

# City of Brighton, Colorado

## Q3 2025 Financial Update (unaudited, as of October 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 October 28, 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 \$63.5 million, an decrease of \$2.8 million (10.0%) compared to the prior year.
- Tax revenues totaled \$42.0 million, a decrease of \$1.2 million (2.9%). This includes decreases to property and use taxes offset by a modest increase to sales taxes. Tax revenues are discussed in more detail later in this report. Sales tax revenues collected make up 45.3% of total revenues and amount to \$28.8 million. This is an increase of \$878K (3.2%).
- Charges for services and license & permit revenues totaled \$8.2 million and were mostly unchanged compared to the prior year.
- Interest earnings are generated by invested cash reserves. Interest earnings totaled \$4.3 million, down \$862K (16.7%) as cash reserves have been utilized and interest rates have declined.

**Spending Results:**

- Governmental Fund spending (excluding transfers out) totaled \$71.6 million, an increase of \$3.5 million (5.1%) compared to the prior year.
- Personnel costs totaled \$30.3 million, an increase of \$3.0 million (10.7%). This is due to a combination of cost of living adjustments, annual and market adjustments, increased retirement contributions, and the addition of new positions.
- Operational spending (excluding personnel) totaled \$14.8 million and increased by \$3.0 million (25.4%) driven in part by increased software costs as well as other inflationary impacts.
- Capital Outlay spending totaled \$24.9 million, down \$3.0 million (10.6%) from the prior year. Refer to the [Capital Project Report Card](#) available online for more information on project status.
- Transfers netted to \$2.2 million transferred out which reflect transfers to Utility funds in support of those funds' operations, including forgiveness of an interfund loan to the Storm Drainage Fund.

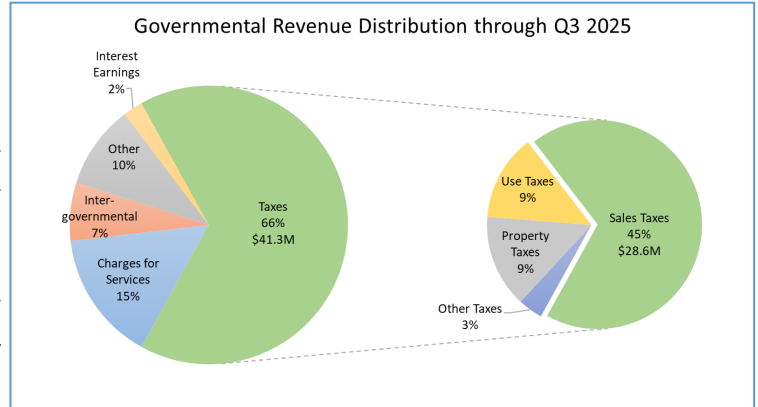
**Financial Reserves:**

- Governmental Fund reserves decreased by \$10.2 million through Q3 2025 as reserves are being intentionally spent down. Governmental Funds are budgeted to utilize \$56.3M 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.

Through September 2025, the City generated \$63.5 million in Governmental Fund Revenues, and of that amount, \$42.0 million (66.1%) came from taxes collected. Tax revenues, which include sales, use and property taxes, are a primary source of funding and pay for many of the City's ongoing operations. Sales taxes provided \$28.0 million in revenue and are the largest source of unrestricted funds for ongoing governmental activities.

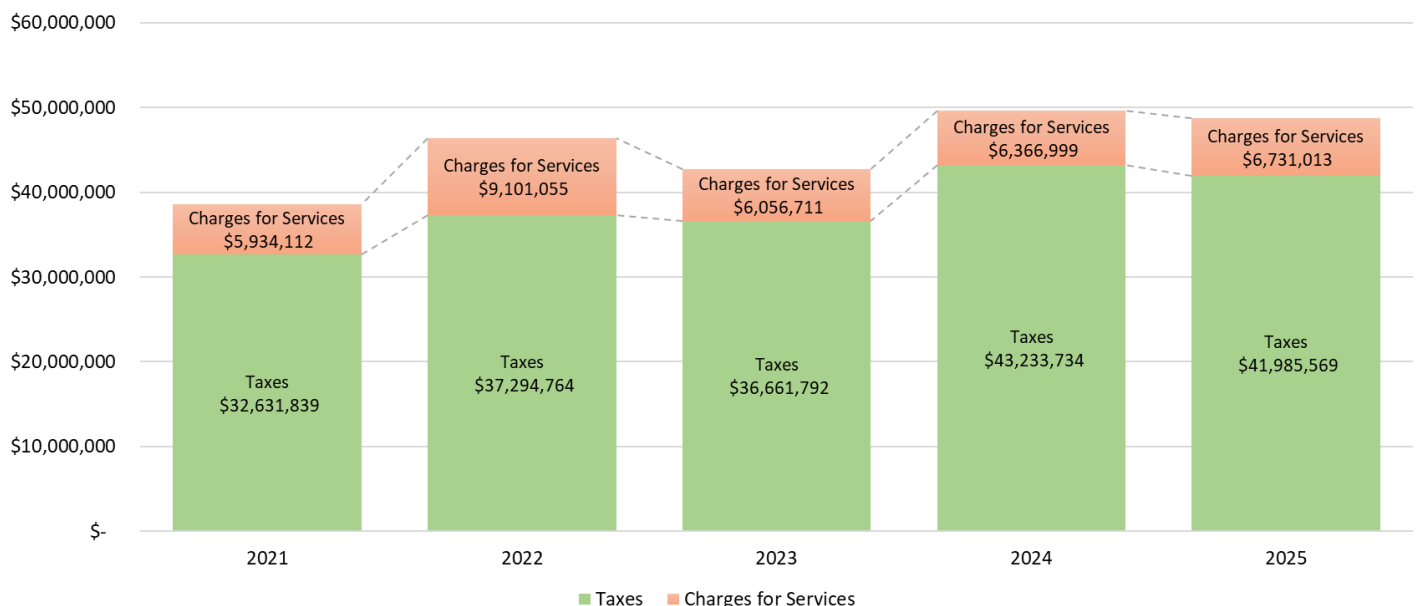


Tax revenues overall decreased 2.9%, resulting in \$1.2 million less in revenue. This decrease includes increases to sales tax revenue offset by decreases in property and use tax revenues. Tax revenues are discussed in more detail later in this report.

Investment earnings, which are based on cash balances and interest rates, totaled \$4.3 million. This is a decrease of \$863K (16.7%) as cash reserves have been spent and interest rates have declined.

At the end of Q3 2025, the reserves in governmental funds had declined by \$10.2 million. This means that spending exceeded revenues as planned and reserves are used to pay for projects being completed. Reserves in governmental funds totaled \$97.0 million, most of which resides in the capital and parks capital funds to be used on planned projects like the Rec Center Expansion and Sable Blvd Improvements.

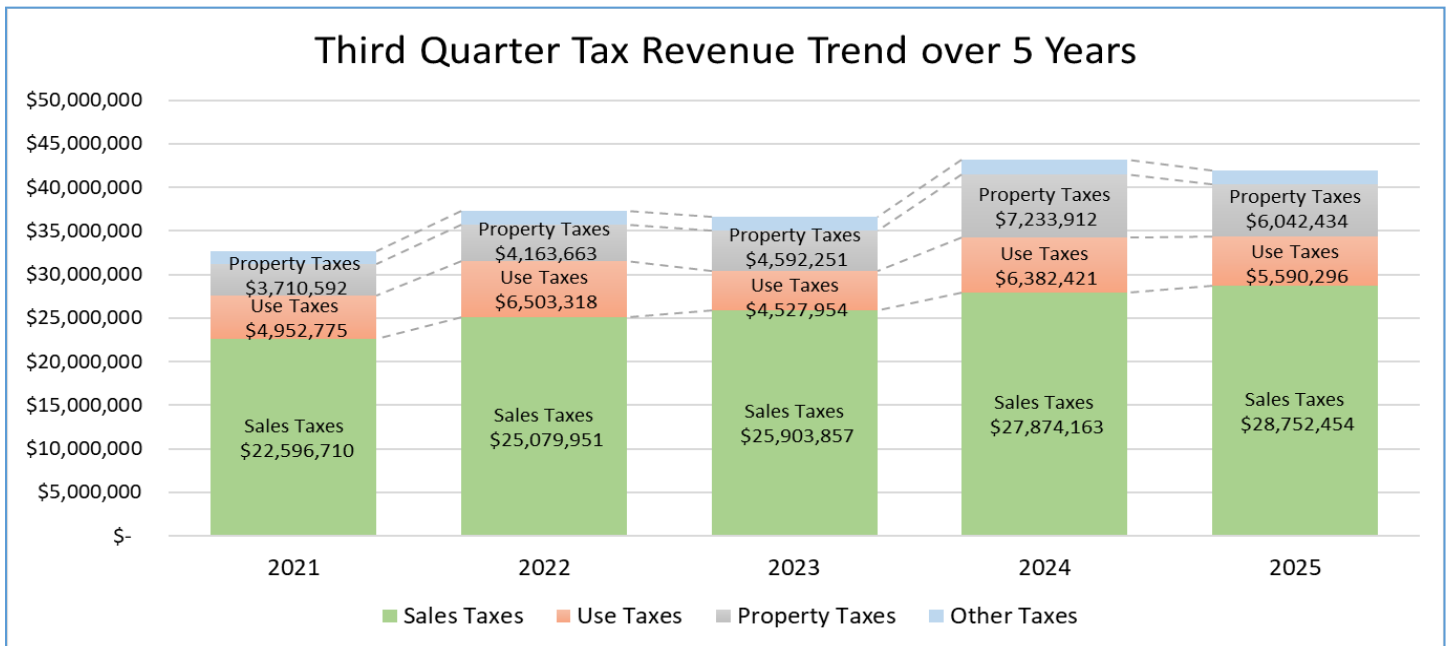
### Third Quarter Governmental Revenue Trends over 5 Years (selected categories)



### Municipal Funding Overview (Governmental Funds), continued:

#### Tax Revenue Trends

Tax revenues made up 66% of the City's Governmental Fund revenues through Q3 2025. This section of the report will focus on tax revenue trends in various categories.



**Sales tax** revenues collected were up \$878K (3.1%) based on revenue received during the period. However, sales tax revenues are received in the month following the taxable sale, so it is helpful to review sales tax results based on tax filing due dates which are more reflective of sales trends. Tax filings show tax revenues up 6.2%. Sales taxes 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. Use tax revenues are down \$792K (12.4%). The number of new permits issued for residential and commercial development slowed in Q3 and are down 21.2%. The decline also includes auto use tax revenues which were down \$227K (8.8%) compared to the prior year.

**Property tax** revenues decreased by \$1.2 million (16.5%) compared to the prior year. This was expected as assessed values declined in some categories. Property tax revenues are set based on assess values and mill levies, so the amount of revenues due are known in December of the prior year.

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, visit the County Assessor's website for your 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. 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". After being transferred, these funds remain with the City and are reported as expenditures in other funds when they are spent.

| General Fund Revenues and Expenditures                      |                     |                     |                       |                        |                       |
|-------------------------------------------------------------|---------------------|---------------------|-----------------------|------------------------|-----------------------|
| Amounts Reported for January through September of each year |                     |                     |                       |                        |                       |
| Description                                                 | 2021                | 2022                | 2023                  | 2024                   | 2025                  |
| <b>Revenues</b>                                             |                     |                     |                       |                        |                       |
| Taxes                                                       | \$ 25,003,321       | \$ 28,767,204       | \$ 27,837,490         | \$ 33,607,294          | \$ 32,066,532         |
| Charges for Services                                        | 4,844,241           | 4,697,426           | 4,890,345             | 3,726,792              | 3,309,209             |
| Licenses & Permits                                          | 1,184,310           | 1,535,615           | 814,750               | 1,880,937              | 1,451,039             |
| Intergovernmental & Grants                                  | 2,183,531           | 2,802,020           | 2,814,565             | 3,771,300              | 3,551,676             |
| Fines & Forfeitures                                         | 260,049             | 160,835             | 176,755               | 293,353                | 400,208               |
| Investment Earnings (Loss)                                  | (28,120)            | (1,377,045)         | 1,544,974             | 1,447,912              | 1,390,488             |
| Miscellaneous                                               | 724,207             | 519,403             | 416,497               | 442,534                | 277,035               |
| Transfers In                                                | 256,000             | -                   | 256,000               | 256,000                | 628,250               |
| <b>Total Revenues</b>                                       | <b>34,427,538</b>   | <b>37,105,459</b>   | <b>38,751,377</b>     | <b>45,426,121</b>      | <b>43,074,437</b>     |
| <b>Expenditures</b>                                         |                     |                     |                       |                        |                       |
| Personnel                                                   | 20,150,512          | 21,725,669          | 24,411,525            | 27,080,004             | 30,009,712            |
| Purchased Services                                          | 691,479             | 681,263             | 1,018,755             | 1,682,428              | 2,415,067             |
| Operating Expenses                                          | 7,492,161           | 8,197,290           | 8,992,440             | 9,467,647              | 10,311,929            |
| Capital Outlay                                              | -                   | 7,000               | -                     | 69,000                 | 98,858                |
| Transfers Out                                               | 1,896,000           | -                   | 14,080,000            | 20,400,000             | 2,413,067             |
| <b>Total Expenditures</b>                                   | <b>30,230,152</b>   | <b>30,611,222</b>   | <b>48,502,720</b>     | <b>58,699,079</b>      | <b>45,248,633</b>     |
| <b>Change in Fund Balance</b>                               | <b>\$ 4,197,386</b> | <b>\$ 6,501,237</b> | <b>\$ (9,751,343)</b> | <b>\$ (13,203,958)</b> | <b>\$ (2,174,196)</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 74.4% of General Fund revenues for this period. These revenues totaled \$32.1 million and decreased overall by \$1.5 million (4.6%), with increases sales taxes and decreases to all other tax categories. Tax revenue trends by category were discussed on page 4 of this report.

**Charges for Services and Permits and Licensing** 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 \$847.6K, or 15.1%. This was due to decreases across several categories, including planning & zoning related fees which were impacted by the issuance of fewer development permits than in the prior year.

**Transfers In** saw an increase as Lodging Tax funds were moved to the General Fund to fund City programs as well as grants to outside organizations supporting arts and culture throughout the City.

### Expenditures:

**Personnel Expenditures** make up 70.1% of General Fund spending (excluding transfers out) and total \$30.0 million. This is 2.9 million (10.8%) higher than the same period last year. This increase is due to a combination of annual salary adjustments increases to insurance costs and retirement contributions, and several new positions added in the 2025 adopted budget.

**Operating and Purchase Services Expenditures** make up 29.7% of General Fund expenditures (excluding transfers out). Spending on operations is up \$1.6 million (14.1%) compared to the prior year. This is related to cost increases in services like insurance coverage and emergency communications.

**Transfers Out** in 2024 were high as the City transferred reserves to capital funds to support project spending. In 2025, transfers decreased with the primary action being a transfer to the Water Fund.

### Fund Balance / Reserves:

The General Fund spent or transferred out \$2.1 million more than it received in revenues through Q3 2025, resulting in an unassigned (available) fund balance of \$20.7 million, a decrease of \$14.7 million (41.5%). The fund is budgeted (planned) to utilize \$1.9 million in reserves in 2025.

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 \$16.8 million and represent 43.6% of total fund balance. Unassigned fund balance totals \$20.7 million. Emergency reserves and unassigned fund balance combined

|                                    |               |
|------------------------------------|---------------|
| Fund Balance as of Q3 2025         | \$ 38,531,253 |
| Emergency Reserves                 |               |
| Emergency Reserve                  | 9,997,953     |
| General Fund Stabilization Reserve | 4,998,977     |
| TABOR Reserve                      | 1,805,528     |
| Other Reserves                     |               |
| Plastic Bag Fee Unspent Proceeds   | 359,467       |
| DIA Noise Mitigation Funds         | 496,000       |
| Food Sales Tax Rebate Reserve      | 134,000       |
| Unassigned Fund Balance            | \$ 20,739,328 |

are sufficient to fund 62.4% of the General Fund 2025 adopted budget (excluding transfers out), which equates to 7.5 months of budgeted spending.

### 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 (dedicated 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 related to management and maintenance of the City's cemeteries, including investment of perpetual care funds.

| Other Governmental Fund Revenues and Expenditures           |                      |                      |                      |                      |                       |
|-------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Amounts Reported for January through September of each year |                      |                      |                      |                      |                       |
| Description                                                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                  |
| <b>Revenues</b>                                             |                      |                      |                      |                      |                       |
| Taxes                                                       | \$ 7,628,518         | \$ 8,527,561         | \$ 8,824,302         | \$ 9,626,440         | \$ 9,919,037          |
| Charges for Services                                        | 1,089,871            | 4,403,629            | 1,166,366            | 2,640,207            | 3,421,804             |
| Intergovernmental & Grants                                  | 7,696,081            | 12,371,057           | 8,516,603            | 2,032,645            | 2,229,773             |
| Investment Earnings (Loss)                                  | (35,568)             | (1,922,058)          | 1,866,346            | 3,706,083            | 2,900,692             |
| Oil & Gas Proceeds                                          | 5,831,733            | 3,527,901            | 6,215,021            | 4,972,685            | 2,284,705             |
| Miscellaneous                                               | 2,832,921            | 549,019              | 577,509              | 1,115,894            | 306,665               |
| Transfers In                                                | 1,247,138            | -                    | 15,081,000           | 24,601,000           | 289,304               |
| Total Revenues                                              | 26,290,695           | 27,457,109           | 42,247,146           | 48,694,954           | 21,351,980            |
| <b>Expenditures</b>                                         |                      |                      |                      |                      |                       |
| Personnel                                                   | 214,876              | 207,859              | 263,990              | 314,243              | 313,277               |
| Purchased Services                                          | 12,121               | 288,081              | 136,568              | 266,173              | 659,028               |
| Operating Expenses                                          | 287,335              | 415,665              | 247,670              | 410,510              | 1,449,655             |
| Capital Outlay                                              | 4,032,403            | 12,122,437           | 20,153,734           | 27,808,323           | 24,822,175            |
| Debt Service                                                | 1,127,499            | 980,058              | 962,219              | 946,420              | 1,460,971             |
| Transfers Out                                               | 1,303,138            | -                    | 1,257,000            | 4,457,000            | 717,554               |
| Total Expenditures                                          | 6,977,372            | 14,014,100           | 23,021,181           | 34,202,669           | 29,422,659            |
| <b>Change in Fund Balance</b>                               | <b>\$ 19,313,322</b> | <b>\$ 13,443,009</b> | <b>\$ 19,225,965</b> | <b>\$ 14,492,285</b> | <b>\$ (8,070,679)</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 voter approved taxes that are restricted in their use. This includes sales taxes for general and parks projects and lodging taxes charged on short term rentals and used for economic development and community art and culture initiatives. These revenues totaled \$9.9 million and increased \$293K, or 3.0% compared to the prior year.

***Charges for Services***

This category primarily reflects impact fees which are charged for new development. Revenues in this category have increased due primarily to a change in accounting practice that occurred at the end of 2024. Because the number of commercial and residential permits issued has declined, the revenue in this category is expected to be lower than in the prior year unless there is a change in permitting trends.

***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 decreased as cash reserves are spent on projects and interest rates have declined.

Transfers In and Out reflect 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 and transfers from the General Fund supported Parks and Recreation projects like the Rec Center Expansion. There are no significant transfers planned for 2025.

**Expenditures:**

Spending so far this year totals \$29.4 million which is \$4.8 million (14.0%) less than last year. Capital spending accounts for 86.5% of the spending in this group of funds (excluding transfers out). Spending on capital projects was down \$3.0 million (10.7%) compared to last year, but is in line with project spending plans.

Debt service varied due to timing of payments. All payments are made in accordance with borrowing agreements in place.

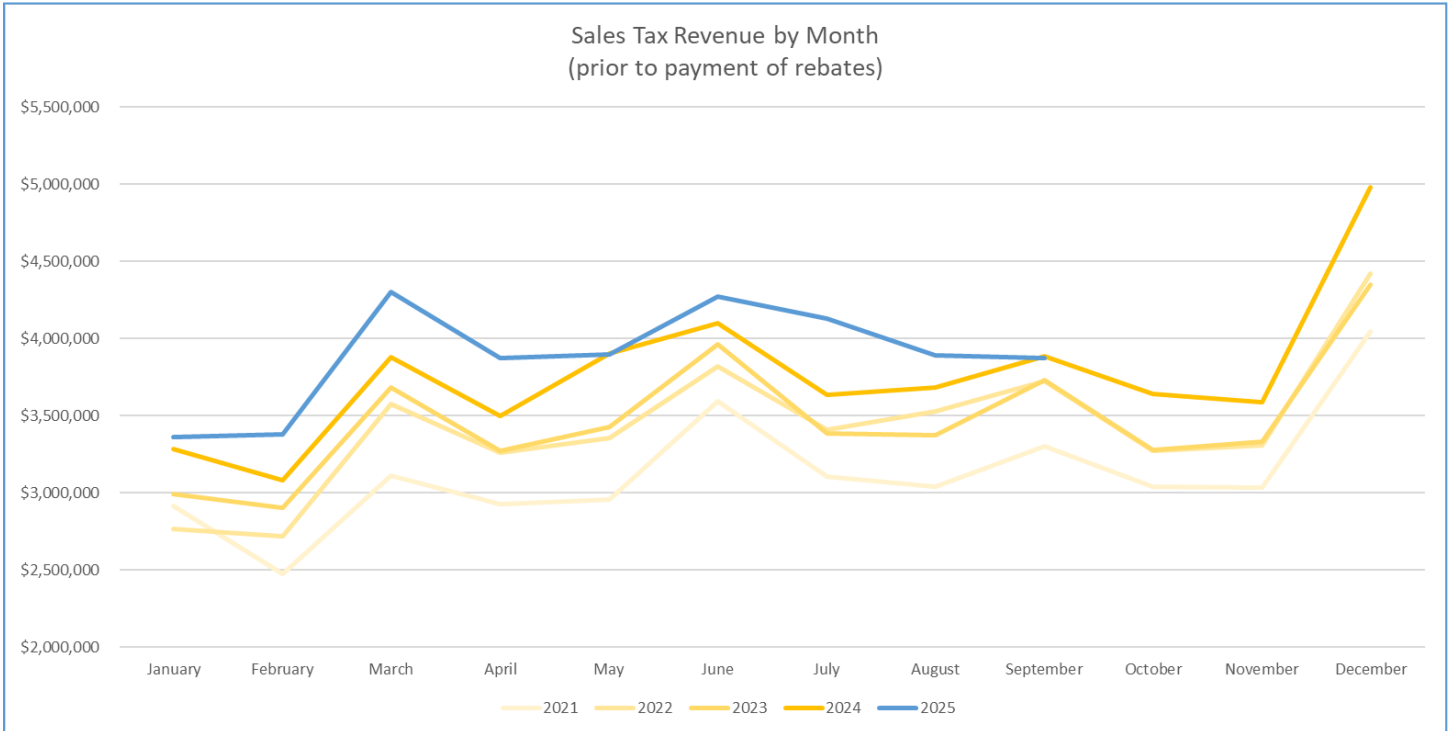
Spending in these funds is project based and will fluctuate based on the timelines of projects in process. Project information can be found in the City's [Capital Project Report Card](#) available online.

**Reserves:**

Reserves decreased by \$8.1 million so far this year, bringing total reserves to \$76.2 million. Reserves in these funds have accumulated in anticipation of scheduled projects. As those projects occur, the reserves will be spent down with a \$54.4 million reduction budgeted in 2025, though much of this spending will carry into 2026. All reserves in these funds are either formally restricted or otherwise committed to planned projects.

### Sales Tax Revenues by Month

2021 through Q3 2025, gross amount due before payment of rebates



#### Q3 2025 performance by location

Within the City **+ 2.0%**  
Remote/Out of City **+ 17.2%**

#### Q3 2025 performance by industry

Retail Online **+ 21.3%**  
Construction **+ 10.5%**  
Food/Accommodations **+ 7.2%**  
Retail **+ 0.9%**  
Retail—Grocery **-**  
Utilities **- 4.6%**

Sales tax due to the City through Q3 2025 was \$35.0 million, prior to the payment of rebates. This is a 6.2% increase compared to the prior year, and down from a 7.3% increase in Q1 2025.

Looking at broad trends, sales to businesses with a presence in the City are improving, showing a 2.0% increase. Sales to remote and online sellers are up 17.2% which is lower than last quarter. While this indicates that shoppers are still moving towards online shopping options, there has been a slight increase to in-person shopping driven in part by the addition of new businesses in the past year.

#### Q3 2025 Top 20 taxpayers (in alphabetical order)

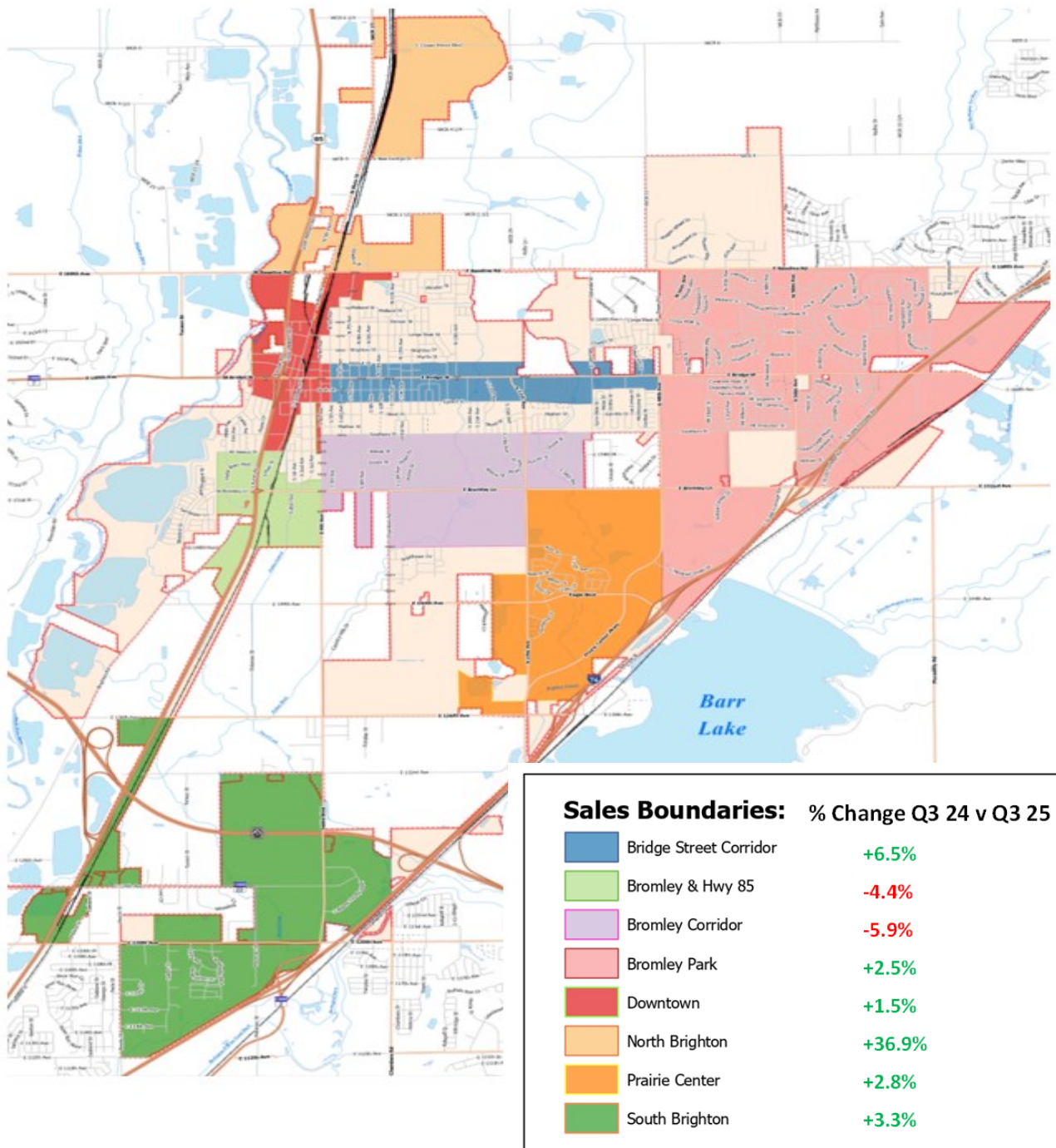
|                    |                     |
|--------------------|---------------------|
| Amazon             | Ross Dress for Less |
| Apple, Inc.        | Safeway             |
| Brighton Ford      | Target              |
| Door Dash          | TikTok              |
| Flow-Zone LLC      | Tractor Supply      |
| Home Depot         | Trans-west          |
| Johnson Auto Sales | United Power        |
| King Soopers       | Walmart             |
| Lowe's             | United Power        |
| McDonald's         | Xcel Energy         |

Results by industry show that in-person grocery sales (including mixed sales locations) are flat. This is an improvement compared to last quarter when they were down 5.3%. Food service and accommodations have shown growth in this quarter and are now up 7.2%. Dispensary sales have added \$192K in sales tax so far in 2025. Sales tax from construction is up but has slowed considerably as permit issuances have declined.

The tax audit team continues to make progress on audits, assessing roughly \$666K in revenue owed through Q3 2025.

## Sales Tax Percent Change by City Area

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 showing improvements compared to the prior quarter, with most areas showing modest growth. The only areas showing declines are the Bromley Corridor, including near Highway 85. Construction in the area could be impacting sales in these areas. Growth in North Brighton continues to be very strong with new commercial businesses bolstering sales in the region.



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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 for the funds 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, and in the case of commercial accounts, the size of the water meter. 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 systems, 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 2025 will become effective in January 2026. 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 Expenses<br>Amounts Reported for January through September of each year |                       |                     |                     |                        |                      |
|-------------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|------------------------|----------------------|
| Description                                                                                     | 2021                  | 2022                | 2023                | 2024                   | 2025                 |
| <b>Revenues</b>                                                                                 |                       |                     |                     |                        |                      |
| Charges for Services                                                                            | \$ 9,873,664          | \$ 11,550,149       | \$ 9,796,292        | \$ 12,294,371          | \$ 14,333,683        |
| Impact Fees                                                                                     | 6,806,572             | 15,771,811          | 5,445,863           | 16,170,370             | 8,388,585            |
| Investment Earnings (Loss)                                                                      | (24,655)              | (879,297)           | 3,856,137           | 4,461,389              | 4,657,337            |
| Intergovernmental                                                                               | 5,716                 | 45,960              | 10,444,588          | 12,315                 | 959,752              |
| Miscellaneous                                                                                   | 137,514               | 153,041             | 64,609              | 248,064                | 4,468,735            |
| Borrowing Proceeds                                                                              | -                     | -                   | -                   | -                      | 85,000,000           |
| Transfer In                                                                                     | -                     | -                   | -                   | -                      | 2,100,000            |
| Total Revenues                                                                                  | 16,798,811            | 26,641,663          | 29,607,489          | 33,186,508             | 119,908,092          |
| <b>Expenses</b>                                                                                 |                       |                     |                     |                        |                      |
| Personnel                                                                                       | 2,365,509             | 2,129,773           | 1,998,458           | 2,658,544              | 2,808,570            |
| Purchased Services                                                                              | 3,485,228             | 3,293,508           | 3,499,719           | 3,747,837              | 3,879,850            |
| Operating Expenses                                                                              | 1,523,399             | 4,350,259           | 1,862,248           | 1,803,254              | 7,198,466            |
| Administrative Allocation                                                                       | 2,145,667             | 2,096,089           | 1,564,814           | -                      | -                    |
| Capital Outlay                                                                                  | 11,075,189            | 9,387,066           | 13,569,419          | 34,682,792             | 62,789,529           |
| Debt Service                                                                                    | 1,360,488             | 1,368,267           | 3,567,430           | 3,656,201              | 5,739,884            |
| Total Expenses                                                                                  | 21,955,479            | 22,624,962          | 26,062,088          | 46,548,627             | 82,416,299           |
| <b>Change in Net Position</b>                                                                   | <b>\$ (5,156,668)</b> | <b>\$ 4,016,701</b> | <b>\$ 3,545,401</b> | <b>\$ (13,362,119)</b> | <b>\$ 37,491,792</b> |

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

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

Impact fees, including water resource fees, are driven by development and vary by fee type. The number of residential and commercial permits issued have declined, resulting in a related decline in these revenues.

**Intergovernmental**

The City received a grant from the EPA for the 4th Avenue water line replacement project.

**Miscellaneous**

The City received a large payment related to a PFAS related lawsuit. These funds will help offset the costs of the new Water Treatment Plant project.

**Debt Issuance**

The City issued \$85 million in bonds in February 2025 to finance the remainder of the Water Treatment Plant project. These proceeds bolstered fund reserves and are expected to be fully spent down by Q1 2027.

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

Personnel spending is up 5.6% compared to the prior year due to increases in staffing costs.

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

**Capital Outlay**

The Water Fund spent \$62.8 million on capital projects through Q3 2025, up 81.0%. Projects funded include the Water Treatment Plant construction and design and construction of the Lutz non-potable reservoir, among others.

**Financial Overview—Wastewater Fund**

| Wastewater Fund Revenues and Expenses<br>Amounts Reported for January through September of each year |                     |                   |                        |                       |                       |
|------------------------------------------------------------------------------------------------------|---------------------|-------------------|------------------------|-----------------------|-----------------------|
| Description                                                                                          | 2021                | 2022              | 2023                   | 2024                  | 2025                  |
| <b>Revenues</b>                                                                                      |                     |                   |                        |                       |                       |
| Charges for Services                                                                                 | \$ 5,628,533        | \$ 5,923,275      | \$ 5,464,593           | \$ 6,605,542          | \$ 6,863,414          |
| Impact Fees                                                                                          | 282,597             | 452,862           | 157,954                | 377,280               | -                     |
| Investment Earnings (Loss)                                                                           | (15,096)            | (586,239)         | 437,405                | 220,982               | 197,587               |
| Miscellaneous                                                                                        | 34,184              | 22,668            | 7,650                  | 216,721               | 12,516                |
| Borrowing Proceeds                                                                                   | -                   | -                 | 31,599,000             | -                     | -                     |
| Total Revenues                                                                                       | 5,930,218           | 5,812,566         | 37,666,602             | 7,420,525             | 7,073,517             |
| <b>Expenses</b>                                                                                      |                     |                   |                        |                       |                       |
| Personnel                                                                                            | 1,304,781           | 1,266,791         | 1,181,891              | 784,050               | 1,003,320             |
| Purchased Services                                                                                   | 682,752             | 814,289           | 729,620                | 401,029               | 2,677,580             |
| Operating Expenses                                                                                   | 741,558             | 1,613,503         | 1,366,170              | 2,895,671             | 828,794               |
| Administrative Allocation                                                                            | 935,944             | 513,209           | 854,332                | 703,528               | 495,158               |
| Capital Outlay                                                                                       | 254,488             | 966,622           | 264,214                | 1,567,861             | 1,263,329             |
| Metro Water Recovery Buy in                                                                          | -                   | -                 | 46,597,325             | -                     | -                     |
| Debt Service                                                                                         | 349,974             | 355,374           | 456,274                | 2,599,329             | 2,647,146             |
| Total Expenses                                                                                       | 4,269,497           | 5,529,788         | 51,449,826             | 8,951,468             | 8,915,326             |
| <b>Change in Net Position</b>                                                                        | <b>\$ 1,660,721</b> | <b>\$ 282,778</b> | <b>\$ (13,783,224)</b> | <b>\$ (1,530,944)</b> | <b>\$ (1,841,809)</b> |

**Revenues**
**Charges for Services**

This category is the primary, ongoing source of funds for the City's Wastewater utility. Revenue increased by 3.9% as accounts were added and rate an fee increases took effect in January 2025.

**Impact Fees**

The City no longer collects a City-imposed impact fee on wastewater connections. A connection fee is charged and reflected in Charges for Services. Impact fees collected on behalf of processors are passed through to those processors and are not reflected as revenues to the City.

**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 expenses are up 28.0%, or \$219K. This is related to vacancies in 2024 as well as realignment of some positions in 2025, combined with cost of living and other adjustments.

Operating costs (excluding personnel) overall decreased by \$221K, or 4.6%. Processing costs paid to Metro Water Recovery and the Town of Lochbuie were previously classified as operating expenses and have been recategorized as purchased services in 2025.

**Capital Outlay**

Capital outlay spending decreased by \$305K, or 19.4%. These costs were higher in 2024 due to the fund's contribution to the City's Municipal Service Center project which was completed in early 2025.

### Financial Overview—Storm Drainage Fund

| Storm Drainage Fund Revenues and Expenses<br>Amounts Reported for January through September of each year |                     |                       |                   |                   |                       |
|----------------------------------------------------------------------------------------------------------|---------------------|-----------------------|-------------------|-------------------|-----------------------|
| Description                                                                                              | 2021                | 2022                  | 2023              | 2024              | 2025                  |
| <b>Revenues</b>                                                                                          |                     |                       |                   |                   |                       |
| Charges for Services                                                                                     | \$ 690,276          | \$ 802,392            | \$ 995,300        | \$ 1,281,511      | \$ 1,475,451          |
| Impact Fees                                                                                              | 679,564             | 397,399               | 521,873           | 1,330,083         | 528,052               |
| Investment Earnings (Loss)                                                                               | (1,865)             | (11,042)              | 59,584            | 103,952           | 29,407                |
| Transfers In                                                                                             | 1,696,000           | -                     | -                 | -                 | 113,067               |
| Total Revenues                                                                                           | 3,063,975           | 1,188,748             | 1,576,757         | 2,715,546         | 2,145,976             |
| <b>Expenses</b>                                                                                          |                     |                       |                   |                   |                       |
| Personnel                                                                                                | 174,626             | 187,824               | 222,303           | 306,704           | 443,642               |
| Purchased Services                                                                                       | 118,097             | 71,584                | 191,266           | 2,355             | 38,786                |
| Operating Expenses                                                                                       | 257,964             | 333,360               | 201,661           | 183,079           | 683,363               |
| Administrative Allocation                                                                                | 101,872             | 88,102                | 130,174           | 164,339           | 168,199               |
| Capital Outlay                                                                                           | 2,518,307           | 4,504,718             | 262,359           | 1,090,264         | 2,297,389             |
| Total Expenses                                                                                           | 3,170,865           | 5,185,587             | 1,007,764         | 1,746,741         | 3,631,380             |
| <b>Change in Net Position</b>                                                                            | <b>\$ (106,890)</b> | <b>\$ (3,996,839)</b> | <b>\$ 568,993</b> | <b>\$ 968,804</b> | <b>\$ (1,485,404)</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. That fee has not changed since 2022, so increases are due to the addition of new properties. Commercial properties are charged a fee based on the impervious (hard surface) 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 resulted in increased revenue.

Impact fees are driven by development, and permit issuances for commercial and residential construction slowed considerably in Q3, resulting in a decline in these revenues compared to the prior year.

#### Expenses

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

Personnel Costs increased by \$137K (44.6%). This includes the addition of a new Water Resources Analyst position as well as annual increases to staffing costs.

Other operating costs increased by \$537K (289.4%). There was a large developer reimbursement paid earlier in 2025 that was driven by high levels of development in one specific neighborhood early in the year. That reimbursement is now paid in full and will not be made in the future.

##### **Capital Outlay**

Capital spending has increased in \$1.2 million, or 110.7% in 2025 due to several outfall and other projects underway to improve drainage. These projects are budgeted to spent \$2.3 million in 2025.

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