

City of Brush, Colorado

Financial Statements

For the Year ended December 31, 2015

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	1
Letter of Transmittal	2-4
List of Elected and Appointed Officials	5
Organizational Chart	6
 FINANCIAL SECTION	 7
Independent Auditor's Report	8-9
Management's Discussion and Analysis	10-16
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18-19
Fund Financial Statements	
Balance Sheet - Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	21-22
Statement of Net Position - Proprietary Funds	23-24
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Notes to the Financial Statements	27-47
 Required Supplementary Information	
Schedule of the City's Proportionate Share of the Net pension Asset - Police Statewide Defined Benefit Plan	56
Schedule of City Contributions - Police Statewide Defined Benefit Plan	57
Schedule of the City's Proportionate Share of the Net pension Asset - Brush Rural Fire Protection District Volunteer Fire Pension Plan	58
Schedule of City Contributions - Brush Rural Fire Protection District Volunteer Fire Pension Plan	59
General Fund - Budgetary Comparison Schedule	60-66
Notes to the Required Supplementary Information	67-68

TABLE OF CONTENTS

	Page
Other Supplemental Information	
Combining Statements and Budgetary Comparison Schedules - Nonmajor Governmental Funds	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	70
Special Surplus and Deficiency Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	71
Conservation Trust Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	72
Police Forfeiture Confiscation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	73
Capital Improvement Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	74
Fire Equipment Improvement Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	75
Joslin Needham Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	76
Cemetery Perpetual Care Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	77
 Budgetary Comparison Schedules - Enterprise Fund	
Water Fund - Schedule of Revenues, Expenses and Changes in Net Position	78-79
Trash and Garbage Fund - Schedule of Revenues, Expenses Net Position	80
Waste Water Fund - Schedule of Revenues, Expenses and Changes in Net Position	81-82
Storm Water Fund - Schedule of Revenues, Expenses and Changes in Net Position	83
Golf Course Fund - Schedule of Revenues, Expenses and Changes in Net Position	84-85
 Colorado Department of Highways Local Highway Finance Report Local Highway Finance Report	
	86-87

INTRODUCTORY SECTION

July 22, 2016

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, 2015. 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 4 percent.

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

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

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

Local economy

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

City parks have expanded over the last few years with the addition of Prairie Trails and Watrous parks. The most recent update to the parks was in 2014 for a newly constructed Skate 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 2014 sales tax revenues increased by \$18,522 (1.3%) from the prior year. City sales tax for 2015 increased \$28,702 (2%). Sales tax revenues have seen increased revenue over the last three years and there are still signs of economic growth in other areas. In 2015 Love's Travel Stops & Country Stores purchased property next to the interstate for a future Love's truck stop and have proposed subdividing the property for future commercial growth.

For years the local golf course has been owned and operated by a private organization. In 2015 the organization approached the City asking the city to purchase the golf course. After some deliberation the City purchased the golf course and with the help from Joslin Needham, a local foundation, is in the process of restoring the facility. There were improvements to the restaurant and new equipment was purchased in 2015. Ongoing improvements will continue through 2016.

Long-term financial planning

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

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.

The City continues to see rising cost in the purchase of fire trucks and other equipment for the fire department. The current fire building needs to be expanded as well. In 2014 the City was able to pass a sales tax ballot issue specific to the fire department for the purchase of equipment and building improvements effective January 1, 2015. This four-tenths percent (.04%) sales tax generated \$173,335 in revenue in 2015.

Major initiatives

The City of Brush recognizes the need for additional water supplies and at the same time understands the value of water conservation. The City continues to purchase water share and will be proposing an increase to the water rates in 2016.

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, 2015

Elected Officials

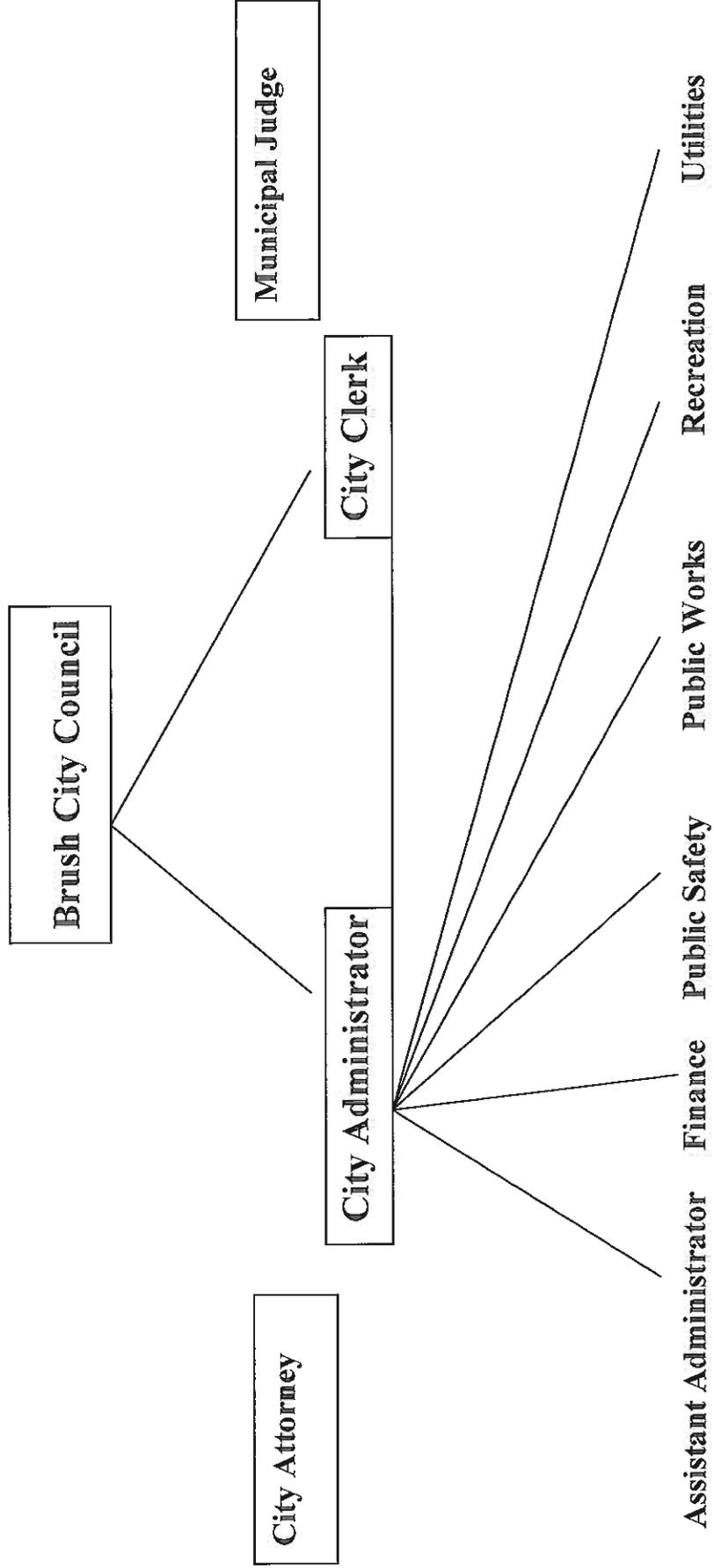
Mayor	Charles Schonberger
Council Member - Ward 1	Marlene Baker
Council Member - Ward 1	Rick Bain
Council Member - Ward 2	Victoria Quinlin
Council Member - Ward 2	Kim Dykes
Council Member - Ward 3	Jeanine Anderson
Council Member - Ward 3	Heath Becker

Appointed Officials

City Administrator	Monty Torres
Assistant Administrator	Karen Schminke
City Clerk	Andrea Strand
Finance Director	Joanne Gosselink
Fire Chief	Tad Anderson
Parks and Recreation Director	Lance Schwindt
Police Chief	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, 2015, 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, 2015, 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.

Emphasis of Matter

As described in Note 14 to the financial statements, in fiscal year 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The other supplementary information 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
July 27, 2016

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, 2015. 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 \$24,877,445. Of this amount, \$7,236,909 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 \$4,053,010 an increase of \$16,275 in comparison with the prior year. Of this amount \$2,632,569 is available for spending at the government's discretion (unassigned, assigned and committed fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,257,693 or 60 percent of total general fund expenditures.

Overview of the Financial Statements

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

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

The statement of net 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 activities		Business-type activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
	Current and other assets	4,879,705	4,903,523	3,731,565	3,959,488	8,611,270
Capital assets-net of accumulated depreciation	5,683,450	5,501,415	20,099,586	19,723,619	25,783,036	25,225,034
Total assets	10,563,155	10,404,938	23,831,151	23,683,107	34,394,306	34,088,045
Deferred outflows of resources	70,894				70,894	
Total assets and deferred outflows of resources	10,634,049	10,404,938	23,831,151	23,683,107	34,465,200	34,088,045
Long-term liabilities outstanding	407,319	186,373	7,790,883	8,238,286	8,198,202	8,424,659
Other liabilities	88,522	201,815	645,301	659,095	733,823	860,910
Total liabilities	495,841	388,188	8,436,184	8,897,381	8,932,025	9,285,569
Deferred inflows of resources	655,730	664,973			655,730	664,973
Net investment in Capital assets	5,683,450	5,501,415	11,957,086	11,147,014	17,640,536	16,648,429
Restricted	1,485,257	1,248,273	228,409	271,608	1,713,666	1,519,881
Unrestricted	2,313,771	2,602,089	3,209,472	3,367,104	5,523,243	5,969,193
Total net position	9,482,478	9,351,777	15,394,967	14,785,726	24,877,445	24,137,503

City of Brush Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenues						
Charges for services	\$ 669,839	\$ 664,306	\$ 3,311,830	\$ 3,189,295	\$ 3,981,669	\$ 3,853,601
Grants and contributions	307,434	341,534			307,434	341,534
General revenues						
Property taxes	648,472	630,340			648,472	630,340
Other	2,831,225	2,625,424	366,121	436,157	3,197,346	3,061,581
Total revenues	<u>4,456,970</u>	<u>4,261,604</u>	<u>3,677,951</u>	<u>3,625,452</u>	<u>8,134,921</u>	<u>7,887,056</u>
Program expenses						
General government	914,828	900,414			914,828	900,414
Public safety	1,296,118	987,518			1,296,118	987,518
Public works	980,089	1,205,264			980,089	1,205,264
Culture & recreation	892,386	763,445			892,386	763,445
Water			952,841	1,080,245	952,841	1,080,245
Trash & garbage			457,603	433,550	457,603	433,550
Waste water			1,380,651	1,749,903	1,380,651	1,749,903
Storm water			207,729	206,686	207,729	206,686
Golf course			233,168		233,168	
Total expenses	<u>4,083,421</u>	<u>3,856,641</u>	<u>3,231,992</u>	<u>3,470,384</u>	<u>7,315,413</u>	<u>7,327,025</u>
Excess (deficiency) before transfers	373,549	404,963	445,959	155,068	819,508	560,031
Transfers	(163,284)	63,540	163,284	(63,540)		
Increase (decrease) in net assets	210,265	468,503	609,243	91,528	819,508	560,031
Net Position - beginning of year	9,272,213	8,882,864	14,785,724	14,694,196	24,057,937	23,577,060
Net position - ending	<u>\$9,482,478</u>	<u>\$9,351,367</u>	<u>\$15,394,967</u>	<u>\$14,785,724</u>	<u>\$24,877,445</u>	<u>\$24,137,091</u>

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

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

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

The City of Brush maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the only major governmental fund. Data from the other seven 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 60-83 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 five enterprise funds classified as proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brush uses enterprise funds to account for its Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Trash and Garbage, Waste Water 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 27-55 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 43-53 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 67-75 of this report.

Government-wide Financial Analysis

As noted earlier, net assets 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 \$24,877,445 at the close of 2015.

Capital assets reflect 75 percent of the City of Brush's total assets (e.g., land, buildings, machinery, and equipment). The City of Brush uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Brush's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Seven percent of the City of Brush's net position represents resources that are subject to external restrictions on how they may be used. There is \$5,523,243 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 assets, 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 \$210,265, thereby accounting for 26 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 \$609,243. The increase to net position is 74 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 \$4,053,010, an increase of \$16,275 in comparison with the prior year. Approximately 56 percent of this total amount (\$2,257,693) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed for a variety of specific 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 \$2,257,693, while total fund balance reached \$2,724,547. 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. Unassigned fund balance represents 60 percent of total general fund expenditures, while total fund balance represents 72 percent of that same amount.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,209,472. The total growth in net position for the Water, Trash and Garbage, Waste Water, Storm Water, and Golf Course funds was \$46,282, \$33,178, \$173,173, \$102,372, and \$254,238, 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 \$159,018 of which \$128,833 can be attributed to taxes. During the year actual expenditures were less than budgeted expenditures by \$830,490. The savings is attributed to personnel, professional services and capital purchases.

Capital Assets and Debt Administration

Capital assets. The City of Brush's investments in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$25,783,036 (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 37-38 of this report.

Long-term debt. At the end of the current fiscal year, the City of Brush had total bonded debt outstanding of \$7,717,500. This debt is paid with waste water revenues.

There was \$415,000 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 2 percent increase in sales tax for 2015, with a 4 increase projected for 2016. In 2015 property taxes for the City of Brush increased by 3 percent.

During the current fiscal year, unassigned fund balance in the general fund decreased by \$108,178. The City of Brush has appropriated \$657,355 of fund balances for spending in the 2016 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2016 fiscal year.

Requests for Information

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

CITY OF BRUSH, COLORADO

STATEMENT OF NET POSITION

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments (Notes 1 & 2)	\$ 3,629,315	\$ 3,337,373	\$ 6,966,688
Cash on deposit with Morgan County Treasurer (Notes 1 & 2)	5,827		5,827
Receivables (Note 1)			
Accrued interest	4,209	3,397	7,606
Accounts receivable	142,079	320,637	462,716
Sales tax receivable	320,318		320,318
Highway users tax receivable	10,843		10,843
General property taxes receivable	644,416		644,416
Other receivables		10,402	10,402
Inventory (Note 1)	28,941	59,756	88,697
Total Current Assets	4,785,948	3,731,565	8,517,513
Noncurrent Assets			
Net pension asset (Note 8)	93,757		93,757
Capital Assets (Notes 1 & 3)			
Land	492,622	1,862,096	2,354,718
Property and equipment	9,669,173	23,519,796	33,188,969
Water rights stock		1,092,555	1,092,555
Less: accumulated depreciation	(4,478,345)	(6,374,861)	(10,853,206)
Total Capital Assets	5,683,450	20,099,586	25,783,036
Total Noncurrent Assets	5,777,207	20,099,586	25,876,793
Total Assets	10,563,155	23,831,151	34,394,306
Deferred Outflows of Resources			
Pension deferrals (Note 8)	70,894		70,894
Total Assets and Deferred Outflows of Resources	\$ 10,634,049	\$ 23,831,151	\$ 34,465,200
Liabilities			
Current Liabilities			
Accounts payable	45,247	52,436	97,683
Police bond account	3,004		3,004
Due to other agencies	325	2,510	2,835
Payroll taxes withheld and accrued	3,743	1,378	5,121
Accrued interest expense		84,777	84,777
Unearned revenues	36,203	87,490	123,693
Current portion of notes payable (Notes 4 & 5)		425,000	425,000
Total Current Liabilities	88,522	653,591	742,113
Long-Term Liabilities			
Accrued compensated absences (Notes 1 & 5)	188,994	65,093	254,087
Net pension liability (Note 8)	218,325		218,325
Notes payable (Notes 4 & 5)		7,717,500	7,717,500
Total Long-Term Liabilities	407,319	7,782,593	8,189,912
Total Liabilities	495,841	8,436,184	8,932,025
Deferred inflows of resources			
Pension deferrals (Note 8)	11,314		11,314
Deferred tax revenues	644,416		644,416
Total Deferred Inflows of Resources	655,730		655,730
Net Position (Notes 1 & 6)			
Net investment in capital assets	5,683,450	11,957,086	17,640,536
Restricted:			
Restricted for performance bond	88,756		88,756
Restricted for Tricentennial celebration	3,111		3,111
Restricted for emergency	126,000		126,000
Restricted for park improvements and maintenance	3,237		3,237
Restricted for police equipment	13,200		13,200
Restricted for street improvements	800,969		800,969
Restricted for fire equipment	356,227		356,227
Restricted for debt service		228,409	228,409
Restricted for pensions	93,757		93,757
Unrestricted	2,313,771	3,209,472	5,523,243
Total Net Position	\$ 9,482,478	\$ 15,394,967	\$ 24,877,445

CITY OF BRUSH, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

	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
Functions/Programs						
Governmental Activities						
General Government	\$ 914,828	\$ 19,266		\$ (895,562)		\$ (895,562)
Public Safety	1,296,118	95,647		(1,192,252)		(1,192,252)
Public Works	980,089	373,787	\$ 46,532	(559,770)		(559,770)
Culture and recreation	892,386	181,139	252,683	(458,564)		(458,564)
Total Governmental Activities	4,083,421	669,839	299,215	(3,106,148)		(3,106,148)
Business-Type Activities						
Water	952,840	837,323			\$ (115,517)	(115,517)
Trash and Garbage	457,603	499,979			42,376	42,376
Waste Water	1,380,651	1,538,731			158,080	158,080
Storm Water	207,729	311,533			103,804	103,804
Golf Course	233,168	124,264			(108,904)	(108,904)
Total Business-Type Activities	3,231,991	3,311,830			79,839	79,839
Total Primary Government	\$ 7,315,412	\$ 3,981,669	\$ 299,215	(3,106,148)	79,839	(3,026,309)

CITY OF BRUSH, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

General Revenues			
Taxes			
Local property	648,472		648,472
Specific ownership	90,282		90,282
Franchise	240,365		240,365
Sales	1,907,211		1,907,211
Cigarette	6,056		6,056
Other revenues	555,448	235,024	790,472
Investment earnings	9,852	9,755	19,607
Sale of property	22,011	121,341	143,352
Transfers	(163,284)	163,284	
Total General Revenues	3,316,413	529,404	3,845,817
Change in Net Position	210,265	609,243	819,508
Net position at beginning of year	9,272,213	14,785,724	24,057,937
Net Position at End of Year	\$ 9,482,478	\$ 15,394,967	\$ 24,877,445

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash (Notes 1 & 2)	\$ 266,321	\$ 376,161	\$ 642,482
Investments (Notes 1 & 2)	2,148,470	835,359	2,983,829
Police bond cash (Notes 1 & 2)	3,004		3,004
Cash on deposit with Morgan County Treasurer (Notes 1 & 2)	5,827		5,827
Accrued interest revenue	3,154	1,055	4,209
Accounts receivable (Note 1)	64,380	77,699	142,079
General property taxes receivable	603,311	41,105	644,416
Sales tax receivable	240,158	80,160	320,318
Highway users tax receivable	10,843		10,843
Inventory	28,941		28,941
Total Assets	\$ 3,374,409	\$ 1,411,539	\$ 4,785,948
Liabilities			
Accounts payable	\$ 39,479	\$ 5,768	\$ 45,247
Police bond account	3,004		3,004
Unearned revenue		36,203	36,203
Due to other agencies	325		325
Payroll taxes withheld and accrued	3,743		3,743
Total Liabilities	46,551	41,971	88,522
Deferred inflow of resources			
Deferred tax revenue	603,311	41,105	644,416
Fund Equity			
Fund Balance (Notes 1 & 6)			
Nonspendable for inventory	28,941		28,941
Restricted for performance bond	88,756		88,756
Restricted for Tricentennial celebration	3,111		3,111
Restricted for emergency		126,000	126,000
Restricted for park improvements and maintenance		3,237	3,237
Restricted for police equipment		13,200	13,200
Restricted for street improvements		800,969	800,969
Restricted for fire equipment		356,227	356,227
Committed for park improvements		4,444	4,444
Committed for cemetery maintenance		23,432	23,432
Committed for emergency		954	954
Committed for main street improvements	11,559		11,559
Assigned for community enhancement	275,640		275,640
Assigned for general equipment	58,847		58,847
Unassigned	2,257,693		2,257,693
Total Fund Equity	2,724,547	1,328,463	4,053,010
Total Liabilities, Deferred Inflow of Resources and Fund Equity	\$ 3,374,409	\$ 1,411,539	

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. (Note 3)	5,683,450
Net pension assets, liabilities and deferrals used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.	(64,988)
Long-term liabilities including accrued compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds	(188,994)
Net Position of Governmental Activities	\$ 9,482,478

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, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 2,369,563	\$ 522,823	\$ 2,892,386
Licenses and permits	38,386		38,386
Intergovernmental revenue	339,230	52,583	391,813
Charges for services	219,402	17,586	236,988
Fines and forfeits	69,101	75	69,176
Miscellaneous	603,321	202,889	806,210
Total Revenues	<u>3,639,003</u>	<u>795,956</u>	<u>4,434,959</u>
Expenditures			
General government	897,210		897,210
Public safety	1,118,354	86,297	1,204,651
Public works	731,351	15,965	747,316
Culture and recreation	739,077	37,175	776,252
Capital Outlay	249,298	530,583	779,881
Total Expenditures	<u>3,735,290</u>	<u>670,020</u>	<u>4,405,310</u>
Revenues in Excess (Deficiency) of Expenditures	<u>(96,287)</u>	<u>125,936</u>	<u>29,649</u>
Other Financing Sources (Uses)			
Sale of property	22,011		22,011
Transfer in	64,625		64,625
Transfer out	(100,000)	(10)	(100,010)
Total Other Financing Sources (Uses)	<u>(13,364)</u>	<u>(10)</u>	<u>(13,374)</u>
Net change in fund balances	(109,651)	125,926	16,275
Fund Balance - Beginning of year	<u>2,834,198</u>	<u>1,202,537</u>	<u>4,036,735</u>
Fund Balance - End of year	<u>\$ 2,724,547</u>	<u>\$ 1,328,463</u>	<u>\$ 4,053,010</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, 2015

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

Net change in fund balances of governmental funds \$ 16,275

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	\$ (459,185)	
Capital outlays	<u>641,220</u>	182,035

In the statement of activities, certain operating expenses such as pension expense and 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 and pension expense on the statement of activities.

11,955

Change in net position of governmental activities \$ 210,265

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2015

	Business-Type Activities Enterprise Funds					Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	Golf Course Fund	
ASSETS						
Current Assets (Note 1 & 2)						
Cash (Notes 1 & 2)	\$ 100,335	\$ 57,470	\$ 96,957	\$ 258,634	\$ 1,515	\$ 514,911
Investments (Notes 1 & 2)	860,548	200,000	1,301,555	460,359		2,822,462
Accrued interest revenue	543	231	1,738	885		3,397
Accounts receivable (Note 1)	314,679	1,846	4,039		73	320,637
Other receivables	10,402					10,402
Inventory (Note 1)	33,698	23,738			2,320	59,756
Total Current Assets	1,320,205	283,285	1,404,289	719,878	3,908	3,731,565
Property, Plant and Equipment (Note 1 & 3)						
Land	1,091,760	1,475	719,400		49,461	1,862,096
Buildings and improvements	170,477	41,603			168,475	380,555
Water system	6,648,405					6,648,405
Waste water plant and sewer system			13,745,020			13,745,020
Equipment	646,546	359,967	484,317	1,082,000	45,700	2,618,530
Office equipment	127,286					127,286
Water rights stock	1,092,555					1,092,555
Subtotal	9,777,029	403,045	14,948,737	1,082,000	263,636	26,474,447
Less accumulated depreciation	(3,926,914)	(321,851)	(1,801,432)	(321,256)	(3,408)	(6,374,861)
Property, Plant and Equipment - Net	5,850,115	81,194	13,147,305	760,744	260,228	20,099,586
Total Assets	7,170,320	364,479	14,551,594	1,480,622	264,136	23,831,151

The accompanying notes are an integral part of these statements.

CITY OF BRUSH, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (Cont.)
 December 31, 2015

	Business-Type Activities Enterprise Funds					Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	Golf Course Fund	
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts payable	\$ 14,413	\$ 11,744	\$ 12,733	\$ 3,651	\$ 9,895	\$ 52,436
Accrued interest payable			84,777			84,777
Due to other entity			2,373		137	2,510
Payroll taxes withheld and accrued	1,219	76	217		(5)	1,507
Tips payable					(129)	(129)
Unearned revenues	79,200			8,290		87,490
Note payable (Notes 4 & 5)			425,000			425,000
Total Current Liabilities	94,832	11,820	525,100	11,941	9,898	653,591
Long-Term Liabilities						
Accrued compensated absences (Note 5)	35,440	18,273	2,662	8,718		65,093
Notes payable (Notes 4 & 5)			7,717,500			7,717,500
Total Long-Term Liabilities	35,440	18,273	7,720,162	8,718		7,782,593
Total Liabilities	130,272	30,093	8,245,262	20,659	9,898	8,436,184
Net Assets (Note 6)						
Net investment in capital assets	5,850,115	81,194	5,004,805	760,744	260,228	11,957,086
Restricted for debt service (Note 4)			228,409			228,409
Unrestricted (deficit)	1,189,933	253,192	1,073,118	699,219	(5,990)	3,209,472
Total Net position	\$ 7,040,048	\$ 334,386	\$ 6,306,332	\$ 1,459,963	\$ 254,238	\$ 15,394,967

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, 2015

	Business-Type Activities- Enterprise Funds					Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	Golf Course Fund	
Operating Revenue						
Services	\$ 805,212	\$ 480,189	\$ 1,535,120	\$ 308,240		\$ 3,128,761
Sale of trash bags		37				37
Sale of trash cans		8,390				8,390
Administrative fees	28,507					28,507
Storm water maintenance assessment				3,159		3,159
Membership dues					\$ 17,768	17,768
Barn and golf course fees					45,625	45,625
Restaurant and Bar income					56,207	56,207
Miscellaneous	3,604	11,363	3,611	134	4,664	23,376
Total Operating Revenue	837,323	499,979	1,538,731	311,533	124,264	3,311,830
Operating Expense						
Cost of sales and services	510,588	342,812	538,861	111,606	213,455	1,717,322
Administration	203,577	87,347	332,384	35,472	11,289	670,069
Depreciation	227,434	27,444	305,915	60,651	3,408	624,852
Total Operating Expense	941,599	457,603	1,177,160	207,729	228,152	3,012,243
Operating Income (Loss)	(104,276)	42,376	361,571	103,804	(103,888)	299,587
Nonoperating Revenue (Expense)						
Interest on investments	3,988	607	3,405	1,743	12	9,755
Joint venture			3,131			3,131
Rental income	3,150		12,325		2,365	17,840
Farm income	25,557		11,888			37,445
Water rights and credit leases	4,324					4,324
Capacity and development fees	130,836		17,244			148,080
DOW lease	3,600					3,600
Easment	7,738					7,738
Golf course income					12,866	12,866
Golf course expense					(5,016)	(5,016)
Water conservation	(8,838)					(8,838)
Farm expense	(2,403)		(16,496)			(18,899)
Interest expense (Note 5)			(186,995)			(186,995)
Total Nonoperating Revenue (Expense)	167,952	607	(155,498)	1,743	10,227	25,031
Income (Loss) before transfers and capital contributions	63,676	42,983	206,073	105,547	(93,661)	324,618
Transfer out	(18,735)	(9,805)	(32,900)	(3,175)		(64,615)
Transfer in					100,000	100,000
Sale of property	1,341				120,000	121,341
Capital Contributions					127,899	127,899
Change in net position	46,282	33,178	173,173	102,372	254,238	609,243
Net Position at beginning of year	6,993,766	301,208	6,133,159	1,357,591		14,785,724
Net Position - End of year	\$ 7,040,048	\$ 334,386	\$ 6,306,332	\$ 1,459,963	\$ 254,238	\$ 15,394,967

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, 2015

	Business - Type Activities Enterprise Funds					Total
	Water Fund	Trash and Garbage Fund	Waste Water Fund	Storm Water Fund	Golf Course Fund	
Cash flows from operating activities:						
Cash receipts from customers	\$ 848,827	\$ 500,062	\$ 1,535,190	\$ 313,245	\$ 124,191	\$ 3,321,515
Cash payments to suppliers for goods and services	(416,729)	(225,100)	(707,579)	(92,645)	(121,683)	(1,563,736)
Cash payments to employees for services	(306,523)	(203,897)	(193,481)	(52,023)	(95,483)	(851,407)
Net cash provided (used) by operating activities	125,575	71,065	634,130	168,577	(92,975)	906,372
Cash flows from noncapital financing activities:						
Water conservation	(8,838)					(8,838)
Transfers	(18,735)	(9,805)	(32,900)	(3,175)	100,000	35,385
Net cash provided (used) by noncapital financing activities	(27,573)	(9,805)	(32,900)	(3,175)	100,000	26,547
Cash flows from capital and related financing activities:						
Additions to capital assets	(250,566)	(41,603)	(304,389)	(20,627)	(135,736)	(752,921)
Additions to water stock investments	(120,000)					(120,000)
Principal paid on debt			(415,000)			(415,000)
Interest paid on debt			(212,744)			(212,744)
Community donations			3,131			3,131
Sale of property	1,341				120,000	121,341
Capacity and development fee principal collections	130,836		17,244			148,080
Water rights and credit leases	4,324					4,324
Grant proceeds				8,290		8,290
Net cash used by capital and related financing activities	(234,065)	(41,603)	(911,758)	(12,337)	(15,736)	(1,215,499)
Cash flows from investing activities:						
Farm income/(loss) - net	23,154		(4,608)			18,546
Rental & Easement income	10,888		12,325			23,213
Golf course income/(loss)					10,214	10,214
Interest received on investments	3,886	489	2,701	1,005	12	8,093
Net cash provided by investing activities	37,928	489	10,418	1,005	10,226	60,066
Net increase (decrease) in cash and cash equivalents	(98,135)	20,146	(300,110)	154,070	1,515	(222,514)
Cash & cash equivalents - beginning of year	1,059,018	237,324	1,698,622	564,923		3,559,887
Cash & cash equivalents - end of year	<u>\$ 960,883</u>	<u>\$ 257,470</u>	<u>\$ 1,398,512</u>	<u>\$ 718,993</u>	<u>\$ 1,515</u>	<u>\$ 3,337,373</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income (Loss)	\$ (104,277)	\$ 42,376	\$ 361,571	\$ 103,804	\$ (103,888)	\$ 299,586
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	227,434	27,444	305,915	60,651	3,408	624,852
Changes in assets and liabilities						
Decrease (Increase) in accounts receivable	5,044	83	(3,541)	1,712	(73)	3,225
Decrease (Increase) in inventory	3,884	(4,177)			(2,320)	(2,613)
Decrease (Increase) in other receivables	6,460					6,460
Increase (Decrease) in accounts payable	(2,930)	3,819	(29,702)	2,373	9,895	(16,545)
Increase (Decrease) in other liabilities	(10,040)	1,520	(113)	37	3	(8,593)
Total Adjustments	229,852	28,689	272,559	64,773	10,913	606,786
Net cash provided (used) by operating activities	<u>\$ 125,575</u>	<u>\$ 71,065</u>	<u>\$ 634,130</u>	<u>\$ 168,577</u>	<u>\$ (92,975)</u>	<u>\$ 906,372</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 one item that qualified for reporting in this category. Accordingly, the item, pension deferrals, is reported on the statement of net position.

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 two items 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 and the item pension deferrals is reported on the statement of net position. The deferred tax revenues 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.

Golf Course Fund

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

Additionally, the City reports the following nonmajor funds.

Special Surplus and Deficiency Fund

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

Conservation Trust Fund

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

Police Forfeiture and Confiscation Fund

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

Capital Improvement Fund

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

Fire Equipment Improvement Fund

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

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 2015 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, 2015 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 comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

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

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

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

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 \$6,103,900, of which \$750,000 was insured and \$5,353,900 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	\$ 4,803,111	\$ 4,803,111	\$	\$
Investment in CSAFE	1,003,180	1,003,180		
Totals	\$ 5,806,291	\$ 5,806,291	\$	\$

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

Note 3: CAPITAL ASSETS

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

Governmental Activities	
General Government	\$ 10,234
Public Safety	102,796
Public Works	246,686
Culture and Recreation	99,469
Total Governmental Activities	\$ 459,185
Business-type Activities	
Water	\$ 227,434
Trash and Garbage	27,444
Waste Water	305,915
Storm Water	60,651
Golf Course	3,408
Total Business-type Activities	\$ 624,852

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 3: CAPITAL ASSETS (continued)

Capital asset activity for the year ended December 31, 2015, was as follows

	Balance December 31, 2014	Additions and Adjustments	Deletions and Adjustments	Balance December 31, 2015
<u>Governmental Activities</u>				
Non-depreciable assets:				
Land	\$ 492,622			\$ 492,622
Depreciable assets:				
Buildings	1,696,582	\$ 10,346		1,706,928
Equipment	2,253,498	122,778		2,376,276
Vehicles	1,097,552	122,604		1,220,156
Infrastructure	3,393,209	188,382		3,581,591
Land improvements	715,375	197,110		912,485
Other	18,735			18,735
Less Accumulated Depreciation	(4,166,158)	(459,185)		(4,625,343)
Net Depreciable Capital Assets	5,008,793	182,035		5,190,828
Total Governmental Activities	\$ 5,501,415	\$ 182,035		\$ 5,683,450
<u>Business-Type Activities</u>				
Non-depreciable assets:				
Land	\$ 1,812,635	49,461		\$ 1,862,096
Water right stocks	972,555	120,000		1,092,555
Total non-depreciable assets	2,785,190	169,461		2,954,651
Buildings	170,477	210,078		380,555
Equipment	2,605,809	140,007		2,745,816
Systems	19,951,740	441,685		20,393,425
Less Accumulated Depreciation	(5,789,597)	(624,852)	\$ 39,588	(6,374,861)
Net Depreciable Capital Assets	16,938,429	166,918	39,588	17,144,935
Total Business-Type Activities	\$ 19,723,619	\$ 336,379	\$ 39,588	\$ 20,099,586

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>
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>\$ 7,840,000.00</u>	<u>\$ 2,195,174.15</u>	<u>\$ 10,035,174.15</u>

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.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 4: BONDS/NOTES PAYABLE (continued)

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 \$228,409 of net position in satisfaction of the three month renewal and maintenance reserve requirement at year-end. The City must also maintain waste water rates, fees and other charges that will cover operation and maintenance expenses and at least 110% of debt services for the calendar year. The City met this requirement for the year ended December 31, 2015.

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, 2015:

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 186,373	\$ 2,621		\$ 188,994	
Net pension liability	213,008	5,317		218,325	
Total Governmental activities	\$ 399,381	\$ 7,938	\$ -0-	\$ 407,319	\$ -0-
Business-type activities					
Compensated absences payable	\$ 76,683		11,590	\$ 65,093	
Premium on note payable	321,605		19,105	302,500	
Notes payable	8,255,000		415,000	7,840,000	425,000
Total Business-type activities	\$ 8,653,288	\$ -0-	\$ 445,695	\$ 8,207,593	\$ 425,000

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

The total amount of interest cost incurred and expensed was \$186,995.

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. 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

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

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 restriction 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 2015 in the amount of 3% or more of its fiscal year spending. At December 31, 2015, the City has restricted \$126,000 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 \$3,111 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, 2015 the balance of the funds earmarked for the subdivision was \$88,756.

The City presently levies a three and six-tenths percent (4%) sales tax. The sales tax is collected by the Colorado Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by the vendors. The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2006, increasing the sales tax rate by six-tenths of a percent from the previous three percent. The 2007 increase is specifically for street maintenance, improvements, and other related municipal purposes. The money is to be deposited in the capital improvement fund. All amounts not spent at year-end are restricted for the purposes designated by the legislation. At December 31, 2015 the amount of fund balance restricted for street maintenance was \$800,969. This amount is restricted by enabling legislation. The citizens of Brush passed a ballot initiative for an increase of sales tax in November of 2014, increasing the sales tax rate by four-tenths of a percent from the previous three and six-tenths percent. The 2015 increase is specifically for fire equipment and building improvements. The money is to be deposited in the Fire Equipment Fund. All amounts not spent at year-end are restricted for the purposes designated by legislation.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 6: COMMITMENTS AND CONTINGENCIES (continued)

The City receives monies from the State under the Colorado lottery program to be spent for park and recreation purposes only. At December 31, 2015 the amount of fund balance restricted for park maintenance and improvements was \$3,237.

The City has received funds from drug related court cases which the police department has been involved in. By state statute, expense is to be used for police equipment replacement. At December 31, 2015 the amount of fund balance restricted for police drug enforcement equipment was \$13,200.

The City has established a separate mill levy for the sole purpose of creating a financing mechanism for the purchase of fire fighting vehicles and related safety equipment. At December 31, 2015, the amount of fund balance restricted for fire equipment was \$356,227.

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 2015 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	Golf Course Fund
<u>Net Income (Loss)</u>					
GAAP Basis	\$ 46,282	\$ 33,178	\$ 173,173	\$ 102,372	\$ 254,238
Increase (Decrease) due to:					
Depreciation and amortization	227,434	27,444	305,915	60,651	3,408
Debt service-principal			(415,000)		
Capitalized interest					
Amortized premium			(19,105)		
Accrued interest			(6,643)		
Capital Outlay	<u>(370,565)</u>	<u>(41,603)</u>	<u>(304,389)</u>	<u>(20,627)</u>	<u>(135,736)</u>
Budgetary Basis	<u>\$ (96,849)</u>	<u>\$ 19,019</u>	<u>\$ (266,049)</u>	<u>\$ 142,396</u>	<u>\$ 121,910</u>

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 7: BUDGETARY DATA (continued)

The City may authorize Supplemental appropriations during the budget year. During 2015, the following supplemental appropriations were enacted.

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 273,000
Water Fund	171,000
Waste Water Fund	51,000
Golf Course Fund	397,555
Joslin-Needham Fund	<u>200,100</u>
Totals	<u>\$ 1,092,655</u>

Note 8: PENSION FUNDS

Statewide Defined Benefit Plan

Summary of significant accounting policies

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

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2014 has 212 participating employer fire and police departments.

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

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

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

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

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0%. The reentry Separate Retirement Account contribution rate was set at 3.60%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2014 was \$50,095,678. This amount was not included in the SWDB Plan Net Position.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of this Plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision on who pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent effective January 1, 2007 through 2014. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the City were \$38,417.

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

At December 31, 2015 the City reported an asset of \$93,757 for its proportionate share of the net pension asset.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net position asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2014, the City's proportion was .0830 percent, which was a decrease of .0118 percent from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$26,771. At December the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 5,544	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	9,584
Contributions subsequent to measurement date	38,417	
Difference between expected and actual experience	-	1,730
Totals	<u>\$ 43,961</u>	<u>\$ 11,314</u>

\$38,417 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>December 31,</u>	<u>Amount</u>
2016	\$ 646
2017	646
2018	646
2019	(1,202)
2020	(1,202)
2021	(1,202)
2022	(1,202)
2023	(1,202)
2024	(1,118)
2025	(580)
Totals	<u>\$ (5,770)</u>

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

Actuarial assumptions. The total pension asset in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return, compounded annually net of operating expenses, and including inflation	7.50 percent
Projected salary increases	4.0 – 14.0 percent
Cost of living adjustment	0.0 percent
Inflation	3.0 percent

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

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2007 – December 31, 2011. As a result of the 2011 actuarial experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumptions from 8.0 percent to 7.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	4.6%
Absolute Return	12%	6.5%
Managed Futures	4%	5.5%
Cash	<u>1%</u>	2.5%
Totals	<u>100%</u>	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2014, are summarized in the above table.

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

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

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 88,395	\$ (93,757)	\$ (245,696)

The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

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

Payables to the pension plan

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

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

Brush Combined Volunteer Pension Fund

Summary of significant accounting policies

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

General information about the pension plan

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

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

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

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>30</u>
Total	<u>69</u>

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

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

Contributions. Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2015 included \$30,623 from the State of Colorado matching funds, \$21,945 from Brush Rural Fire Protection District and \$17,316 from the City.

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

At December 31, 2015 the City reported a proportionate share of net pension liability of \$218,325. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. The proportionate share was determined by the total contributions of the City and the Brush Rural Fire Protection District made in 2015.

For the year ended December 31, 2015, the City recognized pension expense (income) of \$14,389. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 7,025	\$ -
Net difference between projected and actual earnings on pension plan investments	2,592	-
Contributions subsequent to the measurement date	<u>17,316</u>	<u>-</u>
Total	<u>\$ 26,933</u>	<u>\$ -</u>

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

\$17,316 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2016	\$ 3,311
2017	3,311
2018	2,347
2019	<u>648</u>
Totals	<u>\$ 9,617</u>

Actuarial assumptions. The total pension asset in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2007 – December 31, 2011. As a result of the 2011 actuarial experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumptions from 8.0 percent to 7.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	4.6%
Absolute Return	12%	6.5%
Managed Futures	4%	5.5%
Cash	<u>1%</u>	2.5%
Totals	<u>100%</u>	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2014, are summarized in the above table.

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

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

	1% Decrease (6.50%)	Discount (7.50%)	Current 1% Increase (8.50%)
Net pension liability (asset)	\$ 279,276	\$ 218,325	\$ 167,123

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 8: PENSION FUNDS (continued)

The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

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

Payables to the pension plan

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

City of Brush, Colorado Money Purchase Pension Plan

Defined Contribution Plan

Plan description. 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 (1,000 hours minimum). The plan is administered by Great West Retirement.

Funding policy. The City is required to contribute 5% of covered employees salary. The covered payroll during 2015 was \$1,102,200 with total payroll of \$2,126,954. Contributions by the City were \$55,110. 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. The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to person or property which might result in claims being made against members of CIRSA, their employees or officers.

CITY OF BRUSH, COLORADO

NOTES TO FINANCIAL STATEMENTS

Note 12: INTERFUND TRANSFERS AND BALANCES

All interfund transfers are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 10
General Fund	Water Fund	18,735
General Fund	Trash & Garbage Fund	9,805
General Fund	Waste Water Fund	32,900
General Fund	Storm Water Fund	3,175
General Fund	Golf Course Fund	100,000
		<u>\$ 164,625</u>

The transfer between the general fund and other governmental funds is for a one-time assistance for the purchase and start up of a public golf course and 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.

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

NOTES TO FINANCIAL STATEMENTS

Note 14: PRIOR PERIOD RESTATEMENT

The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires the City to recognize an asset for its proportionate share of the net pension asset of FPPA's Statewide Defined Benefit Plan (see Note 8), as well as pension expense, and to report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. The City also has had to recognize a net pension liability related to the Brush Combined Volunteer Fire Pension Fund (see Note 8), as well as pension expense, and to report deferred outflows of resources and deferred inflows of resources related to pensions. The City has reduced the beginning net position of its governmental activities as follows due to the adoption of this statement:

	Beginning net position as originally <u>reported</u>	GASB 68 <u>Implementation</u>	Beginning net position as <u>restated</u>
Governmental activities	\$ 9,351,777	\$ (79,564)	\$ 9,272,213

CITY OF BRUSH, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Asset (1)
Police Statewide Defined Benefit Plan
December 31, 2015

	2015	2014
City's proportion of the net pension asset	0.0830756%	0.0949129%
City's proportionate share of the net pension asset	\$ 93,757	\$ 84,870
City's covered-employee payroll	\$ 480,214	\$ 373,595
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	19.5%	22.7%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%

(1) Information is not available prior to 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO
Schedule of City Contributions (1)
Police Statewide Defined Benefit Plan
December 31, 2015

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 38,417	\$ 29,887
Contributions in relation to the contractually required contribution	<u>(38,417)</u>	<u>(29,887)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 480,214	\$ 373,595
Contributions as a percentage of covered-employee payroll	8.00%	8.00%

(1) Information is not available prior to 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability (1)
Brush Combined Volunteer Fire Pension Plan
December 31, 2015

	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	44%	44%
City's proportionate share of the net pension liability	\$ 218,325	\$ 213,008
City's covered-employee payroll	N/A	N/A
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	62.37%	62.47%

(1) Information is not available prior to 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO
Schedule of City Contributions (1)
Brush Combined Volunteer Fire Pension Plan
December 31, 2015

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 17,316	\$ 18,687
Contributions in relation to the contractually required contribution	<u>(17,316)</u>	<u>(18,687)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

(1) Information is not available prior to 2014. In future reports, additional years will be added until 10 years of historical data are presented.

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues				
Taxes				
Current property (Net of Treasurer's fees of \$12,876)	\$ 610,365	\$ 610,365	\$ 607,061	\$ (3,304)
Specific ownership	82,000	82,000	90,282	8,282
Sales	1,300,000	1,300,000	1,420,226	120,226
Use	8,000	8,000	11,629	3,629
Gas occupation	10,000	10,000	10,000	
Total	<u>2,010,365</u>	<u>2,010,365</u>	<u>2,139,198</u>	<u>128,833</u>
Franchise				
Gas and electric	200,000	200,000	188,052	(11,948)
Telephone	4,700	4,700	4,377	(323)
Television cable	34,000	34,000	37,936	3,936
Total	<u>238,700</u>	<u>238,700</u>	<u>230,365</u>	<u>(8,335)</u>
Licenses and permits				
Liquor	8,000	8,000	12,440	4,440
Amusement	1,000	1,000	830	(170)
Building and plumbing	16,000	16,000	18,066	2,066
Animal and miscellaneous	4,900	4,900	7,050	2,150
Total	<u>29,900</u>	<u>29,900</u>	<u>38,386</u>	<u>8,486</u>
Intergovernmental revenue				
Highway user's tax	140,000	140,000	145,858	5,858
Severance tax	25,000	25,000	40,883	15,883
State FPPA contribution	15,740	15,740		(15,740)
Payment in lieu of taxes	6,000	6,000	6,626	626
Morgan County - road fund rebate	130,000	130,000	134,582	4,582
State Highway 34 maintenance	6,125	6,125	3,062	(3,063)
School Liaison			8,219	8,219
Total	<u>322,865</u>	<u>322,865</u>	<u>339,230</u>	<u>16,365</u>
Charges for services				
Zoning	500	500	1,200	700
Cemetery	26,500	26,500	40,794	14,294
Swimming pool	25,500	25,500	26,315	815
Other recreation activities	124,300	136,800	126,549	(10,251)
Picnic shelters	7,300	7,300	11,195	3,895
Camping fees	10,000	10,000	13,349	3,349
Total	<u>\$ 194,100</u>	<u>\$ 206,600</u>	<u>\$ 219,402</u>	<u>\$ 12,802</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (Continued)
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Fines and forfeits				
Court	\$ 60,300	\$ 60,300	\$ 69,101	\$ 8,801
Miscellaneous				
Interest	4,120	4,120	7,063	2,943
Farm income	2,040	2,040	2,040	
Airport rent	500	500	235	(265)
Administrative fees	528,200	528,200	528,225	25
Grant income	35,500	35,500	46,532	11,032
Special events	5,795	5,795	3,731	(2,064)
Donations	25,100	25,100	3,780	(21,320)
Miscellaneous	10,000	10,000	11,715	1,715
Total	<u>611,255</u>	<u>611,255</u>	<u>603,321</u>	<u>(7,934)</u>
Total Revenues	3,467,485	3,479,985	3,639,003	159,018
Expenditures (See Schedules)				
General government	1,153,465	1,153,465	947,583	205,882
Public safety	1,264,240	1,325,240	1,168,354	156,886
Public works	1,201,030	1,252,030	846,728	405,302
Culture and recreation	835,045	835,045	772,625	62,420
Total Expenditures	<u>4,453,780</u>	<u>4,565,780</u>	<u>3,735,290</u>	<u>830,490</u>
Revenues in Excess (Deficiency) of Expenditures	(986,295)	(1,085,795)	(96,287)	989,508
Other Financing Sources (Uses)				
Sale of property			22,011	22,011
Transfer In	341,155	442,155	64,625	(377,530)
Transfer Out	(275,040)	(436,040)	(100,000)	336,040
Total Other Financing Sources (Uses)	<u>66,115</u>	<u>6,115</u>	<u>(13,364)</u>	<u>(19,479)</u>
Net change in fund balance	<u>\$ (920,180)</u>	<u>\$(1,079,680)</u>	(109,651)	<u>\$ 970,029</u>
Fund Balance - Beginning of year			<u>2,834,198</u>	
Fund Balance - End of year			<u>\$ 2,724,547</u>	

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES -BUDGET AND ACTUAL
 For the Year Ended December 31, 2015

	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	1,910	1,910	1,908	\$ 2
Travel	6,700	6,700	6,328	372
Dues			189	(189)
Computer maintenance	1,200	1,200	1,000	200
Total	<u>31,410</u>	<u>31,410</u>	<u>31,025</u>	<u>385</u>
City Clerk				
Personal services				
Clerk's salary	53,130	53,130	53,238	(108)
Retirement and fringe benefits	14,445	14,445	14,466	(21)
Supplies	500	500	203	297
Telephone	50	50	13	37
Dues	310	310	315	(5)
Travel	2,000	2,000	2,096	(96)
Advertising	250	250	724	(474)
Elections	8,000	8,000	2,639	5,361
Records management	5,400	5,400	5,671	(271)
Total	<u>84,085</u>	<u>84,085</u>	<u>79,365</u>	<u>4,720</u>
Executive				
Personal services				
Mayor's salary	7,200	7,200	7,200	
Retirement and fringe benefits	595	595	593	2
Travel	1,500	1,500	1,019	481
Computer maintenance	200	200	200	
Total	<u>9,495</u>	<u>9,495</u>	<u>9,012</u>	<u>483</u>
City Administrator				
Personal services				
Salaries	92,820	92,820	92,820	
Retirement and fringe benefits	35,975	35,975	35,687	288
Telephone	1,700	1,700	1,867	(167)
Dues	3,100	3,100	1,988	1,112
Travel	3,700	3,700	1,641	2,059
Fuel and oil	850	850	370	480
Repairs and maintenance	650	650	14	636
Total	<u>\$ 138,795</u>	<u>\$ 138,795</u>	<u>\$ 134,387</u>	<u>\$ 4,408</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
General Government (continued)				
Administration				
Personal services				
Salaries	\$ 151,525	\$ 151,525	\$ 151,025	\$ 500
Retirement and fringe benefits	54,670	54,670	54,696	(26)
Supplies	16,500	16,500	12,290	4,210
Professional services	131,500	131,500	35,914	95,586
Pension contributions	34,800	34,800	17,316	17,484
Telephone	5,000	5,000	5,628	(628)
Utilities	12,000	12,000	6,259	5,741
Dues	4,000	4,000	3,078	922
Travel and training	4,000	4,000	2,057	1,943
Advertising	4,500	4,500	5,148	(648)
Insurance and bonds - general	56,710	56,710	49,573	7,137
Radio and computer maintenance	7,600	7,600	6,743	857
Contributions	26,750	26,750	19,920	6,830
Employee incentive program	13,000	13,000	15,011	(2,011)
Repairs and maintenance - auto	400	400	140	260
Capital outlay - Vehicle/signage	20,000	20,000	40,027	(20,027)
Total	<u>542,955</u>	<u>542,955</u>	<u>424,825</u>	<u>118,130</u>
Community Development				
Personal services				
Salaries	81,270	81,270	80,022	1,248
Retirement and fringe benefits	18,025	18,025	17,608	417
Supplies	1,800	1,800	1,554	246
Professional services	50,000	50,000	34,897	15,103
Telephone	250	250	326	(76)
Dues	1,400	1,400	1,376	24
Travel and training	3,400	3,400	2,541	859
Building and radio maintenance	7,310	7,310	11,825	(4,515)
Tree board	5,000	5,000	6,902	(1,902)
Community outreach	80,250	80,250	28,116	52,134
Fuel and oil - auto	550	550	330	220
Repairs and maintenance - auto	300	300	64	236
Capital outlay - Buildings	21,000	21,000	10,346	10,654
Total	<u>270,555</u>	<u>270,555</u>	<u>195,907</u>	<u>74,648</u>
Marketing				
Personal services				
Salaries	37,630	37,630	37,630	
Retirement and fringe benefits	21,240	21,240	21,246	(6)
Supplies	2,275	2,275	479	1,796
Telephone	250	250	57	193
Dues	775	775	250	525
Travel and training	3,500	3,500	3,754	(254)
Economic Development	9,700	9,700	9,334	366
Fuel and oil - auto	600	600	304	296
Repairs and maintenance - auto	200	200	8	192
Total	<u>76,170</u>	<u>76,170</u>	<u>73,062</u>	<u>3,108</u>
Total General Government	<u>\$ 1,153,465</u>	<u>\$ 1,153,465</u>	<u>\$ 947,583</u>	<u>\$ 205,882</u>

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Public Safety				
Police				
Personal services				
Salaries - permanent	\$ 536,840	\$ 536,840	\$ 512,529	\$ 24,311
Salaries - clerical and code enforcer	85,680	85,680	84,976	704
Retirement and fringe benefits	268,260	268,260	252,472	15,788
Supplies	28,800	28,800	22,006	6,794
Legal fees	20,000	20,000	18,934	1,066
Professional services	5,900	5,900	2,785	3,115
Telephone	4,800	4,800	4,518	282
Utilities	13,000	13,000	5,053	7,947
Dues	1,400	1,400	530	870
Travel and training	16,000	16,000	5,589	10,411
Repairs and maintenance - general	23,500	23,500	16,378	7,122
Recruiting	1,800	1,800	850	950
Animal control	10,150	10,150	2,757	7,393
Investigations	12,000	12,000	7,093	4,907
School liaison	1,700	1,700	530	1,170
Policing and emergency services	3,000	3,000	1,256	1,744
Fuel and oil	34,000	34,000	17,739	16,261
Repairs and maintenance - vehicles	47,000	108,000	102,716	5,284
Capital outlay - vehicles & signage	59,000	59,000	50,000	9,000
Total	1,172,830	1,233,830	1,108,711	125,119
Fire Department				
Personal services				
Fringe benefits	910	910	909	1
Repairs, maintenance and supplies	22,650	22,650	25,236	(2,586)
Telephone	4,000	4,000	3,791	209
Utilities	9,500	9,500	5,543	3,957
Professional services	1,500	1,500	132	1,368
Dues	600	600	835	(235)
Travel and training	10,000	10,000	10,195	(195)
Building maintenance	7,000	7,000	5,373	1,627
Fireworks	9,000	9,000		9,000
Radio and computer maintenance	7,250	7,250	4,914	2,336
Fuel and oil	6,000	6,000	2,234	3,766
Repairs and maintenance - vehicles	13,000	13,000	481	12,519
Total	91,410	91,410	59,643	31,767
Total Public Safety	\$ 1,264,240	\$ 1,325,240	\$ 1,168,354	\$ 156,886

CITY OF BRUSH, COLORADO

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Public Works				
Streets				
Personal services				
Salaries	\$ 269,710	\$ 269,710	\$ 221,978	\$ 47,732
Retirement and fringe benefits	171,370	171,370	150,351	21,019
Supplies	31,100	31,100	20,066	11,034
Professional services	3,000	3,000		3,000
Medical	1,000	1,000	1,030	(30)
Telephone	800	800	1,113	(313)
Electrical - street lights	105,000	105,000	95,100	9,900
Dues	200	200	610	(410)
Travel and training	5,000	5,000	4,565	435
Advertising	200	200	436	(236)
Building maintenance	3,000	3,000	1,067	1,933
Radio maintenance	800	800		800
Street repair	37,000	37,000	6,126	30,874
Forestry	4,000	4,000	1,666	2,334
Alley maintenance	1,000	1,000	400	600
Sidewalk maintenance	2,000	2,000	2,673	(673)
Pest and weed abatement	42,000	42,000	41,979	21
Fuel and oil	38,000	38,000	15,060	22,940
Repairs and maintenance - vehicle	59,500	59,500	22,888	36,612
Christmas lights	800	800	366	434
Snow removal	12,500	12,500	3,478	9,022
Capital Outlay - Streets and equipment	270,000	321,000	115,377	205,623
Total	1,057,980	1,108,980	706,329	402,651
Airport Facilities				
Supplies	5,000	5,000	235	4,765
Electric	800	800	411	389
Building maintenance	3,000	3,000	2,083	917
Insurance	3,100	3,100	2,125	975
Runway repairs	12,000	12,000	11,513	487
Total	23,900	23,900	16,367	7,533
Cemetery				
Personal services				
Salaries	53,745	53,745	62,178	(8,433)
Retirement and fringe benefits	23,655	23,655	28,770	(5,115)
Supplies	22,200	22,200	17,309	4,891
Medical	500	500	320	180
Utilities	5,200	5,200	4,068	1,132
Dues	100	100		100
Travel and training	650	650	182	468
Advertising	600	600	247	353
Foundations and burial service	3,000	3,000	2,306	694
Fuel and oil	5,500	5,500	4,279	1,221
Repairs and maintenance	4,000	4,000	4,373	(373)
Total	119,150	119,150	124,032	(4,882)
Total Public Works	\$ 1,201,030	\$ 1,252,030	\$ 846,728	\$ 405,302

CITY OF BRUSH, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Culture and Recreation				
Swimming pool and other				
Personal services				
Salaries	\$ 260,550	\$ 260,550	\$ 240,646	\$ 19,904
Retirement and fringe benefits	60,825	60,825	64,219	(3,394)
Supplies	4,500	4,500	1,641	2,859
Telephone	2,500	2,500	1,670	830
Utilities	5,500	5,500	2,613	2,887
Dues	650	650	240	410
Travel and training	3,000	3,000	2,277	723
Advertising	1,000	1,000	830	170
Building and field maintenance	21,500	21,500	10,179	11,321
Copy/Computer maintenace	3,500	3,500	3,185	315
Adult summer programs	7,250	7,250	2,682	4,568
Youth summer programs	33,500	33,500	24,847	8,653
Adult winter programs	775	775	184	591
Youth winter programs	22,650	22,650	16,152	6,498
Swimming pool programs	45,150	45,150	25,442	19,708
Special events programs	67,500	67,500	65,894	1,606
Fuel and oil	1,700	1,700	159	1,541
Repairs and maintenance - vehicle	1,100	1,100	4,070	(2,970)
Total	543,150	543,150	466,930	76,220
Parks				
Personal services				
Salaries	108,825	108,825	102,640	6,185
Retirement and fringe benefits	34,620	34,620	34,013	607
Supplies	550	550	7	543
Medical	650	650	1,165	(515)
Utilities and telephone	30,000	30,000	35,056	(5,056)
Dues	500	500	500	500
Advertising	500	500	607	(107)
Travel and training	1,500	1,500	165	1,335
Building and grounds maintenance	43,750	43,750	93,466	(49,716)
Fuel and oil	5,500	5,500	4,033	1,467
Repairs and maintenance - vehicle	6,000	6,000	995	5,005
Capital Outlay - Equipment	59,500	59,500	33,548	25,952
Total	291,895	291,895	305,695	(13,800)
Total Culture and Recreation	\$ 835,045	\$ 835,045	\$ 772,625	\$ 62,420

CITY OF BRUSH, COLORADO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Note 1: BUDGETARY DATA

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

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

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

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

CITY OF BRUSH, COLORADO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Changes in plan provisions. The plan provisions have not changed since the prior valuation. The member contribution rates will increase in 2015 as a result of the member election.

Benefit adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Changes of assumptions. Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

CITY OF BRUSH, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2015

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	\$ 26,760	\$ 3,237	\$ 13,200	\$ 237,464	\$ 62,361	\$ 10,114	\$ 23,025	\$ 376,161
Investments	100,000			550,359	185,000			835,359
Accounts receivable				937	76,382		380	77,699
Accrued interest revenue	194			478	356		27	1,055
Property tax receivable					41,105			41,105
Sales tax receivable				48,032	32,128			80,160
Total Assets	\$ 126,954	\$ 3,237	\$ 13,200	\$ 837,270	\$ 397,332	\$ 10,114	\$ 23,432	\$ 1,411,539

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities				\$ 98		\$ 5,670		\$ 5,768
Accounts payable				36,203				36,203
Unearned revenue								
Total Liabilities				36,301		5,670		41,971
Deferred Inflows of Resources								
Deferred revenues				\$ 41,105				41,105
Total Deferred Inflows of Resources				41,105				41,105

Fund Balance

Restricted for emergency	\$ 126,000							126,000
Restricted for park improvements		\$ 3,237						3,237
Restricted for police equipment			\$ 13,200					13,200
Restricted for street improvements				800,969				800,969
Restricted for fire equipment					356,227			356,227
Committed for park improvements						\$ 4,444		4,444
Committed for cemetery maintenance							\$ 23,432	23,432
Committed for emergency	954							954
Total Fund Balance	126,954	3,237	13,200	800,969	356,227	4,444	23,432	1,328,463

Total Liabilities, Deferred Inflows of Resources and Fund Balance

	\$ 126,954	\$ 3,237	\$ 13,200	\$ 837,270	\$ 397,332	\$ 10,114	\$ 23,432	\$ 1,411,539
--	------------	----------	-----------	------------	------------	-----------	-----------	--------------

CITY OF BRUSH, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	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	Total Nonmajor Governmental Funds
Revenues - Classified by major source								
Taxes								
General property				\$ 6,056	\$ 41,411			\$ 41,411
Cigarette Sales				286,572	188,784			6,056
Interest	\$ 337	\$ 104	\$ 8	1,561	669	\$ 100	\$ 10	475,356
Forfeitures			75		6,151			2,789
Equipment rental								75
Reimbursements						200,100	11,435	6,151
Perpetual care sales								11,435
Contribution		52,583						200,100
Colorado lottery funds								52,583
Total Revenues	337	52,687	83	294,189	237,015	200,200	11,445	795,956
Expenditures - Classified by function								
Noncapital outlay		14,125		15,965	86,297	23,050		139,437
Capital outlay		127,962		188,382	13,230	201,009		530,583
Total Expenditures		142,087		204,347	99,527	224,059		670,020
Revenues in Excess (Deficiency) of Expenditures	337	(89,400)	83	89,842	137,488	(23,859)	11,445	125,936
Other Financing Uses								
Transfers out							(10)	(10)
Net change in fund balance	337	(89,400)	83	89,842	137,488	(23,859)	11,435	125,926
Fund Balance - Beginning of year	126,617	92,637	13,117	711,127	218,739	28,303	11,997	1,202,537
Fund balance - End of year	\$ 126,954	\$ 3,237	\$ 13,200	\$ 800,969	\$ 356,227	\$ 4,444	\$ 23,432	\$ 1,328,463

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, 2015

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Interest	\$ 300	\$ 337	\$ 37
Net change in fund balance	<u>\$ 300</u>	337	<u>\$ 37</u>
Fund balance at beginning of year		<u>126,617</u>	
Fund balance at end of year		<u>\$ 126,954</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, 2015

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Colorado lottery funds	\$ 54,000	\$ 52,583	\$ (1,417)
Interest	150	104	(46)
Total Revenues	54,150	52,687	(1,463)
Expenditures			
Culture and Recreation			
Noncapital outlay		14,125	(14,125)
Capital outlay - park improvements	145,500	127,962	17,538
Total Expenditures	145,500	142,087	3,413
Net change in fund balance	<u>\$ (91,350)</u>	(89,400)	<u>\$ 1,950</u>
Fund balance at beginning of year		<u>92,637</u>	
Fund balance at end of year		<u>\$ 3,237</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, 2015

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Interest	\$ 50	\$ 8	\$ (42)
Forfeitures	200	75	(125)
Total Revenue	250	83	(167)
Expenditures			
Drug forfeiture	10,000		10,000
Total Expenditures	10,000		10,000
Net change in fund balance	<u>\$ (9,750)</u>	83	<u>\$ 9,833</u>
Fund balance at beginning of year		<u>13,117</u>	
Fund balance at end of year		<u>\$ 13,200</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, 2015

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Cigarette tax	\$ 5,800	\$ 6,056	\$ 256
Sales tax	260,000	286,572	26,572
Interest	775	1,561	786
	<hr/>	<hr/>	<hr/>
Total Revenues	266,575	294,189	27,614
Expenditures			
Public works			
Noncapital outlay		15,965	(15,965)
Street and drainage	572,500	188,382	384,118
	<hr/>	<hr/>	<hr/>
Total Expenditures	572,500	204,347	368,153
Net change in fund balance	<u>\$ (305,925)</u>	89,842	<u>\$ 395,767</u>
Fund balance at beginning of year		<hr/> 711,127	
Fund balance at end of year		<u>\$ 800,969</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, 2015

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Property tax (Net of Treasurer's fees of \$355)	\$ 41,635	\$ 41,411	\$ (224)
Sales tax	173,335	188,784	15,449
Equipment & bldg rental	6,150	6,151	1
Grant income	270,000		(270,000)
Interest	350	669	319
	<u>491,470</u>	<u>237,015</u>	<u>(254,455)</u>
Total Revenues			
Expenditures			
Capital outlay			
Noncapital outlay	91,000	86,297	4,703
Equipment	540,000	13,230	526,770
	<u>631,000</u>	<u>99,527</u>	<u>531,473</u>
Total Expenditures			
Net change in fund balance	<u>\$ (139,530)</u>	137,488	<u>\$ 277,018</u>
Fund balance at beginning of year		<u>218,739</u>	
Fund balance at end of year		<u>\$ 356,227</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, 2015

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues				
Interest	\$ 200	\$ 200	\$ 100	\$ (100)
Contributions		200,100	200,100	
Total Revenues	200	200,300	200,200	(100)
Expenditures				
Culture and Recreation				
Noncapital outlay		1,000	23,050	(22,050)
Capital outlay	25,000	224,100	201,009	23,091
Total Expenditures	25,000	225,100	224,059	1,041
Net change in fund balance	<u>\$ (24,800)</u>	<u>\$ (24,800)</u>	(23,859)	<u>\$ 941</u>
Fund balance at beginning of year			<u>28,303</u>	
Fund balance at end of year			<u>\$ 4,444</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, 2015

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Perpetual care sales	\$ 7,000	\$ 11,435	\$ 4,435
Contributions	1,000		(1,000)
Interest	1,500	10	(1,490)
	<u>9,500</u>	<u>11,445</u>	<u>1,945</u>
Total Revenues	9,500	11,445	1,945
Expenditures			
Public works			
Repairs and maintenance	1,472		1,472
	<u>1,472</u>	<u>1,472</u>	<u>1,472</u>
Total Expenditures	1,472	1,472	1,472
Revenues in Excess of Expenditures	8,028	11,445	3,417
Other Financing Uses			
Transfers Out	(1,500)	(10)	1,490
	<u>(1,500)</u>	<u>(10)</u>	<u>1,490</u>
Net change in fund balance	<u>\$ 6,528</u>	11,435	<u>\$ 4,907</u>
Fund balance at beginning of year		<u>11,997</u>	
Fund balance at end of year		<u>\$ 23,432</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, 2015

	Original Budget	Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue				
Water services	\$ 842,000	\$ 842,000	\$ 805,212	\$ (36,788)
Administrative fees	25,000	25,000	28,507	3,507
Miscellaneous	1,000	1,000	3,604	2,604
Total Operating Revenue	868,000	868,000	837,323	(30,677)
Operating Expense				
Personal services				
Salaries	227,865	227,865	211,595	16,270
Retirement and fringe benefits	87,165	87,165	84,888	2,277
Supplies	22,350	22,350	17,918	4,432
Professional services	271,350	271,350	183,229	88,121
Telephone	1,500	1,500	938	562
Lab fees	20,000	20,000	3,200	16,800
Medical	350	350	200	150
Utilities	60,000	60,000	54,388	5,612
Association dues	600	600	516	84
Travel and training	2,000	2,000	776	1,224
Computer & radio maintenance	11,000	11,000	8,003	2,997
Advertising	1,500	1,500	1,499	1
Building	5,000	5,000	251	4,749
Licenses/permits	30,600	30,600	31,595	(995)
Insurance - general	17,365	17,365	18,506	(1,141)
Well electricity	40,000	40,000	34,203	5,797
Water system maintenance & materials	45,000	45,000	47,884	(2,884)
Line maintenance	20,000	20,000	4,616	15,384
Noncapital outlay			1,738	(1,738)
Capital outlay	376,000	427,000	250,565	176,435
Water stocks		120,000	120,000	
Fuel and oil	12,000	12,000	6,490	5,510
Repairs and maintenance - vehicle	6,000	6,000	1,732	4,268
Total Operating Expense	1,257,645	1,428,645	1,084,730	343,915
Operating Loss	(389,645)	(560,645)	(247,407)	313,238
Nonoperating Revenue (Expense)				
Interest	3,000	3,000	3,988	988
Water rights and credits leases	8,000	8,000	4,324	(3,676)
Water capacity and development fee	130,000	130,000	130,836	836
Farm income	25,550	25,550	25,557	7
Rental income			3,150	3,150
DOW lease			3,600	3,600
Easment			7,738	7,738
Contributions	7,000	7,000		(7,000)
Sale of property			1,341	1,341
Water conservation	(40,000)	(40,000)	(8,838)	31,162
Farm expense	(15,000)	(15,000)	(2,403)	12,597
Total Nonoperating Revenue (Expense)	118,550	118,550	169,293	50,743

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, 2015

	Original Budget	Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Loss before transfers and capital contributions	(271,095)	(442,095)	(78,114)	363,981
Transfers out	(18,735)	(18,735)	(18,735)	
Capital contributions - tap fees	1,000	1,000		(1,000)
Change in net position	<u>\$ (288,830)</u>	<u>\$ (459,830)</u>	(96,849)	<u>\$ 362,981</u>
Adjustment to GAAP Basis				
Add capital outlay			250,565	
Add water stocks			120,000	
Deduct depreciation			<u>(227,434)</u>	
Change in net position - GAAP Basis			46,282	
Net position at beginning of year			<u>6,993,766</u>	
Net position at end of year			<u>\$ 7,040,048</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, 2015

	Original and Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue			
Trash services	\$ 430,000	\$ 480,189	\$ 50,189
Sale of trash bags	200	37	(163)
Sale of cans	5,000	8,390	3,390
Miscellaneous	5,000	11,363	6,363
Total Operating Revenue	440,200	499,979	59,779
Operating Expense			
Personal services			
Salaries	128,210	128,803	(593)
Retirement and fringe benefits	79,825	76,614	3,211
Supplies	6,200	6,180	20
Professional services	80,845	80,745	100
Medical	800	422	378
Travel and training	600		600
Maintenance and telephone	3,070	5,105	(2,035)
Advertising	1,000	811	189
Insurance - general	1,200	216	984
Purchase of trash containers	22,000	11,840	10,160
Landfill contract	90,000	89,545	455
Capital outlay	48,685	41,603	7,082
Fuel and oil	25,000	13,769	11,231
Repairs and maintenance - vehicle	52,000	16,109	35,891
Total Operating Expense	539,435	471,762	67,673
Operating Income (Loss)	(99,235)	28,217	127,452
Nonoperating Revenue			
Interest	500	607	107
Total Nonoperating Revenue	500	607	107
Income (loss) before transfers	(98,735)	28,824	127,559
Transfer out	(9,805)	(9,805)	
Change in net position	<u>\$ (108,540)</u>	19,019	<u>\$ 127,559</u>
Adjustment to GAAP Basis			
Add capital outlay		41,603	
Deduct depreciation		(27,444)	
Change in net position - GAAP Basis		33,178	
Net position at beginning of year		301,208	
Net position at end of year		<u>\$ 334,386</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, 2015

	Original Budget	Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue				
Sewer fees	\$1,495,000	\$1,495,000	\$ 1,535,120	\$ 40,120
Miscellaneous	1,000	1,000	3,611	2,611
Administrative fees	75	75		(75)
Total Operating Revenue	1,496,075	1,496,075	1,538,731	42,656
Operating Expense				
Personal services				
Salaries	142,910	142,910	136,026	6,884
Retirement and fringe benefits	59,115	59,115	55,503	3,612
Supplies	30,150	30,150	23,126	7,024
Professional services	363,880	363,880	302,019	61,861
Medical	1,000	1,000	417	583
Telephone	2,300	2,300	2,718	(418)
Utilities	125,000	125,000	91,541	33,459
Association dues	1,000	1,000	622	378
Travel and training	7,000	7,000	3,482	3,518
Computer and radio maintenance	8,050	8,050	6,961	1,089
Advertising	500	500	125	375
Insurance - general	39,860	39,860	44,269	(4,409)
Permits	20,540	20,540	25,555	(5,015)
Repairs and maintenance	100,000	100,000	91,091	8,909
Sanitary sewer cleaning	75,000	75,000	75,270	(270)
Manholes	20,000	20,000	130	19,870
Sewer lines	20,000	20,000	2,592	17,408
Noncapital outlay			3,323	(3,323)
Capital outlay	334,000	385,000	304,389	80,611
Land				
Fuel and oil	9,000	9,000	5,155	3,845
Repairs and maintenance - vehicle	1,300	1,300	1,320	(20)
Total Operating Expense	1,360,605	1,411,605	1,175,634	235,971
Operating Income	135,470	84,470	363,097	278,627
Nonoperating Revenue (Expense)				
Interest	3,000	3,000	3,405	405
Sale of property			3,131	3,131
Surcharge fees	5,000	5,000	17,244	12,244
Plant investment fee				
Rental income	5,400	5,400	12,325	6,925
Farm income	6,890	6,890	11,888	4,998
Farm expense	(700)	(700)	(16,496)	(15,796)
Note payments	(627,745)	(627,745)	(627,743)	2
Total Nonoperating Revenue (Expense)	(608,155)	(608,155)	(596,246)	11,909
Loss before transfers and capital contributions	(472,685)	(523,685)	(233,149)	290,536

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
Transfers out	(32,900)	(32,900)	(32,900)	
Capital contributions - tap fees	<u>6,000</u>	<u>6,000</u>		<u>(6,000)</u>
Change in net position	<u>\$ (499,585)</u>	<u>\$ (550,585)</u>	(266,049)	<u>\$ 284,536</u>
Adjustment to GAAP Basis				
Add capital outlay			304,389	
Add principal payments			415,000	
Add amortized premium			19,105	
Add accrued interest			6,643	
Deduct depreciation			<u>(305,915)</u>	
Change in net position - GAAP Basis			173,173	
Net position at beginning of year			<u>6,133,159</u>	
Net position at end of year			<u>\$ 6,306,332</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, 2015

	Original and Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue			
Service Fees	\$ 312,000	\$ 308,240	\$ (3,760)
Storm water assessment	3,160	3,159	(1)
Miscellaneous	100	134	34
Total Operating Revenue	315,260	311,533	(3,727)
Operating Expense			
Personal services			
Salaries	35,690	34,599	1,091
Retirement and fringe benefits	17,970	17,461	509
Supplies	3,150	1,791	1,359
Professional services	29,425	33,081	(3,656)
Medical	100	126	(26)
Travel and training	700	474	226
Maintenance and telephone	3,560	3,106	454
Advertising	200		200
Insurance - general	3,560	2,865	695
Sewer cleaning	25,000		25,000
Line maintenance	6,700	25,000	(18,300)
Pond maintenance	5,000		5,000
Assessment maintenance	500	2,028	(1,528)
Curb & gutter maintenance	5,000	10,622	(5,622)
Noncapital outlay		3,773	(3,773)
Capital outlay	1,292,500	20,627	1,271,873
Gas and Oil	9,000	4,703	4,297
Repairs and maintenance - vehicle	13,000	7,449	5,551
Total Operating Expense	1,451,055	167,705	1,283,350
Operating Income (Loss)	(1,135,795)	143,828	1,279,623
Nonoperating Revenue			
Grant Income	792,500		792,500
Interest	500	1,743	1,243
Total Nonoperating Revenue	793,000	1,743	793,743
Income (Loss) before transfers out	(342,795)	145,571	2,073,366
Transfer out	(3,175)	(3,175)	
Change in net position	<u>\$ (345,970)</u>	142,396	<u>\$ 2,073,366</u>
Adjustment to GAAP Basis			
Add capital outlay		20,627	
Deduct depreciation		(60,651)	
Change in net position - GAAP Basis		102,372	
Net position at beginning of year		<u>1,357,591</u>	
Net position at end of year		<u>\$ 1,459,963</u>	

CITY OF BRUSH, COLORADO

GOLF COURSE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual (Budget Basis)	Variance- Favorable (Unfavorable)
Operating Revenue				
Membership dues		\$ 65,000	\$ 17,768	\$ (47,232)
Barn/Cart fees		25,500	15,970	(9,530)
Golf course fees		18,600	29,655	11,055
Restaurant income		30,000	10,155	(19,845)
Bar income		30,000	46,052	16,052
Miscellaneous			4,664	4,664
Total Operating Revenue	\$ -0-	169,100	124,264	(44,836)
Operating Expense				
Personal services				
Salaries		104,740	88,327	16,413
Retirement and fringe benefits		4,615	7,022	(2,407)
Supplies		1,200	2,280	(1,080)
Grounds maintenance		7,000	559	6,441
Professional services		1,500	9,009	(7,509)
Utilities		26,700	23,059	3,641
Building maintenance		1,000	6,357	(5,357)
Advertising		2,000	439	1,561
Insurance - general		2,000	806	1,194
Licenses/Permits		4,200	2,354	1,846
Cart repairs and rental		1,600	765	835
Restaurant		25,000	49,928	(24,928)
Bar		25,000	18,557	6,443
Noncapital outlay			10,144	(10,144)
Capital outlay		140,000	135,736	4,264
Gas and Oil		2,700	3,828	(1,128)
Repairs and maintenance - vehicle		4,000	1,310	2,690
Total Operating Expense	-0-	353,255	360,480	(7,225)
Operating Loss	-0-	(184,155)	(236,216)	(52,061)
Nonoperating Revenue (Expense)				
Tournament income		4,200	10,245	6,045
Building/Club rental		250	2,365	2,115
Merchandise sales		5,000	1,931	(3,069)
Handicap income			690	690
Sale of property		120,000	120,000	
Interest		100	12	(88)
Merchandise		(4,300)	(2,466)	1,834
Handicap dues			(2,550)	(2,550)
Total Nonoperating Revenue (Expense)	-0-	125,250	130,227	4,977
Loss before transfers and capital contriubtions	-0-	(58,905)	(105,989)	(47,084)

CITY OF BRUSH, COLORADO

GOLF COURSE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (cont.)
 BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
Capital contributions - donations			127,899	127,899
Transfer in		100,000	100,000	
Transfer out		<u>(40,000)</u>		<u>40,000</u>
Change in net position	<u>\$ -0-</u>	<u>1,095</u>	121,910	<u>\$ 120,815</u>
Adjustment to GAAP Basis				
Add capital outlay			135,736	
Deduct depreciation			<u>(3,408)</u>	
Change in net position - GAAP Basis			254,238	
Net position at beginning of year			<u> </u>	
Net position at end of year			<u>\$ 254,238</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 2015
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)	138,141
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	407,483
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	86,895
2. General fund appropriations		b. Snow and ice removal	3,478
3. Other local imposts (from page 2)	820,001	c. Other	41,979
4. Miscellaneous local receipts (from page 2)	41,752	d. Total (a. through c.)	132,352
5. Transfers from toll facilities		4. General administration & miscellaneous	20,946
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	308,572
a. Bonds - Original Issues		6. Total (1 through 5)	1,007,494
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)	861,753	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	145,741	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,007,494	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,007,494

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
	0	1,007,494	1,007,494		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2015

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	148,191	a. Interest on investments	41,752
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	582,710	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	89,100	g. Other Misc. Receipts	
6. Total (1. through 5.)	671,810	h. Other	
c. Total (a. + b.)	820,001	i. Total (a. through h.)	41,752
	(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	145,741	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)	145,741	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:			0
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			0
(1). New Facilities			0
(2). Capacity Improvements		138,141	138,141
(3). System Preservation			0
(4). System Enhancement & Operation		138,141	138,141
(5). Total Construction (1) + (2) + (3) + (4)	0	138,141	138,141
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	138,141	138,141
			(Carry forward to page 1)

Notes and Comments: