



City of Brighton
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Brighton Residents & Businesses:

With patient support from the community, the City of Brighton recently completed a Forensic Audit of all Utility Funds. Auditors with Two Hills Accounting & Consulting presented the results of their performance audit of the city's water, wastewater and storm drainage utility funds. In November, City Council approved a resolution awarding a contract to the firm to conduct a forensic audit of the city's Utilities funds dating back to 2008. A draft copy of the report was released March 4.

The final report, presented to the Council and community on April 28, recommended the city improve the following: development of annual budgets, recording and reporting systems, and controls over the procurement system. The City has been diligently working to make process improvements in these areas since last summer as noted in the final report.

The City Council has found based on this audit:

1. Over a 10-year span, prior to 2018, only around 23% of utilities projects were completed. 77% of projects were not completed. Some never began.
2. During that time over \$68.6 Million dollars were held in Utilities accounts, gaining interest, without the approval of City Council.
3. Previous City Councils were asked numerous times to raise utility prices on residents and developers without being properly informed that these accounts held this balance.

While no money is missing, and no fraud was found, project completion was very low compared to budgeted amounts and rates were set based on assumptions that changed or never came to fruition. The City Council apologizes to the residents and businesses for the way utility projects and rates were handled during that timeframe.

We have reduced utility rates based on a recent rate study and the recent compilation of a realistic list of capital projects.

The City Council and City Staff has begun to rectify this situation by completing the forensic audit, demanding accountability for the rates being paid, and diligently overseeing projects being constructed. We accept the audit and the recommendations of the auditors for improvement and have made corrections accordingly going forward. We as a City staff and as members of City Council admit that this occurred and want all residents and business owners to know we apologize for the contention and hardship this has caused.

Best regards,

The Brighton City Council