


**FINANCE MEMORANDUM**  
**#17-07**

**DATE:** June 12, 2017

**TO:** Honorable Mayor Joyce Downing and City Council Members

**FROM:** James A. Hayes, AICP, City Manager   
Jason Loveland, Director of Finance

**SUBJECT:** CR-65 - Acceptance of the 2016 audit of the Comprehensive Annual Financial Report

**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 8.14 of the City Charter states, an independent audit shall be made of all City accounts at least annually. To that end, the City has obtained the services of RSM US LLP, a licensed independent auditor, to evaluate and provide an opinion on the 2016 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 2016 Comprehensive Annual Financial Report, which has received an unqualified opinion from RSM US LLP. Such an opinion indicates that the City's financial statements are fairly presented, in all material aspects.

In accordance with professional standards, and as part of the 2016 independent financial audit, RSM US LLP has submitted the enclosed management letter.

**STAFF REFERENCE:**

If Councilmembers have any comments or questions, please contact Jason Loveland at [jloveland@northglenn.org](mailto:jloveland@northglenn.org) or at 303-450-8817.



## Independent Auditor's Report

RSM US LLP

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Northglenn, Colorado (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity'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, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Northglenn, Colorado, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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AUDIT | TAX | CONSULTING

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedule of funding progress, and budgetary comparison 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, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections and other schedules, as listed in the table of contents 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 it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2017 on our consideration of the City of Northglenn, Colorado'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 the City of Northglenn, Colorado's internal control over financial reporting and compliance.

*RSM US LLP*

Denver, Colorado  
May 11, 2017

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-65  
Series of 2017

\_\_\_\_\_  
Series of 2017

A RESOLUTION ACCEPTING THE AUDIT OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE CITY OF NORTHGLENN FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016 has been audited by the independent audit firm of RSM US LLP 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 \_\_\_\_\_, 2017.

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney



# 2016 CAFR

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**Comprehensive Annual Financial Report**

Year Ended December 31, 2016





**CITY OF NORTHGLENN, COLORADO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended December 31, 2016**

**Prepared by:  
Finance Department**



# CITY OF NORTHGLENN, COLORADO

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**CITY OF NORTHGLENN, COLORADO**

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CITY OF  
**Northglenn**

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

May 12, 2017

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, 2016 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 RSM US LLP, 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, 2016 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2016 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 39,089. 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 950 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 2.77% comparable with the increase in the national index of 2.07% for all urban consumers for the twelve months ending December 31, 2016. Adams County, Colorado reported an unemployment rate of 3.0% in December 2016 compared to 3.6% reported in 2015. Local area unemployment is below that of the nation as a whole, which reported an ending 2016 unemployment rate of 3.1%.

### **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 began to be developed into a large retail/restaurant center in 2013, with the full development being completed in summer of 2015. Near the 120<sup>th</sup> development, on Community Center Drive, a hospital and medical office complex opened in January 2017. In addition, two future mass-transit light rail stations are planned in or near Northglenn as part of the Regional Transportation District's (RTD) FasTracks program. The first station is planned to be built on vacant property between Irma and York Street on E. 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 2013, voters approved the continuation of a one-half percent sales tax dedicated for the procurement of water rights until December 31, 2025. The voters approved the 10-year extension of a 4.000 mill property tax for the exclusive purposes of reconstructing streets and roadways in 2009. In 2015, voters approved the extension of a one-half percent sales tax with a spending restriction for purposes of funding capital improvement projects that does not sunset. 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, 2011, 2014 and again in 2015. A rate study will be completed in 2017 with plans to implement the results in 2018.

*Debt Administration.* As of December 31, 2016, 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.

The City issued Certificates of Participation in April 2017 in the amount of \$19,325,000. Standard & Poor's issued a credit rating of AA- on the project, which is the Northglenn Justice Center that will be home to the Police Department and Municipal Courts functions.

In January 2013, the Northglenn Capital Leasing Corporation (NCLC), a blended component unit of the City, completed an advanced refunding of its Series 2002A Certificates of Participation (Certificates) in the amount of \$8,795,000. At December of 2016, the 2013 Lease Purchase Agreement was outstanding in the amount of \$5,465,000. 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 \$978,000 per year and are scheduled to continue through 2022. The lease is the long-term obligation of NCLC and does not constitute a general obligation or other indebtedness to the City. The lease was used to fund construction costs related to the Standley Lake Dam Improvement Project.

*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.

### **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 \$1,000,000.

*E. 112<sup>th</sup> Avenue Expansion Project* – In 2015, the City was near completion of this significant street expansion project. The roadway expansion is needed to accommodate projected increases in traffic that will come with the regional transit stop being constructed by RTD on 112<sup>th</sup>. This project was completed in spring of 2016.

*Wastewater Treatment Headworks and Clarifier* – In 2015, the City continued design work on a significant improvement to the Wastewater Treatment processing facility. The project will update the facility to meet current standards. The project design and construction is expected to run into 2017 at an estimated cost of \$13 million.

*Justice Center* – In 2015, design and engineering efforts began on a new Police and Courts facility. The current facilities underwent a space needs assessment and it was determined that a new facility was needed. The project's construction is expected to begin in the spring of 2017. The project budget is \$23 million.

*½% Sales/Use Tax Extension* – During the 2015 election, the City placed a question on the ballot to remove the sunset provision of the Capital Improvement Funds ½% Sales/Use, restricted for city facilities and infrastructure. The question was approved by voters, eliminating the sunset provision. The tax generates approximately \$2.7 million annually. The City has completed a master plan of its civic campus. During 2017, the City will be evaluating the implementation strategy the master plan. The plan calls for a new recreation center and theater complex, as well as, a new city hall. This tax revenue is a key component in funding the plan.

### **Awards and Acknowledgments**

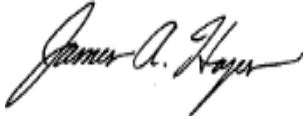
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2015 using Governmental Accounting Standards Board 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

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,



James A. Hayes, AICP  
City Manager



Jason Loveland  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Northglenn  
Colorado**

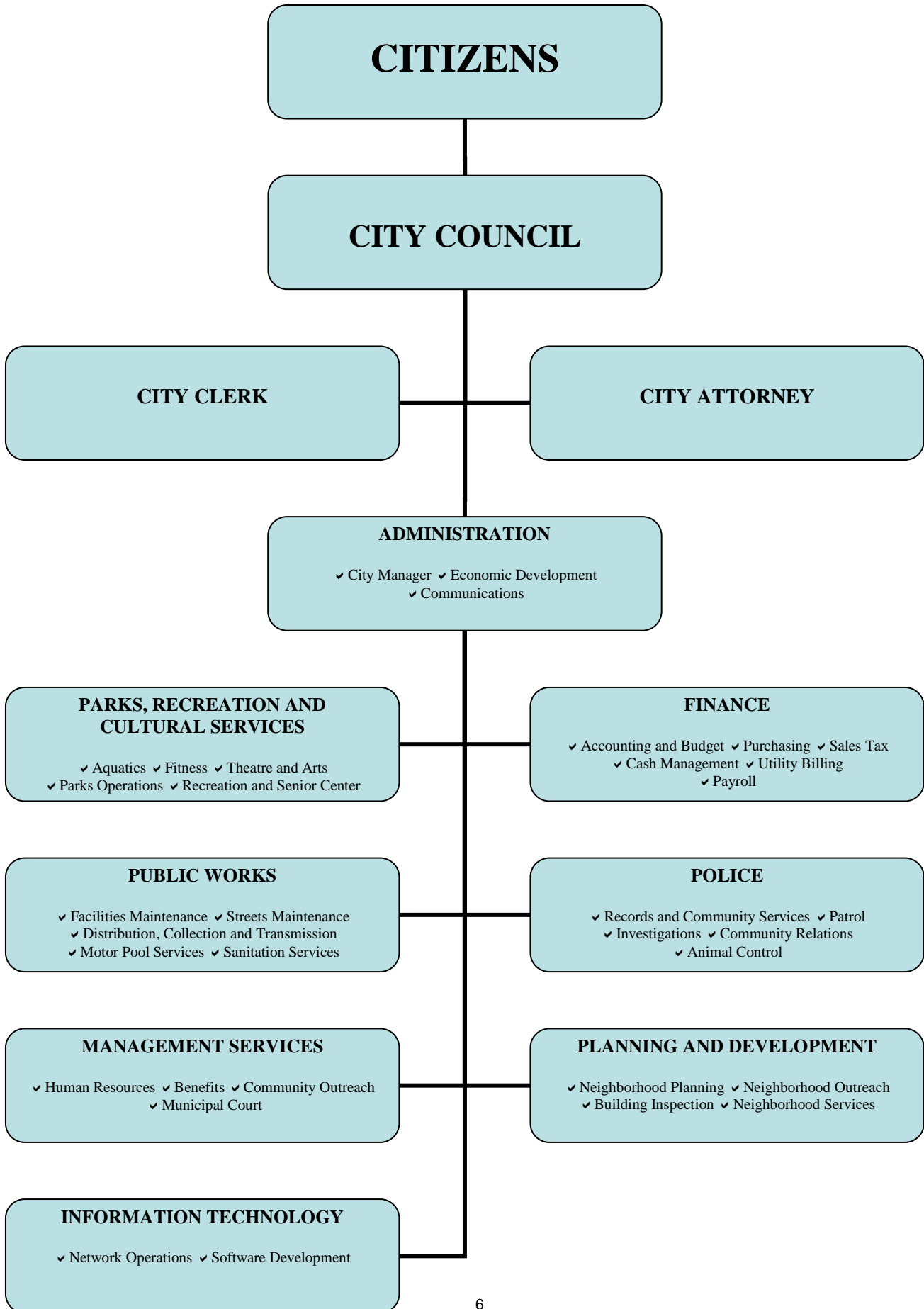
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO



# CITY OF NORTHGLENN - ORGANIZATIONAL STRUCTURE





**CITY OF NORTHGLENN, COLORADO**

**CITY COUNCIL**

**Joyce Downing, Mayor**

**Carol Dodge, Ward 1**

**Jordan Sauers, Ward 1**

**Becky Brown, Ward 2**

**Joe Brown, Ward 2**

**Kyle Mullica, Ward 3**

**Marci Whitman, Ward 3**

**Antonio Esquibel, Ward 4**

**Kim Snetzinger, Ward 4**

**ADMINISTRATIVE OFFICIALS**

**James A. Hayes, AICP, City Manager**

**Corey Hoffmann, City Attorney**

**Johanna Small, City Clerk**

**Paula Jensen, Director of Management Services**

**Bob Lehr, Director of Information Technology**

**Jason Loveland, Director of Finance**

**James May, Chief of Police**

**Amanda Peterson, Director of Parks & Recreation**

**Brook Svoboda, Director of Planning and Development**

**David Willett, Director of Public Works and Utilities**



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## Independent Auditor's Report

RSM US LLP

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

### Report on the Financial Statements

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### 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. 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, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Northglenn, Colorado, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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, schedule of funding progress, and budgetary comparison 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, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections and other schedules, as listed in the table of contents 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 it.

*RSM US LLP*

Denver, Colorado

May 11, 2017

# CITY OF NORTHGLENN, COLORADO

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## MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2016

---

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, 2016. 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 and deferred outflows of the City of Northglenn exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$258,938,132 (net position). Of this amount, \$48,645,782 (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 \$10,284,464 over the prior year.
- At the end of the current fiscal year, fund balance within the governmental funds was \$39,480,803, which represents an increase of \$6,783,258 when compared to 2015. Approximately 60% of the fund balance, or \$23,811,953 is unrestricted.

### 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, 2016

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

	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
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

# CITY OF NORTHGLENN, COLORADO

## MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2016

### 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, liabilities and deferred outflows/inflows of resources. 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/deferred outflows and liabilities/deferred inflows – 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).

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 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.



# CITY OF NORTHGLENN, COLORADO

## MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2016

### 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 \$258,938,132 at the close of the most recent fiscal year.

The largest portion of the City of Northglenn's net position (79%) 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.

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

	Governmental		Business-type		Total	
	2015	2016	2015	2016	2015	2016
Current and Other Assets	\$ 38,219	\$ 44,123	\$ 21,146	\$ 19,812	\$ 59,365	\$ 63,935
Capital Assets	86,060	85,788	118,237	123,688	204,297	209,476
Total Assets	<u>124,279</u>	<u>129,911</u>	<u>139,383</u>	<u>143,500</u>	<u>263,662</u>	<u>273,411</u>
Deferred Outflow of Resources	-	-	300	262	300	262
Long-term Debt	2,025	2,054	6,929	6,062	8,954	8,116
Other Liabilities	2,039	1,498	1,181	2,017	3,220	3,515
Total Liabilities	<u>4,064</u>	<u>3,552</u>	<u>8,110</u>	<u>8,079</u>	<u>12,174</u>	<u>11,631</u>
Deferred Inflow of Resources	3,134	3,105	-	-	3,134	3,105
Total Deferred Inflow of Resources	<u>3,134</u>	<u>3,105</u>	<u>-</u>	<u>-</u>	<u>3,134</u>	<u>3,105</u>
Net Investment in						
Capital Assets	86,060	85,788	112,222	118,486	198,282	204,274
Restricted	1,511	1,860	1,738	4,157	3,249	6,017
Unrestricted	29,510	35,606	17,613	13,040	47,123	48,646
Total Net Position	<u>\$ 117,081</u>	<u>\$ 123,254</u>	<u>\$ 131,573</u>	<u>\$ 135,683</u>	<u>\$ 248,654</u>	<u>\$ 258,937</u>

### Changes in Net Position

**Governmental Activities.** Governmental activities increased the City of Northglenn's net position by \$6,173,144. Most of the increase in governmental net position was the result of an accumulation of the one-half percent and marijuana sales tax revenue in the Capital Project Fund which are planned for future capital projects.

**Business-type Activities.** Business-type activities increased the City's net position by \$4,111,320. This increase is due to the \$13 million capital investments in Wastewater infrastructure

# CITY OF NORTHGLENN, COLORADO

## MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2016

### Changes In Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 4,465	\$ 4,259	\$ 12,271	\$ 13,143	\$ 16,736	\$ 17,402
Operating Grants and Contributions	512	574	-	-	512	574
Capital Grants and Contributions	3,644	4,805	-	-	3,644	4,805
<b>General Revenues:</b>						
Property Taxes	2,749	3,126	-	-	2,749	3,126
Other Taxes	19,234	19,882	3,562	3,655	22,796	23,537
Franchise Fees	63	64	-	-	63	64
Unrestricted to Specific Programs	235	151	-	-	235	151
Investment Earnings	137	189	88	107	225	296
Other	100	190	142	18	242	208
Gain on Sale of Assets	490	318	68	88	558	406
<b>Total Revenues</b>	<b>31,629</b>	<b>33,558</b>	<b>16,131</b>	<b>17,011</b>	<b>47,760</b>	<b>50,569</b>
<b>Expenses</b>						
General Government	6,875	7,015	-	-	6,875	7,015
Recreation and Culture	4,549	4,691	-	-	4,549	4,691
Public Safety	8,687	9,008	-	-	8,687	9,008
Public Works	6,635	6,671	12,736	12,901	19,371	19,572
<b>Total Expenses</b>	<b>26,746</b>	<b>27,385</b>	<b>12,736</b>	<b>12,901</b>	<b>39,482</b>	<b>40,286</b>
Increase in Net Position	4,883	6,173	3,395	4,110	8,278	10,283
Net Position 12/31/15	112,198	117,081	128,178	131,573	240,376	248,654
Net Position 12/31/16	<u>\$117,081</u>	<u>\$123,254</u>	<u>\$131,573</u>	<u>\$135,683</u>	<u>\$248,654</u>	<u>\$258,937</u>

### 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, unassigned 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 \$39,480,803. Of that fund balance, \$23,811,953 constitutes unrestricted fund balance, which is available for spending at the government's discretion. Of the total

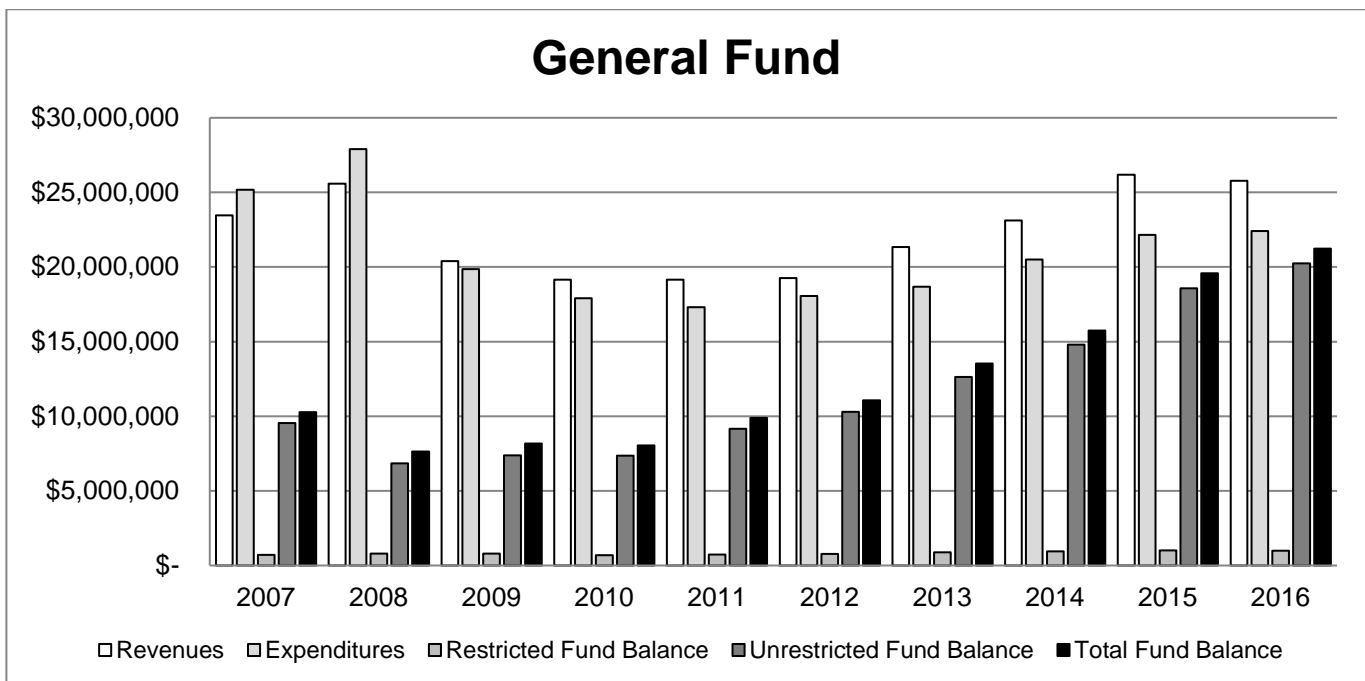
# CITY OF NORTHGLENN, COLORADO

## MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2016

fund balance, \$46,925 has been restricted for law enforcement use, \$712,403 has been restricted for a state constitution mandated emergency reserve, \$1,148,068 has been restricted for parks and open space purposes, and an additional \$13,697,714 has been restricted for capital projects. The remainder of fund balance is not available for new spending because it has already been restricted for inventories and prepaid items in the amount of \$63,740.

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 \$20,415,400 while total fund balance reached \$21,238,468. The fund balance represents an increase of 8.5% or \$1,658,764 when compared to the prior year. The increase in fund balance is attributable to an increase in revenue over budget estimates (sales tax and sale of asset proceeds) 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 91% of total 2016 general fund expenditures, which includes capital outlay, while total fund balance represents 95% of that same amount.

The capital projects fund accounts for all governmental capital improvement projects of the City. As of 2016, total fund balance in the capital projects fund was \$17,094,267. Of the total fund balance \$3,396,553 is committed for specific capital-related uses (e.g. streets, recreation, etc.) while \$13,697,714 remains restricted for general capital uses. The total fund balance represents an increase of 39% or \$4,756,448 when compared to the prior year. The increase in fund balance is attributable to a planned accumulation of capital-related projects.



**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 \$129,800,125, and \$3,286,432 respectively. Net position for the sanitation fund amounted to \$2,597,351. Total change in net position for all three funds was \$4,111,320. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's Business-type activities.

# CITY OF NORTHGLENN, COLORADO

## MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2016

### General Fund Budgetary Highlights

During the year, the changes to the 2016 original budget appropriation were in the form of grant acceptances where revenue equaled expenditures and a land purchase. These items were not budgeted during the budget process and added by the legislative body to the budget throughout the year.

Revenues were within 2.3% of budget. The largest revenue, sales and use tax, was ahead of projections by 2.8%. Fines and Forfeit revenue was down over 25% due to a large reduction in traffic tickets written.

Actual expenditures of \$22,415,560 fell below budget appropriations by \$1,005,028 or 4%. The variance is due to a delay in completing several one-time studies, an EPA grant, and savings in motor vehicle fuel with lower than expected rates for the year.

### 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, 2016 amounted to \$209,476,612 (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 increase in the City of Northglenn's investment in capital assets for the current fiscal year was \$5,179,456.

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

- \$420,304 expended for Land Purchase.
- \$625,518 to complete the roadway improvements on 112<sup>th</sup> Ave.
- \$979,555 for Justice Center work (Construction in Progress).
- \$760,886 for residential street improvements.
- \$6,413,696 for Wastewater infrastructure improvements (Construction in Progress).

### Capital Assets (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Water Rights	\$ -	\$ -	\$ 59,374	\$ 59,374	\$ 59,374	\$ 59,374
Land and Improvements	4,295	4,705	808	808	5,103	5,513
Construction in Progress	5,581	1,511	1,177	7,258	6,758	8,769
Works of Art	356	376	-	-	356	376
Infrastructure and Improvements	110,450	119,015	116,487	117,373	226,937	236,388
Buildings and Improvements	11,703	11,837	21,159	21,159	32,862	32,996
Machinery and Equipment	6,140	6,382	6,204	6,816	12,344	13,198
Accumulated Depreciation	(52,463)	(58,038)	(86,972)	(89,100)	(139,435)	(147,138)
Total Capital Assets	<u>\$ 86,062</u>	<u>\$ 85,788</u>	<u>\$ 118,237</u>	<u>\$ 123,688</u>	<u>\$ 204,299</u>	<u>\$ 209,476</u>

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

# CITY OF NORTHGLENN, COLORADO

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## MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2016

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**Long-Term Debt.** As of December 31, 2016, the City has no general obligation bonded debt outstanding.

The City of Northglenn's long-term obligations decreased by \$839,461. The reduction is the result of scheduled debt service payments.

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 2017 fiscal year.

- The unemployment rate for Adams County as of December 31, 2016 was 3.0%. City unemployment was at 3.1%.
- In 2016, sales and use tax collections had moderate increases of 2.8% when compared to the prior year. For the 2017 budget, an inflationary factor was given to revenue growth of approximately 2%.
- 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. The budget did not contemplate using unassigned reserves as the City continues to evaluate the best investment of the excess reserves.
- 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 over \$2.5 million in 2016. Plans for this tax include an investment to the City's parks, recreation facilities, and City Hall.

### **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, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Urban Renewal Authority	Church Ditch Water Authority
<b>ASSETS</b>					
Cash & Investments	\$ 37,523,230	\$ 13,771,225	\$ 51,294,455	\$ 8,774,791	\$ 1,278,648
Receivables, Net of Allowances	6,535,578	1,822,157	8,357,735	2,577,922	25,754
Inventories	26,735	256,959	283,694	-	-
Deposits and Prepaids	37,005	143,406	180,411	-	-
Property Held for Sale	-	-	-	1,575,796	-
Cash & Investments, restricted	-	3,818,233	3,818,233	-	-
Capital Assets, Non Depreciable	6,592,322	67,439,659	74,031,981	295,594	817,723
Capital Assets, Net	79,195,903	56,248,728	135,444,631	-	2,444,363
Total Assets	<u>129,910,773</u>	<u>143,500,367</u>	<u>273,411,140</u>	<u>13,224,103</u>	<u>4,566,488</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding	-	262,500	262,500	-	-
<b>LIABILITIES</b>					
Accounts Payable	873,141	1,557,959	2,431,100	84,207	106,110
Retainages Payable	-	292,327	292,327	-	-
Accrued Liabilities	310,521	142,661	453,182	-	392
Unearned Revenue	60,930	-	60,930	53,279	64,414
Deposits Payable	253,688	15,187	268,875	-	132,506
Accrued Interest Payable	-	9,208	9,208	-	-
<b>Noncurrent Liabilities:</b>					
Due Within One Year	1,000,000	1,319,500	2,319,500	-	5,796
Due After One Year	1,053,532	4,742,117	5,795,649	-	219,301
Total Liabilities	<u>3,551,812</u>	<u>8,078,959</u>	<u>11,630,771</u>	<u>137,486</u>	<u>528,519</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	3,104,737	-	3,104,737	2,577,922	-
<b>NET POSITION</b>					
Net Investment in Capital Assets	85,788,225	118,485,887	204,274,112	295,594	1,518,495
Net Investment in Capital Assets - Minority Equity Interest, nonexpendable	-	-	-	-	1,518,495
<b>Restricted for:</b>					
Emergency-Tabor	712,403	339,534	1,051,937	-	-
Water Rights	-	3,730,356	3,730,356	-	-
Debt	-	87,877	87,877	-	-
Parks & Open Space	1,148,068	-	1,148,068	-	-
Minority Equity Interest, nonexpendable	-	-	-	-	500,489
Unrestricted	35,605,528	13,040,254	48,645,782	10,213,101	500,490
Total Net Position	<u>\$ 123,254,224</u>	<u>\$ 135,683,908</u>	<u>\$ 258,938,132</u>	<u>\$ 10,508,695</u>	<u>\$ 4,037,969</u>

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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 7,014,984	\$ 1,594,496	\$ 250,000	\$ 1,738,443
Recreation and Culture	4,690,956	1,180,494	-	852,912
Public Safety	9,007,976	1,484,133	196,229	21,253
Public Works	6,671,524	-	127,524	2,192,823
Total Governmental Activities:	<u>27,385,440</u>	<u>4,259,123</u>	<u>573,753</u>	<u>4,805,431</u>
Business-type Activities:				
Water and Wastewater	11,225,967	11,206,334	-	-
Stormwater	196,710	476,152	-	-
Sanitation	1,477,851	1,460,563	-	-
Total Business-Type Activities:	<u>12,900,528</u>	<u>13,143,049</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 40,285,968</u>	<u>\$ 17,402,172</u>	<u>\$ 573,753</u>	<u>\$ 4,805,431</u>
<b>Component Units:</b>				
Urban Renewal Authority	\$ 2,263,318	-	\$ -	\$ -
Church Ditch Water Authority	647,915	858,874	-	-
<b>Total Component Units</b>	<u>\$ 2,911,233</u>	<u>\$ 858,874</u>	<u>\$ -</u>	<u>\$ -</u>

### 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
- Investment Earnings
- Miscellaneous
- Gain On Sale of Assets
- Total General Revenues

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	Church
Governmental	Business-type	Total	Renewal	Ditch Water
Activities	Activities		Authority	Authority
\$ (3,432,045)	\$ -	\$ (3,432,045)	\$ -	\$ -
(2,657,550)	-	(2,657,550)	-	-
(7,306,361)	-	(7,306,361)	-	-
(4,351,177)	-	(4,351,177)	-	-
<u>(17,747,133)</u>	<u>-</u>	<u>(17,747,133)</u>	<u>-</u>	<u>-</u>
-	(19,633)	(19,633)	-	-
-	279,442	279,442	-	-
-	(17,288)	(17,288)	-	-
-	242,521	242,521	-	-
<u>\$ (17,747,133)</u>	<u>\$ 242,521</u>	<u>\$ (17,504,612)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (2,263,318)	\$ -
-	-	-	-	210,959
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,263,318)</u>	<u>\$ 210,959</u>
2,048,604	-	2,048,604	2,348,504	-
1,077,002	-	1,077,002	-	-
19,882,073	-	19,882,073	-	-
-	2,689,932	2,689,932	-	-
-	966,488	966,488	-	-
63,840	-	63,840	-	-
151,044	-	151,044	-	-
189,370	106,701	296,071	36,774	176
190,374	17,745	208,119	275	-
317,970	87,933	405,903	-	67,843
<u>23,920,277</u>	<u>3,868,799</u>	<u>27,789,076</u>	<u>2,385,553</u>	<u>68,019</u>
6,173,144	4,111,320	10,284,464	122,235	278,978
117,081,080	131,572,588	248,653,668	10,386,460	3,758,991
<u>\$ 123,254,224</u>	<u>\$ 135,683,908</u>	<u>\$ 258,938,132</u>	<u>\$ 10,508,695</u>	<u>\$ 4,037,969</u>



# CITY OF NORTHGLENN, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2016

	General	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash & Investments	\$ 19,625,717	\$ 16,752,782	\$ 1,144,731	\$ 37,523,230
Receivables, Net of Allowances	4,605,656	1,926,585	3,337	6,535,578
Inventories	26,735	-	-	26,735
Deposits and Prepaids	37,005	-	-	37,005
Total Assets	<u>\$ 24,295,113</u>	<u>\$ 18,679,367</u>	<u>\$ 1,148,068</u>	<u>\$ 44,122,548</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 621,917	\$ 251,224	\$ -	\$ 873,141
Accrued Liabilities	310,521	-	-	310,521
Unearned Revenue	60,930	-	-	60,930
Deposits Payable	13,688	240,000	-	253,688
Total Liabilities	<u>1,007,056</u>	<u>491,224</u>	<u>-</u>	<u>1,498,280</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	2,033,861	1,070,876	-	3,104,737
Unavailable Revenue - Intergovernmental	15,728	23,000	-	38,728
Total Deferred Revenue	<u>2,049,589</u>	<u>1,093,876</u>	<u>-</u>	<u>3,143,465</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	26,735	-	-	26,735
Deposits and Prepaids	37,005	-	-	37,005
Restricted:				
Emergency	712,403	-	-	712,403
Forfeiture Funds	46,925	-	-	46,925
Capital Improvements	-	13,697,714	-	13,697,714
Parks & Recreation	-	-	1,148,068	1,148,068
Committed:				
VALE Funds	164,210	-	-	164,210
Capital Improvements	-	3,396,553	-	3,396,553
Unassigned	20,251,190	-	-	20,251,190
Total Fund Balances	<u>21,238,468</u>	<u>17,094,267</u>	<u>1,148,068</u>	<u>39,480,803</u>
Total Liabilities and Fund Balances	<u>\$ 24,295,113</u>	<u>\$ 18,679,367</u>	<u>\$ 1,148,068</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.	85,788,225
Other long-term assets are not available to pay for current-period expenditures and, therefore, are a deferred inflow of resources in the funds.	38,728
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.	(2,053,532)
Net position of governmental activities	<u>\$ 123,254,224</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, 2016

	General	Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>				
Taxes-Property, Sales, Use & Other	\$ 18,767,774	\$ 4,303,745	\$ -	\$ 23,071,519
Intergovernmental	2,162,132	1,600,840	444,110	4,207,082
Licenses and Permits	697,955	-	-	697,955
Charges for Services	2,580,488	-	-	2,580,488
Fines and Forfeitures	980,680	-	-	980,680
Investment Earnings	108,870	75,580	4,920	189,370
Miscellaneous	148,871	41,503	-	190,374
<b>Total Revenues</b>	<u>25,446,770</u>	<u>6,021,668</u>	<u>449,030</u>	<u>31,917,468</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	6,685,674	-	-	6,685,674
Recreation and Culture	3,757,864	-	-	3,757,864
Public Safety	8,762,452	-	-	8,762,452
Public Works	2,378,027	9,257	-	2,387,284
Capital Outlay	831,543	2,955,963	80,984	3,868,490
<b>Total Expenditures</b>	<u>22,415,560</u>	<u>2,965,220</u>	<u>80,984</u>	<u>25,461,764</u>
<b>Excess of Revenues Over Expenditures</b>	<u>3,031,210</u>	<u>3,056,448</u>	<u>368,046</u>	<u>6,455,704</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers Out	(1,700,000)	-	-	(1,700,000)
Transfers In	-	1,700,000	-	1,700,000
Sales of Capital Assets	327,554	-	-	327,554
<b>Total Other Financing Sources and (Uses)</b>	<u>(1,372,446)</u>	<u>1,700,000</u>	<u>-</u>	<u>327,554</u>
Net Change in Fund Balance	1,658,764	4,756,448	368,046	6,783,258
Fund Balance-Beginning	19,579,704	12,337,819	780,022	32,697,545
Fund Balance-Ending	<u>\$ 21,238,468</u>	<u>\$ 17,094,267</u>	<u>\$ 1,148,068</u>	<u>\$ 39,480,803</u>

### Reconciliation to statement of activities, change in net position:

Net Change in Fund Balance	6,783,258
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.	(262,729)
The net effect of miscellaneous transactions involving capital assets (i.e. sales and disposals).	(9,584)
Revenues in the statement of activities that do not provide current financial resources are not as revenue in the funds.	(309,662)
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.	(28,139)
Change in Net Position of Governmental Activities	<u>\$ 6,173,144</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, 2016

	Business-Type Activities Enterprise Funds		Total
	Water and Wastewater	Nonmajor Enterprise Funds	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash & Investments	\$ 11,454,456	\$ 2,316,769	\$ 13,771,225
Receivables, Net of Allowances	1,581,773	240,384	1,822,157
Inventories	226,005	30,954	256,959
Deposits and Prepaids	50,611	92,795	143,406
Total Current Assets	13,312,845	2,680,902	15,993,747
<b>Noncurrent Assets:</b>			
Cash & Investments, restricted	3,818,233	-	3,818,233
<b>Capital Assets, Non Depreciable:</b>			
Water Rights	59,373,713	-	59,373,713
Land and Improvements	807,815	-	807,815
Construction In Progress	7,258,131	-	7,258,131
<b>Capital Assets, Depreciable:</b>			
Infrastructure and Improvements	114,865,258	2,508,042	117,373,300
Buildings and Improvements	21,099,375	60,179	21,159,554
Machinery and Equipment	4,416,722	2,399,027	6,815,749
Less Accumulated Depreciation	(87,526,825)	(1,573,050)	(89,099,875)
Total Noncurrent Assets	124,112,422	3,394,198	127,506,620
Total Assets	137,425,267	6,075,100	143,500,367
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	262,500	-	262,500
<b>Current Liabilities:</b>			
Accounts Payable	1,550,020	7,939	1,557,959
Retainages Payable	292,327	-	292,327
Accrued Liabilities	119,277	23,384	142,661
Deposits Payable	15,187	-	15,187
Accrued Interest Payable	9,208	-	9,208
Long-Term Liabilities, Due Within One Year	1,235,000	84,500	1,319,500
<b>Total Current Liabilities</b>	3,221,019	115,823	3,336,842
<b>Noncurrent Liabilities:</b>			
Long-term Liabilities	4,666,623	75,494	4,742,117
Total Noncurrent Liabilities	4,666,623	75,494	4,742,117
<b>Total Liabilities</b>	7,887,642	191,317	8,078,959
<b>NET POSITION</b>			
Net Investment in Capital Assets	115,091,689	3,394,198	118,485,887
Restricted for Emergency-Tabor	339,534	-	339,534
Restricted for Water Rights	3,730,356	-	3,730,356
Restricted for Debt	87,877	-	87,877
Unrestricted	10,550,669	2,489,585	13,040,254
Total Net Position	\$ 129,800,125	\$ 5,883,783	\$ 135,683,908

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, 2016

	Business-type Activities		Total
	Enterprise Funds		
	Water and Wastewater	Nonmajor Enterprise Funds	
<b>Operating Revenues:</b>			
Charges for Services	\$ 11,206,334	\$ 1,936,715	\$ 13,143,049
Other Operating Revenue	17,745	-	17,745
<b>Total Operating Revenues</b>	<b>11,224,079</b>	<b>1,936,715</b>	<b>13,160,794</b>
<b>Operating Expenses:</b>			
Administration	1,480,587	43,204	1,523,791
Facilities	192,367	-	192,367
Fleet	79,398	131,478	210,876
Streets	-	17,645	17,645
Engineering	662,612	-	662,612
Water Operations	1,123,400	-	1,123,400
Lab Operations	507,654	-	507,654
Electrical and Mechanical	472,371	-	472,371
Distribution and Collection	1,362,025	-	1,362,025
Water Resources Operations	1,056,749	-	1,056,749
Wastewater Operations	1,801,951	-	1,801,951
Industrial Pre-Treatment	73,604	-	73,604
Stormwater Operations	-	96,330	96,330
Sanitation Operations	-	998,443	998,443
Depreciation	2,247,724	387,461	2,635,185
<b>Total Operating Expenses</b>	<b>11,060,442</b>	<b>1,674,561</b>	<b>12,735,003</b>
<b>Operating Income</b>	<b>163,637</b>	<b>262,154</b>	<b>425,791</b>
<b>Nonoperating Revenues(Expenses):</b>			
Investment Earnings	93,717	12,984	106,701
Taxes-Sales/Use	3,656,420	-	3,656,420
Gain on Sale of Capital Assets	-	87,933	87,933
Interest and Amortization Expense	(165,525)	-	(165,525)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>3,584,612</b>	<b>100,917</b>	<b>3,685,529</b>
<b>Change In Net Position</b>	<b>3,748,249</b>	<b>363,071</b>	<b>4,111,320</b>
Total Net Position-Beginning	126,051,876	5,520,712	131,572,588
Total Net Position-Ending	<b>\$ 129,800,125</b>	<b>\$ 5,883,783</b>	<b>\$ 135,683,908</b>

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

# CITY OF NORTHGLENN, COLORADO

## STATEMENT OF CASH FLOWS COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities		Total
	Enterprise Funds	Nonmajor Enterprise Funds	
	Water and Wastewater		
<b>Cash Flows From Operating Activities</b>			
Cash Received From Customers	\$ 11,054,026	\$ 1,887,266	\$ 12,941,292
Cash Payments to Suppliers for Goods and Services	(4,697,461)	(575,045)	(5,272,506)
Cash Payments to Employees for Services	(4,118,883)	(782,260)	(4,901,143)
<b>Net Cash Provided by Operating Activities</b>	<u>2,237,682</u>	<u>529,961</u>	<u>2,767,643</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Tax Receipts Restricted for Capital and Debt	3,656,420	-	3,656,420
Acquisition and Construction of Capital Assets	(6,048,814)	(1,196,102)	(7,244,916)
Proceeds from Sales of Capital Assets	-	87,933	87,933
Principal Paid on Leases	(850,000)	-	(850,000)
Interest Paid on Leases	(166,957)	-	(166,957)
<b>Net Cash (Used) In Capital and Related Financing Activities</b>	<u>(3,409,351)</u>	<u>(1,108,169)</u>	<u>(4,517,520)</u>
<b>Cash Flows From Investing Activities</b>			
Earnings on Investments	93,717	12,984	106,701
<b>Net Cash Provided by Investing Activities</b>	<u>93,717</u>	<u>12,984</u>	<u>106,701</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,077,952)	(565,224)	(1,643,176)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>16,350,641</u>	<u>2,881,993</u>	<u>19,232,634</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 15,272,689</u>	<u>\$ 2,316,769</u>	<u>\$ 17,589,458</u>

# CITY OF NORTHGLENN, COLORADO

## STATEMENT OF CASH FLOWS (Continued) COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities		Total
	Enterprise Funds		
	Water and Wastewater	Nonmajor Enterprise Funds	
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 163,637	\$ 262,154	\$ 425,791
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Depreciation	2,247,724	387,461	2,635,185
Amortization	37,500	-	37,500
(Increase) Decrease in Accounts Receivable	(170,053)	(49,449)	(219,502)
(Increase) Decrease in Inventory	(41,668)	(25,764)	(67,432)
(Increase) Decrease in Prepaid Expense	(8,504)	(17,221)	(25,725)
Increase (Decrease) in Accounts Payable	2,961	(26,590)	(23,629)
Increase (Decrease) in Accrued Liabilities	22,085	(2,874)	19,211
Increase (Decrease) in Compensated Absences Payable	(19,844)	2,244	(17,600)
Increase(Decrease) in Deposits Payable	3,844	-	3,844
Total Adjustments	2,074,045	267,807	2,341,852
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,237,682</b>	<b>\$ 529,961</b>	<b>\$ 2,767,643</b>
<b>Schedule of noncash capital activities:</b>			
Acquisition of capital assets through construction payables	1,392,343	(550,304)	842,039

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, 2016

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's water and wastewater fund, 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 City of Westminster is reporting the authority as a component unit of another government with joint venture characteristics, with an equity interest of \$2,018,984.

#### 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



# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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.

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 position. The statement of net activities presents changes in net position. 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. Open Space sales tax is recognized as revenue if collected within 90 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 fund:

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.

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

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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 Position or Fund Balance**

#### **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. As of December 31, 2016, the City's investments include money market funds and investment in a local government investment pool - Colorado Surplus Asset Fund Trust (CSAFE). The money market funds are reported at amortized cost. The external investment pool, CSAFE, is not SEC registered and is regulated by the State of Colorado and is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79.

Investments in Corporate Bonds, U.S. Government agency securities, and U.S. Treasury notes are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same – that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 3 for additional information regarding fair value measures. 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**

Activity between funds for long-term lending/borrowing arrangements outstanding at fiscal year-end are reported as "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the City-wide financial statements as *internal* balances.

Accounts receivable result primarily from sales of water and sewer services accounted for in the water and wastewater fund. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the fiscal year. Accounts receivable are expressed net of allowances for doubtful accounts of \$6,983 for the business-type activities. Allowances for doubtful accounts are based on historical collection trends for the related receivables.

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).

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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

### 4. Restricted Assets

The citizens of Northglenn approved an incremental levy of one-half percent (1/2%) general sales tax to be used for water acquisition. They also approved a three percent (3%) food sales tax to be used for debt service payments for capital projects. These amounts are classified as restricted assets on the statement of net position of the water and wastewater fund because their use is restricted by election.

### 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 acquisition 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.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest capitalized in 2016.

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	5-50 years
Buildings and Improvements	10-50 years
Machinery and Equipment	3-30 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

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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 restrictions 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 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 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 City Council based on the Comprehensive Financial Policy.
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's policy is to apply 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 deferred outflows of resources, and liabilities and deferred inflows of resources. 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.

Unrestricted net position is all other net position that does not meet the definition of "restricted" or "net investment in capital assets." The City first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

### 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.

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 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 General Fund. The proceeds are not subject to appropriation in the budget process. Property and equipment seized are recorded as capital assets if they meet the City's capitalization policy.

### 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 has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

#### 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 one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, 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 recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements only the property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which 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 position

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 \$143,826,607, less depreciation of \$58,038,382 for a net adjustment of \$85,788,225, which are not reported in the funds. The funds also do not recognize a grant deferred inflow of \$38,728. 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 \$2,053,532 difference are as follows:

Compensated Absences	\$ 1,510,183
Other Post-Employment Benefits	501,464
Police Disability Benefits	41,885
Net Adjustment to Fund Balance	<u>\$ 2,053,532</u>

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 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 (\$272,313) difference are as follows:

Contributed Capital	\$ 1,632,808
Capitalized Asset Expenditures	3,868,495
Depreciation Expense	<u>(5,764,032)</u>
	<u>\$ (262,729)</u>
Proceeds from sale of capital assets	(327,554)
Gain on sale of capital assets	<u>317,970</u>
	<u>\$ (9,584)</u>
<i>Net adjustment to decrease net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (272,313)</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 (\$28,139) difference are as follows:

Change in Other Post-Employment Benefits Liability	\$ (8,465)
Reduction in Police Disability Benefits Payable	1,022
Decrease in Compensated Absences	<u>(20,696)</u>
<i>Net adjustment to decrease net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (28,139)</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:

	<u>Primary Government</u>	<u>Component Units</u>
Cash on Hand	\$ 3,530	\$ -
Cash Deposits	7,471,434	3,403,050
Investments	<u>47,637,724</u>	<u>6,650,389</u>
Total	<u>\$ 55,112,688</u>	<u>\$ 10,053,439</u>
Cash and Investments	\$ 51,294,455	\$ 10,053,439
Restricted Cash and Investments	<u>3,818,233</u>	<u>-</u>
Total	<u>\$ 55,112,688</u>	<u>\$ 10,053,439</u>

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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

	Cash and Investments
Water Rights Acquisition	\$ 3,730,356
Debt Service	87,877
Total	<u>\$ 3,818,233</u>

**Deposits.** At year-end, the carrying amount of the City and component units reporting entities deposits were \$10,874,484.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2016 were in eligible public depositories, as defined by the Public Deposit protection Act of 1989.

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.

*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. Due to the federal deposit insurance and the collateral no deposits for the City or the component unit were exposed to custodial credit risk.

**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.

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
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 \$24,564,540 in the Colorado Surplus Asset Fund Trust (CSAFE). These are investment vehicles established by local government entities in Colorado to

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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.

*Fair Value Measurement.* During the fiscal year ending December 31, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Applications*, which provides guidance for determining a fair value measurement for financial reporting purposes. The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

*Level 1 input.* Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

*Level 2 input.* Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

*Level 3 input.* Inputs that are unobservable for the asset or liability which are typically based upon the City's own assumptions as there is little, in any, related market activity.

*Hierarchy.* The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

*Inputs.* If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

*U.S. Treasury securities.* These investments are reported at fair value based on quoted market prices obtained from exchanges.

*U.S. Government agency securities.* U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading and dealer quotes.

An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

*Corporate Bonds.* These investments are reported at fair value based on evaluation using markets sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

The City has no assets reported at fair value on a nonrecurring basis and no other investment meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 79.

*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.



# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity in years for each investment type as required by the City's investment policy as of December 31, 2016.

Investment Type	Fair Value	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity	Fair Value Measurement
Investments measured at fair value:							
Federal Farm Credit Banks (FFCB)	\$ 2,497,396	N/A	AA+	Aaa	5%	1.44	Level 2
Federal Home Loan Banks (FHLB)	4,573,678	N/A	AA+	Aaa	10%	1.77	Level 2
Federal Home Loan Mortgage Corporation (FHLMC)	5,480,164	N/A	AA+	Aaa	12%	1.48	Level 2
Federal National Mortgage Association (FNMA)	4,961,740	N/A	AA+	Aaa	10%	1.74	Level 2
U.S. Treasury Notes	3,987,344	N/A	AA+	Aaa	8%	0.94	Level 1
Corporate Bonds	7,885,147	AA-	AA-	Aa3	17%	1.57	Level 2
Investments measured at amortized cost:							
CSAFE	17,914,152	AAA	AAA	NR	38%	-	N/A
Wells Fargo Advantage Govt. Money Market	338,103	AAA	AAA	Aaa	0%	-	N/A
	<u>\$ 47,637,724</u>				<u>100%</u>	<u>1.48</u>	

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, 2016.

Investment Type	Fair Value	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity
CSAFE	6,650,389	N/A	AAAm	N/A	100%	-
	<u>\$ 6,650,389</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. The City's investment policy restricts holding of securities by counterparties, the City utilized a third-party safekeeping arrangement with financial institutions.

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 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	Other Enter- prise	Primary Government Total	Urban Renewal Authority	Church Ditch Water Authority
Receivables, net of allowances:								
Taxes	\$4,232,989	\$1,626,211	\$ -	\$ 396,657	\$ -	\$ 6,255,857	\$ 2,577,922	\$ -
Accounts	16,497	-	-	71,753	847	89,097	-	25,754
Interest and Other	356,170	300,374	3,337	1,113,363	239,537	2,012,781	-	-
Total	<u>\$4,605,656</u>	<u>\$1,926,585</u>	<u>\$ 3,337</u>	<u>\$1,581,773</u>	<u>\$ 240,384</u>	<u>\$ 8,357,735</u>	<u>\$ 2,577,922</u>	<u>\$ 25,754</u>

### C. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 4,294,661	\$ 420,305	\$ 9,584	\$ 4,705,382
Construction in Progress	5,580,622	3,036,946	7,106,610	1,510,958
Works of Art	355,982	20,000	-	375,982
Total Capital Assets Not Being Depreciated	<u>10,231,265</u>	<u>3,477,251</u>	<u>7,116,194</u>	<u>6,592,322</u>
Other Capital Assets:				
Infrastructure and Improvements	110,449,706	8,565,276	-	119,014,982
Buildings and Improvements	11,702,716	134,373	-	11,837,089
Machinery and Equipment	6,139,823	431,013	188,622	6,382,214
Total Other Capital Assets at Historical Cost	<u>128,292,245</u>	<u>9,130,662</u>	<u>188,622</u>	<u>137,234,285</u>
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(43,309,853)	(4,857,138)	-	(48,166,991)
Buildings and Improvements	(5,158,333)	(329,250)	-	(5,487,583)
Machinery and Equipment	(3,994,786)	(577,644)	188,622	(4,383,808)
Total Accumulated Depreciation	<u>(52,462,972)</u>	<u>(5,764,032)</u>	<u>188,622</u>	<u>(58,038,382)</u>
Other Capital Assets, Net	<u>75,829,273</u>	<u>3,366,630</u>	<u>-</u>	<u>79,195,903</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,060,538</u>	<u>\$ 6,843,881</u>	<u>\$ (7,116,194)</u>	<u>\$ 85,788,225</u>
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 59,373,713	\$ -	\$ -	\$ 59,373,713
Land and Improvements	807,815	-	-	807,815
Construction in Progress	1,177,059	7,032,399	951,327	7,258,131
Total Capital Assets Not Being Depreciated	<u>61,358,587</u>	<u>7,032,399</u>	<u>951,327</u>	<u>67,439,659</u>
Other Capital Assets:				
Infrastructure and Improvements	116,486,634	886,667	-	117,373,301
Buildings and Improvements	21,159,553	-	-	21,159,553
Machinery and Equipment	6,204,206	1,119,215	507,672	6,815,749
Total Other Capital Assets at Historical Cost	<u>143,850,393</u>	<u>2,005,882</u>	<u>507,672</u>	<u>145,348,603</u>
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(75,202,658)	(1,687,327)	-	(76,889,985)
Buildings and Improvements	(8,145,488)	(427,430)	-	(8,572,918)
Machinery and Equipment	(3,624,216)	(520,428)	507,672	(3,636,972)
Total Accumulated Depreciation	<u>(86,972,362)</u>	<u>(2,635,185)</u>	<u>507,672</u>	<u>(89,099,875)</u>
Other Capital Assets, Net	<u>56,878,031</u>	<u>(629,303)</u>	<u>-</u>	<u>56,248,728</u>
Business -type Activities Capital Assets, Net	<u>\$ 118,236,618</u>	<u>\$ 6,403,096</u>	<u>\$ (951,327)</u>	<u>\$ 123,688,387</u>

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

	Discretely Presented Component Units			Ending Balance
	Beginning Balance	Increases	Decreases	
Discretely Presented Component Units:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 500,000	\$ -	\$ -	\$ 500,000
Land and Improvements	460,594	-	-	460,594
Construction in Progress	130,067	22,656	-	152,723
Total Capital Assets Not Being Depreciated	1,090,661	22,656	-	1,113,317
Other Capital Assets:				
Infrastructure and Improvements	2,346,826	8,948	-	2,355,774
Buildings and Improvements	616,273	64,811	-	681,084
Machinery and Equipment	283,724	230,039	72,110	441,653
Total Other Capital Assets at Historical Cost	3,246,823	303,798	72,110	3,478,511
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(615,325)	(116,316)	-	(731,641)
Buildings and Improvements	(61,305)	(20,872)	-	(82,177)
Machinery and Equipment	(240,189)	(47,984)	67,843	(220,330)
Total Accumulated Depreciation	(916,819)	(185,172)	67,843	(1,034,148)
Other Capital Assets, Net	2,330,004	118,626	(4,267)	2,444,363
Governmental Activities Capital Assets, Net	\$ 3,420,665	\$ 141,282	\$ (4,267)	\$ 3,557,680

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 317,794
Public Safety	234,038
Public Works	4,282,957
Recreation & Culture	929,243
Total Governmental Activities Depreciation Expense	\$ 5,764,032
Business-type Activities:	
Water & Wastewater	\$ 2,247,724
Stormwater	82,735
Sanitation	304,726
Total Business-type Activities Depreciation Expense	\$ 2,635,185
Component Units:	
Church Ditch Water Authority	185,172
Total Component Units Depreciation Expense	\$ 185,172

### D. Interfund Transactions

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

	General Fund	Capital Projects Fund	Total
Transfers In (Out)	\$ (1,700,000)	\$ 1,700,000	\$ -

The transfer of \$1,700,000 from the General Fund to the Capital Projects Fund was established to fund capital projects.

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### E. Long-term Debt

#### Primary Government

In January 2013, the Northglenn Capital Leasing Corporation entered into a Lease Purchase Agreement in the amount of \$8,795,000 to be retired over a 10-year period at a net effective interest rate of 2.05%, to refund \$8,420,000 relating to outstanding 2002A Certificates of Participation with an effective interest rate of 5.76%. The 2002A Series Certificates were fully refunded in December 2013.

The 2013 Lease Purchase Agreement is subject to annual appropriation between the City and NCLC and has been reported in the financial statements as a capital lease of the City. 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, 2016 are as follows:

Year Ending 31-Dec	Business-type Funds	
	Principal	Interest
2017	\$ 865,000	\$ 112,033
2018	885,000	94,300
2019	900,000	76,158
2020	920,000	57,708
2021	940,000	38,848
2022	955,000	19,578
Total	<u>\$ 5,465,000</u>	<u>\$ 398,625</u>

#### Component Unit

In November 2013, the Church Ditch Water Authority entered into a Promissory Note Agreement in the amount of \$606,000 to be retired over a 30-year period at a net effective interest rate of 2.85%, for the Emergency Leyden Creek Crossing Repair to repair damages to the crossing structure, caused by the 2013 flood event. Principal and interest payments are due annually through December 1, 2043. Annual debt service requirements to maturity for notes outstanding at December 31, 2016 are as follows:

Year Ending 31-Dec	Component Unit	
	Principal	Interest
2017	\$ 5,796	\$ 6,582
2018	5,961	6,417
2019	6,131	6,247
2020	6,306	6,072
2021	6,486	5,892
2022-2026	35,309	26,582
2027-2031	40,636	21,256
2032-2036	46,766	15,125
2037-2041	53,821	8,071
2042-2043	17,885	1,020
Total	<u>\$ 225,097</u>	<u>\$ 103,264</u>

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Pension Benefits Payable	\$ 42,907	\$ -	\$ (1,022)	\$ 41,885	\$ -
Other Post Employment Benefits	492,999	8,465	-	501,464	-
Compensated Absences	<u>1,489,487</u>	<u>1,409,114</u>	<u>(1,388,418)</u>	<u>1,510,183</u>	<u>1,000,000</u>
Total Governmental Activities	<u>2,025,393</u>	<u>1,417,579</u>	<u>(1,389,440)</u>	<u>2,053,532</u>	<u>1,000,000</u>
<b>Business-Type activities:</b>					
2013 Lease Purchase	6,315,000	-	(850,000)	5,465,000	865,000
Other Post Employment Benefits	57,704	-	-	57,704	-
Compensated Absences	<u>556,513</u>	<u>502,845</u>	<u>(520,445)</u>	<u>538,913</u>	<u>454,500</u>
Total Business-Type Activities	<u>6,929,217</u>	<u>502,845</u>	<u>(1,370,445)</u>	<u>6,061,617</u>	<u>1,319,500</u>
<b>Total Long-term Liabilities</b>	<u>\$ 8,954,610</u>	<u>\$ 1,920,424</u>	<u>\$ (2,759,885)</u>	<u>\$ 8,115,149</u>	<u>\$ 2,319,500</u>
<b>Component Unit:</b>					
Promissory Note Payable	<u>\$ 225,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,097</u>	<u>\$ 5,796</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 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.

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### **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 92<sup>nd</sup> 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. The City of Northglenn has legal ownership of the pipeline and has recorded the pipeline as a capital asset in the water and wastewater fund. 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. The City's contribution to the escrow account for the year ending December 31, 2016 was \$150,000. Contributions to the escrow account are an expense of the water and wastewater enterprise fund at the time of transfer to the escrow account. The City capitalized these expenses at year-end as work performed was deemed to be capital improvements.

### **D. Enhanced Sales Tax Incentive Program Agreement**

Per the City's Municipal Code Section 5-12, the purpose of the Enhanced Sales Tax Incentive Program or ESTIP is to recruit and retain retail sales tax generating businesses within the City of Northglenn. The goal is to stimulate the economy within the City, thereby providing employment for residents of the City and others and further expanding the goods and services available for purchase and consumption by businesses and residents of the City, and further increasing the sales taxes collected by the City. Such increased sales tax collections will enable the City to provide expanded and improved municipal services to and for the benefit of the City, while at the same time providing public-related improvements to the City and its taxpayers and residents. The ESTIP is paid on a quarterly reimbursement basis by the City.

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 for meeting the project commitment of redeveloping the shopping center. 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 2016, the redeveloper received \$62,712 and has received a total of \$306,113 since the reimbursement began in 2010. Reimbursements are an expense of the General Fund.

In August 2013, an agreement was made with the redeveloper of the Webster Lake Promenade 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 for meeting the commitment of developing the shopping center. The reimbursement is scheduled to commence with the sales tax generated on or after January 1, 2015. The reimbursement will not exceed \$1,400,000 nor extend beyond December 31, 2021. In 2016, the redeveloper received \$347,489, and has received a total of \$670,232 since the reimbursement began in 2015. Reimbursements are an expense of the General Fund.

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### 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.

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 receive a monthly reimbursement amount for Qualified Medical Insurance Premium payments 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 \$29,784 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 \$18,400.

**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 No. 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 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	\$	33,301
Interest on Net OPEB Obligation		17,875
Adjustment to ARC		<u>(18,400)</u>
Annual OPEB Cost		32,776
Contributions made		<u>(24,311)</u>
Increase in net OPEB obligation		8,465
Net OPEB obligation – beginning of year		<u>550,703</u>
Net OPEB obligation – end of year	\$	<u>559,168</u>

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for 2016 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	\$ 32,373	66.2%	\$ 537,794
12/31/2015	\$ 31,342	58.8%	\$ 550,703
12/31/2016	\$ 32,776	74.2%	\$ 559,168

**Funding Status and Funding Progress.** As of January 1, 2015, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$510,766. The covered payroll (annual payroll of active employees covered by the Program) was \$13,759,527. The ratio of the UAAL to covered payroll was 3.7 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, 2015, the most current actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.24 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 3.0 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.

### G. Employee Retirement Plans

The City administers and 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. Innovest Portfolio Solutions, LLC., a registered investment advisor, whose address is 4643 South Ulster, Suite 1040, Denver, Co. 80237, provides investment-consulting services to the Retirement Boards for both pension plans.



# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### General Employees' Pension Plan (GEPP)

The City made the required contribution of \$873,286. The employees' contribution to the Plan was \$1,148,397. There were no employer liabilities outstanding as of December 31, 2016.

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 2016, 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.

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. There were no forfeitures used to pay administrative expenses or to reduce City contributions during the fiscal year ending December 31, 2016.

### Police Money Purchase Pension Plan (PMPPP)

The City made the required contribution of \$419,034. The covered employees made a contribution of \$550,641. There were no employer liabilities outstanding as of December 31, 2016.

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 2016 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. There were no forfeitures used to pay administrative expenses or to reduce City contributions during the fiscal year ending December 31, 2016.

### 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.

# CITY OF NORTHGLENN, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2016, the emergency reserve of \$1,051,937 was reported as a restriction of fund balance of \$712,403 in the General Fund, and as restricted net position of \$339,534 in the Water and Wastewater Fund.

### I. Commitments/Contingencies

**Construction Commitments.** The City had commitments of \$1,097,000 for capital projects in the governmental fund types and \$5,652,000 in the proprietary fund types at December 31, 2016. Future expenditures related to these commitments are expected to be financed through available resources and future sales tax revenue.

### Note 5. Subsequent Events

In April, 2017 the City issued Series 2017 Certificates of Participation under a Lease Purchase Agreement for the purpose of financing the construction of the City's new Justice Center, for the use of the City government. The par amount of the Certificates was \$19,325,000. The Certificates have a true interest cost of 3.18% through 2036.

### NOTE 6. PENDING GASB PRONOUNCEMENTS

As of December 31, 2016, The GASB had issued several statements not yet required to be implemented by the City. The Statement which might impact the City is as follows:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, issued in June 2015, will be effective for the City beginning with its fiscal year ending December 31, 2018. The Statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 80, Blending Requirements for Certain Component Units, issued February 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017. Statement No. 80 clarifies the display requirements in GASB Statement No. 14, The Financial Reporting Entity, by requiring component units incorporated as not-for-profit corporations to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units.

GASB Statement No. 82, Pension Issues, issued April 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017. This Statement is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance and addresses the following: (1) presentation of payroll-related measures in required supplementary information, (2) selection of assumptions and the treatment of deviations from guidance in Actuarial Standards of Practice for financial reporting purposes, and (3) classification of payments made by employers to satisfy plan member contribution requirements.

GASB Statement No. 84, Fiduciary Activities, issued February 2017, will be effective for the City beginning with its fiscal year ending December 31, 2019. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state

# CITY OF NORTHGLENN, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 85, Omnibus, issued March 2017, will be effective for the City beginning with its fiscal year ending December 31, 2017. This Statement is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits).

Management intends to adopt these Statements by the required date and will modify and expand its financial statements and disclosures accordingly.

# CITY OF NORTHGLENN, COLORADO

## REQUIRED SUPPLEMENTARY INFORMATION RETIREE HEALTH PROGRAM DECEMBER 31, 2016

(Unaudited)

### SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PROGRAM

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
1/1/2011	-0-	\$ 896,000	\$ 896,000	0.0%	\$12,142,439	7.3%
1/1/2013	-0-	\$ 626,024	\$ 626,024	0.0%	\$11,532,882	5.4%
1/1/2015	-0-	\$ 510,766	\$ 510,766	0.0%	\$13,759,527	3.7%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1/1/2011	\$ 63,000	53.2%
1/1/2013	\$ 39,398	55.7%
1/1/2015	\$ 33,301	55.4%

# CITY OF NORTHGLENN, COLORADO

## REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	GAAP Basis	
<b>REVENUES</b>				
Taxes-Property	\$ 2,057,289	\$ 2,057,289	\$ 2,048,604	\$ (8,685)
Taxes-Sales/Use	16,189,383	16,189,383	16,655,330	465,947
Occupational Tax	62,160	62,160	63,840	1,680
Intergovernmental	1,838,220	2,253,099	2,162,132	(90,967)
Licenses and Permits	563,583	563,583	697,955	134,372
Charges for Services	2,289,334	2,289,334	2,580,488	291,154
Fines and Forfeitures	1,328,396	1,328,396	980,680	(347,716)
Investment Earnings	48,200	48,200	108,870	60,670
Miscellaneous	87,700	87,700	148,871	61,171
<b>Total Revenues</b>	<b>24,464,265</b>	<b>24,879,144</b>	<b>25,446,770</b>	<b>567,626</b>
<b>EXPENDITURES</b>				
General Government:				
Legislative	518,634	537,174	568,511	(31,337)
City Manager	960,351	1,388,893	886,628	502,265
City Clerk	338,531	338,531	263,059	75,472
Management Services	1,779,945	1,779,945	1,671,866	108,079
Technology	840,482	840,482	840,312	170
Finance	444,581	444,581	469,278	(24,697)
Planning & Development	1,695,536	1,695,536	1,385,562	309,974
Non-Departmental	510,000	510,000	600,458	(90,458)
Recreation and Culture	3,711,919	3,711,919	3,757,864	(45,945)
Public Safety	8,873,457	8,889,794	8,762,452	127,342
Public Works	2,303,144	2,303,144	2,378,027	(74,883)
Capital Outlay	460,589	880,589	831,543	49,046
Contingency	100,000	100,000	-	100,000
<b>Total Expenditures</b>	<b>22,537,169</b>	<b>23,420,588</b>	<b>22,415,560</b>	<b>1,005,028</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,927,096</b>	<b>1,458,556</b>	<b>3,031,210</b>	<b>1,572,654</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,700,000)	(1,700,000)	(1,700,000)	-
Sales of Capital Assets	-	-	327,554	327,554
<b>Total Other Financing Sources and (Uses)</b>	<b>(1,700,000)</b>	<b>(1,700,000)</b>	<b>(1,372,446)</b>	<b>327,554</b>
Net Change In Fund Balance	227,096	(241,444)	1,658,764	1,900,208
Fund Balance-Beginning	18,282,321	18,282,321	19,579,704	1,297,383
<b>Fund Balance-Ending</b>	<b>\$ 18,509,417</b>	<b>\$ 18,040,877</b>	<b>\$ 21,238,468</b>	<b>\$ 3,197,591</b>

See Note to Required Supplementary Information

# CITY OF NORTHGLENN, COLORADO

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## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2016

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### 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, and the Conservation Trust 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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	GAAP Basis	
<b>REVENUES</b>				
Taxes-Property	\$ 1,081,146	\$ 1,081,146	\$ 1,077,002	\$ (4,144)
Taxes-Sales/Use	3,129,073	3,129,073	3,226,743	97,670
Intergovernmental	1,638,845	1,638,845	1,600,840	(38,005)
Investment Earnings/(Losses)	40,000	40,000	75,580	35,580
Miscellaneous	135,000	135,000	41,503	(93,497)
<b>Total Revenues</b>	<b>6,024,064</b>	<b>6,024,064</b>	<b>6,021,668</b>	<b>(2,396)</b>
<b>EXPENDITURES</b>				
Public Works	-	-	9,257	(9,257)
Capital Outlay	7,863,103	7,543,696	2,955,963	4,587,733
<b>Total Expenditures</b>	<b>7,863,103</b>	<b>7,543,696</b>	<b>2,965,220</b>	<b>4,578,476</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,839,039)</b>	<b>(1,519,632)</b>	<b>3,056,448</b>	<b>4,576,080</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,700,000	1,700,000	1,700,000	-
Total Other Financing Sources and (Uses)	1,700,000	1,700,000	1,700,000	-
Net Change In Fund Balance	(139,039)	180,368	4,756,448	4,576,080
Fund Balance-Beginning	12,495,285	12,495,285	12,337,819	12,414,091
Fund Balance-Ending	<b>\$ 12,356,246</b>	<b>\$ 12,675,653</b>	<b>\$ 17,094,267</b>	<b>\$ 16,990,171</b>





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# CITY OF NORTHGLENN, COLORADO

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2016

	Special Revenue Funds		
	Conservation		
	Trust Fund	CDBG Fund	Total
<b>ASSETS</b>			
Cash & Investments	\$ 1,144,731	\$ -	\$ 1,144,731
Receivables, Net of Allowances	3,337	-	3,337
Total Assets	<u>\$ 1,148,068</u>	<u>\$ -</u>	<u>\$ 1,148,068</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted for:			
Parks and Recreation	1,148,068	-	1,148,068
Total Fund Balances	<u>1,148,068</u>	<u>-</u>	<u>1,148,068</u>
Total Liabilities and Fund Balances	<u>\$ 1,148,068</u>	<u>\$ -</u>	<u>\$ 1,148,068</u>

# CITY OF NORTHGLENN, COLORADO

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds		
	Conservation Trust Fund	CDBG Fund	Total
<b>REVENUES</b>			
Intergovernmental	\$ 430,861	\$ 13,249	\$ 444,110
Investment Earnings	4,920	-	4,920
<b>Total Revenues</b>	<b>435,781</b>	<b>13,249</b>	<b>449,030</b>
<b>EXPENDITURES</b>			
Capital Outlay	67,735	13,249	80,984
<b>Total Expenditures</b>	<b>67,735</b>	<b>13,249</b>	<b>80,984</b>
<b>Excess of Revenues Over Expenditures</b>	<b>368,046</b>	<b>-</b>	<b>368,046</b>
Net Change In Fund Balance	368,046	-	368,046
Fund Balance-Beginning	780,022	-	780,022
Fund Balance-Ending	<b>\$ 1,148,068</b>	<b>\$ -</b>	<b>\$ 1,148,068</b>

# CITY OF NORTHGLENN, COLORADO

## SPECIAL REVENUE FUND-CONSERVATION TRUST FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts Budget Basis	
<b>REVENUES</b>				
Intergovernmental	\$ 368,507	\$ 368,507	\$ 430,861	\$ 62,354
Investment Earnings/(Losses)	5,000	5,000	4,920	(80)
<b>Total Revenues</b>	<u>373,507</u>	<u>373,507</u>	<u>435,781</u>	<u>62,274</u>
<b>EXPENDITURES</b>				
General Government:				
Capital Outlay	1,050,000	1,062,688	67,735	994,953
<b>Total Expenditures</b>	<u>1,050,000</u>	<u>1,062,688</u>	<u>67,735</u>	<u>994,953</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(676,493)</u>	<u>(689,181)</u>	<u>368,046</u>	<u>1,057,227</u>
Net Change In Fund Balance	(676,493)	(689,181)	368,046	1,057,227
Fund Balance-Beginning	745,322	745,322	780,022	2,015,064
Fund Balance-Ending	<u>\$ 68,829</u>	<u>\$ 56,141</u>	<u>\$ 1,148,068</u>	<u>\$ 3,072,291</u>

# CITY OF NORTHGLENN, COLORADO

## SPECIAL REVENUE FUND-COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget Basis	Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 205,347	\$ 13,249	\$ (192,098)
<b>Total Revenues</b>	-	205,347	13,249	(192,098)
<b>EXPENDITURES</b>				
Capital Outlay	-	218,596	13,249	205,347
<b>Total Expenditures</b>	-	218,596	13,249	205,347
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(13,249)	-	13,249
Net Change In Fund Balance	-	(13,249)	-	13,249
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ (13,249)	\$ -	\$ 13,249

# CITY OF NORTHGLENN, COLORADO

## WATER AND WASTEWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Budget Basis	
<b>REVENUES</b>				
Taxes-Sales/Use	\$ 4,197,801	\$ 4,197,801	\$ 3,656,420	\$ (541,381)
Intergovernmental	3,500	3,500	-	(3,500)
Charges for Services	9,829,210	9,829,210	11,206,334	1,377,124
Investment Earnings	73,000	73,000	93,717	20,717
Other Income	-	-	17,745	17,745
<b>Total Revenues</b>	<b>14,103,511</b>	<b>14,103,511</b>	<b>14,974,216</b>	<b>870,705</b>
<b>EXPENDITURES</b>				
Administration	1,365,779	1,351,779	1,480,587	(128,808)
Facilities	226,178	181,178	192,367	(11,189)
Fleet	75,500	75,500	79,398	(3,898)
Engineering	560,776	560,776	662,612	(101,836)
Water Operations	1,258,586	1,081,586	1,123,400	(41,814)
Lab Operations	530,232	530,232	507,654	22,578
Electrical and Mechanical	550,571	550,571	472,371	78,200
Distribution and Collection	1,469,877	1,214,877	1,362,025	(147,148)
Water Resources Operations	847,724	847,724	1,056,749	(209,025)
Wastewater Operations	1,850,073	1,655,073	1,801,951	(146,878)
Industrial Pre-Treatment	91,474	79,474	73,604	5,870
Capital Outlay	11,043,011	11,862,825	7,505,816	4,357,009
Debt Service:				
Principal Payments	850,000	850,000	850,000	-
Interest and Fiscal Charges	129,458	129,458	165,525	(36,067)
<b>Total Expenditures</b>	<b>20,849,239</b>	<b>20,971,053</b>	<b>17,334,059</b>	<b>3,636,994</b>
Net Change	\$ (6,745,728)	\$ (6,867,542)	(2,359,843)	\$ 4,507,699

### Adjustments to reconcile budgetary

#### basis to GAAP basis Adjustment for

Principal Paid on Bonds and Notes Payable	850,000
Capitalization of Capital Assets	7,505,816
Depreciation	(2,247,724)
Total Adjustments to Basis	6,108,092
<b>Change in Net Position</b>	<b>3,748,249</b>
Total Net Position-Beginning	126,051,876
Total Net Position-Ending	\$ 129,800,125

# CITY OF NORTHGLENN, COLORADO

## NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2016

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash & Investments	\$ 1,185,774	\$ 1,130,995	\$ 2,316,769
Receivables, Net of Allowances	51,188	189,196	240,384
Inventories	-	30,954	30,954
Deposits and Prepaids	66,637	26,158	92,795
Total Current Assets	<u>1,303,599</u>	<u>1,377,303</u>	<u>2,680,902</u>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Infrastructure and Improvements	2,508,042	-	2,508,042
Buildings and Improvements	37,792	22,387	60,179
Machinery and Equipment	-	2,399,027	2,399,027
Less Accumulated Depreciation	(550,134)	(1,022,916)	(1,573,050)
Total Noncurrent Assets	<u>1,995,700</u>	<u>1,398,498</u>	<u>3,394,198</u>
Total Assets	<u>3,299,299</u>	<u>2,775,801</u>	<u>6,075,100</u>
<b>Current Liabilities:</b>			
Accounts Payable	83	7,856	7,939
Accrued Liabilities	2,539	20,845	23,384
Long-Term Liabilities, Due Within One Year	4,500	80,000	84,500
<b>Total Current Liabilities</b>	<u>7,122</u>	<u>108,701</u>	<u>115,823</u>
<b>Noncurrent Liabilities:</b>			
Long-Term Liabilities	5,745	69,749	75,494
Total Noncurrent Liabilities	<u>5,745</u>	<u>69,749</u>	<u>75,494</u>
<b>Total Liabilities</b>	<u>12,867</u>	<u>178,450</u>	<u>191,317</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,995,700	1,398,498	3,394,198
Unrestricted	1,290,732	1,198,853	2,489,585
Total Net Position	<u>\$ 3,286,432</u>	<u>\$ 2,597,351</u>	<u>\$ 5,883,783</u>

# CITY OF NORTHGLENN, COLORADO

## NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2016

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
<b>Operating Revenues:</b>			
Charges for Services	\$ 476,152	\$ 1,460,563	\$ 1,936,715
<b>Total Operating Revenues</b>	<u>476,152</u>	<u>1,460,563</u>	<u>1,936,715</u>
<b>Operating Expenses:</b>			
Administration	-	43,204	43,204
Fleet	-	131,478	131,478
Streets	17,645	-	17,645
Stormwater Operations	96,330	-	96,330
Sanitation Operations	-	998,443	998,443
Depreciation	82,735	304,726	387,461
<b>Total Operating Expenses</b>	<u>196,710</u>	<u>1,477,851</u>	<u>1,674,561</u>
<b>Operating Income (Loss)</b>	<u>279,442</u>	<u>(17,288)</u>	<u>262,154</u>
<b>Nonoperating Revenues(Expenses):</b>			
Investment Earnings	5,611	7,373	12,984
Gain on Sale of Capital Assets	-	87,933	87,933
<b>Total Nonoperating Revenues (Expenses)</b>	<u>5,611</u>	<u>95,306</u>	<u>100,917</u>
<b>Change In Net Position</b>	285,053	78,018	363,071
Total Net Position-Beginning	3,001,379	2,519,333	5,520,712
Total Net Position-Ending	<u>\$ 3,286,432</u>	<u>\$ 2,597,351</u>	<u>\$ 5,883,783</u>



# CITY OF NORTHGLENN, COLORADO

## STATEMENT OF CASH FLOWS COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
<b>Cash Flows From Operating Activities</b>			
Cash Received From Customers	\$ 441,490	\$ 1,445,776	\$ 1,887,266
Cash Payments to Suppliers for Goods and Services	(72,445)	(502,600)	(575,045)
Cash Payments to Employees for Services	(82,035)	(700,225)	(782,260)
<b>Net Cash Provided by Operating Activities</b>	<u>287,010</u>	<u>242,951</u>	<u>529,961</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and Construction of Capital Assets	(57,840)	(1,138,262)	(1,196,102)
Proceeds from Sales of Capital Assets	-	87,933	87,933
<b>Net Cash (Used) In Capital and Related Financing Activities</b>	<u>(57,840)</u>	<u>(1,050,329)</u>	<u>(1,108,169)</u>
<b>Cash Flows From Investing Activities</b>			
Earnings on Investments	5,611	7,373	12,984
<b>Net Cash Provided by Investing Activities</b>	<u>5,611</u>	<u>7,373</u>	<u>12,984</u>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	234,781	(800,005)	(565,224)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>950,993</u>	<u>1,931,000</u>	<u>2,881,993</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,185,774</u>	<u>\$ 1,130,995</u>	<u>\$ 2,316,769</u>

# CITY OF NORTHGLENN, COLORADO

## STATEMENT OF CASH FLOWS (Continued) COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 279,442	\$ (17,288)	\$ 262,154
<b>Net Cash Provided by Operating Activities:</b>			
Depreciation	82,735	304,726	387,461
(Increase) Decrease in Accounts Receivable	(34,662)	(14,787)	(49,449)
(Increase) Decrease in Inventory	-	(25,764)	(25,764)
(Increase) Decrease in Prepaid Expense	(17,751)	530	(17,221)
Increase (Decrease) in Accounts Payable	(19,943)	(6,647)	(26,590)
Increase (Decrease) in Accrued Liabilities	(2,826)	(48)	(2,874)
Increase (Decrease) in Compensated Absences Payable	15	2,229	2,244
Total Adjustments	<u>7,568</u>	<u>260,239</u>	<u>267,807</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 287,010</u>	<u>\$ 242,951</u>	<u>\$ 529,961</u>
Acquisition of capital assets through construction payables	(12,669)	(537,635)	(550,304)

# CITY OF NORTHGLENN, COLORADO

## STORMWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts Budget Basis	
<b>REVENUES</b>				
Charges for Services	\$ 437,322	\$ 437,322	\$ 476,152	\$ 38,830
Investment Earnings	2,000	2,000	5,611	3,611
<b>Total Revenues</b>	<u>439,322</u>	<u>439,322</u>	<u>481,763</u>	<u>42,441</u>
<b>EXPENDITURES</b>				
Streets	15,000	15,000	17,645	(2,645)
Stormwater Operations	118,194	118,194	96,330	21,864
Capital Outlay	200,000	200,000	45,171	154,829
<b>Total Expenditures</b>	<u>333,194</u>	<u>333,194</u>	<u>159,146</u>	<u>174,048</u>
Net Change	<u>\$ 106,128</u>	<u>\$ 106,128</u>	322,617	<u>\$ 216,489</u>
<b>Adjustments to reconcile budgetary basis to GAAP basis Adjustment for</b>				
Capitalization of Capital Assets			45,171	
Depreciation			(82,735)	
Total Adjustments to Basis			<u>(37,564)</u>	
<b>Change in Net Position</b>			285,053	
Total Net Position-Beginning			3,001,379	
Total Net Position-Ending			<u>\$ 3,286,432</u>	

# CITY OF NORTHGLENN, COLORADO

## SANITATION FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Budget Basis	
<b>REVENUES</b>				
Charges for Services	\$ 1,453,685	\$ 1,453,685	\$ 1,460,563	\$ 6,878
Investment Earnings	10,000	10,000	7,373	(2,627)
<b>Total Revenues</b>	<u>1,463,685</u>	<u>1,463,685</u>	<u>1,467,936</u>	<u>4,251</u>
<b>EXPENDITURES</b>				
Administration	57,614	57,614	43,204	14,410
Fleet	99,500	99,500	131,478	(31,978)
Sanitation Operations	1,089,643	1,089,643	998,443	91,200
Capital Outlay	603,000	603,000	600,627	2,373
<b>Total Expenditures</b>	<u>1,849,757</u>	<u>1,849,757</u>	<u>1,773,752</u>	<u>76,005</u>
Net Change	<u>\$ (386,072)</u>	<u>\$ (386,072)</u>	(305,816)	<u>\$ 80,256</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of Capital Assets	-	-	87,933	87,933
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>87,933</u>	<u>87,933</u>
Net Change	<u>\$ (386,072)</u>	<u>\$ (386,072)</u>	(217,883)	<u>\$ 168,189</u>
<b>Adjustments to reconcile budgetary basis to GAAP basis Adjustment for</b>				
Capitalization of Capital Assets			600,627	
Depreciation			(304,726)	
Total Adjustments to Basis			<u>295,901</u>	
<b>Change in Net Position</b>			78,018	
Total Net Position-Beginning			2,519,333	
Total Net Position-Ending			<u>\$ 2,597,351</u>	



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# CITY OF NORTHGLENN, COLORADO

## NORTHGLENN URBAN RENEWAL AUTHORITY BALANCE SHEET DECEMBER 31, 2016

### ASSETS

Cash & Investments	\$ 8,774,791
Receivables, Net of Allowances	2,577,922
<b>Total Assets</b>	<b>\$ 11,352,713</b>

### LIABILITIES AND FUND BALANCES

#### LIABILITIES

Accounts Payable	\$ 84,207
Unearned Revenue	53,279
<b>Total Liabilities</b>	<b>137,486</b>

#### DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Taxes	2,577,922
<b>Total Deferred Inflows of Resources</b>	<b>2,577,922</b>

#### FUND BALANCES

Fund Balance-Unassigned	8,637,305
<b>Total Fund Balance</b>	<b>8,637,305</b>

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

Non-depreciable capital assets used in governmental activities are not financial resources therefore are not reported in the funds.

1,871,390

Net position of Governmental Activities

**\$ 10,508,695**

# CITY OF NORTHGLENN, COLORADO

## NORTHGLENN URBAN RENEWAL AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2016

### REVENUES

Taxes-Property	\$ 2,348,504
Investment Earnings	36,774
Miscellaneous	275
<b>Total Revenues</b>	<u>2,385,553</u>

### EXPENDITURES

General Government:	
Non-Departmental	<u>2,263,318</u>
<b>Total Expenditures</b>	<u>2,263,318</u>

### Excess of Revenues Over Expenditures

122,235

Net Change In Fund Balance	122,235
Fund Balance-Beginning	<u>8,515,070</u>
Fund Balance-Ending	<u>\$ 8,637,305</u>

Change in Net Position \$ 122,235

# CITY OF NORTHGLENN, COLORADO

## NORTHGLENN URBAN RENEWAL AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget
<b>REVENUES</b>				
Taxes-Property	\$ 2,409,590	\$ 2,409,590	\$ 2,348,504	\$ (61,086)
Investment Earnings	7,000	7,000	36,774	29,774
Miscellaneous	300	300	275	(25)
<b>Total Revenues</b>	<u>2,416,890</u>	<u>2,416,890</u>	<u>2,385,553</u>	<u>(31,337)</u>
<b>EXPENDITURES</b>				
General Government	<u>4,768,891</u>	<u>4,768,891</u>	<u>2,263,318</u>	<u>2,505,573</u>
<b>Total Expenditures</b>	<u>4,768,891</u>	<u>4,768,891</u>	<u>2,263,318</u>	<u>2,505,573</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>(2,352,001)</u>	<u>(2,352,001)</u>	<u>122,235</u>	<u>(2,536,910)</u>
Net Change in Fund Balance	(2,352,001)	(2,352,001)	122,235	(2,536,910)
Fund Balance-Beginning of Year	2,981,555	3,630,032	8,515,070	4,885,038
Fund Balance-End of Year	<u>\$ 629,554</u>	<u>\$ 1,278,031</u>	<u>\$ 8,637,305</u>	<u>\$ 2,348,128</u>



# CITY OF NORTHGLENN, COLORADO

## CHURCH DITCH WATER AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	
<b>REVENUES</b>				
Charges for Services	871,403	871,403	858,874	(12,529)
Investment Earnings	175	175	176	1
Miscellaneous	59,000	59,000	-	(59,000)
<b>Total Revenues</b>	<b>930,578</b>	<b>930,578</b>	<b>859,050</b>	<b>(71,528)</b>
<b>EXPENSES</b>				
General Operations	556,667	556,667	462,743	93,924
Capital Outlay	629,000	629,000	303,798	325,202
<b>Total Expenses</b>	<b>1,185,667</b>	<b>1,185,667</b>	<b>766,541</b>	<b>419,126</b>
Net Change	<u>\$ (255,089)</u>	<u>\$ (255,089)</u>	92,509	<u>\$ 347,598</u>
<b>Adjustments to reconcile budgetary basis to GAAP basis Adjustment for</b>				
Gain on Trade-In of Capital Assets			67,843	
Capitalization of Capital Assets			303,798	
Depreciation			(185,172)	
Total Adjustments to Basis			<u>186,469</u>	
<b>Change in Net Position</b>			<u>278,978</u>	
Total Net Position-Beginning			3,758,991	
Total Net Position-Ending			<u>\$ 4,037,969</u>	

# CITY OF NORTHGLENN, COLORADO

## STATISTICAL SECTION FOR THE YEAR ENDED DECEMBER 31, 2016

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.

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# CITY OF NORTHGLENN, COLORADO

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 95,962,175	\$ 95,546,950	\$ 92,633,050	\$ 93,828,783
Restricted	644,411	744,414	1,879,854	1,890,967
Unrestricted	9,284,600	6,367,514	5,837,248	8,234,241
<b>Total governmental activities net position</b>	<u>\$ 105,891,186</u>	<u>\$ 102,658,878</u>	<u>\$ 100,350,152</u>	<u>\$ 103,953,991</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 83,476,547	\$ 89,703,824	\$ 97,836,240	\$ 102,070,013
Restricted	12,929,847	11,397,939	6,555,525	3,239,578
Unrestricted	8,461,079	8,398,067	8,807,081	11,215,299
<b>Total business-type activities net position</b>	<u>\$ 104,867,473</u>	<u>\$ 109,499,830</u>	<u>\$ 113,198,846</u>	<u>\$ 116,524,890</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 179,438,722	\$ 185,250,774	\$ 190,469,289	\$ 195,898,796
Restricted	13,574,258	12,142,353	8,435,379	5,130,545
Unrestricted	17,745,679	14,765,581	14,644,330	19,449,540
<b>Total primary government net position</b>	<u>\$ 210,758,659</u>	<u>\$ 212,158,708</u>	<u>\$ 213,548,998</u>	<u>\$ 220,478,881</u>

2011	2012	2013	2014	2015	2016
\$ 94,144,049	\$ 94,336,345	\$ 88,116,480	\$ 84,558,882	\$ 86,060,540	\$ 85,788,225
1,721,075	918,293	1,270,523	1,513,032	1,510,920	1,860,471
11,306,483	14,850,635	20,151,373	26,125,685	29,509,620	35,605,528
<u>\$ 107,171,607</u>	<u>\$ 110,105,273</u>	<u>\$ 109,538,376</u>	<u>\$ 112,197,599</u>	<u>\$ 117,081,080</u>	<u>\$ 123,254,224</u>
102,582,246	104,060,888	106,585,633	107,983,338	112,221,616	118,485,887
2,822,811	2,510,692	2,445,420	2,741,089	1,738,070	4,157,767
13,565,635	14,880,701	15,451,522	17,453,085	17,612,902	13,040,254
<u>\$ 118,970,692</u>	<u>\$ 121,452,281</u>	<u>\$ 124,482,575</u>	<u>\$ 128,177,512</u>	<u>\$ 131,572,588</u>	<u>\$ 135,683,908</u>
\$ 196,726,295	\$ 198,397,233	\$ 194,702,113	\$ 192,542,220	\$ 198,282,156	\$ 204,274,112
4,543,886	3,428,985	3,715,943	4,254,121	3,248,990	6,018,238
24,872,118	29,731,336	35,602,895	43,578,770	47,122,522	48,645,782
<u>\$ 226,142,299</u>	<u>\$ 231,557,554</u>	<u>\$ 234,020,951</u>	<u>\$ 240,375,111</u>	<u>\$ 248,653,668</u>	<u>\$ 258,938,132</u>

# CITY OF NORTHGLENN, COLORADO

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

	2007	2008	2009	2010
<b>Expenses</b>				
Governmental activities:				
General government	\$ 8,484,782	\$ 9,519,448	\$ 6,381,839	\$ 5,532,381
Public safety	9,885,311	9,924,420	9,112,846	7,072,212
Public Works	1,566,489	1,577,983	3,819,443	5,521,558
Recreation and Culture	5,559,531	5,511,520	3,740,748	3,436,481
Interest on Long-Term Debt	78,258	61,012	35,455	20,146
Total governmental activities expenses	<u>25,574,371</u>	<u>26,594,383</u>	<u>23,090,331</u>	<u>21,582,778</u>
Business-type activities:				
Water and Wastewater	11,407,951	11,318,303	9,951,649	10,273,230
Stormwater (1)	-	274,753	294,563	347,466
Sanitation	1,385,656	1,394,633	1,548,225	1,398,860
Total business-type activities expenses	<u>12,793,607</u>	<u>12,987,689</u>	<u>11,794,437</u>	<u>12,019,556</u>
Total primary government expenses	<u>\$ 38,367,978</u>	<u>\$ 39,582,072</u>	<u>\$ 34,884,768</u>	<u>\$ 33,602,334</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 72,712	\$ 69,427	\$ 69,913	\$ 517,172
Public safety	1,950,385	2,017,337	2,044,943	2,297,090
Recreation and Culture	1,175,180	1,329,069	937,978	908,161
Operating grants and contributions	382,268	237,848	344,618	461,110
Capital grants and contributions	3,368,952	5,103,022	2,485,444	6,177,450
Total governmental activities program revenues	<u>6,949,497</u>	<u>8,756,703</u>	<u>5,882,896</u>	<u>10,360,983</u>
Business-type activities:				
Charges for services:				
Water and Wastewater	9,218,274	9,737,184	8,814,128	8,676,473
Stormwater (1)	-	442,150	425,725	419,799
Sanitation	1,256,360	1,481,979	1,424,697	1,508,397
Capital grants and contributions	193,496	255,503	-	-
Total business-type activities program revenues	<u>10,668,130</u>	<u>11,916,816</u>	<u>10,664,550</u>	<u>10,604,669</u>
Total primary government program revenues	<u>\$ 17,617,627</u>	<u>\$ 20,673,519</u>	<u>\$ 16,547,446</u>	<u>\$ 20,965,652</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (18,624,874)	\$ (17,837,680)	\$ (17,207,435)	\$ (11,221,795)
Business-type activities	(2,125,477)	(1,070,873)	(1,129,887)	(1,414,887)
Total primary government net expense	<u>\$ (20,750,351)</u>	<u>\$ (18,908,553)</u>	<u>\$ (18,337,322)</u>	<u>\$ (12,636,682)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 3,134,763	\$ 3,173,653	\$ 3,083,895	\$ 2,951,290
Sales Taxes	11,363,745	11,575,412	10,330,693	10,610,255
Franchise Fees	1,110,479	1,216,392	1,117,418	893,087
Unrestricted grants and contributions	89,916	108,292	139,838	96,538
Investment earnings	766,187	405,355	189,939	57,354
Miscellaneous	142,925	348,606	296,926	201,996
Gain (loss) on sale of assets	6,756	-	-	15,114
Transfers	(260,000)	(260,000)	(260,000)	-
Total governmental activities	<u>16,354,771</u>	<u>16,567,710</u>	<u>14,898,709</u>	<u>14,825,634</u>
Business-type activities:				
Sales Taxes	4,487,829	4,445,068	4,115,330	4,090,837
Investment earnings	1,360,501	994,051	182,373	105,322
Miscellaneous	142,255	181,496	271,200	149,029
Gain (loss) on sale of assets	103,912	4,529	-	395,743
Transfers	260,000	260,000	260,000	-
Total business-type activities	<u>6,354,497</u>	<u>5,885,144</u>	<u>4,828,903</u>	<u>4,740,931</u>
Total primary government	<u>\$ 22,709,268</u>	<u>\$ 22,452,854</u>	<u>\$ 19,727,612</u>	<u>\$ 19,566,565</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (2,270,103)	\$ (1,269,970)	\$ (2,308,726)	\$ 3,603,839
Business-type activities	4,229,020	4,814,271	3,699,016	3,326,044
Total primary government net expense	<u>\$ 1,958,917</u>	<u>\$ 3,544,301</u>	<u>\$ 1,390,290</u>	<u>\$ 6,929,883</u>

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

	2011	2012	2013	2014	2015	2016
\$	4,872,394	\$ 5,188,006	\$ 5,642,648	\$ 7,026,920	\$ 6,874,866	\$ 7,014,984
	7,076,547	7,518,748	7,919,263	8,252,498	8,687,337	9,007,976
	5,503,927	5,905,627	6,086,819	6,332,372	6,634,423	6,671,524
	3,669,958	3,738,984	3,925,859	4,378,446	4,548,921	4,690,956
	9,313	-	-	-	-	-
	<u>21,132,139</u>	<u>22,351,365</u>	<u>23,574,589</u>	<u>25,990,236</u>	<u>26,745,547</u>	<u>27,385,440</u>
	9,788,526	10,576,724	10,198,187	10,113,527	10,972,042	11,225,967
	162,823	156,019	139,504	168,053	253,738	196,710
	1,453,394	1,581,239	1,488,962	1,646,175	1,510,257	1,477,851
	<u>11,404,743</u>	<u>12,313,982</u>	<u>11,826,653</u>	<u>11,927,755</u>	<u>12,736,037</u>	<u>12,900,528</u>
\$	<u>32,536,882</u>	<u>34,665,347</u>	<u>35,401,242</u>	<u>37,917,991</u>	<u>39,481,584</u>	<u>40,285,968</u>
\$	525,992	\$ 1,356,943	\$ 1,557,560	\$ 1,505,853	\$ 1,624,266	\$ 1,594,496
	1,584,137	1,261,165	1,987,633	2,038,382	1,766,656	1,484,133
	941,371	959,609	935,981	984,188	1,074,442	1,180,494
	814,282	1,071,658	658,937	629,722	512,031	573,753
	3,271,786	3,795,542	2,719,205	3,250,625	3,643,999	4,805,431
	<u>7,137,568</u>	<u>8,444,917</u>	<u>7,859,316</u>	<u>8,408,770</u>	<u>8,621,394</u>	<u>9,638,307</u>
	9,296,698	10,227,963	10,084,324	9,477,142	10,402,537	11,206,334
	417,656	413,801	506,339	409,566	415,007	476,152
	1,479,488	1,487,633	1,461,574	1,487,065	1,453,662	1,460,563
	-	-	-	-	-	-
	<u>11,193,842</u>	<u>12,129,397</u>	<u>12,052,237</u>	<u>11,373,773</u>	<u>12,271,206</u>	<u>13,143,049</u>
\$	<u>18,331,410</u>	<u>20,574,314</u>	<u>19,911,553</u>	<u>19,782,543</u>	<u>20,892,600</u>	<u>22,781,356</u>
\$	(13,994,571)	\$ (13,906,448)	\$ (15,715,273)	\$ (17,581,466)	\$ (18,124,153)	\$ (17,747,133)
	(210,901)	(184,585)	225,584	(553,982)	(464,831)	242,521
\$	<u>(14,205,472)</u>	<u>(14,091,033)</u>	<u>(15,489,689)</u>	<u>(18,135,448)</u>	<u>(18,588,984)</u>	<u>(17,504,612)</u>
\$	2,972,443	\$ 2,973,213	\$ 3,006,351	\$ 3,023,073	\$ 2,748,798	\$ 3,125,606
	13,023,411	13,561,188	14,733,641	16,669,901	19,233,873	19,882,073
	881,196	66,367	62,910	62,886	62,622	63,840
	111,118	135,854	135,876	210,143	234,835	151,044
	78,796	50,565	(54,921)	144,245	137,528	189,370
	122,063	52,927	112,350	120,903	100,135	190,374
	23,158	-	(2,847,831)	9,538	489,843	317,970
	-	-	-	-	-	-
	<u>17,212,185</u>	<u>16,840,114</u>	<u>15,148,376</u>	<u>20,240,689</u>	<u>23,007,634</u>	<u>23,920,277</u>
	2,411,051	2,481,927	2,685,471	3,098,715	3,561,700	3,656,420
	99,486	56,212	(34,663)	106,351	88,134	106,701
	136,046	125,553	159,144	873,193	142,073	17,745
	10,120	2,484	(5,242)	170,660	68,000	87,933
	-	-	-	-	-	-
	<u>2,656,703</u>	<u>2,666,176</u>	<u>2,804,710</u>	<u>4,248,919</u>	<u>3,859,907</u>	<u>3,868,799</u>
\$	<u>19,868,888</u>	<u>19,506,290</u>	<u>17,953,086</u>	<u>24,489,608</u>	<u>26,867,541</u>	<u>27,789,076</u>
\$	3,217,614	\$ 2,933,666	\$ (566,897)	\$ 2,659,223	\$ 4,883,481	\$ 6,173,144
	2,445,802	2,481,591	3,030,294	3,694,937	3,395,076	4,111,320
\$	<u>5,663,416</u>	<u>5,415,257</u>	<u>2,463,397</u>	<u>6,354,160</u>	<u>8,278,557</u>	<u>10,284,464</u>

# CITY OF NORTHGLENN, COLORADO

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>				
Reserved	\$ 716,559	\$ 805,983	\$ 805,168	\$ 684,172
Unreserved	9,555,776	6,836,548	7,371,617	7,361,071
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
<b>Total general fund</b>	<u>\$ 10,272,335</u>	<u>\$ 7,642,531</u>	<u>\$ 8,176,785</u>	<u>\$ 8,045,243</u>
<b>All Other Governmental Funds</b>				
Unreserved, reported in:				
Special revenue funds	951,488	1,026,235	1,020,134	1,325,586
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
<b>Total all other governmental funds</b>	<u>\$ 951,488</u>	<u>\$ 1,026,235</u>	<u>\$ 1,020,134</u>	<u>\$ 1,325,586</u>

2011	2012	2013	2014	2015	2016
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 100,357	\$ 60,854	\$ 44,236	\$ 59,273	\$ 73,405	\$ 63,740
630,324	631,157	678,400	728,385	777,823	759,328
102,784	79,109	167,694	166,131	165,118	164,210
9,053,818	10,307,279	12,635,270	14,789,657	18,563,358	20,251,190
<u>\$ 9,887,283</u>	<u>\$ 11,078,399</u>	<u>\$ 13,525,600</u>	<u>\$ 15,743,446</u>	<u>\$ 19,579,704</u>	<u>\$ 21,238,468</u>
N/A	N/A	N/A	N/A	N/A	N/A
\$ 3,288,913	\$ 4,436,891	\$ 6,409,837	\$ 9,817,782	\$ 10,927,281	\$ 13,697,714
1,150,014	34,568	639,048	831,572	780,022	1,148,068
547,861	632,969	2,550,678	3,214,989	1,410,538	3,396,553
<u>\$ 4,986,788</u>	<u>\$ 5,104,428</u>	<u>\$ 9,599,563</u>	<u>\$ 13,864,343</u>	<u>\$ 13,117,841</u>	<u>\$ 18,242,335</u>



# CITY OF NORTHGLENN, COLORADO

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

	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 15,608,987	\$ 15,965,457	\$ 14,532,006	\$ 14,454,632
Licenses and permits	254,446	325,921	250,074	475,652
Intergovernmental	3,750,934	5,449,162	2,714,706	6,713,795
Charges for services	1,191,608	1,303,732	995,364	1,281,364
Fines and forfeitures	1,752,222	1,786,180	1,807,396	1,965,407
Investment earnings	766,187	405,355	189,939	57,354
Miscellaneous	142,924	348,606	296,926	201,996
Total revenues	<u>23,467,308</u>	<u>25,584,413</u>	<u>20,786,411</u>	<u>25,150,200</u>
<b>Expenditures</b>				
Current:				
General government	\$ 6,936,518	\$ 7,653,688	\$ 4,670,444	\$ 5,288,399
Public Safety	8,036,625	7,894,939	8,942,516	7,007,715
Public Works	1,235,912	1,159,977	1,325,612	1,900,952
Recreation and Culture	4,432,778	4,311,732	3,106,896	2,889,045
Capital outlay	3,865,989	6,230,246	1,425,250	5,486,729
Debt service				
Principal	593,949	592,031	488,582	287,765
Interest and fiscal charges	81,425	64,340	38,958	20,146
Total expenditures	<u>25,183,196</u>	<u>27,906,953</u>	<u>19,998,258</u>	<u>22,880,751</u>
Excess of revenues over (under) expenditures	(1,715,888)	(2,322,540)	788,153	2,269,449
<b>Other Finances Sources (Uses)</b>				
Transfers In	-	-	-	296,000
Transfers Out	(260,000)	(260,000)	(260,000)	(296,000)
Capital Lease	449,410	-	-	-
Proceeds from sale of asset	93,489	27,483	-	15,114
Total other financing sources (uses)	<u>282,899</u>	<u>(232,517)</u>	<u>(260,000)</u>	<u>15,114</u>
Net change in fund balances	<u>\$ (1,432,989)</u>	<u>\$ (2,555,057)</u>	<u>\$ 528,153</u>	<u>\$ 2,284,563</u>
Debt service as a percentage of noncapital expenditures	3.2%	3.0%	2.8%	1.8%

2011	2012	2013	2014	2015	2016
\$ 16,877,050	\$ 16,600,768	\$ 17,802,902	\$ 19,755,860	\$ 22,045,293	\$ 23,071,519
446,766	484,191	691,200	642,525	824,611	697,955
4,271,170	3,471,227	4,697,234	4,210,827	4,068,717	4,207,082
1,320,072	2,141,212	2,309,074	2,332,248	2,496,462	2,580,488
1,284,662	952,314	1,480,900	1,553,650	1,144,572	980,680
78,796	50,565	(54,921)	144,245	137,528	189,370
122,063	52,927	112,350	120,903	100,135	190,374
<u>24,400,579</u>	<u>23,753,204</u>	<u>27,038,739</u>	<u>28,760,258</u>	<u>30,817,318</u>	<u>31,917,468</u>
4,566,704	4,854,056	5,276,777	6,322,735	6,376,869	6,685,674
6,947,691	7,355,358	7,712,736	7,991,053	8,480,024	8,762,452
1,881,271	2,085,972	2,053,943	2,254,693	2,400,902	2,387,284
3,109,907	3,159,763	3,259,841	3,577,881	3,733,782	3,757,864
4,338,874	4,989,302	1,874,805	2,140,808	8,361,820	3,868,490
177,389	-	-	-	-	-
9,313	-	-	-	-	-
<u>21,031,149</u>	<u>22,444,451</u>	<u>20,178,102</u>	<u>22,287,170</u>	<u>29,353,397</u>	<u>25,461,764</u>
3,369,430	1,308,753	6,860,637	6,473,088	1,463,921	6,455,704
100,000	200,000	200,000	400,000	200,000	1,700,000
(100,000)	(200,000)	(200,000)	(400,000)	(200,000)	(1,700,000)
-	-	-	-	-	-
23,158	-	81,699	9,538	1,625,835	327,554
<u>23,158</u>	<u>-</u>	<u>81,699</u>	<u>9,538</u>	<u>1,625,835</u>	<u>327,554</u>
<u>\$ 3,392,588</u>	<u>\$ 1,308,753</u>	<u>\$ 6,942,336</u>	<u>\$ 6,482,626</u>	<u>\$ 3,089,756</u>	<u>\$ 6,783,258</u>
1.1%	0.0%	0.0%	0.0%	0.0%	0.0%

# CITY OF NORTHGLENN, COLORADO

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Operating Revenues</b>				
Charges for services	\$ 9,218,274	\$ 9,737,184	\$ 8,814,128	\$ 8,676,473
Other Operating Revenues	53,311	119,953	62,692	149,029
Total Operating Revenues	<u>9,271,585</u>	<u>9,857,137</u>	<u>8,876,820</u>	<u>8,825,502</u>
<b>Operating Expenses</b>				
Administration	1,352,590	1,284,173	1,160,701	1,284,971
Facilities	197,545	187,552	169,519	187,669
Fleet	117,327	111,393	100,682	111,462
Engineering	321,123	304,880	275,565	305,069
Water Operations	820,991	779,464	704,518	779,948
Lab Operations	371,289	352,508	318,614	352,727
Electrical and Mechanical	622,556	591,066	534,235	591,433
Distribution and Collection	693,445	658,369	595,067	658,778
Water Resources Operations	797,759	757,406	684,582	757,877
Wastewater Operations	1,509,132	1,432,797	1,295,033	1,433,687
Industrial Pre-Treatment	66,862	63,480	57,376	63,519
Depreciation	3,342,629	3,763,046	3,197,291	3,125,059
Amortization of Bond Costs	75,974	63,674	50,264	31,993
Total Operating Expenses	<u>10,289,222</u>	<u>10,349,808</u>	<u>9,143,447</u>	<u>9,684,192</u>
<b>Net Operating Income</b>	<u>(1,017,637)</u>	<u>(492,671)</u>	<u>(266,627)</u>	<u>(858,690)</u>
Nonoperating Revenues (Expenses)	<u>4,638,918</u>	<u>4,367,484</u>	<u>3,439,869</u>	<u>3,596,333</u>
<b>Income Before Contributions and Transfers</b>	<u>3,621,281</u>	<u>3,874,813</u>	<u>3,173,242</u>	<u>2,737,643</u>
Capital Contributions/Transfers	<u>453,496</u>	<u>515,503</u>	<u>260,000</u>	<u>-</u>
<b>Change in Net Position</b>	<u>4,074,777</u>	<u>4,390,316</u>	<u>3,433,242</u>	<u>2,737,643</u>
Total Net Position-Beginning	99,035,290	103,110,067	106,165,826	109,458,867
Prior Period Adjustment	-	(1,334,559)	(140,201)	-
Total Net Position-Ending	<u>\$ 103,110,067</u>	<u>\$ 106,165,824</u>	<u>\$ 109,458,867</u>	<u>\$ 112,196,510</u>

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

2011	2012	2013	2014	2015	2016
\$ 9,296,698	\$ 10,227,963	\$ 10,084,324	\$ 9,477,142	\$ 10,402,537	\$ 11,206,334
136,046	125,553	159,144	171,962	142,073	17,745
9,432,744	10,353,516	10,243,468	9,649,104	10,544,610	11,224,079
1,231,504	1,217,943	1,183,385	1,266,235	1,484,033	1,480,587
146,643	149,425	149,307	183,411	189,891	192,367
61,338	77,613	67,685	81,361	84,883	79,398
276,917	301,868	305,081	285,754	485,839	662,612
856,192	925,756	1,251,945	928,361	1,003,930	1,123,400
384,274	383,140	390,253	417,239	498,409	507,654
614,800	592,165	584,580	583,784	523,305	472,371
744,843	1,814,630	1,083,932	1,195,375	1,499,666	1,362,025
916,499	865,323	853,219	966,461	828,739	1,056,749
1,233,791	857,399	1,379,579	1,429,958	1,553,157	1,801,951
86,153	72,498	70,764	74,792	71,970	73,604
2,375,946	2,378,146	2,413,840	2,389,599	2,510,512	2,247,724
30,475	192,896	-	-	-	-
8,959,375	9,828,802	9,733,570	9,802,330	10,734,334	11,060,442
473,369	524,714	509,898	(153,226)	(189,724)	163,637
1,664,661	1,783,986	2,185,990	3,586,808	3,468,892	3,584,612
2,138,030	2,308,700	2,695,888	3,433,582	3,279,168	3,748,249
-	-	-	-	-	-
2,138,030	2,308,700	2,695,888	3,433,582	3,279,168	3,748,249
112,196,510	114,334,538	116,643,238	119,339,126	122,772,708	126,051,876
-	-	-	-	-	-
\$ 114,334,540	\$ 116,643,238	\$ 119,339,126	\$ 122,772,708	\$ 126,051,876	\$ 129,800,125

# CITY OF NORTHGLENN, COLORADO

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

Year	Property Tax		Sales and Use Taxes (2)	Occupational Tax	Total
	General	Specific Ownership			
2007	4,615,634	282,463	10,193,891	1,110,479	16,202,467
2008	4,714,461	261,658	11,575,412 (3)	1,216,392	17,767,923 (3)
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
2013	3,994,463	212,096	14,733,641	62,910	19,003,110
2014	6,711,993	221,128	16,669,901	62,886	23,665,908
2015	4,738,947	251,151	19,233,873	62,622	24,286,593
2016	5,474,110	275,735	19,882,073	63,840	25,695,758

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) Beginning in 2008, economic development incentive payments are recorded as expenses and are no longer recorded as contra revenues.

Year	Sales and Use Tax Collections	Percent Increase
2007	10,193,891	1.69%
2008	11,575,412	13.55%
2009	10,330,693	-10.75%
2010	10,610,255	2.71%
2011	13,023,411	22.74%
2012	13,561,188	4.13%
2013	14,733,641	8.65%
2014	16,669,901	13.14%
2015	19,233,873	15.38%
2016	19,882,073	3.37%



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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
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	-
2013	58,582,220	151,933,750	2,167,600	3,937,680	26,900	150	-
2014	53,341,300	151,205,720	2,390,870	4,249,990	26,900	150	-
2015	56,793,760	182,440,830	1,978,350	4,293,940	27,980	150	-
2016	56,389,140	182,727,960	1,862,830	4,293,940	27,890	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
2007	7.96%
2008	7.96%
2009	7.96%
2010	7.96%
2011	7.96%
2012	7.96%
2013	7.96%
2014	7.96%
2015	7.96%
2016	7.96%

<b>State Assessed</b>	<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a % of Estimated Actual Value</b>
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%
137,620	17,655,690	234,441,610	11.597	2,431,042,872	9.64%
162,940	17,358,170	244,450,580	11.597	2,377,871,036	10.28%
170,910	19,582,190	265,288,020	11.597	2,378,939,110	11.15%
161,970	20,871,130	266,335,010	11.597	2,425,558,180	10.98%



# CITY OF NORTHGLENN, COLORADO

## Schedule 8

### DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS

Year	City of Northglenn				Overlapping Rates (1)					Total Direct & Overlapping Rates
	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	
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
2013	7.597	4.000	11.597	68.605	26.815	3.659	11.246	0.608	110.933	122.530
2014	7.597	4.000	11.597	68.781	27.042	3.659	14.903	0.632	115.017	126.614
2015	7.597	4.000	11.597	66.017	26.817	3.659	14.713	0.553	111.759	123.356
2016	7.597	4.000	11.597	65.922	27.055	3.659	14.810	0.559	112.005	123.602

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**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.

(1) 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(1)	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Retail	\$ 10,479,100	1	4.47%			
Public Utility	9,602,730	2	4.10%	5,047,420	2	2.08%
Apartments	3,537,490	3	1.51%			
Apartments	3,349,800	4	1.43%			
Apartments	3,184,000	5	1.36%			
Apartments	3,184,000	6	1.36%			
Retail	2,774,810	7	1.36%			
Apartments	2,757,020	8	1.09%			0.00%
Apartments	2,552,370	9	0.98%			0.00%
Gas Station	2,290,880	10	0.98%	1,849,200	10	
Retail	-		-	10,011,170	1	4.13%
Apartments	-		-	2,460,070	4	1.01%
Retail	-		-	2,237,700	5	0.92%
Apartments	-		-	2,204,910	6	0.91%
Commercial	-		-	4,847,640	3	2.00%
Apartments	-		-	2,032,050	7	0.84%
Commercial	-		-	1,987,250	8	0.82%
Commercial	-		-	1,902,980	9	0.78%
Total	<u>\$ 43,712,200</u>		<u>18.65%</u>	<u>\$ 34,580,390</u>		<u>14.26%</u>

Source: Adams and Weld County Assessors

(1) The names of these entities have been generalized to protect confidentiality

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<u>Levy Year</u>	<u>Tax Collection Year</u>	<u>Taxes Levied for the Year (1)</u>	<u>Collections (2)</u>	<u>Percentage of Levy (3)</u>
2006	2007	2,885,484	2,852,300	98.85%
2007	2008	2,938,883	2,911,999	99.09%
2008	2009	2,908,957	2,858,807	98.28%
2009	2010	2,781,307	2,759,529	99.22%
2010	2011	2,789,189	2,972,443	106.57%
2011	2012	2,771,330	2,973,213	107.28% (4)
2012	2013	2,809,715	3,006,351	107.00% (4)
2013	2014	2,808,108	3,023,073	107.66% (4)
2014	2015	2,749,205	2,748,798	99.99% (4)
2015	2016	3,133,582	3,125,606	99.75%

**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.
- (4) The City's tax collections were in excess of the taxes levied due to a miscalculation by the County of the tax increment financing revenue owed to the Northglenn Urban Renewal Authority ("NURA") which resulted in overpayments to the City. NURA has since won in litigation against the County and has collected the appropriate amount of revenue.



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# CITY OF NORTHGLENN, COLORADO

## SALES TAX COLLECTIONS BY CATEGORY (1) LAST TEN YEARS

Category	2007	2008	2009	2010
Automotive Sales/Supplies/Rentals	\$ 1,271,694	\$ 1,144,405	\$ 1,013,025	\$ 996,803
Finance/Insurance/Real Estate/Rental/Leasing	189,424	183,938	156,376	152,608
Food and Beverage Stores (2)	1,001,823	804,098	862,856	806,014
Retail Stores	5,750,435	6,080,268	5,680,284	5,777,124
Arts, Entertainment, and Recreation	192,531	202,214	190,660	190,798
Eating and Drinking Establishments	2,139,937	2,024,062	1,854,541	1,838,558
Lodging (3)	134,271	155,556	114,075	135,757
Manufacturing	87,589	98,198	86,685	94,997
Service Providers and Transportation	1,600,967	1,628,714	1,548,096	1,603,336
Construction and Contractors	83,465	95,693	62,032	66,064
Utilities	1,033,420	1,148,720	997,972	1,093,927
Wholesale	129,909	121,798	143,727	112,913
<b>Total</b>	<b>\$ 13,615,465</b>	<b>\$ 13,687,663</b>	<b>\$ 12,710,330</b>	<b>\$ 12,868,899</b>
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 3.0%.
- (3) Lodging is taxed at 5.0%.

2011	2012	2013	2014	2015	2016
\$ 873,739	\$ 1,017,472	\$ 1,218,585	\$ 1,237,885	\$ 1,554,178	\$ 1,586,320
157,224	163,758	201,250	190,062	313,728	387,128
781,939	810,630	393,708	1,001,952	646,940	1,481,906
6,233,696	6,083,040	5,993,120	5,668,197	6,607,015	6,814,539
198,676	262,228	277,369	313,922	314,364	330,990
1,959,685	2,031,747	2,154,024	2,447,832	3,102,060	3,394,196
152,430	151,729	164,488	194,746	221,625	226,904
75,931	83,052	99,041	114,419	122,624	115,839
1,565,425	1,783,006	1,887,538	2,455,393	3,017,540	3,531,981
67,200	93,318	102,364	157,807	162,640	187,582
1,090,808	1,042,736	1,105,393	1,088,352	1,104,150	1,055,994
144,706	144,805	162,493	157,355	208,844	221,341
<u>\$ 13,301,458</u>	<u>\$ 13,301,458</u>	<u>\$ 13,759,372</u>	<u>\$ 15,027,922</u>	<u>\$ 17,375,708</u>	<u>\$ 19,334,718</u>
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

# CITY OF NORTHGLENN, COLORADO

Schedule 12

## LARGEST SALES TAX GENERATORS CURRENT YEAR

Type of Business(1)	2016	
	Sales Tax Collected	% of Total City Sales Tax(2)
Auto Use Tax	\$ 2,619,174	13.15%
Retail	1,211,620	6.08%
Public Utility	1,034,350	5.19%
Retail	848,550	4.26%
Retail	757,635	3.80%
Retail	571,791	2.87%
Retail	564,074	2.83%
Grocery Store	392,831	1.97%
Auto	364,914	1.83%
Retail	353,560	1.77%
	<u>\$ 8,718,499</u>	<u>44.46%</u>

Source: City of Northglenn Finance Department

(1) The names of these entities have been generalized to protect confidentiality

(2) Based upon 2016 Sales and Use Tax Collections of \$19,922,630

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

<b>Year</b>	<b>City Direct Rate (1)</b>	<b>State of Colorado</b>	<b>Adams County</b>	<b>RTD/ SCFD/ FD (2)</b>	<b>Total Sales Tax Rate</b>
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%
2013	4.00%	2.90%	0.75%	1.10%	8.75%
2014	4.00%	2.90%	0.75%	1.10%	8.75%
2015	4.00%	2.90%	0.75%	1.10%	8.75%
2016	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).



# CITY OF NORTHGLENN, COLORADO

Schedule 14

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage Of Personal Income	Population	Debt Per Capita
	Notes Payable	Capital Lease	General Obligation Bonds	Certificates Of Participation	Capital Lease					
2007	658,206	922,513	6,105,000	11,225,000	922,384	19,833,103	1.714%	35,827	554	
2008	506,061	482,628	2,785,000	10,715,000	766,718	15,255,407	1.321%	35,238	433	
2009	345,927	119,227	-	10,185,000	433,561	11,083,715	0.991%	35,238	315	
2010	177,389	-	-	9,625,000	7,590,000	17,392,389	1.633%	33,563	518	
2011	-	-	-	9,035,000	6,163,339	15,198,339	1.348%	33,563	453	
2012	-	-	-	8,420,000	4,705,649	13,125,649	0.930%	35,789	367	
2013	-	-	-	-	11,163,879	11,163,879	0.767%	36,891	303	
2014	-	-	-	-	8,776,023	8,776,023	0.593%	37,499	234	
2015	-	-	-	-	6,315,000	6,315,000	0.432%	37,075	170	
2016	-	-	-	-	5,465,000	5,465,000	0.283%	48,916	112	

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



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# CITY OF NORTHGLENN, COLORADO

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Applicable to Limitation:				
General Obligation Bonds	\$ 6,105,000	\$ 2,785,000	\$ -	\$ -
Less: Debt payable from Enterprise Fund revenues				
2004 Utility Refunding	<u>(6,105,000)</u>	<u>(2,785,000)</u>	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage to estimated actual property value (1)	0.00%	0.00%	0.00%	0.00%
Per capita (2)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net debt applicable to limit	-	-	-	-
Legal debt limit (3)	<u>72,155,025</u>	<u>73,025,316</u>	<u>72,573,229</u>	<u>68,976,966</u>
Legal debt margin	<u><u>\$ 72,155,025</u></u>	<u><u>\$ 73,025,316</u></u>	<u><u>\$ 72,573,229</u></u>	<u><u>\$ 68,976,966</u></u>
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

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-
-	-	-	-	-	-
77,753,445	67,966,949	72,931,286	71,336,131	71,368,173	72,766,745
<u>\$ 77,753,445</u>	<u>\$ 67,966,949</u>	<u>\$ 72,931,286</u>	<u>\$ 71,336,131</u>	<u>\$ 71,368,173</u>	<u>\$ 72,766,745</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2016**

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	507,900,000	12.67%	64,333,400
North Metro Fire Rescue Authority	<u>18,535,000</u>	16.66%	<u>3,087,900</u>
	<u>\$ 526,435,000</u>		<u>\$ 67,421,300</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 calculating 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 entites, 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

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

<b>Year</b>	<b>(1) Population</b>	<b>Personal Income</b>	<b>(2) Adams County Per Capita Income</b>	<b>(1) Adams County Median Age</b>	<b>(3) Adams County School Enrollment</b>	<b>(4) Unemployment Rate</b>	<b>(4) Denver Boulder Consumer Price Index</b>
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
2013	36,891	1,455,534,405	39,455	33.1	87,120	8.4%	229.1
2014	37,499	1,479,523,045	39,455	32.4	84,340	9.0%	232.4
2015	37,075	1,462,794,125	39,455	32.4	84,284	3.8%	240.0
2016	48,916	1,929,980,780	39,455	32.4	82,921	3.6%	246.6

**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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**FULL-TIME EQUIVALENCY BY FUNCTION/PROGRAM  
LAST EIGHT YEARS**

<b>Function / Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Government</b>								
City Manager	4.00	4.00	5.00	5.00	6.00	6.00	6.00	6.00
City Clerk	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Management Services	11.00	13.75	13.65	13.65	13.65	14.65	15.65	15.65
Information Technology	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Finance	13.00	13.60	13.60	12.60	11.60	11.60	11.60	11.60
Planning & Development	11.00	11.01	10.01	10.00	9.00	11.00	12.00	12.00
<b>Parks, Recreation &amp; Culture</b>	23.00	44.65	45.72	46.11	47.67	47.07	48.19	48.69
<b>Public Safety</b>	77.00	79.00	82.00	82.50	75.00	82.50	84.50	84.50
<b>Public Works</b>	13.00	12.50	15.00	15.00	15.00	37.00	40.00	40.00
<b>Water and Environmental Services</b>								
Water/Wastewater	41.00	41.70	43.80	43.80	42.00	22.00	22.00	22.00
Storm Water	5.00	5.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	12.00	12.20	8.00	8.00	8.00	8.00	8.00	8.00
<b>Total</b>	<u>223.00</u>	<u>219.00</u>	<u>246.91</u>	<u>247.28</u>	<u>247.16</u>	<u>238.42</u>	<u>258.44</u>	<u>258.94</u>

**Source:** City of Northglenn Human Resources Department

**Notes:**

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

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

	2007	2008	2009	2010
<b>Police</b>				
Physical Arrests	3,380	3,323	2,830	1,752
Traffic Violations	10,140	10,654	10,695	12,929
Parking Violations	1,022	801	933	1,159
<b>Fire (1)</b>				
Number of Fire Personnel & Officers	108	108	108	108
<b>Building Division</b>				
Building Permits Value	8,518,629	8,975,113	6,657,248	11,681,311
Building Permits Issued	479	453	247	2,016
<b>Refuse Collection</b>				
Refuse collected (tons)	15,978	15,807	15,336	15,250
Recyclables collected				
Commingled (tons)	108	147	168	149
Newspaper (tons)	273	294	236	273
Steel (tons)	87	58	39	22
<b>Other Public Works</b>				
Minor Street Repair Materials (tons)	583	916	1,319	974
Street Sweeping (miles)	2,022	2,513	3,199	3,700
<b>Parks and Recreation</b>				
Athletic Field Rentals	132	103	105	43
Recreation Center Memberships	2,738	3,635	4,417	4,016
Theatre Admissions	6,957	4,960	6,314	6,150
Park Shelter Rentals	538	506	512	450
<b>Water</b>				
Number of Service Connections	10,321	10,328	10,331	10,331
Water main breaks	26	10	6	6
Average daily consumption (millions of gallons)	4.630	4.601	4.074	4.386
Peak daily consumption (millions of gallons)	11.030	10.958	9.432	9.027
<b>Wastewater</b>				
Average daily treatment (millions of gallons)	3.810	3.810	3.834	3.910

**Sources:** Various city departments, unless otherwise noted  
(1) North Metro Fire Rescue Authority

**Schedule 19**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
1,494	1,457	1,578	2,143	2,094	1,712
7,226	5,916	10,693	9,141	6,388	5,263
555	349	530	537	530	517
108	108	108	108	108	108
10,740,103	40,711,538	13,234,974	22,421,849	32,085,372	32,446,029
1,657	1,373	1,483	1,681	1,561	1,705
15,011	14,498	13,848	14,402	14,823	14,877
295	481	521	555	516	532
541	892	967	1,032	1,259	1,817
27	22	27	36	21	23
1,144	349	386	1,313	246	363
2,354	2,134	3,205	3,744	3,547	3,547
38	40	40	35	34	46
4,026	4,041	4,123	3,972	4,021	4,129
6,463	9,620	9,564	9,567	9,974	10,630
461	627	543	509	537	503
10,331	10,304	10,223	10,240	10,245	10,251
2	5	7	12	4	4
4.341	4.621	4.037	3.795	3.780	3.925
9.178	10.902	9.081	8.221	7.669	8.607
3.700	3.030	3.165	3.280	3.424	3.563

# CITY OF NORTHGLENN, COLORADO

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

	2007	2008	2009	2010
<b>Police</b>				
Stations	1	1	1	1
Patrol Units	22	22	23	25
<b>Fire Stations (1)</b>	2	2	2	2
<b>Refuse Collection</b>				
Collection Trucks (Trash & Roll Off)	8	8	9	7
Recycling Collection Stations	2	2	2	2
<b>Other Public Works</b>				
Streets (miles) (2)	104.92	104.92	104.92	104.92
Street Lights	2,004	2,011	2,012	2,012
<b>Parks and Recreation</b>				
Community Centers	1	1	1	1
Parks	25	25	25	25
Developed Acreage	182	182	182	182
Undeveloped Acreage	312	312	312	312
Swimming Pools	2	2	2	2
Tennis Courts	5	5	5	5
<b>Water</b>				
Water Mains (miles)	120.43	120.43	120.43	182.00
Fire Hydrants	973	1,000	1,000	999
Storage Capacity (millions of gallons)	7,750,000	7,750,000	7,750,000	7,725,000
Daily Plant Capacity (millions of gallons)	16.00	16.00	16.00	16.00
<b>Wastewater</b>				
Treatment Plants	1	1	1	1
Sanitary Sewer (miles)	138.20	138.20	138.20	138.20
Storm Sewer (miles)	12.48	23.00	23.00	23.00
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

**Schedule 20**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
1	1	1	1	1	1
25	26	24	24	22	21
2	2	2	2	2	2
7	8	8	9	10	11
2	2	2	2	2	2
104.92	104.92	104.92	104.92	104.92	104.92
2,012	2,012	2,012	2,012	2,012	2,012
1	1	1	1	1	1
25	25	25	25	25	25
183	183	183	183	183	183
311	311	311	311	311	311
2	2	2	2	2	2
5	5	5	5	5	5
182.00	182.00	182.00	182.00	182.00	182.00
999	999	999	999	999	999
7,725,000	7,725,000	7,725,000	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	1
138.20	138.20	138.20	138.20	138.20	138.20
23.00	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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The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Northglenn
		YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _) City of Northglenn	Prepared By: 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**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,916,643
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	796,050
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	20,412
2. General fund appropriations	1,441,520	b. Snow and ice removal	105,878
3. Other local imposts (from page 2)	2,132,526	c. Other	
4. Miscellaneous local receipts (from page 2)	748,995	d. Total (a. through c.)	126,290
5. Transfers from toll facilities		4. General administration & miscellaneous	307,445
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,323,821
a. Bonds - Original Issues		6. Total (1 through 5)	5,470,249
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	4,323,041	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,147,208	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	5,470,249	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	5,470,249

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		5,470,249	5,470,249		0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,077,002	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	741,985
1. Sales Taxes	880,640	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	7,010
5. Specific Ownership &/or Other	174,884	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,055,524	h. Other	
c. Total (a. + b.)	2,132,526	i. Total (a. through h.)	748,995
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,022,117	1. FHWA (from Item I.D.5.)	0
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	125,091	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	125,091	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,147,208	3. Total (1. + 2.g)	0
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		514,300	514,300
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		760,886	760,886
(4). System Enhancement & Operation		641,457	641,457
(5). Total Construction (1) + (2) + (3) + (4)	0	1,402,343	1,402,343
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,916,643	1,916,643
			(Carry forward to page 1)
<b>Notes and Comments:</b>			