

Auditor Communications

Honorable Mayor and Members of the City Council City of Brighton, Colorado

We have audited the financial statements of the City of Brighton, Colorado (the City), as of and for the year ended December 31, 2023, and have issued our report thereon dated May 22, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 22, 2024. Professional standards also require that we communicate to you the following information related to our audit.

This information is intended solely for the information and use of the Honorable Mayor and Members of the City Council of the City and is not intended to be and should not be used by anyone other than these specified parties.

May 22, 2024

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AUDITORS' RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS, GOVERNMENT AUDITING STANDARDS AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS. COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (THE UNIFORM GUIDANCE)

Our responsibility, as described by professional standards, is to express an opinion about whether the consolidated financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with generally accepted accounting principles and the City complied, and Ilmaterial respects, with the applicable compliance requirements of its major federal program. Our audit of the consolidated financial statements does not relieve you or management of responsibility for the accuracy of the financial statements.

REPORTS ISSUED BY RUBINBROWN

- Unmodified opinions on the financial statements of the various reporting units for the City for the year ended December 31, 2023
- A report on the City's internal control over financial reporting and compliance and other matters based upon an audit of the financial statements in accordance with Government Auditing Standards
- Unmodified opinion on the City's compliance for its major federal programs, report on internal control over compliance and report on the schedule of expenditures of federal awards in accordance with the Office of Management and Budget's Uniform Guidance
- · ViewPoints, including required communications and

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QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Management is responsible for the selection and use of appropriate accounting policies.
- Significant accounting policies are described in Note 1 to the financial statements.
- No new accounting policies were adopted, and none were changed.
- No transactions entered into during the year lacked authoritative guidance or consensus.
- No transactions were recorded out of the period they occurred.
- No instances where a significant accounting practice acceptable under the applicable financial reporting framework isn't appropriate
- No significant unusual transactions noted

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QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES (CONTINUED)

ACCOUNTING ESTIMATES

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of depreciable lives of property and equipment used to calculate depreciation is based on the assets' estimated useful lives.
- ussers esurrated useful lives.

 Management's estimate of the net pension assets, liobilities and other postemplayment benefits obligations (and their related deferred outflows and inflows) in continuing compliance with Governmental Accounting Standards Board Statements No. 68 and No. 75

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a

DISCLOSURES

The disclosures to the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the users of the financial statements. The most sensitive disclosures affecting the financial statements are:

- Deposits and investments in Note 3
- Long-term obligations in Note 6
 Delivers and also light to be 1.
- Retirement obligations in Note 8
- Commitments and contingencies in Note 10



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CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule summarizes uncorrected misstatements, including disclosures, of the financial statements to the control of the discouragement has determined these uncorrected misstatements are not material, both individually and in the aggregate, to the financial statements token as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule, included as an appendix, identifies misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

GOVERNMENTAL ACTIVITIES

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	If						
Description	Assets	Liabilities	Fund Balance/ Net Position	Revenues	Expenses	Net Income	Impact On Future Year Net Income
Governmental Activities To account for differences between actual placed in service dates for current year capital assets additions that were erroneously recorded as of			44.000.000		4.4.000.000	6 th 200 00m	
12/1/23. Effect of uncorrected entries for current year	\$(1,298,302) \$(1,298,302)	·	\$ (1,298,302) \$ (1,298,302)		\$ 1,298,302 \$ 1,298,302	\$ (1,298,302) \$ (1,298,302)	No

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GENERAL FUND

Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded													
Description		Assets	Li	abilities		d Balance/ et Position	R	evenues	E	xpenses		Net Income	Impact On Future Year Net Income
General Fund													
To accrue for 4th quarter payment for Joint School Resource office payment	\$	111,627	\$	_	\$	111,627	\$	111,627	\$	_	8	111,627	Yes
To accrue for IGA liability related to 120th and US 85 Cost Share	\$	_	\$	400,000	\$	(400,000)	\$	_	\$	400,000	8	(400,000)	Yes
Effect of uncorrected entries for	s	111.627	s	400,000	s	(288,373)	s	111.627	ŝ	400,000	s	(288,373)	

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WATER FUND

	_	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded													
Description		Assets	Liabi			d Balance/ et Position	Re	venues	Е	xpenses		Net Income	Impact On Future Year Net Income		
Water Fund															
To account for differences between actual placed in service dates for current year capital assets additions that were erroneously recorded as of 12/1/23.	s	(161,820)	8	_	s	(161.820)	s	_	\$	161.820	8	(161.820)	No.		
	_	(,)			-	(,)	-		_	,	_	(,)			
Effect of uncorrected entries for current year	s	(161.820)	s	_	s	(161.820)	s	_	\$	161.820	s	(161.820)			

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STORM DRAINAGE FUND

Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded													
Description		Fund Balance/ Assets Liabilities Net Position Revenue		venues	ues Expenses l			Net Income	Impact On Future Year Net Income				
Storm Drainage													
To account for differences between actual placed in service dates for current year capital assets additions that were erroneously recorded as of 12/1/23.	\$	(423,580)	\$	_	\$	(423,580)	\$	_	\$	423,580	8	(423,580)	N
Effect of uncorrected entries for	٠	(493.58M)	ę		Q	(493.58M)	ę		ę	493 58n	e	(423.580)	

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AGGREGATE COMPONENT UNITS

	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded											
Description	Assets	Li	iabilities		nd Balance/	Re	evenues	Е	xpenses		Net Income	Impact On Future Year Net Income
BCAC Fund BCAC Opening Balance Adjustment	\$ _	\$	(47,122)	8	47,122	\$	80,477		_	\$	80,477	No
Effect of uncorrected entries for current year	\$ _	\$	(47,122)	s	47,122	s	80,477	\$	_	\$	80,477	



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OTHER REQUIRED COMMUNICATIONS

- No circumstances affected the form and content of our independent auditors' report.
- We consulted with our firm-specified personnel regarding major single audit program selection.
- No significant difficulties in dealing with management in performing or completing our audit
- No disagreements with management related to financial accounting, reporting or auditing matters
- Management didn't consult with other independent accountants.
- No other audit findings or issues
- Management representation letter attached

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the signed management representation letter attached May 22, 2024. Please refer to the copy of the letter attached as Appendix B.

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OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

COMMENTS

In accordance with Government Auditing Standards, we have also issued our report on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

No material weaknesses in internal control over financial reporting or compliance findings were identified as a result of these procedures.

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OTHER INFORMATION INCLUDED IN ANNUAL REPORTS

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to comborate such other information. However, in accordance with such standards, we have read the information and considered whether such information or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our altention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.



Auditor Communications

SINGLE AUDIT

During the year ended December 31, 2023, the City expended greater than \$750,000 of federal awards. Accordingly, we performed a single audit pursuant to the audit requirements of the Uniform Guidance.

COMMENTS

The federal program selected as a major program during the single audit was:

 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)

We identified a significant deficiency in internal control over reporting compliance as a result of these procedures.

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Management Letter



Management Letter

Honorable Mayor and Members of the City Council City of Brighton, Colorado

In planning and performing our audit of the financial statements of City of Brighton, Colorado (the City), as of December 31, 2023, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Cury sinternal control. Accordingly, we do not express an opinion on the effectiveness of the Liny's internal control. Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated May 22, 2024 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further defail all your convenience, perform any additional of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Management Letter

Employee File Periodic Review

We noted there was certain documentation missing from employee files as a result of changes in regulations over time. We recommend a periodic review of employee files for compliance with the most current regulations.

We noted there is no comprehensive listing of active or current contracts and intergovernmental Agreements (IGAs) available. A listing of all IGAs is available with the Clerk but whether the agreement is active is not tracked and value of the agreement is not easily located. We recommend the City maintain a comprehensive listing of active contracts and agreements with value and timing identified.

Escrow Balance And Agreement Listing

We noted the City did not have a detailed list of escrow balances held. We recommend the City maintain a list of deposits made by developer in order to cross reference refunds and/or recognize revenue for funds that will not be refunded.

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Appendix A Adjusting Journal Entries Report



Management Letter

Sales Tax Reconciliation Documentation

We noted that the City did not have a documented control over sales tax reconciliations. The City appears to be completing reviews; however, no documentation of this process is present. We recommend the City add documentation of review to their sides tox reconciliation process.

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Rulin Brown LLP May 22, 2024

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Sign Envelope ID: 60869295-FE5D-473E-9E2C-1061972A4673



May 22, 2024

- nancial Statements

 I) We have falled our responsibilities, as set out in the terms of the audit engagement letter for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. Garden and fair presentation, and maintenance of inferred control detection, to the preparation and fair presentation of financial statements that are the form of the preparation of the preparation, and maintenance of inferred control detection to the preparation and fair presentation, and maintenance of inferred control to prevent and detect frame.

 3) We acknowledge our responsibility for the design, implementation, and maintenance of inferred control to prevent and detect frame.

 4) The methods, data, and significant assumptions seed by us in making according estimates must be reasonable in the context of the applicable financial reporting framework.

 5) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. Gaberts and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosure for thick U.S. GAAP requires

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- 7. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you directs of uncorrected misstatements summarized in the attached schedule and aggregated by you direct of all recovers a control of the schedule and aggregate, to the applicable opinion units and to the financial statements as a whole.

 8. The effects of all theories Acute of possible fligation and daims have been accounted for and the schedule and the schedule

- Disposit and investment risks have been properly and fully disclosed.
 Capital assist, including infrastruction assets, are proprive capitalized, reported, and if applicable, depreciation, of the propriet propriet propriets of the propriet capitalized control and applicable, depreciation, of the propriets of the proprie
- - 40) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, of financial reporting practices.

 1 assets and liabilities.
 2 We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently labble.
 3 contingently labble.
 3 contingently labble.
 3 contingently labble.
 4 page-ments that could have a client and material effect on financial statements.
 4 page-ments that could have a client and material effect on financial statements amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 4 There are no violations or possible violations or labble or regulations, or provisions of contracts or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 5 There are no other liabilities or gain or loss contingencies that are required to be accound or 40 We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements.
 4 The entity has satisfactory little to all owned assets, and there are no literia continuations on the satisfactory little to all owned assets, and there are no literia continuations of the continuation of the familiary and the continuation of the familiary and the continuation of the familiary and the continuation of the continuation of the familiary and the continuation of the control of the control of the familiary and the continuation of the control of the familiary and the continuation of the familiary and the continuation of the control of the familiary and the continuation of the control of the familiary and the control of the control o
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 - Single Audit
 - 53) With respect to federal awards, we represent the following to you

 - with respect to federal awards, we represent the following to you:

 A. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements for Principles and Audit Requirements for Requirements of Refeated Awards of the service of the servi

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- distinct.

 2. We are responsible for understanding and complying with the requirements of factorial studies, regulations, and the stress and conditions of factorial studies and state of the stress and the stress and conditions of factorial stress and the stress and conditions of factorial stress the factorial striken, regulations, and the terms and conditions of factorial swards that are considered to have a direct and material effects on each major factorial programs, and where complied with these effects and material corpolance requirements

 4. Experimental corpolance requirements

 5. Experimental corpolance requirements

 6. Experimental corpolance and eministration, and have established and manifestion, effective internal control over compliance for feeding regions that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal wavard but could have a material effect on our federal programs. Also, no changes have been made in the internal control and conditions of the federal and surface and the statute of the conditions are compliance, have occurred subsequent to the period covered by the auditor's reporting variety and to significant deficiencies and material wavards was and the variety of the surface of the Data Compliance and and have accurately compliance action in audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Michael Martines ichael Martinez, City Manage Catrina Asher Haley Miller, Assistant Finance Director 24) We acknowledge our responsibility for presenting the combining and individual financial statements and schedules for the normajor funds, enterprise funds, internal service funds, and component units, the local injurying feature open, and the schoolable of expenditures of floridar awards, as Requirements, Cost Phropiles, and Audit Requirements for Federal Awards (supplementary information) in accordance will U.S. GAAP, and we believe the supplementary information in accordance will U.S. GAAP and we believe the supplementary information used to the property of the supplementary information and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed by our significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. Substances in the supplementary information and the supplementary information on the supplementary information and the substances in the supplementary information on the supplementary information on the supplementary information and the substances in the supplementary information and the sur

- 27) We have provided you with:
 a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 b. Additional information that you have requested from us for the purpose of the audit, and c. Unrestricted access to persons within the entity from whom you determined it necessary to the provided of the provided and the second of the sec

- b. Additional information that you have requested from us for the purpose of the audit and c. Unrestricted access to persons within the entity from whom you determined it necessary.

 28) All transactions have been recorded in the accounting records and are reflected in the financial statements.

 29) We have disclosed to you the results of our assessment of the risk that the financial statements may be maintainly instatated as a result of fraud.

 30) On the property of the property of

Don Sins Equations ID: 60960205 EESD 473E 0E2C 106107264673

- f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidanos compliance audit.

 When the SEPA is no presented with the audited financial statements, we will make the program of the compliance of the com

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Werkpaper: Fund Level	3012 - Passed Journal Entries Report All			
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	ACCOUNTS PECCEMANA.		111,627,00	
	PO School Resource Officer Revenue			111,627,0
Tend			111,627,60	111,627,0
Proposes Journal No.		1903		
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	DEPERMENTAL PROPERTY.		393,800,00	
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	ACC DEP - Copecian and Distribution Bystems			121,289,00
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53-08-8080-81524	ACC DEP - Collection and Distribution Bystems			423,580,00
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GASS-77900	Dramolation Function		1,098,062,00	
QA59-01608	Accided Buildings and Improvement			23,593,0
OASSHI1821	Acc Dep Ministration			579,192,0
GAS6+01822	Acc Dep Mackinery and Equipment			78,154,0
CASS-C1824	Acc Dep Improvements other than Buildings			846,060,00
Total			1,294,962,60	1,294,562,60
Proposed Journal End BCAC Opening Select		PEC		
	DEFERSO RE-SCED GRAVE		96.677.00	
25-09-8000-80807	FUND SMLANCE - Uniquipmed		127,589,00	
55-45-2200-62052	SONOGRAM		0118940	
55-00-0000-02004	DEFERRED RD-6CFD GRANT			127,589,0
55-41-8550-80009	Lodging Tay Grant Revenue			941,680,80
Total			359,259,60	358,259,0
Proposed Journal Ent		3626		
	120h and US 69 Cost Share			
	Professional Contracted Services		808,080400	
10-00-E000-E0004 Tend	ACCOUNTS PANIELE			40E,0E049
1004			406,080,00	406,000,0
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