

# City of Brighton, Colorado

## Q1 2025 Financial Update (unaudited, as of April 2025)

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**About this report:**

This report is intended to provide a summary of the City's financial activities for a specific time period and as of a specific date. The financial reports were prepared as of April 25, 2025 and are unaudited. Sales tax reports were prepared based on tax filings and reflects revenues due or received based on the due date of the tax return.

**Executive Summary — Governmental (non-utility) Funds****Revenue Results:**

- Governmental Fund revenues (excluding transfers in) totaled \$17.5M, an increase of \$2.3M, or 15% compared to the prior year.
- Tax revenues totaled \$10.4M, an increase of \$255K or 2.5%. This included a 60% increase to property tax revenues offset by a 29% decrease in use tax .
- Sales tax revenues collected make up 35% of total revenues and amount to \$6.1M, which is unchanged compared to the prior year.
- Charges for services and license & permit revenues totaled \$2.6M, an increase of \$165K, or 7%.
- Interest earnings generated by invested cash reserves. Interest earnings totaled \$1.7M, an increase of \$911K, or 115%, compared to the prior year.

**Spending Results:**

- Governmental Fund spending (excluding transfers out) totaled \$19.9M, an increase of \$3.1M, or 19%, compared to the prior year.
- Personnel costs totaled \$8.7M, an increase of \$682K, or 9%. This is due to a combination of cost of living adjustments, annual increases, market adjustments, additional retirement contributions, and the addition of new positions.
- Operational spending (excluding personnel) totaled \$4.2M and increased by \$621K, or 17%. This was driven by new and/or one-time spending and the timing of purchases.
- Capital Outlay spending totaled \$5.8M, an increase of \$1.1M, or 24% compared to the prior year as progress was made on significant projects, including Bridge Street Widening and expansion to the Recreation Center. Refer to the [Capital Project Report Card](#) available online for more information.
- Transfers netted to a \$2.1M transfer out to the Water Fund to support projects in that fund.

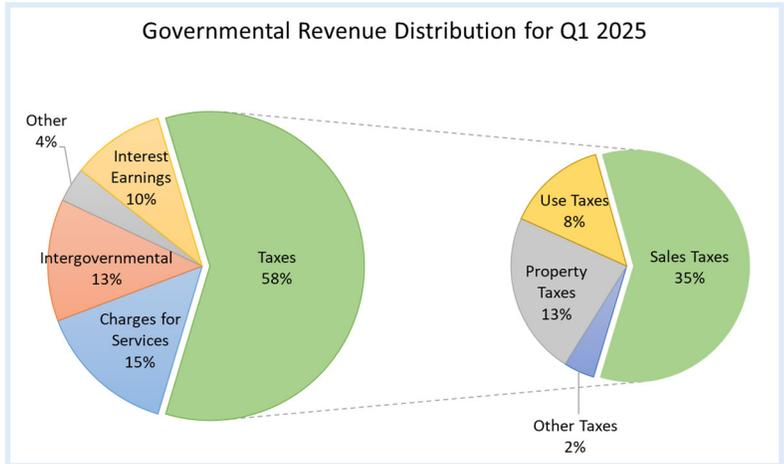
**Financial Reserves:**

- Governmental Fund reserves increased by \$4.5M during Q1 2025 as reserves are being intentionally spent down. Governmental Funds are budgeted to utilize \$28.6M of reserves in 2025. Reserves reside in various funds and may be restricted in how they may be used.

### Municipal Funding Overview and Trends (Governmental Funds)

The City's governmental (non-utility) activities are funded primarily by unrestricted revenue sources, like taxes and charges for services. It is important to ensure the City's ongoing revenue sources are diverse and stable, and that they grow as the City grows and services are provided to a larger population.

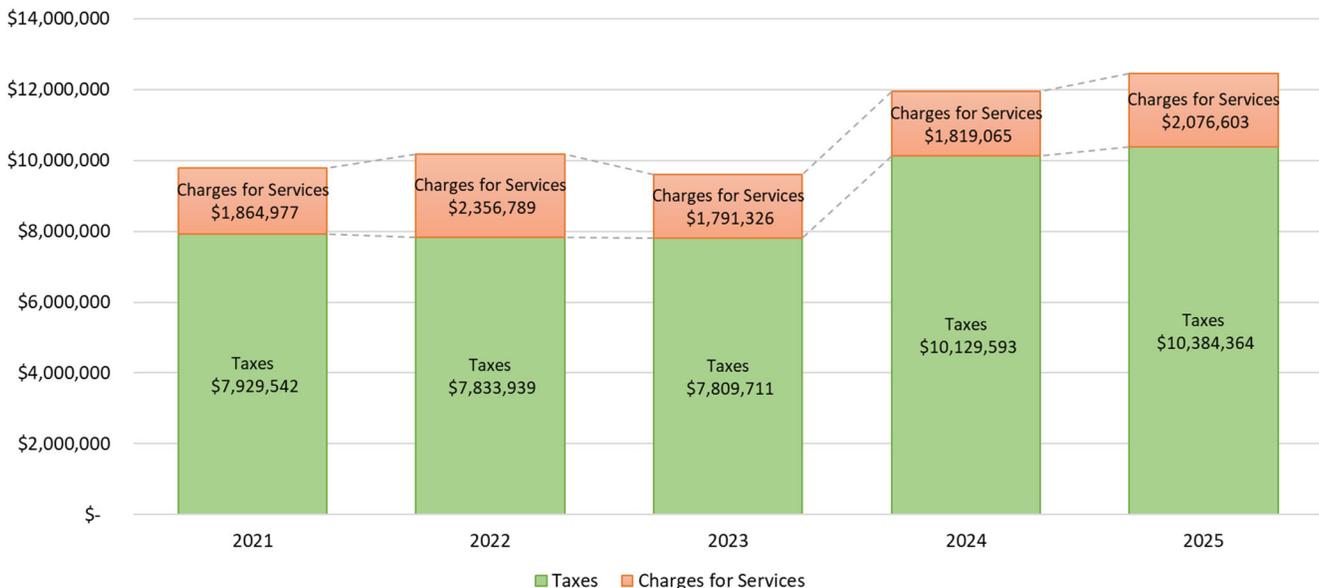
During the first quarter of 2025, the City generated \$17.5M in Governmental Fund Revenues, and of that amount, \$10.4M or 58% came from taxes collected. Tax revenues, which include sales, use and property taxes, are a primary source of funding for the City and typically provide the majority of Governmental Fund Revenues. Sales taxes provided \$6.1M in revenue and are the largest source of unrestricted funds for ongoing governmental activities.



Tax revenues overall increased only slightly compared to the same period in the prior year,

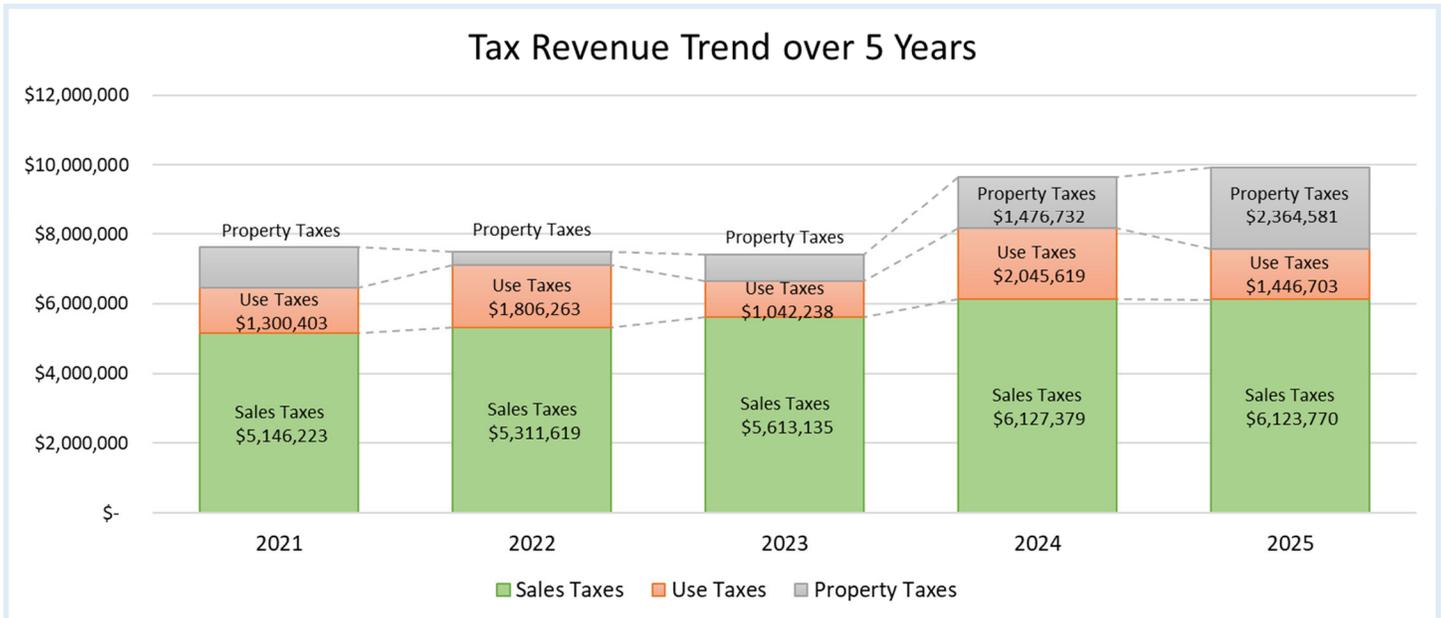
providing an additional \$255K (2.5%) in revenue. Property tax revenues were higher this year by \$888K (60%), though this is due in large part to the timing of tax payments and remittances from the Counties. Total property tax revenues are set by mill levy certifications and will decline in 2025 compared to the prior year. Sales tax revenues received are flat compared to the prior year, however sales taxes due to the City based on tax filings are up 6.8%. The variance is due to the timing of payments. Use tax revenues are down \$699K (29%) as one very large permit in Q1 2024 cause prior year quarterly revenues to spike. Investment earnings, which are based on cash balances and interest rates, totaled \$1.7M, an increase of \$911K (115%) compared to the prior year as a result of high rates and cash balances.

### Governmental Revenue Trends over 5 Years (selected categories)



**Municipal Funding Overview (Governmental Funds), continued:**
**Tax Revenue Trends**

Tax revenues made up 58% of the City's Governmental Fund Revenues for Q1 2025. This section of the report will focus on tax revenue trends in various categories. Tax revenues, including sales, use and property tax revenues, were up slightly compared to the same period in the prior year



**Sales tax** revenues collected were flat compared to the same period in 2024. However, when reviewing total tax filings for the first quarter, revenues due are up 6.8%, a difference due to the timing of payments. Sales tax revenues are discussed in more detail later in this report.

**Use taxes** are charged on new construction. This means that use tax trends are tied closely to permitting and development activity. While the number of permit issuances was higher in 2025 compared to the prior year, 2024 issuances included a very large multi-unit development that resulted in high levels of use tax in the first quarter. If permit issuance numbers remain strong, we expect revenue in this area to grow.

**Property tax** revenues increased by \$888K (60%) compared to the prior year. This is likely due to the timing of tax payments and remittances from the Counties. Property tax revenues are set based on assess values and mill levies, so the amount of revenues due are well known, and property taxes will decline in 2025.

Property taxes are calculated by the County based on a combination of the property's type, actual value, assessment rate, and mill levy. Properties are valued every other year to determine the actual value to which assessment rates and mill levies are applied. The City sees changes to property tax revenues based on valuation changes every other year (even numbered years). Revenue changes also include growth (new properties developed) and property types that are valued annually (e.g. oil & gas).

For more information about your property taxes, how they are calculated, and where they go, visit the County Assessor's website for your property's location.

**Financial Overview—General Fund**
**General Fund Description:**

The General Fund is the primary operating fund for the City and is funded largely by unrestricted sales, use and property taxes, all of which are used to fund general operations, including staffing.

All of the City's revenues and expenses are recorded in the General Fund unless there is an administrative or regulatory need to report those transactions separately and the transactions qualify for separate reporting. Therefore, any revenues or spending that do not meet the criteria to be recorded elsewhere are recorded in the General Fund.

Activity reported in this fund includes the general operations of most departments, including public safety and courts, parks and recreation, community planning and development, and public works planning and management. This fund also reports costs associated with internal administration and support functions for staff and City Council, including communications and meeting support, facility maintenance, technology support, financial functions and planning, human resources support, and the functions of the City Manager's Office and City Attorney's Office. Note that utilities functions are reported in the utilities funds (Water, Wastewater, and Storm Drainage), discussed later in this report.

Because the revenue sources in the General Fund are primarily unrestricted, excess resources in the fund are often used to fund projects in other funds. These uses are shown as "Transfers Out". In order to reflect the financial strength of the fund, Change in Fund Balance is presented both with and without transfers out to other funds.

The following table reports financial activity during the first quarter for each year represented.

<b>General Fund Revenues and Expenditures</b>					
<b>Amounts Reported January through March of each year</b>					
<b>Description</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenues</b>					
Taxes	\$ 6,220,302	\$ 6,066,106	\$ 5,913,149	\$ 8,070,693	\$ 8,349,922
Charges for Services	1,509,931	1,462,204	1,543,731	1,151,016	981,860
Licenses & Permits	344,928	419,842	163,472	574,222	482,086
Intergovernmental & Grants	460,700	628,059	627,345	932,292	1,726,684
Fines & Forfeitures	99,380	67,385	46,397	84,583	111,633
Investment Earnings (Loss)	(70,191)	(777,011)	757,665	231,925	537,149
Miscellaneous	234,639	92,640	183,177	228,171	49,804
Transfers In	256,000	-	-	256,000	661,000
<b>Total Revenues</b>	<b>9,055,690</b>	<b>7,959,225</b>	<b>9,234,936</b>	<b>11,528,900</b>	<b>12,900,139</b>
<b>Expenditures</b>					
Personnel	6,131,269	6,259,944	6,976,086	7,909,423	8,600,106
Purchased Services	246,120	193,138	246,718	238,446	396,441
Operating Expenses	2,962,684	2,759,223	3,355,795	3,159,867	3,777,226
Transfers Out	1,896,000	-	-	20,400,000	2,300,000
<b>Total Expenditures</b>	<b>11,236,073</b>	<b>9,212,305</b>	<b>10,578,599</b>	<b>31,707,736</b>	<b>15,073,773</b>
<b>Change in Fund Balance</b>	<b>\$ (2,180,384)</b>	<b>\$ (1,253,079)</b>	<b>\$ (1,343,663)</b>	<b>\$ (20,178,836)</b>	<b>\$ (2,173,634)</b>
<b>Change in Fund Balance WITHOUT Transfers Out</b>	<b>\$ (284,384)</b>	<b>\$ (1,253,079)</b>	<b>\$ (1,343,663)</b>	<b>\$ 221,164</b>	<b>\$ 126,366</b>

**General Fund Financial Results Discussion**

**Revenues:**

***Sales, Use and Property Taxes***

The General Fund is funded primarily by unrestricted sales, use, property, and other taxes which make up 65% of General Fund revenues for this period. These revenues totaled \$8.1M and increased overall by 3.5% with increases to property tax, decreases to use tax, and sales tax revenues remaining flat.

***Charges for Services and Permits and Licensing***

The General Fund includes revenues from charges related to the specific use of City services. This includes fees related to permitting and development as well as fees paid for recreation and other services. Overall, the fee revenue in these combined categories declined \$261K, or 15%. This was due to decreases across several categories, including planning & zoning related fees and recreation center fees.

***Intergovernmental***

This revenue category increased \$794K (85%) driven by the City's agreement with the 27J school district to provide school resources officers for which the district reimburses the City.

**Expenditures:**

***Personnel Expenditures*** make up 67% of General Fund spending (excluding transfers out) and total \$8.6M, 9% higher than they the same period last year. This increase is due to a combination of annual salary adjustments (cost of living, anniversary, and market adjustments), increases to health insurance costs and retirement contributions, and several new positions added in the 2025 adopted budget.

***Operating and Purchase Services Expenditures*** make up 33% of General Fund expenditures (excluding transfers out). Spending on operations is up 23% compared to the prior year. This is related to increases in services like insurance coverage and emergency communications, paired with the timing of purchases.

***Transfers Out*** in 2024 were high as the City intentionally spent down reserves. In 2025, transfers decreased with the primary action being a transfer to the Water Fund to support projects in that fund.

**Fund Balance / Reserves:**

The General Fund spent or transferred out \$2.2M more than it received in revenues in the first quarter of the year, resulting in an unassigned (available) fund balance of \$21M. The fund is budgeted (planned) to break even in 2025 with no increase or decrease to reserves.

The General Fund fund balance is outlined to the right, including amounts that are reserved due to external legal restrictions or internal actions taken through ordinances or resolutions.

Emergency reserves total \$16.7M and represent 43% of total fund balance. Unassigned fund balance totals \$21M and is sufficient to fund 36% of the 2025 adopted budget for the General Fund (excluding transfers), or four months of budgeted spending.

Fund Balance as of Q1 2025	\$ 38,644,882
Emergency Reserves	
Emergency Reserve	9,997,953
General Fund Stabilation Reserve	4,998,977
TABOR Reserve	1,749,562
Other Reserves	
Plastic Bag Fee Unspent Proceeds	224,736
DIA Noise Mitigation Funds	496,000
Food Sales Tax Rebate Reserve	134,000
Unassigned Fund Balance	<u>\$ 21,043,655</u>

### Financial Overview—Other Governmental Funds

#### Other Governmental Funds Description:

This category of funds includes the Capital Improvement, Parks & Recreation Capital Improvement, Landscaping, Impact Fees, Highway, Lottery, Lodging Tax, & Cemetery Funds.

These funds are used to account for revenues that are formally restricted or otherwise designated for specific purposes. Those revenues may be restricted by intergovernmental agreements (grants), by ballot measures that generate the revenues (sales taxes) or by other agreements.

The City utilizes the Capital Improvement Fund to track the revenue generated from a sales tax dedicated to capital improvement projects. The projects in this fund are also financed through oil & gas revenues, intergovernmental funds, grants, and transfers from the General Fund and Impact Fees Fund.

The Parks & Recreation Capital Improvement Fund tracks revenue generated from a sales tax dedicated to parks & recreation improvements and maintenance, which is the primary revenue source for this fund.

The Lottery Fund reports contributions from the State of Colorado's Conservation Trust Fund, which is generated through the State Lottery and allocated to communities for parks and recreation services.

The Impact Fee Fund records impact fee revenues received through new development permits and ensures those funds are utilized on eligible capital projects that support community growth.

The Lodging Tax Fund accounts for revenue from a 3% tax on short term rentals that is restricted to be used towards economic development and community arts and culture initiatives.

The Cemetery Fund and Cemetery Perpetual Fund track revenues and spending on management and

Other Governmental Fund Revenues and Expenditures					
Amounts Reported January through March of each year					
Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Taxes	\$ 1,709,239	\$ 1,767,832	\$ 1,896,562	\$ 2,058,901	\$ 2,034,442
Charges for Services	355,046	894,585	247,595	668,049	1,094,743
Intergovernmental & Grants	254,083	5,527,495	550,918	414,321	512,716
Investment Earnings (Loss)	(88,312)	(1,104,284)	926,886	560,803	1,166,915
Oil & Gas Proceeds	358,030	517,286	49,991	33,354	431,431
Miscellaneous	2,751,249	109,179	18,973	198,174	44,246
Transfers In	1,247,138	-	-	24,601,000	200,000
<b>Total Revenues</b>	<b>6,586,474</b>	<b>7,712,094</b>	<b>3,690,925</b>	<b>28,534,603</b>	<b>5,484,493</b>
<b>Expenditures</b>					
Personnel	62,022	58,908	70,104	88,950	80,439
Purchased Services	1,731	250,000	311	145,516	13,445
Operating Expenses	42,346	48,046	59,982	76,575	68,556
Repairs & Maintenance	352,030	171,731	254,563	210,851	214,384
Capital Outlay	360,270	1,544,160	1,036,611	4,691,100	5,812,218
Debt Service	256,996	257,070	257,127	257,179	917,925
Transfers Out	1,303,138	-	-	4,457,000	661,000
<b>Total Expenditures</b>	<b>2,378,532</b>	<b>2,329,915</b>	<b>1,678,699</b>	<b>9,927,170</b>	<b>7,767,967</b>
<b>Change in Fund Balance</b>	<b>\$ 4,207,942</b>	<b>\$ 5,382,179</b>	<b>\$ 2,012,227</b>	<b>\$ 18,607,432</b>	<b>\$ (2,283,474)</b>

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**Other Governmental Fund Financial Results Discussion****Revenues:*****Sales and Lodging Taxes***

The City's capital and other governmental funds are funded largely by taxes that are restricted in their use based on voter approved ballot measures. This includes sales taxes for capital and parks projects and lodging taxes charged on short term rentals and used for economic development and community art and culture initiatives. These combined revenues totaled \$2.0M and decreased 1% compared to the prior year. The decrease is due to higher rebate payments in Q1 2025. Prior to rebates, tax revenues were up 2%.

***Charges for Services***

This category primarily includes impact fees which are charged for new development. Impact fees increased at the beginning of the year and permit issuances exceeded the prior year. These factors combined to result in revenue totaling \$1.1M, an increase of 64% compared to the prior year.

***Oil and Gas Royalties***

The City receives royalty revenue from oil well operators. While only a handful of well sites lie within City limits, many wells are actively drilling below the ground in the City. Revenues from oil and gas operations (royalties) are based on volume produced as well as the sale price of oil. These revenues tend to fluctuate based on payment timing and the release of escrowed royalties.

***Other Revenues***

Intergovernmental revenues are driven by grants received and project timing which vary from year to year.

Investment earnings are strong due to high interest rates and large cash balances in this category of funds.

Transfers In reflects significant transfers from the General Fund as well as transfers among funds within this category (e.g. from Impact Fees to Capital Improvement). In 2024, Impact Fees provided \$3.7M in funding for the Bridge Street Widening project in 2024. There are no significant transfers in planned for 2025.

**Expenditures:**

Total spending for the quarter was \$7.8M, roughly 10% less than in the prior year. Capital spending accounts for 82% of the spending in this group of funds (excluding transfers out). Spending on capital projects increased \$1.1M, or 24%, compared to the prior year as the City made significant progress on various projects, including Bridge Street Widening and an expansion of the Recreation Center.

Transfers Out totaled \$660K and primarily included transfers to other funds within this group of funds, as noted within the Revenues section above. Transfers out in 2024 were due to transfers within this fund group.

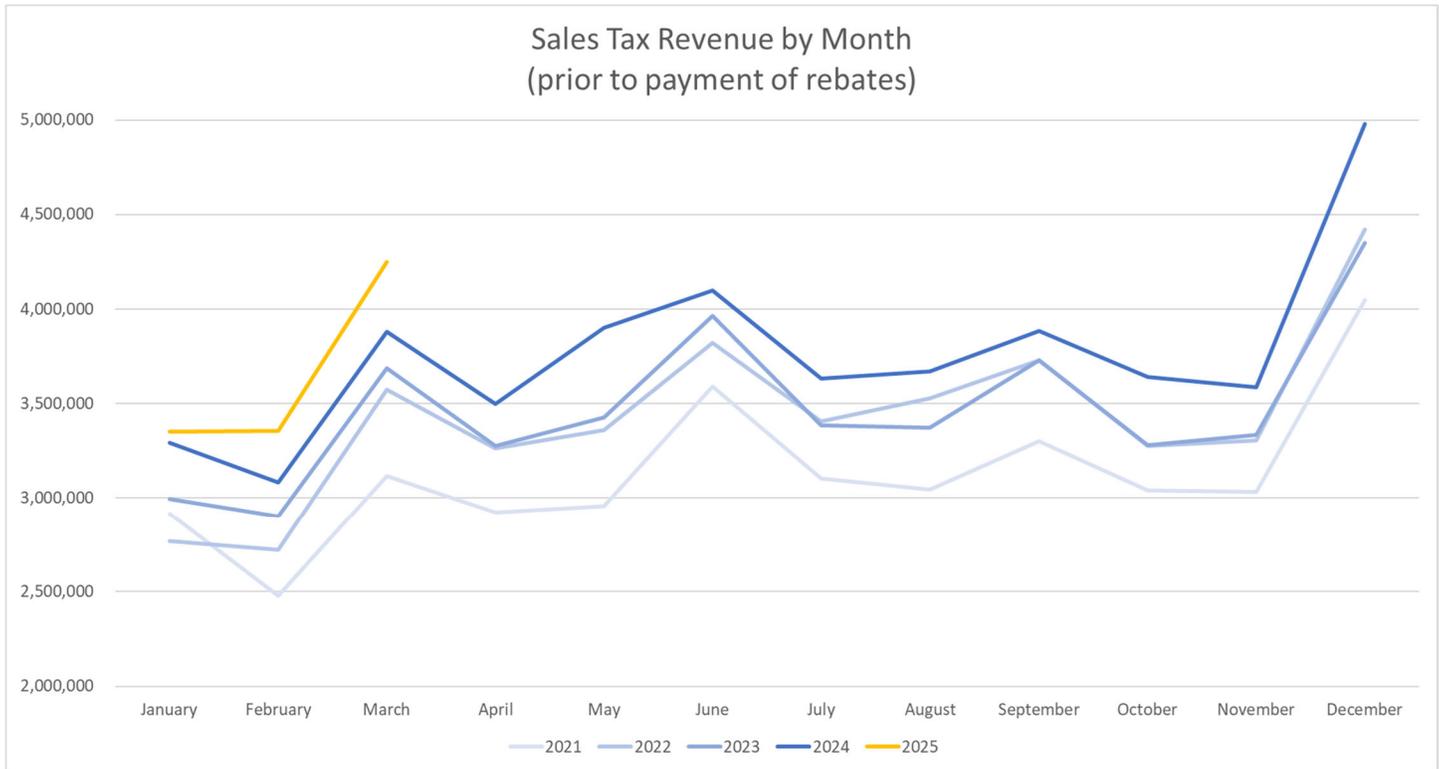
Spending in these funds is project based and will fluctuate based on the timelines of projects in process. Project information can be found in the City's [Capital Project Report Card](#) available online.

**Reserves:**

Reserves decreased by \$2.3M during the quarter, bringing total reserves to \$82.0M. Reserves in these funds have accumulated in anticipation of projects. As those projects occur, the reserves will be spent down with a \$28.6M reduction budgeted in 2025. All reserves in these funds are either formally restricted or otherwise committed to planned projects.

**Sales Tax Revenues by Month**

2021 through Q1 2025, gross amount due before payment of rebates


**Q1 2025 performance by industry**

Construction	+ 66.2%
Retail Online	+ 21.8%
Utilities	+ 9.3%
Retail	+ 7.6%
Food/Accommodations	+ 2.9%
Retail—Grocery	-8.3%

Sales tax due to the City for Q1 2025 was \$11.0 million prior to the payment of rebates, up 6.8% compared to Q1 2024. Sales Tax after the payment of rebates and including audit revenues was up 7.4%.

Sales tax from food/accommodation providers physically located in the City remained mostly flat while sales tax from major grocery retailers is down 8.3%. This is offset

by a 21.8% increase to online retail sales. Additionally, tax revenues from utilities were up 9.3% with the addition of new homes and businesses increasing the customer base. There was also a large increase in sales tax on construction materials as development remained strong.

The continued increases in online retail sales tax is driven by both consumers shifting towards online shopping and City staff's continued efforts to encourage online retailers to comply with sales tax and licensing requirements. More than 460 business accounts were added in Q1 2025, the vast majority of which were remote sellers. The City assessed a total of \$78K in audit revenue in Q1 2025.

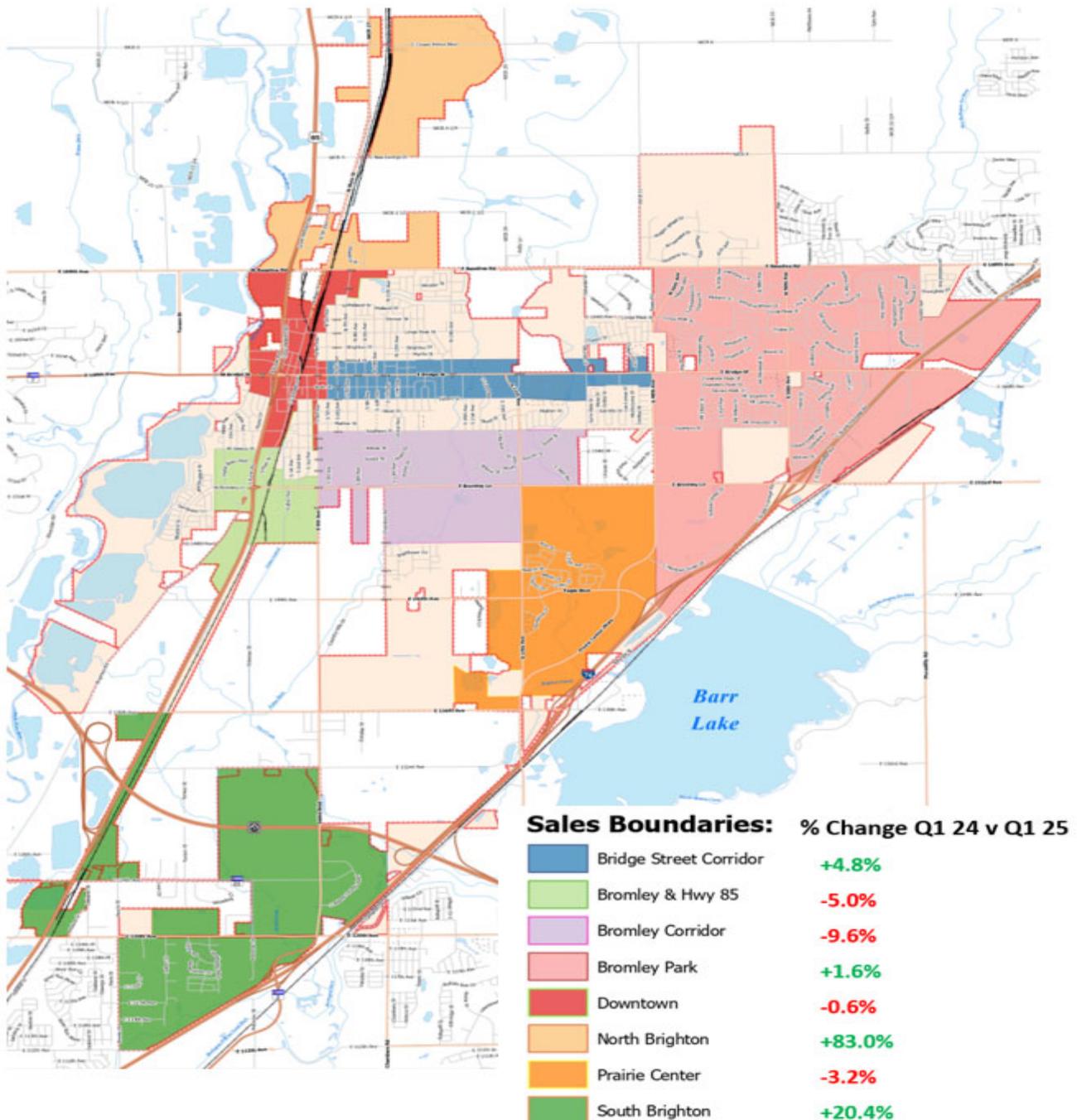
**Q1 2025 Top 20 taxpayers  
(in alphabetical order)**

Amazon	Safeway
Apple, Inc.	Target
Brighton Ford	TikTok
DoorDash, Inc.	Tractor Supply
Flow-Zone LLC	Transwest
Home Depot	United Power
Johnston Auto Sales	Walmart
King Soopers	Western United
Lowe's	Electric Supply
McDonald's	Xcel Energy
Ross Dress for Less	

### Sales Tax Percent Change by City Area Q1 2024 vs. Q1 2025

The following map shows the percent change in sales tax revenues (prior to the payment of rebates), for various areas of the City. Results are mixed for the first quarter of the year with several areas showing declines compared to prior years. Those with reductions are areas that include a higher concentration of restaurants or grocery stores, which are categories that trended downwards in the first quarter.

The strong performance in the North and South Brighton areas were primarily related to two individual businesses that saw strong gain compared to the prior year.



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## Financial Overview—Utility Funds

### Utility Funds Descriptions:

The City manages three utility funds that provide water, wastewater, and storm drainage services to residents and businesses. These are considered “proprietary funds” which means that they are funded by rates and fees rather than taxes.

The Water Fund and Wastewater Fund combine to form the City’s Water Activity Enterprise, which is an enterprise as defined under Colorado TABOR regulations. This means that these funds cannot receive more than 10% of their revenues from other City sources (taxes) or from state and local grants.

### Utility Fund Financial Management:

City Staff maintain forward looking financial models for utility funds that factor in expected growth in revenues and expenses as well as planned capital project needs. Rates and fees are reviewed annually and recommendations for changes are proposed to City Council. All rates and fees must be approved by City Council through an Ordinance or Resolution. Financial results are reviewed continuously throughout the year.

The Water Fund revenue analysis includes an annual rate study conducted in coordination with a third party consultant that is skilled in the area of rate setting for utilities. Staff works closely with the consultant, providing financial results for previous years and forecasts for future years.

### Revenue Sources

The City’s Utility Funds are funded by a combination of fixed and usage based charges and impact fees. Fixed and usage based charges are charged based on the account type (e.g. residential vs. commercial) and the amount of water or wastewater being used by the customer. These charges are the primary ongoing source of revenue for the funds and are used to pay for ongoing operations, including treatment of water, repairs of water and sewer lines and billing processes.

Impact fees are collected on new development permits and are required to be used on expansion of the system, including storage and treatment capacity or water acquisition. These revenues can not be used for ongoing operations or maintenance costs.

### Electronic Statements and Bill Payment

Customers can choose to receive their utility bills electronically (through email) and can review options for paying their utility bill on the City’s website linked below. Bills can be paid online or through the automated phone system. Customers can also pay their utility bill in person at City Hall (500 S. 4th Avenue, Brighton, CO 80601).

[Online Payments | Brighton Colorado](#)

### Utility Rates and Assistance

Updates to the rates for the Water and Wastewater Funds were approved by City Council in October 2024 became effective in January 2025. More information on utility rates can be found on the City’s [Utility Services and Rates](#) website.

Customers having challenges paying their utility bill can apply for financial assistance up to \$500 per year. The application is available on the City’s [Assistance and Rebates](#) website.

**Financial Overview—Water Fund**
**Water Fund Revenues and Expenditures  
Amounts Reported January through March of each year**

Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Charges for Services	\$ 1,378,622	\$ 1,555,011	\$ 2,095,433	\$ 1,873,735	\$ 2,501,521
Impact Fees	2,191,142	4,547,728	694,303	3,888,540	2,513,627
Investment Earnings (Loss)	(67,332)	(524,813)	574,090	1,668,795	1,703,809
Intergovernmental	2,858	44,460	10,444,588	-	102,790
Miscellaneous	16,610	40,011	(8,228)	20,452	107,423
Transfers In	-	-	-	-	2,100,000
Borrowing Proceeds	-	-	80,000,000	-	85,000,000
<b>Total Revenues</b>	<b>3,521,899</b>	<b>5,662,397</b>	<b>93,800,185</b>	<b>7,451,522</b>	<b>94,029,171</b>
<b>Expenses</b>					
Personnel	731,121	657,815	463,732	932,989	816,146
Purchased Services	821,407	1,252,800	1,138,265	951,261	1,008,124
Operating Expenses	481,496	958,975	553,956	524,857	595,334
Repairs & Maintenance	535,073	28,964	117,712	114,485	736,670
Administrative Allocation	715,222	698,696	521,605	-	-
Capital Outlay	990,786	9,253,379	4,988,681	3,887,668	12,550,979
Debt Service	24,054	1,975,730	3,540,773	26,044	1,123,763
<b>Total Expenses</b>	<b>4,299,159</b>	<b>14,826,359</b>	<b>11,324,723</b>	<b>6,437,304</b>	<b>16,831,016</b>
<b>Change in Net Position</b>	<b>\$ (777,259)</b>	<b>\$ (9,163,962)</b>	<b>\$ 82,475,462</b>	<b>\$ 1,014,217</b>	<b>\$ 77,198,155</b>

**Revenues**
***Charges for Services and Impact Fees***

This is the primary, ongoing source of funds for the City's Water utility. Usage-based revenues have increased due to both the addition of new accounts and increases to the rates being charged. Impact fees increased in April 2024, and that increase, paired with higher permit numbers, resulted in higher revenues in this category.

***Investment Earnings (Loss)***

This revenue includes earnings on unspent borrowing proceeds from the 2022 and 2025 bond issuances which earn interest that must be used on the Water Treatment Plant Project.

***Debt Issuance***

The City issued \$85M in bonds in February 2025 to finance the Water Treatment Plant project.

**Expenses**
***Personnel and Operational Expenses***

Personnel spending was down slightly compared to the prior year due primarily to the timing of some year end accrual entries.

The administrative allocation in 2024 and 2025 has been waived in support of water fund projects.

***Capital Outlay***

The Water Fund spent \$12.6M on capital projects in Q1 2025, up 223%. Of that amount, \$9.5M was spent on the Water Treatment Plant project and \$2.3M was spent on construction of the Lutz non-potable water reservoir.

***Debt Service***

Payments were made in accordance with debt service agreement schedules.

**Financial Overview—Wastewater Fund**
**Wastewater Fund Revenues and Expenditures  
Amounts Reported January through March of each year**

Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Charges for Services	\$ 1,243,336	\$ 1,492,834	\$ 1,219,269	\$ 1,465,333	\$ 1,695,815
Impact/Connection Fees	91,203	122,760	15,345	92,907	79,794
Investment Earnings (Loss)	(36,800)	(354,940)	280,819	42,870	78,240
Miscellaneous	9,353	7,100	750	42,840	7,628
Borrowing Proceeds	-	-	-	31,599,000	-
<b>Total Revenues</b>	<b>1,307,093</b>	<b>1,267,754</b>	<b>1,516,183</b>	<b>33,242,949</b>	<b>1,861,477</b>
<b>Expenses</b>					
Personnel	420,332	379,231	218,136	242,142	262,873
Purchased Services	143,525	246,150	191,463	189,619	96,583
Operating Expenses	215,272	551,264	431,211	950,398	899,238
Administrative Allocation	311,981	171,070	284,777	234,509	165,053
Capital Outlay	1,357,256	1,407,517	476,435	244,003	353,258
Metro Water Recovery Buy in	-	-	46,597,325	-	-
Debt Service	6,167	3,574	814,580	5,337	5,337
<b>Total Expenses</b>	<b>2,454,533</b>	<b>2,758,806</b>	<b>49,013,927</b>	<b>1,866,008</b>	<b>1,782,341</b>
<b>Change in Net Position</b>	<b>\$ (1,147,441)</b>	<b>\$ (1,491,052)</b>	<b>\$ (47,497,744)</b>	<b>\$ 31,376,941</b>	<b>\$ 79,136</b>

**Revenues**
**Charges for Services and Impact Fees**

This category is the primary, ongoing source of funds for the City's Wastewater utility. Revenue increased as accounts were added and rate/fee increases took effect in January 2025.

Impact fees are driven by development which slowed in 2023 but recovered strongly in 2024 and 2025. In 2025 the Impact Fee was converted to a connection fee with no change in rate.

**Borrowing Proceeds**

In 2023, the City obtained a loan for \$31.6M that was used for the City's buy-in agreement with Metro Water Recovery. This loan will be repaid over 15 years.

**Expenses**
**Personnel and Operational Expenses**

Personnel and Operating costs overall decreased by \$193K, or 12%. As we are early in the year, some fluctuation is due to timing of payments. Additionally, the administrative allocation to this fund decreased with the outsourcing of processing.

**Capital Outlay**

Capital outlay spending increased due to the fund's contribution to the City's Municipal Service Center project, scheduled for completion at the end of 2024. Capital investment in the wastewater operation will be limited in the future as all flows are processed by external processors.

**Debt Service**

Payments were made in accordance with debt service agreement schedules.

**Financial Overview—Storm Drainage Fund**

Storm Drainage Fund Revenues and Expenditures Amounts Reported January through March of each year					
Description	2021	2022	2023	2024	2025
<b>Revenues</b>					
Charges for Services	\$ 167,637	\$ 232,462	\$ 252,461	\$ 338,173	\$ 388,188
Impact Fees	203,870	215,720	165,945	224,460	372,332
Investment Earnings (Loss)	(10,827)	(2,597)	28,406	17,670	16,887
<b>Total Revenues</b>	<b>2,056,679</b>	<b>445,585</b>	<b>446,812</b>	<b>580,302</b>	<b>777,407</b>
<b>Expenses</b>					
Personnel	52,760	69,874	61,672	55,990	123,582
Purchased Services	3,191	27,682	44,504	-	958
Operating Expenses	360,160	217,099	33,835	7,173	8,801
Administrative Allocation	33,957	29,367	43,391	54,780	56,066
Capital Outlay	2,636,859	4,500,520	57,429	438,353	635,336
<b>Total Expenses</b>	<b>3,086,927</b>	<b>4,844,541</b>	<b>240,832</b>	<b>556,296</b>	<b>824,742</b>
<b>Change in Net Position</b>	<b>\$ (1,030,247)</b>	<b>\$ (4,398,956)</b>	<b>\$ 205,980</b>	<b>\$ 24,006</b>	<b>\$ (47,335)</b>

**Revenues**
**Charges for Services and Impact Fees**

This category is the primary, ongoing source of funds for the City's Storm Drainage Fund. Residential properties are charged a flat monthly fee and commercial properties are charged a fee based on the impervious area of the property. The impervious area approach was approved in 2021 and implemented in 2022. That implementation included rate increases for commercial properties in 2023 and 2024, resulting in increased revenues in those years. There were no changes to rates in 2025, but the addition of new accounts resulting in increased revenue.

Impact fees are driven by development which slowed in 2023 but has recovered in 2024 and 2025. There were no changes to impact fee rates in 2025.

**Expenses**
**Personnel and Operational Expenses**

Operational costs are up in some categories (personnel) and flat in others (purchased services). Overall operational costs, including the administrative allocation paid to the General Fund, are up \$71K, or 60%. As we are early in the year, fluctuations can be based largely on the timing of purchases and payments.

**Capital Outlay**

Capital spending has increased in 2025 due to several outfall and other projects underway to improve drainage which are budgeted at \$2.3M for the year,

Project information can be found in the City's [Capital Project Report Card](#) available online.