500)	239,574	\$ 916,074
Fund Balance - Beginning of year			2,416,165	
Fund Balance - End of year			\$ 2,655,739	

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES -BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
General Government				
Legislative				
Personal services				
Council salaries	\$ 21,600	\$ 21,600	\$ 21,600	
Retirement and fringe benefits	1,930	1,930	1,925	\$ 5
Travel	6,000	6,000	2,817	3,183
Total	<u>29,530</u>	<u>29,530</u>	<u>26,342</u>	<u>3,188</u>
City Clerk				
Personal services				
Clerk's salary	42,345	42,345	42,238	107
Retirement and fringe benefits	12,790	12,790	12,518	272
Supplies	750	750	79	671
Telephone	50	50	24	26
Dues	300	300	307	(7)
Travel	1,500	1,500	1,995	(495)
Elections	8,000	8,000	3,154	4,846
Records management	6,250	6,250	6,344	(94)
Total	<u>71,985</u>	<u>71,985</u>	<u>66,659</u>	<u>5,326</u>
Executive				
Personal services				
Mayor's salary	7,200	7,200	7,200	
Retirement and fringe benefits	595	595	596	(1)
Dues	800	800	745	55
Travel	1,500	1,500	1,281	219
Total	<u>10,095</u>	<u>10,095</u>	<u>9,822</u>	<u>273</u>
City Administrator				
Personal services				
Salaries	93,240	93,240	92,820	420
Retirement and fringe benefits	22,520	22,520	22,803	(283)
Telephone	1,700	1,700	1,583	117
Dues	3,100	3,100	1,324	1,776
Travel	3,700	3,700	2,605	1,095
Fuel and oil	500	500	842	(342)
Repairs and maintenance	650	650	136	514
Total	<u>\$ 125,410</u>	<u>\$ 125,410</u>	<u>\$ 122,113</u>	<u>\$ 3,297</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
General Government (continued)				
Administration				
Personal services				
Salaries	\$ 133,865	\$ 133,865	\$ 133,402	\$ 463
Retirement and fringe benefits	68,585	68,585	52,354	16,231
Supplies	16,000	16,000	12,747	3,253
Professional services	49,600	49,600	31,199	18,401
Telephone	4,500	4,500	4,623	(123)
Utilities	12,000	12,000	10,903	1,097
Dues	4,000	4,000	2,863	1,137
Travel and training	4,000	4,000	1,891	2,109
Advertising	3,500	3,500	5,952	(2,452)
Insurance and bonds - general	27,270	27,270	60,042	(32,772)
Radio and computer maintenance	11,400	11,400	9,798	1,602
Contributions	18,000	18,000	20,582	(2,582)
Employee incentive program	11,000	11,000	17,125	(6,125)
Repairs and maintenance - auto	300	300	309	(9)
Total	<u>364,020</u>	<u>364,020</u>	<u>363,790</u>	<u>230</u>
Community Development				
Personal services				
Salaries	72,775	72,775	71,655	1,120
Retirement and fringe benefits	16,660	16,660	15,993	667
Supplies	1,800	1,800	1,248	552
Professional services	20,500	20,500	34,670	(14,170)
Telephone	250	250	239	11
Dues	1,250	1,250	1,222	28
Travel and training	2,900	2,900	3,080	(180)
Building and radio maintenance	7,310	7,310	5,319	1,991
Tree board	5,000	5,000	5,008	(8)
Community outreach	30,000	30,000	30,712	(712)
Fuel and oil - auto	550	550	344	206
Repairs and maintenance - auto	300	300	66	234
Capital outlay - Buildings			7,036	(7,036)
Total	<u>159,295</u>	<u>159,295</u>	<u>176,592</u>	<u>(17,297)</u>
Marketing				
Personal services				
Salaries	31,620	31,620	31,620	
Retirement and fringe benefits	21,140	21,140	18,974	2,166
Supplies	2,250	2,250	1,404	846
Telephone	100	100	184	(84)
Dues	775	775	550	225
Travel and training	2,600	2,600	2,412	188
Economic Development	9,695	9,695	12,936	(3,241)
Fuel and oil - auto	600	600	462	138
Repairs and maintenance - auto	125	125	153	(28)
Total	<u>68,905</u>	<u>68,905</u>	<u>68,695</u>	<u>210</u>
Total General Government	<u>\$ 829,240</u>	<u>\$ 829,240</u>	<u>\$ 834,013</u>	<u>\$ (4,773)</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Public Safety				
Police				
Personal services				
Salaries - permanent	\$ 466,970	\$ 466,970	\$ 431,378	\$ 35,592
Salaries - clerical and code enforcer	84,455	84,455	79,623	4,832
Retirement and fringe benefits	274,395	274,395	237,871	36,524
Supplies	26,800	26,800	17,967	8,833
Legal fees	19,000	19,000	20,364	(1,364)
Professional services	5,100	5,100	2,234	2,866
Telephone	4,500	4,500	4,035	465
Utilities	13,000	13,000	1,029	11,971
Dues	1,400	1,400	485	915
Travel and training	16,000	16,000	5,926	10,074
Repairs and maintenance - general	22,500	22,500	13,580	8,920
Recruiting	1,800	1,800	300	1,500
Animal control	10,350	10,350	2,439	7,911
Investigations	9,000	9,000	4,028	4,972
School liaison	1,700	1,700	225	1,475
Policing and emergency services	3,000	3,000	2,707	293
Fuel and oil	32,000	32,000	24,815	7,185
Repairs and maintenance - vehicles	17,000	17,000	8,641	8,359
Capital outlay - vehicles & radios	49,000	49,000	47,431	1,569
Total	<u>1,057,970</u>	<u>1,057,970</u>	<u>905,078</u>	<u>152,892</u>
Fire Department				
Personal services				
Fringe benefits	970	970	968	2
Repairs, maintenance and supplies	18,200	18,200	22,254	(4,054)
Telephone	5,000	5,000	3,713	1,287
Utilities	9,500	9,500	5,322	4,178
Professional services	1,500	1,500	331	1,169
Dues	900	900	875	25
Travel and training	10,000	10,000	7,764	2,236
Building maintenance	7,000	7,000	836	6,164
Fireworks	7,500	7,500	4,230	3,270
Radio and computer maintenance	7,250	7,250	2,264	4,986
Pension contributions	31,905	31,905	31,949	(44)
Fuel and oil	6,000	6,000	3,099	2,901
Repairs and maintenance - vehicles	13,000	13,000	2,547	10,453
Total	<u>118,725</u>	<u>118,725</u>	<u>86,152</u>	<u>32,573</u>
Total Public Safety	<u>\$ 1,176,695</u>	<u>\$ 1,176,695</u>	<u>\$ 991,230</u>	<u>\$ 185,465</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	General Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Public Works				
Streets				
Personal services				
Salaries	\$ 255,855	\$ 255,855	\$ 243,192	\$ 12,663
Retirement and fringe benefits	174,740	174,740	171,153	3,587
Supplies	31,100	31,100	21,756	9,344
Professional services	3,000	3,000	920	2,080
Medical	1,000	1,000	275	725
Telephone	800	800	755	45
Electrical - street lights	95,000	95,000	103,195	(8,195)
Dues	200	200	462	(262)
Travel and training	3,000	3,000	1,591	1,409
Advertising	200	200		200
Building maintenance	4,000	4,000	1,176	2,824
Radio maintenance	800	800		800
Street repair	37,000	37,000	12,669	24,331
Forestry	4,000	4,000	2,815	1,185
Alley maintenance	1,000	1,000	375	625
Sidewalk maintenance	2,000	2,000	889	1,111
Pest and weed abatement	42,000	42,000	9,919	32,081
Fuel and oil	32,000	32,000	29,424	2,576
Repairs and maintenance - vehicle	59,500	59,500	47,379	12,121
Christmas lights	800	800	1,368	(568)
Snow removal	12,500	12,500	4,896	7,604
Capital Outlay - Streets and equipment		228,335	124,641	103,694
Total	<u>760,495</u>	<u>988,830</u>	<u>778,850</u>	<u>209,980</u>
Airport Facilities				
Supplies	5,000	5,000	826	4,174
Professional services		68,000	47,553	20,447
Electric	800	800	500	300
Building maintenance	3,000	3,000	498	2,502
Insurance	3,100	3,100	2,125	975
Runway repairs	12,000	12,000	12,524	(524)
Total	<u>23,900</u>	<u>91,900</u>	<u>64,026</u>	<u>27,874</u>
Cemetery				
Personal services				
Salaries	51,330	51,330	44,240	7,090
Retirement and fringe benefits	34,230	34,230	26,360	7,870
Supplies	21,200	21,200	17,556	3,644
Medical	350	350	1,360	(1,010)
Utilities	5,200	5,200	3,958	1,242
Dues	100	100	75	25
Travel and training	650	650	428	222
Advertising			612	(612)
Foundations and burial service	3,000	3,000	809	2,191
Fuel and oil	6,000	6,000	8,732	(2,732)
Repairs and maintenance	4,500	4,500	7,430	(2,930)
Capital Outlay - Vehicle		23,000	24,957	(1,957)
Total	<u>126,560</u>	<u>149,560</u>	<u>136,517</u>	<u>13,043</u>
Construction Management				
Personal services				
Salaries	8,845	8,845	15,278	(6,433)
Retirement and fringe benefits	3,445	3,445	4,249	(804)
Fuel and oil			43	(43)
Total	<u>12,290</u>	<u>12,290</u>	<u>19,570</u>	<u>(7,280)</u>
Total Public Works	<u>\$ 923,245</u>	<u>\$ 1,242,580</u>	<u>\$ 998,963</u>	<u>\$ 243,617</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Culture and Recreation				
Swimming pool and other				
Personal services				
Salaries	\$ 241,530	\$ 241,530	\$ 210,577	\$ 30,953
Retirement and fringe benefits	67,900	67,900	50,228	17,672
Supplies	3,500	3,500	3,081	419
Medical			155	(155)
Telephone	2,800	2,800	1,443	1,357
Utilities	5,500	5,500	2,553	2,947
Dues	650	650	150	500
Travel and training	2,500	2,500	562	1,938
Advertising	1,000	1,000	1,191	(191)
Building and field maintenance	19,000	19,000	14,617	4,383
Copy/Computer maintenance	3,000	3,000	8,075	(5,075)
Adult summer programs	2,000	2,000	1,064	936
Youth summer programs	37,650	37,650	34,985	2,665
Adult winter programs	775	775	243	532
Youth winter programs	9,200	9,200	11,347	(2,147)
Swimming pool programs	37,800	37,800	37,002	798
Special events programs	103,700	103,700	30,525	73,175
Fuel and oil	1,700	1,700	1,990	(290)
Repairs and maintenance - vehicle	1,100	1,100	171	929
Total	<u>541,305</u>	<u>541,305</u>	<u>409,959</u>	<u>131,346</u>
Parks				
Personal services				
Salaries	103,020	103,020	85,532	17,488
Retirement and fringe benefits	42,520	42,520	23,140	19,380
Supplies	550	550	391	159
Medical	350	350	775	(425)
Utilities and telephone	31,000	31,000	31,042	(42)
Advertising			1,090	(1,090)
Travel and training	1,000	1,000	348	652
Building and grounds maintenance	42,750	42,750	30,632	12,118
Fuel and oil	5,500	5,500	294	5,206
Repairs and maintenance - vehicle	6,000	6,000	3,232	2,768
Capital Outlay - Mower	24,000	24,000	20,653	3,347
Total	<u>256,690</u>	<u>256,690</u>	<u>197,129</u>	<u>59,561</u>
Total Culture and Recreation	<u>\$ 797,995</u>	<u>\$ 797,995</u>	<u>\$ 607,088</u>	<u>\$ 190,907</u>

CITY OF BRUSH, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013

ASSETS

	Special Revenue Funds							Permanent Fund
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Capital Improvement Fund	Fire Equipment Improvement Fund	Joslin Needham Fund	Cemetery Perpetual Care Fund	
Cash	\$ 2,793	\$ 47,134	\$ 12,895	\$ 54,763	\$ 4,827	\$ 28,647	\$ 3,124	\$ 160,510
Investments	\$ 6,327	\$ 90,000	\$ 12,895	\$ 570,070	\$ 135,034		\$ 45,027	\$ 960,287
Accounts receivable	120,156			1,004	1		1,260	2,265
Accrued interest revenue		100		329	163			592
Property tax receivable				44,792	41,007			41,007
Sales tax receivable								44,792
Total Assets	\$ 2,793	\$ 137,234	\$ 12,895	\$ 670,958	\$ 181,032	\$ 28,647	\$ 49,411	\$ 1,209,453

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities								
Accounts payable				\$ 6,862		\$ 735		\$ 7,597
Total Liabilities				6,862		735		7,597
Deferred Inflows of Resources								
Deferred property tax revenue					\$ 41,007			41,007
Total Deferred Inflows of Resources					41,007			41,007
Fund Balance								
Restricted for emergency	\$ 118,262							118,262
Restricted for park improvements		\$ 137,234						137,234
Restricted for police equipment			\$ 12,895					12,895
Restricted for street improvements				664,096				664,096
Restricted for fire equipment					140,025			140,025
Committed for grant projects								2,793
Committed for park improvements						27,912		27,912
Committed for cemetery maintenance							\$ 49,411	49,411
Committed for emergency	8,221							8,221
Total Fund Balance	2,793	137,234	12,895	664,096	140,025	27,912	49,411	1,160,849
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,793	\$ 137,234	\$ 12,895	\$ 670,958	\$ 181,032	\$ 28,647	\$ 49,411	\$ 1,209,453

CITY OF BRUSH, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	Special Revenue Funds							Permanent Funds
	Special Surplus and Deficiency Fund	Conservation Trust Fund	Police Forfeiture and Confiscation Fund	Capital Improvement Fund	Fire Equipment Improvement Fund	Joslin Needham Fund	Cemetery Perpetual Care Fund	
Revenues - Classified by major source								
Taxes								
General property				\$ 6,829	\$ 40,073			\$ 40,073
Cigarette Sales				279,998				6,829
Interest	\$ 223	\$ 271	\$ 16	888	359	\$ 47	\$ 103	279,998
Forfeitures			180					1,907
Equipment rental					1			180
Perpetual care sales						46,000	7,395	7,395
Contribution		59,307						46,000
Colorado lottery funds								59,307
Total Revenues	223	59,578	196	287,715	40,433	46,047	7,498	441,690
Expenditures - Classified by function								
Noncapital outlay		5,200		58,250	45,900	12,818		18,018
Capital outlay		24,760	16,288			32,752	18,024	195,974
Total Expenditures		29,960	16,288	58,250	45,900	45,570	18,024	213,992
Revenues in Excess (Deficiency) of Expenditures	223	29,618	(16,092)	229,465	(5,467)	477	(10,526)	227,698
Other Financing Uses								
Transfers out							(103)	(103)
Total Other Financing Uses							(103)	(103)
Net change in fund balance	223	29,618	(16,092)	229,465	(5,467)	477	(10,629)	227,595
Fund Balance - Beginning of year	\$ 2,793	126,260	107,616	434,631	145,492	27,435	60,040	933,254
Fund balance - End of year	\$ 2,793	\$ 126,483	\$ 137,234	\$ 664,096	\$ 140,025	\$ 27,912	\$ 49,411	\$ 1,160,849

CITY OF BRUSH, COLORADO

GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Miscellaneous income	\$ -	\$ -	\$ -
Total Revenues			
Expenditures			
Public works	_____	_____	_____
Expenditures in Excess of Revenues			
Other Financing Sources (Uses)			
Transfer in			
Transfer out	_____	_____	_____
Total Other Financing Sources (Uses)	_____	_____	_____
Net change in fund balance	<u>\$ -</u>		<u>\$ -</u>
Fund balance at beginning of year		<u>2,793</u>	
Fund balance at end of year		<u>\$ 2,793</u>	

CITY OF BRUSH, COLORADO

SPECIAL SURPLUS AND DEFICIENCY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Interest	\$ 350	\$ 223	\$ (127)
Net change in fund balance	<u>\$ 350</u>	223	<u>\$ (127)</u>
Fund balance at beginning of year		<u>126,260</u>	
Fund balance at end of year		<u>\$ 126,483</u>	

CITY OF BRUSH, COLORADO

CONSERVATION TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Colorado lottery funds	\$ 49,000	\$ 59,307	\$ 10,307
Interest	150	271	121
Total Revenues	49,150	59,578	10,428
Expenditures			
Culture and Recreation			
Noncapital outlay		5,200	(5,200)
Capital outlay - park improvements	144,800	24,760	120,040
Total Expenditures	144,800	29,960	114,840
Net change in fund balance	<u>\$ (95,650)</u>	29,618	<u>\$ 125,268</u>
Fund balance at beginning of year		<u>107,616</u>	
Fund balance at end of year		<u>\$ 137,234</u>	

CITY OF BRUSH, COLORADO

POLICE FORFEITURE CONFISCATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues				
Interest	\$ 50	\$ 50	\$ 16	\$ (34)
Forfeitures	200	200	180	(20)
Total Revenue	250	250	196	(54)
Expenditures				
Drug forfeiture	10,000	17,000	16,288	712
Total Expenditures	10,000	17,000	16,288	712
Net change in fund balance	<u>\$ (9,750)</u>	<u>\$ (16,750)</u>	(16,092)	<u>\$ 658</u>
Fund balance at beginning of year			<u>28,987</u>	
Fund balance at end of year			<u>\$ 12,895</u>	

CITY OF BRUSH, COLORADO

CAPITAL IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Cigarette tax	\$ 5,500	\$ 6,829	\$ 1,329
Sales tax	240,000	279,998	39,998
Interest	540	888	348
	<u>246,040</u>	<u>287,715</u>	<u>41,675</u>
Total Revenues			
Expenditures			
Public works			
Street and drainage	<u>342,500</u>	<u>58,250</u>	<u>284,250</u>
Total Expenditures	<u>342,500</u>	<u>58,250</u>	<u>284,250</u>
Net change in fund balance	<u>\$ (96,460)</u>	229,465	<u>\$ 325,925</u>
Fund balance at beginning of year		<u>434,631</u>	
Fund balance at end of year		<u>\$ 664,096</u>	

CITY OF BRUSH, COLORADO

FIRE EQUIPMENT IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Property tax (Net of Treasurer's fees of \$817)	\$ 40,750	\$ 40,073	\$ (677)
Equipment rental	5	1	(4)
Interest	350	359	9
	<u>41,105</u>	<u>40,433</u>	<u>(672)</u>
Total Revenues			
Expenditures			
Capital outlay			
Equipment	55,000	45,900	9,100
	<u>55,000</u>	<u>45,900</u>	<u>9,100</u>
Net change in fund balance	<u>\$ (13,895)</u>	(5,467)	<u>\$ 8,428</u>
Fund balance at beginning of year		<u>145,492</u>	
Fund balance at end of year		<u>\$ 140,025</u>	

CITY OF BRUSH, COLORADO

JOSLIN NEEDHAM FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues				
Interest	\$ 200	\$ 200	\$ 47	\$ (153)
Contributions		46,000	46,000	
Total Revenues	200	46,200	46,047	(153)
Expenditures				
Culture and Recreation				
Noncapital outlay			12,818	(12,818)
Capital outlay		46,000	32,752	13,248
Total Expenditures		46,000	45,570	430
Net change in fund balance	<u>\$ 200</u>	<u>\$ 200</u>	477	<u>\$ 277</u>
Fund balance at beginning of year			<u>27,435</u>	
Fund balance at end of year			<u>\$ 27,912</u>	

CITY OF BRUSH, COLORADO

CEMETERY PERPETUAL CARE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Perpetual care sales	\$ 8,500	\$ 7,395	\$ (1,105)
Contributions	1,000		(1,000)
Interest	3,000	103	(2,897)
Total Revenues	12,500	7,498	(5,002)
Expenditures			
Public works			
Repairs and maintenance	1,472		1,472
Noncapital outlay	40,000	18,024	21,976
Total Expenditures	41,472	18,024	23,448
Revenues in Excess (Deficiency) of Expenditures	(28,972)	(10,526)	18,446
Other Financing Uses			
Transfers Out	(3,000)	(103)	2,897
Net change in fund balance	<u>\$ (31,972)</u>	(10,629)	<u>\$ 21,343</u>
Fund balance at beginning of year		<u>60,040</u>	
Fund balance at end of year		<u>\$ 49,411</u>	

CITY OF BRUSH, COLORADO

WATER FUND
 SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue				
Water services	\$ 842,000	\$ 842,000	\$ 930,849	\$ 88,849
Administrative fees	25,000	25,000	26,393	1,393
Miscellaneous	1,000	1,000	27,162	26,162
Total Operating Revenue	868,000	868,000	984,404	116,404
Operating Expense				
Personal services				
Salaries	215,125	215,125	207,523	7,602
Retirement and fringe benefits	96,390	96,390	85,032	11,358
Supplies	21,850	21,850	9,557	12,293
Professional services	261,320	261,320	190,358	70,962
Telephone	1,500	1,500	670	830
Lab fees	20,000	20,000	5,713	14,287
Medical	350	350	155	195
Utilities	60,000	60,000	58,089	1,911
Association dues	500	500	537	(37)
Travel and training	2,000	2,000	1,489	511
Computer & radio maintenance	11,000	11,000	6,844	4,156
Advertising	500	500	157	343
Building	5,000	5,000	6,549	(1,549)
Licenses/permits	30,000	30,000	19,837	10,163
Insurance - general	25,910	25,910	17,813	8,097
Well electricity	40,000	40,000	32,190	7,810
Water system maintenance & materials	45,000	45,000	58,369	(13,369)
Line maintenance	20,000	20,000		20,000
Noncapital outlay			23,075	(23,075)
Capital outlay	189,920	336,070	241,631	94,439
Fuel and oil	12,000	12,000	9,789	2,211
Repairs and maintenance - vehicle	6,000	6,000	4,524	1,476
Total Operating Expense	1,064,365	1,210,515	979,901	230,614
Operating Income (Loss)	(196,365)	(342,515)	4,503	347,018
Nonoperating Revenue (Expense)				
Interest	3,000	3,000	3,529	529
Joint venture		146,150	45,535	(100,615)
Water rights and credits leases	13,250	13,250	14,003	753
Water capacity and development fee	130,000	130,000	130,388	388
Farm income	40,550	40,550	43,564	3,014
DOW lease			3,600	3,600
Contributions	7,000	7,000	17,700	10,700
Water conservation	(40,000)	(40,000)	(3,400)	36,600
Farm expense	(15,000)	(15,000)	(1,930)	13,070
Bond/note payments	(19,080)	(19,080)	(19,080)	
Total Nonoperating Revenue (Expense)	119,720	265,870	233,909	(31,961)
Income (Loss) before transfers and capital contributions	(76,645)	(76,645)	238,412	315,057

CITY OF BRUSH, COLORADO

WATER FUND

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (cont.)

BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
Transfers out	(18,970)	(18,970)	(18,970)	
Capital contributions - tap fees	<u>1,000</u>	<u>1,000</u>	<u>10,000</u>	<u>9,000</u>
Change in net position	<u>\$ (94,615)</u>	<u>\$ (94,615)</u>	229,442	<u>\$ 324,057</u>
Adjustment to GAAP Basis				
Add capital outlay			241,631	
Add principal payments			19,080	
Deduct depreciation			<u>(222,675)</u>	
Change in net position - GAAP Basis			267,478	
Net position at beginning of year			<u>6,643,052</u>	
Net position at end of year			<u>\$ 6,910,530</u>	

CITY OF BRUSH, COLORADO

TRASH AND GARBAGE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
Operating Revenue			
Trash services	\$ 388,000	\$ 380,414	\$ (7,586)
Sale of trash bags	200	218	18
Sale of cans	5,000	6,196	1,196
Miscellaneous	<u>4,500</u>	<u>7,361</u>	<u>2,861</u>
Total Operating Revenue	397,700	394,189	(3,511)
Operating Expense			
Personal services			
Salaries	131,080	114,004	17,076
Retirement and fringe benefits	97,225	78,966	18,259
Supplies	4,900	4,561	339
Professional services	73,300	72,700	600
Medical	800	957	(157)
Travel and training	600	280	320
Maintenance and telephone	3,035	3,126	(91)
Advertising	500	1,263	(763)
Insurance - general	1,580	388	1,192
Purchase of cans	12,000	10,572	1,428
Landfill contract	83,000	81,908	1,092
Fuel and oil	20,000	18,771	1,229
Repairs and maintenance - vehicle	<u>16,000</u>	<u>24,034</u>	<u>(8,034)</u>
Total Operating Expense	<u>444,020</u>	<u>411,530</u>	<u>32,490</u>
Operating Loss	(46,320)	(17,341)	28,979
Nonoperating Revenue			
Interest	<u>700</u>	<u>443</u>	<u>(257)</u>
Total Nonoperating Revenue	700	443	(257)
Loss before transfers	(45,620)	(16,898)	28,722
Transfers out	<u>(8,880)</u>	<u>(8,880)</u>	<u></u>
Change in net position	<u>\$ (54,500)</u>	<u>(25,778)</u>	<u>\$ 28,722</u>
Adjustment to GAAP Basis			
Deduct depreciation		<u>(23,929)</u>	
Change in net position - GAAP Basis		(49,707)	
Net position at beginning of year		<u>334,854</u>	
Net position at end of year		<u>\$ 285,147</u>	

CITY OF BRUSH, COLORADO

WASTE WATER FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue				
Sewer fees	\$ 1,485,000	\$ 1,485,000	\$ 1,492,736	\$ 7,736
Miscellaneous	1,000	1,000	1,358	358
Administrative fees	100	100	75	(25)
Total Operating Revenue	1,486,100	1,486,100	1,494,169	8,069
Operating Expense				
Personal services				
Salaries	153,300	153,300	123,064	30,236
Retirement and fringe benefits	91,690	91,690	62,736	28,954
Supplies	10,800	10,800	19,465	(8,665)
Professional services	316,020	366,020	369,798	(3,778)
Medical	1,000	1,000	524	476
Telephone	2,300	2,300	2,121	179
Utilities	110,000	130,000	136,866	(6,866)
Association dues	1,000	1,000	508	492
Travel and training	5,000	5,000	2,256	2,744
Computer and radio maintenance	8,050	8,050	7,596	454
Advertising	800	800	421	379
Insurance - general	57,060	57,060	39,731	17,329
Permits	18,130	18,130	19,090	(960)
Repairs and maintenance	75,000	75,000	29,289	45,711
Sanitary sewer cleaning	75,000	75,000	78,792	(3,792)
Manholes	20,000	20,000	868	19,132
Sewer lines	20,000	20,000	27,584	(7,584)
Noncapital outlay			2,335	(2,335)
Capital outlay	157,620	157,620	125,718	31,902
Fuel and oil	8,000	8,000	6,099	1,901
Repairs and maintenance - vehicle	2,800	2,800	1,028	1,772
Total Operating Expense	1,133,570	1,203,570	1,055,889	147,681
Operating Income	352,530	282,530	438,280	155,750
Nonoperating Revenue (Expense)				
Interest	8,000	8,000	5,361	(2,639)
Surcharge fees	500	500	10,693	10,193
Farm income	6,890	6,890	6,888	(2)
Farm expense	(700)	(700)	(410)	290
Note payments	(625,295)	(625,295)	(619,191)	6,104
Total Nonoperating Revenue (Expense)	(610,605)	(610,605)	(596,659)	13,946
Loss before transfers and capital contributions	(258,075)	(328,075)	(158,379)	169,696

CITY OF BRUSH, COLORADO

WASTE WATER FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (cont.)
 BUDGET AND ACTUAL
For the Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
Transfers out	(32,040)	(32,040)	(32,040)	
Capital contributions - tap fees	<u>6,000</u>	<u>6,000</u>	<u>15,000</u>	<u>9,000</u>
Change in net position	<u>\$ (284,115)</u>	<u>\$ (354,115)</u>	(175,419)	<u>\$ 178,696</u>
Adjustment to GAAP Basis				
Add capital outlay			125,718	
Add principal payments			400,000	
Add amortized premium			19,105	
Add accrued interest			1,098	
Deduct depreciation			<u>(292,279)</u>	
Change in net position - GAAP Basis			78,223	
Net position at beginning of year			<u>6,153,733</u>	
Net position at end of year			<u>\$ 6,231,956</u>	

CITY OF BRUSH, COLORADO

STORM WATER FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL

For the Year Ended December 31, 2013

	Original and Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue			
Service Fees	\$ 310,000	\$ 312,162	\$ 2,162
Storm water assessment	3,330	3,159	(171)
Miscellaneous	100	29	(71)
Total Operating Revenue	<u>313,430</u>	<u>315,350</u>	<u>1,920</u>
Operating Expense			
Personal services			
Salaries	33,785	33,405	380
Retirement and fringe benefits	17,800	16,449	1,351
Supplies	4,400	2,661	1,739
Professional services	27,030	25,688	1,342
Medical	100	35	65
Travel and training	600	520	80
Maintenance and telephone	3,210	4,312	(1,102)
Advertising	200		200
Insurance - general	3,280	1,532	1,748
Sewer cleaning	20,000	21,979	(1,979)
Line maintenance	6,000	15	5,985
Pond maintenance	5,000		5,000
Assessment maintenance	500	1,163	(663)
Curb & gutter maintenance	5,000	2,125	2,875
Noncapital outlay		481	(481)
Capital outlay	418,335	17,282	401,053
Gas and Oil	9,000	6,882	2,118
Repairs and maintenance - vehicle	9,000	4,821	4,179
Total Operating Expense	<u>563,240</u>	<u>139,350</u>	<u>423,890</u>
Operating Income (Loss)	(249,810)	176,000	425,810
Nonoperating Revenue			
Interest	1,400	865	(535)
Loan proceeds	100,000		(100,000)
Special assessments	27,580	26,314	(1,266)
Total Nonoperating Revenue	<u>128,980</u>	<u>27,179</u>	<u>(101,801)</u>
Income (loss) before transfers	(120,830)	203,179	324,009
Transfers out	<u>(2,900)</u>	<u>(2,900)</u>	
Change in net position	<u>\$ (123,730)</u>	200,279	<u>\$ 324,009</u>
Adjustment to GAAP Basis			
Add capital outlay		17,282	
Deduct depreciation		<u>(50,990)</u>	
Change in net position - GAAP Basis		166,571	
Net position at beginning of year		<u>1,087,631</u>	
Net position at end of year		<u>\$ 1,254,202</u>	

**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 date accuracy, House Bill 1008 mandates that this report be included in the City's financial statements.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: CITY OF BRUSH!
	YEAR ENDING : December 2013

This Information From The Records Of (example - City of _ or County of _) Prepared By: Joanne Gosselink
Phone: 970-842-5001

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	51,387
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	468,185
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	101,976
2. General fund appropriations		b. Snow and ice removal	3,845
3. Other local imposts (from page 2)	747,823	c. Other	9,919
4. Miscellaneous local receipts (from page 2)	48,952	d. Total (a. through c.)	115,740
5. Transfers from toll facilities		4. General administration & miscellaneous	15,029
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	289,261
a. Bonds - Original Issues		6. Total (1 through 5)	939,602
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	796,775	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	142,827	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	939,602	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	939,602

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		939,602	939,602		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2013

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	152,291	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	48,952
1. Sales Taxes	508,261	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	87,271	g. Other Misc. Receipts	
6. Total (1. through 5.)	595,532	h. Other	
c. Total (a. + b.)	747,823	i. Total (a. through h.)	48,952
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	142,827	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	142,827	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		3,171	3,171
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		48,216	48,216
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	48,216	48,216
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	51,387	51,387
			(Carry forward to page 1)

Notes and Comments: