

FINANCE MEMORANDUM
#5-2024

DATE: June 10, 2024

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager *hmg*

FROM: Jason Loveland, Deputy City Manager *JL 2*

SUBJECT: CR-111 – 2023 Annual Comprehensive Financial Report Audit Acceptance

PURPOSE

To consider CR-111, a resolution approving the findings of the 2023 annual audit report completed by the City's auditor.

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 requires an independent audit 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 2023 Annual Comprehensive Financial Report (ACFR).

As part of the audit, the City's independent auditor is 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.

UPDATE

Staff is pleased to present the City's 2023 audited financial report, which in the opinion of RSM US LLP, fairly presents the financial position. 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 2023 independent financial audit, RSM US LLP has submitted the attached report.

BUDGET/TIME IMPLICATIONS

There are no financial or time impacts to the City.

STAFF RECOMMENDATION

Staff recommends approval of CR-111 to accept the audit of the 2023 ACFR.

STAFF REFERENCE

If Council Members have any questions, please contact Jason Loveland, Deputy City Manager, at jloveland@northglenn.org or 303.450.8817.

ATTACHMENTS

1. Independent Auditor's Report
2. 2023 ACFR

CR-111 – 2023 Annual Comprehensive Financial Report Audit Acceptance



Independent Auditor's Report

RSM US LLP

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 of the basic financial statements, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, as of January 1, 2023. As a result of the adoption, the City restated the beginning of year amount for SBITA assets and liabilities for the governmental activities, business-type activities and wastewater enterprise fund. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedule of changes in the City's total OPEB liability and related ratios, General Fund budgetary comparison information and related notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and other schedules, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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. The 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 GAAS. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and other schedules, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024 on our consideration of the City'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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
May 30, 2024



2023 Annual Comprehensive Financial Report
Fiscal Year Ended December 31, 2023



CITY OF
Northglenn
COLORADO



SUSTAINABILITY • INCLUSIVITY • INNOVATION • ENGAGEMENT



CITY OF
Northglenn

CITY OF NORTHGLENN, COLORADO

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended December 31, 2023

**Prepared by:
Finance Department**

CITY OF NORTHGLENN, COLORADO

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CITY OF NORTHGLENN, COLORADO

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CITY OF NORTHGLENN, COLORADO

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Introductory Section

May 30, 2024

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

We are pleased to submit this Annual Comprehensive Financial Report of the City of Northglenn, Colorado (the City) for the fiscal year ended December 31, 2023 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, 2023 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, 2023 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 the 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 act through ordinances, resolutions, and motions.

Per the City's Municipal Code, the initial annual proposed budget must be presented at a public hearing no later than November 30th of the preceding year, with final adoption with or without amendment by resolution no later than December 31st. Adoption of the budget by the City Council shall appropriate amounts specified at the fund and department level. Each department is responsible for controlling expenditures within budgetary allowances; however, ultimate budgetary responsibility is retained at the legislative level. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Once a budget has been adopted by Council, it becomes the responsibility of the Finance Department to monitor and report on the financial activity of the organization and condition of the annual budget. The City incorporates the use of financial software, policies, and procedures to provide an adequate level of control over expenditures. During the year of appropriation, the Council may amend the budget by Ordinance.

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 collection, 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 39,000. 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 (NURA), Church Ditch Water Authority (CDWA), and Northglenn Capital Leasing Corporation (NCLC) 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 804 store-front and home-based 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 comprised of 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, Best Buy, Ross Dress for Less, and Boot Barn. The Northglenn Marketplace located at US Interstate 25 and 104th Avenue is the primary retail center within the City and is made up of approximately 25 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.

The Consumer Price Index for the Denver metropolitan area increased 15.9% comparable with the increase in the national index of 9.9% for all urban consumers for the twelve months ending December 31, 2023. Adams County, Colorado reported an unemployment rate of 3.2% in December 2023 compared to 3.4% reported in 2022. Local area unemployment is below that of the nation as a whole, which reported an ending 2023 unemployment rate of 3.7%.

Sales & use tax is a major source of revenue in the City of Northglenn. In 2023, the City realized a moderate increase in sales/use tax of approximately 1.2% over 2022.

Long-Term Financial Planning

With the City being surrounded by other municipalities, ongoing development of the roughly 64 acres of land located north of 120th Avenue between Race Street and Irma Drive will complete the development of the City. The lack of future growth possibilities gives rise to the importance of redevelopment. The City, in partnership with NURA, will continue to explore redevelopment opportunities such as the Civic Center Campus, located at Interstate 25 and 120th Avenue, and to identify other areas for possible revitalization.

The location of the City remains a strong advantage for retail and commercial businesses, and provides residents ample commuting opportunities. The Regional Transportation District's (RTD) mass-transit light rail system, FasTracks, routed through Northglenn, provides a station within the City limits at 112th Avenue between Irma Drive and York Street, and one just north of the City limits at 124th Avenue and Claude Court. The widening of 120th Avenue in 2023 has alleviated a long standing congestion issue experienced between Washington Street and Claude Court.

The City remains committed to reinvesting in public infrastructure as part of the long-range plan. Aging equipment and infrastructure, increased traffic from surrounding cities, and environmentally sustainable initiatives are being evaluated and prioritized on an ongoing basis. To moderate the financial impact, the City identified funding sources for future capital and infrastructure needs. In 2013, voters approved the continuation of a one-half percent sales tax through December 31, 2025, dedicated for water supply enhancements. The voters removed a sunset provision of a 4.000 mill property tax for the exclusive purposes of reconstructing streets and roadways in 2017. In 2015, voters approved the extension of a one-half percent sales tax that does not sunset, with a spending restriction for purposes of funding capital improvement projects. As part of the ongoing long-range planning, the City continues to evaluate the need for increases to the water, wastewater and stormwater user rates to support the ongoing operations and maintenance of the City's treatment plants and infrastructure. In 2022, the City analyzed the existing rate plan and determined the need for future rate increases to meet future operating and capital needs. In November 2022, the City Council approved a five-year plan for annual water and wastewater rate increases that will begin in 2023 and will continue through 2027.

Debt Administration. As of December 31, 2023, 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.

In February 2021, the City issued Wastewater Revenue Bonds in the amount of \$21,955,000 for the construction of Lift Station A and Force Main project, which was completed in 2022. The required annual lease payments are approximately \$1,450,000 and are scheduled to continue through 2045. As of December 2023, the outstanding balance of the Wastewater Revenue Bonds was \$20,825,000.

In December 2019, the City issued Certificates of Participation in the amount of \$38,530,000 for the construction of the recreation center and theatre complex portion of the Civic Center Campus redevelopment project, which was substantially complete in 2021. The required annual lease payments are approximately \$2,670,000 and are scheduled to continue through 2039. As of December 2023, the outstanding balance of the 2019 Certificates of Participation was \$33,315,000.

In October 2019, NURA issued Tax Increment Revenue Bonds in the amount of \$11,210,000 to fund the infrastructure and site improvements of the Civic Center Campus redevelopment project. The required annual bond payments are approximately \$860,000 and are scheduled to continue through 2038. As of December 2023, the outstanding balance of the Tax Increment Revenue Bonds was \$9,540,000.

In April 2017, the City issued Certificates of Participation in the amount of \$19,325,000. As of December 2023, the 2017 Certificates of Participation were outstanding in the amount of \$14,640,000. The required annual lease payments are approximately \$1,470,000 and are scheduled to continue through 2036. The issuance was used to fund construction costs related to the Justice Center Project, which was completed in 2018.

Relevant Financial Policies. It is the City of Northglenn's policy to establish reserves to prepare for unforeseen downturns in the economy, major infrastructure improvements or redevelopment. The policy requires an emergency reserve fund balance of at least 25% of the current year's appropriations in the General Fund, through the TABOR emergency reserve required by the Colorado Constitution and committed fund balance. Additionally, the Water, Wastewater and Sanitation funds have a cash reserve requirement of at least 25% of current year's operating appropriations, as well as an additional \$1,000,000 capital reserve requirement in both the Water and Wastewater Funds.

Major Initiatives

As confirmation of the City's reinvestment in public infrastructure and the community, several major projects were initiated, continued and/or completed during 2023 as highlighted below:

Civic Center Campus – Redevelopment of the Civic Center Campus began with the construction of the new recreation center and theatre complex, which opened to the public in the fall of 2021. Construction began on a new city hall facility in 2023, which is anticipated to open in the fall of 2024.

Arterial and Residential Roadway Improvements – The City continues to prioritize the maintenance of roadways, including partnering with the City of Westminster to resurface the major arterial of 112th Avenue and residential streets.

120th Avenue Widening – With the assistance of a \$9.5 million dollar grant award received through the Colorado Department of Transportation, and developer contributions from Karl’s Farm, the City completed the widening of 120th Avenue from Washington Street to Claude Court. Widening this section of 120th Avenue relieved the congestion on this major arterial roadway by adding a lane in both directions to match that of the existing roadway on both sides.

Kiwanis Pool – Through the use of Conservation Trust funds and Adams County Open Space tax and grant funds, the City will be replacing the mechanical room equipment and boiler, and for safety replacing the decking, piping and chemical injection system. Evaluation of the existing equipment and infrastructure began in 2022, and construction began in the fall of 2023.

E.B. Rains, Jr. Memorial Park – Utilizing Adams County Open Space tax and grant funds, renovations to the existing and the addition of new park infrastructure will refresh and enhance the highly used site.

Huron Street Waterline – The City completely replaced a section of failing water/stormwater lines within Huron Street, extending from 97th Avenue to 104th Avenue. Funds received from the American Rescue Plan Act (ARPA) were used to install new lines.

Waste Handling Improvements – This project at the Water Treatment facility will modify the waste handling systems from the filter backwash and clarifier. A vault will be installed to receive the clarifier sludge, and restoration/repair of the structures and lining of the recycle ponds receiving the backwash water will be done. These modifications will create an opportunity to reuse backwash water in the treatment process instead of sending it to the wastewater system.

Automated Filter Backwash – Utilizing ARPA funds, the filtration system will be improved by installing electric actuators that will integrate the filter backwash routine into the SCADA system, replacing outdated and problematic air and water activated actuators.

Odor Control Mitigation – Bond proceeds remaining from the Lift Station A and Force Main project completed in 2022 are being utilized to add ferric injection and biofilters to the Wastewater Treatment process to reduce the odor created from the processing plant.

Storm Drainage System Improvement – In 2023 it was determined that a complete system mapping and condition analysis needed to be completed for future long range planning for repairs/replacement of existing stormwater lines.

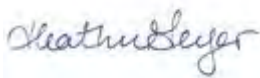
Awards and Acknowledgments

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 annual comprehensive financial report for the fiscal year ended December 31, 2022 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 annual comprehensive 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 annual comprehensive 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 annual comprehensive 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,



Heather Geyer
City Manager



Jason Loveland
Deputy City Manager/Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Northglenn
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

**RESIDENTS OF
NORTHGLENN**

CITY COUNCIL

City Attorney

**Municipal
Judge**

City Manager

City Clerk

**Boards &
Commissions**

**Deputy City
Manager**

Executive Assistant

Finance

Communications

**Municipal Court
(Division)**

**Crisis Response
Unit (Division)**

**Parks, Recreation
& Culture**

**Economic
Development**

**Planning &
Development**

Human Resources

Public Works

**Information
Technology**

Police



**CITY OF NORTHGLENN, COLORADO
As of December 31, 2023**

CITY COUNCIL

Meredith Leighty, Mayor

Megan Burns, Ward 1

Nicholas Walker, Ward 1

Jay Jaramillo, Ward 2

Adam Nowicki, Ward 2

Katherine E. Goff, Ward 3

Richard Kondo, Ward 3

Shannon Lukeman-Hiromasa, Ward 4, Mayor Pro Tem

Jody Roper, Ward 4

ADMINISTRATIVE OFFICIALS

Heather Geyer, City Manager

Corey Hoffmann, City Attorney

Johanna Small, City Clerk

Tamara Dixon, Director of Human Resources and Chief Diversity Officer

Kent Kisselman, Director of Public Works and Utilities

Bob Lehr, Director of Information Technology

Jason Loveland, Deputy City Manager/Director of Finance

James May, Jr., Chief of Police

Allison Moeding, Economic Development Director

Amanda Peterson, Director of Parks & Recreation

Brook Svoboda, Director of Planning and Development

Diana Wilson, Director of Communications



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Financial Section



Independent Auditor's Report

RSM US LLP

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 of the basic financial statements, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, as of January 1, 2023. As a result of the adoption, the City restated the beginning of year amount for SBITA assets and liabilities for the governmental activities, business-type activities and wastewater enterprise fund. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedule of changes in the City's total OPEB liability and related ratios, General Fund budgetary comparison information and related notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and other schedules, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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. The 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 GAAS. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and other schedules, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024 on our consideration of the City'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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
May 30, 2024



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CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

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, 2023. 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 \$352,047,465 (net position). Of this amount, \$53,987,312 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- The City's total net position increased by \$25,599,381 over the prior year.
- At the end of the current fiscal year, fund balance within the governmental funds was \$49,132,878, which represents a decrease of \$16,455,883 when compared to 2022. Approximately 69% of the fund balance, or \$33,782,878 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 fund* statements communicate how general governmental services like public safety were financed in the short term as well as what remains for future spending.
- The *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, 2023

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

Figure A-1
Major Features of the City of Northglenn’s Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the city that are not proprietary or fiduciary, such as police, parks and recreation	Activities the City operates similar to private businesses such as water, wastewater, stormwater, and the trash removal operation
Required financial statements	Statement of Net Position and Statement of Activities	Balance Sheet and 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, 2023

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 it has 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 is 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 police, public works and streets, parks and recreation departments and general administration. Property and sales taxes, charges for services, and state, local 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 system, 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 statements 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, 2023

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 plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$352,047,465 at the close of the most recent fiscal year.

The largest portion of the City of Northglenn's net position (74%) 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 residents; 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 and unspent bond proceeds of \$929,484, 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 residents 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):

	Governmental		Business-type		Total	
	2022	2023	2022	2023	2022	2023
Current and Other Assets	\$ 82,678	\$ 67,732	\$ 44,216	\$ 47,820	\$126,894	\$ 115,552
Capital Assets	140,449	171,785	162,707	168,505	303,156	340,290
Total Assets	<u>223,127</u>	<u>239,517</u>	<u>206,923</u>	<u>216,325</u>	<u>430,050</u>	<u>455,842</u>
Deferred Outflow of Resources	149	136	44	41	193	177
Long-Term Liabilities	57,953	57,769	26,526	25,873	84,479	83,642
Other Liabilities	9,918	11,766	3,672	1,747	13,590	13,513
Total Liabilities	<u>67,871</u>	<u>69,535</u>	<u>30,198</u>	<u>27,620</u>	<u>98,069</u>	<u>97,155</u>
Deferred Inflow of Resources	5,647	6,701	79	116	5,726	6,817
Net Investment in						
Capital Assets	85,987	116,507	138,208	142,913	224,195	259,420
Restricted	34,606	15,206	19,279	23,434	53,885	38,640
Unrestricted	29,165	31,704	19,203	22,283	48,368	53,987
Total Net Position	<u>\$ 149,758</u>	<u>\$ 163,417</u>	<u>\$176,690</u>	<u>\$ 188,630</u>	<u>\$326,448</u>	<u>\$ 352,047</u>

Changes in Net Position

The government's net position increased by \$25,599,381 during the current fiscal year. Details of the change in net position is provided by fund type, and further by specific major funds, in the Financial Analysis later in this discussion.

Governmental Activities. Governmental activities increased the City of Northglenn's net position by \$13,659,603. Governmental revenues increased by \$10,479,336 or 22% over 2022, the net effect realized mainly by increases in grants and contributions of \$5.5 million and \$4.5 million in investment income including market value adjustment. Governmental expenses increased from the prior year by \$1,129,309 (including transfers out), the majority of which was due to increased operating costs in Parks, Recreation and Culture related to programming.

Business-type Activities. Business-type activities increased the City's net position by \$11,939,778. Compared to 2022, Business-type revenues increased \$5,208,545 overall, realized through a one-time water lease revenue of \$3.75 million and an increase of \$2.9 million in investment income including market value adjustment. The gain was offset by a reduction in consumption of services and reduced tap fees of approximately \$1.6 million. Business-type

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2023

expenses increased over the prior year by \$908,194 attributable mostly to an increase in depreciation and loss on sale of assets.

Changes in net position (in thousands):

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 5,214	\$ 5,964	\$ 18,187	\$ 20,580	\$ 23,401	\$ 26,544
Operating Grants and Contributions	944	1,323	-	-	944	1,323
Capital Grants and Contributions	8,476	13,988	1,547	1,353	10,023	15,341
General Revenues:						
Property Taxes	5,382	5,287	-	-	5,382	5,287
Other Taxes	28,032	28,318	5,046	5,241	33,078	33,559
Franchise Fees	16	15	-	-	16	15
Grants and Contributions Not Restricted to Specific Programs	175	194	-	-	175	194
Investment Earnings (Loss)	(1,327)	2,923	(804)	2,118	(2,131)	5,041
Other	814	180	28	24	842	204
Gain on Sale of Assets	-	13	169	66	169	79
Total Revenues	47,726	58,205	24,173	29,382	71,899	87,587
Expenses						
General Government	9,335	10,477	-	-	9,335	10,477
Recreation and Culture	7,417	9,821	-	-	7,417	9,821
Public Safety	13,977	13,990	-	-	13,977	13,990
Public Works	9,289	8,601	16,533	17,442	25,822	26,043
Interest on Long-Term Debt	1,713	1,657	-	-	1,713	1,657
Total Expenses	41,731	44,546	16,533	17,442	58,264	61,988
Increase in Net Position before Transfers	5,995	13,659	7,640	11,940	13,635	25,599
Transfers In/Out	(1,686)	-	1,686	-	-	-
Change in Net Position	4,309	13,659	9,326	11,940	13,635	25,599
Net Position, Jan 1	145,449	149,758	167,364	176,690	312,813	326,448
Net Position Dec 31	<u>\$149,758</u>	<u>\$163,417</u>	<u>\$176,690</u>	<u>\$188,630</u>	<u>\$326,448</u>	<u>\$352,047</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 \$49,132,878. Of that fund balance, \$33,782,878 constitutes unrestricted fund balance, which is available for spending at the government's discretion. Of the total fund balance, \$25,273,950 has been committed by Council for an operating reserve of \$7,967,739, a Victims Assistance fund in the amount of \$115,018 and \$17,191,193 for capital projects. Restricted fund balance is comprised of \$37,308 of forfeitures for law enforcement use, \$24,495 of opioid settlement funds for public safety, \$134,550 of public, education and government channel (PEG) fees for communications, \$1,086,510 for a state constitution mandated emergency

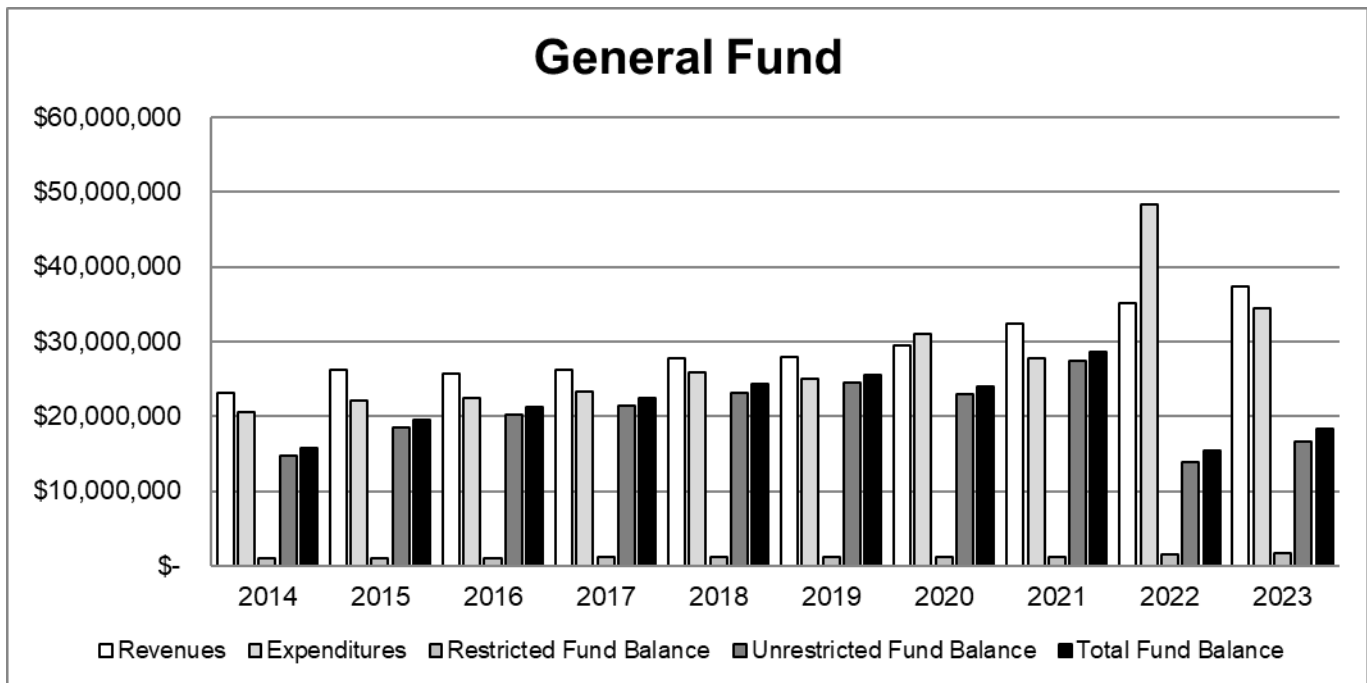
CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2023

reserve, \$3,251,762 for parks and open space purposes, and an additional \$10,671,513 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 \$143,862.

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 \$16,591,685 while total fund balance reached \$18,352,806. The fund balance represents an increase of approximately 19% or \$2,912,009 when compared to the prior year, realized by revenues exceeding expenses during the year.

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 approximately 48.1% of total 2023 General Fund expenditures, which includes capital outlay and transfers, while total fund balance represents approximately 53.2% of that same amount.



The Capital Projects Fund accounts for all governmental capital improvement projects of the City. As of 2023, total fund balance in the Capital Projects Fund was \$29,316,342. Of the total fund balance \$12,125,149 is restricted for specific capital-related uses (e.g., streets, recreation, etc.) while \$17,191,193 remains committed for general capital-related uses. The total fund balance represents a decrease of approximately 40% or \$19,321,299 when compared to the prior year. The decrease is attributable to large capital outlay projects for the new City Hall building and widening of 120th Avenue projects of roughly \$30 million, offset by \$9 million of grant funds received towards the 120th Avenue project.

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 Funds at the end of the year amounted to \$135,334,396 and \$43,215,189, respectively. Net position for the Stormwater and Sanitation Funds amounted to \$6,350,333 and \$3,729,682, respectively. Total change in net position for all four funds was \$11,939,778, an increase over the prior year by approximately 7%. Charges for services increased due to a one-time water lease of \$3.75 million. Though water and wastewater had scheduled rate increases of 2% and 5.25% respectively, water consumption was down by 16.5%, whereas wastewater services increased 1.5%, offsetting the one-time gain from the lease. Rates remained unchanged for stormwater and sanitation services.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2023

General Fund Budgetary Highlights

During the year, amendments to the 2023 original budget appropriation were in the form of grant acceptances where revenue equaled expenditures and contract carry-over expenses. These items were not budgeted during the budget process and added by the legislative body to the budget throughout the year.

Revenues and other financing sources of \$37,429,769 were up 7.9% from the budget, the increase realized mainly from unanticipated use tax, permit and plan review fees for construction and development, traffic fines and investment earnings.

Actual expenditures of \$34,517,760 fell below budget appropriations by \$1,866,298 or 5.1%, mainly in operational activities.

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, 2023 amounted to \$340,289,808 (net of accumulated depreciation). This investment in capital assets includes land, water rights, art, buildings and system improvements, machinery and equipment (purchased and leased), subscription-based information technology arrangements, park and recreation 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 \$34,422,525.

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

- \$15.6 million towards the widening of 120th Avenue, a major arterial
- \$15.0 million of construction in progress for the new City Hall building
- \$2.0 million of construction in progress for tennis court and outdoor pool improvements
- \$1.1 million towards renovation of parks, ballfields and playgrounds
- \$4.5 million of construction in progress towards the Water Treatment Facility Waste Handling project
- \$1.2 million for the completion of the Huron Street Line Replacement project
- \$2.1 million of construction in progress for the Wastewater Odor Control project

Capital Assets (In Thousands):

	Governmental Activities		Business-type Activities		Total	
	2022, restated	2023	2022, restated	2023	2022, restated	2023
Water Rights	\$ -	\$ -	\$ 61,556	\$ 61,801	\$ 61,556	\$ 61,801
Land and Improvements	4,440	4,440	808	808	5,248	5,248
Construction in Progress	3,592	35,913	6,329	10,994	9,921	46,907
Works of Art	769	771	-	-	769	771
Infrastructure and Improvements	128,808	129,940	156,011	159,410	284,819	289,350
Buildings and Improvements	83,161	83,161	22,688	22,688	105,849	105,849
Machinery and Equipment, incl Leased	10,637	11,166	12,724	13,659	23,361	24,825
Right to use, Subscription Based IT	2,635	2,635	76	76	2,711	2,711
Accumulated Depreciation/Amortization	(90,958)	(96,241)	(97,409)	(100,931)	(188,367)	(197,172)
Total Capital Assets	<u>\$ 143,084</u>	<u>\$ 171,785</u>	<u>\$ 162,783</u>	<u>\$ 168,505</u>	<u>\$ 305,867</u>	<u>\$ 340,290</u>

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

Long-Term Debt. As of December 31, 2023, the City has no general obligation bonded debt outstanding.

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.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS DECEMBER 31, 2023

At the end of the current fiscal year, the City had total debt outstanding of \$68,780,000 comprised of Certificates of Participation, Series 2017 and Series 2019 in the amount of \$14,640,000 and \$33,315,000, respectively, and the Wastewater Revenue Bonds, Series 2021 in the amount of \$20,825,000.

Additional information on the City of Northglenn's long-term debt can be found in Note 3.D. 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 2024 fiscal year.

- The unemployment rate for Northglenn was 3.2%, aligned with Adams County and state averages.
- In 2023, sales and use tax collections increased 1.2% when compared to the prior year. For the 2024 budget, an inflationary factor was given to revenue growth of approximately 3%.
- In 2011, City Council formally adopted comprehensive financial policies which include a requirement that the City maintain a minimum unassigned fund balance of at least 25% of the current year's General Fund appropriations.
- In November 2015, voters approved the extension of a one-half percent city sales tax, to be used for the exclusive purpose of funding capital improvement projects through the Capital Projects Fund. This tax does not have a sunset provision. The tax raised approximately \$3.7 million in 2023. Plans for this tax include an investment to the continued redevelopment of the Civic Center campus. Funds will also be used to pay for the debt related to the construction of the Justice Center and Recreation Center and Theatre Complex.
- In November 2017, voters approved the extension of a 4.000 mill levy, to be used for the exclusive purpose of funding road reconstruction projects. This tax does not have a sunset provision. The tax generated approximately \$1.8 million in 2023.
- In 2022, a 5-year water and wastewater rate increase plan was implemented to raise funds to complete capital projects over the next decade. The rate increases begin in 2023 by 2.0% and 5.25% respectively.

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 80233-1001.



Basic Financial Statements

CITY OF NORTHGLENN, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Urban Renewal Authority	Church Ditch Water Authority
ASSETS					
Cash & Investments	\$ 50,459,701	\$ 21,631,103	\$ 72,090,804	\$ 6,413,787	\$ 2,039,771
Receivables, Net of Allowances	12,097,024	2,569,751	14,666,775	2,592,694	38,710
Inventories	44,822	208,435	253,257	-	-
Deposits and Prepaids	99,040	10,895	109,935	-	5,000
Land Held for Resale	-	-	-	1,355,345	-
Cash & Investments, restricted	5,031,860	23,399,804	28,431,664	2,245,292	-
Capital Assets, Non Depreciable	41,123,890	73,602,908	114,726,798	-	713,933
Capital Assets, Net	130,661,111	94,901,899	225,563,010	-	4,372,155
Total Assets	239,517,448	216,324,795	455,842,243	12,607,118	7,169,569
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related Items	135,943	40,606	176,549	-	-
Total Deferred Outflows of Resources	135,943	40,606	176,549	-	-
LIABILITIES					
Accounts Payable	4,732,985	932,019	5,665,004	27,306	12,608
Retainages Payable	1,237,581	478,706	1,716,287	-	-
Accrued Liabilities	859,039	224,247	1,083,286	-	-
Unearned Revenue	4,744,393	-	4,744,393	-	31,123
Deposits Payable	44,485	43,938	88,423	-	81,360
Accrued Interest Payable	147,444	68,279	215,723	31,279	-
Noncurrent Liabilities:					
Due Within One Year	4,742,494	1,119,783	5,862,277	475,000	51,372
Due After One Year	53,026,318	24,753,520	77,779,838	9,738,916	2,039,973
Total Liabilities	69,534,739	27,620,492	97,155,231	10,272,501	2,216,436
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	6,226,212	-	6,226,212	2,592,694	-
OPEB Related Items	386,027	115,309	501,336	-	-
Lease	88,548	-	88,548	-	-
Total Deferred Inflows of Resources	6,700,787	115,309	6,816,096	2,592,694	-
NET POSITION (Deficit)					
Net Investment in Capital Assets	116,507,375	142,912,682	259,420,057	-	1,497,372
Net Investment in Capital Assets - Minority Equity Interest, nonexpendable	-	-	-	-	1,497,371
Restricted for:					
Emergency-Tabor	1,086,510	406,414	1,492,924	-	-
Water Rights	-	20,592,407	20,592,407	-	-
Capital Improvements	10,671,513	-	10,671,513	2,245,292	-
Communications	134,550	-	134,550	-	-
Debt	-	2,435,137	2,435,137	-	-
Parks & Open Space	3,251,762	-	3,251,762	-	-
Public Safety	61,803	-	61,803	-	-
Minority Equity Interest, nonexpendable	-	-	-	-	979,195
Unrestricted (Deficit)	31,704,352	22,282,960	53,987,312	(2,503,369)	979,195
Total Net Position (Deficit)	\$ 163,417,865	\$ 188,629,600	\$ 352,047,465	\$ (258,077)	\$ 4,953,133

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, 2023

Functions/Programs	Expenses	Net (Expenses) Revenue and Changes in Net Position								
		Program Revenues			Primary Government			Urban Renewal Authority	Church Ditch Water Authority	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Primary Government										
Governmental Activities:										
General Government	\$ 10,476,670	\$ 3,423,242	\$ 77,650	\$ -	\$ (6,975,778)	\$ -	\$ (6,975,778)	\$ -	\$ -	\$ -
Recreation and Culture	9,821,361	1,754,724	103,400	2,439,382	(5,523,855)	-	(5,523,855)	-	-	-
Public Safety	13,990,200	786,360	954,928	167,743	(12,081,169)	-	(12,081,169)	-	-	-
Public Works	8,600,674	-	187,424	11,380,758	2,967,508	-	2,967,508	-	-	-
Interest on Long-Term Debt	1,657,448	-	-	-	(1,657,448)	-	(1,657,448)	-	-	-
Total Governmental Activities:	44,546,353	5,964,326	1,323,402	13,987,883	(23,270,742)	-	(23,270,742)	-	-	-
Business-type Activities:										
Water	8,603,867	11,968,640	-	1,264,532	-	4,629,305	4,629,305	-	-	-
Wastewater	6,376,282	6,136,438	-	-	-	(239,844)	(239,844)	-	-	-
Stormwater	314,539	481,734	-	87,850	-	255,045	255,045	-	-	-
Sanitation	2,147,069	1,993,402	-	-	-	(153,667)	(153,667)	-	-	-
Total Business-Type Activities:	17,441,757	20,580,214	-	1,352,382	-	4,490,839	4,490,839	-	-	-
Total Primary Government	\$ 61,988,110	\$ 26,544,540	\$ 1,323,402	\$ 15,340,265	(23,270,742)	4,490,839	(18,779,903)	-	-	-
Component Units:										
Urban Renewal Authority	2,355,758	-	-	-	-	-	-	(2,355,758)	-	-
Church Ditch Water Authority	1,224,324	1,070,309	224,612	-	-	-	-	-	-	70,597
Total Component Units	\$ 3,580,082	\$ 1,070,309	\$ 224,612	\$ -	-	-	-	(2,355,758)	-	70,597
General Revenues:										
Taxes:										
Property Taxes for General Purposes					3,466,427	-	3,466,427	2,248,095	-	-
Property Taxes for Capital Improvements					1,820,542	-	1,820,542	-	-	-
Sales Taxes for General Purposes					28,318,325	-	28,318,325	-	-	-
Sales Taxes for Water Rights Purchase					-	3,743,386	3,743,386	-	-	-
Sales Taxes for Bond Retirement					-	1,497,311	1,497,311	-	-	-
Unrestricted Occupational Taxes					14,898	-	14,898	-	-	-
Grants and Contributions Not Restricted to										
Specific Programs					194,435	-	194,435	-	-	-
Investment Earnings					2,922,532	2,118,195	5,040,727	458,230	652	-
Miscellaneous					180,353	24,047	204,400	18,097	27,984	-
Gain On Sale of Assets					12,833	66,000	78,833	-	-	-
Total General Revenues					36,930,345	7,448,939	44,379,284	2,724,422	28,636	-
Change in Net Position					13,659,603	11,939,778	25,599,381	368,664	99,233	-
Net Position (Deficit)-Beginning					149,758,262	176,689,822	326,448,084	(626,741)	4,853,900	-
Net Position (Deficit)-Ending					\$ 163,417,865	\$ 188,629,600	\$ 352,047,465	\$ (258,077)	\$ 4,953,133	-

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

CITY OF NORTHGLENN, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	General	Capital Projects Fund	Total Nonmajor Funds	Total
ASSETS				
Cash & Investments	\$ 16,818,268	\$ 32,177,329	\$ 1,464,104	\$ 50,459,701
Receivables, Net of Allowances	7,443,828	4,639,409	13,787	12,097,024
Inventories	44,822	-	-	44,822
Deposits and Prepaids	99,040	-	-	99,040
Cash & Investments, restricted	4,853,072	178,788	-	5,031,860
Total Assets	<u>\$ 29,259,030</u>	<u>\$ 36,995,526</u>	<u>\$ 1,477,891</u>	<u>\$ 67,732,447</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 990,826	\$ 3,731,790	\$ 10,369	\$ 4,732,985
Retainages Payable	9,000	1,224,789	3,792	1,237,581
Accrued Liabilities	859,039	-	-	859,039
Unearned Revenue	4,717,881	26,512	-	4,744,393
Deposits Payable	44,485	-	-	44,485
Total Liabilities	<u>6,621,231</u>	<u>4,983,091</u>	<u>14,161</u>	<u>11,618,483</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	4,078,687	2,147,525	-	6,226,212
Unavailable Revenue - Intergovernmental	4,709	548,568	-	553,277
Unavailable Revenue - Contributions	-	-	-	-
Unavailable Revenue - Lease	88,548	-	-	88,548
Unavailable Revenue - Opioid Settlement	113,049	-	-	113,049
Total Deferred Inflows of Resources	<u>4,284,993</u>	<u>2,696,093</u>	<u>-</u>	<u>6,981,086</u>
FUND BALANCES				
Nonspendable:				
Inventories	44,822	-	-	44,822
Deposits and Prepaids	99,040	-	-	99,040
Restricted:				
Emergency	1,086,510	-	-	1,086,510
Forfeiture Funds	37,308	-	-	37,308
Capital Improvements	-	10,671,513	-	10,671,513
Communications	134,550	-	-	134,550
Parks & Recreation	334,396	1,453,636	1,463,730	3,251,762
Public Safety	24,495	-	-	24,495
Committed:				
Emergency Reserve	7,967,739	-	-	7,967,739
VALE Funds	115,018	-	-	115,018
Capital Improvements	-	17,191,193	-	17,191,193
Unassigned	8,508,928	-	-	8,508,928
Total Fund Balances	<u>18,352,806</u>	<u>29,316,342</u>	<u>1,463,730</u>	<u>49,132,878</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,259,030</u>	<u>\$ 36,995,526</u>	<u>\$ 1,477,891</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.	171,785,001
Other long-term assets are not available to pay for current period expenditures, and therefore are a deferred inflow of resources in the fund.	666,326
Long-term liabilities, including leases, pension, OPEB and compensated absences, certificates of participation, net of unamortized premium, and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds.	(57,916,256)
Net deferred outflows and deferred inflows related to OPEB are not applicable to the current period, and therefore are not included in the funds.	(250,084)
Net position of governmental activities	<u>\$ 163,417,865</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, 2023

	General	Capital Projects Fund	Total Nonmajor Funds	Total
REVENUES				
Taxes-Property, Sales, Use & Other	\$ 27,201,449	\$ 6,418,743	\$ -	\$ 33,620,192
Intergovernmental	2,974,407	11,407,441	527,935	14,909,783
Licenses and Permits	1,415,124	-	-	1,415,124
Charges for Services	3,828,043	-	-	3,828,043
Fines and Forfeitures	721,159	-	-	721,159
Contributions	-	1,833,816	-	1,833,816
Investment Earnings	1,056,263	1,799,233	67,036	2,922,532
Miscellaneous	188,491	-	-	188,491
Total Revenues	37,384,936	21,459,233	594,971	59,439,140
EXPENDITURES				
Current:				
General Government	9,946,501	-	-	9,946,501
Recreation and Culture	7,511,098	-	-	7,511,098
Public Safety	12,541,939	-	-	12,541,939
Public Works	3,275,584	-	-	3,275,584
Capital Outlay	800,843	36,642,713	641,564	38,085,120
Debt Service:				
Principal Payments	389,146	2,220,000	-	2,609,146
Interest Expense	52,649	1,917,819	-	1,970,468
Total Expenditures	34,517,760	40,780,532	641,564	75,939,856
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,867,176	(19,321,299)	(46,593)	(16,500,716)
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	44,833	-	-	44,833
Total Other Financing Sources	44,833	-	-	44,833
Net Change in Fund Balance	2,912,009	(19,321,299)	(46,593)	(16,455,883)
Fund Balance-Beginning	15,440,797	48,637,641	1,510,323	65,588,761
Fund Balance-Ending	\$ 18,352,806	\$ 29,316,342	\$ 1,463,730	\$ 49,132,878
Reconciliation to statement of activities, change in net position:				
Net Change in Fund Balance				(16,455,883)
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 capital outlays exceeded depreciation/amortization.				28,698,471
The net effect of miscellaneous transactions involving capital assets (i.e. sales, disposals and contributions).				2,400
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.				(1,280,417)
The issuance of long-term debt, including leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.				2,912,207
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.				(217,175)
Change in Net Position of Governmental Activities				\$ 13,659,603

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, 2023

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	
ASSETS				
Current assets:				
Cash & Investments	\$ 11,854,133	\$ 5,419,345	\$ 4,357,625	\$ 21,631,103
Receivables, Net of Allowances	1,488,925	785,699	295,127	2,569,751
Inventories	162,222	28,756	17,457	208,435
Deposits and Prepaids	7,540	2,464	891	10,895
Total Current Assets	13,512,820	6,236,264	4,671,100	24,420,184
Noncurrent Assets:				
Cash & Investments, restricted	23,027,544	372,260	-	23,399,804
Capital Assets, Non Depreciable:				
Water Rights	61,800,713	-	-	61,800,713
Land and Improvements	273,231	534,584	-	807,815
Construction In Progress	8,356,342	2,613,324	24,714	10,994,380
Capital Assets, Depreciable:				
Infrastructure and Improvements	68,231,691	85,282,012	5,896,578	159,410,281
Buildings and Improvements	8,508,892	14,118,459	60,179	22,687,530
Machinery and Equipment	5,722,818	4,915,441	3,020,334	13,658,593
Right to use, SBITA	-	76,489	-	76,489
Less Accumulated Depreciation	(52,485,058)	(45,097,312)	(3,348,624)	(100,930,994)
Total Noncurrent Assets	123,436,173	62,815,257	5,653,181	191,904,611
Total Assets	136,948,993	69,051,521	10,324,281	216,324,795
DEFERRED OUTFLOWS OF RESOURCES				
OPEB Related Items	19,420	14,124	7,062	40,606
	19,420	14,124	7,062	40,606
Current Liabilities:				
Accounts Payable	700,188	191,272	40,559	932,019
Retainages Payable	360,157	118,549	-	478,706
Accrued Liabilities	134,767	59,003	30,477	224,247
Deposits Payable	38,865	-	5,073	43,938
Accrued Interest Payable	-	68,279	-	68,279
Long-Term Liabilities, Due				
Within One Year	225,000	784,783	110,000	1,119,783
Total Current Liabilities	1,458,977	1,221,886	186,109	2,866,972
Noncurrent Liabilities:				
Long-term Liabilities	119,893	24,588,464	45,163	24,753,520
Total Noncurrent Liabilities	119,893	24,588,464	45,163	24,753,520
Total Liabilities	1,578,870	25,810,350	231,272	27,620,492
DEFERRED INFLOWS OF RESOURCES				
OPEB Related Items	55,147	40,106	20,056	115,309
Total Deferred Inflows of Resources	55,147	40,106	20,056	115,309
NET POSITION				
Net Investment in Capital Assets	100,048,472	37,219,159	5,645,051	142,912,682
Restricted for Emergency-Tabor	406,414	-	-	406,414
Restricted for Water Rights	20,592,407	-	-	20,592,407
Restricted for Debt	2,435,137	-	-	2,435,137
Unrestricted	11,851,966	5,996,030	4,434,964	22,282,960
Total Net Position	\$ 135,334,396	\$ 43,215,189	\$ 10,080,015	\$ 188,629,600

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, 2023

	Business-type Activities			Total
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	
Operating Revenues:				
Charges for Services	\$ 11,968,640	\$ 6,136,438	\$ 2,475,136	\$ 20,580,214
Other Operating Revenue	8,384	11,283	4,380	24,047
Total Operating Revenues	<u>11,977,024</u>	<u>6,147,721</u>	<u>2,479,516</u>	<u>20,604,261</u>
Operating Expenses:				
Administration	1,788,328	163,010	59,569	2,010,907
Facilities	320,389	-	-	320,389
Fleet	46,924	7,701	82,724	137,349
Streets	-	-	14,045	14,045
Engineering	425,531	329,066	-	754,597
Water Operations	1,378,966	-	-	1,378,966
Lab Operations	664,384	-	-	664,384
Electrical and Mechanical	231,737	301,179	-	532,916
Distribution and Collection	937,130	432,617	-	1,369,747
Water Resources Operations	1,424,017	-	-	1,424,017
Wastewater Operations	-	1,859,981	-	1,859,981
Industrial Pre-Treatment	-	101,310	-	101,310
Stormwater Operations	-	-	141,184	141,184
Sanitation Operations	-	-	1,567,559	1,567,559
Depreciation	1,390,939	2,320,275	596,527	4,307,741
Total Operating Expenses	<u>8,608,345</u>	<u>5,515,139</u>	<u>2,461,608</u>	<u>16,585,092</u>
Operating Income	<u>3,368,679</u>	<u>632,582</u>	<u>17,908</u>	<u>4,019,169</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	1,578,509	344,224	195,462	2,118,195
Taxes-Sales/Use	5,240,697	-	-	5,240,697
Gain (Loss) on Sale of Capital Assets	-	(186,716)	66,000	(120,716)
Judgments/Claims	4,478	(20,008)	-	(15,530)
Interest and Amortization Expense	-	(654,419)	-	(654,419)
Total Nonoperating Revenues (Expenses)	<u>6,823,684</u>	<u>(516,919)</u>	<u>261,462</u>	<u>6,568,227</u>
Income Before Capital Contributions	<u>10,192,363</u>	<u>115,663</u>	<u>279,370</u>	<u>10,587,396</u>
Capital Grants - Cash	1,264,532	-	87,850	1,352,382
Change In Net Position	<u>11,456,895</u>	<u>115,663</u>	<u>367,220</u>	<u>11,939,778</u>
Total Net Position-Beginning	123,877,501	43,099,526	9,712,795	176,689,822
Total Net Position-Ending	<u>\$ 135,334,396</u>	<u>\$ 43,215,189</u>	<u>\$ 10,080,015</u>	<u>\$ 188,629,600</u>

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



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CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities			Total
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	
Cash Flows From Operating Activities				
Cash Received From Customers	\$ 11,845,014	\$ 6,086,082	\$ 2,470,805	\$ 20,401,901
Cash Payments to Suppliers for Goods and Services	(3,822,663)	(2,854,352)	(801,434)	(7,478,450)
Cash Payments to Employees for Services	(3,703,188)	(1,648,059)	(1,068,085)	(6,419,331)
Net Cash Provided by Operating Activities	<u>4,319,163</u>	<u>1,583,671</u>	<u>601,286</u>	<u>6,504,120</u>
Cash Flows From Capital and Related Financing Activities				
Tax Receipts Restricted for Capital and Debt	5,240,697	-	-	5,240,697
Capital Grants	1,264,532	-	87,850	1,352,382
Acquisition and Construction of Capital Assets	(7,079,595)	(3,172,552)	(247,438)	(10,499,585)
Proceeds from Sales of Capital Assets	-	9,050	66,000	75,050
Principal Paid on Leases and Revenue Bonds	-	(509,317)	-	(509,317)
Interest Paid on Leases and Revenue Bonds	-	(854,043)	-	(854,043)
Net Cash (Used In) Capital and Related Financing Activities	<u>(574,366)</u>	<u>(4,526,862)</u>	<u>(93,588)</u>	<u>(5,194,816)</u>
Cash Flows From Investing Activities				
Earnings on Investments	1,578,509	344,224	195,462	2,118,195
Net Cash Provided by Investing Activities	<u>1,578,509</u>	<u>344,224</u>	<u>195,462</u>	<u>2,118,195</u>
Net Increase (decrease) in Cash and Cash Equivalents	5,323,306	(2,598,967)	703,160	3,427,499
Cash and Cash Equivalents, Beginning of Year	<u>29,558,371</u>	<u>8,390,572</u>	<u>3,654,465</u>	<u>41,603,408</u>
Cash and Cash Equivalents, End of Year	<u>\$ 34,881,677</u>	<u>\$ 5,791,605</u>	<u>\$ 4,357,625</u>	<u>\$ 45,030,907</u>

(Continued)

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities			Total
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 3,368,679	\$ 632,582	\$ 17,908	\$ 4,019,169
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,390,939	2,320,275	596,527	4,307,741
Judgements/(Claims)	4,478	(20,008)	-	(15,530)
(Increase) Decrease in Accounts Receivable	(132,010)	(61,639)	(8,711)	(202,360)
(Increase) Decrease in Inventory	16,867	7,780	9,129	33,776
(Increase) Decrease in Prepaid Expense	(4,850)	(1,436)	(3,348)	(9,634)
Increase (Decrease) in Accounts and Retainage Payable	(351,248)	(1,285,479)	(13,510)	(1,650,237)
Increase (Decrease) in Accrued Liabilities	5,743	(5,652)	(1,034)	(943)
Increase (Decrease) in OPEB Related Items	2,643	1,922	961	5,526
Increase (Decrease) in Compensated Absences Payable	12,857	(4,674)	3,364	11,547
Increase (Decrease) in Deposits Payable	5,065	-	-	5,065
Total Adjustments	950,484	951,089	583,378	2,484,951
Net Cash Provided by Operating Activities	\$ 4,319,163	\$ 1,583,671	\$ 601,286	\$ 6,504,120
Schedule of noncash capital activities:				
Acquisition of capital assets through construction payables	130,942	(413,498)	8,130	(274,426)

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



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Notes to the Financial Statements

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

The financial statements of the City of Northglenn have been prepared in conformity with generally accepted accounting principles (GAAP) 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 Annual Comprehensive 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. The board of directors consists of City officials and employees selected by City Council, and since NCLC provides services exclusively to the City, the City is financially accountable and integrated with NCLC. Any debt related is reported as a liability by the City; therefore, NCLC has no activity. As of December 31, 2022, all debt had been fully extinguished.

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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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, leases 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 funds:

The *Water Fund* accounts for the activities of related accounts to the provision of water services to Northglenn business, residents, schools, and churches. It operates the water treatment plant, water distribution systems, and pump stations.

The *Wastewater fund* accounts for the activities of related accounts to the provision of wastewater services to Northglenn business, residents, schools, and churches. It operates the wastewater treatment and wastewater

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

collection systems.

The Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Fund, 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, Deferred Inflows and Outflows 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, 2023, 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, U.S. Treasury notes and Municipal Bonds 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 Fund and Wastewater Fund, respectively. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the fiscal year.

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

inventories are recorded as expenditures when used (consumption method).

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

4. Restricted Assets

The Northglenn voters 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 Fund because their use is restricted by election.

There are restricted assets reported in the General Fund for unspent American Rescue Plan Act funds, and in the Capital Projects and Wastewater Funds for unspent bond proceeds held by the Trustee.

5. Capital Assets

Capital assets, which include property, water rights, 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.

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 (including leased)	3-30 years

Subscription-based information technology arrangement (SBITA) assets are initially measured at the present value of payments to be made during the subscription term and amortized over the shorter of the subscription term or useful life of the asset.

6. Leases and Subscription-Based Information Technology Arrangements

The City follows GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, which define the City's leasing and subscription-based arrangements as the right to use an underlying asset as a lessor (GASB Statement No. 87 only) or a lessee.

As a lessor, the City recognizes a lease receivable, measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Deferred inflows are recognized as inflows on a straight-line basis over the term of the lease.

As a lessee, the City recognizes a lease liability and an intangible right-to-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. These right-to-use assets are measured based on the net present value of the future lease payments at inception using a rate determined by the City's average long-term debt for the lease period. Amortization of the right-to-use asset is allocated over the expected life of the asset or the lease term, whichever is shorter.

As lessee for noncancelable SBITAs for the right-to-use information technology software, at the commencement of a subscription, the City initially measures the subscription liability as the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use subscription asset is initially measured at the initial amount of the

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

subscription IT liability, plus subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription IT asset is amortized into depreciation expense on a straight-line basis over the useful life of the asset.

For lease and SBITA contracts that are short-term, the City recognizes payments received as inflows of resources (revenues) or payments made as outflows of resources (expenditures) based on the provisions of the contract.

7. 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.

8. Long-term Obligations

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

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

9. 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.G., 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 codified through an ordinance or provided by special temporary order through a resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.
4. Assigned – Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to 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.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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.

To complement the Emergency Reserve required by State Constitution, the City Council established, by resolution, a fund balance commitment in the General Fund for emergency reserves, equal to at least 22% of the current year appropriation. This commitment serves as a reserve to buffer the City from economic downturns and may not be used to establish or support costs that are recurring in nature.

10. Net Position

Net position represents 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 investment in capital assets excludes unspent debt proceeds. 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 Fund is restricted for water rights and debt service, for the unspent portion of funds acquired through the designated taxes approved by the voters.

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.

11. 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.

12. Contraband Forfeitures

The Colorado Contraband Forfeiture Act (C.R.S 16-13-501 to 511) and the Controlled Substances Act (21 USC § 881(e)(3)) allows law enforcement agencies to retain proceeds from the seizure of contraband for the specific purpose of law enforcement activities. All such transactions are recorded in the General Fund. Property and equipment seized are recorded as capital assets if they meet the City's capitalization policy.

13. 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 assets 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, OPEB related amounts previously recognized against OPEB expense.

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 assets 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 four types of items, which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, these items, unavailable revenues, are reported in the governmental funds

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

balance sheet. The governmental funds report unavailable revenues for property taxes, grant revenues, leases and opioid settlements. These amounts are recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements 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. Deferred inflows of resources also include OPEB related amounts not yet recognized against OPEB expense, and lease revenue which is recognized on a straight-line basis over the term of the lease.

14. Implementation of New GASB Statements

Beginning in fiscal year 2023, the City adopted the following statements issued by the Governmental accounting Standards Board (GASB):

GASB Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Statement No. 94 is meant to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and guidance on accounting and financial reporting for availability payment arrangements. The City is not currently a party to any type of arrangement included in this Statement.

GASB Statement No. 96 Subscription Based Information Technology Arrangements. Statement No. 96 guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) that create a right-to-use subscription asset, providing criteria for capitalization of such assets (intangible) and a corresponding subscription liability. The City has entered into various arrangements subject to this statement, and implemented the guidance effective January 1, 2023 and has applied the provisions of the standard to the beginning of the period. The SBITA assets are disclosed with all assets in Note 3.D under Leases. Implementation resulted in the restatement of capital assets related to Right-to-use Asset, SBITA and SBITA liabilities in the Governmental Activities of \$2,634,636 and \$76,489 in the Business-type Activities related to the Wastewater Fund.

GASB Statement No. 99 Omnibus 2022. Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing issues identified during implementation and application of certain GASB statements, and accounting and financial reporting for financial guarantees. Items that impacted the City were related to GASB Statements 87 and 96, and implemented in for the periods ending December 31, 2022 and 2023 respectively. Remaining items were not applicable to the City.

GASB Statement No. 100 Accounting Changes and Error Corrections. Statement No. 100 enhances accounting and financial reporting requirements for accounting change and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The City had no activity that was relevant to this statement during implementation for the period ending December 31, 2023.

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 \$268,025,451, less depreciation of \$96,240,450 for a net adjustment of \$171,785,001, which are not reported in the funds. Other Long-term assets that are not available to pay for current-period expenditures are presented as a deferred inflow of resources in the fund of \$666,326, comprised of \$553,277 of intergovernmental grants and opioid settlement revenues of \$113,049.

The next 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 \$57,916,256 difference are as follows:

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Compensated Absences	\$ 2,479,262
Lease Liability	19,798
SBITA Liability	2,273,973
Total OPEB Liability	446,611
Police Disability Benefits	34,648
Unamortized Premium	4,559,520
Accrued Interest on Certificates of Participation	147,444
Certificates of Participation	47,955,000
Net Adjustment to Fund Balance	<u>\$ 57,916,256</u>

The final element relates to the net deferred outflows and deferred inflows of \$250,084 of other post-employment benefits that are not applicable to the current period.

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.

The first two elements refer to capital outlays and miscellaneous transactions involving capital assets. The details of these two reconciling items are as follows:

Capitalized Asset Expenditures	\$ 35,854,396
Construction in Progress Deletions	(1,452,252)
Depreciation Expense	<u>(5,703,673)</u>
	<u>\$ 28,698,471</u>
Contributed Capital	\$ 34,400
Proceeds from sale of capital assets	<u>(32,000)</u>
	<u>\$ 2,400</u>

The next element relates to the recognition of the change in deferred inflows of (\$1,280,417) from contributions and grant revenues in the amount (\$1,272,279) and opioid settlement funds in the amount of (\$8,138).

Following this is an element relating to the repayment of long-term debt, in the amount of \$3,051,313 comprised of the following:

Principal Repayment on Long-term Debt	\$ 2,220,000
Amortization of Premium on Long-term Debt	303,061
Principal Repayment of Lease	28,483
Principal Repayment of SBITA	<u>360,663</u>
	<u>\$ 2,912,207</u>

The final element applies to expenses that do not require current financial resources, in the amount of (\$217,175) includes the following:

Change in OPEB related items	\$ (18,502)
Adjustment in Police Disability Benefits Payable	1,013
Change in Compensated Absences	(209,645)
Accrued Interest on Bonds	<u>9,959</u>
	<u>\$ (217,175)</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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	\$ 3,515	\$ -
Cash Deposits	1,257,938	2,051,997
Investments	99,261,015	8,646,853
Total	<u>\$ 100,522,468</u>	<u>\$ 10,698,850</u>
Cash and Investments	\$ 72,090,804	\$ 8,453,558
Restricted Cash and Investments	28,431,664	2,245,292
Total	<u>\$ 100,522,468</u>	<u>\$ 10,698,850</u>

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

	<u>Primary Government</u>	<u>Component Units</u>
Bond Proceeds for Construction	\$ 929,484	\$ 2,245,292
Construction	4,474,636	-
Water Rights Acquisition	20,592,407	-
Debt Service	2,435,137	-
Total	<u>\$ 28,431,664</u>	<u>\$ 2,245,292</u>

Deposits. At year-end, the carrying amount of the City and component units reporting entities cash deposits were \$3,309,935.

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 fair value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2023 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.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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 Debt	5 years	20%	5%
Commercial Paper	270 days	50%	5%
Bankers Acceptances	180 days	50%	5%
Corporate Bonds	3 years	50%	5%
Repurchase Agreements	180 days	None	None
Local Government Investment Pools	N/A	35%	None
Variable Rate Securities	1 year	None	None
Money Market Funds	N/A	None	None

Local Government Investment Pool. The City and component units invested \$17,617,326 in the Colorado Surplus Asset Fund Trust (CSAFE). These are investment vehicles established by local government entities in Colorado to pool surplus funds for investment purposes by state statute. They are overseen by the state Securities Commissioner. CSAFE operates similarly to money market funds and each share is equal in value to \$1.00. Effective June 2022, CSAFE is rated AAmmf by Fitch Ratings; prior to that date it was rated AAAM by Standard & 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. Treasuries, agencies, repurchase agreements, bank deposits, 'AAAM' rated SEC registered money-market funds and highly-rated commercial paper.

Fair Value Measurement. 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, if 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.

U.S. Government agency securities. U.S. Government securities are reported at fair value based on bullet

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

(noncall) spread scale for each issuer. 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 and Municipal Bonds. These investments are reported at fair value based on evaluation using market 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. 72 outside of those shown below.

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

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity in years for each investment type as required by the City's investment policy as of December 31, 2023.

Investment Type	Balance	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)	\$ 9,250,154	N/A	AA+	Aaa	9%	1.82	Level 2
Federal Home Loan Banks (FHLB)	9,446,809	N/A	AA+	Aaa	10%	1.10	Level 2
Federal Home Loan Mortgage Corporation (FHLMC)	4,941,029	N/A	AA+	Aaa	5%	1.70	Level 2
Federal National Mortgage Association (FNMA)	9,478,459	N/A	AA+	Aaa	10%	0.63	Level 2
U.S. Treasury Notes	44,094,720	N/A	AA+	Aaa	44%	1.77	Level 2
Corporate Bonds	12,010,735	A-, A3	AA to A-	A1 to Aaa3	12%	1.78	Level 2
Municipal/Provincial Bonds	948,093	AA-, Aa3	AA+	Aa1	1%	1.33	Level 2
Investments measured at amortized cost:							
CSAFE	8,970,473	N/A	NR	NR	9%	-	N/A
UMB Money Market	120,543	AAA	NR	NR	0%	-	N/A
	<u>\$ 99,261,015</u>				<u>100%</u>	<u>1.58</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, 2023.

Investment Type	Balance	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity
CSAFE	8,646,853	N/A	NR	NR	100%	-
	<u>\$ 8,646,853</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.

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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.

B. Receivables

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

Primary Government:

	General	Capital Projects	Other Govern- mental	Water	Wastewater	Other Enterprise	Primary Government Total
Receivables:							
Taxes	\$6,558,732	\$2,584,587	\$ -	\$ 543,803	\$ -	\$ -	\$ 9,687,122
Accounts	284,162	-	-	700,967	761,314	269,247	2,015,690
Intergovernmental/Grant	222,802	1,802,218	-	52,253	-	-	2,077,273
Lease	88,548	-	-	-	-	-	88,548
Interest and Other	289,584	252,604	13,787	191,902	24,385	25,880	798,142
Total	<u>\$7,443,828</u>	<u>\$4,639,409</u>	<u>\$ 13,787</u>	<u>\$1,488,925</u>	<u>\$ 785,699</u>	<u>\$ 295,127</u>	<u>\$ 14,666,775</u>

Lease Receivables - The City leased property to a third party for the placement of an antenna facility in June 2019 for a five year term, with the option to renew up to five times with a 10% increase per renewal, cancellable with no termination clause. It is anticipated that the agreement will be renewed for a 5-year term in June 2024. The total amount of inflows of resources recognized for the period ending December 31, 2023 were lease revenue of \$13,687 and interest income of \$2,285.

Component Units:

	Urban Renewal Authority	Church Ditch Water Authority
Receivables:		
Taxes	\$2,592,624	\$ -
Accounts	-	38,710
Total	<u>\$2,592,624</u>	<u>\$ 38,710</u>

CITY OF NORTHGLENN, COLORADO

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C. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance, as restated	Primary Government		Ending Balance
		Increases	Decreases	
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 4,439,783	\$ -	\$ -	\$ 4,439,783
Construction in Progress	3,591,615	33,773,432	1,452,252	35,912,795
Works of Art	768,912	34,400	32,000	771,312
Total Capital Assets Not Being Depreciated	8,800,310	33,807,832	1,484,252	41,123,890
Other Capital Assets:				
Infrastructure and Improvements	128,808,573	1,158,051	26,776	129,939,848
Buildings and Improvements	83,161,370	-	-	83,161,370
Machinery and Equipment	10,561,651	922,913	394,237	11,090,327
Right-to-use Asset, Machinery and Equipment	75,380	-	-	75,380
Right-to-use Asset, SBITA*	2,634,636	-	-	2,634,636
Total Other Capital Assets at Historical Cost	225,241,610	2,080,964	421,013	226,901,561
Less Accumulated Depreciation/Amortization for:				
Infrastructure and Improvements	(76,169,737)	(2,840,617)	26,776	(78,983,578)
Buildings and Improvements	(9,245,713)	(1,767,038)	-	(11,012,751)
Machinery and Equipment	(5,515,241)	(682,165)	394,237	(5,803,169)
Right-to-use Asset, Machinery and Equipment	(27,099)	(28,483)	-	(55,582)
Right-to-use Asset, SBITA*	-	(385,370)	-	(385,370)
Total Accumulated Depreciation/Amortization	(90,957,790)	(5,703,673)	421,013	(96,240,450)
Other Capital Assets, Net	134,283,820	(3,622,709)	-	130,661,111
Governmental Activities Capital Assets, Net	\$ 143,084,130	\$ 30,185,123	\$ (1,484,252)	\$ 171,785,001
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 61,555,713	\$ 245,000	\$ -	\$ 61,800,713
Land and Improvements	807,815	-	-	807,815
Construction in Progress	6,328,579	9,557,281	4,891,480	10,994,380
Total Capital Assets Not Being Depreciated	68,692,107	9,802,281	4,891,480	73,602,908
Other Capital Assets:				
Infrastructure and Improvements	156,011,417	4,046,137	647,273	159,410,281
Buildings and Improvements	22,687,530	-	-	22,687,530
Machinery and Equipment	12,724,412	1,268,222	334,041	13,658,593
Right-to-use Asset, SBITA*	76,489	-	-	76,489
Total Other Capital Assets at Historical Cost	191,499,848	5,314,359	981,314	195,832,893
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(80,195,338)	(2,712,175)	457,301	(82,450,212)
Buildings and Improvements	(11,229,177)	(457,990)	-	(11,687,167)
Machinery and Equipment	(5,984,287)	(1,112,080)	328,248	(6,768,119)
Right-to-use Asset, SBITA*	-	(25,496)	-	(25,496)
Total Accumulated Depreciation	(97,408,802)	(4,307,741)	785,549	(100,930,994)
Other Capital Assets, Net	94,091,046	1,006,618	(195,765)	94,901,899
Business -type Activities Capital Assets, Net	\$ 162,783,153	\$ 10,808,899	\$ (5,087,245)	\$ 168,504,807

*SBITA - Subscription Based Information Technology Assets

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 500,000	\$ -	\$ -	\$ 500,000
Land and Improvements	165,000	-	-	165,000
Construction in Progress	-	48,933	-	48,933
Total Capital Assets Not Being Depreciated	<u>665,000</u>	<u>48,933</u>	<u>-</u>	<u>713,933</u>
Other Capital Assets:				
Infrastructure and Improvements	6,473,605	-	-	6,473,605
Buildings and Improvements	681,084	17,870	-	698,954
Machinery and Equipment	706,255	74,029	-	780,284
Total Other Capital Assets at Historical Cost	<u>7,860,944</u>	<u>91,899</u>	<u>-</u>	<u>7,952,843</u>
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(2,237,450)	(417,934)	-	(2,655,384)
Buildings and Improvements	(218,348)	(22,695)	-	(241,043)
Machinery and Equipment	(660,210)	(24,051)	-	(684,261)
Total Accumulated Depreciation	<u>(3,116,008)</u>	<u>(464,680)</u>	<u>-</u>	<u>(3,580,688)</u>
Other Capital Assets, Net	<u>4,744,936</u>	<u>(372,781)</u>	<u>-</u>	<u>4,372,155</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,409,936</u>	<u>\$ (323,848)</u>	<u>\$ -</u>	<u>\$ 5,086,088</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities:		
General Government		\$ 487,285
Public Safety		998,977
Public Works		2,214,118
Recreation & Culture		2,003,293
Total Governmental Activities Depreciation/Amortization		<u>\$ 5,703,673</u>
Business-type Activities:		
Water		\$ 1,390,939
Wastewater		2,320,275
Stormwater		159,310
Sanitation		437,217
Total Business-type Activities Depreciation/Amortization		<u>\$ 4,307,741</u>
Component Units:		
Church Ditch Water Authority		\$ 464,680
Total Component Units Depreciation Expense		<u>\$ 464,680</u>

D. Long-term Debt

Primary Government

In 2017, the City entered into a Lease Purchase Agreement with UMB Bank, N.A. as Trustee, for the Certificates of Participation, Series 2017 in the amount of \$19,325,000, the proceeds of which were used for the purpose of financing the construction of the City's new Justice Center. The annual base rentals are scheduled for a 20-year period that began on December 1, 2017 and are payable through December 1, 2036, in amounts of \$805,000 to \$1,415,000, with semi-annual interest payments from 3.375% to 5.00%. As of December 31, 2023 the outstanding base rentals and unamortized premium were \$14,640,000 and \$1,254,327, respectively.

During 2019, the City entered into a second Lease Purchase Agreement with UMB Bank, N.A. as Trustee, for the Certificates of Participation, Series 2019 in the amount of \$38,530,000. The proceeds of the issuance were used to reimburse the City for the design and construction of the Recreation Center and Theatre Complex. The base rentals are due in annual installments for twenty (20) years beginning on December 1, 2020 through December 1,

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

2039 in amounts from \$1,415,000 to \$2,595,000, with semi-annual interest payments from 2.125% to 5.0%. The Bonds were rated AA by Standard & Poor's upon issuance. The outstanding base rentals and unamortized premium were \$33,315,000 and \$3,305,193 respectively, at December 31, 2023.

Both the 2017 and 2019 Certificates of Participation are subject to annual appropriation by the City and UMB Bank, N.A. and are reported in the financial statements as long-term debt of the City. Principal payments are due annually and interest payments are due semiannually and are payable from the Capital Projects Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2023 are as follows:

Year Ending 31-Dec	Governmental Funds		
	Principal	Interest	Total
2024	\$ 2,335,000	\$ 1,798,819	\$ 4,133,819
2025	2,450,000	1,682,069	4,132,069
2026	2,570,000	1,559,569	4,129,569
2027	2,700,000	1,431,069	4,131,069
2028	2,835,000	1,296,069	4,131,069
2029-2033	16,310,000	4,342,494	20,652,494
2034-2038	16,160,000	1,561,255	17,721,255
2039	2,595,000	68,119	2,663,119
	<u>\$ 47,955,000</u>	<u>\$ 13,739,463</u>	<u>\$ 61,694,463</u>

The City's outstanding certificates contain a provision that in an event of default or non-appropriation, the right to possession of the Leased Properties will terminate, and the City will be required to vacate said Properties within 45 days and is subject to pay any accrued base or additional rentals to the Trustee or other person entitled thereto.

The Certificates of Participation lease purchase agreements are financed purchases, and therefore not subject to GASB 87 reporting.

In February 2021, the City issued Wastewater Revenue Bonds, Series 2021 in the amount of \$21,955,000 to fund the construction of Lift Station A and Force Main to replace existing outdated infrastructure. The Bonds were structured with annual principal installments for twenty-five (25) years beginning on December 1, 2021 through December 1, 2045, in increments from \$485,000 to \$1,380,000, with interest between 2.0% and 4.0% due semi-annually. The Bonds were rated AA by Standard & Poor's Global Ratings upon issuance, guaranteed by Build America Mutual Insurance Company, with an underlying rating of AA-.

The Bonds are payable solely from pledged revenues, consisting of the net revenues of the Wastewater Fund after the payment of operation and maintenance expenses. For the year ended December 31, 2023, 40.8% of the pledged revenue totaling \$3,277,819 was used to pay the annual principal and interest due of \$1,337,400. The bonds maturing on December 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 2030 or any date thereafter, in whole or part. At December 31, 2023, the outstanding principal and unamortized premium were \$20,825,000 and \$4,348,300 respectively. Annual debt service requirements to maturity of the Bonds are as follows:

Year Ending 31-Dec	Business-type Funds		
	Principal	Interest	Total
2024	\$ 660,000	\$ 833,000	\$ 1,493,000
2025	630,000	806,600	1,436,600
2026	655,000	781,400	1,436,400
2027	680,000	755,200	1,435,200
2028	710,000	728,000	1,438,000
2029-2033	4,000,000	3,190,600	7,190,600
2034-2038	4,865,000	2,323,800	7,188,800
2039-2043	5,915,000	1,270,800	7,185,800
2044-2045	2,710,000	163,600	2,873,600
	<u>\$ 20,825,000</u>	<u>\$ 10,853,000</u>	<u>\$ 31,678,000</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Leases and Subscription-Based Information Technology Arrangements

Lease and subscription-based obligations Governmental Activities

On July 24, 2019 the City entered into a lease agreement for fourteen (14) Copiers of varying capacity for a term of five years at 5% interest, with monthly payments due at the end of every month. On September 13, 2021 the City amended the lease to include an additional two (2) copiers, for a term of 35 months to terminate concurrent with the original lease term. Details of the lease are as follows:

Year Ending 31-Dec	Governmental Funds		
	Principal	Interest	Total
2024	\$ 19,798	\$ 370	\$ 20,168
Total	\$ 19,798	\$ 370	\$ 20,168

On January 9, 2020 the City entered into a subscription-based information technology agreement (SBITA) for telephone and virtual meeting software services for a term of 5 years at 1.22% interest, with minimum monthly payments of \$4,880 due at the first of every month. The agreement includes an automatic one-year extension at the end of the 5 year term, and perpetually thereafter until either party with 30 days notice chooses to terminate the contract. The City intends to renew for the one-year term at the expiration of the current lease. As of December 31, 2023 the net book value of the right-to-use asset was \$125,785 with accumulated amortization of \$41,929. This agreement is included in the Right-to-use Asset – SBITA in Note C.

On November 17, 2020 the City entered into a SBITA effective January 1, 2021 for Axon tasers, and fleet and body cameras that included associated software services. One-time payments were made for the equipment at inception, which did not meet capitalization thresholds. The initial term for the software service is for ten years at 2.12% interest with annual payments of \$285,698. In 2022, the City added additional licenses which increased the payments over the life of the contract varying from \$296,210 to \$303,611 per year. The contract contains an automatic 5 year renewal option with a 3% increase unless termed by either party. It is unclear as to whether the City will renew for an additional five years at this time. As of December 31, 2023 the net book value of right-to-use asset value was \$1,913,026 with accumulated amortization of \$273,290. This agreement is included in the Right-to-use Asset – SBITA in note C.

On January 6, 2021 the City entered into a SBITA effective February 1, 2021 for computer software licenses for a term of 3 years at 1.04% interest, with annual payments of \$53,968. In 2022, the license subscriptions were increased and annual payments increased for the remaining term to \$61,653. The contract contains an option to renew for an additional 3 years, which the City anticipates to renew at an annual rate of \$75,500. As of December 31, 2023, the net book value of the right-to-use asset value was \$210,454 with accumulated amortization of \$70,151. This agreement is included in the Right-to-use Asset – SBITA in Note C.

Subscription-based obligations Business-type Activities

On December 1, 2020 the City entered into a SBITA effective February 1, 2021 for computer software cloud interface of the wastewater lift stations for a term of 5 years at 1.9% interest, with monthly payments of \$2,130. The contract contains an automatic 5 year renewal unless either party provides 60 days written notice. It is unclear as to whether the City will opt to renew at this time. As of December 31, 2023, the net book value of the right-to-use asset value was \$50,993 with accumulated amortization of \$25,496. This agreement is included in the Right-to-use Asset – SBITA in Note C.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Obligations under SBITAs at December 31, 2023 are as follows:

Year Ending 31-Dec	Governmental Funds			Business-type Funds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 387,696	\$ 44,451	\$ 432,147	\$ 24,783	\$ 777	\$ 25,560
2025	389,736	37,531	427,267	25,260	300	25,560
2026	356,174	30,821	386,995	2,129	3	2,132
2027	282,435	24,176	306,611	-	-	-
2028	279,999	18,188	298,187	-	-	-
2029-2030	577,933	18,442	596,375	-	-	-
Total	<u>\$ 2,273,973</u>	<u>\$ 173,609</u>	<u>\$ 2,447,582</u>	<u>\$ 52,172</u>	<u>\$ 1,080</u>	<u>\$ 53,252</u>

Component Units

In 2019, the Northglenn Urban Renewal Authority (NURA) partnered with the City in the renovation of the Civic Center Campus, to provide public infrastructure improvements to foster redevelopment. NURA issued \$11,210,000 of Tax Increment Revenue Bonds, Series 2019 (Urban Renewal Plan 2) with the proceeds being contributed towards the redevelopment of the site. The City will own and maintain all of the infrastructure generated. The Bonds are structured with annual principal installments for nineteen (19) years beginning on December 1, 2020 through December 1, 2038, in increments from \$475,000 to \$825,000, with interest between 1.96% and 3.32% due semi-annually. The Bonds were rated BBB- by Standard & Poor's upon issuance.

The bonds are payable from an irrevocable pledge of net income and revenue derived from incremental increases in property tax revenues collected within the Urban Renewal Plan 2 area. For the year ended December 31, 2023, 39.2% of the pledged increment revenue totaling \$2,193,295 was used to pay the annual principal and interest due of \$860,000. The bonds maturing on December 1, 2030 and beyond may be redeemed on December 1, 2029 or any date thereafter, in whole or part, at the option of NURA. At December 31, 2023, the outstanding principal and unamortized premium were \$9,540,000 and \$673,916 respectively. Annual debt service requirements to maturity of the Bonds are as follows:

Year Ending 31-Dec	NURA		
	Principal	Interest	Total
2024	\$ 475,000	\$ 381,600	\$ 856,600
2025	495,000	362,600	857,600
2026	515,000	342,800	857,800
2027	535,000	322,200	857,200
2028	555,000	300,800	855,800
2029-2033	3,140,000	1,151,600	4,291,600
2034-2038	3,825,000	471,000	4,296,000
Total	<u>\$ 9,540,000</u>	<u>\$ 3,332,600</u>	<u>\$ 12,872,600</u>

In the event of a default in the payment of principal or interest on the Bonds, Bondholders' cannot foreclose on or sell the City property. Bondholders' remedies may include a court order requiring NURA to perform the terms of the Resolution, bankruptcy proceedings or the exercise of police powers of the State of Colorado or its political subdivisions and may be subject to judicial discretion.

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In September 2017, the Church Ditch Water Authority entered into a reimbursement-based loan for the construction of 5 ditch improvement projects. The project was completed in June of 2020, with a final loan balance of \$2,236,657, at an interest rate of 3.0% for a term of 30 years. Annual payments of \$114,113 are scheduled from June 1, 2021 through June 1, 2050. Below are the annual debt service requirements to maturity:

Year Ending 31-Dec	CDWA		
	Principal	Interest	Total
2024	\$ 51,372	\$ 62,741	\$ 114,113
2025	52,914	61,199	114,113
2026	54,501	59,612	114,113
2027	56,136	57,977	114,113
2028	57,820	56,293	114,113
2028-2032	316,183	254,381	570,564
2033-2038	366,542	204,024	570,566
2039-2043	424,925	145,640	570,565
2044-2048	492,602	77,962	570,564
2049-2050	218,350	9,865	228,215
Total	<u>\$ 2,091,345</u>	<u>\$ 989,694</u>	<u>\$ 3,081,039</u>

The Church Ditch Water Authority has pledged future special assessments revenue, as well as 100% interest in the Ford Street Siphon property, for the repayment of the loan. For the year ended December 31, 2023, assessment revenue totaled \$1,061,167.

Long-term obligation activity for the year ended December 31, 2023 was as follows:

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2017 Certificates of Participation	\$ 15,445,000	\$ -	\$ (805,000)	\$ 14,640,000	\$ 845,000
2019 Certificates of Participation	34,730,000	-	(1,415,000)	33,315,000	1,490,000
Premium on Debt Issuance	4,862,581	-	(303,061)	4,559,520	-
Leases Payable	48,281	-	(28,483)	19,798	19,798
SBITA Payable	2,634,636	-	(360,663)	2,273,973	387,696
Pension Benefits Payable	35,661	-	(1,013)	34,648	-
Other Post Employment Benefits	561,713	-	(115,102)	446,611	-
Compensated Absences	2,269,617	2,122,993	(1,913,348)	2,479,262	2,000,000
Total Governmental Activities	<u>60,587,489</u>	<u>2,122,993</u>	<u>(4,941,670)</u>	<u>57,768,812</u>	<u>4,742,494</u>
Business-Type activities:					
2021 Wastewater Revenue Bonds	21,310,000	-	(485,000)	20,825,000	660,000
Premium on Debt Issuance	4,545,950	-	(197,650)	4,348,300	-
SBITA Payable	76,489	-	(24,317)	52,172	24,783
Other Post Employment Benefits	167,780	-	(34,381)	133,399	-
Compensated Absences	502,885	409,005	(397,458)	514,432	435,000
Total Business-Type Activities	<u>26,603,104</u>	<u>409,005</u>	<u>(1,138,806)</u>	<u>25,873,303</u>	<u>1,119,783</u>
Total Long-term Liabilities	<u>\$ 87,190,593</u>	<u>\$ 2,531,998</u>	<u>\$ (6,080,476)</u>	<u>\$ 83,642,115</u>	<u>\$ 5,862,277</u>
Component Unit:					
2019 Tax Increment Revenue Bonds (NURA)	\$ 10,000,000	\$ -	\$ (460,000)	\$ 9,540,000	\$ 475,000
Premium on Debt Issuance (NURA)	718,844	-	(44,928)	673,916	-
Promissory Notes Payable (CDWA)	2,141,221	-	(49,876)	2,091,345	51,372
	<u>\$ 12,860,065</u>	<u>\$ -</u>	<u>\$ (554,804)</u>	<u>\$ 12,305,261</u>	<u>\$ 526,372</u>

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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 amount of settlements did not exceed insurance coverage during the past three fiscal years.

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.

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 Thornton, Finance Department, 9500 Civic Center Drive, Thornton, CO 80229.

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 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, 2023 was \$200,000. Contributions to the escrow account are an expense of the Water Fund at the time of transfer to the escrow account.

D. 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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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.

E. Other Post-Employment Benefits

Retiree Health Program

Plan Description. The Retiree Health Program (Program) is a single-employer defined benefit OPEB healthcare plan administered by the City of Northglenn. The Program provides medical insurance, including prescription drug 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 has the authority to establish or amend the plan provisions or contribution requirements through Council policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. As of August 1, 2009, the Retiree Health Program changed; existing participants in the plan were grandfathered. For these grandfathered participants, 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. Effective August 1, 2009 and thereafter, participants become eligible with at least 20 years of service (full-time employment), are at least 55 years old, and when they are no longer employed with the City of Northglenn. These participants are eligible to receive a monthly reimbursement amount for Qualified Medical Insurance Premium payments based on years of service, until they are eligible for Medicare benefits. The monthly stipend amount is \$200 for full-time employees with 20 years of service, 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 current City policy funds OPEB expense on a pay-as-you-go-basis.

Contributions. During the year, the City paid \$13,164 in stipend and \$2,732 in benefits, with program members receiving benefits paying \$2,732 towards premiums equal to 50% of the equivalent single premium recognized for active employees, plus 100% of the premium for spouse or family member coverage.

Employees Covered by Benefit Terms. As of December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits, current plan	3
Active employees - General	191
Active employees - Police	81
	<hr/>
	275
	<hr/>

As of December 31, 2023, the pre-2009 Retiree Health Program has been closed since there are no longer any eligible participants.

Total OPEB Liability. The City's total OPEB liability of \$580,010 was measured as of December 31, 2023 and was determined by a full actuarial valuation as of January 1, 2024.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Actuarial Methods and Assumptions. The total OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	4.00%
Discount Rate	3.88% - measurement date; 4.18% - year preceding measurement date
Health Care Cost Trend Rates	Not applicable to the current plan provisions
Mortality Rates	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

The discount rate was based on the average of the published yields from the S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes.

Change in Total OPEB Liability

	Total OPEB Liability
Balance as of December 31, 2022	\$ 729,493
Changes for the year:	
Service cost	34,559
Interest	31,556
Differences between expected and actual experience	(188,628)
Changes in assumptions and inputs	(8,740)
Benefits Payments	(18,230)
Net changes	(149,483)
Balance as of December 31, 2023	\$ 580,010

Changes of Assumptions. The discount rate was changed from 4.18% at the beginning of the year to 3.88% at the end of the year. The salary scale also increased from 3% to 4%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or higher than the current discount rate:

	1% Decrease 2.88%	Discount Rate 3.88%	1% Increase 4.88%
Total OPEB liability	\$ 624,352	\$ 580,010	\$ 538,481

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. This no longer applies to the remaining Retiree Health Program in effect at December 31, 2023.

OPEB Expense and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2023, the City recognized OPEB expense of \$42,258. At December 31, 2023 the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (371,566)
Changes in assumptions and inputs	176,549	(129,770)
Total	\$ 176,549	\$ (501,336)

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Years ending December 31:	
2024	\$ (23,857)
2025	(23,857)
2026	(23,857)
2027	(23,857)
2028	(23,857)
Thereafter	(205,502)
	<u>\$ (324,787)</u>

F. 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. MissionSquare Retirement is the trustee of both pension funds. The trustee's address is 777 North Capital Street, NE Suite 600, Washington, DC 20002. Innovest, Inc., a registered investment advisor, whose address is 7979 E Tufts Avenue #1700, Denver, CO 80237, provides investment-consulting services to the Retirement Boards for both pension plans.

Upon review of GASB Statements No. 84 and No. 97, the City has determined that these plans do not meet the requirements of inclusion as a component unit, and the City does not control the assets of the plans, so the plans are not included as a fiduciary activity in the financial statements.

General Employees' Pension Plan (GEPP)

The City made the required contribution of \$1,292,066. The employees' contribution to the Plan was \$1,705,503. There were no employer liabilities outstanding as of December 31, 2023.

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. For 2023, 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 remain with 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. During 2023, the City received \$64,016 from forfeitures to pay for administrative expenses.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Police Money Purchase Pension Plan (PMPPP)

The City made the required contribution of \$614,989. The covered employees contributed \$827,930. There were no employer liabilities outstanding as of December 31, 2023.

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. For 2023 the City's contribution level was 8%, then upon the completion of five years of eligible service 9%, and 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 remain with the employee. Forfeitures by employees who leave before seven years of service are used to pay the Plan's administrative expenses and may be used at the Board's discretion to reduce City contributions. During 2023, the City received \$30,991 from forfeitures to pay for administrative expenses.

G. Tax, Spending, and Debt Limitations

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

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the Amendment. On December 31, 2023, the emergency reserve of \$1,492,924 was reported as a restriction of fund balance of \$1,086,510 in the General Fund, and as restricted net position of \$406,414 in the Water Fund.

H. Commitments/Contingencies

Construction Commitments. As of December 31, 2023, the City had construction and improvement commitments of \$21,100,633 in the governmental funds comprised of \$9,000 in the General Fund, \$20,602,939 in the Capital Projects Fund, and \$149,103 in the Conservation Trust Fund. Proprietary fund construction and improvement commitments totaled \$6,232,790, with \$4,387,676 in the Water Fund, \$811,881 in the Wastewater Fund, \$1,030,773 in the Stormwater Fund and \$2,460 in the Sanitation Fund. Future expenditures related to these commitments are expected to be financed through available resources and future sales tax revenue.

I. Tax Abatements

The City of Northglenn has entered into incentive agreements to encourage economic development and redevelopment, with the anticipation of stimulating the local economy. These agreements are considered on a case-by-case basis, discretionary in nature, and only approved by a Resolution passed by City Council, in compliance with Article 13 of Chapter 5 of the Northglenn Municipal Code.

All incentive agreements are performance based, requiring the business to meet or exceed the specific performance measures outlined in the individual agreements. Incentive agreements may include: 1) the waiver/rebate of permit related fees based on construction/improvements; 2) rebate/sales and/or use tax incentives based on the revenues generated by the business that meet or exceed amounts determined in the agreement; 3) sales and accommodations tax credits approved by special Ordinance. Incentives vary based on the needs of the development/redevelopment project authorized.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

In 2023, the City's expenditures included \$100,719 for the rebate of permit fees and use tax.

NOTE 5. PENDING GASB PRONOUNCEMENTS

As of December 31, 2023, The GASB had issued several statements not yet required to be implemented by the City. The Statements which may impact the City are as follows:

GASB Statement No. 101 *Compensated Absences*, issued June 2022 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance and by amending certain previously required disclosures. The effective date for the City would be beginning with its fiscal year ending December 31, 2024.

GASB Statement No. 102 *Certain Risk Disclosures*, issued December 2023 provides guidance for disclosing risk related to a government's vulnerabilities due to certain concentrations or constraints not already required to be reported. The effective date for the City would be beginning with its fiscal year ending December 31, 2025.

Management intends to adopt these Statements, if applicable, by the required date and will modify and expand its financial statements and disclosures accordingly. The City has not yet determined the effect these Statements will have on the City's financial statements.



**Required
Supplementary Information
(Unaudited)**

CITY OF NORTHGLENN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2023 (Last 6 years)

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 34,559	\$ 50,819	\$ 33,515	\$ 26,071	\$ 23,228	\$ 24,465
Interest cost	31,556	17,459	16,317	22,530	29,534	26,036
Differences between expected and actual experience	(188,628)	(4,829)	(160,817)	(1,296)	(98,347)	-
Changes in assumptions and inputs	(8,740)	(124,551)	149,862	62,177	22,381	(22,043)
Benefit payments	(18,230)	(28,882)	(36,723)	(34,144)	(28,300)	(28,140)
Net Change in total OPEB liability	(149,483)	(89,984)	2,154	75,338	(51,504)	318
Total OPEB liability—beginning	729,493	819,477	817,323	741,985	793,489	793,171
Total OPEB liability—ending	<u>\$ 580,010</u>	<u>\$ 729,493</u>	<u>\$ 819,477</u>	<u>\$ 817,323</u>	<u>\$ 741,985</u>	<u>\$ 793,489</u>
Covered employee payroll	\$ 22,167,598	\$ 18,020,262	\$ 17,495,400	\$ 15,746,828	\$ 15,288,183	\$ 15,158,598
Total OPEB liability as a percentage of covered employee payroll	2.62%	4.05%	4.68%	5.19%	4.85%	5.23%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.88%
2022	4.18%
2021	2.04%
2020	1.96%
2019	3.00%
2018	3.68%
2017	3.24%

The salary scale also changed from 3% to 4%.

The following are the mortality tables used in each period:

2023	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.
2022	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.
2021	Society of Actuaries Pub-2020 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.
2020	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2010 Full Generational Improvement.
2019	Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2019 Full Generational Improvement
2018	Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2018 Full Generational Improvement
2017	Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2017 Full Generational Improvement

NOTE: GASB Statement No. 75 requires ten years of data to be presented; however, until a full 10 year trend is compiled, the City will present only those years which information is available.

CITY OF NORTHGLENN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	GAAP Basis	
REVENUES				
Taxes-Property	\$ 3,468,000	\$ 3,468,000	\$ 3,466,427	\$ (1,573)
Taxes-Sales/Use	22,903,000	22,903,000	23,720,124	817,124
Occupational Tax	15,000	15,000	14,898	(102)
Intergovernmental	2,390,984	2,651,694	2,974,407	322,713
Licenses and Permits	1,047,000	1,047,000	1,415,124	368,124
Charges for Services	3,352,950	3,384,848	3,828,043	443,195
Fines and Forfeitures	632,000	632,000	721,159	89,159
Investment Earnings	395,000	395,000	1,056,263	661,263
Miscellaneous	200,000	200,000	188,491	(11,509)
Total Revenues	34,403,934	34,696,542	37,384,936	2,688,394
EXPENDITURES				
General Government:				
Legislative	864,660	864,660	885,413	(20,753)
City Manager	3,472,444	3,538,371	3,249,442	288,929
City Clerk	610,230	610,230	521,191	89,039
Human Resources	1,121,240	1,121,240	1,165,715	(44,475)
Technology	1,055,163	1,055,163	1,042,828	12,335
Finance	652,099	652,099	627,311	24,788
Planning & Development	2,072,841	2,110,091	2,113,213	(3,122)
Non-Departmental	125,000	125,000	486,973	(361,973)
Recreation and Culture	7,573,831	8,204,886	7,511,098	693,788
Public Safety	13,587,988	13,973,265	12,838,149	1,135,116
Public Works	3,192,220	3,237,493	3,275,584	(38,091)
Capital Outlay	841,560	841,560	800,843	40,717
Contingency	50,000	50,000	-	50,000
Total Expenditures	35,219,276	36,384,058	34,517,760	1,866,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	(815,342)	(1,687,516)	2,867,176	4,554,692
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	-	-	44,833	44,833
Total Other Financing Sources	-	-	44,833	44,833
Net Change In Fund Balance	(815,342)	(1,687,516)	2,912,009	4,599,525
Fund Balance-Beginning	13,169,315	15,440,797	15,440,797	-
Fund Balance-Ending	\$ 12,353,973	\$ 13,753,281	\$ 18,352,806	\$ 4,599,525

See Note to Required Supplementary Information

CITY OF NORTHGLENN, COLORADO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023

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, 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 Fund, 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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Capital Project Fund

CITY OF NORTHGLENN, COLORADO

CAPITAL PROJECTS FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	GAAP Basis	
REVENUES				
Taxes-Property	\$ 1,821,000	\$ 1,821,000	\$ 1,820,542	\$ (458)
Taxes-Sales/Use	4,663,000	4,663,000	4,598,201	(64,799)
Intergovernmental	12,234,079	13,834,080	11,407,441	(2,426,639)
Contributions	-	-	1,833,816	1,833,816
Investment Earnings	532,000	532,000	1,799,233	1,267,233
Total Revenues	<u>19,250,079</u>	<u>20,850,080</u>	<u>21,459,233</u>	<u>609,153</u>
EXPENDITURES				
General Government:				
Capital Outlay	51,467,883	70,476,730	36,642,713	33,834,017
Debt Service:				
Principal Payments	2,220,000	2,220,000	2,220,000	-
Interest and Fiscal Charges	1,915,819	1,915,819	1,917,819	(2,000)
Total Expenditures	<u>55,603,702</u>	<u>74,612,549</u>	<u>40,780,532</u>	<u>33,832,017</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,353,623)</u>	<u>(53,762,469)</u>	<u>(19,321,299)</u>	<u>34,441,170</u>
Net Change In Fund Balance	(36,353,623)	(53,762,469)	(19,321,299)	34,441,170
Fund Balance-Beginning	61,761,790	48,637,641	48,637,641	-
Fund Balance-Ending	<u>\$ 25,408,167</u>	<u>\$ (5,124,828)</u>	<u>\$ 29,316,342</u>	<u>\$ 34,441,170</u>



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**Nonmajor
Governmental Funds**

CITY OF NORTHGLENN, COLORADO

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Conservation Trust Fund – The purpose of this fund is to account for lottery proceeds received from the State of Colorado for use towards the acquisition, development, construction or maintenance of parks and recreational facilities owned by the City.

Community Development Block Grant Fund – The purpose of this fund is to account for federal Community Development Block Grant funds received as a pass-through from Adams County, to be used for authorized purposes in low- and moderate-income areas throughout the City.

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2023

	Special Revenue Funds		
	Conservation		
	Trust Fund	CDBG Fund	Total
ASSETS			
Cash & Investments	\$ 1,464,104	\$ -	\$ 1,464,104
Receivables, Net of Allowances	13,787	-	13,787
Total Assets	<u>\$ 1,477,891</u>	<u>\$ -</u>	<u>\$ 1,477,891</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 10,369	\$ -	\$ 10,369
Retainages Payable	3,792	-	3,792
Total Liabilities	<u>14,161</u>	<u>-</u>	<u>14,161</u>
FUND BALANCES			
Restricted for:			
Parks and Recreation	1,463,730	-	1,463,730
Total Fund Balances	<u>1,463,730</u>	<u>-</u>	<u>1,463,730</u>
Total Liabilities and Fund Balances	<u>\$ 1,477,891</u>	<u>\$ -</u>	<u>\$ 1,477,891</u>

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds		
	Conservation		
	Trust Fund	CDBG Fund	Total
REVENUES			
Intergovernmental	\$ 527,935	\$ -	\$ 527,935
Investment Earnings	67,036	-	67,036
Total Revenues	<u>594,971</u>	<u>-</u>	<u>594,971</u>
EXPENDITURES			
General Government:			
Capital Outlay	641,564	-	641,564
Total Expenditures	<u>641,564</u>	<u>-</u>	<u>641,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(46,593)</u>	<u>-</u>	<u>(46,593)</u>
Net Change In Fund Balance	(46,593)	-	(46,593)
Fund Balance-Beginning	1,510,323	-	1,510,323
Fund Balance-Ending	<u>\$ 1,463,730</u>	<u>\$ -</u>	<u>\$ 1,463,730</u>

CITY OF NORTHGLENN, COLORADO

SPECIAL REVENUE FUND - CONSERVATION TRUST FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	
REVENUES				
Intergovernmental	\$ 469,800	\$ 469,800	\$ 527,935	\$ 58,135
Investment Earnings	8,000	8,000	67,036	59,036
Total Revenues	<u>477,800</u>	<u>477,800</u>	<u>594,971</u>	<u>117,171</u>
EXPENDITURES				
General Government:				
Capital Outlay	760,000	1,290,195	641,564	648,631
Total Expenditures	<u>760,000</u>	<u>1,290,195</u>	<u>641,564</u>	<u>648,631</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(282,200)</u>	<u>(812,395)</u>	<u>(46,593)</u>	<u>765,802</u>
Net Change In Fund Balance	(282,200)	(812,395)	(46,593)	765,802
Fund Balance-Beginning	1,546,706	1,510,323	1,510,323	-
Fund Balance-Ending	<u>\$ 1,264,506</u>	<u>\$ 697,928</u>	<u>\$ 1,463,730</u>	<u>\$ 765,802</u>

CITY OF NORTHGLENN, COLORADO

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change In Fund Balance	-	-	-	-
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ -



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Enterprise Funds

CITY OF NORTHGLENN, COLORADO

WATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Taxes-Sales/Use	\$ 4,794,000	\$ 4,794,000	\$ 5,240,697	\$ 446,697
Grants	4,100,000	4,100,000	1,267,298	(2,832,702)
Charges for Services	9,557,700	9,557,700	11,968,640	2,410,940
Investment Earnings	251,000	251,000	1,578,509	1,327,509
Total Revenues	18,702,700	18,702,700	20,060,762	1,358,062
EXPENDITURES				
Administration	1,961,369	1,961,369	1,788,328	173,041
Facilities	254,122	254,122	320,389	(66,267)
Fleet	60,000	60,000	46,924	13,076
Engineering	556,204	556,261	425,531	130,730
Water Operations	1,261,435	1,479,888	1,363,466	116,422
Lab Operations	716,004	716,004	664,384	51,620
Electrical and Mechanical	309,330	309,330	231,737	77,593
Distribution and Collection	989,752	989,752	937,130	52,622
Water Resources Operations	693,085	1,085,918	1,424,017	(338,099)
Capital Outlay	8,336,823	8,967,798	6,245,987	2,721,811
Acquisition of Water Rights	7,392,833	7,392,833	964,550	6,428,283
Total Expenditures	22,530,957	23,773,275	14,412,443	9,360,832
Net Change	\$ (3,828,257)	\$ (5,070,575)	5,648,319	\$ 10,718,894
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			(15,500)	
Capitalization of Capital Assets			7,210,537	
Judgments			4,478	
Depreciation			(1,390,939)	
Total Adjustments to Basis			<u>5,808,576</u>	
Change in Net Position			11,456,895	
Total Net Position-Beginning			<u>123,877,501</u>	
Total Net Position-Ending			<u>\$ 135,334,396</u>	

CITY OF NORTHGLENN, COLORADO

WASTEWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Budget Basis	
REVENUES				
Grants	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Charges for Services	5,759,735	5,759,735	6,136,438	376,703
Investment Earnings	73,000	73,000	344,224	271,224
Miscellaneous	-	-	11,283	11,283
Total Revenues	6,332,735	6,332,735	6,491,945	159,210
EXPENDITURES				
Administration	88,072	88,072	163,010	(74,938)
Fleet	4,000	4,000	7,701	(3,701)
Engineering	411,956	411,956	329,066	82,890
Electrical and Mechanical	348,975	348,975	301,179	47,796
Distribution and	470,952	470,952	432,617	38,335
Collection Wastewater	2,125,262	2,125,262	1,862,733	262,529
Operations Industrial Pre-	138,395	138,395	101,310	37,085
Treatment Capital Outlay	4,185,000	4,349,466	2,759,054	1,590,412
Principal Payments	485,000	485,000	509,317	(24,317)
Interest and Fiscal Charges	855,900	855,900	654,419	201,481
Total Expenditures	9,113,512	9,277,978	7,120,406	2,157,572
Net Change	<u>\$ (2,780,777)</u>	<u>\$ (2,945,243)</u>	(628,461)	<u>\$ 2,316,782</u>
OTHER FINANCING SOURCES				
Sales of Capital Assets	-	-	9,050	9,050
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>9,050</u>	<u>9,050</u>
Net Change	<u>\$ (2,780,777)</u>	<u>\$ (2,945,243)</u>	(619,411)	<u>\$ 2,325,832</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Loss on Disposal of Capital Assets			(195,766)	
Principal Paid on Bonds and Notes Payable			509,317	
Miscellaneous Non-Cash Adjustments			2,752	
Capitalization of Capital Assets			2,759,054	
Claims			(20,008)	
Depreciation			(2,320,275)	
Total Adjustments to Basis			<u>735,074</u>	
Change in Net Position			115,663	
Total Net Position-Beginning			43,099,526	
Total Net Position-Ending			<u>\$ 43,215,189</u>	

CITY OF NORTHGLENN, COLORADO

NON-MAJOR ENTERPRISE FUNDS

Stormwater Fund – This fund accounts for all activities necessary to maintain a stormwater management system, including administration, operations, and capital maintenance.

Sanitation Fund – This fund accounts for trash and recycling services provided within the City, including administration and operations.

CITY OF NORTHGLENN, COLORADO

NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2023

	Business-Type Activities Enterprise Funds		Total Nonmajor Enterprise Funds
	Stormwater	Sanitation	
ASSETS			
Current assets:			
Cash & Investments	\$ 2,033,278	\$ 2,324,347	\$ 4,357,625
Receivables, Net of Allowances	31,510	263,617	295,127
Inventories	-	17,457	17,457
Deposits and Prepaids	891	-	891
Total Current Assets	<u>2,065,679</u>	<u>2,605,421</u>	<u>4,671,100</u>
Noncurrent Assets:			
Capital Assets:			
Construction In Progress	24,714	-	24,714
Infrastructure and Improvements	5,783,586	112,992	5,896,578
Buildings and Improvements	37,792	22,387	60,179
Machinery and Equipment	-	3,020,334	3,020,334
Less Accumulated Depreciation	(1,520,938)	(1,827,686)	(3,348,624)
Total Noncurrent Assets	<u>4,325,154</u>	<u>1,328,027</u>	<u>5,653,181</u>
Total Assets	<u>6,390,833</u>	<u>3,933,448</u>	<u>10,324,281</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Items	-	7,062	7,062
	-	7,062	7,062
Current Liabilities:			
Accounts Payable	23,968	16,591	40,559
Accrued Liabilities	-	30,477	30,477
Deposits Payable	5,073	-	5,073
Long-Term Liabilities, Due Within One Year	10,000	100,000	110,000
Total Current Liabilities	<u>39,041</u>	<u>147,068</u>	<u>186,109</u>
Noncurrent Liabilities:			
Long-Term Liabilities	1,459	43,704	45,163
Total Noncurrent Liabilities	<u>1,459</u>	<u>43,704</u>	<u>45,163</u>
Total Liabilities	<u>40,500</u>	<u>190,772</u>	<u>231,272</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Items	-	20,056	20,056
NET POSITION			
Net Investment in Capital Assets	4,317,024	1,328,027	5,645,051
Unrestricted	2,033,309	2,401,655	4,434,964
Total Net Position	<u>\$ 6,350,333</u>	<u>\$ 3,729,682</u>	<u>\$ 10,080,015</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, 2023

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$ 481,734	\$ 1,993,402	\$ 2,475,136
Other Operating Revenue	-	4,380	4,380
Total Operating Revenues	481,734	1,997,782	2,479,516
Operating Expenses:			
Administration	-	59,569	59,569
Fleet	-	82,724	82,724
Streets	14,045	-	14,045
Stormwater Operations	141,184	-	141,184
Sanitation Operations	-	1,567,559	1,567,559
Depreciation	159,310	437,217	596,527
Total Operating Expenses	314,539	2,147,069	2,461,608
Operating Income (Loss)	167,195	(149,287)	17,908
Nonoperating Revenues:			
Investment Earnings	90,572	104,890	195,462
Gain on Sale of Capital Assets	-	66,000	66,000
Total Nonoperating Revenues	90,572	170,890	261,462
Income Before Contributions and Transfers	257,767	21,603	279,370
Capital Grants - Cash	87,850	-	87,850
Change In Net Position	345,617	21,603	367,220
Total Net Position-Beginning	6,004,716	3,708,079	9,712,795
Total Net Position-Ending	\$ 6,350,333	\$ 3,729,682	\$ 10,080,015

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash Received From Customers	\$ 480,973	\$ 1,989,832	\$ 2,470,805
Cash Payments to Suppliers for Goods and Services	(45,795)	(755,639)	(801,434)
Cash Payments to Employees for Services	(99,818)	(968,267)	(1,068,085)
Net Cash Provided by Operating Activities	<u>335,360</u>	<u>265,926</u>	<u>601,286</u>
Cash Flows From Capital and Related Financing Activities			
Capital Grants	87,850	-	87,850
Acquisition and Construction of Capital Assets	(98,981)	(148,457)	(247,438)
Proceeds from Sales of Capital Assets	-	66,000	66,000
Net Cash (Used) In Capital and Related Financing Activities	<u>(11,131)</u>	<u>(82,457)</u>	<u>(93,588)</u>
Cash Flows From Investing Activities			
Earnings on Investments	90,572	104,890	195,462
Net Cash Provided by Investing Activities	<u>90,572</u>	<u>104,890</u>	<u>195,462</u>
Net Increase in Cash and Cash Equivalents	414,801	288,359	703,160
Cash and Cash Equivalents, Beginning of Year	<u>1,618,477</u>	<u>2,035,988</u>	<u>3,654,465</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,033,278</u>	<u>\$ 2,324,347</u>	<u>\$ 4,357,625</u>

(Continued)

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 167,195	\$ (149,287)	\$ 17,908
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	159,310	437,217	596,527
(Increase) Decrease in Accounts Receivable	(761)	(7,950)	(8,711)
(Increase) Decrease in Inventory	-	9,129	9,129
(Increase) Decrease in Prepaid Expense	(4,482)	1,134	(3,348)
Increase (Decrease) in Accounts and Retainage Payable	10,072	(23,582)	(13,510)
Increase (Decrease) in Accrued Liabilities	(305)	(729)	(1,034)
Increase (Decrease) in OPEB Related Amounts	-	961	961
Increase (Decrease) in Compensated Absences Payable	4,331	(967)	3,364
Total Adjustments	<u>168,165</u>	<u>415,213</u>	<u>583,378</u>
Net Cash Provided by Operating Activities	<u>\$ 335,360</u>	<u>\$ 265,926</u>	<u>\$ 601,286</u>
Schedule of noncash capital activities:			
Acquisition of capital assets through construction payables	\$ 8,130	\$ -	\$ 8,130

CITY OF NORTHGLENN, COLORADO

STORMWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts Budget Basis	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 87,850	\$ 87,850
Charges for Services	463,800	463,800	481,734	17,934
Investment Earnings	13,000	13,000	90,572	77,572
Total Revenues	476,800	476,800	660,156	183,356
EXPENDITURES				
Streets	14,700	14,700	14,045	655
Stormwater Operations	174,044	178,817	136,853	41,964
Capital Outlay	427,391	1,409,938	107,111	1,302,827
Total Expenditures	616,135	1,603,455	258,009	1,345,446
Net Change	\$ (139,335)	\$ (1,126,655)	402,147	\$ 1,528,802
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			(4,331)	
Capitalization of Capital Assets			107,111	
Depreciation			(159,310)	
Total Adjustments to Basis			(56,530)	
Change in Net Position			345,617	
Total Net Position-Beginning			6,004,716	
Total Net Position-Ending			\$ 6,350,333	

CITY OF NORTHGLENN, COLORADO

SANITATION FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Charges for Services	\$ 1,966,300	\$ 1,966,300	\$ 1,993,402	\$ 27,102
Investment Earnings	38,000	38,000	104,890	66,890
Miscellaneous	-	-	4,380	4,380
Total Revenues	<u>2,004,300</u>	<u>2,004,300</u>	<u>2,102,672</u>	<u>98,372</u>
EXPENDITURES				
Administration	62,037	62,037	59,569	2,468
Fleet	110,000	110,000	82,724	27,276
Sanitation Operations	1,502,389	1,502,389	1,567,565	(65,176)
Capital Outlay	257,200	257,200	148,457	108,743
Total Expenditures	<u>1,931,626</u>	<u>1,931,626</u>	<u>1,858,315</u>	<u>73,311</u>
Net Change	<u>\$ 72,674</u>	<u>\$ 72,674</u>	244,357	<u>\$ 171,683</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Gain on Disposal of Capital Assets			66,000	
Miscellaneous Non-Cash Adjustments			6	
Capitalization of Capital Assets			148,457	
Depreciation			(437,217)	
Total Adjustments to Basis			<u>(222,754)</u>	
Change in Net Position			21,603	
Total Net Position-Beginning			3,708,079	
Total Net Position-Ending			<u>\$ 3,729,682</u>	



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Component Units

CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY

BALANCE SHEET

DECEMBER 31, 2023

ASSETS

Cash & Investments	\$ 6,413,787
Cash & Investments, restricted	2,245,292
Receivables, Net of Allowances	2,592,694
Land Held for Resale	1,355,345
Total Assets	\$ 12,607,118

LIABILITIES

Accounts Payable	\$ 27,306
Total Liabilities	27,306

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Taxes	2,592,694
Total Deferred Inflows of Resources	2,592,694

FUND BALANCES

Restricted for:	
Capital Outlay	2,245,292
Assigned	
Land Held for Resale	1,355,345
Fund Balance-Unassigned	6,386,481
Total Fund Balance	9,987,118

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

Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities, but are recognized on the statement of net position.	(10,213,916)
Accrued interest payable	(31,279)

Net position of Governmental Activities	\$ (258,077)
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CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES

Taxes-Property	\$ 2,248,095
Investment Earnings	458,230
Miscellaneous	18,097
Total Revenues	<u>2,724,422</u>

EXPENDITURES

General Government:	
Non-Departmental	2,001,974
Debt Service:	
Principal Payments	460,000
Interest and Fiscal Charges	400,400
Total Expenditures	<u>2,862,374</u>

(Deficiency) of Revenues

Over Expenditures	<u>(137,952)</u>
Net Change In Fund Balance	(137,952)
Fund Balance-Beginning	10,125,070
Fund Balance-Ending	<u>\$ 9,987,118</u>

Reconciliation to statement of activities, change in net position:

Net Change in Fund Balance	(137,952)
The issuance of long-term debt provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position.	460,000
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. This includes amortization of bond premium at \$44,928 and the change in the accrued interest payable of \$1,688.	46,616
Change in Net Position	<u>\$ 368,664</u>

CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget
REVENUES				
Taxes-Property	\$ 2,300,250	\$ 2,300,250	\$ 2,248,095	\$ (52,155)
Investment Earnings	90,000	90,000	458,230	368,230
Miscellaneous	340,400	340,400	18,097	(322,303)
Total Revenues	<u>2,730,650</u>	<u>2,730,650</u>	<u>2,724,422</u>	<u>(6,228)</u>
EXPENDITURES				
General Government	4,906,075	4,906,075	2,001,974	2,904,101
Debt Service:				
Principal Payments	440,000	440,000	460,000	(20,000)
Interest and Fiscal Charges	417,600	417,600	400,400	17,200
Total Expenditures	<u>5,763,675</u>	<u>5,763,675</u>	<u>2,862,374</u>	<u>2,901,301</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(3,033,025)</u>	<u>(3,033,025)</u>	<u>(137,952)</u>	<u>2,895,073</u>
Net Change	<u>(3,033,025)</u>	<u>(3,033,025)</u>	<u>(137,952)</u>	<u>2,895,073</u>
Total Fund Balance-Beginning			10,125,070	
Total Fund Balance-Ending			<u>\$ 9,987,118</u>	

CITY OF NORTHGLENN, COLORADO

CHURCH DITCH WATER AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts Budget Basis	
REVENUES				
Intergovernmental	\$ 104,038	\$ 223,037	\$ 224,612	\$ 1,575
Charges for Services	1,062,842	1,070,309	1,070,309	-
Investment Earnings	350	500	652	152
Miscellaneous	24,000	27,700	27,984	284
Total Revenues	1,191,230	1,321,546	1,323,557	2,011
EXPENSES				
General Operations	726,957	729,700	695,407	34,293
Capital Outlay	571,938	257,853	74,029	183,824
Debt Service:				
Principal Payments	-	49,876	49,876	-
Interest and Fiscal Charges	-	64,237	64,237	-
Total Expenses	1,298,895	1,101,666	883,549	218,117
Net Change in fund balance	\$ (107,665)	\$ 219,880	\$ 440,008	\$ 220,128
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Principal Paid on Bonds and Notes Payable			49,876	
Capitalization of Capital Assets			74,029	
Depreciation			(464,680)	
Total Adjustments to Basis			(340,775)	
Change in Net Position			99,233	
Total Net Position-Beginning			4,853,900	
Total Net Position-Ending			\$ 4,953,133	



Statistical Section

CITY OF NORTHGLENN, COLORADO

STATISTICAL SECTION (Unaudited) FOR THE YEAR ENDED DECEMBER 31, 2023

This section of the City's annual comprehensive 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)

Schedule 1

	2014	2015	2016	2017 - Restated	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 84,558,882	\$ 86,060,540	\$ 85,788,225	\$ 85,803,214	\$ 82,450,886	\$ 86,398,461	\$ 88,258,093	\$ 85,920,899	\$ 85,987,328	\$ 116,507,375
Restricted	1,513,032	1,510,920	1,860,471	2,214,978	2,362,997	23,224,072	21,683,089	29,084,096	34,606,319	15,206,138
Unrestricted	26,125,685	29,509,620	35,605,528	38,020,149	45,757,454	27,578,412	31,703,098	30,443,691	29,164,615	31,704,352
Total governmental activities net position	\$ 112,197,599	\$ 117,081,080	\$ 123,254,224	\$ 126,038,341	\$ 130,571,337	\$ 137,200,945	\$ 141,644,280	\$ 145,448,686	\$ 149,758,262	\$ 163,417,865
Business-type activities										
Net investment in capital assets	\$ 107,983,338	\$ 112,221,616	\$ 118,485,887	\$ 125,715,017	\$ 125,236,544	\$ 126,427,520	\$ 131,358,165	\$ 131,889,204	\$ 138,208,401	\$ 142,912,682
Restricted	2,741,089	1,738,070	4,157,767	5,812,428	8,353,832	10,901,363	12,405,642	15,845,008	19,278,238	23,433,958
Unrestricted	17,453,085	17,612,902	13,040,254	8,695,199	11,854,936	12,752,780	15,535,989	19,630,118	19,203,183	22,282,960
Total business-type activities net position	\$ 128,177,512	\$ 131,572,588	\$ 135,683,908	\$ 140,222,644	\$ 145,445,312	\$ 150,081,663	\$ 159,299,796	\$ 167,364,330	\$ 176,689,822	\$ 188,629,600
Primary government										
Net investment in capital assets	\$ 192,542,220	\$ 198,282,156	\$ 204,274,112	\$ 211,518,231	\$ 207,687,430	\$ 212,825,981	\$ 219,616,258	\$ 217,810,103	\$ 224,195,729	\$ 259,420,057
Restricted	4,254,121	3,248,990	6,018,238	8,027,406	10,716,829	34,125,435	34,088,731	44,929,104	53,884,557	38,640,096
Unrestricted	43,578,770	47,122,522	48,645,782	46,715,348	57,612,390	40,331,192	47,239,087	50,073,809	48,367,798	53,987,312
Total primary government net position	\$ 240,375,111	\$ 248,653,668	\$ 258,938,132	\$ 266,260,985	\$ 276,016,649	\$ 287,282,608	\$ 300,944,076	\$ 312,813,016	\$ 326,448,084	\$ 352,047,465

CITY OF NORTHGLENN, COLORADO

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

Schedule 2

	2014	2015	2016	2017 - Restated	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 7,026,920	\$ 6,874,866	\$ 7,014,984	\$ 7,565,557	\$ 7,944,112	\$ 8,070,146	\$ 10,094,412	\$ 9,596,758	\$ 9,335,270	\$ 10,476,670
Recreation and Culture	4,378,446	4,548,921	4,690,956	4,960,869	5,409,662	5,222,053	6,137,199	5,645,801	7,416,492	9,821,361
Public safety	8,252,498	8,687,337	9,007,976	9,654,773	10,516,907	11,160,163	11,297,465	12,174,218	13,977,133	13,990,200
Public Works	6,332,372	6,634,423	6,671,524	7,147,581	8,823,220	8,593,103	13,477,898	9,312,341	9,288,711	8,600,674
Interest on Long-Term Debt	-	-	-	740,892	734,839	1,470,844	1,845,442	1,810,954	1,713,373	1,657,448
Total governmental activities expenses	25,990,236	26,745,547	27,385,440	30,069,672	33,428,740	34,516,309	42,852,416	38,540,072	41,730,979	44,546,353
Business-type activities:										
Water and Wastewater	10,113,527	10,972,042	11,225,967	11,014,972	-	-	-	-	-	-
Water (1)	-	-	-	-	7,132,136	8,245,729	7,363,590	8,352,925	8,961,823	8,603,867
Wastewater (1)	-	-	-	-	4,111,886	4,321,012	4,609,349	5,323,504	5,292,680	6,376,282
Stormwater	168,053	253,738	196,710	255,971	337,338	279,196	242,000	285,996	302,675	314,539
Sanitation	1,646,175	1,510,257	1,477,851	1,588,499	1,687,210	1,743,037	1,834,548	1,910,357	1,976,385	2,147,069
Total business-type activities expenses	11,927,755	12,736,037	12,900,528	12,859,442	13,268,570	14,588,974	14,049,487	15,872,782	16,533,563	17,441,757
Total primary government expenses	\$ 37,917,991	\$ 39,481,584	\$ 40,285,968	\$ 42,929,114	\$ 46,697,310	\$ 49,105,283	\$ 56,901,903	\$ 54,412,854	\$ 58,264,542	\$ 61,988,110
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,505,853	\$ 1,624,266	\$ 1,594,496	\$ 1,656,232	\$ 1,714,176	\$ 1,650,799	\$ 1,734,187	\$ 2,772,819	\$ 2,937,282	\$ 3,423,242
Public safety	2,038,382	1,766,656	1,484,133	1,486,893	1,543,550	1,220,404	1,160,038	713,298	675,172	786,360
Recreation and Culture	984,188	1,074,442	1,180,494	1,232,504	1,164,951	1,185,881	472,199	702,841	1,601,421	1,754,724
Operating grants and contributions	629,722	512,031	573,753	1,005,881	809,884	749,562	3,724,983	884,682	944,186	1,323,402
Capital grants and contributions	3,250,625	3,643,999	4,805,431	3,231,517	6,214,875	8,427,000	12,066,149	4,896,686	8,475,681	13,987,883
Total governmental activities program revenues	8,408,770	8,621,394	9,638,307	8,613,027	11,447,436	13,233,646	19,157,556	9,970,326	14,633,742	21,275,611
Business-type activities:										
Charges for services:										
Water and Wastewater	9,477,142	10,402,537	11,206,334	10,882,424	-	-	-	-	-	-
Water (1)	-	-	-	-	7,884,457	7,522,831	8,613,850	10,515,051	9,878,385	11,968,640
Wastewater (1)	-	-	-	-	4,097,369	4,364,579	4,771,427	5,568,843	5,871,120	6,136,438
Stormwater	409,566	415,007	476,152	438,994	449,900	448,147	448,305	539,758	511,699	481,734
Sanitation	1,487,065	1,453,662	1,460,563	1,914,730	1,886,792	1,901,864	1,916,721	1,934,329	1,926,283	1,993,402
Operating grants and contributions	-	-	-	-	-	19,903	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	2,734,921	713,501	1,547,065	1,352,382
Total business-type activities program revenues	11,373,773	12,271,206	13,143,049	13,236,148	14,318,518	14,257,324	18,485,224	19,271,482	19,734,552	21,932,596
Total primary government program revenues	\$ 19,782,543	\$ 20,892,600	\$ 22,781,356	\$ 21,849,175	\$ 25,765,954	\$ 27,490,970	\$ 37,642,780	\$ 29,241,808	\$ 34,368,294	\$ 43,208,207
Net (Expense) Revenue										
Governmental activities	\$ (17,581,466)	\$ (18,124,153)	\$ (17,747,133)	\$ (21,456,645)	\$ (21,981,304)	\$ (21,282,663)	\$ (23,694,860)	\$ (28,569,746)	\$ (27,097,237)	\$ (23,270,742)
Business-type activities	(553,982)	(464,831)	242,521	376,706	1,049,948	(331,650)	4,435,737	3,398,700	3,200,989	4,490,839
Total primary government net expense	\$ (18,135,448)	\$ (18,588,984)	\$ (17,504,612)	\$ (21,079,939)	\$ (20,931,356)	\$ (21,614,313)	\$ (19,259,123)	\$ (25,171,046)	\$ (23,896,248)	\$ (18,779,903)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,023,073	\$ 2,748,798	\$ 3,125,606	\$ 3,099,837	\$ 3,968,647	\$ 3,978,721	\$ 4,918,527	\$ 4,942,610	\$ 5,382,354	\$ 5,286,969
Sales Taxes	16,669,901	19,233,873	19,882,073	20,563,896	21,397,376	22,042,951	21,236,925	27,374,596	28,031,985	28,318,325
Franchise Fees	62,886	62,622	63,840	63,554	36,232	16,618	16,580	16,249	15,633	14,898
Unrestricted grants and contributions	210,143	234,835	151,044	117,737	142,305	163,434	144,878	104,731	175,376	194,435
Investment earnings	144,245	137,528	189,370	410,019	866,820	1,483,712	1,599,687	(280,916)	(1,326,718)	2,922,532
Miscellaneous	120,903	100,135	190,374	185,719	102,920	195,388	193,169	216,882	814,248	180,353
Gain on sale of assets	9,538	489,843	317,970	-	-	31,447	28,429	-	-	12,833
Transfers	-	-	-	(200,000)	-	-	-	-	(1,686,065)	-
Total governmental activities	20,240,689	23,007,634	23,920,277	24,240,762	26,514,300	27,912,271	28,138,195	32,374,152	31,406,813	36,930,345
Business-type activities:										
Sales Taxes	3,098,715	3,561,700	3,656,420	3,778,572	3,863,406	3,967,259	4,018,479	4,816,180	5,045,906	5,240,697
Investment earnings (loss)	106,351	88,134	106,701	124,357	282,784	629,527	680,206	(182,879)	(804,062)	2,118,195
Miscellaneous	873,193	142,073	17,745	44,841	26,530	341,492	54,443	7,053	168,664	24,047
Gain (loss) on sale of assets	170,660	68,000	87,933	14,260	29,723	29,723	29,268	25,480	27,930	66,000
Transfers	-	-	-	200,000	-	-	-	-	1,686,065	-
Total business-type activities	4,248,919	3,859,907	3,868,799	4,162,030	4,172,720	4,968,001	4,782,396	4,665,834	6,124,503	7,448,939
Total primary government	\$ 24,489,608	\$ 26,867,541	\$ 27,789,076	\$ 28,402,792	\$ 30,687,020	\$ 32,880,272	\$ 32,920,591	\$ 37,039,986	\$ 37,531,316	\$ 44,379,284
Change in Net Position										
Governmental activities	\$ 2,659,223	\$ 4,883,481	\$ 6,173,144	\$ 2,784,117	\$ 4,532,996	\$ 6,629,608	\$ 4,443,335	\$ 3,804,406	\$ 4,309,576	\$ 13,659,603
Business-type activities	3,694,937	3,395,076	4,111,320	4,538,736	5,222,668	4,636,351	9,218,133	8,064,534	9,325,492	11,939,778
Total primary government net expense	\$ 6,354,160	\$ 8,278,557	\$ 10,284,464	\$ 7,322,853	\$ 9,755,664	\$ 11,265,959	\$ 13,661,468	\$ 11,868,940	\$ 13,635,068	\$ 25,599,381

(1) Water and Wastewater Funds were separated for reporting purposes beginning in 2018.

CITY OF NORTHGLENN, COLORADO

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

Schedule 3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 59,273	\$ 73,405	\$ 63,740	\$ 148,432	\$ 197,327	\$ 232,979	\$ 257,676	\$ 292,347	\$ 112,105	\$ 143,862
Restricted	728,385	777,823	759,328	783,815	890,632	903,529	859,881	921,067	1,442,808	1,617,259
Committed	166,131	165,118	164,210	163,436	100,512	6,147,714	5,792,519	6,653,243	7,514,429	8,082,757
Unassigned	14,789,657	18,563,358	20,251,190	21,424,107	23,209,617	18,276,559	17,146,068	20,745,000	6,371,455	8,508,928
Total general fund	\$ 15,743,446	\$ 19,579,704	\$ 21,238,468	\$ 22,519,790	\$ 24,398,088	\$ 25,560,781	\$ 24,056,144	\$ 28,611,657	\$ 15,440,797	\$ 18,352,806
All Other Governmental Funds										
Restricted:										
Capital Improvements	\$ 9,817,782	\$ 10,927,281	\$ 13,697,714	\$ 25,913,798	\$ 20,509,663	\$ 63,456,110	\$ 43,274,788	\$ 25,452,727	\$ 29,660,045	\$ 10,671,513
Parks & Recreation	831,572	780,022	1,148,068	1,478,731	1,472,365	926,961	1,891,633	2,710,302	3,503,466	2,917,366
Committed:										
Capital Improvements	3,214,989	1,410,538	3,396,553	5,344,870	3,161,698	2,561,408	7,513,480	6,981,462	16,984,453	17,191,193
Unassigned	-	-	-	-	-	(85,038)	(2,886)	-	-	-
Total all other governmental funds	\$ 13,864,343	\$ 13,117,841	\$ 18,242,335	\$ 32,737,399	\$ 25,143,726	\$ 66,859,441	\$ 52,677,015	\$ 35,144,491	\$ 50,147,964	\$ 30,780,072

CITY OF NORTHGLENN, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Schedule 4

LAST TEN YEARS

(Modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 19,755,860	\$ 22,045,293	\$ 23,071,519	\$ 23,727,287	\$ 25,402,255	\$ 26,038,290	\$ 26,172,032	\$ 32,333,455	\$ 33,429,972	\$ 33,620,192
Intergovernmental	4,210,827	4,068,717	4,207,082	4,183,643	4,388,066	4,447,398	11,424,208	5,822,994	6,958,621	14,909,783
Licenses and permits	642,525	824,611	697,955	700,943	998,100	815,204	792,321	1,321,191	1,300,576	1,415,124
Charges for services	2,332,248	2,496,462	2,580,488	2,704,426	2,651,742	2,620,893	2,045,215	2,190,808	3,294,852	3,828,043
Fines and forfeitures	1,553,650	1,144,572	980,680	970,260	772,835	620,987	528,888	676,959	618,448	721,159
Contributions	-	-	-	-	1,907,600	2,764,553	7,189,735	138,092	872,500	1,833,816
Investment earnings	144,245	137,528	189,370	410,019	866,820	1,483,712	1,599,687	(280,916)	(1,326,718)	2,922,532
Miscellaneous	120,903	100,135	190,374	185,719	102,920	195,388	193,169	216,882	693,061	188,491
Total revenues	28,760,258	30,817,318	31,917,468	32,882,297	37,090,338	38,986,425	49,945,255	42,419,465	45,841,312	59,439,140
Expenditures										
Current:										
General government	6,322,735	6,376,869	6,685,674	7,156,756	7,198,920	7,434,162	9,626,539	8,591,918	8,982,762	9,946,501
Recreation and Culture	3,577,881	3,733,782	3,757,864	3,922,289	4,133,131	4,273,674	3,878,395	4,715,367	6,579,236	7,511,098
Public Safety	7,991,053	8,480,024	8,762,452	9,276,436	9,468,010	10,087,643	10,152,700	11,314,909	11,732,455	12,541,939
Public Works	2,254,693	2,400,902	2,387,284	2,597,686	2,710,504	2,935,668	2,710,192	2,800,923	3,048,252	3,275,584
Capital outlay	2,140,808	8,361,820	3,868,490	14,056,419	17,836,535	11,995,233	35,289,542	23,852,965	9,513,593	38,085,120
Debt service										
Principal	-	-	-	395,000	635,000	660,000	1,860,000	2,015,000	2,142,099	2,609,146
Cost of Issuance	-	-	-	-	-	658,238	-	-	-	-
Interest and fiscal charges	-	-	-	769,062	833,419	806,019	2,143,379	2,122,319	2,028,302	1,970,468
Total expenditures	22,287,170	29,353,397	25,461,764	38,173,648	42,815,519	38,850,637	65,660,747	55,413,401	44,026,699	75,939,856
Excess of revenues over (under) expenditures	6,473,088	1,463,921	6,455,704	(5,291,351)	(5,725,181)	135,788	(15,715,492)	(12,993,936)	1,814,613	(16,500,716)
Other Finances Sources (Uses)										
Transfers In	400,000	200,000	1,700,000	1,700,000	1,700,000	1,700,000	3,900,000	-	16,700,000	-
Transfers Out	(400,000)	(200,000)	(1,700,000)	(1,900,000)	(1,700,000)	(1,700,000)	(3,900,000)	-	(16,700,000)	-
Proceeds from Debt Issuance	-	-	-	19,325,000	-	38,530,000	-	-	-	-
Premium on Debt Issuance	-	-	-	1,929,736	-	4,131,489	-	-	-	-
Proceeds from sale of asset	9,538	1,625,835	327,554	13,001	9,806	81,131	28,429	16,925	18,000	44,833
Total other financing sources (uses)	9,538	1,625,835	327,554	21,067,737	9,806	42,742,620	28,429	16,925	18,000	44,833
Net change in fund balances	\$ 6,482,626	\$ 3,089,756	\$ 6,783,258	\$ 15,776,386	\$ (5,715,375)	\$ 42,878,408	\$ (15,687,063)	\$ (12,977,011)	\$ 1,832,613	\$ (16,455,883)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	3.8%	5.3%	5.2%	12.2%	12.1%	12.9%	11.4%

CITY OF NORTHGLENN, COLORADO

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

Schedule 5

	2014	2015	2016	2017 - Restated	2018	2019	2020	2021	2022	2023
Operating Revenues										
Charges for services	\$ 9,477,142	\$ 10,402,537	\$ 11,206,334	\$ 10,882,424	\$ 11,981,826	\$ 11,887,410	\$ 13,385,277	\$ 16,083,894	\$ 15,749,505	\$ 18,105,078
Other Operating Revenues	171,962	142,073	17,745	44,841	-	6,359	53,610	4,089	1,566,592	19,667
Total Operating Revenues	9,649,104	10,544,610	11,224,079	10,927,265	11,981,826	11,893,769	13,438,887	16,087,983	17,316,097	18,124,745
Operating Expenses										
Administration	1,266,235	1,484,033	1,480,587	1,416,459	1,439,854	1,492,258	1,571,437	1,699,464	1,873,853	1,951,338
Facilities	183,411	189,891	192,367	219,770	203,608	201,548	234,722	222,780	259,511	320,389
Fleet	81,361	84,883	79,398	42,326	36,616	28,165	20,078	23,096	45,895	54,625
Engineering	285,754	485,839	662,612	661,093	743,997	708,545	763,713	861,862	855,574	754,597
Water Operations	928,361	1,003,930	1,123,400	1,236,237	1,164,874	1,939,770	1,197,988	1,137,914	1,305,032	1,378,966
Lab Operations	417,239	498,409	507,654	547,597	555,883	556,528	558,399	601,009	597,615	664,384
Electrical and Mechanical	583,784	523,305	472,371	533,386	547,109	597,067	615,131	562,561	685,039	532,916
Distribution and Collection	1,195,375	1,499,666	1,362,025	1,092,036	1,415,340	1,351,176	1,114,151	1,651,383	1,761,158	1,369,747
Water Resources Operations	966,461	828,739	1,056,749	1,039,124	858,094	1,096,514	987,323	1,324,379	1,436,547	1,424,017
Wastewater Operations	1,429,958	1,553,157	1,801,951	1,713,025	1,762,360	1,658,350	1,788,227	1,649,022	1,661,190	1,859,981
Industrial Pre-Treatment	74,792	71,970	73,604	91,312	98,537	67,889	90,694	114,858	106,115	101,310
Depreciation	2,389,599	2,510,512	2,247,724	2,274,559	2,287,445	2,756,820	2,905,257	2,896,912	2,917,489	3,711,214
Amortization of Bond Costs	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	9,802,330	10,734,334	11,060,442	10,866,924	11,113,717	12,454,630	11,847,120	12,745,240	13,505,018	14,123,484
Net Operating Income	(153,226)	(189,724)	163,637	60,341	868,109	(560,861)	1,591,767	3,342,743	3,811,079	4,001,261
Nonoperating Revenues (Expenses)	3,586,808	3,468,892	3,584,612	3,739,223	4,006,317	4,726,547	6,090,645	3,732,299	3,594,047	6,306,765
Income Before Contributions and Transfers	3,433,582	3,279,168	3,748,249	3,799,564	4,874,426	4,165,686	7,682,412	7,075,042	7,405,126	10,308,026
Capital Contributions/Transfers	-	-	-	-	-	-	291,275	713,501	1,169,870	1,264,532
Change in Net Position	3,433,582	3,279,168	3,748,249	3,799,564	4,874,426	4,165,686	7,973,687	7,788,543	8,574,996	11,572,558
Total Net Position-Beginning	119,339,126	122,772,708	126,051,876	129,800,125	133,599,689	138,474,115	142,639,801	150,613,488	158,402,031	166,977,027
Total Net Position-Ending	\$ 122,772,708	\$ 126,051,876	\$ 129,800,125	\$ 133,599,689	\$ 138,474,115	\$ 142,639,801	\$ 150,613,488	\$ 158,402,031	\$ 166,977,027	\$ 178,549,585

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

CITY OF NORTHGLENN, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN YEARS

Schedule 6

Year	Property Tax		Sales and Use Taxes (2)	Occupational Tax	Total
	General (1)	Specific Ownership			
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
2017	5,656,376	322,415	20,563,896	63,554	26,606,241
2018	5,187,543	356,124	21,397,376	36,232	26,977,275
2019	5,186,490	333,754	22,042,951	16,618	27,579,813
2020	6,374,737	378,002	21,236,925	16,580	28,006,244
2021	6,415,765	429,210	27,374,596	16,249	34,235,820
2022	7,149,167	408,493	28,031,985	15,633	35,605,278
2023	7,158,684	376,380	28,318,325	14,898	35,868,287

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 Enterprise Fund.

Year	Sales and Use Tax Collections	Percent Increase
2014	\$ 16,669,901	13.14%
2015	19,233,873	15.38%
2016	19,882,073	3.37%
2017	20,563,896	3.43%
2018	21,397,376	4.05%
2019	22,042,951	3.02%
2020	21,236,925	-3.66%
2021	27,374,596	28.90%
2022	28,031,985	2.40%
2023	28,318,325	1.02%

CITY OF NORTHGLENN, COLORADO

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

Schedule 7

Year	Commercial	Residential	Vacant Land	Industrial	Agriculture	Other Natural Resources	Oil & Gas	State Assessed	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a % of Estimated Actual Value
2014	\$ 53,341,300	\$ 151,205,720	\$ 2,390,870	\$ 4,249,990	\$ 26,900	\$ 150	\$ -	\$ 162,940	\$ 17,358,170	\$ 244,450,580	11.597	\$ 2,377,871,036	10.28%
2015	56,793,760	182,440,830	1,978,350	4,293,940	27,980	150	-	170,910	19,582,190	265,288,020	11.597	2,378,939,110	11.15%
2016	56,389,140	182,727,960	1,862,830	4,293,940	27,890	150	-	161,970	20,871,130	266,335,010	11.597	2,425,558,180	10.98%
2017	79,875,660	229,626,210	2,776,280	4,689,810	27,350	150	-	215,490	23,917,840	341,128,790	11.597	3,037,487,550	11.23%
2018	81,730,360	229,220,150	2,529,960	4,678,890	27,350	150	-	192,210	23,752,200	342,134,270	11.597	3,115,891,580	10.98%
2019	101,629,800	289,481,040	3,816,010	7,603,630	24,800	150	-	204,820	25,338,410	428,098,660	11.597	3,867,401,370	11.07%
2020	101,575,760	286,344,330	3,352,690	7,588,810	24,830	150	-	237,850	27,005,230	426,129,650	11.597	3,928,079,760	10.85%
2021	112,007,490	308,926,020	3,527,390	11,760,540	23,760	150	-	298,640	26,411,500	462,955,490	11.597	4,278,722,350	10.82%
2022	111,249,100	298,812,130	7,192,380	11,607,230	25,140	150	154,600	558,240	25,629,170	455,228,140	11.597	4,925,975,180	9.24%
2023	132,642,770	354,635,110	5,497,730	15,810,350	3,330	140	459,150	905,150	26,927,510	536,881,240	11.597	6,025,467,243	8.91%

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
2014	7.96%
2015	7.96%
2016	7.96%
2017	7.96%
2018	7.20%
2019	7.20%
2020	7.15%
2021	6.95%
2022	6.95%
2023	6.70%

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS

Schedule 8

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		
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
2017	7.597	4.000	11.597	63.259	26.929	3.669	14.710	0.500	109.067	120.664
2018	7.597	4.000	11.597	73.510	26.864	3.666	14.730	0.820	119.590	131.187
2019	7.597	4.000	11.597	69.984	26.917	3.677	14.674	0.997	116.249	127.846
2020	7.597	4.000	11.597	69.785	26.897	3.670	14.812	1.000	116.164	127.761
2021	7.597	4.000	11.597	68.677	27.069	3.689	14.681	1.000	115.116	126.713
2022	7.597	4.000	11.597	68.366	26.967	3.615	14.738	1.000	114.686	126.283
2023	7.597	4.000	11.597	61.760	26.835	3.653	14.627	1.000	107.875	119.472

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 all property owned within the City of Northglenn.

CITY OF NORTHGLENN, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND TEN YEARS AGO

Schedule 9

Taxpayer(1)	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Retail	\$ 11,516,980	1	4.91%	\$ 10,335,990	1	4.26%
Public Utility	10,604,490	2	4.52%	8,275,660	2	3.41%
Apartments	9,221,000	3	3.93%	3,125,630	3	1.29%
Apartments	6,264,040	4	2.67%	2,772,080	4	1.14%
Apartments	5,572,630	5	2.38%	2,701,180	5	1.11%
Commercial	4,684,440	6	2.00%			0.00%
Apartments	4,654,140	7	2.00%	2,462,300	6	1.02%
Hospital	4,567,500	8	1.93%			0.00%
Apartments	4,522,000	9	1.73%	2,170,400	8	0.90%
Apartments	4,049,880	10	1.73%			0.00%
Retail	-		0.00%	2,237,700	7	0.92%
Retail	-		0.00%	1,999,370	9	0.82%
Retail	-		0.00%	19,915,800	10	8.21%
Total	\$ 65,657,100		28.01%	\$ 55,996,110		23.09%

Source: Adams and Weld County Assessors

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

CITY OF NORTHGLENN, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Schedule 10

Levy Year	Tax Collection Year	Taxes Levied for the Year (1)	Collections (2)	Percentage of Levy (3)
2013	2014	\$ 2,808,108	\$ 3,023,073	107.66% (4)
2014	2015	2,749,205	2,748,798	99.99%
2015	2016	3,133,582	3,125,606	99.75%
2016	2017	3,104,737	3,099,837	99.84%
2017	2018	3,971,258	3,968,647	99.93%
2018	2019	3,977,926	3,972,989	99.88%
2019	2020	4,977,583	4,897,092	98.38%
2020	2021	4,950,138	4,931,507	99.62%
2021	2022	5,377,523	5,216,865	97.01%
2022	2023	5,327,103	5,120,252	96.12%

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.

CITY OF NORTHGLENN, COLORADO

SALES TAX COLLECTIONS BY CATEGORY (1) LAST TEN YEARS

Schedule 11

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Automotive Sales/Supplies/Rentals	\$ 1,237,885	\$ 1,554,178	\$ 1,586,320	\$ 1,650,406	\$ 1,593,968	\$ 1,625,087	\$ 1,658,569	\$ 1,753,853	\$ 1,793,487	\$ 1,814,456
Finance/Insurance/Real Estate/Rental/Leasing	190,062	313,728	387,128	490,882	528,320	494,383	513,386	451,354	461,331	466,724
Food and Beverage Stores (2)	1,001,952	646,940	1,481,906	1,578,068	1,612,254	1,876,260	2,128,444	2,148,779	2,200,391	2,226,117
Retail Stores	5,668,197	6,607,015	6,814,539	7,009,480	7,194,652	7,117,875	7,354,054	9,519,494	9,750,144	9,864,137
Arts, Entertainment, and Recreation	313,922	314,364	330,990	335,307	333,810	280,109	212,594	319,474	326,560	330,378
Eating and Drinking Establishments	2,447,832	3,102,060	3,394,196	3,651,690	3,738,574	3,850,116	3,233,772	3,795,585	3,887,617	3,933,069
Lodging (3)	194,746	221,625	226,904	241,401	237,609	266,796	67,041	227,351	233,257	235,984
Manufacturing	114,419	122,624	115,839	96,205	79,819	93,937	91,949	82,260	85,528	86,528
Service Providers and Transportation	2,455,393	3,017,540	3,531,981	3,512,585	3,840,291	4,311,277	7,314,491	5,099,461	5,222,366	5,283,423
Construction and Contractors	157,807	162,640	187,582	183,531	270,997	258,260	207,942	330,886	339,519	343,488
Utilities	1,088,352	1,104,150	1,055,994	1,127,770	1,062,295	1,086,136	1,076,866	1,165,894	1,194,794	1,208,763
Wholesale	157,355	208,844	221,341	256,589	274,962	349,838	276,097	411,448	422,454	427,393
Total	\$ 15,027,922	\$ 17,375,708	\$ 19,334,718	\$ 20,133,914	\$ 20,767,551	\$ 21,610,074	\$ 24,135,205	\$ 25,305,839	\$ 25,917,448	\$ 26,220,460
City Direct Sales Tax Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	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%.

CITY OF NORTHGLENN, COLORADO

LARGEST SALES TAX GENERATORS CURRENT YEAR

Schedule 12

Type of Business(1)	2023 Sales Tax Collected	% of Total City Sales Tax(2)
Auto Use Tax	\$ 3,496,624	10.73%
Retail	1,646,705	5.05%
Public Utility	1,463,466	4.49%
Retail	1,046,950	3.21%
Retail	974,241	2.99%
Retail	802,867	2.46%
Retail	742,298	2.28%
Retail	541,064	1.66%
Retail	489,210	1.50%
Retail	478,295	1.47%
	<u>\$ 11,681,720</u>	<u>35.84%</u>

Source: City of Northglenn Finance Department

Note: The City provides this optional schedule for the current year only due to the static nature of tax generators.

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

(2) Based upon 2023 Sales and Use Tax Collections of \$32,577,404.

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN YEARS

Schedule 13

Year	City Direct Rate (1)	State of Colorado	Adams County	RTD / CD (2)	Total Sales Tax Rate
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%
2017	4.00%	2.90%	0.75%	1.10%	8.75%
2018	4.00%	2.90%	0.75%	1.10%	8.75%
2019	4.00%	2.90%	0.75%	1.10%	8.75%
2020	4.00%	2.90%	0.75%	1.10%	8.75%
2021	4.00%	2.90%	0.75%	1.10%	8.75%
2022	4.00%	2.90%	0.75%	1.10%	8.75%
2023	4.00%	2.90%	0.75%	1.10%	8.75%

Source: City of Northglenn Finance Department

(1) Sales tax rates reflect rate of sales tax on everything except food for home consumption. Food for home consumption is taxed at a rate of 3.0% by the City and is not taxed by any other overlapping jurisdiction.

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

CITY OF NORTHGLENN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Schedule 14

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage Of Personal Income	Population	Debt Per Capita
	Lease & SBITA Payable	Certificates Of Participation	Revenue Bonds	Capital Lease & SBITA Payable (1)				
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	0.358%	38,648	141
2017	-	20,763,249	-	4,600,000	25,363,249	1.651%	38,928	652
2018	-	20,031,762	-	3,715,001	23,746,763	1.546%	38,905	610
2019	-	61,936,764	-	2,815,001	64,751,765	6.055%	38,700	1,673
2020	-	59,773,703	-	1,895,001	61,668,704	5.559%	38,608	1,597
2021	-	57,455,642	26,298,592	955,001	84,709,235	7.575%	38,007	2,229
2022	48,281	55,037,581	25,855,950	-	80,941,812	6.802%	38,131	2,123
2023	2,293,771	52,514,520	25,173,300	52,172	80,033,763	6.252%	38,434	2,082

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

Note: For years 2017 and forward, debt balances are net of related premiums and discounts.

(1) Capital Lease was paid off in 2021; SBITA's were added in 2023 with the implementation of GASB 96.

CITY OF NORTHGLENN, COLORADO

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

Schedule 15

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Applicable to Limitation:										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage to estimated actual property value (1)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita (2)	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt limit (3)	71,336,131	71,368,173	72,766,745	91,124,627	93,476,747	116,022,041	117,842,393	128,361,671	147,779,255	180,764,017
Legal debt margin	<u>\$ 71,336,131</u>	<u>\$ 71,368,173</u>	<u>\$ 72,766,745</u>	<u>\$ 91,124,627</u>	<u>\$ 93,476,747</u>	<u>\$ 116,022,041</u>	<u>\$ 117,842,393</u>	<u>\$ 128,361,671</u>	<u>\$ 147,779,255</u>	<u>\$ 180,764,017</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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 17

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

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2023

Schedule 16

Name of Governmental Entity (1)	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (2)
Direct:			
City of Northglenn	\$ 54,808,291	100%	\$ 54,808,291
Overlapping:			
Adams County School District No. 12	318,660,000	100.00%	318,660,000
Karl's Farm Metro District 2	1,329,261	100.00%	1,329,261
Karl's Farm Metro District 3	238,917	100.00%	238,917
North Metro Fire Rescue Authority	4,960,000	22.81%	1,131,565
Rangeview Library District	60,480,000	5.92%	3,581,285
	<u>\$ 440,528,641</u>		<u>\$ 379,801,491</u>

Sources: Adams County Assessor's Office and individual taxing entities.

- (1) The following entities also overlap the City but have no reported general obligation debt outstanding:
Adams County
Karl's Farm Metro District 1
Mile High Flood District
- (2) Determined by calculating ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit. Debt Outstanding includes leases and SBITA payables.
- (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.

CITY OF NORTHGLENN, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Schedule 17

Year	(1) Population	Personal Income	(2) Adams County Per Capita Income	(1) Adams County Median Age	(3) Adams County School Enrollment	(4) Unemployment Rate	(4) Denver Boulder Consumer Price Index
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	38,648	1,524,856,840	39,455	32.4	82,921	3.6%	246.6
2017	38,928	1,535,904,240	39,455	32.8	83,999	4.3%	253.2
2018	38,905	1,069,381,735	27,487	33.5	84,676	4.1%	251.4
2019	38,700	1,109,258,100	28,663	33.5	85,001	3.5%	260.9
2020	38,608	1,118,319,328	28,966	33.0	81,668	4.2%	260.9
2021	38,007	1,189,999,170	31,310	33.8	82,272	8.0%	281.8
2022	38,131	1,280,095,801	33,571	32.8	81,723	5.4%	301.5
2023	38,434	1,443,196,700	37,550	34.4	81,070	3.7%	323.6

Sources:

- (1) US Census Bureau
- (2) Adams County Economic Development
- (3) Colorado Department of Education
- (4) Bureau of Labor Statistics, Adams County

Notes:

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

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.

CITY OF NORTHGLENN, COLORADO

FULL-TIME EMPLOYEE EQUIVALENT BY FUNCTION/PROGRAM LAST TEN YEARS

Schedule 18

Function / Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Manager	6.00	6.00	6.00	6.00	7.00	7.00	17.50	22.85	22.85	23.60
City Clerk	3.50	3.50	3.50	3.50	3.50	3.50	3.50	5.00	4.00	5.00
Human Resources	14.65	15.65	15.65	15.65	15.80	14.80	5.00	5.00	5.00	6.00
Information Technology	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Finance	11.60	11.60	11.60	11.60	11.60	11.60	11.60	11.60	11.60	11.60
Planning & Development	11.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00	12.00
Parks, Recreation & Culture	47.07	48.19	48.69	49.69	49.69	50.09	51.39	84.04	84.04	89.50
Public Safety	82.50	84.50	84.50	87.50	88.50	89.50	93.50	101.50	101.50	101.50
Public Works	37.00	40.00	40.00	40.00	40.00	21.00	35.80	38.80	40.80	41.80
Water and Environmental Services										
Water/Wastewater	22.00	22.00	22.00	22.00	24.00	41.00	34.00	34.00	30.00	30.00
Stormwater	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	8.00	8.00	8.00	8.00	9.00	11.00	8.00	9.00	11.00	11.00
Total	250.32	258.44	258.94	262.94	268.09	268.49	279.29	329.79	328.79	339.00

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 general leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

In 2020, the Management Services function was re-organized to move all non-human resource departments to the City Manager function for reporting purposes.

CITY OF NORTHGLENN, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Schedule 19

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical Arrests	2,143	2,094	1,712	1,344	539	649	439	459	580	892
Traffic Violations	9,141	6,388	5,263	6,178	3,875	2,036	2,099	248	2,285	3,893
Parking Violations	537	530	517	522	287	299	79	48	103	78
Fire (1)										
Number of Fire Personnel & Officers	108	108	108	108	108	108	129	131	136	188
Building Division										
Building Permits Value	22,421,849	32,085,372	32,446,029	44,720,122	36,475,903	38,539,383	65,554,085	116,177,992	85,368,452	151,365,696
Building Permits Issued	1,681	1,561	1,705	1,595	2,453	1,942	1,671	1,870	2,051	1,608
Refuse Collection										
Refuse collected (tons)	14,402	14,823	14,877	14,675	15,265	14,915	16,302	15,842	14,874	14,751
Recyclables collected										
Commingled (tons)	555	516	532	229	294	290	292	572	327	328
Newspaper (tons)	1,032	1,259	1,817	1,833	1,728	1,419	1,938	1,700	1,553	1,578
Steel (tons)	36	21	23	23	73	40	51	31	34	40
Other Public Works										
Minor Street Repair Materials (tons)	1,313	246	363	243	251	156	267	112	152	168
Street Sweeping (miles)	3,744	3,547	3,547	3,057	3,057	3,057	3,057	3,057	3,057	3,057
Parks and Recreation										
Athletic Field Rentals (2)	35	34	46	57	3,258	2,965	1,390	2,326	2,446	3,477
Recreation Center Memberships (3)	3,972	4,021	4,129	4,125	1,291	1,691	690	2,716	1,694	1,998
Theatre Admissions	9,567	9,974	10,630	13,654	13,629	13,731	4,037	9,480	18,389	18,681
Park Shelter Rentals	509	537	503	531	826	865	64	535	1,481	418
Water										
Number of Service Connections	10,240	10,245	10,251	10,257	10,277	10,295	10,298	10,309	10,477	10,447
Water main breaks	12	4	4	4	3	6	5	6	2	8
Average daily consumption (millions of gallons)	3.795	3.780	3.925	3.837	3.976	3.820	4.173	3.882	3.964	3.405
Peak daily consumption (millions of gallons)	8.221	7.669	8.607	8.479	8.721	8.229	8.734	7.896	7.784	6.808
Wastewater										
Average daily treatment (millions of gallons)	3.280	3.424	3.563	3.713	3.130	3.080	3.020	3.170	2.910	3.150

Sources: Various city departments, unless otherwise noted

(1) North Metro Fire Rescue Authority

(2) Beginning in 2018, reporting criteria has changed from the number of individuals renting the fields, to the number of times the fields were rented during the year. Due to a software conversion, the City is unable to report this retroactively.

(3) Beginning in 2018, the reporting criteria has been updated to show the number of active memberships versus all types. Due to a software conversion, the City is unable to report this retroactively.

CITY OF NORTHGLENN, COLORADO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

Schedule 20

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	24	22	21	22	29	29	34	35	28	28
Fire Stations (1)	2	2	2	2	2	2	2	2	2	2
Refuse Collection										
Collection Trucks (Trash & Roll Off)	9	10	11	11	12	12	14	10	12	12
Recycling Collection Stations	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets (miles) (2)	104.92	104.92	104.92	104.92	104.92	104.92	104.92	104.92	104.92	104.92
Street Lights	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
Parks and Recreation										
Community Centers	1	1	1	1	1	1	1	1	1	1
Parks	25	25	25	25	25	25	25	25	25	25
Developed Acreage	183	183	183	183	183	183	183	183	183	183
Undeveloped Acreage	311	311	311	311	311	311	311	311	311	311
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Water										
Water Mains (miles)	182	182	182	182	182	182	182	182	182	182
Fire Hydrants	999	999	999	999	999	999	999	999	999	999
Storage Capacity (millions of gallons)	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725
Daily Plant Capacity (millions of gallons)	16	16	16	16	16	16	16	16	16	16
Wastewater										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewer (miles)	138.2	138.2	138.2	138.2	138.2	138.2	138.2	138.2	138.2	138.2
Storm Sewer (miles)	23	23	23	23	23	23	23	23	23	23
Treatment Capacity (millions of gallons)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5

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.



Other Schedules

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

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/23

This Information From The Records Of:
CITY OF NORTHGLENN

Prepared By:
V JOANN KOENIG

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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 19,081,661.00
a. Motor Fuel (from Item I.A.5.)	\$ -	2. Maintenance:	\$ 1,197,790.00
b. Motor Vehicle (from Item I.B.5.)	\$ -	3. Road and street services:	
c. Total (a.+b.)	\$ -	a. Traffic control operations	\$ 30,713.00
2. General fund appropriations	\$ 11,413,599.00	b. Snow and ice removal	\$ 127,136.00
3. Other local imposts (from page 2)	\$ 3,441,981.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 597,929.00	d. Total (a. through c.)	\$ 157,849.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 323,924.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 4,118,110.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 24,879,334.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 15,453,509.00	b. Redemption	
. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 1,196,417.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 8,229,408.00	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 24,879,334.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 24,879,334.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 24,879,334.00	\$ 24,879,334.00	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
 12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	\$ 1,820,542.00	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 593,729.00
1. Sales Taxes	\$ 1,332,371.00	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	\$ 4,200.00
5. Specific Ownership &/or Other	\$ 289,068.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,621,439.00	h. Other	
c. Total (a. + b.)	\$ 3,441,981.00	i. Total (a. through h.)	\$ 597,929.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 1,002,240.00	1. FHWA (from Item I.D.5.)	\$ -
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	\$ 180,469.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (ie. ARPA)	\$ 13,708.00	f. Other Federal	\$ 8,229,408.00
f. Total (a. through e.)	\$ 194,177.00	g. Total (a. through f.)	\$ 8,229,408.00
4. Total (1. + 2. + 3.f)	\$ 1,196,417.00	3. Total (1. + 2.g)	\$ 8,229,408.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 575,649.00	\$ 575,649.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 15,587,954.00	\$ 15,587,954.00
(3). System Preservation		\$ 1,596,557.00	\$ 1,596,557.00
(4). System Enhancement And Operation		\$ 1,321,501.00	\$ 1,321,501.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 18,506,012.00	\$ 18,506,012.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 19,081,661.00	\$ 19,081,661.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:



Compliance Section



RSM US LLP

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance With
Government Auditing Standards**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 30, 2024. Our auditor's report includes an emphasis of matter paragraph for a restatement due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions were not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Denver, Colorado
May 30, 2024



RSM US LLP

**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Northglenn, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

RSM US LLP

Denver, Colorado
May 30, 2024

City of Northglenn, Colorado

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2023**

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes x No
- Significant deficiency(ies) identified? ___ Yes x None Reported
- Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ Yes x No
- Significant deficiency(ies) identified? ___ Yes x None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ___ Yes x No

Identification of major federal programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

(Continued)

City of Northglenn, Colorado

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2023**

II. Financial Statement Findings

A. Internal Control

No matters were reported.

B. Compliance findings

No matters were reported.

III. Federal Award Findings and Questioned Costs

A. Internal Control

No matters were reported.

B. Instances of Noncompliance

No matters were reported.



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Northglenn, Colorado 80233-8061
Phone 303-451-8326
Fax 303-450-8708

**Summary Schedule of Prior Audit Findings
For the year ended December 31, 2023**

Internal Control Findings

Finding 2022-001

Material weakness in internal control over financial reporting

Finding: The City did not properly recognize revenue in the governmental fund financial statements. The City has established a period of availability of sixty days subsequent to year-end for recognition of certain revenues in a given year. This is consistent with the GAAP requirement that revenue is recognized in the governmental fund financial statements once it is both measurable and available. Specifically, there was an instance where the City recorded revenue for cash receipts not received within the period of availability. This receivable should have been recognized as deferred inflows of resources for unavailable revenue.

Corrective Actions Taken or Planned: Corrected.

CITY OF NORTHGLENN, COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Direct Award Grant or Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Sub-Recipients
U.S. Department of Justice				
Direct Program				
Bulletproof Vest Partnership Program	16.607	FY2021	\$ 2,042	\$ -
Bulletproof Vest Partnership Program	16.607	FY2022	10,800	-
Bulletproof Vest Partnership Program	16.607	FY2023	2,809	-
			<u>15,651</u>	<u>-</u>
Direct Program				
Public Safety Partnership and Community Policing Grants	16.710	2020-UM-WX-0520	159,926	-
			<u>159,926</u>	<u>-</u>
Direct Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01275-JAGX	16,469	-
			<u>16,469</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 192,046</u>	<u>\$ -</u>
U.S. Department of Transportation				
Pass-Through Program From				
State of Colorado, Department of Transportation				
Highway Planning and Construction	20.205	ACQ M945-004 (23371)	\$ 8,452,259	\$ -
Highway Planning and Construction	20.205	AQC M945-007 (24362)	320,863	-
			<u>8,773,122</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 8,773,122</u>	<u>\$ -</u>
U.S. Department of the Treasury				
Direct Program				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	NEU-CO0058	\$ 2,008,998	\$ -
			<u>2,008,998</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>\$ 2,008,998</u>	<u>\$ -</u>
U.S. Department of Health & Human Services				
Pass-through Program From				
State of Colorado, Department of Human Services				
Child Care and Development Block Grant	93.575	72620	\$ 58,031	\$ -
Child Care and Development Block Grant	93.575	85494	45,159	-
			<u>103,190</u>	<u>-</u>
Total U.S. Department of Health & Human Services *			<u>\$ 103,190</u>	<u>\$ -</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS			<u>\$ 11,077,356</u>	<u>\$ -</u>

* Child Care and Development Fund (CCDF) Cluster Total

The accompanying notes provide additional information

CITY OF NORTHGLENN, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Northglenn (City) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position or cash flows of the City.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available and grant numbers are provided for direct grants. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATES

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



CITY OF
Northglenn

SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S RESOLUTION

RESOLUTION NO.

No. CR-111
Series of 2024

Series of 2024

A RESOLUTION ACCEPTING THE AUDIT OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE CITY OF NORTHGLENN FOR THE YEAR ENDED DECEMBER 31, 2023

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

Section 1. The Annual Comprehensive Financial Report for the City of Northglenn for the year ended December 31, 2023 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 _____, 2024.

MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, MMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney