



**2021 YEAR END FINANCIAL REPORT  
(unaudited, as of February 2022)**

<b>General Fund Revenues and Expenditures</b>			
<b>Description</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>			
Taxes	\$ 31,165,102	\$ 32,236,509	\$ 34,728,595
Charges for Services	5,381,579	5,777,626	6,340,661
Licenses & Permits	2,359,441	1,568,574	1,443,698
Intergovernmental & Grants	3,585,748	7,562,941	2,923,143
Fines & Forfeitures	499,292	433,225	313,796
Investment Earnings	789,229	924,753	(186,719)
Miscellaneous	3,902,876	1,919,146	978,169
Transfers In	6,000	376,000	256,000
<b>Total Revenues</b>	<b>47,689,268</b>	<b>50,798,774</b>	<b>46,797,343</b>
Annual Change	19.3%	6.5%	-7.9%
<b>Expenditures</b>			
Personnel	26,883,623	27,769,252	28,745,806
Purchased Services	1,214,900	926,247	928,264
Operating Expenses	8,018,160	13,444,293	9,517,038
Transfers Out	2,500,925	250,000	1,896,000
<b>Total Expenditures</b>	<b>38,617,607</b>	<b>42,389,792</b>	<b>41,087,108</b>
Annual Change	11.1%	9.8%	-3.1%
<b>Change in Fund Balance</b>	<b>\$ 9,071,661</b>	<b>\$ 8,408,982</b>	<b>\$ 5,710,235</b>
Fund Balance - January 1	25,208,390	34,280,051	42,689,033
<b>Fund Balance - December 31</b>	<b>\$ 34,280,051</b>	<b>\$ 42,689,033</b>	<b>\$ 48,399,268</b>
Annual Change	36.0%	24.5%	13.4%

**General Fund:** The General Fund is the primary operating fund in the City. It is primarily funded by unrestricted sales, use and property taxes and funds are used for general operations, including staffing. In order to be recorded in another fund, revenues or costs must meet certain criteria such as external restrictions on use. Therefore, any revenues or spending that do not meet criteria to be recorded elsewhere are recorded in the General Fund.

It is important to note that balances reported for 2021 are preliminary as year end closing procedures are still underway and the year end audit has not yet occurred.

**General Fund Discussion**

**Revenues:**

The General Fund is funded primarily by unrestricted sales, use and property tax dollars which make up a total of 74% of General Fund revenues.

*Sales Taxes* make up roughly 49% of General Fund revenues and reflect an increase of nearly 10% compared to the prior year. Revenues reported are net of sales tax rebates paid in accordance with development agreements. Refer to further details on sales taxes later in this report.

*Property Taxes* make up nearly 5% of General Fund revenues. Property taxes are derived from the mill levy approved by Council each year. The City's current mill levy is 6.65 mills and has been at that level for many years. Therefore, increases in property tax revenues are based on value appreciation and additional growth. Values are reassessed biannually in even years, and larger increases often accompany those reassessment years. Property tax revenues increased 0.7% in 2021, which was based on growth.

*Intergovernmental Revenues* make up roughly 6% of General Fund revenues. These revenues show a large decrease from 2020 when the City received CARES Act funding. This was significant one-time funding, causing a spike in revenue in 2020.

*Investment Earnings* are reflected as a negative amount in 2021. This is due to a decline in the market value of the City's investments. Changes in the market value of investments are recorded as increases or decreases to interest income. While gains or losses on investments currently held do not impact cash, they are reflected in the year end financial statements.

**Expenditures:**

*Personnel Expenditures* make up 70% of General Fund expenditures. These costs increased by 3.5% in 2021 due to a combination of salary increases and increased seasonal staff compared to 2020 when many facilities were closed due to the pandemic.

*Operating Expenditures* is the second largest spending category, making up 23% of General Fund expenditures. This category decreased significantly compared to 2020 due to CARES Act funded spending in 2020 that caused a one-time increase in spending levels.

*Transfers Out* includes a one-time transfer to the Storm Drainage Fund to support the North Outfall Project.

**Reserves:**

The General Fund's Fund Balance at year end totals \$48.4M. This balance includes several restricted amounts as well as general reserves which are summarized to the right.

Total Fund Balance	\$	48,399,268
Reserved Items		
Emergency Reserve		7,756,891
General Fund Stabilation Reserve		3,878,445
TABOR Reserve		1,175,733
Public Safety Staffing Reserve		1,120,000
DIA Noise Mitigation Funds		496,000
Food Sales Tax Rebate Reserve		134,000
Prepaid Items		106,164
Unassigned Fund Balance	\$	33,732,035



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**Other Governmental Fund Revenues and Expenditures**

<b>Description</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>			
Taxes	\$ 10,508,557	\$ 10,714,392	\$ 11,894,058
Charges for Services	2,020,707	2,695,384	1,424,311
Intergovernmental & Grants	3,591,488	5,085,044	3,931,566
Investment Earnings	1,096,179	1,120,570	(260,482)
Miscellaneous	374,001	1,849,477	9,619,300
Borrowing Proceeds	-	22,315,045	-
Transfers In	2,852,850	2,845,663	1,247,138
<b>Total Revenues</b>	<b>20,443,782</b>	<b>46,625,575</b>	<b>27,855,892</b>
Annual Change	27.9%	128.1%	-40.3%
<b>Expenditures</b>			
Personnel	276,694	264,415	295,712
Purchased Services	512,613	271,064	270,109
Operating Expenses	2,987,612	404,668	321,676
Debt Service	3,118,173	3,119,799	2,342,993
Debt Refunding	-	22,315,045	-
Capital Outlay	8,261,487	11,999,329	8,267,085
Developer Reimb & Tax Rebates	539,332	173,284	129,872
Transfers Out	1,054,083	2,801,222	1,352,389
<b>Total Expenditures</b>	<b>16,749,994</b>	<b>41,348,826</b>	<b>12,979,836</b>
Annual Change	14.2%	146.9%	-68.6%
<b>Change in Fund Balance</b>	<b>\$ 3,693,788</b>	<b>\$ 5,276,749</b>	<b>\$ 14,876,055</b>
Fund Balance - January 1	38,146,778	41,840,566	47,117,315
<b>Fund Balance - December 31</b>	<b>\$ 41,840,566</b>	<b>\$ 47,117,315</b>	<b>\$ 61,993,370</b>
Annual Change	9.7%	12.6%	31.6%

**Other Governmental Funds includes the following Funds:** Capital Improvement, Parks & Recreation Capital Improvement, Landscaping, Impact Fees, Highway, Lottery, Lodging Tax, & Cemetery.

These funds are used to account for revenues that are restricted or otherwise designated for specific purposes. In some cases, those revenues are restricted by intergovernmental agreements (grants) or by ballot measures that generate the revenues. These funds are established to separately track those revenues and the projects that they fund.

**Other Governmental Fund Discussion**

**Revenues:** Revenues in these funds are restricted or designated for specific purposes. Tax revenues remain a significant source of funding for other governmental funds, specifically the Capital Improvement and Parks & Recreation Capital Improvement Funds which are funded in part by dedicated sales tax revenues.

Grant funding is also a notable revenue source in this fund category and will fluctuate from year to year. The City received \$5.3 million in ARPA funding in 2021 which is recorded in the Capital Projects Fund. This funding has not yet been utilized, so it is not reflected as revenue in 2021. The funds are available for use through 2024 and will be recorded as earned revenue in the year when they are spent.

Miscellaneous revenue in 2021 includes a substantial Oil & Gas Royalty payment that was a one-time bonus. This category also includes the \$2.5 million repayment of a loan made to BURA in 2015. This loan was originally made from the General Fund and the proceeds were isolated in the Capital Projects Fund at Council's request for potential future project use. Both oil & gas revenues and this loan repayment are unrestricted funds that may be used at Council's discretion.

As noted in the General Fund discussion, Investment Earnings reflect a loss in 2021 due to a decrease in the market value of the City's investments.

**Expenditures:** Spending in these funds is highly project based and will fluctuate from year to year based on the timeline of projects in process. Roughly 65% of spending in 2021 is related to capital purchases and projects across various funds.

More detail on projects can be found at [www.brightonco.gov/1502/capital-project-report-card](http://www.brightonco.gov/1502/capital-project-report-card)

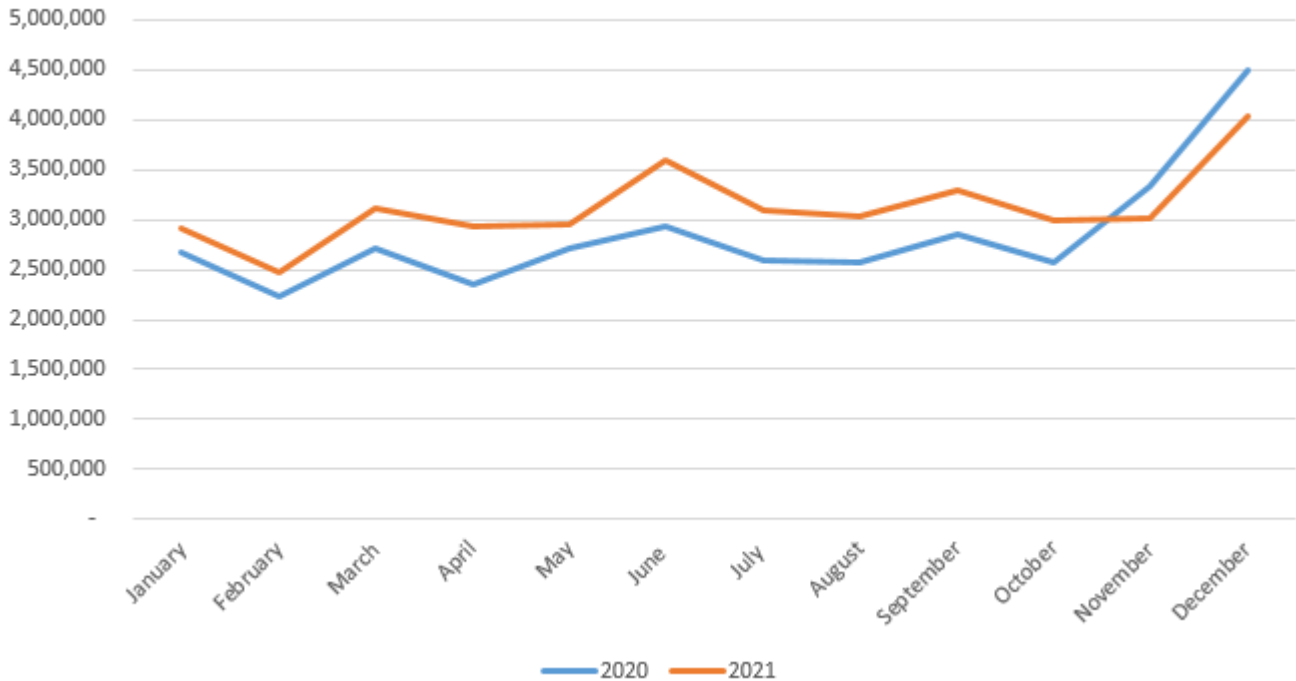
**Debt Service:** Debt Service payments are made according to payment schedules established in the borrowing agreements. The City refinanced debt in 2020 which is reflected in both revenues (proceeds) and expenditures (refunding).

**Reserves:**

The Fund Balances in these funds are generally restricted to specific purposes defined by the funding source (e.g. ballot measure, contractual agreements, etc.). Spending decisions in these funds must consider any restrictions that apply.

The Capital Improvement Fund includes two items earmarked by Council in 2020. These discretionary reserves are not subject to any restrictions and may be used at Council's discretion.

Restricted & Committed Items		
Emergency Reserve	\$	4,595,704
TABOR Reserve		342,599
PEG Funding		117,131
Fund 21 - Landscaping Fund		37,154
Fund 23 - Impact Fees		9,747,825
Fund 24 - Highway Fund		627,975
Fund 26 - Conservation Trust/Lottery		352,071
Fund 27 - Lodging Tax		362,863
Fund 28 - Cemetery Fund		259,027
Fund 32 - Parks CIP		19,359,043
Fund 71 - Cemetery Fund		2,009,467
Discretionary Reserves		
BURA Loan Repayment		2,510,000
Oil & Gas Revenues		8,260,050
Remaining Fund Balances		
Fund 30 - Capital Improvement		13,412,462
Total Fund Balance	\$	61,993,369

**Sales Tax by Month**


**Sales Tax Highlights:**

Sales Tax city-wide is up 9.8% in 2021, net of rebates. This strong performance is attributed to the economic recovery and the notable increase in online seller sales tax. Sales tax in the Prairie Center has increased in large part due to the opening of new businesses over the past two years including Freddy’s, Texas Roadhouse and Chipotle. This increase put the Prairie Center sales tax sharing rebate into a higher tier in 2021.

The incentive agreements for King Soopers, Transwest and Pavilions expired in 2020, allowing the City to retain all sales tax remitted by these businesses. The City commenced making payments under incentive agreements for Texas Roadhouse and Johnson Auto Plaza in 2020 and 2021, respectively.

**Business Licenses Issued in 2021:**

- A total of 575 licenses were issued in 2021
- ⇒ 446 for remote or online sellers
- ⇒ 57 for Brighton commercial businesses
- ⇒ 38 for Brighton home businesses
- ⇒ 34 for mobile vendors

**The Top 10 businesses for 2021  
(in alphabetical order)**

- Amazon
- Home Depot
- Johnson Auto
- King Soopers
- Lowe’s
- Target
- Transwest
- United Power
- Wal-Mart
- Western United Electric

**2021 performance by industry:**

1. Bars and Restaurants **+19%**
2. Construction Materials **+14%**
3. Grocery & Convenience **-1%**
4. Online Sales **+137%**
5. Liquor Stores **-5%**

**Sales Tax Distribution**

When sales tax is paid by City of Brighton residents only part of the amount goes to the City of Brighton. The amount that the City receives is deposited into certain funds based on previous voter approved ballot measures.

Suppose you make a \$100 taxable purchase in City of Brighton, Adams County, Colorado. You would pay a total of \$8.50 in sales tax for a total of \$108.50. The sales tax is distributed as follows:

8.50% - Combined rate

2.90% - State of Colorado

0.75% - Adams County

1.00% - RTD

0.10% - Scientific/Cultural District

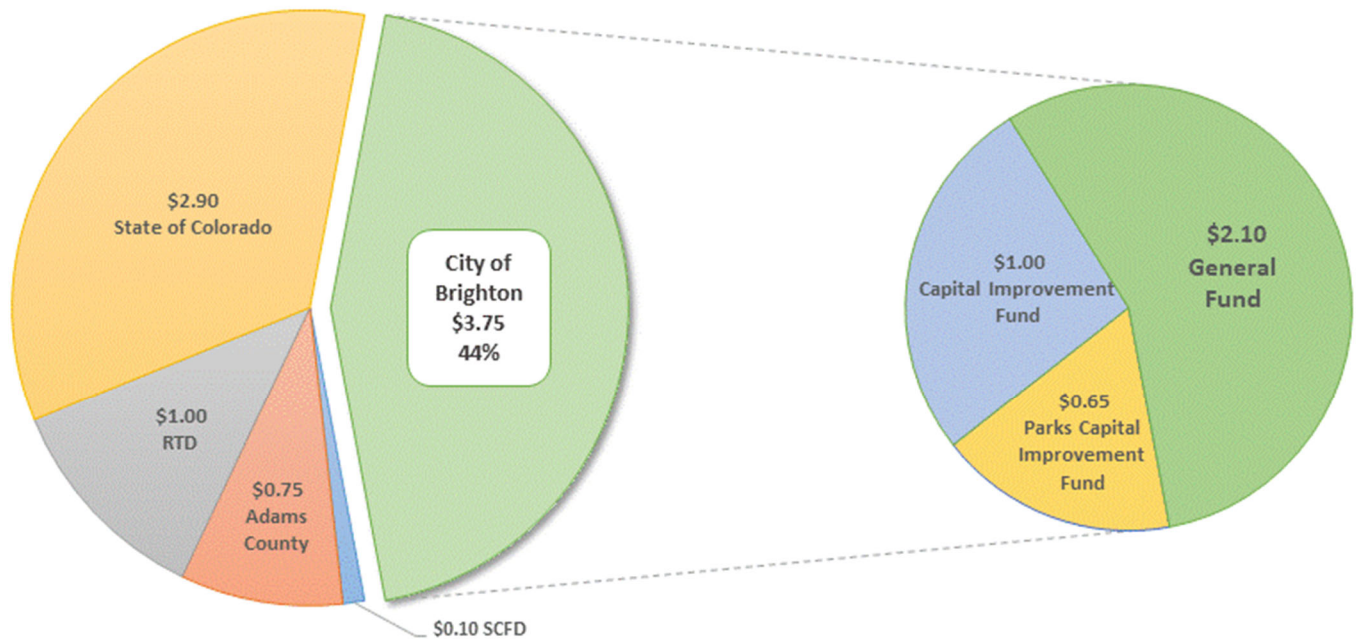
**3.75% - City of Brighton**

0.65% - Parks Capital Improvement Fund

1.00% - Capital Improvement Fund

2.10% - General Fund

**Distribution of \$8.50 in sales tax on a \$100 Purchase**





**Water Fund Revenues and Expenses**

Description	2019	2020	2021
<b>Revenues</b>			
Charges for Services	13,145,909	12,389,019	13,215,907
Plant Investment Fees	8,690,198	14,457,070	7,998,218
Investment Earnings	1,011,485	1,093,748	(130,786)
Intergovernmental	218,850	11,012	5,716
Miscellaneous	239,308	159,474	153,589
Transfers In	391,230	-	-
<b>Total Revenues</b>	<b>23,696,980</b>	<b>28,110,323</b>	<b>21,242,644</b>
Annual Change	4.9%	18.6%	-24.4%
<b>Expenses</b>			
Personnel	2,540,195	3,093,721	3,196,733
Purchased Services	4,686,894	4,835,972	5,194,233
Operating Expenses	2,190,235	2,648,354	1,939,085
Capital Outlay	6,174,024	16,705,437	14,358,520
Debt Service	694,129	665,432	1,689,213
Transfers Out	1,738,059	2,968,840	2,860,889
<b>Total Expenses</b>	<b>18,023,536</b>	<b>30,917,756</b>	<b>29,238,673</b>
Annual Change	-32.1%	71.5%	-5.4%
<b>Change in Net Position</b>	<b>\$ 5,673,444</b>	<b>\$ (2,807,433)</b>	<b>\$ (7,996,029)</b>

**Revenues:** The Water Fund is funded by a combination of usage based revenues (Charges for Services) and development revenues (Plant Investment Fees). The Charges for Services are intended to fund the operational needs of the Fund, including repairs and maintenance. The Plant Investment Fees, on the other hand, are restricted for use on growth related activities.

Usage fee were decreased 8% in 2020, resulting in a decrease in revenue. Rates remained consistent in 2021, and revenue increased due to new accounts as well as high usage levels.

Plant Investment Fees are related to development and fluctuate based on timing of development permits. Revenues in 2020 were unusually high in this category based on several developments moving forward in that year. Revenues in 2021 are more in line with trends.

**Expenses:** As accounts and usage grow, so do operational costs including the volume of supplies and service needed to operate the plant and produce higher volumes of treated water. Additionally, an aging infrastructure results in higher costs for repairs and maintenance.

Capital outlay is project specific and fluctuates with scheduled project progress. More detail on projects can be found at [www.brightonco.gov/1502/capital-project-report-card](http://www.brightonco.gov/1502/capital-project-report-card)



## 2021 YEAR END FINANCIAL REPORT (unaudited, as of February 2022)

Wastewater Fund Revenues and Expenses			
Description	2019	2020	2021
<b>Revenues</b>			
Charges for Services	8,158,823	6,803,255	7,557,973
Plant Investment Fees	1,093,101	390,035	331,701
Investment Earnings	525,302	565,774	(88,151)
Miscellaneous	50,212	79,825	38,990
Transfers In	165,848	-	-
<b>Total Revenues</b>	<b>9,993,285</b>	<b>7,838,889</b>	<b>7,840,513</b>
Annual Change	3.7%	-21.6%	0.0%
<b>Expenses</b>			
Personnel	1,598,102	1,641,181	1,683,214
Purchased Services	1,024,641	908,350	1,093,390
Operating Expenses	1,300,635	1,259,263	1,081,897
Capital Outlay	1,845,294	2,235,172	1,501,001
Debt Service	222,623	215,184	454,475
Transfers Out	736,786	1,295,013	1,247,925
<b>Total Expenses</b>	<b>6,728,081</b>	<b>7,554,163</b>	<b>7,061,902</b>
Annual Change	-18.5%	12.3%	-6.5%
<b>Change in Net Position</b>	<b>\$ 3,265,204</b>	<b>\$ 284,726</b>	<b>\$ 778,611</b>

Storm Drainage Fund Revenues and Expenses			
Description	2019	2020	2021
<b>Revenues</b>			
Charges for Services	914,054	807,904	926,304
Plant Investment Fees	2,119,454	1,028,563	789,484
Investment Earnings	146,961	166,002	(10,692)
Intergovernmental	-	-	5,000
Miscellaneous	8,726	617	15,024
Transfers In	50,422	-	1,696,000
<b>Total Revenues</b>	<b>3,239,617</b>	<b>2,003,086</b>	<b>3,421,120</b>
Annual Change	70.6%	-38.2%	70.8%
<b>Expenses</b>			
Personnel	190,822	233,652	269,903
Purchased Services	32,755	243,737	181,458
Operating Expenses	734,746	691,925	387,687
Capital Outlay	1,164,680	2,522,573	2,636,859
Transfers Out	224,005	140,954	135,829
<b>Total Expenses</b>	<b>2,347,008</b>	<b>3,832,841</b>	<b>3,611,736</b>
Annual Change	-19.6%	63.3%	-5.8%
<b>Change in Net Position</b>	<b>\$ 892,609</b>	<b>\$ (1,829,755)</b>	<b>\$ (190,616)</b>