

City of Brighton, Colorado

DECEMBER 31, 2023



Auditor Communications



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, in all material 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 other information



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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.
- Management's estimate of the net pension assets, liabilities and other post-employment 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 whole.

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
- 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. Management has determined these uncorrected misstatements are not material, both individually and in the aggregate, to the financial statements taken 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.



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GOVERNMENTAL ACTIVITIES

Description	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded						Impact On Future Year Net Income
	Assets	Liabilities	Fund Balance/ Net Position	Revenues	Expenses	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 12/1/23.	\$ (1,298,302)	\$ —	\$ (1,298,302)	\$ —	\$ 1,298,302	\$ (1,298,302)	No
Effect of uncorrected entries for current year	\$ (1,298,302)	\$ —	\$ (1,298,302)	\$ —	\$ 1,298,302	\$ (1,298,302)	



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GENERAL FUND

Description	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded							Impact On Future Year Net Income
	Assets	Liabilities	Fund Balance/ Net Position	Revenues	Expenses	Net Income		
General Fund								
To accrue for 4th quarter payment for Joint School Resource office payment	\$ 111,627	\$ —	\$ 111,627	\$ 111,627	\$ —	\$ 111,627		Yes
To accrue for IGA liability related to 120th and US 85 Cost Share	\$ —	\$ 400,000	\$ (400,000)	\$ —	\$ 400,000	\$ (400,000)		Yes
Effect of uncorrected entries for current year	\$ 111,627	\$ 400,000	\$ (288,373)	\$ 111,627	\$ 400,000	\$ (288,373)		



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WATER FUND

Description	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded						Impact On Future Year Net Income
	Assets	Liabilities	Fund Balance/ Net Position	Revenues	Expenses	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.	\$ (161,820)	\$ —	\$ (161,820)	\$ —	\$ 161,820	\$ (161,820)	No
Effect of uncorrected entries for current year	\$ (161,820)	\$ —	\$ (161,820)	\$ —	\$ 161,820	\$ (161,820)	



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STORM DRAINAGE FUND

Description	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded							Impact On Future Year Net Income
	Assets	Liabilities	Fund Balance/ Net Position	Revenues	Expenses	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	\$ (423,580)	No	
Effect of uncorrected entries for current year	\$ (423,580)	\$ —	\$ (423,580)	\$ —	\$ 423,580	\$ (423,580)		



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AGGREGATE COMPONENT UNITS

Description	Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded						Impact On Future Year Net Income
	Assets	Liabilities	Fund Balance/ Net Position	Revenues	Expenses	Net Income	
BCAC Fund							
BCAC Opening Balance Adjustment	\$ —	\$ (47,122)	\$ 47,122	\$ 80,477	\$ —	\$ 80,477	No
Effect of uncorrected entries for current year	\$ —	\$ (47,122)	\$ 47,122	\$ 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 dated 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 corroborate 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 attention 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.



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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.



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.

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 detail at your convenience, perform any additional study 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.

Intergovernmental Agreement Listing

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.



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 sales tax 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.

RubinBrown LLP

May 22, 2024



Appendix A
*Adjusting Journal
Entries Report*



Client: **35599.0000 - City of Brighton**
 Engagement: **2023 AUD - City of Brighton**
 Period Ending: **12/31/2023**
 Trial Balance: **GASB Fund Trial Balance**
 Workpaper: **3010 - Adjusting Journal Entries Report**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 3				
Prepared By Client: Entry to record debt service interest				
10-13-4210-85060	Debt Service Interest		4,639.00	
10-00-0000-02036	Interest Payable			4,639.00
Total			4,639.00	4,639.00
Adjusting Journal Entries JE # 4				
Prepared By Client: JE 704464 - Account Correction				
10-21-4650-30000	Professional/Contracted Services		41,027.00	
10-21-4650-30000	Professional/Contracted Services		2,625.00	
10-21-4650-03062	Federal Pass Through Grants			41,027.00
10-21-4650-03062	Federal Pass Through Grants			2,625.00
Total			43,652.00	43,652.00
Adjusting Journal Entries JE # 6				
Prepared By Client: Reverse BCAC Opening Balance Adjustment				
55-00-0000-02024	DEFERRED REV-SCFD GRANT		127,599.00	
55-41-6550-03599	Lodging Tax Grant Revenue		141,660.00	
55-00-0000-02024	DEFERRED REV-SCFD GRANT			80,477.00
55-00-0000-02807	FUND BALANCE - Unassigned			127,599.00
55-41-3300-03053	SCFD GRANT			61,183.00
Total			269,259.00	269,259.00
Total Adjusting Journal Entries			317,550.00	317,550.00
Total All Journal Entries			317,550.00	317,550.00

Appendix B
*Management
Representation Letter*





May 22, 2024

RubinBrown LLP
1900 16th Street
Suite 300
Denver, CO 80202

This representation letter is provided in connection with your audit of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Brighton, Colorado (the City) as of December 31, 2023 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

- 1) We have fulfilled 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. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is 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. GAAP.
- 6) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- 7) The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- 8) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 10) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 11) All funds and activities are properly classified.
- 12) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 13) All net position components and fund balance classifications have been properly reported.
- 14) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 15) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 16) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 17) Special items and extraordinary items have been properly classified and reported.
- 18) Deposit and investment risks have been properly and fully disclosed.
- 19) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 20) All required supplementary information is measured and presented within the prescribed guidelines.
- 21) Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- 22) With regard to pensions:
 - a. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We are unable to determine the possibility of a withdrawal liability from the plan for which we are a sponsor and are not currently contemplating withdrawing from the plan.
 - c. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
- 23) With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances

- 24) We acknowledge our responsibility for presenting the combining and individual financial statements and schedules for the nonmajor funds, enterprise funds, internal service funds, and component units; the local highway finance report ; and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 25) When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements ready available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditors' report thereon.
- 26) We are in agreement with the adjusting entries that you have recommended, and they have been posted to the company's accounts.

Information Provided

- 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 obtain audit evidence.
- 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 materially misstated as a result of fraud.
- 30) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - d. Management;
 - e. Employees who have significant roles in internal control; or
 - f. Others where the fraud could have a material effect on the financial statements.
- 31) We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
- 32) We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 33) We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 34) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- 35) We have a process to track the status of audit findings and recommendations.
- 36) We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 37) We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 38) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 39) We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.

- 40) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 41) The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 42) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- 43) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 44) There are no violations or possible violations or laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- 45) There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
- 46) We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements.
- 47) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 48) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 49) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 50) We have provided you with:
 - a. A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - b. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
- 51) The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- 52) We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.

Single Audit

- 53) 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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance.
 - c. We believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - e. We are responsible for including the auditors' report on the SEFA in any document that contains the schedule and that indicates that the auditor has reported on such information.

- f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- g. When the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date of issuance by the entity of the SEFA and the auditors' report thereon.
- h. We have, in accordance with the Uniform Guidance, identified in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- i. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- j. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- k. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- l. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditors' report.
- m. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- p. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- r. We have charged costs to federal awards in accordance with applicable cost principles.
- s. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- t. The reporting package does not contain personally identifiable information.
- u. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- v. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- w. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- x. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements
- y. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs 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 award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
- z. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

DocuSigned by:

Michael Martinez

16AD7CDFBDBF464...

Michael Martinez, City Manager

DocuSigned by:

Catrina Asher

F911B415B8344B4...

Catrina Asher, Finance Director

DocuSigned by:

Haley Miller

58327543A32279B...

Haley Miller, Assistant Finance Director

Client: **35599.0000 - City of Brighton**
 Engagement: **2023 AUD - City of Brighton**
 Period Ending: **12/31/2023**
 Trial Balance: **GASB Fund Trial Balance**
 Workpaper: **3012 - Passed Journal Entries Report**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Proposed Journal Entries				
Proposed Journal Entries JE # 1				
4202.10 To accrue for 4th quarter payment for Joint School Resource officer payment				
10-00-0000-01085	ACCOUNTS RECEIVABLE		111,627.00	
10-13-4210-03351	PD School Resource Officer Revenue			111,627.00
Total			111,627.00	111,627.00
Proposed Journal Entries JE # 5				
4603 Water Fund - To account for difference between placed in service dates of new capital additions that were all placed in service as of 12/1				
50-30-7940-78000	DEPRECIATION EXPENSE		161,820.00	
50-00-0000-01820	ACC DEP BUILDINGS AND IMPROVEMENTS			2,303.00
50-00-0000-01822	ACC DEP MACHINERY AND EQUIPMENT			38,228.00
50-00-0000-01824	ACC DEP - Collection and Distribution Systems			121,289.00
Total			161,820.00	161,820.00
Proposed Journal Entries JE # 7				
4603 Water Reclamation Fund - To account for difference between placed in service dates of new capital additions that were all placed in service as of 12/1				
53-32-8990-78000	DEPRECIATION EXPENSE		423,580.00	
53-00-0000-01824	ACC DEP - Collection and Distribution Systems			423,580.00
Total			423,580.00	423,580.00
Proposed Journal Entries JE # 8				
4603 Governmental Activities - To account for difference between placed in service dates of new capital additions that were all placed in service as of 12/1				
GASB-78000	Depreciation Expense		1,298,302.00	
GASB-01820	Acc Dep Buildings and Improvement			33,593.00
GASB-01821	Acc Dep Infrastructure			570,192.00
GASB-01822	Acc Dep Machinery and Equipment			78,154.00
GASB-01824	Acc Dep Improvements other than Buildings			616,363.00
Total			1,298,302.00	1,298,302.00
Proposed Journal Entries JE # 9				
PBC BCAC Opening Balance Adjustment				
55-00-0000-02024	DEFERRED REV-SCFD GRANT		80,477.00	
55-00-0000-02807	FUND BALANCE - Unassigned		127,599.00	
55-41-3300-03053	SCFD GRANT		61,183.00	
55-00-0000-02024	DEFERRED REV-SCFD GRANT			127,599.00
55-41-6550-03599	Lodging Tax Grant Revenue			141,660.00
Total			269,259.00	269,259.00
Proposed Journal Entries JE # 10				
3028 To record IGA Brighton 120th and US 85 Cost Share				
10-14-4300-30000	Professional/Contracted Services		400,000.00	
10-00-0000-02004	ACCOUNTS PAYABLE			400,000.00
Total			400,000.00	400,000.00
Total Proposed Journal Entries			2,664,588.00	2,664,588.00
Total All Journal Entries			2,664,588.00	2,664,588.00

Client: **35599.0000 - City of Brighton**
 Engagement: **2023 AUD - City of Brighton**
 Period Ending: **12/31/2023**
 Trial Balance: **GASB Fund Trial Balance**
 Workpaper: **3011 - Reclassifying Journal Entries Report**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 2		3000.50		
To reclass bond premiums to current				
50-00-0000-02924	Unamortized Bond Premium		174,394.00	
50-00-0000-02916	2016 Rev Bonds Payable Current Portion			174,394.00
Total			174,394.00	174,394.00
Total Reclassifying Journal Entries			174,394.00	174,394.00
Total All Journal Entries			174,394.00	174,394.00