



FINANCE MEMORANDUM
#13-04

DATE: May 13, 2013

TO: Honorable Mayor Joyce Downing and City Council Members

FROM: David Willett, Acting City Manager 
Jason Loveland, Director of Finance 

SUBJECT: CR-45 - Acceptance of the 2012 audit of the Comprehensive Annual Financial Report & Response to Management Letter Comments

BACKGROUND:

An external audit is an essential element in the process of accountability and provides an important contribution to the stewardship of public resources. Section 8.4 of the City Charter state, an independent audit shall be made of all City accounts at least annually. To that end, the City has obtained the services of Johnson & Associates, a licensed independent auditor, to evaluate and provide an opinion on the 2012 Comprehensive Annual Financial Report.

As part of the audit, the City's independent auditors are required to communicate all reportable conditions of the organization to the governing body. This communication takes the form of an Independent Auditors' Report, which is included in the financial statements themselves, as well as a separate management letter. The management letter is normally restricted to items considered immaterial for inclusion in the more formal report.

UPDATE:

Staff is pleased to present the City's 2012 Comprehensive Annual Financial Report, which has received an unqualified opinion from Johnson & Associates. Such an opinion indicates that the City's financial statements are fairly presented, in all material aspects.

Staff has provided copies of the 2012 Comprehensive Annual Financial Report (CAFR), Management Letter, and accepting resolution for Council's review and approval.

In accordance with professional standards, and as part of the 2012 independent financial audit, Johnson & Associates has submitted the enclosed management letter. As part of an ongoing effort to consistently improve the financial reporting and internal controls of the organization, staff has reviewed the management letter in detail. Staff is delighted to report that at the time of the audit no issues (current or anticipated) were identified. Staff will continue to work in partnership with Johnson & Associates to address any items if, and when, they arise in a proactive manner.

STAFF REFERENCE:

If Councilmembers have any comments or questions, please contact Jason Loveland at jloveland@northglenn.org or at 303-450-8817.

April 8, 2013

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

We have audited the financial statements of the City of Northglenn (the City) for the year ended December 31, 2012, and have issued our report thereon dated April 8, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no estimates affecting the financial statements.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the basic financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the City that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed no significant audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the City's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

We appreciate the time and effort made by Jason Loveland, Jessica Clanton and the staff in completing the audit in a timely and efficient manner.

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

Johnson and Associates

Johnson and Associates

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-45
Series of 2013

Series of 2013

A RESOLUTION ACCEPTING THE AUDIT OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE CITY OF NORTHGLENN FOR THE YEAR ENDED DECEMBER 31, 2012

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Comprehensive Annual Financial Report for the City of Northglenn for the year ended December 31, 2012 has been audited by the independent audit firm of Johnson & Associates and is hereby accepted by the City Council of the City of Northglenn, Colorado as presented and in accordance with Colorado State Statute.

DATED at Northglenn, Colorado, this ____ day of _____, 2013.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

CITY OF NORTHGLENN, COLORADO
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012





CITY OF NORTHGLENN, COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2012

**Prepared by:
Finance Department**

CITY OF NORTHGLENN, COLORADO

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CITY OF NORTHGLENN, COLORADO

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CITY OF NORTHGLENN, COLORADO

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*11701 Community Center Drive
Northglenn, Colorado 80233-8061
Phone (303) 451-8326
Fax (303) 450-8708*

April 8, 2013

To the Citizens, Mayor, Members of City Council
City of Northglenn, Colorado

We are pleased to submit this Comprehensive Annual Financial Report of the City of Northglenn, Colorado (the City) for the fiscal year ended December 31, 2012 as required by local ordinance, City Charter and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

Responsibility for the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief this financial information is reported in a manner designed to present fairly the financial position and results of operations of the various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The City's financial statements have been audited by Johnson & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City was incorporated in 1969 and became a home rule city in 1975 under the provisions of Article XX of the Constitution of the State of Colorado. Pursuant to charter, the City operates under the council-manager form of government with power vested in an elected, nine-member City Council. Policy-making and legislative authority remains the responsibility of the City Council. The Council adopts the budget, appoints the boards and commissions, and hires the City Manager, City Attorney, City Clerk, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances approved by Council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. Elected by ward on a non-partisan basis, Council Members serve four-year staggered terms. The Mayor is elected at-large every four years. The Council may take action through ordinances, resolutions, and motions.

The City provides a full range of services including police protection, municipal court services, street and road maintenance, parks and recreation, sanitation services, water treatment and distribution, wastewater collection and treatment, and stormwater services, as well as planning and general administration.

The City is a suburban community made up of two geographically separated areas. The major portion of the City contains 6.5 square miles and serves a population of approximately 35,789. In 1990, the City annexed approximately one additional square

mile of land, which is located 5.5 miles north of the former City border. The annexed land included the City's wastewater treatment facility and approximately one-half square mile of undeveloped land. The City is located approximately 9 miles north of Denver and bordered by the City of Thornton on the north, east, and south, and by the City of Westminster on the west. US Interstate 25 bisects the City in a North-South direction, and serves as the area's primary arterial along the foothills and Front Range cities.

The City has two discretely presented component units and one blended component unit included in its financial statements. The Northglenn Urban Renewal Authority, Church Ditch Water Authority, and Northglenn Capital Leasing Corporation are legally separate entities. These component units do not issue complete separate financial statements. Additional information on these three units is included in notes to financial statements and in miscellaneous schedules.

Local Economy

Approximately 935 businesses operate in the City offering a wide variety of goods and services. A 125-acre industrial park located on the east side of the City and comprised of over 100 businesses involved in manufacturing, transportation, warehousing, automotive, and other services provides many of the primary jobs within the community. The City is also home to a number of "big box" commercial retail establishments including Lowes and Best Buy. The Northglenn Marketplace located at Interstate 25 and 104th Avenue is the primary retail center within the City and is made up of approximately 49 establishments and representing over 650,000 square feet of retail space.

As part of the Denver metropolitan area, the City's economy reflects and benefits from the general economy of the Denver area. Over the past decade, Colorado and the Denver Metropolitan Region grew at a greater rate than a majority of the country. Nearly at build out, the City is no longer participating in this trend.

The Consumer Price Index for the Denver metropolitan area increased 1.9% comparable with the increase in the national index of 2.1% for all urban consumers for the twelve months ending December 31, 2012. Adams County, Colorado reported an unemployment rate of 9.0% in December 2012 compared to 10.6% reported in 2011. Local area unemployment is above that of the nation as a whole, which reported an ending 2012 unemployment rate of 7.8%.

Long-Term Financial Planning

The City of Northglenn is a mature community, bordered on all sides by other municipalities with limited land available for new development. As such, redevelopment remains a primary focus of long-term financial planning. While limited, opportunities for infill development within the City do exist. Vacant land along 120th Avenue near Interstate 25 offers a desirable business location for a wide variety of commercial uses. In addition, two future mass-transit light rail stations are planned in or near Northglenn as part of the Regional Transportation District's (RTD) FasTrack program. The first station is planned to be built on vacant property between Irma and York Street on 112th Avenue, while the other is planned to go in just north of the city limits, at 124th Avenue and Claude Court.

Reinvestment in public infrastructure remains a crucial component of the City's long-range plans. Aging infrastructure, increased traffic from surrounding cities, and unfunded mandates drive many of the foreseeable future obligations. Therefore the City has taken steps to ensure identified funding of future capital and infrastructure needs. In 2008, voters approved the continuation of a one-half percent sales tax dedicated for the procurement of water rights until December 31, 2015. The following year, voters approved the 10-year extension of a 4.000 mill property tax for the exclusive purposes of reconstructing streets and roadways. And in 2010, voters approved the 15-year continuation of another one-half percent sales tax with a spending restriction for purposes of funding capital improvement projects. Also as part of the long-range planning, the City increased the water and wastewater user rates to support the ongoing operations and maintenance of the City's water and wastewater plants and infrastructure in 2009, 2010, and again in 2011.

Debt Administration. As of December 31, 2012, the City has no general obligation bonded debt outstanding. Under state statute, general obligation bonded debt issuances are subject to a legal limitation based on 3 percent of total assessed value of real and personal property.

At December of 2012, the Northglenn Capital Leasing Corporation (NCLC), a blended component unit of the City, had Certificates of Participation (Certificates) outstanding in the amount of \$8,420,000. Water and wastewater rates are set each year to cover the required lease payments and projected operating costs. The required annual lease payments are approximately \$1,140,000 per year and are scheduled to continue through 2022. Underlying this issue is an annually renewable capital lease agreement between the City and NCLC, which will be funded by water and wastewater fund revenues. The Certificates are the long-term obligation of NCLC and do not constitute a general obligation or other indebtedness to the City. The certificates were used to fund construction costs related to the Standley Lake Dam Improvement Project.

In 2010, the City entered into a capital lease in the amount of \$7,590,000 for the purchase of water rights via the Church Ditch. As of December 2012, the outstanding lease obligation amounted to \$4,705,649. The required annual lease payments are approximately \$1,700,000 per year and are scheduled to continue through 2015 and are supported by the one-half percent sales tax restricted for water rights purchases.

Relevant Financial Policies. It is the City of Northglenn's policy that unassigned fund balance within the General Fund must be at least 25% of the current year's General Fund expenditure appropriations. Additionally, an operating and maintenance reserve equal to at least 90 days of operations, as well as an additional \$2,000,000 capital reserve is included in the Water and Wastewater Fund. Accordingly, the City initiated significant cost cutting measures including the delay of capital purchases, right-sizing efforts, and the outsourcing of building, permitting, inspection, and other services during the recent economic downturn in order to maintain fund balance.

Major Initiatives

Activities undertaken by the City of Northglenn during the year further confirmed the ongoing commitment to improve infrastructure via the continuation and initiation of various capital projects. As a built out community, the aging infrastructure is in need of reconstruction and rehabilitation. The year's activities as highlighted below demonstrate the City's response to the assessment and management of the infrastructures demands.

Street Reconstruction – In November of 2009 voters approved the 10-year continuation of a 4.000 mill property tax for the exclusive purpose of rehabilitation and reconstruction of streets throughout the City. The program is expected to supplement the ongoing street maintenance program and improve the City's transportation network by targeting those streets where the full structural integrity is impaired. The average annual revenue is projected at \$950,000.

120th Avenue Rehabilitation Project – In 2012 the City initiated a significant street resurfacing project. The roadway serves as an arterial through the northeast portion of the City.

Recreation/Community Center Project – In 2012, the City completed significant HVAC improvements to the Recreation Center. The recreation center is the home for the city's recreation programs and services. The recreation center consists of four multi-purpose rooms, a gymnasium, a weight room, a pool, two racquetball courts and a 300-seat performance theatre.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2011 using Governmental Accounting Standards Board Statement 34 presentation of financial statements. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the dedicated services of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



David Willett
Interim City Manager



Jason Loveland
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Northglenn
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

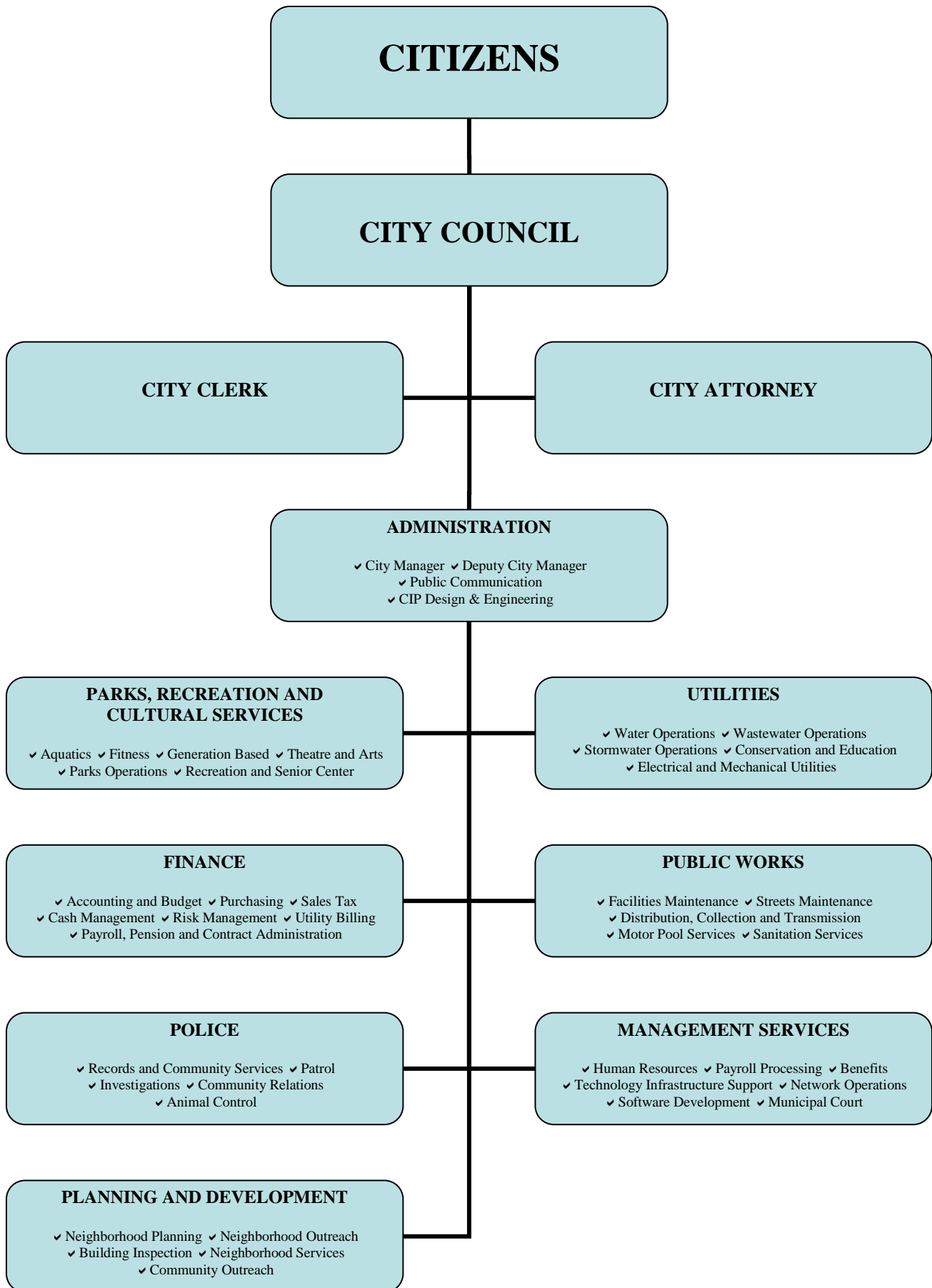


Christopher P. Moynell

President

Jeffrey R. Enen

Executive Director





CITY OF NORTHGLENN, COLORADO

CITY COUNCIL

Joyce Downing, Mayor

Susan Clyne, Mayor Pro-Tem, Ward Three

Marci Whitman, Ward Three

Wayne Dodge, Ward One

Carol Dodge, Ward One

Joe Brown, Ward Two

Leslie Carrico, Ward Two

Gene Wieneke, Ward Four

Kim Snetzinger, Ward Four

ADMINISTRATIVE OFFICIALS

William A. Simmons, City Manager

Jason Loveland, Finance

Paula Jensen, Management Services

Amanda Peterson, Parks & Recreation

Brook Svoboda, Planning and Development

James May, Police

David Willett, Public Works and Utilities

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements 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 Northglenn as of and for the years ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 Northglenn, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the general fund budgetary comparison information and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northglenn's financial statements as a whole. The Capital Projects Fund budgetary comparison schedule, combining and individual fund financial statements and schedules, introductory section, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Capital Projects Fund budgetary comparison schedule, combining and individual fund financial statements and schedules, Local High Finance Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, Local Highway Finance Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2013, on our consideration of City of Northglenn'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Northglenn's internal control over financial reporting and compliance.

Johnson and Associates

Centennial, Colorado
April 8, 2013

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

This section of the City of Northglenn's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on December 31, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets of the City of Northglenn exceeded its liabilities at the close of the most recent fiscal year by \$231,557,554 (net position). Of this amount, \$29,731,336 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,415,257 over the prior year.
- At the end of the current fiscal year, fund balance within the governmental funds was \$16,182,827, or 72% of total 2012 expenditures, which represents an increase of \$1,308,756 when compared to 2011. Approximately 68% of the fund balance, or \$11,019,357 is unrestricted.
- The City reduced the principal amount of the 2002 Certificates of Participation in the amount of \$615,000 and reduced the liability of the 2010 Water Rights Lease by \$1,457,690.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Northglenn's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information which is intended to expand and enhance the reader's understanding of the financial condition of the City.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The *governmental funds* statements communicate how general governmental services like public safety were financed in the short term as well as what remains for future spending.
- *Proprietary fund* statements offer short and long term financial information about the activities the government operates like businesses, such as the water and wastewater system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, which are added together and presented in a single column in the basic financial statements.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City of Northglenn's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the city that are not proprietary or fiduciary, such as police, parks and recreation	Activities the City operates similar to private businesses such as water and wastewater, stormwater, and the trash removal operation
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/ Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are reported for in the Statement of Activities (regardless of when cash is received or paid).

The two government-wide statements report the City's *net position* and how they have changed. Net position - the difference between the City's assets and liabilities - is one way to measure the City's financial health, or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, it's necessary to consider additional non-financial factors (such as changes in the City's retail sales tax base and the condition of the City's roads).

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

The government-wide financial statements of the City are divided into three categories:

- *Governmental activities* – Most of the City’s basic services are included, such as the police, public works and streets, and parks and recreation departments and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* – The City charges fees to customers to help cover the costs of certain services. The City’s water and wastewater system, stormwater system, and the trash collection service are included here.
- *Component units* – The City includes three other entities in its report: The Northglenn Urban Renewal Authority and the Church Ditch Water Authority, which are discretely presented component units, and the Northglenn Capital Leasing Corporation. Although legally separate, these “component units” are important because the City is financially accountable for them.

Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant funds (not the City as a whole). Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants (like the Capital Projects, Community Development Block Grant and Conservation Trust funds).

The City has two kinds of funds:

- *Governmental funds* – Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether or not there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Financial statement for proprietary funds, like the government-wide statements provide both long and short-term financial information as well as additional information such as cash flows.

Financial Analysis of the City

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Northglenn, assets exceeded liabilities by \$231,557,554 at the close of the most recent fiscal year.

The largest portion of the City of Northglenn’s net position (86%) reflects its net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt to acquire those assets that is still outstanding. The City of Northglenn uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Northglenn’s net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position is designed to reflect net positions that are subject to restriction beyond the City’s control. Unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Northglenn is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

The City's combined net position (in thousands) were:

	Governmental		Business-type		Total	
	2011	2012	2011	2012	2011	2012
Current and Other Assets	\$ 18,576	\$ 21,458	\$ 17,552	\$ 19,157	\$ 36,128	\$ 40,615
Capital Assets	94,144	94,336	117,781	117,187	211,925	211,523
Total Assets	112,720	115,794	135,333	136,344	248,053	252,138
Long-term Debt	1,693	1,781	15,773	13,705	17,466	15,486
Other Liabilities	3,855	1,098	589	1,187	4,444	2,285
Total Liabilities	5,548	2,879	16,362	14,892	21,910	17,771
Deffered Inflow of Resources	-	2,810	-	-	-	2,810
Total Deffered Inflow of Resources	-	2,810	-	-	-	2,810
Net Investment in						
Capital Assets	94,144	94,336	102,582	104,061	196,726	198,397
Restricted	1,721	918	2,823	2,510	4,544	3,428
Unrestricted	11,307	14,851	13,566	14,881	24,873	29,732
Total Net Position	\$ 107,172	\$ 110,105	\$ 118,971	\$ 121,452	\$ 226,143	\$ 231,557

Changes in Net Position

Governmental Activities. Governmental activities increased the City of Northglenn's net position by \$2,933,666. Most of the increase in governmental net position was the result of an increase in general revenues, including sales and use tax revenue due to an increase in sales volume and not a result of a tax rate increase. Also contributing to the increase was an increase in capital grants related to the recreational center HVAC project that took place in 2012.

Business-type Activities. Business-type activities increased the City's net position by \$2,481,591. This increase can be attributable to an increase in charges for services in the water and wastewater fund due to a combination of a rate increase in August of 2011 and an increase in usage in 2012.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

Changes In Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues						
Program Revenues:						
Charges for Services	\$ 3,052	\$ 3,578	\$ 11,194	\$ 12,129	\$ 14,246	\$ 15,707
Operating Grants and Contributions	814	1,072	-	-	814	1,072
Capital Grants and Contributions	3,272	3,796	-	-	3,272	3,796
General Revenues:						
Property Taxes	2,973	2,973	-	-	2,973	2,973
Other Taxes	13,023	13,561	2,411	2,482	15,434	16,043
Franchise Fees	881	66	-	-	881	66
Unrestricted to Specific Programs	111	136	-	-	111	136
Investment Earnings	79	50	100	56	179	106
Other	122	53	136	126	258	179
Gain(Loss) on Sale of Assets	23	-	10	2	33	2
Total Revenues	24,350	25,285	13,851	14,795	38,201	40,080
Expenses						
General Government	4,872	5,188	-	-	4,872	5,188
Recreation and Culture	3,670	3,739	-	-	3,670	3,739
Public Safety	7,077	7,519	-	-	7,077	7,519
Public Works	5,504	5,906	10,576	12,314	16,080	18,220
Interest on Long-Term Debt	9	-	829	-	838	-
Total Expenses	21,132	22,352	11,405	12,314	32,537	34,666
Increase (Decrease) in Net Position	3,218	2,933	2,446	2,481	5,664	5,414
Net Position 12/31/11	103,954	107,172	116,525	118,971	220,479	226,143
Net Position 12/31/12	<u>\$ 107,172</u>	<u>\$ 110,105</u>	<u>\$ 118,971</u>	<u>\$ 121,452</u>	<u>\$ 226,143</u>	<u>\$ 231,557</u>

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

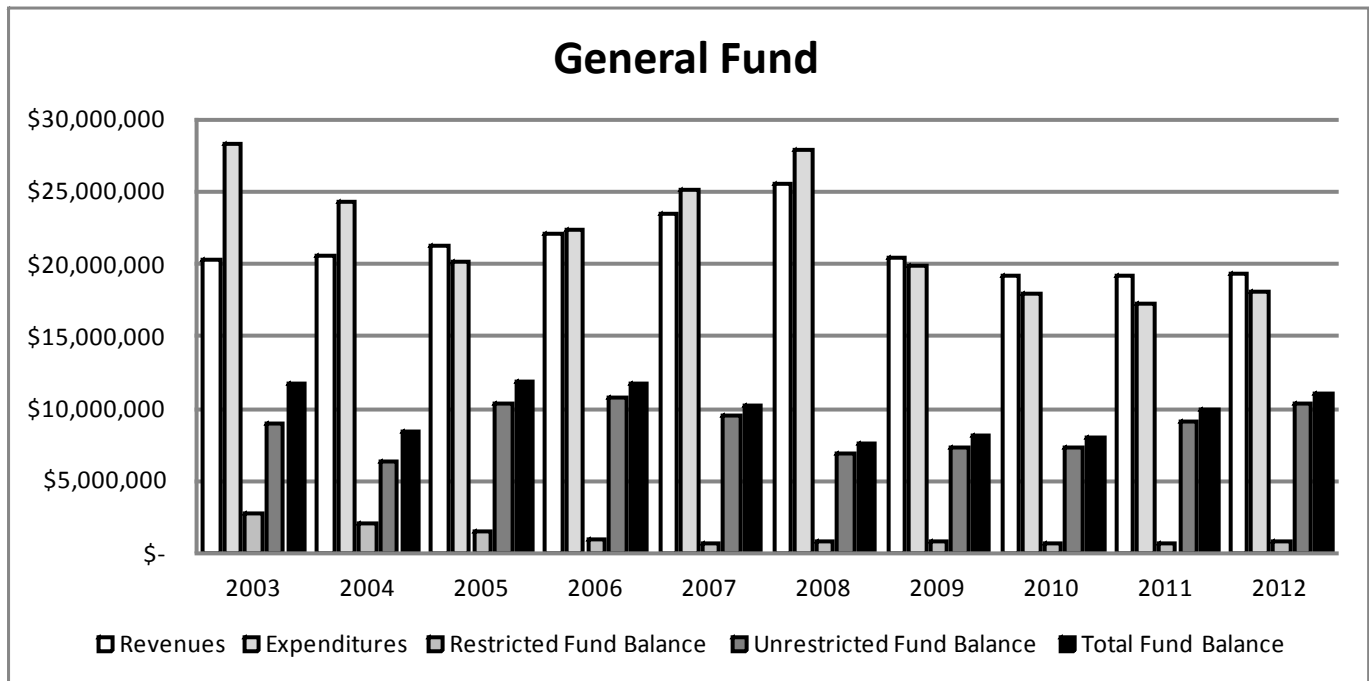
Financial Analysis of the City's Funds

As noted earlier, the City of Northglenn uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Northglenn's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Northglenn's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$16,182,827. Of that fund balance, \$11,019,357 constitutes unrestricted fund balance, which is available for spending at the government's discretion. Of the total fund balance, \$59,263 has been restricted for law enforcement use, \$34,568 has been restricted for parks and open space purposes, and an additional \$4,436,891 has been restricted for capital projects. The remainder of fund balance is not available for new spending because it has already been committed 1) for a state constitution mandated emergency reserve in the amount of \$571,894 and 2) inventories and prepaid items in the amount of \$60,854.

The general fund is the chief operating fund of the City of Northglenn. At the end of the current fiscal year, unrestricted fund balance of the general fund was \$10,386,388 while total fund balance reached \$11,078,399. The fund balance represents an increase of 12% or \$1,191,116 when compared to the prior year. The increase in fund balance is attributable to a slight increase in revenue over budget estimates and expenditure savings from personnel vacancies and continued efforts in cost containment. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 58% of total 2012 general fund expenditures, which includes capital outlay, while total fund balance represents 62% of that same amount.

The capital projects fund accounts for all governmental capital improvement projects of the City. As of 2012, total fund balance in the capital projects fund was \$5,069,860. Of the total fund balance \$4,436,891 is restricted for specific capital-related uses (e.g. streets, recreation, etc.) while \$632,969 remains unrestricted for general capital uses. The total fund balance represents an increase of 32% or \$1,233,086 when compared to the prior year. The increase in fund balance is attributable to a planned accumulation of capital-related funds for future projects as well as several recent voter-approved measures which have significantly increased the funds revenue collections.



CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the water and wastewater fund and stormwater fund at the end of the year amounted to \$116,643,238, and \$2,227,126 respectively. Net position for the sanitation fund amounted to \$2,581,917. Total change in net position for all three funds was \$2,481,591. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's Business-type activities.

General Fund Budgetary Highlights

During the year, the changes to the 2012 original budget appropriation were in the form of transfers from the internal VALE grant program to the Police Department and transfers from Legislative contingency to specific line items in which the budget was used. The transfers did not impact the bottom-line expenditures of the original budget appropriation and are treated as budgetary transfers from one department to another.

Actual expenditures of \$17,868,975 fell below budget appropriations by \$551,841 or 3%. The variance is the direct result of ongoing cost containment efforts implemented during the recent economic recession.

Capital Asset and Debt Administration

Capital Assets. The City of Northglenn's investment in capital assets for its governmental and business type activities as of December 31, 2012 amounted to \$211,522,883 (net of accumulated depreciation). This investment in capital assets includes land, art, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net decrease in the City of Northglenn's investment in capital assets for the current fiscal year was \$401,748.

Major capital asset events during the current fiscal year included the following:

- \$1,576,384 expended for HVAC improvements at the recreation center (Construction in Progress).
- Investment in stormwater improvements of \$1,576,384 (Construction in Progress).
- \$565,269 for the rehabilitation of 120th Avenue (Construction in Progress).

Capital Assets (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Water Rights	\$ -	\$ -	\$ 57,454	\$ 57,454	\$ 57,454	\$ 57,454
Land and Improvements	8,356	8,356	808	808	9,164	9,164
Construction in Progress	3,209	3,695	1,003	1,760	4,212	5,455
Works of Art	307	319	-	-	307	319
Infrastructure and Improvements	101,635	105,478	112,140	112,916	213,775	218,394
Buildings and Improvements	8,703	8,805	19,006	19,006	27,709	27,811
Machinery and Equipment	5,122	5,645	4,020	4,590	9,142	10,235
Total Capital Assets	\$ 127,332	\$ 132,298	\$ 194,431	\$ 196,534	\$ 321,763	\$ 328,832

Additional information on the City of Northglenn's capital assets can be found in Note 3.C. of this report.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

Long-Term Debt. As of December 31, 2012, the City has no general obligation bonded debt outstanding.

The City of Northglenn's long-term obligations decreased by \$1,981,020. The reduction is the result of scheduled debt service payments in conjunction with the absence of any additional issuances of debt.

Under State Statute, general obligation bonded debt issuances, excluding water related debt, are subject to a legal limitation based on three percent of total assessed value of real and personal property. The City is in compliance with this statute.

Additional information on the City of Northglenn's long-term debt can be found in Note 3.F. of this report.

Economic Factors and Next Year's Budgets and Rates

The factors below were considered in preparing the City of Northglenn's budget for the 2013 fiscal year.

- The unemployment rate for Adams County as of December 31, 2012 was 8.6%. This compares to the State's 2012 average annual unemployment rate of 7.5% and the national rate of 7.8%.
- In 2012, sales and use tax collections increased 4.2% when compared to the prior year.
- In 2011, City Council formally adopted comprehensive financial policies which include a requirement that the City maintain a minimum unassigned fund balance of at least 25% of the current year's General Fund appropriations.
- In November 2010, voters approved the extension of a one-half percent city sales tax, to be used for the exclusive purpose of funding capital improvement projects. The tax raised \$1.9 million in 2012.

Requests for Information

This financial report is designed to provide a general overview of the City of Northglenn's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the City of Northglenn, Finance Department, 11701 Community Center Drive, Northglenn, Colorado 80233-8061.

CITY OF NORTHGLENN, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Urban Renewal Authority	Church Ditch Water Authority
ASSETS					
Cash & Investments	\$ 15,083,451	\$ 15,284,373	\$ 30,367,824	\$ 5,095,355	\$ 498,582
Receivables, Net of Allowances	6,312,893	1,437,610	7,750,503	1,212,716	5,149
Inventories	33,769	186,441	220,210	-	-
Deposits and Prepaids	27,085	50,321	77,406	-	-
Property Held for Sale	-	-	-	2,469,997	-
Restricted assets:					
Cash & Investments	-	2,198,662	2,198,662	-	-
Capital Assets, Non Depreciable	12,369,628	60,021,918	72,391,546	912,404	665,000
Capital Assets, Net	81,966,717	57,164,620	139,131,337	152,057	2,114,637
Total Assets	115,793,543	136,343,945	252,137,488	9,842,529	3,283,368
LIABILITIES					
Accounts Payable	565,514	336,843	902,357	117,601	3,968
Retainages Payable	17,098	-	17,098	-	-
Accrued Liabilities	471,282	239,931	711,213	-	-
Unearned Revenue	37,444	551,231	588,675	-	38,200
Deposits Payable	6,443	3,558	10,001	-	45,713
Accrued Interest Payable	-	55,647	55,647	-	-
Noncurrent Liabilities:					
Due Within One Year	1,000,000	2,611,270	3,611,270	-	-
Due After One Year	780,774	11,093,184	11,873,958	-	-
Total Liabilities	2,878,555	14,891,664	17,770,219	117,601	87,881
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,809,715	-	2,809,715	1,212,716	-
NET POSITION					
Net Investment in Capital Assets	94,336,345	104,060,888	198,397,233	3,534,458	2,779,637
Restricted for:					
Emergency-Tabor	571,894	312,030	883,924	-	-
Water Rights	-	1,488,979	1,488,979	-	-
Debt	-	709,683	709,683	-	-
Parks & Open Space	346,399	-	346,399	-	-
Minority Equity Interest	-	-	-	-	415,850
Unrestricted	14,850,635	14,880,701	29,731,336	4,977,754	-
Total Net Position	\$ 110,105,273	\$ 121,452,281	\$ 231,557,554	\$ 8,512,212	\$ 3,195,487

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 5,188,006	\$ 1,356,943	\$ 579,975	\$ 11,741
Recreation and Culture	3,738,984	959,609	-	1,736,429
Public Safety	7,518,748	1,261,165	378,542	26,032
Public Works	5,905,627	-	113,141	2,021,340
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities:	22,351,365	3,577,717	1,071,658	3,795,542
Business-type Activities:				
Water and Wastewater	10,576,724	10,227,963	-	-
Stormwater	156,019	413,801	-	-
Sanitation	1,581,239	1,487,633	-	-
Total Business-Type Activities:	12,313,982	12,129,397	-	-
Total Primary Government	\$ 34,665,347	\$ 15,707,114	\$ 1,071,658	\$ 3,795,542
Component Units:				
Urban Renewal Authority	\$ 733,200	9,500	\$ -	\$ -
Church Ditch Water Authority	333,446	477,423	-	-
Total Component Units	\$ 1,066,646	\$ 486,923	\$ -	\$ -

General Revenues:

Taxes:
 Property Taxes for General Purposes
 Property Taxes for Capital Improvements
 Sales Taxes for General Purposes
 Sales Taxes for Water Rights Purchase
 Sales Taxes for Bond Retirement
 Unrestricted Occupational Taxes
 Grants and Contributions Not Restricted to
 Specific Programs
 Rental Income
 Investment Earnings
 Miscellaneous
 Gain/(Loss) On Sale of Assets
 Total General Revenues and Transfers
 Change in Net Position
 Net Position-Beginning
 Net Position-Ending

The notes to the financial statements are an integral part of this statement

Net (Expenses) Revenue and Changes in Net Position				
Primary Government			Urban Renewal Authority	Church Ditch Water Authority
Governmental Activities	Business-type Activities	Total		
\$ (3,239,347)	\$ -	\$ (3,239,347)	\$ -	\$ -
(1,042,946)	-	(1,042,946)	-	-
(5,853,009)	-	(5,853,009)	-	-
(3,771,146)	-	(3,771,146)	-	-
-	-	-	-	-
(13,906,448)	-	(13,906,448)	-	-
-	(348,761)	(348,761)	-	-
-	257,782	257,782	-	-
-	(93,606)	(93,606)	-	-
-	(184,585)	(184,585)	-	-
\$ (13,906,448)	\$ (184,585)	\$ (14,091,033)	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (723,700)	\$ -
-	-	-	-	143,977
\$ -	\$ -	\$ -	\$ (723,700)	\$ 143,977
2,017,266	-	2,017,266	1,276,246	-
955,947	-	955,947	-	-
13,561,188	-	13,561,188	-	-
-	1,910,320	1,910,320	-	-
-	571,607	571,607	-	-
66,367	-	66,367	-	-
135,854	-	135,854	-	-
-	-	-	-	-
50,565	56,212	106,777	1,812	175
52,927	125,553	178,480	275	-
-	2,484	2,484	-	-
16,840,114	2,666,176	19,506,290	1,278,333	175
2,933,666	2,481,591	5,415,257	554,633	144,152
107,171,607	118,970,690	226,142,297	7,957,580	3,051,335
\$ 110,105,273	\$ 121,452,281	\$ 231,557,554	\$ 8,512,212	\$ 3,195,487

CITY OF NORTHGLENN, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2012

	General	Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash & Investments	\$ 9,779,531	\$ 4,948,577	\$ 355,343	\$ 15,083,451
Receivables, Net of Allowances	3,621,603	2,345,027	346,263	6,312,893
Inventories	33,769	-	-	33,769
Deposits and Prepaids	27,085	-	-	27,085
Due From Other Funds	342,927	-	-	342,927
Total Assets	<u>\$ 13,804,915</u>	<u>\$ 7,293,604</u>	<u>\$ 701,606</u>	<u>\$ 21,800,125</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 352,533	\$ 202,642	\$ 10,339	\$ 565,514
Retainages Payable	-	15,157	1,941	17,098
Accrued Liabilities	471,282	-	-	471,282
Unearned Revenue	37,444	-	-	37,444
Deposits Payable	6,443	-	-	6,443
Due To Other Funds	-	-	342,927	342,927
Total Liabilities	<u>867,702</u>	<u>217,799</u>	<u>355,207</u>	<u>1,440,708</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	1,840,597	969,118		2,809,715
Unavailable Revenue - Intergovernmental	18,217	1,036,827	311,831	1,366,875
Total Unavailable Revenue	<u>1,858,814</u>	<u>2,005,945</u>	<u>311,831</u>	<u>4,176,590</u>
FUND BALANCES				
Nonspendable:				
Inventories	33,769	-	-	33,769
Deposits and Prepaids	27,085	-	-	27,085
Restricted:				
Emergency	571,894	-	-	571,894
Forfeiture Funds	59,263			59,263
Capital Improvements	-	4,436,891		4,436,891
Parks & Recreation	-	-	34,568	34,568
Committed:				
VALE Funds	79,109	-	-	79,109
Capital Improvements		632,969	-	632,969
Unassigned	10,307,279	-	-	10,307,279
Total Fund Balances	<u>11,078,399</u>	<u>5,069,860</u>	<u>34,568</u>	<u>16,182,827</u>
Total Liabilities and Fund Balances	<u>\$ 13,804,915</u>	<u>\$ 7,293,604</u>	<u>\$ 701,606</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources therefore are not reported in the funds.	94,336,345
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,366,875
Long-term liabilities, including pension benefits, accrued leave, accrued interest payable, and notes are not due and payable in the current period and therefore are not reported in governmental funds.	(1,780,774)
Net position of governmental activities	<u>\$ 110,105,273</u>

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
Taxes-Property, Sales, & Use	\$ 13,668,134	\$ 2,866,267	\$ -	\$ 16,534,401
Occupational Tax	66,367	-	-	66,367
Intergovernmental	1,862,910	1,105,280	503,037	3,471,227
Licenses and Permits	484,191	-	-	484,191
Charges for Services	2,141,212	-	-	2,141,212
Fines and Forfeitures	952,314	-	-	952,314
Investment Earnings	32,033	15,478	3,054	50,565
Miscellaneous	52,927	-	-	52,927
Total Revenues	<u>19,260,088</u>	<u>3,987,025</u>	<u>506,091</u>	<u>23,753,204</u>
EXPENDITURES				
General Government	4,742,986	-	111,067	4,854,053
Recreation and Culture	3,159,763	-	-	3,159,763
Public Safety	7,355,358	-	-	7,355,358
Public Works	2,063,446	22,526	-	2,085,972
Capital Outlay	547,419	2,931,413	1,510,470	4,989,302
Total Expenditures	<u>17,868,972</u>	<u>2,953,939</u>	<u>1,621,537</u>	<u>22,444,448</u>
Excess(Deficiency) of Revenues Over Expenditures	<u>1,391,116</u>	<u>1,033,086</u>	<u>(1,115,446)</u>	<u>1,308,756</u>
OTHER FINANCING SOURCES(USES)				
Transfers Out	(200,000)	-	-	(200,000)
Transfers In	-	200,000	-	200,000
Total Other Financing Sources and (Uses)	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,191,116	1,233,086	(1,115,446)	1,308,756
Fund Balance-Beginning	9,887,283	3,836,774	1,150,014	14,874,071
Fund Balance-Ending	<u>\$ 11,078,399</u>	<u>\$ 5,069,860</u>	<u>\$ 34,568</u>	<u>\$ 16,182,827</u>
Reconciliation to statement of activities, change in net position:				
Net Change in Fund Balance				1,308,756
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of assets is allocated over time as depreciation expense. This is the amount by which depreciation exceeded capital outlays.				192,298
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.				1,520,084
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.				(87,472)
Change in Net Position of Governmental Activities				<u>\$ 2,933,666</u>

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

PROPRIETARY FUNDS STATEMENT OF NET POSITION DECEMBER 31, 2012

	Business-Type Activities Enterprise Funds			
	Water and Wastewater	Stormwater	Sanitation	Total
ASSETS				
Current assets:				
Cash & Investments	\$ 13,381,770	\$ 103,902	\$ 1,798,701	\$ 15,284,373
Receivables, Net of Allowances	1,209,863	27,959	199,788	1,437,610
Inventories	159,305	-	27,136	186,441
Deposits and Prepaids	14,938	25,150	10,233	50,321
Restricted assets:				
Cash & Investments	2,198,662	-	-	2,198,662
Total Current Assets	16,964,538	157,011	2,035,858	19,157,407
Noncurrent Assets:				
Capital Assets:				
Water Rights	57,453,763	-	-	57,453,763
Land and Improvements	807,815	-	-	807,815
Construction In Progress	432,529	1,327,811	-	1,760,340
Infrastructure and Improvements	111,894,018	1,022,392	-	112,916,410
Buildings and Improvements	18,945,544	37,792	22,386	19,005,722
Machinery and Equipment	3,147,007	-	1,443,024	4,590,031
Less Accumulated Depreciation	(78,304,802)	(303,042)	(739,699)	(79,347,543)
Total Noncurrent Assets	114,375,874	2,084,953	725,711	117,186,538
Total Assets	131,340,412	2,241,964	2,761,569	136,343,945
Current Liabilities:				
Accounts Payable	321,385	3	15,455	336,843
Accrued Liabilities	197,565	5,850	36,516	239,931
Unearned Revenue	551,231			551,231
Deposits Payable	3,558	-	-	3,558
Accrued Interest Payable	55,647	-	-	55,647
Bonds, Notes, Leases and Compensated Absences Payable	2,526,770	4,500	80,000	2,611,270
Total Current Liabilities	3,656,156	10,353	131,971	3,798,480
Noncurrent Liabilities:				
Bonds, Notes, Leases and Compensated Absences Payable	11,041,018	4,485	47,681	11,093,184
Total Noncurrent Liabilities	11,041,018	4,485	47,681	11,093,184
Total Liabilities	14,697,174	14,838	179,652	14,891,664
NET POSITION				
Net Investment in Capital Assets	101,250,224	2,084,953	725,711	104,060,888
Restricted for Emergency-Tabor	312,030	-	-	312,030
Restricted for Water Rights	1,488,979	-	-	1,488,979
Restricted for Debt	709,683	-	-	709,683
Unrestricted	12,882,322	142,173	1,856,206	14,880,701
Total Net Position	\$ 116,643,238	\$ 2,227,126	\$ 2,581,917	\$ 121,452,281

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities			
	Enterprise Funds			
	Water and Wastewater	Stormwater	Sanitation	Total
Operating Revenues:				
Charges for Services	\$ 10,227,963	\$ 413,801	\$ 1,487,633	\$ 12,129,397
Other Operating Revenue	125,553	-	-	125,553
Total Operating Revenues	10,353,516	413,801	1,487,633	12,254,950
Operating Expenses:				
Administration	1,217,943	-	33,651	1,251,594
Facilities	149,425	-	-	149,425
Fleet	77,613	-	138,619	216,232
Streets	-	8,146	-	8,146
Engineering	301,868	-	-	301,868
Water Operations	925,756	-	-	925,756
Lab Operations	383,140	-	-	383,140
Electrical and Mechanical	592,165	-	-	592,165
Distribution and Collection	1,814,630	-	-	1,814,630
Water Resources Operations	865,323	-	-	865,323
Wastewater Operations	857,399	-	-	857,399
Industrial Pre-Treatment	72,498	-	-	72,498
Stormwater Operations	-	84,417	-	84,417
Sanitation Operations	-	-	1,126,818	1,126,818
Depreciation	2,378,146	63,456	282,151	2,723,753
Amortization of Bond Costs	192,896	-	-	192,896
Total Operating Expenses	9,828,802	156,019	1,581,239	11,566,060
Operating Income	524,714	257,782	(93,606)	688,890
Nonoperating Revenues(Expenses):				
Investment Earnings	47,497	2,420	6,295	56,212
Taxes-Sales/Use	2,481,927	-	-	2,481,927
Gain on Sale of Capital Assets	2,484	-	-	2,484
Interest and Fiscal Charges	(747,922)	-	-	(747,922)
Total Nonoperating Revenues (Expenses)	1,783,986	2,420	6,295	1,792,701
Change In Net Position	2,308,700	260,202	(87,311)	2,481,591
Total Net Position-Beginning	114,334,538	1,966,924	2,669,228	118,970,690
Total Net Position-Ending	<u>\$ 116,643,238</u>	<u>\$ 2,227,126</u>	<u>\$ 2,581,917</u>	<u>\$ 121,452,281</u>

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities			
	Enterprise Funds			
	Water and Wastewater	Stormwater	Sanitation	Total
Cash Flows From Operating Activities				
Cash Received From Customers	\$ 10,992,739	\$ 415,418	\$ 1,489,402	\$ 12,897,559
Cash Payments to Suppliers for Goods and Services	(3,220,770)	(17,062)	(566,705)	(3,804,537)
Cash Payments to Employees for Services	(3,649,372)	(71,277)	(728,646)	(4,449,295)
Net Cash Provided by Operating Activities	4,122,597	327,079	194,051	4,643,727
Cash Flows From Capital and Related Financing Activities				
Tax Receipts	2,481,927	-	-	2,481,927
Acquisition and Construction of Capital Assets	(1,088,099)	(1,127,811)	(242,302)	(2,458,212)
Proceeds from Sales of Capital Assets	2,484	-	-	2,484
Principal Paid on Bonds, Leases and Notes Payable Maturities	(2,072,689)	-	-	(2,072,689)
Interest Paid on Bonds, Leases and Notes Payable	(747,922)	-	-	(747,922)
Net Cash (Used) Provided In Capital and Related Financing Activities	(1,424,299)	(1,127,811)	(242,302)	(2,794,412)
Cash Flows From Investing Activities				
Earnings on Investments	47,497	2,420	6,295	56,212
Net Increase (Decrease) in Cash and Cash Equivalents	2,745,795	(798,312)	(41,956)	1,905,527
Cash and Cash Equivalents, Beginning of Year	12,834,637	902,214	1,840,657	15,577,508
Cash and Cash Equivalents, End of Year	\$ 15,580,432	\$ 103,902	\$ 1,798,701	\$ 17,483,035

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities Enterprise Funds			
	Water and Wastewater	Stormwater	Sanitation	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 524,714	\$ 257,782	\$ (93,606)	\$ 688,890
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	2,378,146	63,456	282,151	2,723,753
Amortization	192,896	-	-	192,896
(Increase) Decrease in Accounts Receivable	87,992	1,619	1,780	3,399
(Increase) Decrease in Inventory	7,591	-	(1,783)	(1,783)
(Increase) Decrease in Prepaid Expense	3,541	2,390	2,823	5,213
Increase (Decrease) in Accounts Payable	(17,367)	(187)	(4,186)	(4,373)
Increase (Decrease) in Retainages Payable	-	-	-	-
Increase (Decrease) in Accrued Liabilities	60,579	463	6,527	6,990
Increase (Decrease) in Compensated Absences Payable	2,283	1,558	356	1,914
Increase (Decrease) in Unearned Revenue	551,231	-	-	-
Increase(Decrease) in Deposits Payable	2,400	-	-	2,400
Total Adjustments	3,269,292	69,299	287,668	3,626,259
Net Cash Provided by Operating Activities	\$ 3,794,006	\$ 327,081	\$ 194,062	\$ 4,315,149

The notes to the financial statements are an integral part of this statement



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CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

The financial statements of the City of Northglenn have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Northglenn, Colorado (City) was incorporated April 19, 1969, and became a home rule city in 1975 under the provisions of Article XX of the Constitution of the State of Colorado. The City operates under a Council-Manager form of government and provides various municipal services. As required by generally accepted accounting principles, these financial statements present the City of Northglenn (the primary government) and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and accordingly, data from these units are combined with data of the City. Each discretely presented component unit is reported in a separate column in the financial statements to emphasize that it is legally separate from the City. All blended and discretely presented component units have a December 31 year-end.

Individual Component Unit Disclosures:

Blended Component Unit. This component unit does not issue complete separate financial statements.

Northglenn Capital Leasing Corporation. The Northglenn Capital Leasing Corporation (NCLC) was incorporated on July 26, 2002 for the purpose of issuing the 2002 Certificates of Participation. The corporation subsequently entered into a capital lease agreement with the City for the construction of Standley Lake Dam improvements. Because the board of directors, which consists of City officials and employees, is selected by City Council, and because NCLC provides services exclusively to the City, the City is financially accountable and integrated with NCLC. The debt is reported as a liability by the City, therefore NCLC has no activity.

Discretely Presented Component Units. The component units are reported in separate columns to emphasize that they are legally separate from the City. These component units do not issue complete separate financial statements.

Northglenn Urban Renewal Authority. The Northglenn Urban Renewal Authority (NURA) was organized under the Colorado Urban Renewal Law in March 1990. The commissioners of the Authority are appointed by the mayor and are subject to approval by the City Council. The Authority is charged by the City Council with the preparation, administration and implementation of the Northglenn Urban Renewal Plan pursuant to the Urban Renewal Law. The Authority is dependent upon the approval of an urban renewal project by the City. The Authority has one governmental fund type.

Church Ditch Water Authority. In 2004, the cities of Northglenn and Westminster created the Church Ditch Water Authority, formerly known as the Church Ditch Company. The authority was created under C.R.S § 29-1-204.2 and was established in order to effect the development of water resources, systems and facilities associated with the Church Ditch, located in Jefferson County, Colorado, for the benefit of the Cities and the contractual users. The authority shall be governed by a Board of Directors consisting of two Directors appointed by the City Manager of the City of Northglenn and one Director appointed by the City Manager of the City of Westminster. Because of its controlling interest and financial integration in the authority the City is financially accountable and presents the authority discretely. The Church Ditch Water Authority is presented as a proprietary fund. The City of Westminster is reporting the authority as a component unit of another government with joint venture characteristics, with an equity interest of \$415,850.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying statement of net assets. The statement of net activities presents changes in net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales tax collected and held by vendors at year-end on behalf of the City is recognized as revenue if collected within 30 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *capital projects fund* accounts for the activities associated with the procurement, construction and rehabilitation of non-enterprise infrastructure and facilities.

The City reports the following major proprietary funds:

The *water and wastewater fund* accounts for the activities of related accounts to the provision of water and wastewater services to Northglenn business, residents, schools, and churches. It operates the water treatment and wastewater treatment plants, water distribution systems, wastewater collection systems, and pump stations.

Management has designated the *sanitation fund* as a major fund due to its relevance to the community. The fund is responsible for the trash and recycling services provided through the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Wastewater Fund, Stormwater Fund and the Sanitation Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

Investments are stated at fair value. Earnings on investments are recognized when earned and include realized and unrealized gains on investments. Investment earnings are allocated to the various funds based on their pooled and cash and investment balances.

2. Receivables and Payables

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Advances to Other Funds

Non-current portions of long-term interfund receivables and payables are reported as advances and are offset equally by a fund balance restricted account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Property Taxes Receivable

Property taxes attach as an enforceable lien on property on January 1. Property taxes for the City are certified to Adams and Weld Counties for collection by December 15 of each year. Property taxes become due on January 1 of the succeeding year and are payable in full by April 30 or in two installments by February 28 and June 15.

3. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Restricted Assets

Certain proceeds from enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The revenue bond current debt service account is used to segregate resources accumulated for the next semi-annual debt service payment.

In 1989 and again in 1994, 1999 and 2004, the citizens of Northglenn approved an incremental levy of one-half percent (1/2%) general sales tax to be used for water acquisition. These amounts are classified as restricted assets on the statement of net assets of the water and wastewater fund because their use is restricted by election.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

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5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (not rounded) and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of capital assets, including those acquired by the City's proprietary funds, is computed using the straight-line method over the following estimated useful lives:

Infrastructure and Improvements	10-50 years
Buildings and Improvements	40-50 years
Machinery and Equipment	3-25 years

6. Compensated Absences

General leave for the City includes both vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned not to exceed the two-year entitlement as set forth by personnel policy, except in such cases where the employee was restricted in the use of general leave by departmental operating requirements. Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. This liability is reported only if it has matured, for example, as a result of employee resignations and retirements. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and government-wide presentations. Vested or accumulated general leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the period that the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. As required by the State Constitution amendment addressed in Note 4. H., the City is required to provide for Emergency Reserves.

Fund balance may be categorized into the following:

1. Nonspendable – items such as inventories, prepaid expenses, long-term loans and resources that must be maintained intact pursuant to legal or contractual requirements.
2. Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resources

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

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- or through a government's own constitution or charter.
3. Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council Through ordinance or resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.
 4. Assigned – Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and Finance Director.
 5. Unassigned – any remaining fund balance in the general fund that does not fall into one of the other categories. The general fund should be the only fund that reports a positive unassigned fund balance.

The City applies expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year in that order.

City staff brings recommendations to Council for the use of fund balance, whereas Council approves the recommendations through an ordinance either in the official budget ordinance or supplemental ordinances throughout the year. Council makes approvals at the fund levels.

9. Net Position

Net position represent the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use or through external restriction imposed by creditors, grantors, laws or regulations of other governments.

A portion of the net position in the Water and Wastewater Fund are restricted for water rights acquired with a half percent sales tax designated by the voters only for the purchase of water rights.

10. Statements of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash and cash equivalents. Pooled cash and investments are considered as cash equivalents within the cash flow statements.

11. Contraband Forfeitures

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. All such transactions are recorded in the Police Forfeiture Special Revenue Fund. The proceeds are not subject to appropriation in the budget process. Property and equipment seized are recorded as capital assets.

12. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City does not have any items that qualifies for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable revenue, are reporting in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and federal and/or state grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements only the

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

property tax revenues remain under the full accrual basis of accounting and will become an inflow in the year they are levied.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The principal element of that difference is the capital assets of \$132,297,896, less depreciation of \$37,961,551 for net adjustment of \$94,336,345, which are not reported in the funds. The funds also do not recognize a grant deferred inflow of \$1,366,875. The last element explains that long-term liabilities are not due and payable in current period and therefore are not reported in funds.

The details of this \$1,780,774 difference are as follows:

Compensated Absences (excludes amounts reported in the General Fund)	\$ 1,275,796
Other Post-Employment Benefits	458,947
Pension Benefits	46,031
Net Adjustment to Fund Balance	<u>\$ 1,780,774</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$192,298) difference are as follows:

Capitalized Asset Expenditures	\$ 4,996,088
Depreciation Expense	<u>(4,803,790)</u>
Net adjustment to increase <i>net changes in fund balances - Total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 192,298</u>

Another element of that reconciliation states, “Repayments of long-term obligations are reported as expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.”

The details of this (\$87,472) difference are as follows:

Change in Other Post-Employment Benefits Liability	\$ (38,860)
Reduction in Pension Benefits Payable	297
Decrease in Compensated Absences	<u>(48,909)</u>
Net adjustment to decrease <i>net changes in fund balances - Total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (87,472)</u>

Note 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

A reconciliation of deposits and investments to the financial statements by caption is as follows:

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

	Primary Government	Component Units
Cash on Hand	\$ 3,505	\$ 100
Cash Deposits	(56,121)	2,997,293
Investments	32,619,102	2,596,544
Total	<u>\$ 32,566,486</u>	<u>\$ 5,593,937</u>
Cash and Investments	\$ 30,367,824	\$ 5,593,937
Restricted Cash and Investments	2,198,662	-
Total	<u>\$ 32,566,486</u>	<u>\$ 5,593,937</u>

The primary government cash equivalents and investments were restricted for the following purposes:

	Cash and Investments
Water Rights Acquisition	\$ 1,488,979
Debt Service	709,683
Total	<u>\$ 2,198,662</u>

Deposits. At year-end, the carrying amount of the City and component units reporting entities deposits were \$2,941,172.

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Of the bank balance, the full amount was covered by federal depository insurance and the Dodd-Frank Wall Street Reform and Consumer Protection Act. On November 9, 2010, the FDIC issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors, including consumers, businesses, and government entities. This unlimited insurance coverage is separate from, and in addition to, the insurance coverage provided to a depositor's other deposit accounts held at an FDIC-insured institution.

A noninterest-bearing transaction account is a deposit account where interest is neither accrued nor paid; depositors are permitted to make an unlimited number of transfers and withdrawals; and the bank does **not** reserve the right to require advance notice of an intended withdrawal.

Please note that Money Market Deposit Accounts (MMDAs) and Negotiable Order of Withdrawal (NOW) accounts are **not** eligible for this unlimited insurance coverage, regardless of the interest rate, even if no interest is paid on the account.

Investments. The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest. The table below identifies the investment types that are authorized along with the related interest rate risk and concentration of credit risk.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Municipal Bonds	3 years	None	None
Local Government Investment Pools	N/A	None	None
Municipal COP or Leases	N/A	None	None
2a7 Money Market Funds	N/A	None	None
Commercial Paper	5 years	50%	5%
Variable Rate Securities	1 year	None	None
Repurchase Agreements	5 years	None	None
Bankers Acceptances	3 years	50%	5%
Corporate Bonds	3 years	50%	5%
Guaranteed Investment Contracts	3 years	None	None

Local Government Investment Pool. The City and component units invested \$12,216,204 in the Colorado Surplus Asset Fund Trust (CSAFE). These are investment vehicles established by local government entities in Colorado to Pool surplus funds for investment purposes by state statute. They are overseen by the state Securities Commissioner. CSAFE operates similarly to money market funds and each share is equal in value to \$1.00. CSAFE is rated AAA by Standard and Poor's. The designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by government pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes.

Credit Risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State statutes limit U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSRO's). Debt securities of the U.S. government and obligations of U.S. government agencies that are explicitly guaranteed by the U.S. government are not considered to have credit risk.

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity for each investment type as required by the City's investment policy as of December 31, 2012.

Investment Type	Fair Value	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity
Federal Farm Credit Banks (FFCB)	\$ 3,007,036	AAA	AA+	Aaa	9%	0.51
Federal Home Loan Banks (FHLB)	4,049,672	AAA	AA+	Aaa	12%	1.62
Federal Home Loan Mortgage Corporation (FHLMC)	4,521,153	AAA	AA+	Aaa	14%	0.91
Federal National Mortgage Association (FNMA)	6,015,641	AAA	AA+	Aaa	18%	0.73
Commercial Paper	1,998,901	AAA	A-1+	P-1	6%	0.26
CSAFE	9,619,660	N/A	AAA	Aaa	29%	-
Wells Fargo Advantage Govt. Money Market	3,407,039	AAA	AAA	Aaa	10%	-
	<u>\$ 32,619,102</u>				<u>98%</u>	<u>0.52</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

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Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity for each investment type held by the City's component unit, Northglenn Urban Renewal Authority, as of December 31, 2012.

Investment Type	Fair Value	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity
CSAFE	2,596,544	N/A	AAAm	N/A	100%	-
	<u>\$ 2,596,544</u>				<u>100%</u>	<u>-</u>

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. As a means of limiting its exposure to interest rate risk, it is the City's policy to invest in a manner that securities can normally be held to maturity, or close to maturity, and to limit the types and maturities of permitted securities.

Concentration of Credit Risk. State statutes do not limit the amount the City may invest in one issuer except for corporate and bank securities.

Custodial Credit Risk. For an investment, this is the risk that, in the event of the failure of the counterpart, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statute does not address custodial credit risk.

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Other Govern- mental	Water & Wastewater	Stormwater	Sanitation	Urban Renewal Authority	Church Ditch Water Authority	Total
Receivables, net of allowances:									
Taxes	\$ 3,388,764	\$ 1,182,475	\$ -	\$ 266,341	\$ -	\$ -	\$ 1,212,716	\$ -	\$ 6,050,296
Accounts	49,265	-	-	7,371	-	7,886	-	5,149	69,671
Interest and Other	183,574	1,162,552	346,263	936,151	27,959	191,902	-	-	2,848,401
Total	<u>\$ 3,621,603</u>	<u>\$ 2,345,027</u>	<u>\$ 346,263</u>	<u>\$ 1,209,863</u>	<u>\$ 27,959</u>	<u>\$ 199,788</u>	<u>\$ 1,212,716</u>	<u>\$ 5,149</u>	<u>\$ 8,968,368</u>

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows are as follows:

Property Taxes	\$ 2,847,159
Federal Grants	330,048
County Grants	1,036,827
Total deferred inflows for governmental funds	<u>\$ 4,214,034</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

C. Capital Assets

Certain beginning balances have been reclassified to conform to the current year presentation. Capital asset activity for the year ended December 31, 2012 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 8,355,578	\$ -	\$ -	\$ 8,355,578
Construction in Progress	3,208,799	4,227,519	3,741,450	3,694,868
Works of Art	307,440	11,742	-	319,182
Total Capital Assets Not Being Depreciated	11,871,817	4,239,261	3,741,450	12,369,628
Other Capital Assets:				
Infrastructure and Improvements	101,634,499	3,843,321	-	105,477,820
Buildings and Improvements	8,703,055	102,479	-	8,805,534
Machinery and Equipment	5,122,371	552,475	29,932	5,644,914
Total Other Capital Assets at Historical Cost	115,459,925	4,498,275	29,932	119,928,268
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(24,844,903)	(4,366,593)	-	(29,211,496)
Buildings and Improvements	(4,191,803)	(193,335)	-	(4,385,138)
Machinery and Equipment	(4,150,987)	(243,862)	29,932	(4,364,917)
Total Accumulated Depreciation	(33,187,693)	(4,803,790)	29,932	(37,961,551)
Other Capital Assets, Net	82,272,232	(305,515)	-	81,966,717
Governmental Activities Capital Assets, Net	\$ 94,144,049	\$ 3,933,746	\$ (3,741,450)	\$ 94,336,345
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 57,453,763	\$ -	\$ -	\$ 57,453,763
Land and Improvements	807,815	-	-	807,815
Construction in Progress	1,003,898	1,861,315	1,104,873	1,760,340
Total Capital Assets Not Being Depreciated	59,265,476	1,861,315	1,104,873	60,021,918
Other Capital Assets:				
Infrastructure and Improvements	112,140,045	776,365	-	112,916,410
Buildings and Improvements	19,005,722	-	-	19,005,722
Machinery and Equipment	4,020,132	596,899	27,000	4,590,031
Total Other Capital Assets at Historical Cost	135,165,899	1,373,264	27,000	136,512,163
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(67,497,154)	(1,895,041)	-	(69,392,195)
Buildings and Improvements	(6,546,329)	(387,704)	-	(6,934,033)
Machinery and Equipment	(2,607,310)	(441,005)	27,000	(3,021,315)
Total Accumulated Depreciation	(76,650,793)	(2,723,750)	27,000	(79,347,543)
Other Capital Assets, Net	58,515,106	(1,350,486)	-	57,164,620
Business Activities Capital Assets, Net	\$ 117,780,582	\$ 510,829	\$ (1,104,873)	\$ 117,186,538

CITY OF NORTHGLENN, COLORADO

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	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 500,000	\$ -	\$ -	\$ 500,000
Land and Improvements	1,077,404	-	-	1,077,404
Construction in Progress	496,859	4,399	501,258	-
Total Capital Assets Not Being Depreciated	<u>2,074,263</u>	<u>4,399</u>	<u>501,258</u>	<u>1,577,404</u>
Other Capital Assets:				
Infrastructure and Improvements	1,731,204	85,783	-	1,816,987
Buildings and Improvements	200,547	606,641	-	807,188
Machinery and Equipment	194,778	43,611	-	238,389
Total Other Capital Assets at Historical Cost	<u>2,126,529</u>	<u>736,035</u>	<u>-</u>	<u>2,862,564</u>
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(331,200)	(56,743)	-	(387,943)
Buildings and Improvements	(41,805)	(6,685)	-	(48,490)
Machinery and Equipment	(137,560)	(21,877)	-	(159,437)
Total Accumulated Depreciation	<u>(510,565)</u>	<u>(85,305)</u>	<u>-</u>	<u>(595,870)</u>
Other Capital Assets, Net	<u>1,615,964</u>	<u>650,730</u>	<u>-</u>	<u>2,266,694</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,690,227</u>	<u>\$ 655,129</u>	<u>\$ (501,258)</u>	<u>\$ 3,844,098</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 278,989
Public Safety	137,125
Public Works	3,816,329
Recreation & Culture	571,347
Total Governmental Activities Depreciation Expense	<u>\$ 4,803,790</u>
Business-type Activities:	
Water & Wastewater	\$ 2,378,146
Stormwater	63,456
Sanitation	282,151
Total Business-type Activities Depreciation Expense	<u>\$ 2,723,753</u>
Component Units:	
Urban Renewal Authority	\$ 6,685
Church Ditch Water Authority	78,620
Total Component Units Depreciation Expense	<u>\$ 85,305</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

D. Interfund Transactions

Due From/To Other funds consist of the following at December 31, 2012:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Block Grant Fund	\$342,927

The City operates under a pooled cash and investment environment. At December 31, 2012, the negative cash balance of \$342,927 in the Community Development Block Grant Fund was re-classified to a Due To the General Fund.

Transfers In/Out to Other Funds consists of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfers In (Out)	\$ (200,000)	\$ 200,000	\$ -
Total	<u>\$ (200,000)</u>	<u>\$ 200,000</u>	<u>\$ -</u>

The transfer of \$200,000 from the General Fund to the Capital Projects Fund was established to fund capital projects.

E. Leases

Capital Leases

On December 29, 2010 the City entered into a lease agreement as the lessee for financing the acquisition of water rights. The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2012 are as follows:

<u>Year Ending 31-Dec</u>	<u>Business-type Funds</u>	
	<u>Principal</u>	<u>Interest</u>
2013	1,511,770	174,580
2014	1,567,856	118,493
2015	1,626,024	60,325
Total	<u>\$ 4,705,649</u>	<u>\$ 353,398</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

F. Long-term Debt

Primary Government

Certificates of Participation. In 2002, the Northglenn Community Leasing Corporation issued Series 2002A Certificates of Participation (Certificates) in the amount of \$13,515,000 to be retired over a 20-year period at a net effective interest rate of 5.76%. Underlying the Certificates is an annually renewable lease subject to annual appropriation between the City and NCLC. As such, the Certificates have been reported in the financial statements as a capital lease of the City. A Debt Service Reserve Surety Bond in the amount of \$1,145,410 has been established to meet the reserve requirement of the Certificates. Principal payments are due annually and interest payments are due semiannually through December 1, 2022. These payments are payable from the Water and Wastewater Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2012 are as follows:

Year Ending 31-Dec	Business-type Funds	
	Principal	Interest
2013	645,000	495,576
2014	680,000	463,390
2015	720,000	422,862
2016	760,000	379,950
2017	805,000	334,654
2018-2022	4,810,000	892,808
Total	<u>\$ 8,420,000</u>	<u>\$ 2,989,240</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Pension Benefits Payable	46,328	-	(297)	46,031	-
Other Post Employment Benefits	420,087	38,860	-	458,947	-
Compensated Absences	1,226,887	1,131,248	(1,082,339)	1,275,796	1,000,000
Total Governmental Activities	<u>1,693,302</u>	<u>1,170,108</u>	<u>(1,082,636)</u>	<u>1,780,774</u>	<u>1,000,000</u>
Business-Type activities:					
2002A Certificates of Participation	9,035,000	-	(615,000)	8,420,000	645,000
Capital Lease Payable	6,163,339	-	(1,457,690)	4,705,649	1,511,770
Other Post Employment Benefits	57,704	-	-	57,704	-
Compensated Absences	516,903	462,059	(457,861)	521,101	454,500
Total Business-Type Activities	<u>15,772,946</u>	<u>462,059</u>	<u>(2,530,551)</u>	<u>13,704,454</u>	<u>2,611,270</u>
Total Long-term Liabilities	<u>\$ 17,466,248</u>	<u>\$ 1,632,168</u>	<u>\$ (3,613,188)</u>	<u>\$ 15,485,228</u>	<u>\$ 3,611,270</u>

For the governmental activities, net OPEB obligation, compensated absences and pension benefits payable are generally liquidated by the General Fund.

Note 4. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1982, the City joined the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool formed in 1982 to provide property and liability and workers' compensation coverage and related services for its member municipalities. The City pays an annual premium to CIRSA for the property and liability

CITY OF NORTHGLENN, COLORADO

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insurance coverage and risk management services. All Colorado municipalities, which are members of the Colorado Municipal League, are eligible to participate in CIRSA. CIRSA's general objectives are to provide member municipalities and special districts defined property and liability and workers' compensation coverage through joint self-insurance and excess insurance.

The City continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health insurance. Workers' Compensation insurance is purchased from Pinnacol Assurance. The workers' compensation premium is calculated on a retrospective rate. The City continued to qualify for the cost containment certificate from the State of Colorado, which reduces the City's workers' compensation premiums by 5% annually.

Death and disability insurance for police officers hired prior to January 1997 is provided by the Fire and Police Pension Association (FPPA) on behalf of the City of Northglenn. The state made one payment to the FPPA in 1997 to fully fund this insurance for officers hired before 1997. Death and disability insurance for police officers hired after December 1996 is purchased from the FPPA. In 1996 the Colorado state legislature elected to cease providing state funding for disability insurance for police officers beginning with officers hired after December 31, 1996.

Health insurance is purchased from an alliance, which provides a limited choice of health maintenance organizations for employees. The City and employees each contribute to premium costs. The City has no uninsured risk for employee health care. The amount of settlements did not exceed insurance coverage during the past three fiscal years.

B. Joint Venture

Woman Creek Reservoir Authority. The City participates as an equal partner with the Cities of Thornton and Westminster in the operation of the Woman Creek Reservoir Authority. It has no financial interest in the Authority. The Authority began operation in 1996 with funding from a grant by the federal government's Environmental Protection Agency. The grant's purpose was to supply sufficient funds to mitigate and/or clean up any hazardous effects to the water supply of the three cities from the previous production of nuclear weapons at the Rocky Flats facility located near the Woman Creek Reservoir. The initial grant of approximately \$8,000,000 has been invested, and the interest earned has been more than sufficient to cover the Authority's operating expenses. The Authority contracted with the Church Ditch Water Authority to supply maintenance and monitoring services for the reservoir. Copies of the Woman Creek Reservoir Authority's financial statements may be obtained from the City of Westminster, Finance Department, 4800 West 92nd Avenue, Westminster, Colorado 80031.

C. Cost Sharing Agreement

The City entered into a cost sharing agreement with the City of Thornton in 1994 for the joint construction of a pipeline to convey water from Standley Lake to the respective cities. Each entity remits sufficient funds to cover costs each year to an escrow account. Major construction was completed in 2000. Each City contributes an equal share of the costs except Thornton is responsible for funding the additional cost of the larger pipe they require. Both cities must approve any expenditure from the escrow account and each is entitled to the return of their unspent contributions at the end of the project. The City's share of the escrow balance at December 31, 2012 was \$81,591. Contributions are an expense of the Water and Wastewater Enterprise Fund.

D. Enhanced Sales Tax Incentive Program Agreement

In October 2006, an agreement was made with the redeveloper of the former Mervyn's building in the Northglenn Marketplace in which the redeveloper receives fifty percent of the general sales tax (excluding the one-half percent sales tax devoted to water acquisition) generated by the new retail space. The reimbursement is scheduled to commence with sales tax generated on or after January 1, 2010. The reimbursement will not exceed \$2,905,098 nor extend beyond December 31, 2019. In 2012, the redeveloper received \$46,599 and has received a total of \$100,405 since the agreement began in 2010.

E. Contingent Liabilities

The City receives revenues from various federal and state grant programs, which are subject to audit and adjustment by the respective grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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The City is aware of numerous threats of litigation which may result in lawsuits. Although the outcome of these claims is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

F. Other Post Employment Benefits

Retiree Health Program

Program Description. The Retiree Health Program (Program) is a single-employer defined benefit healthcare plan administered by the City of Northglenn. The Program provides medical insurance, including prescription drugs benefits to eligible retirees and their eligible dependents, until age 65 or upon becoming Medicare eligible. Benefits are provided for active employees and retirees under the same health care plans. The City pays 50% of the cost of the premium for single coverage on behalf of the retiree. The retiree is responsible for paying the remainder of the single premium, as well as 100% of the cost of continuing coverage for a spouse or family member. The Program offers fully-insured medical plans, including prescription drugs, offered through Kaiser.

As of August 1, 2009, the Retiree Health Program changed; participants in the current plan will be grandfathered. New participants as of August 1, 2009 and thereafter, with at least 20 years of service (full-time employment), at least 55 years old, and no longer employed with the City of Northglenn will be provided a monthly stipend based on years of service, until they are eligible for Medicare benefits. The stipend amount will be \$200 for full-time employees with 20 years of service and will be increased by \$20 for each additional year to a maximum of \$400 for employees with 30 or more years of service.

Funding Policy. The Program provisions and requirements are established and may be amended by Council policy. The City funds OPEB expense on a pay-as-you-go-basis. Program members receiving benefits contributed \$25,195 in actual premiums equal to 50% of the equivalent single premium recognized for active employees, plus 100% of the premium for spouse or family member coverage. The City's pay-as-you-go program funding totaled \$29,640.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (GASB 45).

The ARC (Annual Required Contribution) represents a level of funding that, if paid on an ongoing basis, is projected to cover current year costs plus amortization for a portion of the unfunded accrued actuarial liability for Program benefits. The City implemented GASB 45 prospectively on January 1, 2008, and reports the net OPEB obligation at transition as zero in accordance with the provisions of the statement. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the program, and changes in the City's net OPEB obligation:

Annual Required Contribution	\$ 63,000
Interest on Net OPEB Obligation	21,500
Adjustment to ARC	<u>(16,000)</u>
Annual OPEB Cost	68,500
Contributions made	<u>(29,640)</u>
 Increase in net OPEB obligation	 38,860
Net OPEB obligation – beginning of year	<u>477,791</u>
Net OPEB obligation – end of year	<u>\$516,651</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$ 459,000	12.2%	\$403,000
12/31/2009	87,000	49.1%	447,314
12/31/2010	89,129	62.6%	480,661
12/31/2011	66,000	53.8%	477,791
12/31/2012	68,500	43.3%	516,651

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Funding Status and Funding Progress. As of January 1, 2011, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$896,000. The covered payroll (annual payroll of active employees covered by the Program) was \$12,142,439. The ratio of the UAAL to covered payroll was 7.4 percent.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on substantive program (the program as understood by the City and the Program members) to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long term perspective of the calculations. The required supplemental information section immediately following the Notes presents a schedule of funding progress for this plan intended to provide multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the January 1, 2011, the most current actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5 percent discount rate to calculate the ARC on a pay-as-you-go basis, which is the rate expected on short-term liquid investments. The unfunded actuarial accrued liability is amortized over the maximum acceptable period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll. Payroll is assumed to increase at 3.5 percent per year. The annual trend rate for health care costs applied on a select and ultimate basis are 10% and 5%, respectively. Select trends are reduced 0.5% each year until reaching the ultimate trend. Both rates include a 3.5% inflation factor.

A separate financial report is not issued for the Retiree Medical Program.

G. Employee Retirement Plans

The City maintains two single-employer, defined contribution pension plans; (1) The Police Money Purchase Pension Plan, that covers all commissioned police employees, and (2) The General Employees' Pension Plan, that covers all full-time employees other than police. The City has authorized the Pension Boards to establish and amend all plan provisions, unless such a change would have a material impact on the plan. Material amendments to a plan are required to go through City Council for ordinance approval. Under the Police Money Purchase Pension Plan, the amendment must also pass by 65% of total votes cast by the membership before it can go to Council for ordinance approval.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account and earnings or losses on investments of those contributions.

Investments are self-directed by employees. ICMA-RC is the trustee of both of the pension funds. The trustee's address is 777 North Capitol Street, NE, Washington, DC 20002-4240. Strategic Capital Advisers Inc., a registered investment advisor, whose address is 600 Grant Street, Suite 850, Denver, Co. 80203, provides investment-consulting services to the Retirement Boards for both pension plans.

General Employees' Pension Plan (GEPP)

The City made the required contribution of \$750,510. The employees' contribution to the Plan was \$974,807.

The City provides pension benefits for all of its full-time employees, excluding police officers that are covered by the City's Police Money Purchase Pension Plan, through the General Employees' Pension Plan. Eligible employees must participate from the date of full-time employment. Each participant is required to make a mandatory contribution of 12% of compensation. During 2012, the City's contribution level was 8%, then upon the completion of five years of eligible service 9%, and 10% upon the completion of ten years of eligible service.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

A participant's interest in the contributions made by the City, and the related investment earnings, become vested to the extent of percentages based on number of years of service as set forth in the GEPP. Participants are fully vested after six years of continuous service. In addition, if an employee reaches normal retirement age, dies or becomes totally and permanently disabled, his account becomes fully vested regardless of length of service. If an employee leaves covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings are refunded to the employee. Forfeitures by employees who leave employment before six years of service are used to pay Plan administrative expenses and may be used at the Board's discretion to reduce City contributions.

Police Money Purchase Pension Plan (PMPPP)

The City made the required contribution of \$361,827. The covered employees made a contribution of \$470,734.

The City provides pension benefits for its commissioned police officers through the City's Police Money Purchase Pension Plan. Eligible employees must participate from the date of full-time employment. Each participant is required to make a mandatory contribution of 12% of compensation. During 2012 the city's contribution level was 8%, then upon the completion of five years of eligible service 9%, and was 10% upon completion of ten years of eligible service.

A participant's interest in the contributions made by the city, and related investment earnings, become vested to the extent of percentages based on number of years of service as set forth in the PMPPP. Participants are fully vested after seven years of continuous service. In addition, if an employee reaches normal retirement age, dies or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. If an employee leaves covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings are refunded to the employee. Forfeitures by employees who leave before seven years of service will be used to pay the Plan's administrative expenses and may be used at the Board's discretion to reduce City contributions.

H. Tax, Spending, and Debt Limitations

On November 3, 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayers Bill of Rights or TABOR. TABOR contains several limitations, including revenue rising, spending abilities, and other specific requirements of state and local governments. On November 8, 1994, Northglenn voters chose to waive the revenue limitations imposed by TABOR. The City believes it is in compliance with the other requirements of the Amendment. However, the City has made certain interpretations of the Amendment's language in order to determine its compliance. The Amendment is complex and subject to judicial interpretation.

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2012, the emergency reserve of \$883,924 was reported as a reservation of fund balance of \$571,894 in the General Fund, and as restricted net assets of \$312,030 in the Water and Wastewater Fund.

I. Subsequent Lease Purchase Agreement

On January 24, 2013, the city entered into a lease purchase agreement with Northglenn Capital Leasing Corporation in the amount of \$8,795,000 to current refund the Water and Wastewater COP's, Series 2002A outstanding in the amount of 8,420,000. The purpose of the refunding was to realize general interest savings over the remaining terms of the bonds. The lease purchase agreement has an average interest rate of 2.05% and a scheduled final maturity date of December 1, 2022.



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CITY OF NORTHGLENN, COLORADO

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PROGRAM DECEMBER 31, 2012

(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability AAL Method	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008 (a)	-0-	\$3,041,000	\$3,041,000	0.0%	\$15,557,187	19.5%
1/1/2009	-0-	\$1,374,000	\$1,374,000	0.0%	\$12,187,442	11.3%
1/1/2012	-0-	\$ 896,000	\$ 896,000	0.0%	\$12,142,439	7.3%

(a) GASB 45 was implemented as of January 1, 2008; therefore, actuarial information on the Retiree Health Program is not available prior to that date.

CITY OF NORTHGLENN, COLORADO

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-Property	\$ 1,975,706	\$ 1,975,706	\$ 2,017,266	\$ 41,560
Taxes-Sales/Use	10,972,735	10,972,735	11,650,868	678,133
Occupational Tax	57,000	57,000	66,367	9,367
Intergovernmental	1,650,387	1,650,387	1,862,910	212,523
Licenses and Permits	426,724	426,724	484,191	57,467
Charges for Services	2,132,747	2,132,747	2,141,212	8,465
Fines and Forfeitures	1,691,587	1,691,587	952,314	(739,273)
Investment Earnings	45,233	45,233	32,033	(13,200)
Miscellaneous	-	-	52,927	52,927
Total Revenues	18,952,119	18,952,119	19,260,088	307,969
EXPENDITURES				
General Government:				
Legislative	400,215	418,192	447,045	(28,853)
City Manager	586,211	586,211	580,740	5,471
City Clerk	296,367	296,367	231,291	65,076
Management Services	1,310,628	1,310,628	1,070,006	240,622
Technology	733,169	733,169	719,481	13,688
Finance	596,651	596,651	557,330	39,321
Planning & Development	992,916	992,916	973,521	19,395
Non-Departmental	117,000	117,000	163,575	(46,575)
Recreation and Culture	3,160,915	3,160,915	3,159,763	1,152
Public Safety	7,559,702	7,559,702	7,355,358	204,344
Public Works	2,019,557	2,019,557	2,063,446	(43,889)
Capital Outlay	547,485	547,485	547,419	66
Contingency	100,000	82,023	-	82,023
Total Expenditures	18,420,816	18,420,816	17,868,975	551,841
Excess (Deficiency) of Revenues Over Expenditures	531,303	531,303	1,391,113	859,810
OTHER FINANCING SOURCES (USES)				
Transfers Out	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources and (Uses)	(200,000)	(200,000)	(200,000)	-
Net Change In Fund Balance	331,303	331,303	1,191,113	859,810
Fund Balance-Beginning	7,143,749	7,143,749	9,887,283	2,743,534
Fund Balance-Ending	<u>\$ 7,475,052</u>	<u>\$ 7,475,052</u>	<u>\$ 11,078,396</u>	<u>\$ 3,603,344</u>

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2012

NOTE 1. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Council annually adopts the Budget Resolution for all operating funds of the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds, with the exception of the enterprise funds, which are budgeted on a non-GAAP basis of accounting. All annual appropriations lapse at fiscal year-end.

No later than September 20, the City Manager submits to the Mayor and City Council a proposed budget for the calendar year commencing the following January 1. The budget is prepared by fund, department, program, and activity, and includes information on the past year, current year estimates and requested appropriations and estimated revenues for the next calendar year. The City Council holds public hearings and may add to, subtract from or change appropriations except for expenditures required by law, debt service expenditures or for estimated cash deficits. No change to the budget shall increase the authorized expenditures to any amount greater than the total amount of available funds, which includes unreserved fund balance.

The City Council shall adopt the budget by resolution pursuant to law. If it fails to adopt the budget by year-end, the amounts appropriated for current operations for the current calendar year shall be deemed adopted for the ensuing calendar year on a month-to-month basis, with all items prorated accordingly until such time as the City Council adopts the budget for the ensuing fiscal year. Once adopted, the City Council may at any time, by ordinance, amend the budget. The individual boards of the City's component units approve their respective annual budgets.

Expenditures may not legally exceed budgeted appropriations at the fund level. Funds are defined as the major operating units of the City. Those funds are the General Fund, Capital Projects Fund, Water and Wastewater Fund, Stormwater Fund, Sanitation Fund, Conservation Trust Fund, and the Community Development Block Grant Fund.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in all funds. Outstanding encumbrances at year-end will lapse. They do not constitute expenditures or liabilities because the commitments will be re-appropriated during the subsequent year.



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CITY OF NORTHGLENN,COLORADO

CAPITAL PROJECTS FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-Property	\$ 945,941	\$ 945,941	\$ 955,947	\$ 10,006
Taxes-Sales/Use	1,801,023	1,801,023	1,910,320	109,297
Intergovernmental	1,472,021	1,975,356	1,105,280	(870,076)
Investment Earnings	36,000	36,000	15,478	(20,522)
Total Revenues	<u>4,254,985</u>	<u>4,758,320</u>	<u>3,987,025</u>	<u>(771,295)</u>
EXPENDITURES				
General Government:				
Public Works	-	-	22,526	(22,526)
Capital Outlay	3,239,427	4,218,163	2,931,413	1,286,750
Total Expenditures	<u>3,239,427</u>	<u>4,218,163</u>	<u>2,953,939</u>	<u>1,264,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,015,558</u>	<u>540,157</u>	<u>1,033,086</u>	<u>492,929</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	200,000	200,000	200,000	-
Total Other Financing Sources and (Uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change In Fund Balance	1,215,558	740,157	1,233,086	492,929
Fund Balance-Beginning	2,988,204	2,479,252	3,836,774	1,357,522
Fund Balance-Ending	<u>\$ 4,203,762</u>	<u>\$ 3,219,409</u>	<u>\$ 5,069,860</u>	<u>\$ 1,850,451</u>

See the accompanying Independent Auditors' Report



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CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2012

	Special Revenue Funds		
	Conservation		
	Trust	CDBG	
	Fund	Fund	Total
ASSETS			
Cash & Investments	\$ 355,343	\$ -	\$ 355,343
Receivables, Net of Allowances	3,336	342,927	346,263
Total Assets	<u>\$ 358,679</u>	<u>\$ 342,927</u>	<u>\$ 701,606</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 10,339	\$ -	\$ 10,339
Retainages Payable	1,941	-	1,941
Due To Other Funds	-	342,927	342,927
Total Liabilities	<u>12,280</u>	<u>342,927</u>	<u>355,207</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Intergovernmental	-	311,831	311,831
Total Unavailable Revenue	<u>-</u>	<u>311,831</u>	<u>311,831</u>
FUND BALANCES			
Unreserved, reported in:			
Special Revenue Funds	346,399	(311,831)	34,568
Total Fund Balances	<u>346,399</u>	<u>(311,831)</u>	<u>34,568</u>
Total Liabilities and Fund Balances	<u>\$ 358,679</u>	<u>\$ 342,927</u>	<u>\$ 701,606</u>

The notes to the financial statements are an integral part of this statement

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds		
	Conservation		
	Trust	CDBG	
	Fund	Fund	Total
REVENUES			
Intergovernmental	\$ 358,645	\$ 144,392	\$ 503,037
Investment Earnings	3,054	-	3,054
Total Revenues	<u>361,699</u>	<u>144,392</u>	<u>506,091</u>
EXPENDITURES			
General Government:			
Planning & Development	-	111,067	111,067
Capital Outlay	<u>1,165,314</u>	<u>345,156</u>	<u>1,510,470</u>
Total Expenditures	<u>1,165,314</u>	<u>456,223</u>	<u>1,621,537</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>(803,615)</u>	<u>(311,831)</u>	<u>(1,115,446)</u>
Net Change In Fund Balance	(803,615)	(311,831)	(1,115,446)
Fund Balance-Beginning	<u>1,150,014</u>	<u>-</u>	<u>1,150,014</u>
Fund Balance-Ending	<u>\$ 346,399</u>	<u>\$ (311,831)</u>	<u>\$ 34,568</u>

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN,COLORADO

SPECIAL REVENUE FUND-CONSERVATION TRUST FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 355,058	\$ 355,058	\$ 358,645	\$ 3,587
Investment Earnings	7,411	7,411	3,054	(4,357)
Total Revenues	<u>362,469</u>	<u>362,469</u>	<u>361,699</u>	<u>(770)</u>
EXPENDITURES				
General Government:				
Capital Outlay	1,091,000	1,227,355	1,165,314	62,041
Total Expenditures	<u>1,091,000</u>	<u>1,227,355</u>	<u>1,165,314</u>	<u>62,041</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(728,531)</u>	<u>(864,886)</u>	<u>(803,615)</u>	<u>61,271</u>
Net Change In Fund Balance	(728,531)	(864,886)	(803,615)	61,271
Fund Balance-Beginning	328,455	(337,855)	1,150,014	1,487,869
Fund Balance-Ending	<u>\$ (400,076)</u>	<u>\$ (1,202,741)</u>	<u>\$ 346,399</u>	<u>\$ 1,549,140</u>

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN,COLORADO

SPECIAL REVENUE FUND-COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 460,201	\$ 144,392	\$ (315,809)
Total Revenues	-	460,201	144,392	(315,809)
EXPENDITURES				
General Government:				
Planning & Development	-	115,045	111,067	3,978
Capital Outlay	-	345,156	345,156	-
Total Expenditures	-	460,201	456,223	3,978
Excess (Deficiency) of Revenues Over Expenditures	-	-	(311,831)	(311,831)
Net Change In Fund Balance	-	-	(311,831)	(311,831)
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ (311,831)	\$ (311,831)

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

WATER AND WASTEWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-Sales/Use	\$ 2,334,609	\$ 2,334,609	\$ 2,481,927	\$ 147,318
Intergovernmental	123,500	123,500	119,800	(3,700)
Charges for Services	9,987,656	9,987,656	10,227,963	240,307
Investment Earnings	61,343	61,343	47,497	(13,846)
Miscellaneous	-	-	5,753	5,753
Total Revenues	<u>12,507,108</u>	<u>12,507,108</u>	<u>12,882,940</u>	<u>375,832</u>
EXPENDITURES				
Administration	1,263,951	1,263,951	1,217,943	46,008
Facilities	147,284	147,284	149,425	(2,141)
Fleet	70,570	70,570	77,613	(7,043)
Engineering	303,813	303,813	301,868	1,945
Water Operations	923,214	923,214	925,756	(2,542)
Lab Operations	401,680	401,680	383,140	18,540
Electrical and Mechanical	596,837	596,837	592,165	4,672
Distribution and Collection	1,162,337	1,162,337	1,814,630	(652,293)
Water Resources Operations	895,525	895,525	865,323	30,202
Wastewater Operations	885,943	885,943	857,399	28,544
Industrial Pre-Treatment	73,330	73,330	72,498	832
Capital Outlay	3,985,478	4,534,694	1,088,099	3,446,595
Acquisition of Water Rights	114,674	114,674	-	114,674
Debt Service:				
Principal Payments	2,072,689	2,072,689	2,072,689	-
Interest and Fiscal Charges	754,924	754,924	747,922	7,002
Total Expenditures	<u>13,652,249</u>	<u>14,201,465</u>	<u>11,166,470</u>	<u>3,034,995</u>
Net Change	<u>\$ (1,145,141)</u>	<u>\$ (1,694,357)</u>	1,716,470	<u>\$ 3,410,827</u>
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	-	2,484	2,484
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,484</u>	<u>2,484</u>
Net Change	<u>\$ (1,145,141)</u>	<u>\$ (1,694,357)</u>	1,718,954	<u>\$ 3,413,311</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Principal Paid on Bonds and Notes Payable			2,072,689	
Capitalization of Capital Assets			1,088,099	
Amortization			(192,896)	
Depreciation			(2,378,146)	
Total Adjustments to Basis			<u>589,746</u>	
Change in Net Position			2,308,700	
Total Net Position-Beginning			114,334,538	
Total Net Position-Ending			<u>\$ 116,643,238</u>	

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

STORMWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 420,000	\$ 420,000	\$ 413,801	\$ (6,199)
Investment Earnings	3,833	3,833	2,420	(1,413)
Total Revenues	<u>423,833</u>	<u>423,833</u>	<u>416,221</u>	<u>(7,612)</u>
EXPENDITURES				
Streets	15,000	15,000	8,146	6,854
Stormwater Operations	77,566	77,566	84,417	(6,851)
Capital Outlay	400,000	1,127,811	1,127,811	-
Total Expenditures	<u>492,566</u>	<u>1,220,377</u>	<u>1,220,374</u>	<u>3</u>
Net Change	<u>\$ (68,733)</u>	<u>\$ (796,544)</u>	(804,153)	<u>\$ (7,609)</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Capitalization of Capital Assets			1,127,811	
Depreciation			(63,456)	
Total Adjustments to Basis			<u>1,064,355</u>	
Change in Net Assets			260,202	
Total Net Position-Beginning			1,966,924	
Total Net Position-Ending			<u>\$ 2,227,126</u>	

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

SANITATION FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,475,000	\$ 1,475,000	\$ 1,487,633	\$ 12,633
Investment Earnings	11,279	11,279	6,295	(4,984)
Total Revenues	<u>1,486,279</u>	<u>1,486,279</u>	<u>1,493,928</u>	<u>7,649</u>
EXPENDITURES				
Administration	50,426	50,426	33,651	16,775
Fleet	89,801	89,801	138,619	(48,818)
Sanitation Operations	1,295,754	1,295,754	1,126,818	168,936
Capital Outlay	244,000	244,000	242,302	1,698
Total Expenditures	<u>1,679,981</u>	<u>1,679,981</u>	<u>1,541,390</u>	<u>138,591</u>
Net Change	<u>\$ (193,702)</u>	<u>\$ (193,702)</u>	(47,462)	<u>\$ 146,240</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Capitalization of Capital Assets			242,302	
Depreciation			(282,151)	
Total Adjustments to Basis			(39,849)	
Change in Net Position			(87,311)	
Total Net Position-Beginning			2,669,228	
Total Net Position-Ending			<u>\$ 2,581,917</u>	

See the accompanying Independent Auditors' Report



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CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY BALANCE SHEET DECEMBER 31, 2012

ASSETS

Cash & Investments	\$ 5,095,355
Receivables, Net of Allowances	<u>1,212,716</u>
Total Assets	<u><u>\$ 6,308,071</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable	<u>\$ 117,601</u>
Total Liabilities	<u>117,601</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Taxes	<u>1,212,716</u>
Total Unavailable Revenue	<u>1,212,716</u>

FUND BALANCES

Fund Balance-Unreserved	<u>4,977,754</u>
Total Fund Balance	<u>4,977,754</u>

**Amounts reported for governmental activities in the statement
of net position are different because:**

Capital assets used in governmental activities are not financial resources
therefore are not reported in the funds.

3,534,458

Net position of Governmental Activities

\$ 8,512,212

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN,COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-Property	\$ 1,287,043	\$ 1,287,043	\$ 1,276,246	\$ (10,797)
Rental Income	22,800	22,800	9,500	(13,300)
Investment Earnings	18,000	18,000	1,812	(16,188)
Miscellaneous	-	-	275	275
Total Revenues	<u>1,327,843</u>	<u>1,327,843</u>	<u>1,287,833</u>	<u>(40,010)</u>
EXPENDITURES				
General Government	4,017,456	4,017,456	3,196,513	820,943
Capital Outlay	-	-	-	-
Total Expenditures	<u>4,017,456</u>	<u>4,017,456</u>	<u>3,196,513</u>	<u>820,943</u>
Net Change in Fund Balance	(2,689,613)	(2,689,613)	(1,908,680)	780,933
Fund Balance-Beginning of Year	6,404,462	6,404,462	6,886,434	481,972
Fund Balance-End of Year	<u>\$ 3,714,849</u>	<u>\$ 3,714,849</u>	<u>\$ 4,977,754</u>	<u>\$ 1,262,905</u>

Amount reported for the urban renewal authority in
the statement of activities is different because:

Net change in fund balance

(1,908,680)

Property held for sale in governmental activities are not financial resources
therefore are not reported in the funds.

2,469,998

Governmental funds report capital outlays as expenditures, while in the
statement of activities, the cost of those assets is allocated over estimated
useful lives as depreciation expense. This is the amount of depreciation
expense.

(6,685)

Change in Net Position

\$ 554,633

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

CHURCH DITCH WATER AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 510,729	\$ 510,729	\$ 477,423	\$ (33,306)
Investment Earnings	250	250	175	(75)
Total Revenues	<u>510,979</u>	<u>510,979</u>	<u>477,598</u>	<u>(33,381)</u>
EXPENDITURES				
General Operations	333,100	333,100	254,826	78,274
Capital Outlay	302,000	302,000	239,176	62,824
Contingency	182,275	182,275	-	182,275
Total Expenditures	<u>817,375</u>	<u>817,375</u>	<u>494,002</u>	<u>323,373</u>
Net Change	<u>\$ (306,396)</u>	<u>\$ (306,396)</u>	(16,404)	<u>\$ 289,992</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Capitalization of Capital Assets			239,176	
Depreciation			(78,620)	
Total Adjustments to Basis			<u>160,556</u>	
Change in Net Position			144,152	
Total Net Position-Beginning			<u>3,051,335</u>	
Total Net Position-Ending			<u>\$ 3,195,487</u>	

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

CHURCH DITCH WATER AUTHORITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows From Operating Activities	
Cash Received From Customers, including cash deposits	\$ 375,929
Cash Payments to Suppliers for Goods and Services	<u>(320,863)</u>
Net Cash Provided (Used) by Operating Activities	<u>55,066</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(239,176)</u>
Net Cash (Used) in Capital Financing Activities	<u>(239,176)</u>
Cash Flows From Investing Activities	
Earnings on Investments	<u>175</u>
Net Cash Provided by Investing Activities	<u>175</u>
Net Increase in Cash and Cash Equivalents	(183,935)
Cash and Cash Equivalents, Beginning of Year	<u>682,517</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 498,582</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	<u>\$ 143,977</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	78,620
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	14,264
Increase (Decrease) in Accounts Payable	(66,037)
Increase (Decrease) in Deferred Revenue	(48,297)
Increase (Decrease) in Customer Deposits Payable	<u>(67,461)</u>
Total Adjustments	<u>(88,910)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 55,066</u></u>

See the accompanying Independent Auditors' Report

CITY OF NORTHGLENN, COLORADO

STATISTICAL SECTION FOR THE YEAR ENDED DECEMBER 31, 2012

This section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information. This section includes data for the City (i.e. the primary government) only and does not include the City's discretely presented component units. This information has not been audited by the independent auditor.

Schedule Number		Page Number
	Financial Trends Information - These schedules contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	
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5	Changes in net position, water and wastewater fund	72
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	Revenue Capacity Information - These schedules contain information that may assist the reader in assessing the City's two most significant local revenue sources, property tax and sales tax.	
7	Assessed value and estimated actual value of taxable property	76
8	Direct and overlapping property tax rates	78
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10	Property tax levies and collections	80
11	Sales tax collections by category	82
12	Direct and overlapping sales tax rates	84
	Debt Capacity Information - These schedules contain information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
13	Ratios of outstanding debt by type	86
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15	Direct and overlapping governmental activities debt	90
	Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
16	Demographic and economic statistics	91
	Note for Schedule of Principal Employers: The City of Northglenn does not rely on one or a few employers for revenue and does not track this information.	
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17	Full-time employees by function/program	93
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CITY OF NORTHGLENN, COLORADO

NET POSITION BY COMPONENT LAST TEN YEARS (Accrual basis of accounting)

	2003	2004	2005	2006
Governmental activities				
Net investment in capital assets	\$ 90,294,725	\$ 94,510,194	\$ 94,888,925	\$ 96,808,664
Restricted	600,544	616,440	604,711	638,129
Unrestricted	10,245,430	7,125,828	10,799,566	10,720,619
Total governmental activities net position	<u>\$ 101,140,699</u>	<u>\$ 102,252,462</u>	<u>\$ 106,293,202</u>	<u>\$ 108,167,412</u>
Business-type activities				
Net investment in capital assets	\$ 45,160,266	\$ 52,000,619	\$ 70,224,641	\$ 76,061,058
Restricted	16,759,979	17,967,625	12,197,256	14,953,367
Unrestricted	21,939,434	18,600,428	11,243,207	9,624,028
Total business-type activities net position	<u>\$ 83,859,679</u>	<u>\$ 88,568,672</u>	<u>\$ 93,665,104</u>	<u>\$ 100,638,453</u>
Primary government				
Net investment in capital assets	\$ 135,454,991	\$ 146,510,813	\$ 165,113,566	\$ 172,869,722
Restricted	17,360,523	18,584,065	12,801,967	15,591,496
Unrestricted	32,184,864	25,726,256	22,042,773	20,344,647
Total primary government net position	<u>\$ 185,000,378</u>	<u>\$ 190,821,134</u>	<u>\$ 199,958,306</u>	<u>\$ 208,805,865</u>

2007	2008	2009	2010	2011	2012
\$ 95,962,175	\$ 95,546,950	\$ 92,633,050	\$ 93,828,783	\$ 94,144,049	\$ 94,336,345
644,411	744,414	1,879,854	1,890,967	1,721,075	918,293
9,284,600	6,367,514	5,837,248	8,234,241	11,306,483	14,850,635
<u>\$ 105,891,186</u>	<u>\$ 102,658,878</u>	<u>\$ 100,350,152</u>	<u>\$ 103,953,991</u>	<u>\$ 107,171,607</u>	<u>\$ 110,105,273</u>
\$ 83,476,547	\$ 89,703,824	\$ 97,836,240	\$ 102,070,013	102,582,246	104,060,888
12,929,847	11,397,939	6,555,525	3,239,578	2,822,811	2,510,692
8,461,079	8,398,067	8,807,081	11,215,299	13,565,635	14,880,701
<u>\$ 104,867,473</u>	<u>\$ 109,499,830</u>	<u>\$ 113,198,846</u>	<u>\$ 116,524,890</u>	<u>\$ 118,970,692</u>	<u>\$ 121,452,281</u>
\$ 179,438,722	\$ 185,250,774	\$ 190,469,289	\$ 195,898,796	\$ 196,726,295	\$ 198,397,233
13,574,258	12,142,353	8,435,379	5,130,545	4,543,886	3,428,985
17,745,679	14,765,581	14,644,330	19,449,540	24,872,118	29,731,336
<u>\$ 210,758,659</u>	<u>\$ 212,158,708</u>	<u>\$ 213,548,998</u>	<u>\$ 220,478,881</u>	<u>\$ 226,142,299</u>	<u>\$ 231,557,554</u>

CITY OF NORTHGLENN, COLORADO

CHANGES IN NET POSITION LAST TEN YEARS (Accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 5,521,240	\$ 5,419,842	\$ 5,744,206	\$ 6,797,290
Public safety	7,242,650	7,182,380	6,881,768	7,484,713
Public Works	2,721,746	2,611,358	2,336,420	2,033,028
Recreation and Culture	4,103,759	4,069,185	6,248,169	4,234,278
Interest on Long-Term Debt	102,061	85,998	90,385	81,385
Total governmental activities expenses	19,691,456	19,368,763	21,300,948	20,630,694
Business-type activities:				
Water and Wastewater	10,292,730	11,055,378	10,143,023	10,056,903
Stormwater (1)	-	-	-	-
Sanitation	1,345,186	1,288,095	1,174,431	1,276,903
Total business-type activities expenses	11,637,916	12,343,473	11,317,454	11,333,806
Total primary government expenses	\$ 31,329,372	\$ 31,712,236	\$ 32,618,402	\$ 31,964,500
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 41,964	\$ 96,529	\$ 152,427	\$ 110,676
Public safety	743,714	1,071,363	1,038,294	1,904,840
Recreation and Culture	875,568	898,641	987,856	1,128,563
Operating grants and contributions	164,519	244,922	3,089,589	929,773
Capital grants and contributions	3,974,951	3,523,908	3,822,988	3,306,819
Total governmental activities program revenues	5,800,716	5,835,363	9,091,154	7,380,671
Business-type activities:				
Charges for services:				
Water and Wastewater	9,283,037	8,970,075	9,731,245	10,235,479
Stormwater (1)	-	-	-	-
Sanitation	1,339,371	1,449,269	1,442,526	1,453,213
Capital grants and contributions	381,615	249,780	301,074	558,350
Total business-type activities program revenues	11,004,023	10,669,124	11,474,845	12,247,042
Total primary government program revenues	\$ 16,804,739	\$ 16,504,487	\$ 20,565,999	\$ 19,627,713
Net (Expense) Revenue				
Governmental activities	\$ (13,890,740)	\$ (13,533,400)	\$ (12,209,794)	\$ (13,250,023)
Business-type activities	(633,893)	(1,674,349)	157,391	913,236
Total primary government net expense	\$ (14,524,633)	\$ (15,207,749)	\$ (12,052,403)	\$ (12,336,787)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 2,877,055	\$ 3,097,285	\$ 3,079,794	\$ 3,187,855
Sales Taxes	10,103,884	9,921,438	10,301,196	10,024,167
Franchise Fees	957,828	978,972	1,075,047	1,152,465
Unrestricted grants and contributions	101,684	118,182	91,789	101,316
Investment earnings	286,936	222,363	205,438	657,590
Miscellaneous	153,553	429,150	176,751	260,840
Gain (loss) on sale of assets	4,537	137,773	(51,002)	-
Special Item - Forgiveness of Advance	(437,078)	-	-	-
Transfers	(258,526)	(260,000)	(260,000)	(260,000)
Total governmental activities	13,789,873	14,645,163	14,619,013	15,124,233
Business-type activities:				
Sales Taxes	5,479,787	5,389,083	4,615,349	4,429,152
Investment earnings	657,759	587,568	943,187	1,107,058
Miscellaneous	113,003	135,023	221,621	213,243
Gain (loss) on sale of assets	18,396	11,668	21,391	50,660
Transfers	258,526	260,000	260,000	260,000
Total business-type activities	6,527,471	6,383,342	6,061,548	6,060,113
Total primary government	\$ 20,317,344	\$ 21,028,505	\$ 20,680,561	\$ 21,184,346
Change in Net Position				
Governmental activities	\$ (100,867)	\$ 1,111,763	\$ 2,409,219	\$ 1,874,210
Business-type activities	5,893,578	4,708,993	6,218,939	6,973,349
Total primary government net expense	\$ 5,792,711	\$ 5,820,756	\$ 8,628,158	\$ 8,847,559

NOTE: (1) Stormwater segregated from Water and Wastewater Fund activity

2007	2008	2009	2010	2011	2012
\$ 8,484,782	\$ 9,519,448	\$ 6,381,839	\$ 5,532,381	\$ 4,872,394	\$ 5,188,006
9,885,311	9,924,420	9,112,846	7,072,212	7,076,547	7,518,748
1,566,489	1,577,983	3,819,443	5,521,558	5,503,927	5,905,627
5,559,531	5,511,520	3,740,748	3,436,481	3,669,958	3,738,984
78,258	61,012	35,455	20,146	9,313	-
25,574,371	26,594,383	23,090,331	21,582,778	21,132,139	22,351,365
11,407,951	11,318,303	9,951,649	10,273,230	9,788,526	10,576,724
-	274,753	294,563	347,466	162,823	156,019
1,385,656	1,394,633	1,548,225	1,398,860	1,453,394	1,581,239
12,793,607	12,987,689	11,794,437	12,019,556	11,404,743	12,313,982
\$ 38,367,978	\$ 39,582,072	\$ 34,884,768	\$ 33,602,334	\$ 32,536,882	\$ 34,665,347
\$ 72,712	\$ 69,427	\$ 69,913	\$ 517,172	\$ 525,992	\$ 1,356,943
1,950,385	2,017,337	2,044,943	2,297,090	1,584,137	1,261,165
1,175,180	1,329,069	937,978	908,161	941,371	959,609
382,268	237,848	344,618	461,110	814,282	1,071,658
3,368,952	5,103,022	2,485,444	6,177,450	3,271,786	3,795,542
6,949,497	8,756,703	5,882,896	10,360,983	7,137,568	8,444,917
9,218,274	9,737,184	8,814,128	8,676,473	9,296,698	10,227,963
-	442,150	425,725	419,799	417,656	413,801
1,256,360	1,481,979	1,424,697	1,508,397	1,479,488	1,487,633
193,496	255,503	-	-	-	-
10,668,130	11,916,816	10,664,550	10,604,669	11,193,842	12,129,397
\$ 17,617,627	\$ 20,673,519	\$ 16,547,446	\$ 20,965,652	\$ 18,331,410	\$ 20,574,314
\$ (18,624,874)	\$ (17,837,680)	\$ (17,207,435)	\$ (11,221,795)	\$ (13,994,571)	\$ (13,906,448)
(2,125,477)	(1,070,873)	(1,129,887)	(1,414,887)	(210,901)	(184,585)
\$ (20,750,351)	\$ (18,908,553)	\$ (18,337,322)	\$ (12,636,682)	\$ (14,205,472)	\$ (14,091,033)
\$ 3,134,763	\$ 3,173,653	\$ 3,083,895	\$ 2,951,290	\$ 2,972,443	\$ 2,973,213
11,363,745	11,575,412	10,330,693	10,610,255	13,023,411	13,561,188
1,110,479	1,216,392	1,117,418	893,087	881,196	66,367
89,916	108,292	139,838	96,538	111,118	135,854
766,187	405,355	189,939	57,354	78,796	50,565
142,925	348,606	296,926	201,996	122,063	52,927
6,756	-	-	15,114	23,158	-
-	-	-	-	-	-
(260,000)	(260,000)	(260,000)	-	-	-
16,354,771	16,567,710	14,898,709	14,825,634	17,212,185	16,840,114
4,487,829	4,445,068	4,115,330	4,090,837	2,411,051	2,481,927
1,360,501	994,051	182,373	105,322	99,486	56,212
142,255	181,496	271,200	149,029	136,046	125,553
103,912	4,529	-	395,743	10,120	2,484
260,000	260,000	260,000	-	-	-
6,354,497	5,885,144	4,828,903	4,740,931	2,656,703	2,666,176
\$ 22,709,268	\$ 22,452,854	\$ 19,727,612	\$ 19,566,565	\$ 19,868,888	\$ 19,506,290
\$ (2,270,103)	\$ (1,269,970)	\$ (2,308,726)	\$ 3,603,839	\$ 3,217,614	\$ 2,933,666
4,229,020	4,814,271	3,699,016	3,326,044	2,445,802	2,481,591
\$ 1,958,917	\$ 3,544,301	\$ 1,390,290	\$ 6,929,883	\$ 5,663,416	\$ 5,415,257

CITY OF NORTHGLENN, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS (Modified accrual basis of accounting)

	2003	2004	2005	2006
General Fund				
Reserved	\$ 2,694,576	\$ 2,106,330	\$ 1,495,297	\$ 923,423
Unreserved	9,025,132	6,315,506	10,408,445	10,773,490
Nonspendable	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Total general fund	<u>\$ 11,719,708</u>	<u>\$ 8,421,836</u>	<u>\$ 11,903,742</u>	<u>\$ 11,696,913</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	223,165	514,730	694,514	966,022
Restricted:				
Capital Improvements	N/A	N/A	N/A	N/A
Parks & Recreation	N/A	N/A	N/A	N/A
Committed:				
Capital Improvements	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>\$ 223,165</u>	<u>\$ 514,730</u>	<u>\$ 694,514</u>	<u>\$ 966,022</u>

2007	2008	2009	2010	2011	2012
\$ 716,559	\$ 805,983	\$ 805,168	\$ 684,172	N/A	N/A
9,555,776	6,836,548	7,371,617	7,361,071	N/A	N/A
N/A	N/A	N/A	N/A	\$ 100,357	\$ 60,854
N/A	N/A	N/A	N/A	630,324	631,157
N/A	N/A	N/A	N/A	102,784	79,109
N/A	N/A	N/A	N/A	9,053,818	10,307,279
<u>\$ 10,272,335</u>	<u>\$ 7,642,531</u>	<u>\$ 8,176,785</u>	<u>\$ 8,045,243</u>	<u>\$ 9,887,283</u>	<u>\$ 11,078,399</u>
951,488	1,026,235	1,020,134	1,325,586	N/A	N/A
N/A	N/A	N/A	N/A	\$ 3,288,913	\$ 4,436,891
N/A	N/A	N/A	N/A	1,150,014	34,568
N/A	N/A	N/A	N/A	547,861	632,969
<u>\$ 951,488</u>	<u>\$ 1,026,235</u>	<u>\$ 1,020,134</u>	<u>\$ 1,325,586</u>	<u>\$ 4,986,788</u>	<u>\$ 5,104,428</u>

CITY OF NORTHGLENN, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS (Modified accrual basis of accounting)

	2003	2004	2005	2006
Revenues				
Taxes	\$ 13,938,767	\$ 14,054,695	\$ 14,513,037	\$ 14,364,487
Licenses and permits	236,156	231,430	297,046	320,673
Intergovernmental	4,241,155	3,887,012	4,169,093	3,624,208
Charges for services	841,094	884,547	960,215	1,092,287
Fines and forfeitures	583,995	893,556	864,317	1,731,119
Investment earnings	286,936	222,363	205,438	657,590
Miscellaneous	151,459	429,150	176,751	260,841
Total revenues	<u>20,279,562</u>	<u>20,602,753</u>	<u>21,185,897</u>	<u>22,051,205</u>
Expenditures				
Current:				
General government	\$ 5,151,097	\$ 5,550,450	\$ 5,356,593	\$ 5,482,481
Public Safety	6,750,451	6,643,311	6,539,630	7,317,781
Public Works	2,432,764	2,361,217	2,011,172	2,066,972
Recreation and Culture	3,900,708	3,898,606	3,284,923	3,324,044
Capital outlay	9,645,556	5,197,415	2,062,577	3,310,082
Debt service				
Principal	353,985	560,424	760,770	706,344
Interest and fiscal charges	102,061	93,733	93,240	84,389
Total expenditures	<u>28,336,622</u>	<u>24,305,156</u>	<u>20,108,905</u>	<u>22,292,093</u>
Excess of revenues over (under) expenditures	(8,057,060)	(3,702,403)	1,076,992	(240,888)
Other Finances Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(310,000)	(260,000)	(260,000)	(260,000)
Proceeds from land contract	-	-	769,566	-
Retirement of capital lease	(1,016,581)	-	-	-
Capital Lease	1,306,479	755,135	123,950	523,922
Proceeds from sale of asset	45,728	200,961	319,661	41,645
Total other financing sources (uses)	<u>25,626</u>	<u>696,096</u>	<u>953,177</u>	<u>305,567</u>
Forgiveness of NURA Advance	(437,078)	-	-	-
Net change in fund balances	<u>\$ (8,468,512)</u>	<u>\$ (3,006,307)</u>	<u>\$ 2,030,169</u>	<u>\$ 64,679</u>
Debt service as a percentage of noncapital expenditures	2.4%	3.4%	4.7%	4.2%

Schedule 4

2007	2008	2009	2010	2011	2012
\$ 15,608,987	\$ 15,965,457	\$ 14,532,006	\$ 14,454,632	\$ 16,877,050	\$ 16,600,768
254,446	325,921	250,074	475,652	446,766	484,191
3,750,934	5,449,162	2,714,706	6,713,795	4,271,170	3,471,227
1,191,608	1,303,732	995,364	1,281,364	1,320,072	2,141,212
1,752,222	1,786,180	1,807,396	1,965,407	1,284,662	952,314
766,187	405,355	189,939	57,354	78,796	50,565
142,924	348,606	296,926	201,996	122,063	52,927
<u>23,467,308</u>	<u>25,584,413</u>	<u>20,786,411</u>	<u>25,150,200</u>	<u>24,400,579</u>	<u>23,753,204</u>
\$ 6,936,518	\$ 7,653,688	\$ 4,670,444	\$ 5,288,399	4,566,704	4,854,056
8,036,625	7,894,939	8,942,516	7,007,715	6,947,691	7,355,358
1,235,912	1,159,977	1,325,612	1,900,952	1,881,271	2,085,972
4,432,778	4,311,732	3,106,896	2,889,045	3,109,907	3,159,763
3,865,989	6,230,246	1,425,250	5,486,729	4,338,874	4,989,302
593,949	592,031	488,582	287,765	177,389	-
81,425	64,340	38,958	20,146	9,313	-
<u>25,183,196</u>	<u>27,906,953</u>	<u>19,998,258</u>	<u>22,880,751</u>	<u>21,031,149</u>	<u>22,444,451</u>
(1,715,888)	(2,322,540)	788,153	2,269,449	3,369,430	1,308,753
-	-	-	296,000	100,000	200,000
(260,000)	(260,000)	(260,000)	(296,000)	(100,000)	(200,000)
-	-	-	-	-	-
-	-	-	-	-	-
449,410	-	-	-	-	-
93,489	27,483	-	15,114	23,158	-
<u>282,899</u>	<u>(232,517)</u>	<u>(260,000)</u>	<u>15,114</u>	<u>23,158</u>	<u>-</u>
-	-	-	-	-	-
<u>\$ (1,432,989)</u>	<u>\$ (2,555,057)</u>	<u>\$ 528,153</u>	<u>\$ 2,284,563</u>	<u>\$ 3,392,588</u>	<u>\$ 1,308,753</u>
3.2%	3.0%	2.8%	1.8%	1.1%	0.0%

CITY OF NORTHGLENN, COLORADO

CHANGES IN NET POSITION, WATER AND WASTEWATER FUND LAST TEN YEARS (Accrual basis of accounting)

	2003	2004	2005	2006
Operating Revenues				
Charges for services	\$ 9,283,037	\$ 8,970,075	\$ 9,731,245	\$ 10,235,479
Other Operating Revenues	84,519	41,032	144,400	123,466
Total Operating Revenues	9,367,556	9,011,107	9,875,645	10,358,945
Operating Expenses				
Administration	948,980	1,050,530	1,076,686	1,147,446
Facilities	138,598	153,429	157,249	167,584
Fleet	82,317	91,126	93,395	99,533
Engineering	225,300	249,410	255,619	272,419
Water Operations	576,009	637,648	653,523	696,473
Lab Operations	260,497	288,373	295,552	314,976
Electrical and Mechanical	436,787	483,527	495,566	528,134
Distribution and Collection	486,523	538,585	551,994	588,272
Water Resources Operations	559,709	619,604	635,030	676,765
Wastewater Operations	1,058,810	1,172,113	1,201,296	1,280,245
Industrial Pre-Treatment	46,910	51,930	53,223	56,721
Depreciation	2,656,401	2,822,933	2,843,607	2,852,455
Amortization of Bond Costs	-	-	-	97,360
Total Operating Expenses	7,476,841	8,159,208	8,312,740	8,778,383
Net Operating Income	1,890,714	851,899	1,562,905	1,580,562
Nonoperating Revenues (Expenses)	3,336,741	3,585,680	3,728,502	4,204,853
Income Before Contributions and Transfers	5,227,455	4,437,579	5,291,407	5,785,415
Capital Contributions/Transfers	664,622	9,780	561,074	818,350
Change in Net Position	5,892,077	4,447,359	5,852,481	6,603,765
Total Net Position-Beginning	77,448,771	83,340,848	87,788,207	92,431,524
Prior Period Adjustment	-	-	(1,631,521)	-
Change in Accounting Principal	-	-	422,357	-
Total Net Position-Ending	\$ 83,340,848	\$ 87,788,207	\$ 92,431,524	\$ 99,035,289

Note: This statement is provided pursuant to the continuing Debt Disclosure Undertaking requirements

2007	2008	2009	2010	2011	2012
\$ 9,218,274	\$ 9,737,184	\$ 8,814,128	\$ 8,676,473	\$ 9,296,698	\$ 10,227,963
53,311	119,953	62,692	149,029	136,046	125,553
9,271,585	9,857,137	8,876,820	8,825,502	9,432,744	10,353,516
1,352,590	1,284,173	1,160,701	1,284,971	1,231,504	1,217,943
197,545	187,552	169,519	187,669	146,643	149,425
117,327	111,393	100,682	111,462	61,338	77,613
321,123	304,880	275,565	305,069	276,917	301,868
820,991	779,464	704,518	779,948	856,192	925,756
371,289	352,508	318,614	352,727	384,274	383,140
622,556	591,066	534,235	591,433	614,800	592,165
693,445	658,369	595,067	658,778	744,843	1,814,630
797,759	757,406	684,582	757,877	916,499	865,323
1,509,132	1,432,797	1,295,033	1,433,687	1,233,791	857,399
66,862	63,480	57,376	63,519	86,153	72,498
3,342,629	3,763,046	3,197,291	3,125,059	2,375,946	2,378,146
75,974	63,674	50,264	31,993	30,475	192,896
10,289,222	10,349,808	9,143,447	9,684,192	8,959,375	9,828,802
(1,017,637)	(492,671)	(266,627)	(858,690)	473,369	524,714
4,638,918	4,367,484	3,439,869	3,596,333	1,664,661	1,783,986
3,621,281	3,874,813	3,173,242	2,737,643	2,138,030	2,308,700
453,496	515,503	260,000	-	-	-
4,074,777	4,390,316	3,433,242	2,737,643	2,138,030	2,308,700
99,035,290	103,110,067	106,165,826	109,458,867	112,196,510	114,334,538
-	(1,334,559)	(140,201)	-	-	-
-	-	-	-	-	-
\$ 103,110,067	\$ 106,165,824	\$ 109,458,867	\$ 112,196,510	\$ 114,334,540	\$ 116,643,238

CITY OF NORTHGLENN, COLORADO

Schedule 6

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1) LAST TEN YEARS

Year	Property Tax		Sales and Use Taxes (2)	Occupational Tax	Total
	General	Specific Ownership			
2003	4,194,918	318,926	10,683,857 (3)	957,828	16,155,529 (3)
2004	4,467,760	319,885	10,467,519 (3)	1,035,972	16,291,136 (3)
2005	4,548,945	301,550	10,301,196	1,132,047	16,283,738
2006	4,644,945	305,195	10,024,167	1,152,465	16,126,772
2007	4,615,634	282,463	10,193,891	1,110,479	16,202,467
2008	4,714,461	261,658	11,575,412 (4)	1,216,392	17,767,923 (4)
2009	4,857,245	225,088	10,330,693	1,117,418	16,530,444
2010	4,197,591	191,761	10,610,255	893,087	15,892,694
2011	4,088,194	186,395	13,023,411	881,196	18,179,196
2012	4,051,116	198,343	13,561,188	66,367	17,877,014

Source: City of Northglenn Finance Department

- (1) Includes general funds and Northglenn Urban Renewal Authority, a discretely presented component unit.
- (2) Sales taxes on food and a 1/2% sales tax for purchases of water rights are recorded directly in the Water and Waste Water Enterprise Fund.
- (3) Reflects prior period adjustment for 2002-2004 sales tax reallocation distribution.
- (4) Beginning in 2008, economic development incentive payments are recorded as expenses and are no longer recorded as contra revenues.



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CITY OF NORTHGLENN, COLORADO

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Year	Commercial	Residential	Vacant Land	Industrial	Agriculture	Other Natural Resources	Oil & Gas
2003	45,306,840	151,195,300	3,476,430	3,614,790	42,330	150	264,190
2004	50,347,710	164,709,130	2,300,370	3,803,630	64,020	150	141,440
2005	49,811,680	165,299,690	2,276,650	3,803,630	64,020	150	248,950
2006	52,794,320	170,838,150	2,265,270	3,877,680	57,850	150	631,630
2007	52,996,120	169,907,940	2,184,380	3,877,650	57,850	150	624,830
2008	56,838,320	171,308,830	2,181,270	3,975,130	22,500	150	467,230
2009	56,836,630	170,640,120	2,138,700	3,975,130	61,870	150	356,890
2010	61,125,780	156,921,400	1,721,670	4,036,580	23,090	150	-
2011	59,002,460	155,323,970	1,660,070	3,943,050	25,280	150	-
2012	58,936,040	156,198,870	1,724,320	4,123,180	25,280	150	-

Source: Adams and Weld County Assessors

Note: Property in Colorado is reassessed every two years. Tax rates are per \$1,000 of assessed value. The assessed value of taxable property is determined by multiplying the "actual" value times an assessment ratio. The assessment ratio for residential property changes every two years based on a constitutionally mandated requirement to keep the ratio of assessed value of commercial property to residential property at the same level as it was in the property tax year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment requires that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% / 55% ratio, the commercial assessment rate is established at 29% of the actual value of commercial property and the residential assessment rate fluctuates. The assessment rate of residential property by collection year was:

Year	Residential Rate
2002	9.15%
2003	7.96%
2004	7.96%
2005	7.96%
2006	7.96%
2007	7.96%
2008	7.96%
2009	7.96%
2010	7.96%
2010	7.96%
2011	7.96%
2011	7.96%

State Assessed	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a % of Estimated Actual Value
414,500	20,310,300	224,624,830	11.597	1,905,003,858	11.79%
427,430	20,697,720	242,491,600	11.597	2,337,099,511	10.38%
370,000	19,047,150	240,921,920	11.597	2,336,821,648	10.31%
369,540	20,174,610	251,009,200	11.597	2,421,203,639	10.37%
374,280	18,789,720	248,812,920	11.597	2,405,167,502	10.34%
292,010	18,211,590	253,297,030	11.597	2,434,177,198	10.41%
416,940	16,313,690	250,740,120	11.597	2,419,107,645	10.36%
133,350	15,867,890	239,829,910	11.597	2,299,232,194	10.43%
288,910	15,451,950	235,695,840	11.597	2,591,781,486	9.09%
247,380	15,563,030	236,818,250	11.597	2,265,564,967	10.45%

CITY OF NORTHGLENN, COLORADO

Schedule 8

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS

Year	City of Northglenn			Overlapping Rates (1)						
	Operating Millage	Road Reconstruction Millage	Total City Millage	Adams County School District	Adams County	Rangeview Library District	North Metro Fire District	Urban Drainage Flood Control District	Total Overlapping Rates	Total Direct & Overlapping Rates
2003	11.597	-	11.597	62.040	26.779	1.387	8.455	0.533	99.194	110.791
2004	11.597	-	11.597	68.763	26.903	1.394	8.430	0.538	106.028	117.625
2005	11.597	-	11.597	67.060	26.804	1.388	8.635	0.532	104.419	116.016
2006	11.597	-	11.597	67.044	26.974	3.659	11.679	0.542	109.898	121.495
2007	11.597	-	11.597	64.595	26.899	3.504	11.801	0.507	107.306	118.903
2008	11.597	-	11.597	69.671	26.809	3.659	13.168	0.528	113.835	125.432
2009	11.597	-	11.597	70.179	26.824	3.659	13.207	0.508	114.377	125.974
2010	7.597	4.000	11.597	70.179	26.824	3.659	13.207	0.508	114.377	125.974
2011	7.597	4.000	11.597	70.276	26.806	3.659	11.176	0.566	112.483	124.080
2012	7.597	4.000	11.597	70.602	26.903	3.659	11.375	0.599	113.138	124.735

Source: Adams County abstract of assessments and tax levies

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Overlapping rates are those of local and county governments that apply to property owners with the City of Northglenn. All overlapping rates apply to all Northglenn property owners.

CITY OF NORTHGLENN, COLORADO

Schedule 9

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
HQ8	\$ 10,190,060	1	4.30%			
Public Service Company	6,694,290	2	2.83%	4,671,520	2	2.08%
North Claude Apartments LLC	4,573,820	3	1.93%			
Capri W Stone Mountain LLC	2,565,860	4	1.08%			
Rosemont APTS LLC	2,460,070	5	1.04%	2,205,710	5	0.98%
Eagle Hardware & Garden Inc	2,237,700	6	0.94%	1,930,260	9	0.86%
Shamrock Properties LLC	1,957,690	7	0.83%	1,726,170	10	
Northglenn Business Park LLC	1,905,450	8	0.80%	2,173,050	6	0.97%
Washington Point Lennane 04 LLC	1,886,450	9	0.80%			
Metro North LTD	1,557,470	10	0.66%	2,033,770		
MS Northglenn Limited Partnership	-		-			0.00%
PR III LLC	-		-	2,308,160	3	1.03%
JP Northglenn LLC	-		-	9,936,750	1	4.42%
Principal Life Insurance Company	-		-	2,228,990	4	0.99%
Principal Life Insurance Com Att Willia	-		-	2,109,980	7	0.94%
Metro North Ltd	-		-		8	0.00%
Total	<u>\$ 36,028,860</u>		<u>15.21%</u>	<u>\$ 31,324,360</u>		<u>13.95%</u>

Source: Adams and Weld County Assessors

CITY OF NORTHGLENN, COLORADO

Schedule 10

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Collection Year	Taxes Levied for the Year (1)	Collections (2)	Percentage of Levy (3)
2003	2,604,974	2,558,129	98.20%
2004	2,812,175	2,777,401	98.76%
2005	2,793,971	2,778,244	99.44%
2006	2,910,954	2,882,659	99.03%
2007	2,885,484	2,852,300	98.85%
2008	2,938,883	2,911,999	99.09%
2009	2,908,957	2,858,807	98.28%
2010	2,781,307	2,759,529	99.22%
2011	2,789,189	2,972,443	106.57%
2012	2,809,715	2,973,213	105.82%

Source: Adams and Weld County Assessors

- (1) Taxes are levied on November 1 of the prior year based on the prior year's assessed valuation at January 1.
- (2) Includes general funds.
- (3) Information on outstanding delinquent taxes is not readily available.



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CITY OF NORTHGLENN, COLORADO

SALES TAX COLLECTIONS BY CATEGORY (1) LAST TEN YEARS

Category	2003	2004	2005	2006
Automotive Sales/Supplies/Rentals	\$ 1,315,052	\$ 1,198,040	\$ 1,182,257	\$ 1,166,339
Finance/Insurance/Real Estate/Rental/Leasing	220,851	215,370	169,350	184,441
Food and Beverage Stores (2)	1,440,060	1,377,293	1,219,492	1,095,338
Retail Stores	6,029,490	6,285,304	6,151,296	5,389,375
Arts, Entertainment, and Recreation	183,283	127,206	183,945	191,102
Eating and Drinking Establishments	2,152,902	2,201,787	2,166,596	2,114,772
Lodging (3)	191,776	155,633	130,601	132,538
Manufacturing	97,055	99,665	114,445	114,802
Service Providers and Transportation	1,379,194	1,388,825	1,409,302	1,500,428
Construction and Contractors	146,163	85,785	112,221	95,924
Utilities	893,200	970,066	1,090,895	1,085,118
Wholesale	137,555	156,863	163,701	150,169
Total	<u>\$ 14,186,582</u>	<u>\$ 14,261,837</u>	<u>\$ 14,094,102</u>	<u>\$ 13,220,347</u>
City Direct Sales Tax Rate	4.00%	4.00%	4.00%	4.00%

Source: City of Northglenn Finance Department

(1) Excludes use tax, penalties & interest, and audit recoveries.

(2) Food for home consumption is taxed at 3.5%.

(3) Lodging is taxed at 5.0%.

Schedule 11

2007	2008	2009	2010	2011	2012
\$ 1,271,694	\$ 1,144,405	\$ 1,013,025	\$ 996,803	\$ 873,739.12	\$ 1,017,472.48
189,424	183,938	156,376	152,608	157,223.64	163,757.67
1,001,823	804,098	862,856	806,014	781,939.40	810,630.31
5,750,435	6,080,268	5,680,284	5,777,124	6,233,695.92	6,083,040.04
192,531	202,214	190,660	190,798	198,675.69	262,227.84
2,139,937	2,024,062	1,854,541	1,838,558	1,959,684.94	2,031,746.96
134,271	155,556	114,075	135,757	152,429.94	151,728.96
87,589	98,198	86,685	94,997	75,930.68	83,051.70
1,600,967	1,628,714	1,548,096	1,603,336	1,565,424.95	1,783,006.44
83,465	95,693	62,032	66,064	67,200.14	93,318.03
1,033,420	1,148,720	997,972	1,093,927	1,090,807.80	1,042,735.79
129,909	121,798	143,727	112,913	144,705.66	144,804.55
<u>\$ 13,615,465</u>	<u>\$ 13,687,663</u>	<u>\$ 12,710,330</u>	<u>\$ 12,868,899</u>	<u>13,301,457.88</u>	<u>13,301,457.88</u>
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS**

Year	City Direct Rate (1)	State of Colorado	Adams County	RTD/ SCFD/ FD (2)	Total Sales Tax Rate
2003	4.00%	2.90%	0.70%	0.80%	8.40%
2004	4.00%	2.90%	0.70%	0.80%	8.40%
2005	4.00%	2.90%	0.70%	1.20%	8.80%
2006	4.00%	2.90%	0.70%	1.20%	8.80%
2007	4.00%	2.90%	0.75%	1.20%	8.85%
2008	4.00%	2.90%	0.75%	1.20%	8.85%
2009	4.00%	2.90%	0.75%	1.20%	8.85%
2010	4.00%	2.90%	0.75%	1.20%	8.85%
2011	4.00%	2.90%	0.75%	1.20%	8.85%
2012	4.00%	2.90%	0.75%	1.10%	8.75%

Source: City of Northglenn Finance Department

(1) Sales tax rates for years 2002 and beyond reflect rate of sales tax on everything except food for home consumption. Food for home consumption is taxed at a rate of 3.50% by the City and is not taxed by any other overlapping jurisdiction.

(2) Includes special districts Regional Transportation District (RTD), Science/Cultural Facility District (SCFD), and Football District (FD).



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CITY OF NORTHGLENN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Year	Governmental Activities		Business-Type Activities			Total Primary Government
	Notes Payable	Capital Lease	General Obligation Bonds	Certificates Of Participation	Capital Lease	
2003	1,194,594	1,155,194	24,170,000	13,095,000	425,564	40,040,352
2004	1,070,608	1,473,891	19,630,000	12,645,000	812,767	35,632,266
2005	1,709,678	967,567	14,670,000	12,185,000	612,387	30,144,632
2006	802,763	922,495	9,820,000	11,715,000	1,297,182	24,557,440
2007	658,206	922,513	6,105,000	11,225,000	922,384	19,833,103
2008	506,061	482,628	2,785,000	10,715,000	766,718	15,255,407
2009	345,927	119,227	-	10,185,000	433,561	11,083,715
2010	177,389	-	-	9,625,000	7,590,000	17,392,389
2011	-	-	-	9,035,000	6,163,339	15,198,339
2012	-	-	-	8,420,000	4,705,649	13,125,649

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

Schedule 13

Percentage Of Personal Income	Population	Debt Per Capita
3.668%	37,527	1,067
3.233%	37,176	958
2.699%	36,854	818
2.135%	36,889	666
1.714%	35,827	554
1.321%	35,238	433
0.991%	35,238	315
1.633%	33,563	518
1.348%	33,563	453
0.930%	33,563	391

CITY OF NORTHGLENN, COLORADO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN YEARS

	2003	2004	2005	2006
Debt Applicable to Limitation:				
General Obligation Bonds	\$ 24,170,000	\$ 19,630,000	\$ 14,670,000	\$ 9,820,000
Less: Debt payable from Enterprise Fund revenues				
2004 Utility Refunding	-	(14,830,000)	(13,660,000)	(9,820,000)
1996 Utility Refunding	(8,315,000)	(4,800,000)	(1,010,000)	-
1994 Utility Refunding	(15,855,000)	-	-	-
Total	\$ -	\$ -	\$ -	\$ -
Percentage to estimated actual property value (1)	0.00%	0.00%	0.00%	0.00%
Per capita (2)	-	-	-	-
Total net debt applicable to limit	-	-	-	-
Legal debt limit (3)	57,150,116	70,112,985	70,104,649	72,636,109
Legal debt margin	\$ 57,150,116	\$ 70,112,985	\$ 70,104,649	\$ 72,636,109
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) Property value data can be found in Schedule 7: Taxable assessed value and estimated actual value of taxable property

(2) Population data can be found in Schedule 16

(3) Colorado Revised Statutes 31-15-302 (II) - 3% of Actual Value

Schedule 14

2007	2008	2009	2010	2011	2012
\$ 6,105,000	\$ 2,785,000	\$ -	\$ -	\$ -	\$ -
(6,105,000)	(2,785,000)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-
-	-	-	-	-	-
72,155,025	73,025,316	72,573,229	68,976,966	77,753,445	67,966,949
<u>\$ 72,155,025</u>	<u>\$ 73,025,316</u>	<u>\$ 72,573,229</u>	<u>\$ 68,976,966</u>	<u>\$ 77,753,445</u>	<u>\$ 67,966,949</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF NORTHGLENN, COLORADO

Schedule 15

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2012

Name of Governmental Entity	Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (2)
Direct:			
City of Northglenn	\$ -	100%	\$ -
Overlapping:			
Adams County School District No. 12	306,312,707	0.68%	2,068,720
North Metro Fire Rescue Authority	22,670,000	98.98%	22,439,329
	<u>\$ 328,982,707</u>		<u>\$ 24,508,049</u>

Sources: North Metro Fire Rescue Authority, Adams County School District #12

- (1) Excluding self-supporting general obligation bonds reported in the Enterprise Funds.
- (2) Determined by ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit.
- (3) Although the City has attempted to obtain accurate information as to the outstanding debt of such governmental entities, it does not represent its completeness or accuracy as there is no central reporting entity which has this information available and the statistics are based on information supplied by others. This table, however, should provide a reasonable representation of the overlapping debt which affects the City

CITY OF NORTHGLENN, COLORADO

Schedule 16

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

	(1)		(2)	(1)	(3)	(4)	(4)
	Population	Personal Income	Adams County Per Capita Income	Adams County Median Age	Adams County School Enrollment	Unemployment Rate	Denver Boulder Consumer Price Index
Year							
2003	37,527	1,091,472,795	29,085	33.2	67,903	6.1%	186.8
2004	37,176	1,102,045,344	29,644	33.2	70,694	5.6%	187.0
2005	36,854	1,116,823,616	30,304	32.5	73,348	5.2%	190.9
2006	36,889	1,150,457,243	31,187	32.7	74,157	4.3%	197.7
2007	35,827	1,157,247,927	32,301	32.1	75,780	3.8%	202.0
2008	35,238	1,154,749,260	32,770	32.1	79,253	5.4%	209.9
2009	35,238	1,117,996,026	31,727	32.1	81,645	9.0%	208.6
2010	33,563	1,064,853,301	31,727	32.0	82,252	8.1%	212.4
2011	35,528	1,127,196,856	31,727	32.3	85,951	10.0%	220.3
2012	35,789	1,412,054,995	39,455	32.4	87,096	8.9%	221.5

Sources:

(1) US Census Bureau

(2) Adams County Economic Development

(3) Colorado Department of Education

(4) Bureau of Labor Statistics, Adams County

Note: The City of Northglenn does not rely on one or a few employers for revenue and does not track principal employer information.

Note: The demographic and economic information is not readily available for the City of Northglenn. We have chosen to provide information for Adams County as we feel it is a fair representation of the City of Northglenn's demographic and economic statistical information.



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CITY OF NORTHGLENN, COLORADO

Schedule 17

FULL-TIME EQUIVALENCY BY FUNCTION/PROGRAM LAST EIGHT YEARS

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012
General Government								
City Manager	9.00	3.00	3.00	4.00	4.00	4.00	5.00	5.00
City Clerk	2.00	3.00	3.00	2.00	3.00	3.50	3.50	3.50
Management Services	10.00	14.00	14.00	12.00	11.00	13.75	13.65	13.65
Information Technology	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Finance	14.00	14.00	14.00	14.00	13.00	13.60	13.60	12.60
Planning & Development	6.00	6.00	6.00	20.00	11.00	11.01	10.01	10.00
Parks, Recreation & Culture	22.00	26.00	26.00	25.00	23.00	44.65	45.72	46.11
Public Safety	83.00	87.00	87.00	74.00	77.00	79.00	82.00	82.50
Public Works	12.00	14.00	14.00	13.00	13.00	12.50	15.00	15.00
Water and Environmental Services								
Water/Wastewater	39.00	45.00	45.00	41.00	41.00	41.70	43.80	43.80
Storm Water	5.00	6.00	6.00	5.00	5.00	5.00	1.00	1.00
Sanitation	11.00	13.00	13.00	12.00	12.00	12.20	8.00	8.00
Total	<u>220.00</u>	<u>238.00</u>	<u>238.00</u>	<u>228.00</u>	<u>219.00</u>	<u>246.91</u>	<u>247.28</u>	<u>247.16</u>

Source: City of Northglenn Human Resources Department

Notes:

Includes regular full-time employees as of December 31st.

Information by department not maintained prior to 2003.

A full-time employee is scheduled to work 260 days per year (52 weeks x 5 days per week). At eight hours per day, 2,080 hours are scheduled per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Prior to 2010 only full time employees were recorded.

CITY OF NORTHGLENN, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	2003	2004	2005	2006
Police				
Physical Arrests	2,356	2,643	3,384	3,601
Traffic Violations	5,361	5,944	4,370	11,019
Parking Violations	1,192	846	618	768
Fire (1)				
Number of Fire Personnel & Officers	108	108	108	108
Building Division				
Building Permits Value	10,257,251	9,795,726	9,458,689	7,966,318
Building Permits Issued	1,716	1,579	1,368	459
Refuse Collection				
Refuse collected	23,216	21,792	24,193	15,773
Recyclables collected				
Commingled	100	103	104	104
Newspaper	420	399	375	353
Steel	191	114	120	113
Other Public Works				
Minor Street Repair Materials (tons)	1,590	637	343	485
Street Sweeping (Miles)	1,831	1,237	1,346	1,456
Parks and Recreation				
Athletic Field Rentals	n/a	n/a	104	160
Recreation Center Memberships	n/a	n/a	1,656	2,345
Theatre Admissions	n/a	n/a	7,416	6,879
Park Shelter Rentals	n/a	n/a	512	498
Water				
Number of Service Connections	10,448	10,203	10,220	10,226
Water main breaks	7	2	8	10
Average daily consumption (millions of gallons)	4.633	4.335	4.988	5.262
Peak daily consumption (millions of gallons)	11.070	10.580	12.280	11.340
Wastewater				
Average daily treatment (millions of gallons)	3.753	3.604	3.809	3.548

Sources: Various city departments, unless otherwise noted

(1) North Metro Fire Rescue Authority

Notes: Indicators are not available for the general government function.

n/a : Data unavailable

Schedule 18

2007	2008	2009	2010	2011	2012
3,380	3,323	2,830	1,752	1,494	1,457
10,140	10,654	10,695	12,929	7,226	5,916
1,022	801	933	1,159	555	349
108	108	108	108	108	108
8,518,629	8,975,113	6,657,248	11,681,311	10,740,103	13,234,974
479	453	247	2,016	1,657	1,483
15,978	15,807	15,336	15,250	15,011	14,498
108	147	168	149	295	481
273	294	236	273	541	892
87	58	39	22	27	22
583	916	1,319	974	1,144	349
2,022	2,513	3,199	3,700	2,354	2,134
132	103	105	43	38	40
2,738	3,635	4,417	4,016	4,026	4,041
6,957	4,960	6,314	6,150	6,463	9,620
538	506	512	450	461	627
10,321	10,328	10,331	10,331	10,331	10,304
26	10	6	6	2	5
4.630	4.601	4.074	4.386	4.341	4.621
11.030	10.958	9.432	9.027	9.178	10.902
3.810	3.810	3.834	3.910	3.700	3.030

CITY OF NORTHGLENN, COLORADO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

	2003	2004	2005	2006
Police				
Stations	1	1	1	1
Patrol Units	25	23	24	28
Fire Stations (1)	2	2	2	2
Refuse Collection				
Collection Trucks (Trash & Roll Off)	7	8	8	11
Recycling Collection Stations	2	2	2	2
Other Public Works				
Streets (miles) (2)	105.71	105.71	105.71	105.71
Street Lights	2,004	2,004	2,004	2,004
Parks and Recreation				
Community Centers	1	1	1	1
Parks	25	25	25	25
Developed Acreage	182	182	182	182
Undeveloped Acreage	308	308	312	312
Swimming Pools	2	2	2	2
Tennis Courts	11	9	5	5
Water				
Water Mains (miles)	120.00	120.43	120.43	120.43
Fire Hydrants	965	973	973	973
Storage Capacity (millions of gallons)	7,750,000	7,750,000	7,750,000	7,750,000
Daily Plant Capacity (millions of gallons)	16.00	16.00	16.00	16.00
Wastewater				
Treatment Plants	1	1	1	1
Sanitary Sewer (miles)	138.20	138.20	138.20	138.20
Storm Sewer (miles)	12.35	12.48	12.48	12.48
Treatment Capacity (millions of gallons)	6.50	6.50	6.50	6.50

Sources: Various city departments, unless otherwise noted

(1) North Metro Fire Rescue Authority

(2) CDOT Annual Certification Report

Notes: No capital asset indicators are available for the general government function.

n/a - data unavailable

* The City has not added new storm pipe, however, a more accurate mapping and reporting method are being used.

Thus the change in number of miles

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
22	22	23	25	25	26
2	2	2	2	2	2
8	8	9	7	7	8
2	2	2	2	2	2
104.92	104.92	104.92	104.92	104.92	104.92
2,004	2,011	2,012	2,012	2,012	2,012
1	1	1	1	1	1
25	25	25	25	25	25
182	182	182	182	183	183
312	312	312	312	311	311
2	2	2	2	2	2
5	5	5	5	5	5
120.43	120.43	120.43	182.00	182.00	182.00
973	1,000	1,000	999	999	999
7,750,000	7,750,000	7,750,000	7,725,000	7,725,000	7,725,000
16.00	16.00	16.00	16.00	16.00	16.00
1	1	1	1	1	
138.20	138.20	138.20	138.20	138.20	138.20
12.48	23.00	23.00	23.00	23.00	23.00
6.50	6.50	6.50	6.50	6.50	6.50



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the financial statements 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 Northglenn (the City) as of and for the year ended December 31, 2012, which collectively comprise the City of Northglenn's basic financial statements, and have issued our report thereon dated April 8, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Northglenn's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes..

Johnson and Associates

Centennial, Colorado
April 8, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited City of Northglenn's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Northglenn's major federal programs for the year ended December 31, 2012. City of Northglenn's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Northglenn's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Northglenn complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of City of Northglenn is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Northglenn's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Johnson and Associates

Centennial, Colorado
April 8, 2013

CITY OF NORTHGLENN, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2012

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes x No
- Reportable conditions identified that are not considered to be material weaknesses? _____ Yes x No

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes x No
- Reportable conditions identified that are not considered to be material weaknesses? _____ Yes x No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in Accordance with Section 510(a) of Circular A-133? _____ Yes x No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant

Dollar threshold used to distinguish
Between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? x Yes _____ No

CITY OF NORTHGLENN, COLORADO
SCHEDULE OF PRIOR YEAR FINDINGS
Year ended December 31, 2012

Part II – Findings Related to Financial Statements

There were no findings required to be reported under *Government Auditing Standards*.

Part III – Findings Related to Federal Awards

There were no findings required to be reported under *Government Auditing Standards*.

Part IV – Clearance of Prior Findings Related to Federal Awards

There were no prior uncleared findings.

CITY OF NORTHGLENN, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2012

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Accrued/ (Deferred) Revenue 01/01/12	Receipts	Disbursements/ Expenditures	Accrued/ (Deferred) Revenue 12/30/12
U.S. Department of Housing and Urban Development					
Passed-through Adams County:					
Community Development Block Grant	14.218	\$ -	\$ 113,296	\$ 156,223	\$ 42,927
Community Development Block Grant	14.218	-	-	300,000	300,000
Total Department of Housing and Urban Development		-	113,296	456,223	342,927
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	-	4,014	8,868	4,853
Edward Byrne Memorial Justice Assistance Grant	16.738	-	853	946	93
Edward Byrne Memorial Justice Assistance Grant	16.738	-	11,918	13,722	1,804
Edward Byrne Memorial Justice Assistance Grant	16.738	-	-	11,365	11,365
Public Safety Partnership and Community Policing Grant	16.710	-	134,057	186,659	52,602
Total Department of Justice		-	150,842	221,559	70,716
Total Federal Assistance		\$ -	\$ 264,138	\$ 677,782	\$ 413,643

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Northglenn
		YEAR ENDING :
This Information From The Records Of (example - City of _ or County of _)		Prepared By:
City of Northglenn		Phone:
		Jessica Clanton
		303.450.8719

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,355,023
3. Other local imposts (from page 2)	1,830,826
4. Miscellaneous local receipts (from page 2)	703,986
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	3,889,835
B. Private Contributions	
C. Receipts from State government (from page 2)	1,062,940
D. Receipts from Federal Government (from page 2)	41,766
E. Total receipts (A.7 + B + C + D)	4,994,540

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,599,733
2. Maintenance:	714,312
3. Road and street services:	
a. Traffic control operations	17,858
b. Snow and ice removal	85,984
c. Other	
d. Total (a. through c.)	103,842
4. General administration & miscellaneous	265,722
5. Highway law enforcement and safety	2,310,932
6. Total (1 through 5)	4,994,540
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	4,994,540

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		4,994,540	4,994,540		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2012	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	955,947	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	683,201
1. Sales Taxes	722,557	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	20,785
5. Specific Ownership &/or Other	152,322	g. Other Misc. Receipts	
6. Total (1. through 5.)	874,879	h. Other	
c. Total (a. + b.)	1,830,826	i. Total (a. through h.)	703,986
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	951,483	1. FHWA (from Item I.D.5.)	41,766
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	111,457	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	111,457	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,062,940	3. Total (1. + 2.g)	41,766
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		369,517	369,517
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		437,967	437,967
(4). System Enhancement & Operation		792,249	792,249
(5). Total Construction (1) + (2) + (3) + (4)	0	1,230,216	1,230,216
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,599,733	1,599,733
			(Carry forward to page 1)

Notes and Comments: