



City of Westminster Colorado



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June 27, 2018

Comprehensive Annual Financial Report
for the year ended December 31, 2017



WESTMINSTER

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Prepared by:

Finance Department
Tammy A. Hitchens, CPA
Finance Director

www.cityofwestminster.us

On the Cover:

Spanning 34-square miles, Westminster, Colorado is a suburb located about 20 minutes northwest of Denver and 20 minutes southeast of Boulder, known for its mountain views and 145 miles of hiking/walking/bike trails and family-friendly lifestyle. The City Hall bell tower, shown here with a spectacular view of the Twin Peaks Massif, is widely known as a community landmark.

Mount Meeker (13,916) is the second highest summit of the Twin Peaks Massif, after its neighbor, Longs Peak (14,259), which lies 0.7 miles to the northwest of Meeker (not visible here). These Twin Peaks are located in the Rocky Mountain National Park Wilderness, in the northern Front Range of the Rocky Mountains of Colorado. Mount Alice, another thirteener (13,315) in the Park, is shown here to the left of the Twin Peaks. Many breathtaking views of the Rocky Mountain Front Range can be seen from Westminster.

On the Back:

The City of Westminster's comprehensive annual financial report for the year ended December 31, 2016 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition for excellence in state and local governmental financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City has received a Certificate of Achievement for thirty-four consecutive years.

CITY OF WESTMINSTER, COLORADO

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INTRODUCTION



May 17, 2018

To the Citizens of Westminster:
To the Mayor and City Council:

We are pleased to present to you the 2017 Comprehensive Annual Financial Report for the City of Westminster. The report demonstrates the City's operations and financial position.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The enclosed data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Please refer to Management's Discussion and Analysis for a more in-depth discussion and analytical overview of the City's basic financial statements and activities.

The Past Year

The City of Westminster delivers exceptional value and quality of life through SPIRIT. SPIRIT – Service, Pride, Integrity, Responsibility, Innovation and Teamwork. We would like to highlight two significant items that occurred in 2017.

First, the City of Westminster was recognized in 2017 as the number five Healthiest Workplace in the United States at a conference honoring the nation's 100 Healthiest Workplaces in America. The city was one of only a few public employers on the list. The 100 Healthiest Workplaces in America award is given to organizations for their dedication to employee health, with exceptional corporate wellness programming. Launched in 2009, *The 100 Healthiest Workplaces in America* is a national ranking that scores population health outcomes with applicants evaluated across six key categories: culture and leadership, foundational components, strategic planning, communication and marketing, programming and interventions, and reporting and analysis.

The City was also recognized in 2014, 2015 and 2016 as one of Colorado's Healthiest Employers, however this is the first time the city has been honored at the national level. At the conference, the City was praised for keeping its health care cost increases to an average of three percent over the past six years, due in part to its medical plan design, wellness program, the *Center for Healthy Living* and an overall long-term strategy for health care. Westminster takes a holistic approach by creating an environment of support for employees, and a long-term, strategic approach to the wellness program and benefits package has fostered a culture of well-being for employees.

Second, in May of 2017, two new departments were added. The Human Resources Division became the Human Resources Department. In addition the Economic Development Division became the Economic Development Department.

The human capital of the organization is the most vital resource to accomplishing all of the strategic goals of the City. Human Resources continues to play a key role in moving the organization forward towards accomplishing these strategic goals by placing emphasis on the workforce and in particular related to the maintenance of a healthy work environment

A focus within the City's Strategic Plan and Vision are efforts to reinforce and build a diverse and thriving economy. The Economic Development Department engages in both current and future economic development efforts to meet the City's Strategic Plan goal of a Dynamic, Diverse Economy. Given the growing

importance now and into the future of economic development to the City, it was important to create a Department with subject matter experts. Employees throughout the City will continue to collaborate cross departmentally with the new department to properly resource this team and accomplish the City's ambitious goals. This includes work on the Downtown Westminster project and working to facilitate more streamlined integration into the City's overall economic development approach.

In addition to the significant items highlighted above, many other significant achievements were accomplished.

2017 saw the highest level of development activity in the City of Westminster over the last 10 years by several measures:

- 18,785 Inspections Conducted (Building, Engineering, Planning and Fire)
- 6,937 Building Permits Issued
- 179 Official Development Plans Processed
- 135 Civil Construction Drawings, Plats and Land Disturbance Reviews Processed

This is by no means a comprehensive assessment of development review activities, but it indicates the large volume of work successfully managed and processed by Staff. Successfully handling this workload represents the hard work and SPIRIT values of Development Review Staff in Community Development, Public Work and Utilities, Fire, Economic Development, Parks, Recreation and Libraries, along with other departments.

The Finance Department implemented a comprehensive plan to partially affiliate with the Fire and Police Pension Association (FPPA) statewide defined benefit system for the benefit of sworn police officers. Partial affiliation allowed the current officers to select the plan they wished to be in, whether part of the FPPA or remaining in the City's 401(a) plan. All new Police Officers will be part of the statewide defined benefit plan administered by FPPA. The General Employee and Police 401(a) Pension plans were merged together to form one plan. The official affiliation date was October 2, 2017.

City Council and Staff took action to update the City's Growth Management program to improve its effectiveness. One of the key improvements is to accept proposed development projects for review and scoring at any time of the year versus a once-per-year approach. This process improvement was accomplished in part through the elimination of the current Annual Service Commitment Award Competition. Applicants are required to specify a minimum number of elective points, which are calculated with a five-year average of the percentage of points proposed by previous service commitment award recipients. This change increases predictability for developers and residents while providing enhanced clarity to Staff and allowing for greater efficiency in making key project determinations.

The Center for Digital Government, a national research and advisory institute on information technology policies and best practices in state and local government, conducts an annual comprehensive nationwide Digital Cities Survey to evaluate how well cities are doing in achieving and demonstrating the characteristics of a digital city. In 2017, the City of Westminster submitted a 35 page survey application highlighting current status and past year achievements in each of the ten categories of digital government, and achieved a national 6th place ranking. Additionally, the City expanded and enhanced the focus on cybersecurity in 2017 with the addition of a full time Security Administrator and adoption of the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Public Works & Utilities proudly serves the City with safe, quality utility services. Maintaining high quality service means proactively addressing aging infrastructure and building new assets to reliably serve the utility now and into the future. In 2017, the department had the large mission of initiating \$60 million in new project contracts. These new contracts, together with projects that were already active from previous budget years amounted to over 40 projects in various states of engineering planning, design, or active construction. We are proud to say that many of these projects are now complete with many more on schedule for 2018 completion. Safe, reliable water and sewer services were maintained year-round despite the historic high level of utility infrastructure projects.

Public Works & Utilities maintains over 1,100 lane miles of city streets and related infrastructure. In 2017, the Streets Division carried out more than \$8 million in contract and in-house pavement preservation, repair, and

reconstruction projects touching more than 170 streets. One example of teamwork and collaboration stands out: the reconstruction of the badly deteriorated concrete roundabout on Reed Street north of Church Ranch Boulevard. The \$185,000 project was managed by the Street Division and funded under a formal cost sharing agreement between the City, Target Stores and The Shops at Walnut Creek.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2018.

In April, the Westminster City Council hosted a Community Summit to gather input from residents to inform the City's Strategic Planning efforts and share information with the stakeholders about the progress and initiatives in several key areas.

The meeting was organized with eight stations focused on different topics, including:

- Future Developments and Growth
- Community Safety
- Trails, Transportation and Connectivity
- Homelessness
- Affordable Housing
- Water
- Downtown Westminster
- Open Topic Table

Each community member had an opportunity to participate in three distinct conversations. City Council and/or staff were present at each station.

City Council will take all the feedback received and review during their Strategic Plan retreat in June.

City staff will be working on these high priority items and other projects and initiatives as identified in City Council's strategic plan.

Independent Audit

Pursuant to Section 9.10 of the City Charter, an audit of the accounts and financial statements has been completed by the City's Independent Certified Public Accountants, BKD, LLP. Their reports are included.

Government Structure and Types of Services

The City of Westminster is a charter city, organized under the Constitution of the State of Colorado, governed by a Council-Manager form of government. City Council is comprised of seven members: a Mayor elected at large and six Councillors, also elected at large. The Council appoints the City Manager, the City Attorney and the Municipal Court Presiding Judge; all other staff are appointed or hired by the City Manager.

With a population of approximately 115,750, the City is approximately 95% built out, with just over 5% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical service, court system, parks, recreation facilities and programs, libraries, planning and development, economic development and redevelopment, water and wastewater treatment, street construction and maintenance and a variety of related services such as human resources, finance, information technology, building maintenance, etc.

The City of Westminster includes several blended component units, wherein the City includes the financial statements of these units in its financial reporting. These units include:

- Westminster Housing Authority (WHA), which is utilized in housing initiatives;

- The Westminster Economic Development Authority (WEDA), the City's Urban Renewal Authority, which enables the City to employ eminent domain and tax increment financing for needed re-development in the City's blighted sections; and
- Nine General Improvement Districts that were created for infrastructure improvements and maintenance, and are listed below:
 - Amherst General Improvement District
 - Sheridan Crossing General Improvement District
 - 136th Avenue General Improvement District
 - Mandalay Town Center General Improvement District
 - 144th Avenue General Improvement District
 - Orchard Park Place General Improvement District
 - Park 1200 General Improvement District
 - Downtown General Improvement District ⁽¹⁾

⁽¹⁾ Approved by the voters in the November 2015 elections – no financial activity as of 12/31/17

The governing board is the same as the governing body of the City in all cases and the City has the ability to modify or approve the budgets of these entities.

Internal Controls and Limitations

The City's framework of internal controls provides management with the reasonable assurance it needs to take meaningful responsibility for the contents of the financial statements. The City's basic system of internal controls includes the control environment, the accounting system, and control procedures:

- The control environment includes a philosophy and organizational structure that allows for the fiduciary practice of oversight, control systems development, and management control of the financial functions of the City.
- The accounting system includes built-in checks and balances for purchasing, contracting and contract approval, timely recording of all transactions, audit trails for all transactions, and routine reporting and reconciliation procedures across funds and accounts.
- The control procedures established by the City include the following:
 - Budgetary oversight by the City Manager's Office separate from the accounting and recording of transactions by the Finance Department;
 - The legal level of budgetary control is at the department level;
 - Segregation of authorization, collection and recording/reconciliation functions across all departments and financially-related functions of the City of Westminster;
 - Access controls to all systems, whether purchasing, general ledger, payroll, information technology, or others; and
 - Independent checks on the system and transactions by staff performing the internal audit function.

As with any system, the inherent limitations of the system make it imperative that the City rely on review and revision of programs when weaknesses are discovered; SAS 114, *The Auditor's Communication with Those Charged with Governance* and SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*; reporting by the City's audit firm; and constant diligence on the part of management and employees for preventing and correcting errors or other weaknesses when reviewed.

Reporting Achievement

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 of Westminster, Colorado, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the content of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last thirty-four consecutive years. We believe our current report continues to conform to

the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

Oversight for the preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of Finance Department Staff.

In particular, our sincere appreciation is extended to Cherie Sanchez, Accounting Manager; Vicki Adams, ERP Business Analyst; Karen Barlow, Accountant; Karen Creager, Accountant; Gary Newcomb, Accountant; Josie Shrum, Accountant; Dawn Cartier, Accountant; Kim McDaniel, Retirement Administrator; Chad Smith, Financial Analyst; Sherri Young, Financial Analyst; Barb Dolan, Sales Tax Manager; Bob Byerhof, Treasury Manager; and Maggie Hunter, Executive Assistant. Thank you for your dedication, hard work, and another excellent annual report.

In addition, the City's auditors, BKD, LLP were very helpful. Their assistance and professional approach contributed to a thorough and smooth audit.

Finally, thank you to City Council and all Staff for your commitment to this community and the SPIRIT you exhibit.

Respectfully submitted,

Donald M. Tripp
City Manager

Tammy Hitchens
Director of Finance

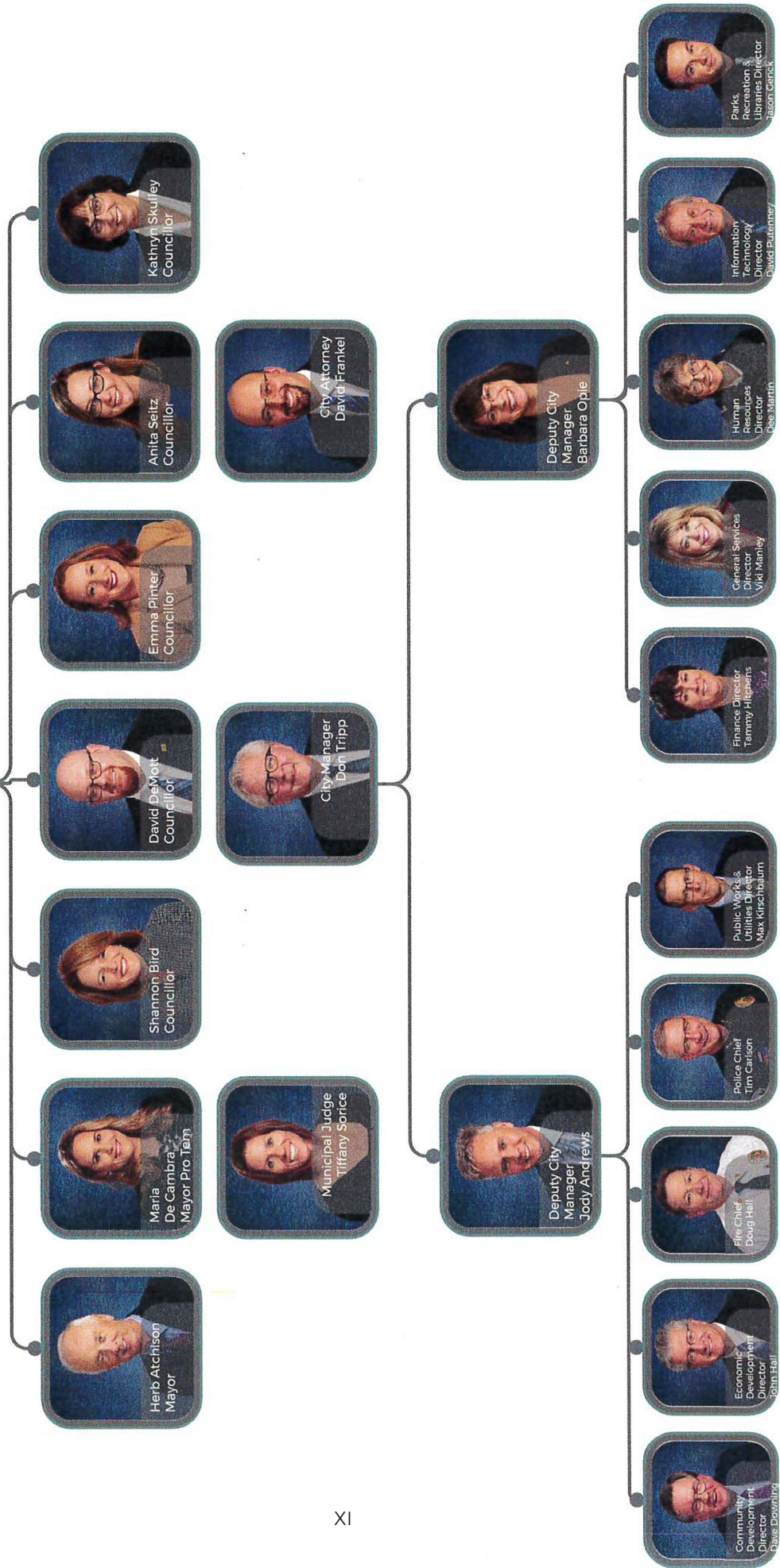
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WESTMINSTER
COLORADO

ORGANIZATIONAL CHART

Citizens





Government Finance Officers Association

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

Presented to

**City of Westminster
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

**Financial
Section**

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Westminster, Colorado
Westminster, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Westminster, Colorado (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Honorable Mayor and Members of City Council
City of Westminster, Colorado

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information, including the local highway finance report and the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedule and other supplementary information, including the local highway finance report information and the schedule of expenditures of federal awards (supplementary information) are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

Honorable Mayor and Members of City Council
City of Westminster, Colorado

supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated May 17, 2018, 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 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.

BKD, LLP

Denver, Colorado
May 17, 2018

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**Management's
Discussion &
Analysis**



WESTMINSTER COLORADO

City of Westminster, Colorado

Management's Discussion and Analysis (Unaudited)

This discussion and analysis of Westminster's financial statements for the year ended December 31, 2017 provides a narrative overview of the City's financial activities. Please consider the information here in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report and the financial statements and notes to the financial statements, which may be found in the Basic Financial Statements section.

THE CITY

The City of Westminster is a charter city, organized under the laws of the State of Colorado, governed by a Council-Manager form of government. City Council is comprised of seven members: a Mayor elected at large and six Councillors, also elected at large. The Council appoints the City Manager, the City Attorney, and the Municipal Court Judge; all other staff are appointed or hired by the City Manager. The City Manager has served Westminster since 2015 and promotes service, pride, integrity, responsibility, innovation and teamwork throughout the organization. The City Manager directs ten departments, including Community Development, Economic Development, Finance, Fire, General Services, Human Resources, Information Technology, Parks, Recreation and Libraries, Police, and Public Works and Utilities.

Centrally located between Denver and Boulder, Colorado, the City of Westminster is known for its exceptional quality of life, and for its innovative and progressive local government services. With a population of approximately 115,750, the City is 95% built out, with just 5% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical services, 58 developed parks and 4 undeveloped parks, over 3,100 acres of natural open space, two libraries, two golf courses, several recreation centers, water and wastewater treatment, street construction and maintenance, and a variety of other services.

The primary sources of revenues for cities in Colorado are sales and use taxes, comprising approximately 57.4% of the City's governmental activities revenues. Property taxes comprise approximately 2.8% of the City's governmental activities revenues. Property and sales tax increments contribute an additional 6.5%. The primary sources of revenues for the City's enterprise funds including the Utility Enterprise and Golf Course Enterprise are fees and charges.

FINANCIAL HIGHLIGHTS

General Fund sales and use tax revenue was up \$4.1 million, or 4.4% compared to 2016. The increase is attributed to the strong housing market and employment base across the Front Range that has bolstered public confidence and increased consumer spending.

In March, the Golf Course Enterprise Fund entered into a master lease-purchase agreement in the amount of \$0.5 million for the purchase of golf carts.

Eight long term debt issues totaling \$3.1 million were paid off in 2017 including the Sales and Use Tax POST 2007D and WEDA Revenue Refunding Bonds Series 2009, the 1997A and 1998 Colorado Water Power Authority Water Reclamation Facility notes, a Colorado Historical Foundation note, and the 2013 Golf Cart, 2012 Heavy Rescue Truck and 2012 Pumper Truck capital leases.

The City received \$2.1 million in federal award reimbursements from various agencies for housing and urban development, transportation improvements, public health and safety efforts, and emergency management.

\$0.4 million in grant reimbursements was received from the State of Colorado agencies for public safety activities, historical preservation, recreation and libraries programming resources, and parks activation.

\$0.6 million in reimbursements was received from Adams and Jefferson Counties for property acquisitions and improvements as well as victim assistance efforts.

\$0.1 million in other grant reimbursements was received for public recreation, libraries, as well as health and safety initiatives and resources.

The City's Utility Fund received capital contributions from developers totaling \$12.8 million for tapping into the City's water utility system. This is an \$11.0 million, or 46.2% decrease in developer contributions compared to 2016.

A total of \$66.1 million was expended in relation to the City's Capital Improvement Program (CIP) in 2017. Governmental activities CIP spending totaled \$27.4 million, down \$36.5 million or 57.1% from the prior year. Business-type activities CIP spending totaled \$38.7 million, up \$12.4 million or 47.1% from 2016.

The assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources at the close of 2017 by \$973.5 million (\$458.6 million in governmental activities and \$514.9 million in business-type activities). Of the governmental activities net position total, \$129.5 million, or 28.2%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$113.8 million, or 22.1%, of business-type activities net position is unrestricted.

Total net position of the City, increased \$51.9 million, or 5.6%, compared to 2016. The net position of the City's governmental activities increased \$32.1 million, which represents an increase of 7.5% compared to 2016. The net position of the City's business-type activities increased \$19.8 million, an increase of 4.0% over 2016.

The total expenses of all the City's programs increased \$5.8 million, or 2.9%, compared to 2016. The cost of governmental activities program expenses increased \$2.9 million, or 2.0%, to \$148.0 million, while business-type activities expenses increased \$2.9 million, or 5.3%, to \$57.2 million from 2016.

Total revenues, excluding transfers, decreased \$11.7 million, or 4.4%, compared to 2016. Governmental activities revenues decreased \$3.5 million, or 1.9%, to \$180.5 million, while revenues of business-type activities decreased \$8.3 million, or 9.7%, to \$76.7 million compared to 2016.

As of December 31, 2017, the City's governmental funds reported a combined ending fund balance of \$158.1 million. Approximately 61.2%, or \$96.7 million, is committed, assigned or unassigned fund balance and, therefore, available for spending at the City's discretion within the purposes specified for the City's funds.

The General Fund reported a fund balance of \$47.8 million as of December 31, 2017, of which \$40.5 million was assigned or unassigned.

The Westminster Housing Authority changed fund types from a proprietary fund to a governmental fund, requiring an adjustment of beginning net position as reported in a proprietary fund to beginning fund balance as reported in a governmental fund. These changes are shown in detail on page 79 in the Notes to the Financial Statements. The Westminster Housing Authority Fund is the general fund of a blended component unit of the City and is reported as a special revenue fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities.

The **Statement of Net Position** presents information on all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the composition or quality of the City's sales tax base, the condition of the City's roads, etc., are also important to evaluate when assessing the overall health of the City.

The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here – police, fire, public works, parks, recreation and libraries and general administration. Sales and use taxes, property taxes, fees and charges from the municipal court and the Parks, Recreation and Libraries Department, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water, sewer and storm drainage system and golf courses are reported here.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the City-wide financial statements. However, unlike the City-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on the constraints on the use of fund balances at the end of the fiscal year. Information about limitations on financial resources is useful in evaluating the City's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the City-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the City-wide statements. Readers may then better understand the long-term impact of the City's short-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the General Capital Improvement Fund and the Westminster Economic Development Authority (WEDA), the City's urban renewal authority. These funds are reported as major funds for the City. Financial information for the other 14 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and individual fund statements in the supplementary information of this report.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Utility Enterprise and Golf Course Enterprise. The Utility Fund is considered a major fund of the City, while the Golf Course Fund is a nonmajor fund.
- **Internal Service funds** are used by the City to account for the costs of acquiring capital replacement equipment and costs for City-wide insurance programs. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the supplementary information of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. The notes to the financial statements can be found after the basic financial statements of this report.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and Westminster Economic Development Authority as well as schedules that provide information on the funding progress of postemployment benefits other than pensions (OPEB) related to the City's retiree health care program and information related to the City's firefighter pension plans.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

Table 1 presents an analysis of the City's net position as of December 31. The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$973.5 million at December 31, 2017. Governmental activities make up \$458.6 million (47.1%) of the net position, with business-type activities making up the remaining \$514.9 million (52.9%). Total net position increased by \$51.9 million (5.6%) in 2017. The increase is comprised of the following:

Total assets increased \$35.0 million, or 2.8%, to \$1,292.2 million. This included an increase in current and other assets of \$4.0 million and an increase in capital assets of \$31.0 million.

The increase in current and other assets was primarily due to a net increase in cash and investments of \$14.6 million offset by decreases in receivables of \$5.2 million, properties held for resale of \$4.1 million, and prepaid items of \$1.2 million. The change in receivables reflects significant receipts in 2016 from the Regional Transportation District related to the construction of the Westminster FasTracks Commuter Rail Station and from Adams County for an intergovernmental agreement reimbursement related to construction of the Little Dry Creek Park and Open Space located between Lowell and Federal Boulevards. The change in value of inventories relates to certain properties held for resale by WEDA that were conveyed to the City, adjusted to market value, or sold, as well as certain contractual obligations. Prepayments were reduced for capital equipment expenditures primarily relating to fire trucks ordered in 2016, but received in 2017.

\$31.7 million of depreciation expense was recognized while \$74.9 million in capital assets was added. \$72.1 million previously classified as Construction in Progress was placed in service and reclassified to non-depreciable and depreciable asset classes, and \$12.3 million in capital assets net of depreciation was disposed of.

Total liabilities decreased \$18.1 million, or 5.5%, to \$309.0 million. This is primarily due to the reduction of long term debt by governmental activities totaling \$15.4 million and business-type activities totaling \$6.7 million. The change in long term debt included payoff of eight debt issues along with ongoing debt service payments on outstanding bonds, loans, notes and leases, as well as amortization of discounts and premiums. The decreases in total liabilities was offset by the addition of one master lease for the purchase of golf cart equipment and net increases in other long-term liabilities totaling \$1.3 million for governmental and \$0.4 million for business-type activities. Other long term liabilities include obligations related to compensated absences, post-employment benefits for the City's retiree health care program and pollution remediation. Increases in current and other liabilities totaling \$3.0 million mostly related to accounts payable for business-type activities.

Table 1: Net Position as of December 31 (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 223.6	\$ 209.3	\$ 151.2	\$ 161.5	\$ 374.8	\$ 370.8
Capital assets	451.7	445.2	465.7	441.2	917.4	886.4
Total assets	675.3	654.5	616.9	602.7	1,292.2	1,257.2
Deferred outflow of resources	8.4	8.4	-	-	8.4	8.4
Current and other liabilities	21.6	21.6	9.0	6.0	30.6	27.6
Long-term liabilities	185.4	200.3	93.0	99.2	278.4	299.5
Total liabilities	207.0	221.9	102.0	105.2	309.0	327.1
Deferred inflow of resources	18.1	16.5	-	-	18.1	16.5
Net Position:						
Net investment in capital assets	284.1	263.0	397.7	385.9	681.8	648.9
Restricted	45.0	35.8	3.4	5.2	48.4	41.0
Unrestricted	129.5	125.7	113.8	106.4	243.3	232.1
Total net position	\$ 458.6	\$ 424.5	\$ 514.9	\$ 497.5	\$ 973.5	\$ 922.0

By far the largest portion of the City's net position reflects its investment of \$917.4 million in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net investment in capital assets is reported less any related debt used to acquire these assets that is still outstanding. The City uses these capital assets to provide services to the public; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets was \$681.8 million as of December 31, 2017, or 70.0% of total net position.

An additional portion of the City's net position, \$48.4 million, or 5.0% represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$243.3 million, or 25.0% may be used to meet the City's on-going obligations to the public and creditors. It is important to note that the \$113.8 million in unrestricted net position of the City's business-type activities may not be used to fund governmental activities.

Analysis of Changes in Net Position

As can be seen from Table 2, the City's net position increased \$51.9 million during 2017. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$32.1 million during 2017. This was \$7.8 million less than the increase of \$39.9 million in 2016.

Governmental activities revenues decreased \$3.5 million from 2016. The change is attributed to decreases in the amount of revenues from Capital Grants and Contributions (\$15.6 million), Charges for Services (\$1.7 million) and Interest (\$0.3 million). These decreases were offset by increases in Operating Grants and Contributions (\$0.2

million), Property Tax (\$0.1 million), Sales Tax (\$4.4 million), Use Tax (\$0.1 million), Property Tax Increment (\$0.6 million), Sales Tax Increment (\$0.2 million), Accommodations Tax (\$0.2 million), and Other (\$8.3 million) revenues.

Decreases in Capital Grants and Contributions resulted mostly from year over year fluctuations in one time revenues. In 2016, significant revenue was received for regional cooperation to fund the City's transit-oriented development. Decreases in Charges for Services was primarily due to license and permit revenue and a 2016 reimbursement from the Broomfield Westminster Open Space Foundation. Increases in tax revenues were due to improvements in the overall economy. Increases in Other revenue was due to the sale of property previously held for resale in WEDA and developer agreements related to Downtown Westminster.

Governmental expenses increased \$2.9 million (2.0%) from 2016. The change is attributable to increased expenses in General Government (\$0.8 million), Public Safety (\$3.6 million), Public Works (\$0.1 million) and Community Development (\$1.4 million) offset by a decrease in interest and fiscal charges (\$2.8 million) and refunding fees (\$0.2 million). Year over year expenses remained unchanged for Culture and Recreation.

Increases in General Government relate to payments that commenced in 2017 on the 2015 and 2016 Certificates of Participation lease financings and personnel services due to the restructuring and expansion of Economic Development and Human Resources from divisions to departments. Public Safety expenditures increased due to personnel services. Community Development expenditures increased due to an adjustment for conveyance of certain land held for resale from WEDA to the City, the sale of land held for resale, a write down in valuation of another resale parcel and certain contractual obligations.

As can be seen in Table 2, General Government, which includes all benefits, insurances and lease payments as well as the City Council and six departments' (City Manager's Office, City Attorney's Office, General Services, Human Resources, Economic Development and Finance) accounted for 34.1% of governmental expenses, Public Safety accounted for 27.0%, Public Works accounted for 9.1%, Community Development accounted for 10.5%, Culture and Recreation accounted for 16.6%, Interest and Fiscal Charges accounted for 2.6% and unallocated depreciation accounted for 0.1%.

Table 2: Changes in Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 19.5	\$ 21.2	\$ 61.7	\$ 58.8	\$ 81.2	\$ 80.0
Operating grants and contributions	9.5	9.3	-	-	9.5	9.3
Capital grants and contributions	11.0	26.6	12.8	24.1	23.8	50.7
General revenues						
Property taxes	5.1	5.0	-	-	5.1	5.0
Sales taxes	83.8	79.4	-	-	83.8	79.4
Use taxes	19.9	19.8	-	-	19.9	19.8
Property tax increment	10.7	10.1	-	-	10.7	10.1
Sales tax increment	1.0	0.8	-	-	1.0	0.8
Business fees and other taxes	5.4	5.4	-	-	5.4	5.4
Accommodations tax	4.5	4.3	-	-	4.5	4.3
Intergovernmental	0.2	0.2	-	-	0.2	0.2
Interest	1.0	1.3	1.0	1.0	2.0	2.3
Rentals	0.4	0.4	-	-	0.4	0.4
Other	8.3	-	0.8	0.9	9.1	0.9
Gain on sale of assets	0.2	0.2	0.3	0.1	0.5	0.3
Total revenues	180.5	184.0	76.6	84.9	257.1	268.9
Program expenses						
General government	50.4	49.6	-	-	50.4	49.6
Public safety	39.9	36.3	-	-	39.9	36.3
Public works	13.5	13.4	-	-	13.5	13.4
Community development	15.6	14.2	-	-	15.6	14.2
Culture and recreation	24.6	24.6	-	-	24.6	24.6
Utility	-	-	53.2	50.7	53.2	50.7
Golf	-	-	4.0	3.5	4.0	3.5
Housing Authority				0.1		0.1
Interest and fiscal charges	3.8	6.6	-	-	3.8	6.6
Refunding fee	-	0.2	-	-	-	0.2
Unallocated depreciation	0.2	0.2	-	-	0.2	0.2
Total expenses	148.0	145.1	57.2	54.3	205.2	199.4
Excess before transfers	32.5	38.9	19.4	30.6	51.9	69.5
Transfers	(0.4)	1.0	0.4	(1.0)	-	-
Change in net position	32.1	39.9	19.8	29.6	51.9	69.5
Net position, before change in fund type	424.5	384.6	497.5	467.9	922.0	852.5
Adjustment for change in fund type	2.0	-	(2.4)	-	(0.4)	-
Net position - beginning, as adjusted	426.5	384.6	495.1	467.9	921.6	852.5
Net position - ending	\$ 458.6	\$ 424.5	\$ 514.9	\$ 497.5	\$ 973.5	\$ 922.0

Charts 1 and 2 illustrate the City's governmental expenses and revenues by function and its general revenues by source. General revenues such as sales and use taxes, property and other taxes shown in Chart 2 are used to support City program activities city-wide. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (57.4%), followed by Charges for Services (10.8%), Capital Grants and Contributions (6.1%), and Operating Grants and Contributions (5.3%).

CHART 1: EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES

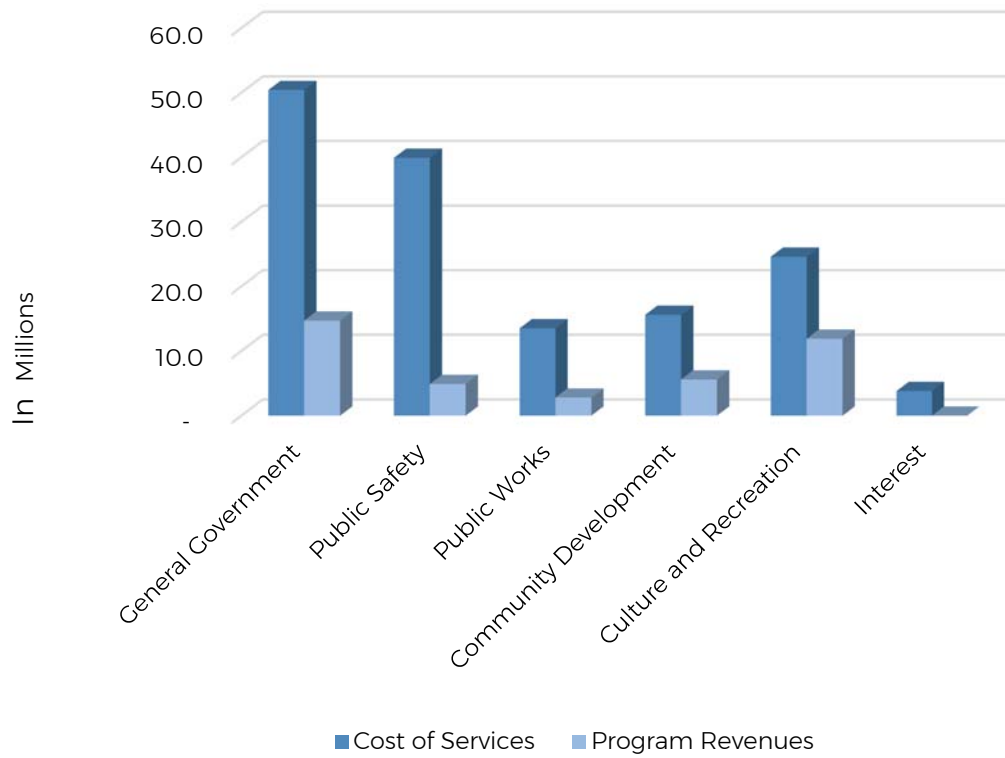
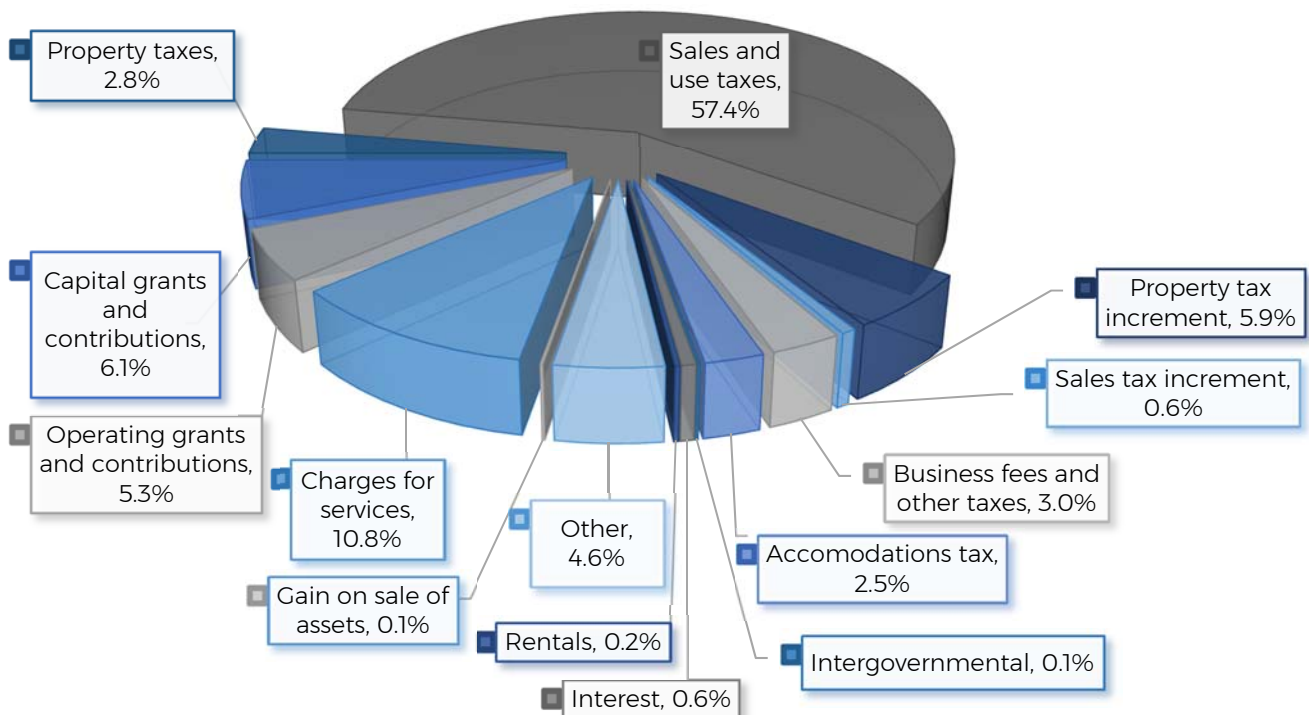


CHART 2: REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Business-type Activities

Net position in business-type activities increased \$19.8 million in 2017. This is \$9.8 million, or 33.1%, less than the \$29.6 million increase in 2016.

As can be seen from Charts 3 and 4, the City's Utility Enterprise accounts for the majority of its business-type activities, representing 93.0% of total business-type expenses. Charges for Services provides the largest share of revenues (80.6%), followed by Capital Grants and Contributions (16.7%).

Total business-type revenues decreased \$8.2 million, or 9.7%, compared to 2016. This decrease was due primarily to a decrease of \$11.3 million, or 46.9% in Capital Grants and Contributions. The decrease was offset by an increase of \$2.9 million, or 4.9%, in Charges for Services.

The increase in Charges for Services revenue is attributable to the effect of climatic variations on water consumption and increased billing rates in the Utility Fund. Decreases in Capital Grants and Contributions is due to decreases in developer tap fees and water lines for connecting to the utility system.

Expenses of business-type activities increased \$2.9 million, or 5.3%, compared to 2016. The increase was due primarily to an increase in costs associated with providing utility services.

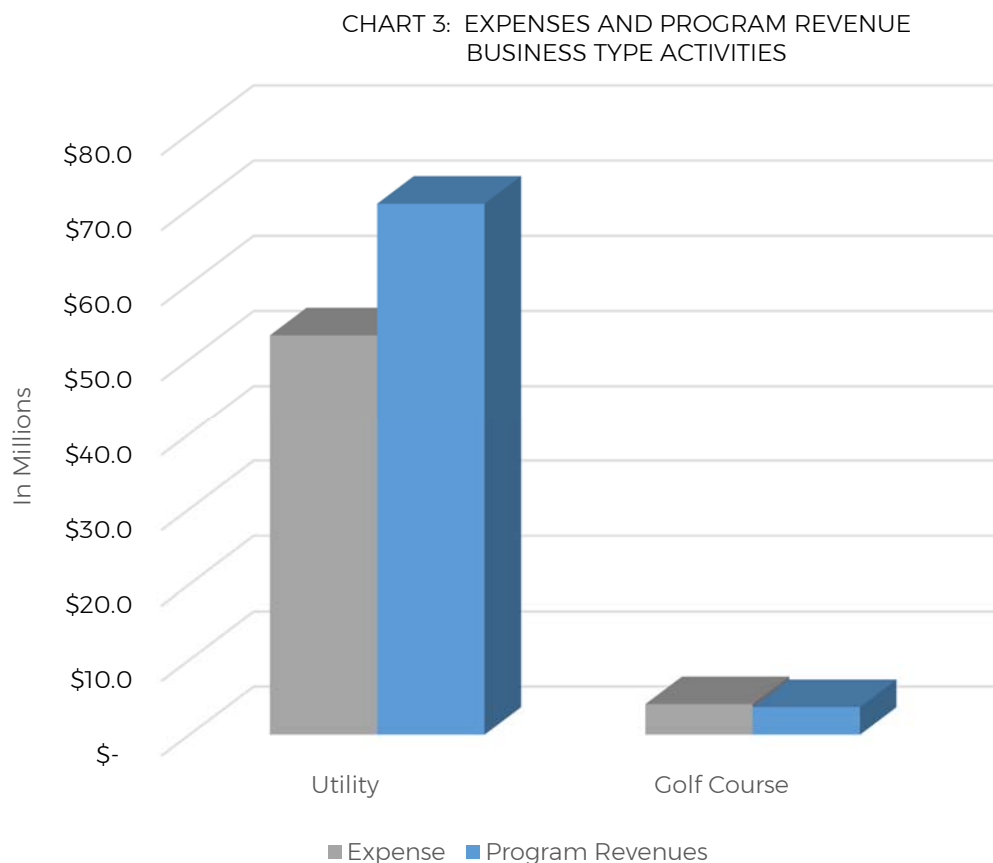
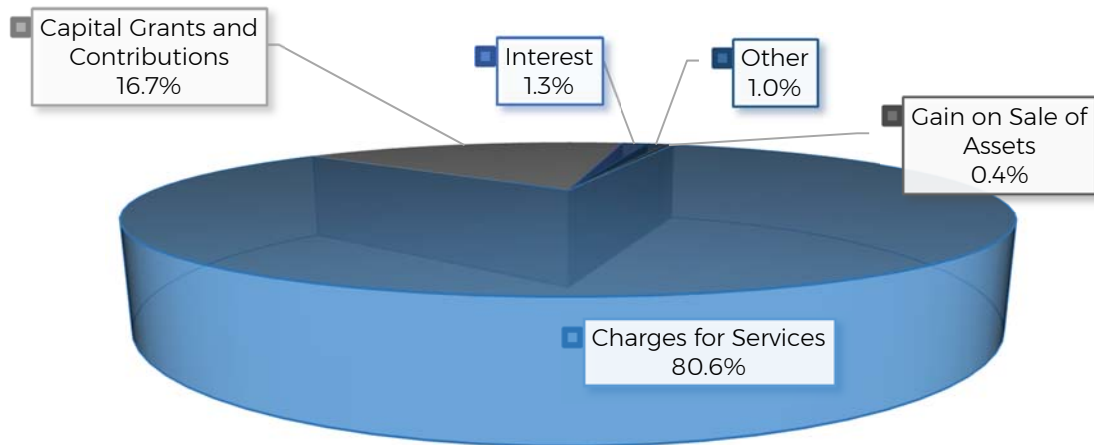


CHART 4: REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



THE CITY'S FUNDS (ANALYSIS OF SPECIFIC FUNDS)

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

Governmental Funds- The focus of the City's *governmental funds* is to provide information on short-term inflows, outflows, and constraints on financial resources. This information is necessary to assess the City's financing requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

At December 31, 2017, the City's governmental funds reported a combined ending fund balance of \$158.1 million, an increase of \$10.1 million, or 6.8%, compared to 2016. Based on the level of constraint imposed on the use of financial resources, fund balance is reported as either nonspendable; restricted; or as committed, assigned or unassigned.

- Nonspendable fund balance, primarily comprised of property acquired for resale for the Westminster Urban Reinvestment Project, was \$16.7 million, a decrease of \$4.1 million or 19.7% as a result of sales, conveyances and revaluations of property held for resale in WEDA related to development activities in Downtown Westminster.
- Fund balance restricted for capital additions and improvements decreased \$3.8 million primarily due to expenditure of proceeds related to the 2015 Certificates of Participation lease financing for the Westminster Urban Reinvestment Project redevelopment project.
- Fund balance restricted for debt service increased \$2.5 million, or 16.0%, to \$18.1 million due to tax increment collected by WEDA from urban renewal areas.
- Fund balance restricted for emergencies as required by TABOR decreased \$0.1 million, or 2.0% to \$5.0 million.
- Fund balance restricted for open space conservation and improvements was unchanged at \$2.2 million.
- Unrestricted but committed fund balance increased for capital additions and improvements to \$44.5 million from \$41.2 million, or 8.0% due to additional funding for capital construction.
- Unrestricted but committed fund balance increased for urban renewal \$8.3 million from \$0.2 million, or 18.8%, due an increase in revenues not pledged for debt and approved by the WEDA board for urban renewal activity.
- Assigned fund balance increased for community development \$1.0 million to \$1.3 million due to the reclassification of the Westminster Housing Authority from a proprietary fund to a governmental fund.
- Unassigned fund balance increased \$3.6 million, or 12.0%, to \$33.5 million compared to 2016. Unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds.

- The remainder of unrestricted fund balance is assigned to indicate that it has been set aside for a specific purpose.

The General Fund is the primary operating fund of the City. At the end of 2017, the unassigned fund balance of the General Fund was \$33.7 million, while total fund balance was \$47.8 million. Total fund balance increased in the General Fund by \$4.0 million, or 9.2%, compared to 2016. The unassigned fund balance represents 24.9% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance.

The original budget in the General Fund was \$123.6 million. Actual General Fund expenditures and transfers out totaled \$135.0 million. Supplemental appropriations of transfers to other funds and economic development rebates account for the increase in expenditure activity between the original and final budgets.

Charts 5 and 6 illustrate the Budget and Actual Revenue and Expenditures less transfers for the General Fund.

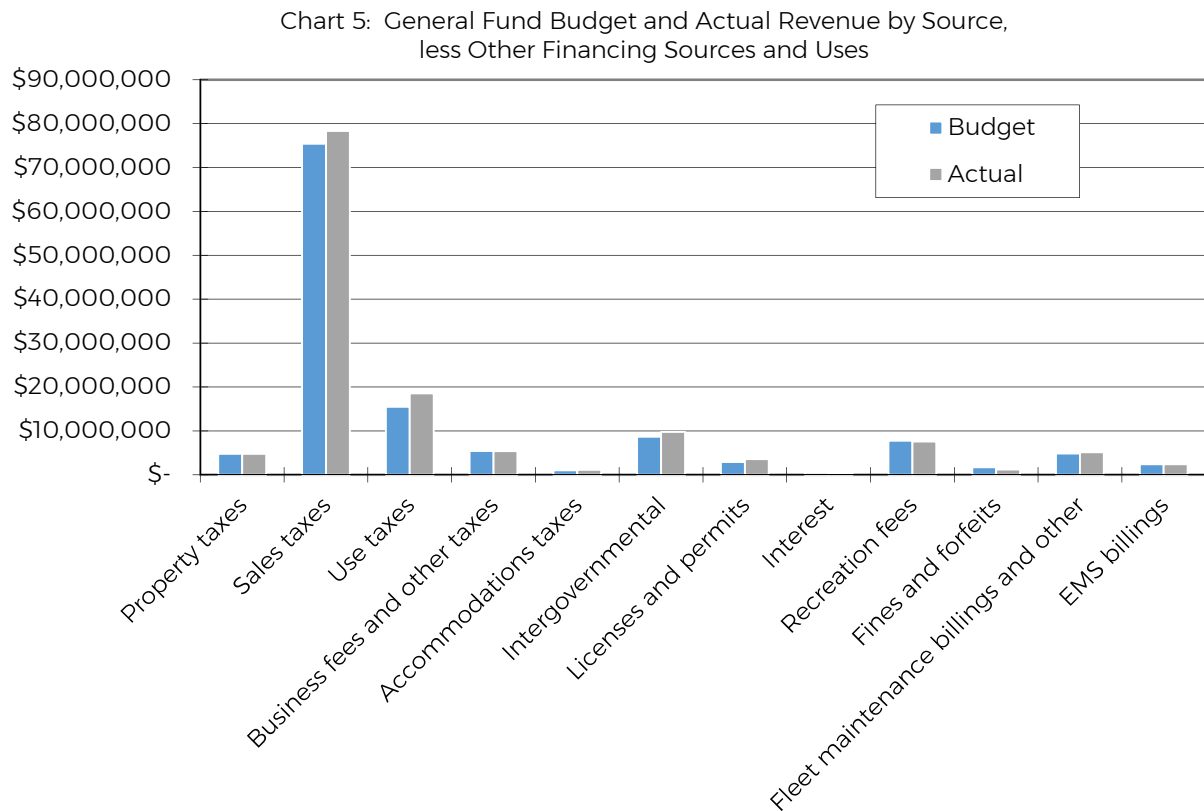
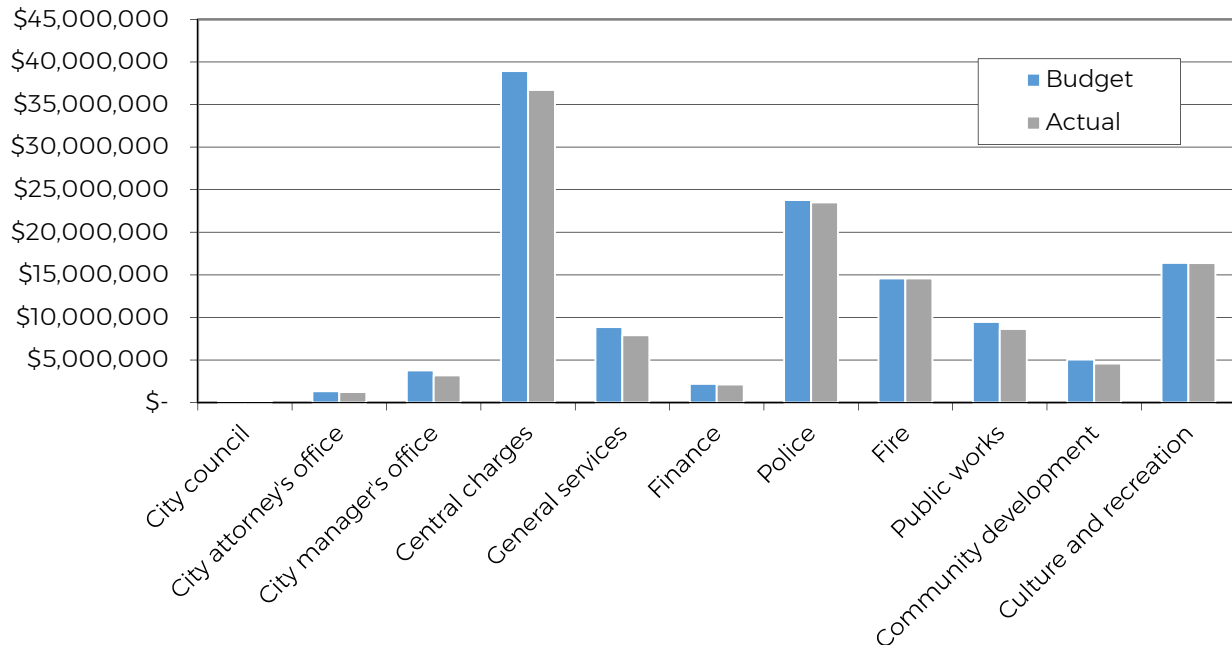


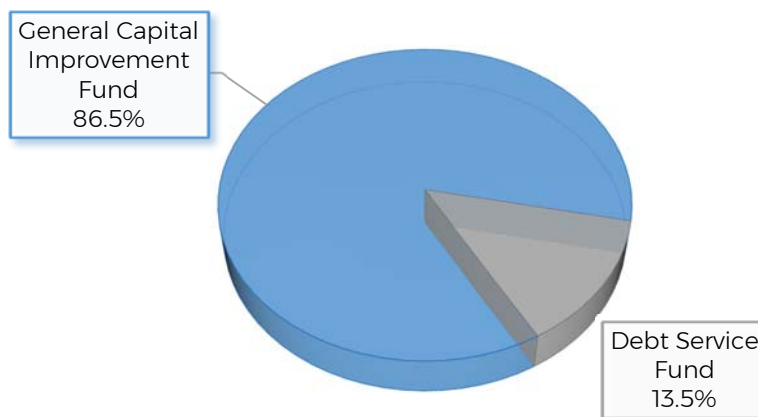
Chart 6: General Fund Budget and Actual Expenditures by Department, less Debt Service and Other Financing Sources and Uses



Sales and use taxes are the primary funding source for the City's governmental funds. Once the sales and use tax is collected it is transferred to other funds. As Chart 7 illustrates, 86.5% of the sales and use tax was transferred to the General Capital Improvement Fund for capital construction projects and 13.5% was transferred to the Debt Service Fund for debt service. \$78.0 million was budgeted in the General Fund for operating purposes.

Sales and use taxes budgeted for General Fund operations increased 8.0%, or \$5.8 million, compared to 2016.

CHART 7: GENERAL FUND TRANSFERS OF SALES AND USE TAX



The General Capital Improvement Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the City, except those financed by the Enterprise Funds. At December 31, 2017, the fund had a fund balance of \$57.6 million.

The General Capital Improvement Fund revenues include accommodations taxes, revenues from other governments, contributions, interest, other miscellaneous revenue and transfers from other funds. The fund's operating revenues decreased by \$14.3 million due to decreases in Intergovernmental of \$3.0 million, Contributions of \$11.2 million, and Interest of \$0.2 million. These decreases were offset by an increase in

Accommodations Tax of \$0.1 million. Net transfer funding totaled \$19.9 million, a decrease of \$6.3 million compared to 2016.

Contributions in 2016 included one-time regional funding from RTD for development of the Transit-Oriented Development. Intergovernmental revenue reflects mostly federal grants utilized for capital construction.

Expenditures totaling \$26.8 million were \$39.5 million less than 2016 due to a decrease in capital project spending and economic assistance provided to developers.

The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance increased \$6.8 million from 2016. As of December 31, 2017, Fund Balance was \$42.5 million.

Revenue for the Westminster Economic Development Authority increased by \$5.7 million, or 49.7%, compared to 2016. The increase was due primarily to the sale of property held for resale totaling \$4.9 million.

Expenditures for the Westminster Economic Development Authority increased by \$1.9 million, or 14.7% compared to 2016. Capital project expenditures decreased \$2.6 million. This decrease was offset by an increase of \$4.5 million due to an adjustment for conveyance of certain property held for resale from the Authority to the City, the sale of property held for resale, a write down in valuation of another resale parcel and certain contractual obligation expenditures.

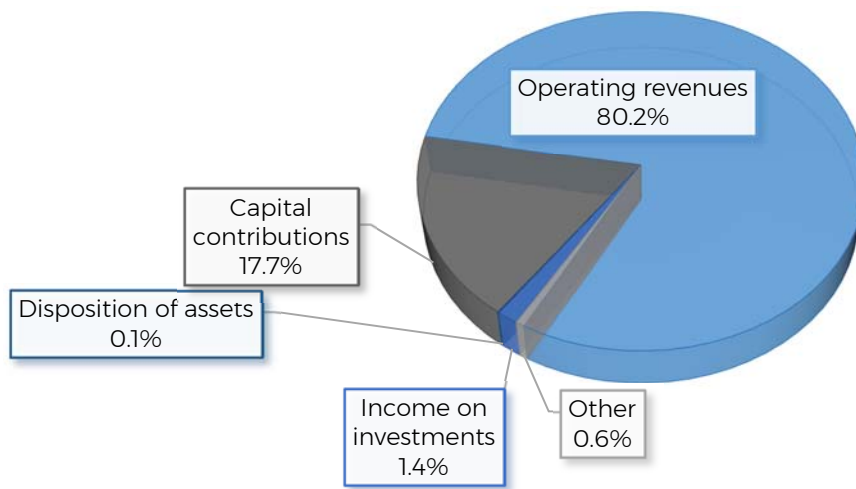
Proprietary Funds- As already discussed, the City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Utility Fund, which accounts for the City's water, wastewater and storm drainage activities, ended 2017 with net position equal to \$497.9 million. Of that amount, \$110.5 million is unrestricted. Net position increased \$19.1 million, or 4.0%, compared to 2016.

Operating revenues increased \$2.5 million, or 4.6%, compared to 2016. Chart 8 illustrates both operating and non-operating revenues by source. The primary reason for the increase in operating revenues is due to increased demand and billing rates.

Utility Fund operating expenses increased \$2.7 million, or 5.7%, compared to 2015. The primary reason is due to increases in personnel and contractual services, as well as commodity purchases, capital outlay and depreciation of fixed assets that make up the utility system.

CHART 8: UTILITY FUND REVENUES BY SOURCE



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As can be seen from Table 3, the City's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$917.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants, improvements, parks, infrastructure, water rights, machinery and equipment, joint venture assets and construction work in progress. The total increase in the City's investment in capital assets was \$31.0 million, or 3.5%. Net capital assets of governmental activities increased \$6.5million, or 1.5%, and business-type activities increased \$24.5 million, or 5.6%.

Table 3: Capital Assets at Year-end
(Net of Accumulated Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land and property rights	\$ 152.3	\$ 150.2	\$ 120.5	\$ 118.5	\$ 272.8	\$ 268.7
Buildings and plants	31.4	33.0	130.9	135.0	162.3	168.0
Improvements other than buildings	20.7	20.9	180.4	169.0	201.1	189.9
Parks	16.8	18.7	0.2	0.3	17.0	19.0
Ice Center	4.2	4.3	-	-	4.2	4.3
Infrastructure	206.5	169.7	-	-	206.5	169.7
Construction in progress	5.9	35.6	25.9	13.7	31.8	49.3
Machinery and equipment	13.9	12.8	7.8	4.7	21.7	17.5
Totals	<u>\$ 451.7</u>	<u>\$ 445.2</u>	<u>\$ 465.7</u>	<u>\$ 441.2</u>	<u>\$ 917.4</u>	<u>\$ 886.4</u>

Major capital asset activity during 2017 included the following:

Governmental Activities

- \$12.0 million in the Westminster Urban Reinvestment project, particularly for the construction of a parking garage, development of parks and streetscapes, and installation of roads and other infrastructure
- \$2.2 million in the Transportation Oriented Development for roadway and bridge projects as well as park development

Business-type activities

- \$12.9 million for the Pressure Zone 3 expansion project
- \$ 2.4 million for Water Treatment Facility improvements
- \$ 2.6 million for Sheridan Blvd. Water main replacement project
- \$ 3.9 million for Little Dry Creek interceptor replacement project
- \$ 1.9 million for Lift Station and Force Mains repair project
- \$ 1.5 million for Little Dry Creek detention pond project

Additional information on the City's capital assets can be found in Note 2E on pages 48 and 49.

Debt Administration

At December 31, 2017 the City's bond ratings carry investment grade ratings as follows:

<u>Bond Issue</u>	<u>Standard & Poors</u>	<u>Fitch Ratings</u>
Sales Tax Revenue	AA+	AA+
Sales Tax Revenue - POST	AA-	AA
Utility Enterprise	AAA	AA+
COPs-Ice Centre	AA-	Not Requested
COPs-All Others	AA	Not Requested

This chart shows the lowest investment grade rating of any single debt issue in a particular bond issue category from each rating agency that the City directly solicits.

The State of Colorado limits the amount of general obligation debt that cities can issue to 3% of the actual value of all taxable property within the City's corporate limits (CRS 31-15-302). The City's outstanding general obligation debt is significantly below this \$445.3 million state-imposed limit. See page 145 for the City's legal debt margin information.

Table 4 illustrates the City's total indebtedness:

Table 4: Outstanding Debt, at Year-end (in Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	2017	2016	2017	2016	2017	2016
Revenue Bonds						
(backed by specific tax and fee revenues)	\$ 25.2	\$ 27.4	\$ 70.0	\$ 73.1	\$ 95.2	\$ 100.5
Tax Increment Revenue Bonds and Loans	69.7	75.6	-	-	69.7	75.6
Notes and Loans	0.8	0.9	9.4	12.3	10.2	13.2
Leases	74.5	81.8	3.5	3.7	78.0	85.5
Total	<u>\$ 170.2</u>	<u>\$ 185.7</u>	<u>\$ 82.9</u>	<u>\$ 89.1</u>	<u>\$ 253.1</u>	<u>\$ 274.8</u>

Further information on the City's debt can be found in Note 2H on pages 51-53.

PLANS AND BUDGET FOR 2017

In its 2017 strategic planning retreat the City Council affirmed the City's Strategic Goals that reinforce long-term planning of City operations and capital programs:

- ❖ Visionary Leadership, Effective Governance and Proactive Regional Collaboration
- ❖ Vibrant, Inclusive and Engaged Community
- ❖ Beautiful, Desirable, Safe and Environmentally Responsible City
- ❖ Dynamic, Diverse Economy
- ❖ Financially Sustainable Government Providing Excellence in City Services
- ❖ Ease of Mobility

City Council adopted the 2017-2018 budget on October 24, 2016 and amendment to the 2018 budget on October 23, 2017. While the General Fund and Sales Tax Fund are consolidated for year-end financial reporting purposes, they are still separated for budgeting, legal and administrative purposes. Highlights of the 2018 amended budget include the following:

- The 2018 General Fund operating expenditures is budgeted at \$122.7 million (including contingencies).
- The 2018 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$81.0 million, which is a 3.8% increase over the 2017 transfer payment of \$78.0 million.
- In 2018, the Contingency account is \$0.9 million in the General Fund. The 2018 General Reserve Fund is projected to be \$12.4 million, the General Fund Stabilization Reserve is projected to be \$8.7 million, the Utility Capital Project Reserve Fund is projected to be \$21.1 million and the Utility Rate Stabilization Reserve is projected to be \$15.5 million.
- The total number of full-time equivalent (FTE) staffing in 2018 is 1012.1 FTE, a net increase of 23.3 FTE.
- In order to ensure reliable infrastructure throughout the City that accommodates continued growth, a proactive Capital Improvement Program (CIP) is recommended as a key component of the 2018 budget. For 2018, total general capital improvements include new appropriations of \$27.8 million and utility capital improvements include new appropriations of \$38.9 million. The 2018 CIP will be funded by Governmental and Business-type Activities on a "pay-as-you-go" basis and do not include the use of debt financing.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Tammy Hitchens CPA, CPFO, Finance Director, as follows:

City of Westminster
4800 W. 92nd Avenue
Westminster, CO 80031
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thitchens@cityofwestminster.us

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Basic Financial Statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,745,774	\$ 9,738,371	\$ 21,484,145
Cash and cash equivalents with fiscal agent	261,752	-	261,752
Investments	117,226,749	97,243,223	214,469,972
Receivables:			
Taxes	28,796,953	-	28,796,953
Accounts	4,008,525	5,899,213	9,907,738
Notes and leases	6,461,403	-	6,461,403
Grants	943,821	585,000	1,528,821
Interest	419,088	348,856	767,944
Internal balances	(1,838,676)	1,838,676	-
Inventories	889,201	1,619,098	2,508,299
Property held for resale	16,679,531	-	16,679,531
Bond insurance and other prepaid items	194,897	144,359	339,256
Restricted assets:			
Cash and cash equivalents	289,736	275,092	564,828
Cash and cash equivalents with fiscal agent	27,399,264	28,924,174	56,323,438
Investments	2,894,180	3,152,122	6,046,302
Investments with fiscal agent	5,170,534	-	5,170,534
Notes receivable	-	45,547	45,547
Other assets	-	1,408,922	1,408,922
Investment in joint venture	610,927	-	610,927
Net pension asset	1,380,791	-	1,380,791
Capital assets:			
Non-depreciable assets	158,230,896	146,482,091	304,712,987
Depreciable assets, net	293,500,462	319,199,724	612,700,186
Total assets	<u>675,265,808</u>	<u>616,904,468</u>	<u>1,292,170,276</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>8,493,300</u>	<u>24,298</u>	<u>8,517,598</u>
LIABILITIES			
Accounts payable and other	17,491,764	8,408,442	25,900,206
Accrued liabilities	1,254,384	268,338	1,522,722
Unearned revenue	83,335	30,508	113,843
Accrued interest	1,389,553	321,561	1,711,114
Estimated claims	1,396,488	-	1,396,488
Noncurrent liabilities:			
Due within one year	15,257,665	6,858,439	22,116,104
Due in more than one year	170,170,155	86,124,540	256,294,695
Total liabilities	<u>207,043,344</u>	<u>102,011,828</u>	<u>309,055,172</u>
DEFERRED INFLOWS OF RESOURCES	<u>18,146,503</u>	<u>-</u>	<u>18,146,503</u>
NET POSITION			
Net investment in capital assets	284,051,559	397,726,132	681,777,691
Restricted for:			
Emergencies	5,048,368	-	5,048,368
Capital projects	12,878,548	-	12,878,548
Improvements and open space conservation	7,369,799	-	7,369,799
Debt service	18,210,553	3,427,214	21,637,767
Pension	1,380,791	-	1,380,791
Other purposes	70,504	-	70,504
Unrestricted	129,559,139	113,763,592	243,322,731
Total net position	<u>\$ 458,569,261</u>	<u>\$ 514,916,938</u>	<u>\$ 973,486,199</u>

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Function/Program Activities				
Governmental activities:				
General government	\$ 50,382,502	\$ 5,237,623	\$ 7,683,584	\$ 1,731,780
Public safety	39,908,597	3,709,546	1,213,751	16,520
Public works	13,475,717	2,824,964	7,703	-
Community development	15,565,417	228,383	262,458	5,163,513
Culture and recreation	24,625,914	7,506,249	317,314	4,047,542
Interest and fiscal charges	3,838,725	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	230,867	-	-	-
Total governmental activities	148,027,739	19,506,765	9,484,810	10,959,355
Business-type activities:				
Utility	53,216,225	57,918,080	-	12,800,673
Golf	4,054,852	3,748,446	1,500	-
Total business-type activities	57,271,077	61,666,526	1,500	12,800,673
Total	\$ 205,298,816	\$ 81,173,291	\$ 9,486,310	\$ 23,760,028

GENERAL REVENUES

Property taxes
Sales taxes
Use taxes
Property tax increment
Sales tax increment
Business fees and other taxes
Accommodations taxes
Intergovernmental not restricted to a specific purpose
Interest
Rentals
Other
Gain on sale of assets

TRANSFERS

Total general revenues and transfers
Change in net position
Net position - beginning, as adjusted
Net position - ending

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (35,729,515)	\$ -	\$ (35,729,515)
(34,968,780)	-	(34,968,780)
(10,643,050)	-	(10,643,050)
(9,911,063)	-	(9,911,063)
(12,754,809)	-	(12,754,809)
(3,838,725)	-	(3,838,725)
(230,867)	-	(230,867)
(108,076,809)	-	(108,076,809)
-	17,502,528	17,502,528
-	(304,906)	(304,906)
-	17,197,622	17,197,622
(108,076,809)	17,197,622	(90,879,187)
5,060,650	-	5,060,650
83,834,520	-	83,834,520
19,861,540	-	19,861,540
10,739,052	-	10,739,052
956,212	-	956,212
5,381,255	-	5,381,255
4,463,046	-	4,463,046
249,184	-	249,184
1,018,194	1,045,374	2,063,568
443,624	-	443,624
8,288,774	845,666	9,134,440
227,523	345,328	572,851
(356,098)	356,098	-
140,167,476	2,592,466	142,759,942
32,090,667	19,790,088	51,880,755
426,478,594	495,126,850	921,605,444
<u>\$ 458,569,261</u>	<u>\$ 514,916,938</u>	<u>\$ 973,486,199</u>

CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	General Capital Improvement	Westminster Economic Development Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,166,557	\$ 4,680,397	\$ 548,280	\$ 453,000	\$ 9,848,234
Cash and cash equivalents with fiscal agent	8,877	-	-	-	8,877
Investments	41,516,345	46,752,541	5,476,775	4,526,540	98,272,201
Receivables:					
Taxes	15,925,482	-	11,843,163	1,028,308	28,796,953
Accounts	2,676,037	1,212,323	408	69,870	3,958,638
Notes and leases	3,037,322	963,169	2,064,035	396,877	6,461,403
Grants	181,868	422,886	-	339,067	943,821
Interest	145,169	157,292	24,860	25,781	353,102
Due from other funds	143,794	-	-	-	143,794
Inventories	889,201	-	-	-	889,201
Property held for resale	31,474	271,529	15,166,305	1,210,223	16,679,531
Prepaid items	108,681	-	-	-	108,681
Restricted assets:					
Cash and cash equivalents	-	-	6,966	282,770	289,736
Cash and cash equivalents with fiscal agent	12,655	8,159,654	19,226,955	-	27,399,264
Investments	-	-	69,584	2,824,596	2,894,180
Investments with fiscal agent	1,167,169	170	4,003,195	-	5,170,534
Loans to other funds	120,000	1,125,000	-	-	1,245,000
Total assets	<u>\$ 70,130,631</u>	<u>\$ 63,744,961</u>	<u>\$ 58,430,526</u>	<u>\$ 11,157,032</u>	<u>\$ 203,463,150</u>
LIABILITIES					
Accounts payable and other	\$ 11,744,239	\$ 4,689,313	\$ 340,109	\$ 75,870	\$ 16,849,531
Accrued liabilities	1,180,121	22,774	-	16,299	1,219,194
Unearned revenue	49,343	-	33,992	-	83,335
Due to other funds	-	-	-	143,794	143,794
Accrued interest	-	-	-	2,380	2,380
Loans from other funds	-	-	1,610,000	-	1,610,000
Total liabilities	<u>12,973,703</u>	<u>4,712,087</u>	<u>1,984,101</u>	<u>238,343</u>	<u>19,908,234</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,309,558</u>	<u>1,389,055</u>	<u>13,907,198</u>	<u>880,116</u>	<u>25,485,927</u>
FUND BALANCES					
Nonspendable:					
Long-term receivables	120,000	-	-	-	120,000
Prepays and inventories	997,882	-	-	-	997,882
Property held for resale	31,474	271,529	15,166,305	1,210,223	16,679,531
Restricted for:					
Capital additions and improvements	-	12,878,548	-	5,172,976	18,051,524
Contractual obligations	157,010	-	-	29,739	186,749
Debt service	1,022,813	17,141	17,013,589	-	18,053,543
Emergencies - TABOR	5,025,693	-	-	22,675	5,048,368
Open space conservation and improvements	-	-	-	2,197,496	2,197,496
Public safety	-	-	-	40,092	40,092
Committed for:					
Capital additions and improvements	-	44,476,601	-	-	44,476,601
Urban renewal	-	-	8,453,479	-	8,453,479
Assigned to:					
Community development	-	-	-	1,346,608	1,346,608
Debt service	-	-	-	214,953	214,953
Other	6,836,562	-	-	-	6,836,562
Urban renewal	-	-	1,905,854	-	1,905,854
Unassigned	33,655,936	-	-	(196,189)	33,459,747
Total fund balances	<u>47,847,370</u>	<u>57,643,819</u>	<u>42,539,227</u>	<u>10,038,573</u>	<u>158,068,989</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,130,631</u>	<u>\$ 63,744,961</u>	<u>\$ 58,430,526</u>	<u>\$ 11,157,032</u>	<u>\$ 203,463,150</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Fund balances - total government funds	\$ 158,068,989
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Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities excluding internal service fund capital assets of \$8,555,731 are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	809,735,449	
Less accumulated depreciation	<u>(366,559,822)</u>	
		443,175,627

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

Prepaid bond insurance costs	64,056	
Investment in joint venture	610,927	
Net pension asset	<u>1,380,791</u>	
		2,055,774

Deferred outflows of resources reflecting the future consumption of net position are not financial resources and therefore are not reported in the governmental funds.

Deferred loss on refunding of long-term debt	3,752,632	
Deferred outflows of resources related to pension plans	<u>4,740,668</u>	
		8,493,300

Long-term liabilities, excluding internal service funds, are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental long-term debt payable	(169,043,041)	
(Premiums)/discounts on long-term debt payable	(8,268,688)	
Compensated absences	(5,892,892)	
Postemployment benefits	(284,436)	
Net pension obligation	<u>(697,573)</u>	
		(184,186,630)

Short-term liabilities that are not payable with current financial resources in the current period are not reported in the governmental funds.

Comp time	(27,867)	
Accrued interest	<u>(1,372,667)</u>	
		(1,400,534)

Deferred inflows of resources reflecting the future acquisition of net position are not financial resources and therefore are not reported in the governmental funds.

Revenues earned, but not available during the reporting year	7,480,669	
Deferred inflows of resources related to pension plans	<u>(141,245)</u>	
		7,339,424

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

Internal Service Funds, net position	26,496,987	
Internal Service Funds, activity related to enterprise funds	<u>(1,473,676)</u>	
		25,023,311

Net position of governmental activities	<u><u>\$ 458,569,261</u></u>
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CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	General Capital Improvement	Westminster Economic Development Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 4,777,003	\$ -	\$ -	\$ 283,647	\$ 5,060,650
Sales taxes	78,331,462	-	-	5,503,058	83,834,520
Use taxes	18,553,705	-	-	1,307,835	19,861,540
Property tax increment	-	-	10,739,052	-	10,739,052
Sales tax increment	-	-	956,212	-	956,212
Business fees and other taxes	5,381,255	-	-	-	5,381,255
Accommodations taxes	1,135,153	3,327,893	-	-	4,463,046
Intergovernmental	9,772,700	5,356,189	-	2,069,065	17,197,954
Licenses and permits	3,563,800	-	-	-	3,563,800
Interest	327,793	378,644	136,161	64,099	906,697
Rentals	-	-	443,624	-	443,624
Contributions	-	3,759,405	-	-	3,759,405
Recreation fees	7,583,862	-	-	-	7,583,862
Fines and forfeitures	1,209,734	-	-	30,244	1,239,978
Fleet maintenance billings and other	5,151,565	-	-	-	5,151,565
EMS billings	2,410,270	-	-	-	2,410,270
Other	-	10,256	4,889,600	32,030	4,931,886
Total revenues	<u>138,198,302</u>	<u>12,832,387</u>	<u>17,164,649</u>	<u>9,289,978</u>	<u>177,485,316</u>
EXPENDITURES					
General government	51,336,203	2,044,596	910,717	135,383	54,426,899
Public safety	38,070,725	-	-	13,698	38,084,423
Public works	8,646,817	-	-	-	8,646,817
Community development	4,583,287	-	4,079,868	1,577,954	10,241,109
Culture and recreation	16,374,128	-	-	-	16,374,128
Capital projects	-	24,743,432	1,429,570	1,249,710	27,422,712
Debt service:					
Principal	-	-	5,857,000	2,185,000	8,042,000
Interest and fiscal charges	-	7,604	2,665,694	1,144,765	3,818,063
Total expenditures	<u>119,011,160</u>	<u>26,795,632</u>	<u>14,942,849</u>	<u>6,306,510</u>	<u>167,056,151</u>
Excess of revenues over (under)	<u>19,187,142</u>	<u>(13,963,245)</u>	<u>2,221,800</u>	<u>2,983,468</u>	<u>10,429,165</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital asset	34,901	-	-	-	34,901
Transfers in	792,785	19,893,235	7,081,436	3,334,405	31,101,861
Transfers (out)	(15,974,345)	(7,093,500)	(2,491,510)	(5,885,909)	(31,445,264)
Total other financing sources (uses):	<u>(15,146,659)</u>	<u>12,799,735</u>	<u>4,589,926</u>	<u>(2,551,504)</u>	<u>(308,502)</u>
Net change in fund balance	4,040,483	(1,163,510)	6,811,726	431,964	10,120,663
Fund balance, beginning, as adjusted	43,806,887	58,807,329	35,727,501	9,606,609	147,948,326
Fund balance, ending	<u>\$ 47,847,370</u>	<u>\$ 57,643,819</u>	<u>\$ 42,539,227</u>	<u>\$ 10,038,573</u>	<u>\$ 158,068,989</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net changes in fund balances - total government funds \$ 10,120,663

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

Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts, exclusive of internal service fund activity, are the differences in the treatment of capital assets.

Expenditures for capital assets	18,456,409	
Transfers of capital assets to enterprise funds	(12,695)	
Current year depreciation	<u>(15,443,692)</u>	
		3,000,022

In the governmental funds, the proceeds from the sale of assets increase financial resources, while in the statement of activities, only the gain/loss on the sale of assets is reported. These amounts, exclusive of internal service fund activity, are the differences in the treatment of the transactions involving capital assets.

Proceeds from sale of capital assets	(34,901)	
Gain on sale of capital assets	<u>34,901</u>	
		-

In governmental funds, issuance of long-term debt provides, and principal repayments and bond insurance costs consume current financial resources and are reported as revenues and expenditures, while in government-wide reporting, these transactions are reported as adjustments to noncurrent liabilities, having no effect on the change in net position. These amounts, exclusive of internal service fund activity, are the differences in the treatment of long-term debt.

Principal payments	<u>15,032,879</u>	
		15,032,879

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.

Amortization of bond discount/premium, deferred loss on refunding and prepaid bond insurance	277,779	
Accrual of interest expense	(268,162)	
Adjustment to long-term compensated absences liability	(510,141)	
Adjustment to postemployment benefit obligation	(127,225)	
Adjustment to net pension expense	<u>(116,310)</u>	
		(744,059)

Some revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental fund statements. These revenues result from the contribution of capital assets.

Capital contributions		1,379,259
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements until they become available. As a result, some revenues recognized in governmental funds may have been recognized in the statement of activities in prior years. These amounts are the difference in the treatment of revenue recognition.

Investment in Joint Venture	14,837	
Intergovernmental revenue	1,484,411	
Fines and forfeitures	(75,611)	
Recreation fees	(20,000)	
Fleet maintenance billing and other	<u>15,362</u>	
		1,418,999

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities in the government-wide statement of net position as they predominately benefit governmental activities.

Change in net position, Internal Service Funds	2,051,820	
Internal allocation to Business-type activities	<u>(168,916)</u>	
		1,882,904

Change in net position of governmental activities		<u>\$ 32,090,667</u>
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CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Enterprise Funds			Governmental
	Nonmajor Fund			Activities
	Utility	Golf Course	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 9,562,410	\$ 175,961	\$ 9,738,371	\$ 1,897,540
Cash and cash equivalents with fiscal agent	-	-	-	252,875
Investments	95,519,015	1,724,208	97,243,223	18,954,548
Receivables:				
Accounts	5,899,185	28	5,899,213	49,887
Grants	585,000	-	585,000	-
Interest	342,718	6,138	348,856	65,986
Inventories	1,411,879	207,219	1,619,098	-
Bond insurance and other prepaid items	127,457	16,902	144,359	22,160
Total current assets	113,447,664	2,130,456	115,578,120	21,242,996
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	275,092	-	275,092	-
Cash and cash equivalents with fiscal agent	28,924,174	-	28,924,174	-
Investments	3,152,122	-	3,152,122	-
Loans to other funds	365,000	-	365,000	-
Notes receivable	45,547	-	45,547	-
Other assets	1,408,922	-	1,408,922	-
Capital assets:				
Non-depreciable assets	133,026,417	13,455,674	146,482,091	-
Depreciable assets, net	315,395,049	3,804,675	319,199,724	8,555,731
Total noncurrent assets	482,592,323	17,260,349	499,852,672	8,555,731
Total assets	596,039,987	19,390,805	615,430,792	29,798,727
DEFERRED OUTFLOWS OF RESOURCES	-	24,298	24,298	-
LIABILITIES				
Current liabilities:				
Accounts payable and other	8,358,217	50,225	8,408,442	642,233
Accrued liabilities	241,160	27,178	268,338	7,323
Unearned revenue	-	30,508	30,508	-
Bonds payable, current portion	4,210,000	-	4,210,000	-
Notes payable, current portion	1,789,029	-	1,789,029	-
Lease payable, current portion	-	710,937	710,937	308,243
Other liabilities, current portion	142,229	6,244	148,473	7,123
Accrued interest	299,360	22,201	321,561	14,506
Estimated claims	-	-	-	1,396,488
Total current liabilities	15,039,995	847,293	15,887,288	2,375,916
Noncurrent liabilities:				
Bonds payable	73,858,500	-	73,858,500	-
Notes payable	7,638,082	-	7,638,082	-
Leases payable	-	2,845,400	2,845,400	889,143
Other liabilities payable	1,612,284	170,274	1,782,558	36,681
Total noncurrent liabilities	83,108,866	3,015,674	86,124,540	925,824
Total liabilities	98,148,861	3,862,967	102,011,828	3,301,740
NET POSITION				
Net investment in capital assets	383,997,822	13,728,310	397,726,132	7,355,851
Restricted for:				
Debt service	3,427,214	-	3,427,214	-
Unrestricted	110,466,090	1,823,826	112,289,916	19,141,136
Total net position	\$ 497,891,126	\$ 15,552,136	513,443,262	\$ 26,496,987
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,473,676	
Net position of business-type activities			<u>\$ 514,916,938</u>	

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Nonmajor Fund			
	Utility	Golf Course	Total	
Operating revenues				
Charges for services	\$ 57,918,080	\$ 3,748,446	\$ 61,666,526	\$ 20,620,623
Other	391,538	5,492	397,030	94,925
Total operating revenues	<u>58,309,618</u>	<u>3,753,938</u>	<u>62,063,556</u>	<u>20,715,548</u>
Operating expenses				
Personnel services	18,598,686	1,680,999	20,279,685	307,523
Contractual services	14,451,317	663,964	15,115,281	2,993,734
Commodities	2,053,475	635,581	2,689,056	27,551
Capital expense	2,289,091	278,353	2,567,444	434,194
Insurance and other expenses	130	-	130	13,059,490
Depreciation expense	13,392,516	678,432	14,070,948	2,156,817
Total operating expenses	<u>50,785,215</u>	<u>3,937,329</u>	<u>54,722,544</u>	<u>18,979,309</u>
Operating income (loss)	<u>7,524,403</u>	<u>(183,391)</u>	<u>7,341,012</u>	<u>1,736,239</u>
Nonoperating revenues (expenses)				
Income on investments	1,033,220	12,154	1,045,374	129,902
Interest expense	(2,599,926)	(117,523)	(2,717,449)	(30,279)
Grants	-	1,500	1,500	16,520
Gain (loss) on disposition of capital assets	78,512	266,816	345,328	192,622
Contributions	-	-	-	6,816
Other	448,636	-	448,636	-
Total nonoperating revenues (expenses)	<u>(1,039,558)</u>	<u>162,947</u>	<u>(876,611)</u>	<u>315,581</u>
Income (loss) before contributions and transfers	6,484,845	(20,444)	6,464,401	2,051,820
Capital contributions	12,800,673	12,695	12,813,368	-
Transfers in	282,403	480,000	762,403	-
Transfers (out)	(419,000)	-	(419,000)	-
Change in net position	19,148,921	472,251	19,621,172	2,051,820
Net position - beginning, as adjusted	478,742,205	15,079,885		24,445,167
Net position - ending	<u>\$ 497,891,126</u>	<u>\$ 15,552,136</u>		<u>\$ 26,496,987</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			168,916	
Change in net position of business-type activities			<u>\$ 19,790,088</u>	

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Nonmajor Fund			Internal Service
	Utility	Golf Course	Total	Funds
Cash flows from operating activities:				
Receipts from customers	\$ 57,757,635	\$ 3,754,607	\$ 61,512,242	\$ -
Receipts from interfund charges for risk management services	-	-	-	15,125,895
Receipts from interfund charges for capital outlay replacement	-	-	-	3,357,198
Cash payments to employees for services	(11,373,947)	(1,400,490)	(12,774,437)	(297,056)
Cash payments for benefits on behalf of employees	(3,770,680)	(321,599)	(4,092,279)	-
Cash payments to suppliers for goods and services	(17,026,081)	(1,566,088)	(18,592,169)	(16,348,718)
Payments (to) from other funds	(3,599,084)	-	(3,599,084)	2,268,594
Other operating revenues	391,538	-	391,538	94,925
Net cash provided by (used in) operating activities	<u>22,379,381</u>	<u>466,430</u>	<u>22,845,811</u>	<u>4,200,838</u>
Cash flows from noncapital financing activities:				
Interfund lending	260,000	-	260,000	-
Transfer in	282,403	480,000	762,403	-
Transfer out	(419,000)	-	(419,000)	-
Grant proceeds not restricted to capital purposes	-	1,500	1,500	-
Net cash provided by (used in) noncapital financing activities	<u>123,403</u>	<u>481,500</u>	<u>604,903</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Principal paid on long-term debt	(6,066,313)	(633,562)	(6,699,875)	(397,301)
Interest paid on long-term debt	(3,686,615)	(118,791)	(3,805,406)	(41,831)
Acquisition and construction of capital assets	(34,424,024)	(87,970)	(34,511,994)	(2,256,468)
Proceeds from sale of capital assets	-	-	-	256,066
Payments for the disposition of capital assets	69,089	-	69,089	-
Contributions	13,709,111	-	13,709,111	-
Proceeds from grant/notes	-	-	-	16,520
Interest subsidy on capital debt	448,636	-	448,636	-
Net cash provided by (used in) capital and related financing activities	<u>(29,950,116)</u>	<u>(840,323)</u>	<u>(30,790,439)</u>	<u>(2,423,014)</u>
Cash flow from investing activities:				
Proceeds from sale of investments	38,392,928	700,230	39,093,158	8,671,022
Purchases of investments	(47,679,951)	(778,896)	(48,458,847)	(10,110,369)
Interest received on investments	1,567,285	1,465	1,568,750	85,005
Net cash provided by (used in) investing activities	<u>(7,719,738)</u>	<u>(77,201)</u>	<u>(7,796,939)</u>	<u>(1,354,342)</u>
Net increase (decrease) in cash and cash equivalents	<u>(15,167,070)</u>	<u>30,406</u>	<u>(15,136,664)</u>	<u>423,482</u>
Cash and cash equivalents - beginning of year, as adjusted	<u>53,928,746</u>	<u>145,555</u>	<u>54,074,301</u>	<u>1,726,933</u>
Cash and cash equivalents - end of year	<u>\$ 38,761,676</u>	<u>\$ 175,961</u>	<u>\$ 38,937,637</u>	<u>\$ 2,150,415</u>
Reconciliation of cash and cash equivalents to Statement of Net Position				
Unrestricted cash and cash equivalents	\$ 9,562,410	\$ 175,961	\$ 9,738,371	\$ 1,897,540
Unrestricted cash and cash equivalents with fiscal agent	-	-	-	252,875
Restricted cash and cash equivalents	275,092	-	275,092	-
Restricted cash and cash equivalents with fiscal agent	28,924,174	-	28,924,174	-
Total Cash and Cash Equivalents	<u>\$ 38,761,676</u>	<u>\$ 175,961</u>	<u>\$ 38,937,637</u>	<u>\$ 2,150,415</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Utility	Nonmajor Golf Course	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 7,524,403	\$ (183,391)	\$ 7,341,012	\$ 1,736,239
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	13,392,516	678,432	14,070,948	2,156,817
(Increase) decrease in accounts receivable	(160,445)	(28)	(160,473)	31,064
(Increase) decrease in inventories	290,035	6,977	297,012	-
(Increase) decrease in prepaid items	(58,842)	(948)	(59,790)	77,840
Increase (decrease) in unearned revenue	-	697	697	-
Increase (decrease) in accounts payable and other	1,355,231	(35,637)	1,319,594	(9,256)
Increase (decrease) in accrued liabilities	36,483	328	36,811	10,467
Increase (decrease) in estimated claims	-	-	-	197,667
Total adjustments	14,854,978	649,821	15,504,799	2,464,599
Net cash provided by (used in) operating activities	\$ 22,379,381	\$ 466,430	\$ 22,845,811	\$ 4,200,838

Noncash investing, capital, and financing activities Enterprise Funds:

- * Capital assets were disposed of at a gain by the Utility Fund in the amount of \$9,424 and Golf Course Fund in the amount of \$266,816, for a total of \$276,240.
- * A contribution of \$73,265 was recorded in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority.
- * Capital contributions were received by the Utility Fund from developers totaling \$1,457,971.
- * Capital contributions were received by the Golf Fund from the General Capital Improvement Fund in the amount of \$12,695.
- * Accounts payable and retainage used to acquire capital assets decreased by \$2,132,174 for the Utility Fund.
- * The change in unrecognized loss recorded to value the non-cash investments for all Enterprise Funds to fair market value was \$583,507.
- * Net amortization totaling \$455,137 was recognized by Enterprise Funds through the amortization of bond premiums, discounts, deferred loss on refunding, and bond insurance costs.
- * Accrued interest decreased in total for enterprise funds by \$14,050.
- * A lease payable in the amount of \$492,064 was entered into by the Golf Course Fund for the purchase of golf cart equipment.

Non-cash investing, capital and financing activities Internal Service Funds:

- * The unrecognized loss recorded to value the non-cash investments of the City's internal service funds to fair market value was \$110,565.
- * Accrued interest decreased for the General Capital Outlay Replacement Internal Service Fund by \$11,552.
- * Accounts payable used to acquire capital assets decreased by \$20,162 for the General Capital Outlay Replacement Internal Service Fund.
- * The General Capital Outlay Internal Service Fund disposed of capital assets at a loss of \$63,444.

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CITY OF WESTMINSTER, COLORADO
INDEX OF NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City is a municipality governed by an elected mayor and six additional members of Council. For financial reporting purposes, these financial statements include all funds of the primary government as well as component units determined to be included in the City's financial reporting entity because of their significant operational and financial relationship with the City.

Component Units

As established by the Governmental Accounting Standards Board (GASB) Statement No.14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, component units are legally separate entities for which the City is considered to be financially accountable. Financial accountability means that the City appoints a voting majority to the governing board and has the ability to impose its will upon the entity and/or accepts potential responsibility for the entities financial benefits and burdens.

Component units that meet the inclusion criteria are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in a separate column from the primary government to emphasize their legal separateness from the City. Blended component units are, in substance, part of City operations, therefore data from these units are combined with the City. Separate financial statements are not prepared for blended component units. The City's component units are all blended and each has a December 31 year end.

Westminster Housing Authority (WHA) was established on December 8, 1977 with the primary purpose of providing affordable housing to residents in the City. The governing body of WHA is the same as the City's governing body. The City has access to WHA's resources, if necessary, to use for the purposes for which the revenues were intended. The City maintains all accounting records for WHA. The Westminster Housing Authority changed fund types from a proprietary fund to a governmental fund, requiring an adjustment of beginning net position as reported in a proprietary fund to beginning fund balance as reported in a governmental fund. The Westminster Housing Authority Fund is the general fund of a blended component unit of the City and is reported as a special revenue fund.

Westminster Economic Development Authority (WEDA) was established on September 14, 1987 with the primary purpose of undertaking urban renewal activities with the City. The governing body of WEDA is the same as the City's governing body. The City has access to WEDA resources, if necessary, to use for the purposes for which the revenues were intended. WEDA financial statements consist of a General Fund, and is presented in these financials as a major special revenue fund. The City maintains all accounting records for WEDA.

General Improvement Districts (GID)

- *Sheridan Crossing* GID was established on September 9, 1996 with the primary purpose of operating and maintaining storm drainage improvements and maintenance of all necessary incidental and appurtenant properties and facilities within the GID.
- *Amherst* GID was established on September 26, 1988 with the primary purpose of maintaining landscaped right-of-way, open space and drainage areas within the GID.
- *136th Avenue* GID was established on August 14, 2000 with the primary purpose of financing a new interchange at 136th Avenue and Interstate 25 benefitting the GID.
- *Orchard Park Place North* GID was established on September 14, 2009 with the primary purpose of financing the repayment of cost recoveries associated with the Orchard View Development within the GID.
- *Mandalay Town Center* GID was established on September 8, 2003 with the primary purpose of financing a portion of the costs of street improvements and other necessary and related appurtenance facilities in the GID.
- *144th Avenue* GID was established on August 30, 2004 with the primary purpose of paying debt associated with public improvements within or without the GID.
- *Park 1200* GID was established on August 10, 2015, with the primary purpose of acquiring, constructing, installing, operating or maintaining improvements and/or providing services within and for the District.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

- *Downtown GID* was established on August 24, 2015 with the primary purpose of acquiring, constructing, installing, operating or maintaining improvements and/or providing services within and for the District. Currently, there is no financial activity of the District.

The boundaries of these GIDs are located within the City limits and the governing body of each of these GIDs is the same as the City's governing body. The City has access to each of the GIDs resources, if necessary, to use for the purposes for which the revenues were intended. The City maintains all of the GID accounting records and reports each GID as a special revenue fund.

Westminster Building Authority (WBA)

The City created the Westminster Building Authority as a non-profit corporation under State law (Articles 20 through 29, inclusive of Title 7 of the Colorado Revised Statutes). The Building Authority is intended to be the City's financing arm and, as such, allows the City to avoid paying fees to an outside third-party financing corporation. WBA is not presented in the financial statements as it assigned its right to receive and enforce payments relating to debt service of these financial benefits to a trustee and it has no assets or liabilities of its own.

B. Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements focus on the City as a whole and the fund financial statements focus on the major individual funds of the governmental and business-type categories. The government-wide financial statements categorize primary activities as either governmental or business-type. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Government-Wide Statements

The government-wide statement emphasis is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the year.

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 that are reasonably equivalent to the services provided.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net expenses per functional category (Public Safety, Public Works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions.

Transfers between governmental funds and between enterprise funds are reported in total at the fund level, and are not carried forward to the government-wide statements; transfers between governmental activities and business-type activities are reported in the respective activities columns of the Statement of Activities, resulting in elimination of transfer activity at the government-wide level.

The net expense (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, interest income, etc.).

Fund Financial Statements

The fund financial statements emphasis is on major governmental and proprietary fund categories. Nonmajor funds (by category) are summarized into a single column, unless the City believes a nonmajor fund (under major fund criteria) is particularly important to financial statement users, in which case it is reported as a major fund.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

The governmental funds in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate (a) legal and covenant compliance, (b) the source and use of liquid resources, and (c) how the City's actual experience conforms to the budget plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each fund statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Reporting of Internal Service Funds

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, net position of internal service funds is consolidated with governmental activities when presented at the government-wide level. As appropriate, surplus or deficits are allocated back to customers in the entity-wide Statement of Activities and are therefore not eliminated in the consolidation of interfund services provided and used.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements section.

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 45 days after year-end.

Sales taxes, property and other imposed taxes, as well as business fees and interest earnings associated with the current fiscal period are all susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of tax assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt and certain compensated absences and claims and judgments, which are recognized when the obligations are due.

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

The City reports the following major governmental funds:

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

General Capital Improvement Fund accounts for the financing and construction of projects ranging from parks, street improvements, and traffic signals to fire station construction and remodeling. Financing is provided by

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

investment earnings, General Fund and Conservation Trust Fund revenues, intergovernmental revenues, contributions, bond proceeds and transfers.

Westminster Economic Development Authority Fund is a General Fund of a blended component unit and is therefore reported as a special revenue fund. WEDA accounts for the monies for urban renewal activity. Financing is provided by the incremental increases of both property tax and sales tax within the boundaries of the Authority. Proceeds from bond issues are used to finance capital improvements.

Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, deferred outflows of resources, revenues, expenses, and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The generally accepted accounting principles followed are generally those applicable to similar businesses in the private sector; the measurement focus is based upon determination of *net income, financial position, and cash flows*. Revenues earned and expenses incurred are recognized and classified in a government's proprietary funds in essentially the same manner as in business-type accounting and financial reporting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary fund:

Utility Fund accounts for all activities necessary to provide water, sewer and storm drainage services to City residents and some outside users, financing of such activities and related debt service.

The City additionally reports the following Fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the City on a cost-reimbursement basis. The City has three internal service funds that are used for self-insurance purposes; property and liability, workers' compensation, and medical and dental insurance. In addition, the City has one internal service fund used for replacement of capital equipment.

D. Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources

Deposits and Investments

The City's cash and cash equivalents include amounts that are readily convertible to known amounts of cash and are not subject to significant risk from changes in interest rates.

Investments in local government investment pools are reported at the net asset value per share which is determined based upon how the fund is valued (i.e. fair value or amortized cost). All other investments are reported at fair value. For cash and cash equivalents, the fair value approximates the carrying value. For long-term investments, fair value is determined via dealer quotes. The City considers all investments with original maturities at three months or less to be cash equivalents.

Receivables

The receivables for property taxes are recognized as of the lien date. Taxes are lien on January 1, certified to the counties in December, levied on January 1 of the following year, and subsequently paid in either one installment on April 30, or two installments on February 28 and June 15. Property taxes are recognized as receivables and deferred inflows of resources when lien on, and as revenue when available for collection in the following year. The respective counties bill and collect the City's property taxes.

Assessments are also enforceable liens on property. They are certified to the counties when liabilities for special improvement districts are established. Payments, billings, and collections are handled by the counties in the same manner as property taxes, or the City collects the assessments directly.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expense/expenditure when consumed, rather than when purchased.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Prepaid items reflect payments to vendors applicable to future accounting periods; the associated expense/expenditure is recognized in the period benefited by the prepayment.

Property Held for Resale

Property held for resale reflects properties acquired by the City for the express purpose of resale. Since these assets are intended to be converted to cash rather than to be used in daily operations, they are reported in governmental fund statements as financial assets valued at the lesser of either cost or net realizable value. Typically, properties held for resale are intended to be sold for economic development purposes.

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position and Fund Statement Balance Sheets because their use is limited by applicable debt covenants. The General Fund, Westminster Economic Development Authority Special Revenue Fund, General Capital Improvement Fund and the Utility Enterprise Fund have restricted assets which consist of bond proceeds and other cash and investments mandated by indenture to be segregated for the construction of various projects and payment of debt. The Conservation Trust Fund has restricted cash that is restricted due to the legal requirements of the program.

Capital Assets

Capital assets with a value of \$5,000 or more are recorded at historical cost. Major outlays for constructed capital assets and improvements are capitalized when the assets are placed in service and the improvements are complete. Donated capital assets are recorded at the acquisition value at the date of donation. Costs that do not add to the value of an asset or materially extend its useful life are not included in its capitalized value. Infrastructure includes all streets and other pavement, bridges, storm drainage, signs, and traffic signals. Capital assets are depreciated using the straight-line method over their estimated useful lives:

<u>Depreciable Life Schedule</u>	
<u>Capital Asset</u>	<u>Life Months</u>
Machinery and equipment	36-240
Buildings and plants	360-600
Improvements other than buildings	240-600
Parks	240
Infrastructure	120-600

Assets recorded under capital lease agreements are either amortized over the term of the lease or the estimated useful life of the asset, whichever period is shorter. Amortization expense for capital leases is included in the depreciation line item on the financial statements.

Included in business-type activities is the interest incurred during the construction phase of capital assets, net of interest earned on the invested proceeds over the same period (other than for taxable debt).

Long-Term Debt Insurance Costs

In the governmental funds, bond insurance costs are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities, in the government-wide statements) bond insurance costs are prepaid and amortized over the term of the bonds.

Deferred Outflows of Resources

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

The City reports the deferred charge on refunding debt reported in the proprietary fund statements and in the government-wide statement of net position. A deferred charge on refunding results from the difference in the

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carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City also reports deferred outflows in the government-wide statement of net position related to FPPA pension plans for deferred activity related to actuarial assumptions used to value the net pension liability (asset) and employer contributions made subsequent to the valuation measurement date.

Long-Term Debt Premiums and Discounts

In the governmental funds, bond premiums and discounts are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities, in the government-wide statements) bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

Other Long-Term Liabilities

Compensated absences, postemployment benefits other than pension (OPEB), and pollution remediation obligations are reported as Other Liabilities in the proprietary fund financial statements and government-wide statements. These liabilities are accrued when incurred.

In governmental funds, compensated absences is accrued as a fund liability when it becomes payable following an employee's resignation or retirement; otherwise compensated absences and OPEB are considered long-term and are not accrued as fund liabilities. Pollution remediation obligations are accrued when extinguishable with current financial resources; otherwise, they are not accrued.

Compensated absences and OPEB are liquidated by the fund in which an employee works. The General Fund is typically used to liquidate these liabilities for the general government. Pollution remediation obligations are liquidated by the fund responsible for the remediation activity.

Differences in the treatment of these liabilities between governmental fund statements and the Statement of Net Position, Governmental Activities are accounted for in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) that will be recognized as a revenue at that time.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied. Unavailable fund resources are recognized as revenue in the government-wide statement of net position.

The City also reports deferred inflows in the government-wide statement of net position related to FPPA pension plans for deferred activity related to actuarial assumptions used to value the net pension liability (asset).

Use of Estimates

In preparing the City's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. FPPA Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Statewide Defined Benefit Plan (SWDB), Statewide Hybrid Plan (SWH), and the Westminster Volunteer Firefighter Pension Plan, all administered by the Fire and Police Pension Association of Colorado (FPPA), and additions to/deductions from these plans' fiduciary net position have been determined on the same basis as

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they are reported by FPPA. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which the contributions are due. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. All employees who participate in the plans are funded through the General Fund and therefore the net pension liability (asset) is recorded at the government-wide level only.

F. Net Position/Fund Balances

Net position reflects assets plus deferred outflows less liabilities plus deferred inflows and is shown in three main categories in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt used to acquire, construct and improve capital assets. Net position is restricted when constraints placed on net resources are externally imposed. Remaining net position is reported as unrestricted.

Fund balance reflects assets plus deferred outflows less liabilities and deferred inflows and is shown only in governmental fund statements. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on those amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid assets.

Restricted Fund Balance is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance is constrained for specified purposes through ordinance, resolution, motion or order adopted by the City Council, and can be rescinded only through the same type of formal action used to establish the commitment. Each of these official actions are equally binding upon the City.

Assigned Fund Balance is constrained for specified purposes by the City Manager as authorized by the City's charter.

Unassigned Fund Balance is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

In 2009, City Council adopted a resolution establishing the General Fund Stabilization Reserve, which is intended to level the ebbs and flows of revenue collections, particularly sales and use tax revenues, and to smooth out any peaks or valleys that result from the unpredictable nature of this primary revenue source. The General Fund Stabilization Reserve is intended to enable continuous delivery of City services despite downturns in the economy. The reserve may be tapped prior to, in conjunction with or as a final step after budget reductions have been made. When not in an economic downturn, the target amount of the General Fund Stabilization Reserve in any given year is between 5% and 10% of the total sales and use tax revenues for that year. Should the reserve fall below the lower threshold of 5%, it will be replenished from various sources once economic conditions allow. At December 31, 2017, the General Fund Stabilization Reserve balance was \$8,670,671. This amount is included in the unassigned fund balance on the balance sheet.

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G. Interfund Transactions

In the fund financial statements, interfund transactions are reflected as loans, services provided and used, reimbursements or transfers. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "loans to" and "loans from" other funds. In governmental funds, loans to other funds are offset by an equal nonspendable fund balance to indicate that resources are not available for appropriation unless the loan is restricted for a specific use. Short-term advances between funds are reported as "due to" and "due from" other funds.

Services provided and used are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges a benefiting fund for the costs and directly reduces its own costs related to the reimbursement.

All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

In the government-wide Statement of Net Position, loans between governmental and business type activities are reflected as internal balances.

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NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Federal Deposit Insurance covers up to \$250,000 in balances per depositor (e.g. City, WEDA), per insured bank, for each account ownership category. Deposit balances above amounts covered by Federal Deposit Insurance are collateralized in accordance with provision of the Colorado Public Deposit Protection Act (PDPA). The collateral is pooled and held in trust for all uninsured deposits as a group.

The total balance of the City's cash deposits as of December 31, 2017 was \$31,463,603, of which \$750,000 was covered by Federal Deposit Insurance. An additional \$500,000 in Federal Deposit Insurance covers deposits held separately for the Westminster Economic Development Authority. The carrying amount of deposits and cash on hand at December 31, 2017 was \$30,273,277.

Investments

The City as a home rule municipality operating under its City Charter is allowed under Colorado State Statutes to promulgate and implement local standards for cash and investment management operations. It is the policy of the City to invest public funds in a manner that will provide preservation of capital, meet the daily liquidity needs of the City, diversify the City's investments, conform to all local rules and state statutes governing the investment of public funds, and generate market rates of return.

The adopted Investment Policy for the City authorizes all investments to be made in accordance with Colorado Revised Statutes. The provision of the City's Investment Policy apply to all investable funds of the City to include trust funds, bond ordinance accounts and reserve accounts. The reserve and trust accounts are further defined with additional investment guidelines. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of the City's funds.

The City's principal investment objectives are:

- Preservation of capital and protection of investment principal
- Maintenance of sufficient liquidity to meet anticipated cash flows
- Diversification to avoid incurring unreasonable financial risks
- Attainment of a market rate of return as defined in Section XIII of the Investment Policy
- Conformance with all applicable City policies, State statutes and Federal regulations

The City's investments are subject to interest rate, credit and concentration of credit risk, which are mitigated by Colorado State Statutes as follows:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to less than seven years, unless matched to a specific cash flow.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by maintaining the weighted average maturity not to exceed three years.

Credit Risk. In accordance with its investment policy, the City manages its credit risk by requiring at the time of purchase that the security be rated by at least two nationally recognized credit rating agencies as further defined in the Investment policy.

The City's securities at December 31, 2017, were in compliance with the City's Investment Policy. The City's investment policy follows Colorado Revised Statutes 24-75-602.1(j) and any changes enacted in the statutes.

Concentration of Credit Risk. In accordance with the City's investment policy, investments are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Percentage limitations used for measurements are based on the percentage of cost value of the portfolio as defined within the Investment Policy.

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Cash, cash equivalents and investments as reported on the financial statements at December 31, 2017

Cash and cash equivalents	\$ 21,484,145
Cash and cash equivalents with fiscal agent	261,752
Investments	214,469,972
Restricted cash and cash equivalents	564,828
Restricted cash and cash equivalents with fiscal agent	56,323,438
Restricted investments	6,046,302
Restricted investments with fiscal agent	5,170,534
Total per Statement of Net Position:	<u>\$ 304,320,971</u>

Credit Quality Distribution for Securities as a Percentage of Total Investments

Investment Type	S & P Rating	% of Total Investments
Local Government Investment Pool CSAFE	AAAm	14.66%
Local Government Investment Pool COLOTRUST	AAAm	3.11%
Commercial Paper Rabobank Nederland NV NY	A-1	1.44%
Corporate Toyota Motor Credit	AA-	2.37%
Corporate Microsoft	AAA	1.63%
Corporate US Bank NA	AA-	2.01%
Corporate Berkshire Hathaway	AA	1.09%
Corporate Johnson & Johnson	AAA	0.54%
Corporate Apple Inc.	AA+	2.18%
Corporate Wells Fargo	AA-	1.46%
Corporate Exxon Mobil Corp	AA+	1.45%
US Treasury Securities	N/A	24.60%
Federal Farm Credit Banks	AA+	10.38%
Federal Home Loan Bank System	AA+	13.31%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AA+	8.48%
Fannie Mae (Federal National Mortgage Association)	AA+	9.75%
Money Market First American Government Obligations Fund	AAAm	1.46%
Money Market First American Treasury Obligations Fund	AAAm	0.08%

Investment Type	Fair Value	Weighted Average Maturity (years)
Local Government Investment Pools	\$ 48,678,957	0.02
Commercial Paper	3,958,888	0.01
US Treasuries	67,418,225	0.58
US Instrumentalities	114,901,561	0.67
Domestic Corporate Securities	34,869,342	0.17
Money Market Funds	4,220,721	-
Total Investments controlled by City	<u>\$ 274,047,694</u>	
Portfolio weighted average maturity		1.45

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Fair Value of Assets and Liabilities

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 measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017:

Investments by fair value level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 4,220,721	\$ 4,220,721	\$ -	\$ -
Commercial Paper	3,958,888		3,958,888	-
US Treasuries	67,418,225		67,418,225	-
US Instrumentalities	114,901,561		114,901,561	-
Domestic Corporate Securities	34,869,342		34,869,342	-
Total investments by fair value level	<u>225,368,737</u>	<u>\$ 4,220,721</u>	<u>\$ 221,148,016</u>	<u>\$ -</u>

Investments measured at the net asset value (NAV)

Colorado Surplus Asset Fund Trust (CSAFE)	
(external investment pool)	40,163,591
ColoTrust (external investment pool)	8,515,366
Total investments measured at the NAV	<u>48,678,957</u>
Total investments	<u>\$ 274,047,694</u>

Investment Valuation Techniques. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City does not have any level 3 securities as of December 31, 2017.

Investment in Local Government Investment Pools. The City utilizes two local government investment pools for investment, when a high degree of liquidity is prudent. The two pools are the Colorado Local Government Liquid

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Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE), collectively, the Trusts. COLOTRUST is a local government investment pool with a stable net asset value (NAV) and its NAV is measured at fair value per share. CSAFE is considered a qualifying external investment pool under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and its NAV is measured at amortized cost per share. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as custodian for the Trusts' portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodians' internal records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals.

B. Disaggregation of Receivables

Receivables at December 31, 2017, were as follows:

	Taxes	Accounts	Notes and Leases	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 15,925,482	\$ 4,673,197	\$ 3,037,322	\$ 181,868	\$ 145,169	\$ 23,963,038
GCIF	-	1,212,323	963,169	422,886	157,292	2,755,670
WEDA	11,843,163	408	2,064,035	-	24,860	13,932,466
Nonmajor governmental	1,028,308	69,870	2,291,000	339,067	25,781	3,754,026
Less: Allowance for Doubtful Accounts	-	(1,997,160)	(1,894,123)	-	-	(3,891,283)
Subtotal	28,796,953	3,958,638	6,461,403	943,821	353,102	40,513,917
Reconciliation of balances to government-wide financial statements:						
Internal service funds	-	49,887	-	-	65,986	115,873
Total - Governmental Activities	\$ 28,796,953	\$ 4,008,525	\$ 6,461,403	\$ 943,821	\$ 419,088	\$ 40,629,790
Business-type Activities:						
Utilities	\$ -	\$ 5,925,340	\$ 45,547	\$ 585,000	\$ 342,718	\$ 6,898,605
Nonmajor proprietary	-	28	-	-	6,138	6,166
Less: Allowance for Doubtful Accounts	-	(26,155)	-	-	-	(26,155)
Total - Business-type Activities:	\$ -	\$ 5,899,213	\$ 45,547	\$ 585,000	\$ 348,856	\$ 6,878,616

CITY OF WESTMINSTER, COLORADO
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C. Notes and Leases Receivable

Governmental Activities

In the governmental fund financial statements, long-term receivables, such as special assessments and capital leases receivable, are offset by deferred inflow of resources until recognized as revenue at the time of collection. Operating lease revenue is reported as income as it is earned. The net investment in a capital lease becomes receivable when benefits and risks associated with ownership of the property transfer to the lessee, typically at inception of the lease agreement.

The note with Catellus Development Corporation represents the final special assessment payment due on land purchased by Catellus.

The capital lease with Hyland Hills Parks and Recreation District represents a sublease for an undivided 50% interest in the Ice Centre to be paid over 25 years. In the event of default, Hyland Hills' interest would be reduced by two percent for each year the lease obligation was not met. The net interest rate on the lease is 3.385%.

The note with Community Resources & Housing Development Corp. is for the construction and purchase of a 12,000 square foot building located in the South Westminster Urban Renewal Area. The note requires monthly payments of principal and interest at a rate of 2.0% per annum.

The Westminster Housing Authority entered into a note with Community Builders for the construction of a 12,000 square foot building. Certain performance provisions of the note were satisfied in 2009. Therefore, the principal is forgiven at the rate of 10% per year. An allowance for doubtful accounts has been established for the remaining balance of \$41,000 at December 31, 2017.

The note with Alamo Westminster LLC is for the purchase of land in the Downtown project area in the Westminster Center Urban Reinvestment Plan Area Urban Renewal Area. The note requires annual payments beginning in 2018 and bears no interest to maturity.

The note with Eaton Street Affordable Housing LLC is for the purchase of land and building permit fees and taxes associated with the construction of affordable housing units in the Downtown project area in the Westminster Center Urban Reinvestment Plan Area Urban Renewal Area. The note requires repayment beginning 17 years after the issuance of the certificate of occupancy for the project. Interest at a rate of 0.10% per annum, simple interest, will not accrue until after the 17 year period. Full repayment of the note is required within 30 years following the issuance of the certificate of occupancy for the project. A portion of the note is recorded in the General Fund, General Capital Improvement Fund and the Westminster Economic Development Authority Fund.

The Westminster Housing Authority entered into a note with Westminster Commons VOA, LP as part of the sale of the Westminster Commons senior housing complex. Repayment will be made from projected cash flows generated by the project beginning in 2015 with a balloon payment of any unpaid principal and accrued interest in 2052. Interest is compounded annually at the rate of 3.6%. Due to the limited projected cash flows and unsecured subordinate note, an allowance for doubtful accounts has been established in the amount of \$1,853,123 at December 31, 2017. Actual cash flows and updated project cash flows will be reviewed annually with the allowance for doubtful accounts adjusted when necessary.

The City will periodically reassess the collectability of the notes receivable and record a reserve if deemed necessary.

CITY OF WESTMINSTER, COLORADO
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Description of notes and leases receivable

	Purpose of	Amount	Amount	Scheduled	Year of
Governmental Activities	Issue	Issued	Outstanding	Payments	Final Payment
Catellus Development Corporation	Land SID assessment	\$ 194,847	\$ 194,847	one-time pymt	*
Hyland Hills Park and Recreation District	Ice Centre	4,975,000	2,570,000	semi-annually	2022
Community Resources & Housing Development Corp	Development Corp Building Construction	355,513	222,176	monthly	2021
Community Builders	Development Corp Building Construction	410,000	**	**	**
Alamo Westminster LLC	Sale of Land	1,049,359	1,049,359	annually	2019
Eaton Street Affordable Housing LLC	Sale of Land and Building Permit Fee and Taxes	2,028,144	2,028,144	one-time pymt	2034
Westminster Commons VOA, LP	Sale of Westminster Commons	2,250,000 ***	396,877	annually	2052
Total Governmental Activities		<u>\$ 11,262,863</u>	<u>\$ 6,461,403</u>		

* The payment is due at such time as a building permit is issued for a third office building in Circle Point Corporate Center.

**In accordance with the agreement, this note is forgiven at a rate of 10% per year until extinguished; therefore, no outstanding amount is reflected in the statements.

***The face value of the note is \$2,250,000 with repayment from project cash flows. However, an allowance for doubtful accounts of \$1,853,123 has been established due to projected limited cash flows. A review will be conducted annually to adjust the allowance if necessary.

Business-type Activities

The Utility Fund entered into notes receivable with four Utility customers. These notes allow the water system user to pay for the cost of connecting to the water system over a period of time. Payment amounts are based on water usage and collected along with the monthly usage billing. Since repayment is based on water usage the notes do not have a defined term. An allowance for doubtful accounts is not established as the City can lien the associated property.

Description of notes and leases receivable

	Purpose of	Amount	Amount	Scheduled	Year of
Business-type Activities	Issue	Issued	Outstanding	Payments	Final Payment
Utility Customers	Water System Connection	\$ 97,903	\$ 45,547	monthly	*
Total Business-Type Activities		<u>\$ 97,903</u>	<u>\$ 45,547</u>		

* The payment amount is based on water usage not a defined term.

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Notes and Leases Receivable Maturities

Year Ending	Governmental activities								Business-type activities
	Colorado		Alamo		Eaton Street	Westminster		Total	Utility Customers
	Catellus	Hyland Hills	Rural Housing	Community Builders	Westminster LLC	Affordable Housing LLC	Commons VOA, LP		
2018	\$ 194,847	\$ 387,500	\$ 53,890	\$ 41,000	\$ 474,679	\$ -	\$ 14,931	\$ 1,166,847	\$ 25,123
2019	-	400,000	54,978	-	574,680	-	15,550	1,045,208	6,598
2020	-	415,000	56,088	-	-	-	16,162	487,250	6,832
2021	-	427,500	57,220	-	-	-	16,767	501,487	6,994
2022	-	940,000	-	-	-	-	17,364	957,364	-
2023-2027	-	-	-	-	-	-	95,457	95,457	-
2028-2032	-	-	-	-	-	-	109,950	109,950	-
2033-2037	-	-	-	-	-	2,028,144	124,800	2,152,944	-
2038-2042	-	-	-	-	-	-	139,650	139,650	-
2043-2047	-	-	-	-	-	-	154,500	154,500	-
2048-2052	-	-	-	-	-	-	169,350	169,350	-
	194,847	2,570,000	222,176	41,000	1,049,359	2,028,144	874,481	6,980,007	45,547
Net present value/ principal adjustment	-	-	-	(41,000)	-	-	(477,604)	(518,604)	-
Total	\$ 194,847	\$ 2,570,000	\$ 222,176	\$ -	\$ 1,049,359	\$ 2,028,144	\$ 396,877	\$ 6,461,403	\$ 45,547

D. Interfund Receivables and Payables

The composition of loans from and to other funds as of December 31, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Fund	Community Development Block Grant	\$ 143,794
Loans from/to other funds:		
General Fund	Westminster Economic Development Authority	120,000
General Capital Improvement	Westminster Economic Development Authority	1,125,000
Utility Fund	Westminster Economic Development Authority	365,000
	Total loans from/to other funds	1,610,000
Total interfund receivables and payables		\$ 1,753,794

At December 31, 2017, the General Fund covered the overdrawn cash balance of the Community Development Block Grant Fund in the amount of \$143,794.

The loans of \$1,610,000 to the WEDA Fund were used for the redevelopment and revitalization of the Westminster Plaza Shopping Center and to pay for expenses associated with the redevelopment of an abandoned residential project within the Holly Park Urban Renewal Area. These interfund loans are expected to be repaid in the near term.

An interfund loan is budgeted in the payor fund as either an Other Financing Use in a governmental fund or as a non-operating expense in a proprietary fund. However, the transaction is reported on the respective fund's balance sheet as either Due from Other Funds for short term borrowings, or as Loans from Other Funds for longer term borrowings. As a result, a budget to actual variance is recognized in the payor fund's budgetary comparison schedule in the year an interfund loan originates.

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E. Capital Assets

Capital Assets at December 31, 2017 were as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities					
Land & Land Rights	\$ 144,031,777	\$ 1,379,259	\$ 567,165	\$ -	\$ 145,978,201
Water Rights	1,000,000	-	-	-	1,000,000
Joint Venture	5,361,000	-	-	-	5,361,000
Construction in progress	35,602,406	27,420,566	(47,495,722)	(9,635,555)	5,891,695
Total nondepreciable assets	185,995,183	28,799,825	(46,928,557)	(9,635,555)	158,230,896
Buildings	90,729,916	-	324,653	-	91,054,569
Improvements other than buildings	49,173,097	-	1,681,077	-	50,854,174
Parks	58,934,886	-	227,694	-	59,162,580
Ice Center	6,972,384	-	-	-	6,972,384
Infrastructure	377,026,782	-	44,005,743	-	421,032,525
Machinery and equipment	40,488,076	4,146,472	676,695	(1,810,193)	43,501,050
Total depreciable assets	623,325,141	4,146,472	46,915,862	(1,810,193)	672,577,282
Less accumulated depreciation for:					
Buildings	(57,349,889)	(2,300,184)	-	-	(59,650,073)
Improvements other than buildings	(27,962,515)	(2,172,888)	-	-	(30,135,403)
Parks	(40,226,586)	(2,146,764)	-	-	(42,373,350)
Ice Center	(2,614,644)	(145,258)	-	-	(2,759,902)
Infrastructure	(207,335,066)	(7,192,034)	-	-	(214,527,100)
Machinery and equipment	(27,663,429)	(3,643,381)	-	1,675,818	(29,630,992)
Total accumulated depreciation	(363,152,129)	(17,600,509)	-	1,675,818	(379,076,820)
Net total depreciable assets	260,173,012	(13,454,037)	46,915,862	(134,375)	293,500,462
Governmental activities capital assets, net	\$ 446,168,195	\$ 15,345,788	\$ (12,695)	\$ (9,769,930)	\$ 451,731,358

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,168,652
Public safety	2,106,133
Public works	3,027,882
Community development	4,588,514
Culture and Recreation	5,478,461
Unallocated depreciation-governmental funds	230,867
Total depreciation expense	\$ 17,600,509

Primary Government (continued)

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Business-type activities:					
Land & Land Rights	\$ 22,878,401	\$ -	\$ 2,295,908	\$ -	\$ 25,174,309
Water rights	95,371,131	-	-	-	95,371,131
Construction in progress	13,753,704	39,271,429	(24,620,467)	(2,468,015)	25,936,651
Total nondepreciable assets	132,003,236	39,271,429	(22,324,559)	(2,468,015)	146,482,091
Buildings and plants	244,137,974	-	6,826,519	-	250,964,493
Improvements other than buildings	260,373,020	1,680,653	11,605,899	-	273,659,572
Parks	1,515,487	-	-	-	1,515,487
Machinery and equipment	20,207,026	1,024,556	3,904,836	(287,604)	24,848,814
Total depreciable assets	526,233,507	2,705,209	22,337,254	(287,604)	550,988,366
Less accumulated depreciation for:					
Buildings and plants	(113,770,365)	(6,324,907)	-	-	(120,095,272)
Improvements other than buildings	(87,194,837)	(6,046,008)	-	-	(93,240,845)
Parks	(1,277,192)	(75,774)	-	-	(1,352,966)
Machinery and equipment	(15,743,493)	(1,624,259)	-	268,193	(17,099,559)
Total accumulated depreciation	(217,985,887)	(14,070,948)	-	268,193	(231,788,642)
Net total depreciable assets	308,247,620	(11,365,739)	22,337,254	(19,411)	319,199,724
Business-type activities capital assets, net	\$ 440,250,856	\$ 27,905,690	\$ 12,695	\$ (2,487,426)	\$ 465,681,815

Depreciation expense was charged to business-type functions as follows:

Utility	\$ 13,392,516
Golf	678,432
Total depreciation expense	\$ 14,070,948

During the year ended December 31, 2017, the City recorded \$618,770 of capitalized interest for the Utility Fund.

Beginning capital asset balances have been adjusted to reflect a reclassification of the Westminster Housing Authority from an Enterprise Fund to a Governmental Fund, which resulted in an increase to Governmental Activities and a decrease to Business-type Activities in the amounts of \$938,622.

See Note 3.U. in the notes to the financial statements for additional information.

CITY OF WESTMINSTER, COLORADO
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The following is a summary of machinery and equipment purchased by capital lease with a liability outstanding as of December 31, 2017.

Leased Equipment	Historical Cost	Accumulated Depreciation	Net Book Value
Governmental Activities	\$ 604,167	\$ (244,183)	\$ 359,984
General Capital Outlay Replacement Fund	1,422,860	(523,060)	899,800
Golf Course Fund	1,636,785	(778,793)	857,992
Total	<u>\$ 3,663,812</u>	<u>\$ (1,546,036)</u>	<u>\$ 2,117,776</u>

F. Disaggregation of Payables

Payables at December 31, 2017, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Funds:					
General	\$ 2,235,376	\$ 9,508,863	\$ 1,180,121	\$ -	\$ 12,924,360
CCIF	2,233,901	2,455,412	22,774	-	4,712,087
WEDA	249,712	90,397	-	-	340,109
Nonmajor governmental	75,849	21	16,299	2,380	94,549
Subtotal - Governmental Funds	<u>4,794,838</u>	<u>12,054,693</u>	<u>1,219,194</u>	<u>2,380</u>	<u>18,071,105</u>

Reconciliation of balances to government-wide financial statements:

Long-term liabilities susceptible to full accrual reporting	-	-	27,867	1,372,667	1,400,534
Internal service funds	642,233	-	7,323	14,506	664,062
Total - Governmental Activities	<u>\$ 5,437,071</u>	<u>\$ 12,054,693</u>	<u>\$ 1,254,384</u>	<u>\$ 1,389,553</u>	<u>\$ 20,135,701</u>
Business-type Activities:					
Utilities	\$ 7,953,993	\$ 404,224	\$ 241,160	\$ 299,360	\$ 8,898,737
Nonmajor proprietary	47,385	2,840	27,178	22,201	99,604
Total - Business-type Activities	<u>\$ 8,001,378</u>	<u>\$ 407,064</u>	<u>\$ 268,338</u>	<u>\$ 321,561</u>	<u>\$ 8,998,341</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

G. Interfund Transfers

Transfer activity for the year ended December 31, 2017 was as follows:

TRANSFERS OUT	TRANSFERS IN						
	General		Westminster				
	Capital		Economic	Nonmajor			
	General	Improvement	Development	Governmental		Nonmajor Proprietary	
	Fund	Fund	Authority	Funds	Utility Fund	Funds	Grand Total
General Fund	\$ -	\$ 14,177,328	\$ 164,614	\$ 1,350,000	\$ 282,403	\$ -	\$ 15,974,345
Fund	7,500	-	6,856,000	-	-	230,000	7,093,500
WEDA	300,000	2,191,510		-	-		2,491,510
Nonmajor Governmental Funds	94,820	3,524,397	60,822	1,955,870	-	250,000	5,885,909
Utility Fund	390,465	-		28,535	-		419,000
Grand Totals	\$ 792,785	\$ 19,893,235	\$ 7,081,436	\$ 3,334,405	\$ 282,403	\$ 480,000	\$ 31,864,264

The matrix summarizes the City's interfund transfer activity. Most transfers between the General, General Capital Improvement, WEDA, and Nonmajor Governmental Funds are routinely used to reallocate resources to fund City operations, capital construction, land purchases, debt service and governmental subsidies. In 2017, a transfer of \$6,656,000 from the General Capital Improvement Fund to the Westminster Economic Development Authority transpired to provide funding for a WURP development assistance project. In 2017, \$1,593,275 was transferred from WEDA to the General Capital Improvement Fund due to sale proceeds of parcels sold at the downtown site and will be used to assist in funding Downtown Westminster investments. Transfer activity between governmental and business-type funds is detailed below:

Reconciliation of Transfers between Governmental and Proprietary Funds:

From the Utility Fund to the General Fund in lieu of taxes	\$ 390,465
From the Utility Fund to the Nonmajor Governmental Fund (Open Space Fund) in lieu of taxes	28,535
From the General Capital Improvement Fund to the Golf Course Fund for operating subsidies	(230,000)
From the Nonmajor Governmental Fund (Open Space Fund) to the Golf Course Fund to assist with debt service obligations	(250,000)
From the General Fund to the Utility Fund to assist with pollution remediation	(282,403)
Total transfers between Governmental and Business Type Activities Funds	<u>\$ (343,403)</u>

Reconciliation of Transfers between Governmental and Business-type Activities

Transfers between Governmental and Proprietary Funds	\$ (343,403)
Reassignment of capital assets between governmental and business-type activities	(12,695)
	<u>\$ (356,098)</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

H. Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, loans, leases and other payable:					
Revenue bonds	\$ 27,370,000	\$ -	\$ (2,185,000)	\$ 25,185,000	\$ 2,300,000
Tax increment bonds and loans	75,569,000	-	(5,857,000)	69,712,000	5,285,000
Notes & Loans	929,724	-	(112,724)	817,000	-
Capital leases	81,801,883	-	(7,275,456)	74,526,427	7,435,130
	185,670,607	-	(15,430,180)	170,240,427	15,020,130
Add:					
Bond premium	9,288,222	-	(792,545)	8,495,677	-
Bond discount	(248,272)	-	21,283	(226,989)	-
Total bonds, loans and leases payable	194,710,557	-	(16,201,442)	178,509,115	15,020,130
Other liabilities:					
Compensated absences	5,417,838	9,144,832	(8,625,974)	5,936,696	237,535
OPEB	157,211	202,779	(75,554)	284,436	-
Net Pension Liability	-	697,573	-	697,573	-
Total other liabilities	5,575,049	10,045,184	(8,701,528)	6,918,705	237,535
Governmental activities long-term liabilities	<u>\$ 200,285,606</u>	<u>\$ 10,045,184</u>	<u>\$ (24,902,970)</u>	<u>\$ 185,427,820</u>	<u>\$ 15,257,665</u>
Business-Type Activities:					
Bonds, notes and leases payable:					
Revenue bonds	\$ 73,130,000	\$ -	\$ (3,185,000)	\$ 69,945,000	\$ 4,210,000
Notes	12,316,842	-	(2,881,313)	9,435,529	1,789,029
Capital leases	3,646,990	492,064	(633,562)	3,505,492	710,937
	89,093,832	492,064	(6,699,875)	82,886,021	6,709,966
Add:					
Bond/Notes premium	8,664,773	-	(477,570)	8,187,203	-
Bond discount	(26,626)	-	5,350	(21,276)	-
Total bonds, notes and leases payable	97,731,979	492,064	(7,172,095)	91,051,948	6,709,966
Other liabilities:					
Compensated absences	1,174,098	1,870,520	(1,827,490)	1,217,128	66,473
OPEB	233,723	41,731	(15,551)	259,903	-
Pollution Remediation	97,914	430,832	(74,746)	454,000	82,000
Total other liabilities	1,505,735	2,343,083	(1,917,787)	1,931,031	148,473
Business-type activities long-term liabilities	<u>\$ 99,237,714</u>	<u>\$ 2,835,147</u>	<u>\$ (9,089,882)</u>	<u>\$ 92,982,979</u>	<u>\$ 6,858,439</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Long-term liability outstanding at December 31, 2017 was as follows:

Revenue Bonds	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Sales and Use Tax Refunding Series 2001	Refunding/112th Ave Improvements	\$ 13,275,000	\$ 800,000	4.6-5.0%	12/01/21
Sales and Use Tax Refunding Series 2010	Refunding/Street Improvements	10,545,000	5,885,000	3.0% - 5.0%	12/01/22
Sales and Use Tax POST Refunding Series 2015	Refunding/POST 2007D	18,500,000	18,500,000	2.0% - 5.0%	12/01/31
Total Governmental Activities			<u>25,185,000</u>		
Water/Wastewater Revenue Series 2010	Build America Bonds	29,505,000	24,985,000	3.695% - 5.818%	12/01/30
Stormwater Revenue Series 2015	Stormwater Bonds	4,610,000	2,130,000	1.35%	06/01/19
Water/Wastewater Revenue Series 2016	Water and Wastewater Bonds	42,830,000	42,830,000	1.5-5.0%	12/01/36
Total Business-type Activities			<u>69,945,000</u>		
Total Revenue bonds			<u>\$ 95,130,000</u>		

Annual debt service requirements to maturity for revenue bonds are as follows:

Governmental Activities				Business-type Activities			
Year	Principal	Interest	Total	Year	Principal	Interest	Total
2018	\$ 2,300,000	\$ 1,052,969	\$ 3,352,969	2018	\$ 4,210,000	\$ 3,152,387	\$ 7,362,387
2019	2,390,000	958,469	3,348,469	2019	4,290,000	3,023,048	7,313,048
2020	2,495,000	849,569	3,344,569	2020	3,345,000	2,877,528	6,222,528
2021	2,595,000	757,819	3,352,819	2021	3,460,000	2,732,606	6,192,606
2022	2,370,000	650,569	3,020,569	2022	3,540,000	2,623,540	6,163,540
2023-2027	6,580,000	2,149,844	8,729,844	2023-2027	19,715,000	10,620,313	30,335,313
2028-2031	6,455,000	531,625	6,986,625	2028-2032	19,160,000	5,301,602	24,461,602
Total	<u>\$ 25,185,000</u>	<u>\$ 6,950,864</u>	<u>\$ 32,135,864</u>	2033-2036	12,225,000	1,276,600	13,501,600
				Total	<u>\$69,945,000</u>	<u>\$ 31,607,624</u>	<u>\$ 101,552,624</u>

Tax Increment Bonds and Loans

Outstanding	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
WEDA Revenue Refunding Bonds Series 2012	Mandalay Gardens Urban Renewal	28,900,000	\$ 20,510,000	4.000%	12/01/28
Total Tax Increment Bonds			<u>20,510,000</u>		
WEDA Revenue Loan Series 2012	North Huron Urban Renewal	59,000,000	43,922,000	3.510%	12/01/28
WEDA Revenue Loan Series 2012	South Sheridan Urban Renewal	7,420,000	5,280,000	(1)	12/01/28
Total Tax Increment Loans			<u>49,202,000</u>		
Total Governmental Activities			<u>\$ 69,712,000</u>		

Annual debt service requirements to maturity for tax increment bonds and loans are as follows:

Governmental Activities			
Year	Principal	Interest	Total
2018	\$ 5,285,000	\$ 2,488,794	\$ 7,773,794
2019	5,473,000	2,303,348	7,776,348
2020	5,649,000	2,127,554	7,776,554
2021	5,840,000	1,937,659	7,777,659
2022	6,035,000	1,751,767	7,786,767
2023-2027	33,610,000	5,302,684	38,912,684
2028	7,820,000	271,282	8,091,282
Total	<u>\$69,712,000</u>	<u>\$ 16,183,088</u>	<u>\$ 85,895,088</u>

(1) The 2012 WEDA South Sheridan Loan was converted to a fixed interest rate for the first 5 years on 9/13/2012. Subsequent years' interest is variable based on 70% of applicable LIBOR rate based on period selected plus 2.25%. On 10/1/2017 the City chose to fix the rate for a 5 year period at 3.54%.

CITY OF WESTMINSTER, COLORADO
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Capital Leases ⁽²⁾	Purpose of	Amount	Amount	Interest	Final
	Issue	Issued	Outstanding	Rate	Maturity
Capital lease	10 Energy Saving Equipment	2,517,094	\$ 1,000,577	4.10%	04/01/21
Capital lease	11 Fire Ladder	683,383	104,067	2.180%	10/15/18
Capital lease	13 Fire Pumper	435,393	190,941	1.95%	01/15/20
Capital lease	15 Parks Equipment	577,946	223,464	1.94%	01/15/20
Capital lease	16 Fire Pumper	1,040,859	902,378	2.36%	06/28/23
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	12,825,000	6,645,000	3.25% - 4.25%	12/01/22
Capital lease - Certificates of Participation 10	Ice Centre Refunding	9,950,000	5,140,000	3.0% - 4.5%	12/01/22
Capital lease - Certificates of Participation 13	144th & I-25 Interchange Refunding	11,095,000	8,925,000	2.0% - 4.0%	12/01/25
Capital lease - Certificates of Participation 15 A	Westminster Downtown Nontaxable	30,000,000	30,000,000	4.0% - 5.0%	12/01/38
Capital lease - Certificates of Participation 15 B	Westminster Downtown Taxable	10,000,000	8,790,000	1.54% - 3.72%	12/01/24
Capital lease - Certificates of Participation 16	Refunding/Capital Facilities & Streets	14,995,000	12,605,000	1.25% - 5.00%	12/01/25
Total Governmental Activities			<u>74,526,427</u>		
Golf Course capital lease	14 Golf Equipment Joint Lease	1,101,068	373,428	2.30%	01/15/19
Golf Course capital lease	17 Golf Cart Joint Lease	492,064	492,064	2.33%	02/25/21
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	4,820,000	2,640,000	3.25% - 4.25%	12/01/23
Total Business-type Activities			<u>3,505,492</u>		
Total Capital Leases			<u>\$ 78,031,919</u>		

(2) Specific assets are pledged as collateral for all capital leases.

Annual debt service requirements to maturity for capital leases are as follows:

Governmental Activities				Business-type Activities			
Year	Principal	Interest	Total	Year	Principal	Interest	Total
2018	\$ 7,435,130	\$ 2,953,554	\$ 10,388,684	2018	\$ 710,937	\$ 115,190	\$ 826,127
2019	7,559,054	2,742,758	10,301,812	2019	738,973	90,003	828,976
2020	6,162,637	2,478,222	8,640,859	2020	563,225	69,971	633,196
2021	6,129,659	2,276,801	8,406,460	2021	552,357	52,799	605,156
2022	7,160,634	2,099,272	9,259,906	2022	460,000	37,550	497,550
2023-2027	15,354,313	7,557,100	22,911,413	2023	480,000	18,000	498,000
2028-2032	9,645,000	4,860,750	14,505,750	Total	<u>\$ 3,505,492</u>	<u>\$ 383,513</u>	<u>\$ 3,889,005</u>
2033-2037	12,290,000	2,221,550	14,511,550				
2038	2,790,000	111,600	2,901,600				
Total	<u>\$ 74,526,427</u>	<u>\$ 27,301,607</u>	<u>\$ 101,828,034</u>				

Notes & Loans	Purpose of	Amount	Amount	Coupon	Final
	Issue	Issued	Outstanding	Interest Rate	Maturity
Loan	12 Section 108 HUD Loan	1,500,000	\$ 817,000	(3)	08/01/32
Total Governmental Activities			<u>817,000</u>		
Colorado Water Power Authority Note 00	Northwest Water Treatment Plant	14,998,357	2,490,662	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Plant	15,440,000	6,860,000	3.32%	06/01/25
Rehfeld Note	Purchase of water shares	180,000	84,867	4.00%	03/31/23
Total Business-type Activities			<u>9,435,529</u>		
Total Notes and Loans			<u>\$ 10,252,529</u>		

Annual debt service requirements to maturity for notes are as follows:

Governmental Activities				Business-type Activities			
Year	Principal	Interest	Total	Year	Principal	Interest	Total
2018	\$ -	\$ 17,113	\$ 17,113	2018	\$ 1,789,029	\$ 378,526	\$ 2,167,555
2019	-	17,113	17,113	2019	1,875,017	280,667	2,155,684
2020	-	17,113	17,113	2020	1,411,556	190,399	1,601,955
2021	-	17,113	17,113	2021	906,892	152,452	1,059,344
2022	-	17,113	17,113	2022	929,968	119,796	1,049,764
2023-2027	-	85,567	85,567	2023-2025	2,523,067	92,058	2,615,125
2028-2032	817,000	57,624	874,624	Total	<u>\$ 9,435,529</u>	<u>\$ 1,213,898</u>	<u>\$ 10,649,427</u>
Total	<u>\$ 817,000</u>	<u>\$ 228,756</u>	<u>\$ 1,045,756</u>				

(3) The 2012 Section 108 Housing and Urban Development Loan has variable interest based on 3 month LIBOR plus 0.20%, adjusted monthly on the first day of each month. The 3 month LIBOR as of 12/31/2017 is 1.68063%.

CITY OF WESTMINSTER, COLORADO
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DECEMBER 31, 2017

I. Net Position

The government-wide and business-type financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. Net Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted Net Position is liquid assets which have third-party limitations on their use. Restricted net position is reported by major category, which includes emergencies; capital projects; open space conservation and improvements; and debt service. Nonmajor categories have been aggregated as restricted for other purposes. Unrestricted Net Position represents assets that do not have any third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions. Net Investment in Capital Assets at December 31, 2017 was as follows:

Governmental activities:

Capital Assets: \$ 451,731,358

Related Debt:

Issue	Amount		Premiums (Discounts and		Less Unspent Proceeds	Net Capital Related Debt
	Outstanding	Deferred Loss on Refunding)	Total Capital Related Debt			
Sales and Use Tax Refunding Series 2001	\$ 800,000	\$ (1,508)	\$ 798,492	\$ -	\$ -	\$ 798,492
Sales and Use Tax POST Series 2007D	-	-	-	-	-	-
Sales and Use Tax Refunding Series 2010	5,885,000	107,385	5,992,385	-	-	5,992,385
Sales and Use Tax Refunding Series 2010 "B interest coupons"	-	(2,411)	(2,411)	-	-	(2,411)
Sales and Use Tax Refunding Series 2015	18,500,000	782,073	19,282,073	-	-	19,282,073
WEDA Revenue Refunding Bonds Series 2012 (Mandalay Gardens)	20,510,000	553,555	21,063,555	-	-	21,063,555
WEDA Revenue Loan Series 2012 (North Huron)	43,922,000	-	43,922,000	-	-	43,922,000
WEDA Revenue Loan Series 2012 (South Sheridan)	5,280,000	(157,035)	5,122,965	-	-	5,122,965
Notes, Loans & Capital Leases	75,343,427	3,233,997	78,577,424	9,053,006	-	69,524,418
Accounts payable incurred for capital asset purchases	1,976,322	-	1,976,322	-	-	1,976,322
Total Governmental Activities	\$ 172,216,749	\$ 4,516,056	\$ 176,732,805	\$ 9,053,006		167,679,799

Net investment in capital assets, governmental activities

284,051,559

Business-type activities:

Capital Assets: 465,681,815

Related Debt:

Issue	Amount		Premiums (Discounts and		Less Unspent Proceeds	Net Capital Related Debt
	Outstanding	Deferred Loss on Refunding)	Total Capital Related Debt			
Water/Wastewater Revenue Series 2010	\$ 24,985,000	\$ -	\$ 24,985,000	\$ 1,476,442	\$ -	\$ 23,508,558
Stormwater Revenue Series 2015	2,130,000	-	2,130,000	-	-	2,130,000
Water/Wastewater Revenue Series 2016	42,830,000	7,814,408	50,644,408	27,443,399	-	23,201,009
Certificates of Participation 10 (Golf Course Portion)	2,640,000	26,547	2,666,547	-	-	2,666,547
Water Notes	9,435,529	300,674	9,736,203	-	-	9,736,203
Capital Leases	865,492	-	865,492	-	-	865,492
Accounts payable incurred for capital asset purchases	5,847,874	-	5,847,874	-	-	5,847,874
Total Business Type Activities	\$ 88,733,895	\$ 8,141,629	\$ 96,875,524	\$ 28,919,841		67,955,683

Net investment in capital assets, business-type activities

397,726,132

Total net investment in capital assets

\$ 681,777,691

CITY OF WESTMINSTER, COLORADO
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DECEMBER 31, 2017

J. Pledged Revenues

The City has pledged a portion of future sales and use tax and property tax revenues to repay sales and use tax revenue bonds as follows:

- \$13,275,000 issued in 2001 to refund the Series 1991 refunding and improvement bonds originally issued to finance capital improvements.
- \$20,000,000 issued in December 2007 to finance the acquisition, development, enhancement, and maintenance of open space and parkland throughout the City. As of December 31, 2017, these bonds are no longer outstanding.
- \$10,545,000 issued in July 2010 to refund certain of the City's outstanding series 2001 and 2002 sales and use tax revenue refunding and improvement bonds, originally issued to finance capital improvements.
- \$18,500,000 issued in December 2015 to refund certain of the City's outstanding series 2007 sales and use tax revenue refunding and improvement bonds, originally issued to finance open space and parkland.

These bonds are payable solely from sales and use tax revenue collections. Current year, principal and interest of \$3,316,719 were paid using 4.1% of net pledged revenues totaling \$81,029,155. Total principal and interest payments remaining on the bonds is \$32,135,864 payable through December 2031.

The Westminster Economic Development Authority has pledged a portion of future sales and property tax revenues to repay tax increment revenue refunding bonds and loans, as follows:

- \$5,330,000 issued in 2009 as tax increment revenue refunding bonds to refund the Series 1997 used to finance the redevelopment in the South Westminster Urban Renewal Area. As of December 31, 2017 these bonds are no longer outstanding.
- \$28,900,000 issued in 2012 as tax increment revenue refunding bonds to refund the Series 2009 tax increment adjustable rate revenue refunding bonds that refunded an earlier Series used to finance redevelopment in the Mandalay Gardens Urban Renewal Area.
- \$59,000,000 issued in 2012 to refinance the 2009 loan that refunded the Series 2005 tax increment adjustable rate revenue bonds used to finance new development in the North Huron Urban Renewal Area.
- \$7,420,000 issued in 2012 to refinance the 2009 loan that refinanced the Series 2007 tax increment adjustable rate revenue bonds used to finance redevelopment in the South Sheridan Urban Renewal Area.

Tax increment revenue bonds and loans are payable from incremental sales taxes and property taxes generated by increases above the base value of retail sales and assessed valuation in the urban renewal area plus interest earnings. Principal, interest and fees of \$8,522,694 reported in the WEDA statements were paid using 79% of incremental net pledged revenues plus prior year revenues for a total of \$10,812,364. Total principal and interest remaining on the bonds and loans is \$85,895,088, payable through December 2028.

The Utility Enterprise has pledged future water, waste water and storm water revenues, excluding any special assessments and net of specified operating expenses, to repay:

Colorado Water Resource and Power Development Authority Notes:

- \$13,246,525 issued in May 1997 to construct a Reclamation Facility. As of December 31, 2017, this note is no longer outstanding.
- \$4,085,697 issued in April 1998 to construct a Reclamation Facility. As of December 31, 2017, this note is no longer outstanding.
- \$14,998,357 issued in April 2000 to construct the Northwest Water Treatment Facility
- \$15,440,000 issued in May 2005 to expand the Big Dry Creek Treatment Facility

Revenue Bonds:

- \$29,505,000 issued in May 2010 to acquire and develop system improvements throughout the City.

CITY OF WESTMINSTER, COLORADO
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- \$4,610,000 issued in January 2015 to improve the Stormwater system.
- \$42,830,000 issued in May 2016 to acquire, develop, enhance and maintain system improvements throughout the City.

The revenue bonds and notes are payable from water, waste water and storm water pledged net revenues. Principal, interest and fees of \$9,736,739 reported in the Utility statements were paid using 29.6% of pledged net revenues totaling \$32,936,600. Total principal and interest remaining on the revenue bonds and loans is \$112,104,915, payable through December 2036.

K. Moral Obligation Pledge

The City has entered into moral obligations with the following WEDA borrowings: Revenue Refunding Bonds Series 2012 (Mandalay Gardens Urban Renewal), Revenue Loan Series 2012 (North Huron), and Revenue Loan Series 2012 (South Sheridan) with an aggregate balance of \$69,712,000 outstanding as of December 31, 2017. A moral obligation is a pledge by the City Manager to request of Council that the City replenish the Reserve Fund associated with this debt to the minimum required per the bond indenture or loan document should it become necessary. Council will consider, but is not obligated to fulfill this request.

L. Disaggregation of Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources	Deferred Charges on refunding	Pensions	Total
Governmental Fund Activities:			
Reconciliation of balances in fund financial statements to government- wide financial statements	\$ 3,752,632	\$ 4,740,668	\$ 8,493,300
Business-type Activities:			
Golf Course	24,298		24,298
Total Government-wide Activities	<u>\$ 3,776,930</u>	<u>\$ 4,740,668</u>	<u>\$ 8,517,598</u>

Deferred Inflows of Resources	Property taxes	Pensions	Grants	Assessments	Notes and Leases	Other	Total
Governmental Fund Activities:							
General	\$ 5,677,928	\$ -	\$ 35,746	\$ -	\$ 3,037,322	\$ 558,562	\$ 9,309,558
GCIF	-		422,886	194,847	768,322	3,000	1,389,055
WEDA	11,843,163		-	-	2,064,035	-	13,907,198
Other Governmental	289,320		193,919	-	396,877	-	880,116
Subtotal	<u>17,810,411</u>	<u>-</u>	<u>652,551</u>	<u>194,847</u>	<u>6,266,556</u>	<u>561,562</u>	<u>25,485,927</u>
Reconciliation of balances in fund financial statements to government- wide financial statements	-	141,245	(652,551)	-	(6,266,556)	(561,562)	(7,339,424)
Total - Governmental Activities	<u>\$ 17,810,411</u>	<u>\$ 141,245</u>	<u>\$ -</u>	<u>\$ 194,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,146,503</u>

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NOTE 3 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; employee injury on the job; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the City carries excess insurance. The City self-funds the deductible portion of all claims. There were no reductions in insurance coverage from 2016 to 2017. The City has not had any settlements during the last three fiscal years that exceeded insurance coverage.

Medical and Dental Self-Insurance Internal Service Fund

The City established a dental plan effective January 1, 1984. The purpose of this plan is to pay the dental claims of eligible City employees and their covered dependents.

The City has an Administrative Service Only plan with Aetna, whereby the City pays Aetna a separate amount for administrative costs and claim servicing fees. The City agrees to provide funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City provides a specific stop loss of \$150,000 per individual per year. Both Aetna plans have an unlimited lifetime benefit. The City has recorded a liability in this fund totaling \$525,629 for open and estimated claims not yet reported at December 31, 2017.

The City also offers a fully insured DHMO plan through Kaiser Permanente which has unlimited lifetime benefits.

Workers' Compensation Self-Insurance Internal Service Fund

The City established a self-insured program for workers' compensation claims effective January 1, 1986. The purpose of this program is to pay workers' compensation claims of City employees and to reduce total annual workers' compensation costs to the City. As of April 1, 2017, the program covers individual losses up to \$550,000 per claim. Greater individual losses are covered by an excess insurance policy with statutory limits per occurrence purchased from an outside company. The City has recorded a liability totaling \$202,518 for open claims and estimated claims not yet reported at December 31, 2017.

Property and Liability Self-Insurance Internal Service Fund

The City established a program for property and liability claims effective January 1, 1988. The purpose of this program is to pay property and liability claims against the City and to reduce total annual insurance coverage cost to the City. The program covers individual losses up to \$250,000 per claim. Greater individual losses are covered through a risk sharing pool for Colorado municipalities. Property losses are insured through the pool for the total insured value of all property owned by the city up to a maximum shared pool total of \$500,500,000. State liability losses are limited as set forth by statutory liability limits for Colorado public jurisdictions up to \$150,000 per person and \$600,000 per occurrence for claims occurring prior to June 30, 2013. Effective July 1, 2013, the Colorado state legislature increased the limits to \$350,000 per person and \$990,000 per occurrence. Through the pool, the City also carries excess liability coverage that covers the City for federal acts and out-of-state claims in excess of the self-insured deductible limits. In addition to property insurance including boiler and machinery, the program covers automobile liability, general liability, police professional, errors and omissions, crime and fiduciary liability.

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$668,341 for open claims at December 31, 2017.

Changes in the balances of claim liabilities for all plans follow:

	Beginning Balance			Cumulative	Ending Balance
Year	Unpaid Claims	Incurred Claims	Claim Payments	Unpaid Claims	
2016	\$ 1,806,644	\$ 11,594,938	\$ 12,202,761	\$ 1,198,821	
2017	1,198,821	12,520,892	12,323,225	1,396,488	

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B. Public Entity Risk Pools

The Colorado Intergovernmental Risk Sharing Agency ("CIRSA") was formed by an intergovernmental agreement by member municipalities pursuant to the provisions of regulation 24-10-115.5, C.R.S. (1982 Repl. Vol.), as amended, 29-1-201 et seq., C.R.S. (1977 Repl. Vol.), as amended, 29-13-102, C.R.S. (1977 Repl. Vol.), as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities, which are members of the Colorado Municipal League. The City only participates in the property and liability coverage of the pool and does not participate in the worker's compensation coverage. As of December 31, 2017, there were 228 member municipalities and 42 Affiliated Public Entities, including the City of Westminster, in the property and casualty pool.

The purpose of CIRSA is to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. CIRSA provides insurance coverage for property, liability, fiduciary, crime, police professional, and errors and omissions. The deductible amount paid by the City per each incident in 2017 was \$250,000 for property and \$250,000 for liability. Coverages are as follows:

- 1) Property/excess property: total insured value for City property up to the \$500,500,000 pool limit.
- 2) General liability (claims subject to the Governmental Immunity Act): to \$150,000 per person and \$600,000 per occurrence prior to June 30, 2013 then \$350,000 per person and \$990,000 per occurrence. (Claims not subject to Governmental Immunity Act up to \$10,000,000 limit)
- 3) Auto liability (claims not subject to the Governmental Immunity Act): to \$5,000,000 per occurrence.
- 4) Excess law enforcement liability and public officials' errors and omissions liability coverage to \$10,000,000.
- 5) Crime: to \$150,000 any one claim and annual aggregate.
- 6) Supplemental defense costs (claims subject to the Governmental Immunity Act): to \$50,000 per claim/occurrence.
- 7) Excess crime to \$2,000,000 any one claim and annual aggregate.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available from insurance providers and under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs although it is not legally required to do so.

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to indemnify, in accordance with the Bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA are dedicated to the exclusive benefit of its members. The Bylaws constitute the substance of the intergovernmental contract among the members. Continued membership in CIRSA must be periodically approved by the City Council. The Board of Directors, which is elected by the membership for four-year terms, governs CIRSA. All actions of the membership require a two-thirds vote of the members present at a meeting.

C. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. 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.

City Council and the WEDA Board have approved Economic Development Assistance packages as part of an active Economic Development program. As a result of these packages, the City will rebate certain future incremental revenues as outlined in the agreements.

Various suits and claims are pending against the City as of December 31, 2017. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the City.

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D. Construction and Other Significant Commitments

At December 31, 2017, the City had commitments for the acquisition and construction of various major capital projects and facilities in the capital projects and enterprise funds as shown below.

Funding of these future expenditures for the capital projects funds has been provided for through investment earnings; operating transfers from the General; Sales & Use Tax; Parks, Open Space & Trails Sales & Use Tax; Conservation Trust funds; sales and use tax revenue bond proceeds; tax increment variable rate bond proceeds; Community Development Block Grants and Section 108 Loan Guarantee proceeds, and various other grants.

Funding of these future expenditures in the Utility Fund has been provided for through water and wastewater rates and tap fees, as well as bond proceeds. Funding for future expenditures in the General Capital Outlay Replacement Fund are provided for through charges for services and periodic transfers from the General and Sales and Use Tax funds.

	Appropriation	Cumulative	Authorized
	12/31/2017	Expenditures	Available
	12/31/2017	12/31/2017	12/31/2017
Governmental activities:			
General Capital Improvement Fund	\$ 53,986,935	\$ 5,873,658	\$ 48,113,277
Westminster Economic Development Autho	11,329,847	-	11,329,847
Nonmajor Governmental activities	3,937,975	18,037	3,919,938
General Capital Outlay Replacement Fund	4,630,314	-	4,630,314
Total Governmental activities	<u>\$ 73,885,071</u>	<u>\$ 5,891,695</u>	<u>\$ 67,993,376</u>
Business-type activities			
Utility Fund	\$ 111,119,203	\$ 25,518,406	\$ 85,600,797
Nonmajor Business-type activities	1,212,970	-	1,212,970
Total Business-type activities	<u>\$ 112,332,173</u>	<u>\$ 25,518,406</u>	<u>\$ 86,813,767</u>

E. Denver Water Raw Water Contract

The City has the right to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from Denver Water. Permitted deliveries vary from month-to-month and peak during the summer months. By contract the City is obligated to take or pay for 1,750 acre-feet of water during the contract period, which runs from July 1 to June 30. The 2017 rate charged by Denver Water was \$0.98 per thousand gallons, or \$319.33 per acre-foot (there are 325,851 gallons in one acre-foot). For the fiscal period of July 1, 2017 through June 30, 2018, the City paid Denver Water \$486,344 for approximately 1,523 acre-feet of water delivered between August 2017 and October 2017. Thus, the 2017 calendar year total cost for the contract was \$486,344. Westminster does not plan to take its remaining 227 acre-feet for the July 1, 2017 through June 30, 2018 fiscal period and will be charged in 2018 as part of the obligated take or pay requirement.

F. Perpetual Agreement

In December 2003, the City amended its perpetual water rights lease exchange contract dated January 7, 1982 with the City of Thornton. The amended contract provides that Westminster could perpetually lease from Thornton 2.0 million gallons per day of treated water with the option to increase or decrease this amount by 10%. The rate from January 1, 2017 through December 31, 2017 was \$5.22 per thousand gallons, for a total lease cost of \$3,433,612. In 2009, the City of Westminster signed an agreement with the City of Brighton that states Brighton will take the full amount of water, up to 2.2 million gallons, and reimburse the City of Westminster its payment to Thornton. All future rate increases will be passed through in a similar fashion, and Brighton will have all responsibility for the lease.

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G. Employee Defined Contribution Retirement Plans

General Information about the City of Westminster Pension Plans

Description of the Plans. The City provides pension benefits through two defined contribution 401(a) pension plans for all of its regular full-time employees and part-time employees who work at least 20 hours per week and are over age 18. The Police Plan includes Police Officers and the General Employee Plan includes all other employees, the details of which are discussed below.

Both employee plans are established by separate ordinances as single-employer, defined contribution plans, qualified under IRS guidelines. When employees change job status, their account balance is moved from their old plan to the appropriate new plan through a transfer. The City does not participate in Social Security. Long-term disability and death benefits are provided as employee benefits apart from the Pension Plans.

The Plans' provisions and requirements are established by Municipal Ordinance and determined to be a qualified Pension Plan by the Internal Revenue Service. The Plans' Ordinances grant the Pension Board members and Trustee the authority to administer, interpret, and apply the requirements of the Plans' documents. Any changes to the Plans' Documents are subject to City Council approval and require Internal Revenue Service determination of qualification. Eligible employees must participate from the date of employment.

Sworn officers hired before October 1, 2017 had the option of joining the Fire and Police Pension Association (FPPA) or remain in the City's 401(a) Pension Plan. On October 1, 2017, \$47,935,453 was transferred from the City's Police Pension Plan to FPPA for those officers' who elected to join FPPA. The City's Police Pension Plan was combined with the General Employee Plan and the City's plan name changed to City of Westminster Employee 401(a) Defined Contribution Plan.

Benefits Provided In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings less any administrative costs. Earnings differ between participants in Westminster's plans because investments are self-directed; from eligible options, participants choose where to invest contributions to their account. Investment options are selected by the pension boards.

Contributions and Vesting Contributions and plan provisions of the two plans are the same. The mandatory employee contribution is 10% of base pay. Employees may elect to contribute in excess of the mandatory contribution. Voluntary contributions may be made on an after tax basis. The City contributes 10.25% of each employee's base pay beginning when the employee has completed 22 months of service with the City. The City has no other obligations to fund any employee pension plan.

All contributions and earnings are fully vested at all times. All administrative costs of the plans are borne by the participants of each plan. The plans' fixed administrative costs are allocated as a fixed fee and the variable costs are pro-rated based on the participant's account balance, capped at \$300,000.

No plan administration is performed by the City of Westminster other than transmitting contributions to the identified employee accounts. The Charles Schwab Corporation provides administration for the plans and assists employees with their self-directed investments.

Summary of Contributions For the year ended December 31, 2017, contributions made to the two plans equaled required contributions and were as follows:

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	2017
Police Pension Plan (through September 30, 2017)	
City Contributions	\$ 1,070,006
Mandatory employee contributions	1,127,331
Voluntary employee contributions	5,671
Rollover contribution	112,320
General Pension Plan	
City Contributions	3,540,719
Mandatory employee contributions	4,320,768
Voluntary employee contributions	40,725
Rollover contribution	357,827
Total	<u>\$ 10,575,367</u>

General Information about the Statewide Money Purchase Plan

Plan Description. Effective September 1, 2004, the City began contributing to the Statewide Money Purchase Plan (SMP), a multiple-employer defined contribution plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time, paid firefighters hired before September 1, 2004 and all sworn police officers hired before October 1, 2017 had the option of joining the SMP plan. Participants can choose from various mutual funds selected by the Self-Directed Plans Committee pursuant to the fund structure approved by the FPPA's Board of Directors, as well as mutual funds or other investments offered through a Self-Directed Brokerage Account.

Benefits provided. The Statewide Money Purchase Plan (SMP) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. Colorado statutes assign the authority to establish benefit provisions to the state legislature.

Contributions and Vesting. Contributions to the Plan are calculated as a percentage of the member's base salary, which is specified by state statute. Current participants contribute 10 percent of salary, which is matched by the City. Members are always fully vested in their own contributions, and the earnings on those contributions. Vesting in the employer's contributions and earnings on those contributions occurs according to the vesting schedule set by state statute at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Total contributions to the Statewide Money Purchase Plan from the City were \$47,366 for the year ended December 31, 2017.

General Information about the Deferred Compensation Plans

Plan Description Employees may voluntarily participate in the 457(b) Deferred Compensation Plan. The Plan permits participants to defer a portion of their salary until future years or contribute on an after-tax basis. A wide array of investment options is available through the Plan. The Plan uses a third-party administrator, Empower Retirement, and all costs of administration are borne by the Plan participants. The Deferred Compensation Committee is responsible for the formation, adoption, and enforcement of the rules and regulations pertinent to the operation of the Plan. Amounts deferred under the Plan are not available to employees until termination, retirement, death or unforeseeable emergency.

All seasonal, temporary, and non-benefited employees must participate from the date of employment in the 457(b) FICA Alternative Deferred Compensation Plan. This plan is a Social Security replacement feature under the Internal Revenue Code Section 3121. Employees contribute a mandatory 7.5% of compensation that is invested into a fixed income account. No other investment options are available in this Plan.

Benefits Provided In a deferred compensation plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Earnings differ between participants in Westminster's deferred compensation plans

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because investments are self-directed; from eligible options, participants choose where to invest contributions to their account. Investment options are selected by the Deferred Compensation Committee.

Contributions into the 457(b) plans are funded by participant contributions of up to a maximum limit set by the IRS of \$18,000 for the calendar year 2017. Catch-up contributions up to \$6,000 for calendar year 2017 were allowed for participants who had attained age 50 before the end of the year, subject to the limitation of IRC §414(v). Total participant contributions into the 457(b) Deferred Compensation Plan were \$3,578,428 and into the 457(b) FICA Alternative Deferred Compensation Plan were \$275,620. The City matches up to 12.5% for City Council members only. City Council is required to contribute at least 7.5%. The expense recorded by the City for the match of City Council members was \$10,068.

All contributions and earnings are fully vested at all times. All administrative costs of the plans are borne by the participants of each plan. Administrative costs and fees charged by fund managers, are netted against earnings and allocated to the two plans based on either the dollars in the plan or the number of participants in the plan, depending on the type of expense.

H. Employee Defined Benefit Retirement Plans

Fire and Police Pension Plans (FPPA)

The Fire and Police Pension Association of Colorado (FPPA) administers a statewide multiple-employer public employee retirement system providing defined benefit plan coverage for police officers and firefighters throughout the State of Colorado. The Affiliated Local Plans are plans for which FPPA has been asked to and has undertaken investment and recordkeeping responsibility, but are not plans for which FPPA has determined or set the benefits or set the funding policy. Volunteer Plans that have chosen to affiliate with FPPA for investment and administrative purposes are still governed by their local plan document or by the Colorado statutes and local pension board, each has a separate actuarial valuation completed every two years.

Net pension liability (asset) is the difference between the total pension liability and the fiduciary net position as of the measurement date. If the fiduciary net position exceeds the total pension liability as of the measurement date, there is a net pension asset.

Deferred inflows of resources and deferred outflows of resources are the amounts that are required to be deferred and recognized in subsequent periods. Deferred outflows of resources are reported on the statement of net position or balance sheet below assets, while deferred inflows are reported below liabilities. These amounts refer to items that are not yet recognized in the net pension liability (asset) or pension expense and include:

- Differences between expected and actual plan experience
- Changes in actuarial assumptions
- Differences between projected and actual investment earnings on pension plan investments
- Changes in proportion
- Employer contributions made subsequent to the measurement date through the fiscal year end

Deferred outflows of resources and deferred inflows of resources will be recognized as follows:

- Differences in plan experience, changes in assumptions, and changes in proportion will be amortized over the remaining service lives of current and former employees, and retirees.
- The differences between expected and actual investment earnings will be amortized over a five-year period.
- Contributions made subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the subsequent year.

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The following table summarizes each of the City's FPPA plans and the respective pension activity recorded in the financials.

Plan	Net Pension Asset (Liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Reduction)
FPPA SWDB	\$ (697,573)	\$ 3,999,177	\$ 35,478	\$ 1,100,473
FPPA SWH	614,060	610,999	105,767	(100,176)
Volunteer Firefighter	766,731	130,492	-	4,521
Totals	\$ 683,218	\$ 4,740,668	\$ 141,245	\$ 1,004,818

Fire and Police Pension Plan (FPPA) - Statewide Defined Benefit Plan

General Information about the Statewide Defined Benefit Pension Plan

Plan description. Effective September 1, 2004, the City began contributing to the Statewide Defined Benefit Plan (SWDB) a cost-sharing multiple-employer defined benefit pension plan administered by the FPPA. The SWDB provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid firefighters of the City are members of the SWDB and the Statewide Death and Disability Plan. Effective October 1, 2017, all sworn police officers of the City are members of the SWDB. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for both the SWDB and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 or on FPPA's website at <http://www.fppaco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any cost of living adjustment (COLA) is based on the Board's discretion and can range from 0 to the highest of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The Plan sets contribution rates at a level that enable all benefits to be fully funded at the retirement date of all members based on current actuarial assumptions. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and the City are contributing at the rate of 9.5 and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent for 2017. Member contribution rates are scheduled to increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions are scheduled to remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

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Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 21.5 percent of base salary for 2017. The members pay the additional 4 percent contribution. The re-entry group are scheduled to have their required member contribution rate increase 0.5 percent annually through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

Prior to 1997, the State of Colorado made a one-time contribution to fund future service costs for all firefighters hired prior to January 1, 1997. These members do not make contributions to the Statewide Death and Disability Plan. Aggregate contributions totaling 2.6 percent of payroll were made to the Statewide Death and Disability Plan in 2011 for firefighters hired on or after January 1, 1997, of which 1.8 percent and 0.8 percent were funded by the City and Plan members, respectively through October 31, 2011. Beginning November 1, 2011, the contribution of 2.6 percent changed. In 2017, 1.10 percent and 1.60 percent were funded by the City and plan members, respectively. The contribution rate may vary from year to year, depending on actuarial experience.

Total contributions to the SWDB from the City were \$813,637 for the year ended December 31, 2017.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the City reported a liability of \$697,573 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017, which was unchanged from December 31, 2016. The City's proportion of the net pension liability was based on a projection of the City's share of contributions to the pension plan relative to the contributions of all participating employers and the State. At December 31, 2016, the City's proportion was 1.931 percent, which was a decrease of 0.132 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$1,100,473. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 622,850	\$ 35,478
Changes of assumptions	476,500	-
Net difference between projected and actual earnings on pension plan investments	1,882,898	-
Changes in proportion	203,292	-
City contributions subsequent to the measurement date	813,637	-
Total	<u>\$ 3,999,177</u>	<u>\$ 35,478</u>

\$813,637 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2018.

The following table presents the City's other deferred inflows and outflows of resources related to pensions that will be recognized in the pension expense for each of the subsequent five years and in the aggregate thereafter:

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Year Ended December 31	Amounts Recognized in Pension Expense
2018	\$ 742,526
2019	742,526
2020	699,580
2021	298,769
2022	150,126
Thereafter	516,535
Total	<u>\$ 3,150,062</u>

Actuarial assumptions. The January 1, 2017 actuarial valuation used the following actuarial assumption and other inputs:

	Total Pension Liability
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.50%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

The RP-2014 Mortality Table with Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

Changes in Assumptions. There were no changes in assumptions or benefit terms.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

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Asset Class	Target Allocation	Long Term Expected
		Rate of Return
Global Equity	36%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2%	0.00%*
Total	100%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The discount rate was based on the long-term expected rate of return on pension plan investments of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates used to determine the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using a single discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1- percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset)	\$5,935,224	\$697,573	\$(3,652,554)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Fire and Police Pension Plan (FPPA) –Statewide Hybrid Plan

General Information about the Statewide Hybrid Plan

Plan description. Effective September 1, 2004, the City began contributing to the Statewide Hybrid Plan (SWH), a cost-sharing multiple-employer defined benefit pension plan administered by the FPPA. The SWH provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid firefighters employed as of September 1, 2004 either joined the SWDB or the Statewide Hybrid Plan (SWH). Sworn police officers employed as of October 1, 2017 either joined the SWDB or the SWH. The SWH is comprised of two components: Defined Benefit and Money Purchase. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available comprehensive annual financial

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report that includes financial statements and required supplementary information for both the Statewide Hybrid Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area or on FPPA's website at <http://www.fppaco.org>.

Benefits provided. The Plan document states that any member may retire and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

Contributions. The Plan sets minimum contribution rates at a level that enable all benefits to be fully funded at the retirement date of all members based upon current actuarial assumptions. The members of the SWH and the City are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2016 through June 30, 2017 is 13.5 percent. The Defined Benefit Component contribution rate from July 1, 2015 through June 30, 2016 was 12.6 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Prior to 1997, the State of Colorado made a one-time contribution to fund future service costs for all firefighters hired prior to January 1, 1997. These members do not make contributions to the Statewide Death and Disability Plan. Aggregate contributions totaling 2.6 percent of payroll were made to the Statewide Death and Disability Plan in 2011 for firefighters hired on or after January 1, 1997, of which 1.8 percent and 0.80 percent were funded by the City and Plan members, respectively through October 31, 2011. Beginning November 1, 2011, the contribution of 2.70 percent changed. In 2017, 1.10 percent and 1.60 percent were funded by the City and plan members, respectively. The contribution rate may vary from year to year, depending on actuarial experience.

Total contributions to the SWH from the City were \$74,871 for the year ended December 31, 2017.

Pension Liabilities (Assets), Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the City reported an asset of \$614,060 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017, which was unchanged from December 31, 2016. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers and the State. At December 31, 2016, the City's proportion was 5.641 percent, which was an increase of 0.463 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized a reduction of pension expense of \$100,176. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	316,083	\$ -
Changes of assumptions	27,242	-
Net difference between projected and actual earnings on pension	136,216	-
Changes in proportion	56,587	105,767
City contributions subsequent to the measurement date	74,871	-
Total	<u>610,999</u>	<u>\$ 105,767</u>

\$74,871 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ending December 31, 2018.

The following table presents the City's other deferred inflows and outflows of resources related to pensions that will be recognized in the City's pension expense for each of the subsequent five years and in the aggregate thereafter:

Year Ended December 31,	Amounts Recognized in Pension Expense
2018	\$ 86,928
2019	86,928
2020	84,333
2021	55,261
2022	44,309
Thereafter	72,602
Total	<u>\$ 430,361</u>

Actuarial assumptions. The January 1, 2017 actuarial valuation used the following actuarial assumption and other inputs:

	Total Pension Liability
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.50%
Projected Salary Increases*	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.50%

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality

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Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB is used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

Changes in Assumptions. There were no changes in assumptions or benefit terms.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2%	0.00%*
Total	100%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The discount rate was based on the long-term expected rate of return on pension plan investments of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using a single discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension asset	\$(326,534)	\$(614,060)	\$(853,929)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

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Westminster Volunteer Firefighter Pension Plan

General Information about the Volunteer Firefighter Pension Plan

Plan description. The City has fiduciary responsibility for a defined benefit retirement system ("the plan") established by the Volunteers. All volunteer firefighters have retired. After the last volunteer firefighter retired, the volunteer firefighter program was dissolved by the City Council as required by state law. As required by Colorado State Law, prior to dissolving the plan, Council established the final benefit. The maximum benefit for a volunteer beneficiary has been permanently capped. With the approval of the Volunteer Fire Pension Board and the City Council of Westminster, the assets of the plan were transferred to the FPPA as allowed by C.R.S., 31-31-705. This statute allows FPPA to manage the funds of the plan and pay beneficiaries. Administrative costs and fees of the plan are netted against investment earnings on a prorated basis. The City of Westminster retains responsibility for administration and the liability of the plan. Investments of the funds are invested under the concept of an agent multiple-employer plan. The plan is closed to new entrants. When the last participant of the plan passes away, the residual assets will transfer to the City and can only be used for fire related purposes.

The plan is included in FPPA's audited annual financial report as an affiliated local plan, which may be obtained by writing to FPPA, 5290 DTC Parkway Suite 100, Greenwood Village, CO 80111, or by calling 303-770-3772 or at <http://www.fppaco.org>.

Benefits provided. The plan provides retirement and death benefits. Participants become fully vested after 20 years of active service. Retirement benefits are payable upon vesting for any volunteer who terminates after 10 years but prior to 20 years of active service allowed by State Statutes. The benefit is equal to the full retirement benefit at the date of termination prorated by the number of years of service accrued. Surviving spouses of deceased retirees may receive up to 50% of the retirement benefit until remarriage and a one-time funeral benefit. Benefits do not provide for annual cost-of-living adjustments.

Volunteers may retire upon completion of 20 years of service even though not all of the service was earned in the same fire department. If they first became volunteers prior to June 2, 1977, the retirement benefit is paid from the pension fund of each department for which they served at least five years. The amount paid is equal to 1/20 of the monthly retirement benefit being paid by that department at the date of termination from the department for each year of service with that department.

Volunteers covered by benefit terms. At December 31, 2017, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	27
Terminated volunteers entitled to benefits but not receiving benefits	0
Active plan members	<u>0</u>
Total	<u><u>27</u></u>

Contributions. An actuarial study performed on December 31, 2016, states that the current level of assets in the fund are in excess of the amount needed to pay the capped maximum of \$700 per month and all prorated amounts by \$766,731. Therefore, no additional contributions are required at this time by the City. State statutes govern contribution requirements. The required contribution for 2017 was determined as part of the 2015 actuarial valuation using the entry age actuarial cost method.

Funding for the plan was provided through a property tax levy prior to 1987. The levy was eliminated in 1987 because the plan was over-funded. Since Volunteers do not contribute to the plan, no plan assets are distributed if a volunteer is terminated prior to vesting.

Net Pension Asset

The plan's net pension asset was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that same date. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag,

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so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017. The actuarial valuation as of January 1, 2017 determines the contribution amounts for 2018 and 2019.

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the RP-2000 Combined Mortality Table with a Blue Collar Adjustment (40% multiplier for off-duty mortality used for pre-retirement). Disabled rates based on RP-2000 Disabled Mortality Table. All tables projected with Scale AA.

Changes of assumptions. The assumptions shown above pertain to the actuarial valuation as of January 1, 2015 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the FPPA Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations. The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown are as follows:

Inflation: 2.50%
Mortality: Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience.
Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

Long-term expected return on plan assets. The long-term expected rate of return on the plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the plan's target asset allocation as of December 31, 2016, is summarized in the table below.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36%	6.75%
Equity Long/Short	10%	4.85%
Illiquid Alternatives	23%	8.25%
Fixed Income	15%	0.50%
Absolute Return	10%	4.05%
Managed Futures	4%	3.00%
Cash	2%	0.00%*
Total	100%	

*While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

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Single Discount rate. A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the long-term expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumes that all actuarially determined contributions will be made. The plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balances at 1/1/17	\$ 1,639,438	\$ 2,420,181	\$ (780,743)
Changes for the year:			
Interest on the total pension liability	116,377	-	116,377
Difference between expected and actual experience of the total pension liability	(52,369)	-	(52,369)
Changes of assumptions	70,113	-	70,113
Net investment income	-	124,098	(124,098)
Benefit payments	(178,710)	(178,710)	-
Pension Plan Administrative Expense	-	(3,989)	3,989
Net Changes	(44,589)	(58,601)	14,012
Balances at 12/31/2017	\$ 1,594,849	\$ 2,361,580	\$ (766,731)

Sensitivity of the net pension asset to changes in the single discount rate. The following presents the net pension asset of the plan, calculated using the single discount rate of 7.50 percent, as well as what the plan's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	Current Single Discount		
	1% Decrease (6.50%)	Rate Assumption (7.50%)	1% Increase (8.50%)
Plan's net pension asset	(\$640,002)	(\$766,731)	(\$877,078)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association (FPPA) financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the plan recognized pension expense of \$4,521. At December 31, 2017, the plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	130,492
Total	<u>\$ 130,492</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Net Deferred Outflows of Resources
2018	41,197
2019	41,197
2020	37,962
2021	10,136
Total	<u>\$ 130,492</u>

I. Retiree Health Program

Program Description. The Retiree Health Program (Program) is a single-employer defined benefit healthcare plan administered by the City of Westminster. The Program provides medical, dental, and vision insurance benefits to eligible retirees and their dependents until reaching the Medicare qualification age. Retirees may not stay on the Program after age 65. Benefits are provided for active employees and retirees under the same health care plan.

The Program offers a self-funded Open Access Point of Service plan as well as a fully insured HMO plan. The dental benefit component is self-funded and the vision benefit is paid solely by the participants in the Program.

Funding Policy. The Program provisions and requirements are established and may be amended by Council policy. The City funds OPEB expense on a pay-as-you-go basis. Program claims and fees for the self-funded plan and expected premiums for the fully funded plan totaled \$396,334 during 2017. Program members receiving benefits contributed \$305,231 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City's pay-as-you-go program funding totaled \$91,103 during the year.

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

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover current year costs plus amortization for a portion of the unfunded accrued actuarial liability for Program benefits. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Program, and changes in the City's net OPEB obligation.

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	2017
Annual required contribution	\$ 242,960
Interest on net OPEB obligation	14,582
Annual required contribution adjustment	(13,031)
Annual OPEB cost	244,511
Contributions made	(91,103)
Increase (decrease) in annual OPEB obligation	153,408
OPEB obligation - beginning of year	390,934
OPEB obligation - end of year	\$ 544,342

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for years 2015-2017 is as follows:

Fiscal Year	Annual	Percentage of	
Ended	OPEB Cost	Annual OPEB Cost	Net OPEB
		Contributed	Obligation
12/31/2015	\$ 192,833	168.7%	\$ 308,357
12/31/2016	192,415	57.1%	390,934
12/31/2017	244,511	37.3%	544,342

Funded Status and Funding Progress. As of January 1, 2017, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$3,190,419. The covered payroll (annual payroll of active employees covered by the Program) was \$59,611,390. The ratio of the UAAL to covered payroll was 5.4 percent.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information about the actuarial accrued liability for benefits relative to the covered payroll of employees covered by the Program.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the City and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the City and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2017 valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 3.73 percent investment rate of return to calculate the ARC on a pay-as-you-go basis, which is the rate expected on short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years. It is calculated assuming a level percentage of projected payroll on an open basis. Payroll is assumed to increase at 3.9% per year. Trend rates found in Price Waterhouse Coopers 2015 Assumption and Disclosure Survey were used to project the benefit costs for current and future retirees. The trend begins at 6.75% grading down to 5.0% over a 7-year period.

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

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J. Tax Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

In November 2002, Westminster voters approved a ballot measure that exempts the City from the spending and revenue limits of the amendment.

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

At December 31, 2017, amounts required as Emergency Reserves in compliance with the Amendment total \$5,025,693 for the general government and an aggregate of \$22,675 for applicable component units. These amounts are shown as restrictions of fund balance in the General and respective nonmajor funds as well as a restriction of Net Position on the Statement of Net Position.

K. Jointly Governed Organization

The Woman Creek Reservoir Authority was formed in 1996 to oversee facilities constructed to protect the City's main drinking water supply from hazards flowing from the former nuclear weapons manufacturing facility at Rocky Flats. Rocky Flats is located west of the City of Westminster between the Cities of Golden and Boulder. The U.S. Department of Energy funded this water protection project through a grant. The purpose of the grant is to provide a sufficient investment pool to generate investment earnings to cover the annual operating expenses of the Authority and cover any large rehabilitation costs which may arise. The Cities of Northglenn, Westminster, and Thornton participate equally in the administration and operation of the Authority. Each City appoints one member of the three-member board of directors for the Authority. The Authority has no employees.

The Authority is not financially accountable for any other organization nor is the Authority a component unit of any other primary governmental entity.

L. Joint Ventures

Hyland Hills Park and Recreation District-City of Westminster Ice Centre Intergovernmental Agreement. The City entered into an intergovernmental agreement (IGA) with Hyland Hills Park and Recreation District on January 29, 1998. The City agreed to finance (through the Westminster Building Authority) and construct a three sheet Ice Centre and Hyland Hills agreed to operate the Ice Centre pursuant to a sublease. The sublease calls for Hyland Hills to make lease payments to the City equivalent to one-half of the rental obligation due from the City to the Westminster Building Authority. The agreement entitles Hyland Hills to an undivided fifty percent interest in the Ice Centre, which in the event of default, would be reduced by two percent for each year the lease obligation was not met.

In addition, Hyland Hills agreed to convey to the City an undivided fifty percent interest in Carroll Butts Park, and to lease to the City an undivided fifty percent interest in the Hyland Hills Ice Arena and adjacent parking lot for the twenty-five year term. At the end of the term, Hyland Hills will convey the City's fifty percent interest in the Ice Arena.

The City receives one-half of the net revenues from operations of the Ice Centre and the Hyland Hills Ice Arena and Carroll Butts Park. The City's share of net operating revenues in 2017 was \$504,001. At December 31, 2017, the net book value of the Ice Centre joint venture was \$4,212,482 and Carroll Butts Park was \$441,000, which are included in the City's capital assets. There are not separate financial statements for the joint venture.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Broomfield-Westminster Open Space Foundation. The City entered into an intergovernmental agreement with The City and County of Broomfield on December 12, 2005, to create the Broomfield-Westminster Open Space Foundation (Foundation), a nonprofit corporation qualifying under section 501 (c) (3) of the Internal Revenue Code, to function as a public foundation. The sole purpose of the nonprofit corporation is to acquire, finance, own, and operate approximately 150 acres of undeveloped land known as the Metzger Property. The board of directors for the Foundation is comprised of an equal number of directors appointed by each City, and one additional impartial director selected by Broomfield and Westminster. Acquisition of the property was financed in 2006 from grants, donations, gifts, contributions from public and private entities, and issuance of financial obligations by the Foundation. The City's annual lease rental payment obligation as set forth in the financing documents was fulfilled in 2016, thereby satisfying the requirement of one-half ownership interest in the property. The City records its investment in the Metzger Farm as Joint Venture Land valued at \$4,920,000. At December 31, 2017, the City's fifty percent equity interest in the Foundation is \$610,927.

Financial statements for the Broomfield-Westminster Open Space Foundation may be obtained by contacting the City of Broomfield, Colorado, Finance Department, 303-438-6357.

M. Component Unit of Another Government with Joint Venture Characteristics

The City of Westminster entered into an intergovernmental agreement with the City of Northglenn to establish the Church Ditch Water Authority (the Authority) on October 29, 2004. The Authority is responsible for the operation, maintenance, and continued development of Church Ditch. The effects of water resource development by the Authority benefit both cities and other contractual users of the Church Ditch. The Authority (a governmental entity), which replaced the Church Ditch Company (a private carrier ditch company), was created to maximize operating efficiencies, streamline the rate setting process, and provide for management of easement and property ownership issues. The Authority is governed by a Board of Directors consisting of two directors appointed by the City of Northglenn, and one director appointed by the City of Westminster. The City owns one-third of the Church Ditch while Northglenn owns the other two-thirds. The City of Northglenn reports the Church Ditch Authority as a discretely presented component unit; the City of Westminster, as the minority participant in the Authority, reports an equity interest of one-third of the Authority's net position as "Other Assets" in the Utility Fund. At December 31, 2017, the City's equity interest in the Church Ditch Authority was \$1,408,922.

N. Intergovernmental Agreement

In September 1995, the City entered into an intergovernmental agreement with the State of Colorado, Department of Higher Education for the construction and operation of the College Hill Library at Front Range Community College. This agreement called for the City and Front Range College to jointly build, furnish, equip, staff, operate and maintain the College Hill Library. The library has been fully operational since April 7, 1998. The intergovernmental agreement calls for the City to pay Front Range Community College its proportionate share of operating expenses, which totaled \$223,952 in 2017. This agreement allows the City to occupy space in the facility for up to 50 years. After 33 years, either party may terminate this agreement by giving two years' written notice to the other party. Thus, the City would enjoy a minimum of 35 years.

The City initially entered into an intergovernmental agreement (IGA) with the City of Thornton, the Thornton Development Authority and the Westminster Economic Development Authority on January 13, 1986 to set forth the sharing of revenues in the Interstate 25 Corridor area. This IGA was subsequently amended several times with the final amendment dated November 10, 2004. Each City has committed to planned and orderly growth in the area along Interstate 25 between 150th Avenue on the north, Washington Street on the east, 132nd Avenue on the south and Huron Street on the West ("Corridor Area"). Increased coordination and cooperation between the Cities in planning for and regulating growth and development of land in the Corridor area will enhance the ability of the Cities to achieve their respective and common goals. Therefore, the Cities have agreed to share in the revenues received in the Corridor Area with annual payments on April 30th of the following year. The IGA is set to expire on February 1, 2026. For the year ended December 31, 2017, the City incurred a liability to the City of Thornton in the amount of \$3,427,937 and anticipates receiving \$693,987 from the City of Thornton in 2018.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

O. Arbitrage Compliance

All bond issues for the City of Westminster have been evaluated to determine arbitrage compliance and liability position. For issues where all proceeds have been spent, the City has no liability. For recent issues where proceeds have not been fully spent, no potential liability exists.

P. Tax Abatements

The City of Westminster enters into incentive agreements to encourage economic development, redevelopment, attract new jobs, provide affordable housing, retain growing businesses and sustain its tax base. These agreements are entered into pursuant to Resolution No. 53 adopted by City Council on December 12, 1988 and may be granted to any business located within or relocating within the City. These agreements provide for the City to forgo revenue by waiving or rebating certain taxes. This reduction of revenue meets the definition of a tax abatement under Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*. The incentive agreements entered into by the City traditionally include clawback provisions should the recipient of the tax abatement fail to fully meet its commitments which typically include new construction, improvements to existing facilities and continuing business operations for a set period of time.

Incentive programs offered by the City may include one or more of the following tax abatements:

- rebate or waiver of all or a portion of City imposed construction use tax
- rebate or waiver of City use tax reported or City sales tax paid on the purchase of furniture, fixtures and equipment related to the location of the business or relocation of the business in the City for a period of time
- rebate of City sales tax or accommodations tax collected from customers for a period of time

In addition to the above noted tax abatements, the City may also agree to waive, reduce or rebate certain City imposed fees such as public land dedication fees, park development fees or conference center fees on a case by case basis. The City is not subject to any tax abatement agreement entered into by other governmental entities.

Tax abatements granted for the year ended December 31, 2017 were as follows:

Tax Abatement Program	Amount of Taxes Abated
Development and Redevelopment	
Sales and Use Tax	\$ 325,293
Building Use Tax	1,256,879
Accommodations Tax	615,881
Affordable Housing	
Building Use Tax	169,261
Total	<u>\$ 2,367,314</u>

Q. Property Held for Resale

The City purchased a 40,000 square foot/.9183 acre parcel located at the southwest corner of 92nd Avenue and Lowell Boulevard which is intended to be sold at a later date for development purposes. At December 31, 2017, the land held for resale was reported as property held for resale in the financial statements of the General Fund at a cost of \$31,474.

The City is holding an approximate 96,163 square foot parcel of land in the South Westminster Transportation Oriented District which is intended to be sold at a later date for development purposes. At December 31, 2017, the property held for resale was reported in the General Capital Improvement Fund at a cost of \$271,529.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

WEDA acquired the abandoned portions of a townhome project within the Holly Park urban renewal area with the intention to clean-up the abandoned areas and ready the land for sale. WEDA continues to maintain the property as a potential redevelopment site of approximately 5.7 acres. At December 31, 2017, the property was reported in the financial statements at the fair market value of \$250,000.

WEDA has also acquired approximately 95% of the 105-acre Westminster Center Urban Reinvestment Project site now known as Downtown Westminster. This site is at the center of the City's ambitious journey to become the next urban center on the Colorado Front Range. WEDA has conveyed approximately 40 acres to the City for public green space and right-of-way. Construction of the first phase (and majority) of planned utilities and roads was completed in 2017. Two of six projects comprising the first phase are currently under construction and are scheduled to open first quarter 2018. Four additional projects are expected to begin construction in mid to late 2018. At December 31, 2017, the properties still held by WEDA were reported as property held for resale in the financial statements at value of \$14,916,305, which is cost.

The City acquired five properties located in the 7200 block of Lowell Boulevard. The properties were acquired with Section 108 Loan Guarantee Funds. The City has an agreement with a developer. Upon development plan approval, the City plans to convey these properties to the developer in exchange for the developer assuming the debt. As of December 31, 2017, the properties held for resale were reported as property held for resale in the financial statements of the Community Development Block Grant fund at a cost of \$1,210,223.

R. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2017, Industrial Revenue Bonds outstanding aggregated \$38,635,000.

S. Pollution Remediation

The State of Colorado, Department of Labor and Employment, Division of Oil and Public Safety (OPS) recognizes the City of Westminster as the sole responsible party for the pollution remediation of a leak from underground gas storage tanks at the Municipal Service Center discovered in 1986. Various remediation efforts have been undertaken since that time.

In 2016, several components of the current remediation system were found to be non-functioning and were decommissioned during 2017. As a result a new exposure based Natural Source Zone Depletion (NSZD) strategy was presented to and approved by OPS. A consultant estimates the long-term (30 years) cost to implement this remediation strategy at approximately \$454,000, which is recorded in the Utility fund. Changes in cost elements are possible as a result of the effectiveness of remediation efforts and new information.

T. Debt Issues

On February 25, 2017 the City initiated a \$492,064 lease purchase agreement with UMB Banc Leasing Corp. for golf equipment. Lease payments will be made quarterly beginning on January 25, 2018 at an interest rate of 2.330%

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

U. Change in Fund Type of Westminster Housing Authority Fund

The Westminster Housing Authority Fund changed fund type from a proprietary fund to a governmental fund. The Westminster Housing Authority Fund is presented as a non-major governmental (special revenue) fund in the current year. This change required an adjustment of beginning net position as reported in a proprietary fund, which uses the economic resources measurement focus and basis of accounting, to beginning fund balance as reported in a governmental fund, which uses the current financial resources measurement focus and basis of accounting.

Beginning fund balance for the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances has been adjusted as follows:

Beginning fund balance, as previously reported, December 31, 2016	\$ 146,959,129
Change in fund type	2,324,696
Less capital assets, net of accumulated depreciation	(938,622)
Less deferred inflows of resources for notes receivable	(396,877)
Beginning fund balance, as adjusted for Governmental Funds, December 31, 2016	<u><u>\$ 147,948,326</u></u>

Beginning net position for the Enterprise Funds Statement of Revenues, Expenditures and Changes in Net Position has been adjusted as follows:

Beginning net position, as previously reported, December 31, 2016	\$ 496,146,786
Change in fund type	(2,324,696)
Beginning net position, as adjusted for Enterprise Funds, December 31, 2016	<u><u>\$ 493,822,090</u></u>

Beginning net position for the government-wide Statement of Activities, Governmental Activities has been adjusted as follows:

Beginning net position, as previously reported, December 31, 2016	\$ 424,550,775
Change in fund type	989,197
Capital assets	938,622
Beginning net position adjusted for Governmental Activities, December 31, 2016	<u><u>\$ 426,478,594</u></u>

Beginning net position for the government-wide Statement of Activities, Business-type Activities has been adjusted as follows:

Beginning net position, as previously reported, December 31, 2016	\$ 497,451,546
Change in fund type	(2,324,696)
Beginning net position as adjusted for Business Type Activities, December 31, 2016	<u><u>\$ 495,126,850</u></u>

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**Required
Supplemental
Information**

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 4,755,240	\$ 4,755,240	\$ 4,777,003	\$ 21,763
Sales taxes	71,643,255	75,411,397	78,331,462	2,920,065
Use taxes	14,045,293	15,492,626	18,553,705	3,061,079
Business fees and other taxes	5,419,596	5,419,596	5,381,255	(38,341)
Accommodations taxes	1,035,300	1,035,300	1,135,153	99,853
Intergovernmental	7,558,838	8,688,323	9,772,700	1,084,377
Licenses and permits	2,251,500	2,912,161	3,563,800	651,639
Interest	459,706	459,706	327,793	(131,913)
Recreation fees	7,775,308	7,777,830	7,583,862	(193,968)
Fines and forfeits	1,702,000	1,702,000	1,209,734	(492,266)
Fleet maintenance billings and other	4,618,253	4,836,227	5,151,565	315,338
EMS billings	2,393,000	2,393,000	2,410,270	17,270
Total revenues	<u>123,657,289</u>	<u>130,883,406</u>	<u>138,198,302</u>	<u>7,314,896</u>
EXPENDITURES				
General government				
City council	233,054	230,554	162,555	67,999
City attorney's office	1,336,256	1,336,256	1,247,883	88,373
City manager's office	3,406,309	3,785,029	3,198,500	586,529
Central charges	32,622,069	38,919,413	36,699,840	2,219,573
General services	8,833,509	8,866,212	7,904,708	961,504
Finance	2,193,093	2,194,118	2,122,717	71,401
Public safety				
Police	22,972,921	23,777,492	23,499,521	277,971
Fire	13,672,290	14,577,442	14,571,204	6,238
Public works	9,133,026	9,470,289	8,646,817	823,472
Community development	4,943,828	5,049,427	4,583,287	466,140
Culture and recreation	16,267,902	16,402,275	16,374,128	28,147
Total expenditures	<u>115,614,257</u>	<u>124,608,507</u>	<u>119,011,160</u>	<u>5,597,347</u>
Excess of revenues over (under)	<u>8,043,032</u>	<u>6,274,899</u>	<u>19,187,142</u>	<u>12,912,243</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	30,000	30,000	34,901	4,901
Transfers in	390,465	397,965	792,785	394,820
Transfers (out)	(8,028,791)	(17,776,098)	(15,974,345)	1,801,753
Total other financing sources (uses):	<u>(7,608,326)</u>	<u>(17,348,133)</u>	<u>(15,146,659)</u>	<u>2,201,474</u>
Net change in fund balance	<u>\$ 434,706</u>	<u>\$ (11,073,234)</u>	<u>4,040,483</u>	<u>\$ 15,113,717</u>
Fund balance, beginning			<u>43,806,887</u>	
Fund balance, ending			<u><u>\$ 47,847,370</u></u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property tax increment	\$ 12,267,690	\$ 12,269,965	\$ 10,739,052	\$ (1,530,913)
Sales tax increment	559,636	559,636	956,212	396,576
Interest	4,693	4,693	136,161	131,468
Rentals	-	443,624	443,624	-
Other	985	4,794,062	4,889,600	95,538
Total revenues	<u>12,833,004</u>	<u>18,071,980</u>	<u>17,164,649</u>	<u>(907,331)</u>
EXPENDITURES				
General government	904,404	1,273,937	910,717	363,220
Community development	-	4,079,868	4,079,868	-
Capital projects	12,759,418	12,759,417	1,429,570	11,329,847
Debt service:				
Principal	5,857,000	5,857,000	5,857,000	-
Interest and fiscal charges	2,694,942	2,694,942	2,665,694	29,248
Total expenditures	<u>22,215,764</u>	<u>26,665,164</u>	<u>14,942,849</u>	<u>11,722,315</u>
Excess of revenues (under) expenditures	<u>(9,382,760)</u>	<u>(8,593,184)</u>	<u>2,221,800</u>	<u>10,814,984</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	59,541	7,080,155	7,081,436	1,281
Transfers (out)	(400,000)	(2,491,510)	(2,491,510)	-
Total other financing sources (uses):	<u>(340,459)</u>	<u>4,588,645</u>	<u>4,589,926</u>	<u>1,281</u>
Net change in fund balance	<u>\$ (9,723,219)</u>	<u>\$ (4,004,539)</u>	6,811,726	<u>\$ 10,816,265</u>
Fund balance, beginning			35,727,501	
Fund balance, ending			<u>\$ 42,539,227</u>	

Budgetary Information

A biennial city budget is legally adopted by City Council for all fund types, except for the Investigation Recovery Special Revenue Fund, internal service self-insurance funds, and blended component units of the City.

A biennial budget is adopted for the Westminster Economic Development Authority by the Authority's Board and annual budgets are adopted for the Westminster Housing Authority and general improvement districts by their respective Boards.

Budgets for Governmental Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Enterprise Funds and General Capital Outlay Replacement Fund are adopted on a basis consistent with GAAP except that debt proceeds are treated as revenues, capital outlay and debt service principal payments are treated as expenditures, and capital contributions are not budgeted.

Appropriations lapse at year end for legally adopted operating budgets.

Project-length budgets are adopted for all capital projects. At year end, appropriations for incomplete capital projects are carried forward to the following year. The General Capital Improvements Capital Projects Fund, Westminster Economic Development Authority Fund, Community Development Block Grant Fund, Conservation Trust Fund, Utility Enterprise Fund and the Golf Course Fund budget for capital projects.

The General Capital Outlay Replacement Fund uses project length budgeting for capital outlay replacements of fleet vehicles and other equipment. Like capital project budgets, unspent appropriations are carried forward to the following year.

Budgetary comparison schedules for funds with project length budgets include current year and continuing appropriations from the prior year.

The legal level of budgetary control is the department level. Transfers of appropriations between departments and/or funds require the approval of the City Council.

See the disclosure on Construction and Other Significant Commitments, page 59.

CITY OF WESTMINSTER, COLORADO
Schedule of Funding Progress
December 31, 2017

Retiree Health Program

		Actuarial Accrued Liability (AAL) - Projected Unit				UAAAL as a Percentage of	
Actuarial Valuation Date	Value of Assets	Credit Cost Method	Unfunded AAL (UAAAL)	Funded Ratio	Covered Payroll	Covered Payroll	
1/1/2013	\$ -	\$ 2,718,852	\$ 2,718,852	0%	\$ 52,816,246	5.1%	
1/1/2015	-	2,424,602	2,424,602	0%	57,861,424	4.2%	
1/1/2017	-	3,190,419	3,190,419	0%	59,611,390	5.4%	

City of Westminster
Westminster Volunteer Firefighter Pension Plan
Schedule of Changes in Net Pension Liability(Asset) and Related Ratios
Last 10 Fiscal Years**

Measurement period ending December 31,	2016	2015	2014
Total Pension Liability			
Service Cost	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	116,377	121,049	125,396
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	(52,369)	-	6,313
Assumption Changes	70,113	-	-
Benefit Payments	(178,710)	(187,810)	(191,450)
Net Change in Total Pension Liability	(44,589)	(66,761)	(59,741)
Total Pension Liability - Beginning	1,639,438	1,706,199	1,765,940
Total Pension Liability - Ending (a)	\$ 1,594,849	\$ 1,639,438	\$ 1,706,199
Plan Fiduciary Net Position			
Employer Contributions	\$ -	\$ -	\$ -
Pension Plan Net Investment Income	124,098	46,269	170,962
Benefit Payments	(178,710)	(187,810)	(191,450)
Pension Plan Administrative Expense	(3,989)	(4,705)	(4,277)
State of Colorado Supplemental Discretionary Payment	-	-	-
Net Change in Plan Fiduciary Net Position	(58,601)	(146,246)	(24,765)
Plan Fiduciary Net Position - Beginning	2,420,181	2,566,427	2,591,192
Plan Fiduciary Net Position - Ending (b)	\$ 2,361,580	\$ 2,420,181	\$ 2,566,427
Net Pension Liability(Asset) - Ending (a) - (b)	\$ (766,731)	\$ (780,743)	\$ (860,228)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	148.08%	147.62%	150.42%
*Covered Payroll	N/A	N/A	N/A
*Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

*Covered payroll is not applicable for volunteer pension plans.

**Information above is presented as of the measurement date. Information is not currently available for prior years; additional years will be displayed as they become available.

City of Westminster						
Westminster Volunteer Firefighter Pension Plan						
Schedule of Contributions						
Last 10 Fiscal Years***						
FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a % of Covered Payroll	
(a)	(b)	(c)	(d)=(b)-(c)	(e)	(f)	
2014	\$ -	\$ -	\$ -	N/A	N/A	
2015	-	-	-	N/A	N/A	
2016	-	-	-	N/A	N/A	
2017	-	-	-	N/A	N/A	

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

**Volunteer firefighters are not paid; therefore, the covered payroll and actual contribution as a

***Information is not currently available for prior years; additional years will be displayed as the become

Notes to Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017. The actuarial valuation as of January 1, 2017 determines the contribution amounts for 2018 and 2019.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Changes of assumptions. The assumptions shown above pertain to the actuarial valuation as of January 1, 2015 and the associated Actuarially Determined Contribution for the year ending December 31, 2016. Following a regularly scheduled experience study in 2015, the FPPA Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations. The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown are as follows:

Inflation:	2.50%
Mortality:	<i>Pre-retirement.</i> RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. <i>Post-retirement.</i> For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rates for males and 2% rate for females.

City of Westminster
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)
Fire & Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 fiscal years*

	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	1.931%	2.063%	2.095%	2.123%
City's proportionate share of the net pension liability (asset)	\$ 697,573	\$ (36,368)	\$ (2,364,925)	\$ (1,898,788)
City's covered payroll	\$ 8,856,168	\$ 8,889,916	\$ 8,366,305	\$ 8,149,551
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.88%	-0.41%	-28.27%	-23.30%
Plan fiduciary net position as a percentage of the total pension liability	98.21%	100.10%	106.80%	105.80%

Information above is presented as of the measurement date.

* Information is not currently available for prior years; additional years will be displayed as they become available.

City of Westminster
Westminster Fire: FPPA Statewide Defined Benefit
Schedule of Employer Contributions
Last 10 fiscal years*

	2017	2016	2015	2014
Statutorily required contribution	\$ 408,032	\$ 380,840	\$ 363,791	\$ 331,008
Contributions in relation to the statutorily required contribution	408,032	380,840	363,791	331,008
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 5,100,367	\$ 4,760,395	\$ 4,547,383	\$ 4,137,588
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%

Information above is presented as of the fiscal year.

*Information is not currently available for prior years; additional years will be displayed as they become available.

Notes:

Actuarial Valuations done every year.

Changes of assumptions: FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Effective with the December 31, 2012 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the December 31, 2013 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% (which is unchanged from the prior year), an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.

City of Westminster
Westminster Fire: FPPA Statewide Defined Benefit - Re-entry
Schedule of Employer Contributions
Last 10 fiscal years*

	2017	2016	2015	2014
Statutorily required contribution	\$ 405,605	\$ 409,577	\$ 434,257	\$ 422,872
Contributions in relation to the statutorily required contribution	405,605	409,577	434,257	422,872
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 4,064,755	\$ 4,095,773	\$ 4,342,533	\$ 4,228,717
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

Information above is presented as of the fiscal year.

*Information is not currently available for prior years; additional years will be displayed as they become available.

Notes:

Actuarial Valuations done every year.

Changes of assumptions: FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Effective with the December 31, 2012 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the December 31, 2013 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% (which is unchanged from the prior year), an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.

City of Westminster
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)
Fire & Police Pension Association of Colorado - Statewide Hybrid Defined Benefit Plan
Last 10 fiscal years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	5.641%	5.178%	4.769%	5.576%
City's proportionate share of the net pension liability (asset)	\$ (614,060)	\$ (545,354)	\$ (565,544)	\$ (568,776)
City's covered payroll	\$ 729,525	\$ 681,843	\$ 590,284	\$ 721,382
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-84.17%	-79.98%	-95.81%	-78.85%
Plan fiduciary net position as a percentage of the total pension liability	127.50%	129.44%	140.60%	139.00%

Information above is presented as of the measurement date.

*Information is not currently available for prior years; additional years will be displayed as they become available.

City of Westminster
Westminster Fire: FPPA Statewide Hybrid Defined Benefit
Schedule of Employer Contributions
Last 10 fiscal years*

	2017	2016	2015	2014
Statutorily required contribution	\$ 74,871	\$ 72,952	\$ 68,184	\$ 59,028
Contributions in relation to the statutorily required contribution	74,871	72,952	68,184	59,028
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 748,707	\$ 729,525	\$ 681,843	\$ 590,284
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

Information above is presented as of the fiscal year.

* Information is not currently available for prior years; additional years will be displayed as they become available.

Notes:

Actuarial Valuations done every year.

Changes of assumptions: FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Effective with the December 31, 2012 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the December 31, 2013 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% (which is unchanged from the prior year), an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.

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Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

Parks, Open Space & Trails Sales and Use Tax Fund - accounts for revenues from the City's 0.25 percent sales and use tax which was approved by Westminster voters. Spending is restricted to land acquisition to preserve open space and scenic vistas, and up to one-half of the revenues may be used for the development of additional park land, trails, and enhancement of existing parks.

Sheridan Crossing General Improvement District Fund - accounts for revenues provided for and expenditures associated with the operation and maintenance of commons areas within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Amherst General Improvement District Fund - accounts for revenues provided for and expenditures associated with the operation and maintenance of commons areas within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

136th Avenue General Improvement District Fund - accounts for revenues provided for and expenditures associated with the building of an interchange within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Orchard Park Place North General Improvement District Fund - accounts for revenues provided for and expenditures associated with District improvements, maintenance of the improvements, and District administration. Revenues are provided by ad valorem property taxes levied and received by the District.

Mandalay Town Center General Improvement District Fund - accounts for revenues provided for and expenditures associated with debt service for infrastructure improvements within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

144th Avenue General Improvement District Fund - accounts for revenues provided for and expenditures associated with debt service for infrastructure improvements within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Park 1200 General Improvement District Fund - accounts for revenues provided for and expenditures associated with operation and maintenance of common park areas within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Conservation Trust Fund - accounts for lottery proceeds received from the State of Colorado. Spending is restricted to the development or improvement of City parks. The City's share is determined by population data and the existence of special recreational districts.

Investigation Recovery Fund - accounts for proceeds from police seizures, forfeitures and restitutions. Spending is restricted by both Federal and State law to Police Department equipment, commodities, and/or training needs above budgeted amounts. In 2017, the City of Westminster did receive federal forfeited assets.

Westminster Housing Authority Fund - is the general fund of the blended component unit that accounts for activities related to providing affordable housing within the City including partnering with for-profit and non-profit housing developers to construct or rehabilitate residences. Funds held by the WHA are used to leverage other funding sources such as Low Income Housing Tax Credits.

Debt Service Fund

General Debt Service Fund - accumulates monies for payment of the following bond issues:

- a) 2001 Sales and Use Tax Revenue Refunding Bonds of \$13,275,000 originally issued; \$980,000 remaining after 2010 refunding, due in annual installments through December 1, 2021; interest at 4.6 to 5.0 percent. Financing is provided by the City's 3.0 percent sales and use tax.
- b) 2010 Sales and Use Tax Revenue Refunding Bonds of \$10,545,000 in annual installments through December 1, 2022; interest at 3.0 to 5.0 percent. Financing is provided by the City's 3.0 percent sales and use tax.
- c) 2015 Sales and Use Tax Revenue Refunding Bonds of \$18,500,000 in annual installments through December 1, 2031; interest at 2.0 to 5.0 percent. Financing is provided by the City's 3.0 percent sales and use tax.

Capital Projects Fund

Community Development Block Grant Fund - accounts for monies received from the Federal government through Community Development Block Grant entitlements and the Section 108 Loan Guarantee Program. Community Development Block Grant entitlements are used to finance low income and senior housing. Section 108 loan Guarantee Program Funds are used for economic and community development activities. Additional financing is provided by General Fund revenues and investment earnings.

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CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue Funds				
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID	Orchard Park Place GID
ASSETS					
Cash and cash equivalents	\$ 148,156	\$ 141,892	\$ 46,330	\$ 897	\$ 151
Investments	1,479,935	1,417,361	462,792	8,961	1,506
Receivables:					
Taxes	738,988	122,997	80,945	10,437	3,417
Accounts	55,625	1,188	542	1,756	480
Note and leases	-	-	-	-	-
Grants	145,148	-	-	-	-
Interest	5,294	4,911	1,611	-	-
Property held for resale	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Total assets	<u>\$ 2,573,146</u>	<u>\$ 1,688,349</u>	<u>\$ 592,220</u>	<u>\$ 22,051</u>	<u>\$ 5,554</u>
LIABILITIES					
Accounts payable and other	\$ 7,883	\$ 52	\$ 613	\$ -	\$ -
Accrued liabilities	13,504	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued interest	-	-	-	-	-
Total liabilities	<u>21,387</u>	<u>52</u>	<u>613</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>122,997</u>	<u>80,945</u>	<u>10,437</u>	<u>3,417</u>
FUND BALANCES					
Nonspendable:					
Property held for resale	-	-	-	-	-
Restricted for:					
Capital additions and improvements	-	1,560,484	508,288	-	673
Contractual obligations	-	-	-	4,285	-
Emergencies	-	4,816	2,374	7,329	1,464
Open space conservation and improvements	2,197,496	-	-	-	-
Public safety	-	-	-	-	-
Assigned to:					
Community development	354,263	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>2,551,759</u>	<u>1,565,300</u>	<u>510,662</u>	<u>11,614</u>	<u>2,137</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,573,146</u>	<u>\$ 1,688,349</u>	<u>\$ 592,220</u>	<u>\$ 22,051</u>	<u>\$ 5,554</u>

Special Revenue Funds (Continued)

Mandalay Town Center GID	144th Avenue GID	Park 1200 GID	Conservation Trust	Investigation Recovery	Westminster Housing Authority	Total Special Revenue Funds
\$ 756	\$ 1,007	\$ 43	\$ -	\$ 3,635	\$ 90,635	\$ 433,502
7,549	11,586	428	-	36,304	905,354	4,331,776
30,996	35,638	4,890	-	-	-	1,028,308
4,274	5,972	33	-	-	-	69,870
-	-	-	-	-	396,877	396,877
-	-	-	-	-	-	145,148
-	77	-	9,898	153	3,146	25,090
-	-	-	-	-	-	-
-	-	-	282,770	-	-	282,770
-	-	-	2,824,596	-	-	2,824,596
<u>\$ 43,575</u>	<u>\$ 54,280</u>	<u>\$ 5,394</u>	<u>\$ 3,117,264</u>	<u>\$ 40,092</u>	<u>\$ 1,396,012</u>	<u>\$ 9,537,937</u>
\$ -	\$ -	\$ -	\$ 14,099	\$ -	\$ 6,003	\$ 28,650
-	-	-	-	-	-	13,504
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	14,099	-	6,003	42,154
<u>30,996</u>	<u>35,638</u>	<u>4,890</u>	<u>-</u>	<u>-</u>	<u>396,877</u>	<u>686,197</u>
-	-	-	-	-	-	-
-	-	366	3,103,165	-	-	5,172,976
10,123	15,331	-	-	-	-	29,739
2,456	3,311	138	-	-	787	22,675
-	-	-	-	-	-	2,197,496
-	-	-	-	40,092	-	40,092
-	-	-	-	-	-	-
-	-	-	-	-	992,345	1,346,608
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,579</u>	<u>18,642</u>	<u>504</u>	<u>3,103,165</u>	<u>40,092</u>	<u>993,132</u>	<u>8,809,586</u>
<u>\$ 43,575</u>	<u>\$ 54,280</u>	<u>\$ 5,394</u>	<u>\$ 3,117,264</u>	<u>\$ 40,092</u>	<u>\$ 1,396,012</u>	<u>\$ 9,537,937</u>

CITY OF WESTMINSTER, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 312, 2017
 (Continued)

	Debt Service Fund	Capital Project Fund	Total Other Governmental Funds
	Debt Service	Community Development Block Grant	
ASSETS			
Cash and cash equivalents	\$ 19,498	\$ -	\$ 453,000
Investments	194,764	-	4,526,540
Receivables:			
Taxes	-	-	1,028,308
Accounts	-	-	69,870
Note and leases	-	-	396,877
Grants	-	193,919	339,067
Interest	691	-	25,781
Property held for resale	-	1,210,223	1,210,223
Restricted assets:			
Cash and cash equivalents	-	-	282,770
Investments	-	-	2,824,596
Total assets	<u>\$ 214,953</u>	<u>\$ 1,404,142</u>	<u>\$ 11,157,032</u>
LIABILITIES			
Accounts payable and other	\$ -	\$ 47,220	\$ 75,870
Accrued liabilities	-	2,795	16,299
Due to other funds	-	143,794	143,794
Accrued interest	-	2,380	2,380
Total liabilities	<u>-</u>	<u>196,189</u>	<u>238,343</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>193,919</u>	<u>880,116</u>
FUND BALANCES			
Nonspendable:			
Property held for resale	-	1,210,223	1,210,223
Restricted for:			
Capital additions and improvements	-	-	5,172,976
Contractual obligations	-	-	29,739
Emergencies	-	-	22,675
Open space conservation and improvements	-	-	2,197,496
Public safety	-	-	40,092
Assigned to:			
Community development	-	-	1,346,608
Debt service	214,953	-	214,953
Unassigned	-	(196,189)	(196,189)
Total fund balances	<u>214,953</u>	<u>1,014,034</u>	<u>10,038,573</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 214,953</u>	<u>\$ 1,404,142</u>	<u>\$ 11,157,032</u>

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds				
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID	Orchard Park Place GID
REVENUES					
Property taxes	\$ -	\$ 137,317	\$ 69,123	\$ 10,328	\$ 1,950
Sales taxes	5,503,058	-	-	-	-
Use taxes	1,307,835	-	-	-	-
Intergovernmental	218,898	13,254	6,667	233,903	46,838
Interest	12,273	9,949	3,334	80	16
Fines and forfeitures	-	-	-	-	-
Other	12,539	-	-	-	-
Total revenues	<u>7,054,603</u>	<u>160,520</u>	<u>79,124</u>	<u>244,311</u>	<u>48,804</u>
EXPENDITURES					
Current:					
General government	-	30,165	35,069	10,155	15,879
Public safety	-	-	-	-	-
Community development	1,577,954	-	-	-	-
Capital projects	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,577,954</u>	<u>30,165</u>	<u>35,069</u>	<u>10,155</u>	<u>15,879</u>
Excess of revenues over (under) expenditures	<u>5,476,649</u>	<u>130,355</u>	<u>44,055</u>	<u>234,156</u>	<u>32,925</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	28,535	-	-	-	-
Transfers (out)	(5,460,516)	-	-	(229,751)	(31,600)
Total other financing sources (uses):	<u>(5,431,981)</u>	<u>-</u>	<u>-</u>	<u>(229,751)</u>	<u>(31,600)</u>
Net change in fund balance	44,668	130,355	44,055	4,405	1,325
Fund balance, beginning, as adjusted	2,507,091	1,434,945	466,607	7,209	812
Fund balance, ending	<u>\$ 2,551,759</u>	<u>\$ 1,565,300</u>	<u>\$ 510,662</u>	<u>\$ 11,614</u>	<u>\$ 2,137</u>

Special Revenue Funds (Continued)

Mandalay Town Center GID	144th Ave GID	Park 1200 GID	Conservation Trust	Investigation Recovery	Westminster Housing Authority	Total Special Revenue Funds
\$ 25,050	\$ 35,655	\$ 4,224	\$ -	\$ -	\$ -	\$ 283,647
-	-	-	-	-	-	5,503,058
-	-	-	-	-	-	1,307,835
56,626	74,534	377	814,922	-	-	1,466,019
207	161	(3)	18,189	216	6,745	51,167
-	-	-	-	30,244	-	30,244
-	-	-	-	-	19,491	32,030
<u>81,883</u>	<u>110,350</u>	<u>4,598</u>	<u>833,111</u>	<u>30,460</u>	<u>26,236</u>	<u>8,674,000</u>
14,676	14,834	4,094	-	-	10,511	135,383
-	-	-	-	13,698	-	13,698
-	-	-	-	-	-	1,577,954
-	-	-	479,742	-	3,390	483,132
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,676</u>	<u>14,834</u>	<u>4,094</u>	<u>479,742</u>	<u>13,698</u>	<u>13,901</u>	<u>2,210,167</u>
<u>67,207</u>	<u>95,516</u>	<u>504</u>	<u>353,369</u>	<u>16,762</u>	<u>12,335</u>	<u>6,463,833</u>
-	-	-	-	-	-	28,535
<u>(60,822)</u>	<u>(94,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,400)</u>	<u>(5,885,909)</u>
<u>(60,822)</u>	<u>(94,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,400)</u>	<u>(5,857,374)</u>
6,385	696	504	353,369	16,762	3,935	606,459
6,194	17,946	-	2,749,796	23,330	989,197	8,203,127
<u>\$ 12,579</u>	<u>\$ 18,642</u>	<u>\$ 504</u>	<u>\$ 3,103,165</u>	<u>\$ 40,092</u>	<u>\$ 993,132</u>	<u>\$ 8,809,586</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

	Debt Service Fund	Capital Project Fund	Total Other Governmental Funds
	Debt Service	Community Development Block Grant	
REVENUES			
Property taxes	\$ -	\$ -	\$ 283,647
Sales taxes	-	-	5,503,058
Use taxes	-	-	1,307,835
Intergovernmental	-	603,046	2,069,065
Interest	12,932	-	64,099
Fines and forfeits	-	-	30,244
Other	-	-	32,030
Total revenues	<u>12,932</u>	<u>603,046</u>	<u>9,289,978</u>
EXPENDITURES			
Current:			
General government	-	-	135,383
Public safety	-	-	13,698
Community development	-	-	1,577,954
Capital projects	-	766,578	1,249,710
Debt service:			
Principal	2,185,000	-	2,185,000
Interest and fiscal charges	1,132,519	12,246	1,144,765
Total expenditures	<u>3,317,519</u>	<u>778,824</u>	<u>6,306,510</u>
Excess of revenues over (under) expenditures	<u>(3,304,587)</u>	<u>(175,778)</u>	<u>2,983,468</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,297,470	8,400	3,334,405
Transfers (out)	-	-	(5,885,909)
Total other financing sources (uses):	<u>3,297,470</u>	<u>8,400</u>	<u>(2,551,504)</u>
Net change in fund balance	(7,117)	(167,378)	431,964
Fund balance, beginning, as adjusted	222,070	1,181,412	9,606,609
Fund balance, ending	<u>\$ 214,953</u>	<u>\$ 1,014,034</u>	<u>\$ 10,038,573</u>

BUDGETARY COMPARISON SCHEDULES

GOVERNMENTAL FUNDS

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Accommodations taxes	\$ 2,880,881	\$ 3,327,893	\$ 447,012
Intergovernmental	5,893,008	5,356,189	(536,819)
Interest	435,500	378,644	(56,856)
Contributions	1,654,509	3,759,405	2,104,896
Other	303,678	10,256	(293,422)
Total revenues	<u>11,167,576</u>	<u>12,832,387</u>	<u>1,664,811</u>
EXPENDITURES			
Governmental Activities:			
General government	2,044,596	2,044,596	-
Capital projects	72,856,709	24,743,432	48,113,277
Debt service:			
Interest and fiscal charges	7,604	7,604	-
Total expenditures	<u>74,908,909</u>	<u>26,795,632</u>	<u>48,113,277</u>
	-	-	-
Excess of revenues under expenditures	<u>(63,741,333)</u>	<u>(13,963,245)</u>	<u>49,778,088</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	13,107,770	19,893,235	6,785,465
Transfers out	(7,093,500)	(7,093,500)	-
Total other financing sources (uses):	<u>6,014,270</u>	<u>12,799,735</u>	<u>6,785,465</u>
Net change in fund balance	<u>\$ (57,727,063)</u>	<u>(1,163,510)</u>	<u>\$ 56,563,553</u>
Fund balance, beginning		58,807,329	
Fund balance, ending		<u>\$ 57,643,819</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Sales taxes	\$ 5,279,500	\$ 5,503,058	\$ 223,558
Use taxes	1,064,228	1,307,835	243,607
Intergovernmental	48,466	218,898	170,432
Interest	18,000	12,273	(5,727)
Other	110,880	12,539	(98,341)
Total revenues	<u>6,521,074</u>	<u>7,054,603</u>	<u>533,529</u>
EXPENDITURES			
Community development	<u>1,942,949</u>	<u>1,577,954</u>	<u>364,995</u>
Total expenditures	<u>1,942,949</u>	<u>1,577,954</u>	<u>364,995</u>
Excess of revenues over expenditures	<u>4,578,125</u>	<u>5,476,649</u>	<u>898,524</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	28,535	28,535	-
Transfers (out)	(5,460,516)	(5,460,516)	-
Total other financing sources (uses):	<u>(5,431,981)</u>	<u>(5,431,981)</u>	<u>-</u>
Net change in fund balance	<u>\$ (853,856)</u>	44,668	<u>\$ 898,524</u>
Fund balance, beginning		2,507,091	
Fund balance, ending		<u>\$ 2,551,759</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 136,401	\$ 137,317	\$ 916
Intergovernmental	8,000	13,254	5,254
Interest	17,400	9,949	(7,451)
Total revenues	<u>161,801</u>	<u>160,520</u>	<u>(1,281)</u>
EXPENDITURES			
General government	100,547	30,165	70,382
Total expenditures	<u>100,547</u>	<u>30,165</u>	<u>70,382</u>
Net change in fund balance	<u>\$ 61,254</u>	130,355	<u>\$ 69,101</u>
Fund balance, beginning		1,434,945	
Fund balance, ending		<u>\$ 1,565,300</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMHERST GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 69,085	\$ 69,123	\$ 38
Intergovernmental	5,000	6,667	1,667
Interest	5,218	3,334	(1,884)
Total revenues	<u>79,303</u>	<u>79,124</u>	<u>(179)</u>
EXPENDITURES			
General government	65,105	35,069	30,036
Total expenditures	<u>65,105</u>	<u>35,069</u>	<u>30,036</u>
Net change in fund balance	<u>\$ 14,198</u>	44,055	<u>\$ 29,857</u>
Fund balance, beginning		466,607	
Fund balance, ending		<u>\$ 510,662</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
136TH AVENUE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 9,068	\$ 10,328	\$ 1,260
Intergovernmental	230,771	233,903	3,132
Interest	158	80	(78)
Total revenues	<u>239,997</u>	<u>244,311</u>	<u>4,314</u>
EXPENDITURES			
General government	<u>10,236</u>	<u>10,155</u>	<u>81</u>
Total expenditures	<u>10,236</u>	<u>10,155</u>	<u>81</u>
Income (loss) before transfers	229,761	234,156	4,395
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(229,751)</u>	<u>(229,751)</u>	<u>-</u>
Net change in fund balance	<u>\$ 10</u>	4,405	<u>\$ 4,395</u>
Fund balance, beginning		7,209	
Fund balance, ending		<u>\$ 11,614</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
ORCHARD PARK PLACE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 9,859	\$ 1,950	\$ (7,909)
Intergovernmental	236,240	46,838	(189,402)
Interest	10	16	6
Total revenues	<u>246,109</u>	<u>48,804</u>	<u>(197,305)</u>
EXPENDITURES			
General government	32,439	15,879	16,560
Total expenditures	<u>32,439</u>	<u>15,879</u>	<u>16,560</u>
Income (loss) before transfers	213,670	32,925	(180,745)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(207,600)	(31,600)	176,000
Net change in fund balance	<u>\$ 6,070</u>	1,325	<u>\$ (4,745)</u>
Fund balance, beginning		812	
Fund balance, ending		<u>\$ 2,137</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 136,401	\$ 25,050	\$ (111,351)
Intergovernmental	46,000	56,626	10,626
Interest	193	207	14
Total revenues	<u>182,594</u>	<u>81,883</u>	<u>(100,711)</u>
EXPENDITURES			
General government	<u>14,806</u>	<u>14,676</u>	<u>130</u>
Total expenditures	<u>14,806</u>	<u>14,676</u>	<u>130</u>
Income (loss) before transfers	167,788	67,207	(100,581)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(60,822)</u>	<u>(60,822)</u>	<u>-</u>
Net change in fund balance	<u>\$ 106,966</u>	6,385	<u>\$ (100,581)</u>
Fund balance, beginning		6,194	
Fund balance, ending		<u>\$ 12,579</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
144th AVENUE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 31,047	\$ 35,655	\$ 4,608
Intergovernmental	66,000	74,534	8,534
Interest	420	161	(259)
Total revenues	<u>97,467</u>	<u>110,350</u>	<u>12,883</u>
EXPENDITURES			
General government	<u>14,834</u>	<u>14,834</u>	<u>-</u>
Total expenditures	<u>14,834</u>	<u>14,834</u>	<u>-</u>
Income (loss) before transfers	82,633	95,516	12,883
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(94,820)</u>	<u>(94,820)</u>	<u>-</u>
Net change in fund balance	<u>\$ (12,187)</u>	<u>696</u>	<u>\$ 12,883</u>
Fund balance, beginning		17,946	
Fund balance, ending		<u>\$ 18,642</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARK 1200 GENERAL IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 4,227	\$ 4,224	\$ (3)
Intergovernmental	-	377	377
Interest	5	(3)	(8)
Total revenues	<u>4,232</u>	<u>4,598</u>	<u>366</u>
EXPENDITURES			
General government	4,105	4,094	11
Total expenditures	<u>4,105</u>	<u>4,094</u>	<u>11</u>
Net change in fund balance	<u>\$ 127</u>	504	<u>\$ 377</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ 504</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 825,000	\$ 814,922	\$ (10,078)
Interest	17,000	18,189	1,189
Total revenues	<u>842,000</u>	<u>833,111</u>	<u>(8,889)</u>
EXPENDITURES			
Capital projects	<u>3,242,224</u>	<u>479,742</u>	<u>2,762,482</u>
Total expenditures	<u>3,242,224</u>	<u>479,742</u>	<u>2,762,482</u>
Net change in fund balance	<u>\$ (2,400,224)</u>	353,369	<u>\$ 2,753,593</u>
Fund balance, beginning		2,749,796	
Fund balance, ending		<u>\$ 3,103,165</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
INVESTIGATION RECOVERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest	\$ -	\$ 216	\$ 216
Fines and forfeits	30,244	30,244	-
Total revenues	<u>30,244</u>	<u>30,460</u>	<u>216</u>
EXPENDITURES			
Public safety	30,244	13,698	16,546
Total expenditures	<u>30,244</u>	<u>13,698</u>	<u>16,546</u>
Net change in fund balance	<u>\$ -</u>	16,762	<u>\$ (16,330)</u>
Fund balance, beginning		23,330	
Fund balance, ending		<u>\$ 40,092</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest	\$ -	\$ 6,745	\$ 6,745
Rentals	10	-	(10)
Other	-	19,491	19,491
Total revenues	<u>10</u>	<u>26,236</u>	<u>26,226</u>
EXPENDITURES			
General government	11,000	10,511	489
Capital projects	363,042	3,390	359,652
Total expenditures	<u>374,042</u>	<u>13,901</u>	<u>360,141</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(8,400)</u>	<u>(8,400)</u>	<u>-</u>
Net change in fund balance	<u>\$ (382,432)</u>	<u>3,935</u>	<u>\$ 386,367</u>
Fund balance, beginning		989,197	
Fund balance, ending		<u>\$ 993,132</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest	\$ 22,650	\$ 12,932	\$ (9,718)
Total revenues	<u>22,650</u>	<u>12,932</u>	<u>(9,718)</u>
EXPENDITURES			
Debt service:			
Principal	2,185,000	2,185,000	-
Interest and fiscal charges	1,133,719	1,132,519	1,200
Total expenditures	<u>3,318,719</u>	<u>3,317,519</u>	<u>1,200</u>
Income (loss) before transfers	(3,296,069)	(3,304,587)	(8,518)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>3,299,719</u>	<u>3,297,470</u>	<u>(2,249)</u>
Net change in fund balance	<u>\$ 3,650</u>	(7,117)	<u>\$ (10,767)</u>
Fund balance, beginning		222,070	
Fund balance, ending		<u>\$ 214,953</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 609,636	\$ 603,046	\$ (6,590)
Total Revenues	<u>609,636</u>	<u>603,046</u>	<u>(6,590)</u>
EXPENDITURES			
Capital projects	1,564,382	766,578	797,804
Debt service:			
Interest and fiscal charges	<u>8,400</u>	<u>12,246</u>	<u>(3,846)</u>
Total expenditures	<u>1,572,782</u>	<u>778,824</u>	<u>793,958</u>
Income (loss) before transfers	(963,146)	(175,778)	787,368
OTHER FINANCING SOURCES AND (USES)			
Transfers in	<u>8,400</u>	<u>8,400</u>	<u>-</u>
Net change in fund balance	<u>\$ (954,746)</u>	<u>(167,378)</u>	<u>\$ 787,368</u>
Fund balance, beginning		1,181,412	
Fund balance, ending		<u>\$ 1,014,034</u>	

BUDGETARY COMPARISON SCHEDULES

PROPRIETARY FUNDS

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 59,793,431	\$ 57,918,080	\$ (1,875,351)
Other	522,144	391,538	(130,606)
Total operating revenues	<u>60,315,575</u>	<u>58,309,618</u>	<u>(2,005,957)</u>
Operating expenses			
Personnel services	18,959,969	18,490,695	469,274
Contractual services	15,544,304	14,451,317	1,092,987
Commodities	2,398,677	1,763,440	635,237
Capital expense	127,462,497	38,865,988	88,596,509
Insurance and other expenses	-	130	(130)
Total operating expenses	<u>164,365,447</u>	<u>73,571,570</u>	<u>90,793,877</u>
Operating loss	<u>(104,049,872)</u>	<u>(15,261,952)</u>	<u>88,787,920</u>
Nonoperating revenues (expenses)			
Income on investments	1,211,961	1,033,220	(178,741)
Debt service	(10,508,513)	(9,752,929)	755,584
Disposition of assets	-	89,788	89,788
Contributions	13,210,858	11,800,672	(1,410,186)
Other	-	448,636	448,636
Total nonoperating revenues (expenses)	<u>3,914,306</u>	<u>3,619,387</u>	<u>(294,919)</u>
Income before transfers	(100,135,566)	(11,642,565)	88,493,001
Transfers in	3,603,745	16,284,934	12,681,189
Transfers (out)	(16,421,531)	(16,421,531)	-
Change in net position	<u>\$ (112,953,352)</u>	<u>(11,779,162)</u>	<u>\$ 101,174,190</u>
Adjustments to GAAP basis			
Debt			
Principal payments		6,066,313	
Amortization of prepaid bond sale expense		(9,764)	
Amortization of premiums and discounts		462,975	
Amortization of loss on refunding		14,709	
Accrued interest adjustment		618,769	
Capital assets			
Acquisitions		36,576,898	
Net book value of disposals		(11,276)	
Capital contributions		1,000,000	
Depreciation		(13,392,516)	
Inventories		(290,035)	
General leave accrual		(107,991)	
Change in net position, GAAP basis		<u>\$ 19,148,920</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 3,506,656	\$ 3,748,446	\$ 241,790
Other	-	5,492	5,492
Total operating revenues	<u>3,506,656</u>	<u>3,753,938</u>	<u>247,282</u>
Operating Expenses			
Personnel services	1,778,120	1,722,419	55,701
Contractual services	1,474,841	1,416,175	58,666
Commodities	635,067	628,604	6,463
Capital expense	2,455,934	858,387	1,597,547
Total operating expenses	<u>6,343,962</u>	<u>4,625,585</u>	<u>1,718,377</u>
Operating loss	<u>(2,837,306)</u>	<u>(871,647)</u>	<u>1,965,659</u>
Nonoperating revenues (expenses)			
Income on investments	12,150	12,153	3
Debt service	-	-	-
Grants	-	1,500	1,500
Disposition of assets	274,950	274,950	-
Issuance of debt	492,064	492,064	-
Total nonoperating revenues (expenses)	<u>779,164</u>	<u>780,667</u>	<u>1,503</u>
Loss before transfers	(2,058,142)	(90,980)	1,967,162
Transfers in	480,000	480,000	-
Change in net position	<u>\$ (1,578,142)</u>	<u>389,020</u>	<u>\$ 1,967,162</u>
Adjustments to GAAP basis			
Debt			
Principal payments		633,562	
Issuance of leases		(492,064)	
Amortization of prepaid bond sale expense		(2,901)	
Amortization of premiums and discounts		9,244	
Amortization of loss on refunding		(4,418)	
Accrued interest adjustment		(800)	
Capital assets			
Acquisitions		580,034	
Net book value of disposals		(8,133)	
Capital contributions		12,695	
Depreciation		(678,432)	
Inventories		(6,976)	
General leave accrual		41,420	
Change in net position, GAAP basis		<u>\$ 472,251</u>	

Internal Service Funds

Medical and Dental Self-Insurance Fund - accounts for the resources and payment of dental and medical claims of employees and their covered dependents.

Workers' Compensation Self-Insurance Fund - accounts for the resources and payment of workers' compensation claims of employees.

Property and Liability Self-Insurance Fund - accounts for the payment of property and liability claims against the City from resources accumulated for this purpose.

General Capital Outlay Replacement Fund - accounts for the replacement of the City's fleet and other capital assets.

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017

	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 559,542	\$ 634,437	\$ 354,768	\$ 348,793	\$ 1,897,540
Cash and cash equivalents with fiscal agen	252,875	-	-	-	252,875
Investments	5,589,268	6,337,401	3,543,783	3,484,096	18,954,548
Receivables:					
Accounts	-	-	-	49,887	49,887
Interest	19,489	22,098	12,430	11,969	65,986
Prepaid items	-	-	22,160	-	22,160
Total current assets	<u>6,421,174</u>	<u>6,993,936</u>	<u>3,933,141</u>	<u>3,894,745</u>	<u>21,242,996</u>
Noncurrent assets:					
Capital assets:					
Depreciable assets, net	-	-	-	8,555,731	8,555,731
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,555,731</u>	<u>8,555,731</u>
Total assets	<u>6,421,174</u>	<u>6,993,936</u>	<u>3,933,141</u>	<u>12,450,476</u>	<u>29,798,727</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	574,470	2,236	51,438	14,089	642,233
Accrued liabilities	3,609	-	3,714	-	7,323
Lease payable, current portion	-	-	-	308,243	308,243
Other liabilities, current portion	1,259	-	5,864	-	7,123
Accrued interest	-	-	-	14,506	14,506
Estimated claims	525,629	202,518	668,341	-	1,396,488
Total current liabilities	<u>1,104,967</u>	<u>204,754</u>	<u>729,357</u>	<u>336,838</u>	<u>2,375,916</u>
Noncurrent liabilities:					
Leases payable	-	-	-	889,143	889,143
Other liabilities payable	21,218	-	15,463	-	36,681
Total noncurrent liabilities	<u>21,218</u>	<u>-</u>	<u>15,463</u>	<u>889,143</u>	<u>925,824</u>
Total liabilities	<u>1,126,185</u>	<u>204,754</u>	<u>744,820</u>	<u>1,225,981</u>	<u>3,301,740</u>
NET POSITION					
Net investment in capital assets	-	-	-	7,355,851	7,355,851
Unrestricted	5,294,989	6,789,182	3,188,321	3,868,644	19,141,136
Total net position	<u>\$ 5,294,989</u>	<u>\$ 6,789,182</u>	<u>\$ 3,188,321</u>	<u>\$ 11,224,495</u>	<u>\$ 26,496,987</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activities Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	Total
Operating revenues					
Charges for services	\$ 14,879,348	\$ 1,025,601	\$ 1,488,241	\$ 3,227,433	\$ 20,620,623
Other	15,980	-	-	78,945	94,925
Total operating revenues	<u>14,895,328</u>	<u>1,025,601</u>	<u>1,488,241</u>	<u>3,306,378</u>	<u>20,715,548</u>
Operating expenses					
Personnel services	102,954	2,764	201,805	-	307,523
Contractual services	2,292,521	131,599	569,614	-	2,993,734
Commodities	11,922	13,662	1,967	-	27,551
Capital expense	-	-	-	434,194	434,194
Insurance and other expenses	11,364,410	538,052	1,157,028	-	13,059,490
Depreciation	-	-	-	2,156,817	2,156,817
Total operating expenses	<u>13,771,807</u>	<u>686,077</u>	<u>1,930,414</u>	<u>2,591,011</u>	<u>18,979,309</u>
Operating income (loss)	<u>1,123,521</u>	<u>339,524</u>	<u>(442,173)</u>	<u>715,367</u>	<u>1,736,239</u>
Nonoperating revenues (expenses)					
Income on investments	34,813	43,809	27,619	23,661	129,902
Interest expense	-	-	-	(30,279)	(30,279)
Grants	-	-	-	16,520	16,520
Gain on disposition of capital assets	-	-	-	192,622	192,622
Contributions	-	-	-	6,816	6,816
Total nonoperating revenues	<u>34,813</u>	<u>43,809</u>	<u>27,619</u>	<u>209,340</u>	<u>315,581</u>
Change in net position	1,158,334	383,333	(414,554)	924,707	2,051,820
Net position - beginning	4,136,655	6,405,849	3,602,875	10,299,788	24,445,167
Net position - ending	<u>\$ 5,294,989</u>	<u>\$ 6,789,182</u>	<u>\$ 3,188,321</u>	<u>\$ 11,224,495</u>	<u>\$ 26,496,987</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activities Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	Total
Cash flows from operating activities:					
Receipts from interfund charges for risk management services	\$ 14,879,348	\$ 65,546	\$ 181,001	\$ -	\$ 15,125,895
Receipts from interfund charges for capital outlay replacement	-	-	-	3,357,198	3,357,198
Cash payments to employees for services	(98,464)	(2,764)	(195,828)	-	(297,056)
Cash payments to suppliers for goods and services	(13,556,311)	(568,005)	(1,779,248)	(445,154)	(16,348,718)
Payments from other funds	-	960,055	1,308,539	-	2,268,594
Other operating revenues	15,980	-	-	78,945	94,925
Net cash provided by (used in) operating activities	<u>1,240,553</u>	<u>454,832</u>	<u>(485,536)</u>	<u>2,990,989</u>	<u>4,200,838</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(397,301)	(397,301)
Interest paid on long term debt	-	-	-	(41,831)	(41,831)
Acquisition and construction of capital assets	-	-	-	(2,256,468)	(2,256,468)
Proceeds from sale of capital assets	-	-	-	256,066	256,066
Proceeds from grant/notes	-	-	-	16,520	16,520
Net cash provided (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,423,014)</u>	<u>(2,423,014)</u>
Cash flow from investing activities:					
Proceeds from sale of investments	2,166,685	2,547,918	2,574,560	1,381,859	8,671,022
Purchases of investments	(3,192,421)	(2,923,039)	(2,092,126)	(1,902,783)	(10,110,369)
Interest received on investments	<u>(3,463)</u>	<u>36,713</u>	<u>9,444</u>	<u>42,311</u>	<u>85,005</u>
Net cash provided by (used in) investing activities	<u>(1,029,199)</u>	<u>(338,408)</u>	<u>491,878</u>	<u>(478,613)</u>	<u>(1,354,342)</u>
Net increase (decrease) in cash and cash equivalents	211,354	116,424	6,342	89,362	423,482
Cash and cash equivalents - beginning of year	601,063	518,013	348,426	259,431	1,726,933
Cash and cash equivalents - end of year	<u>\$ 812,417</u>	<u>\$ 634,437</u>	<u>\$ 354,768</u>	<u>\$ 348,793</u>	<u>\$ 2,150,415</u>
Reconciliation of cash and cash equivalents to Statement of Net					
Unrestricted cash and cash equivalents	\$ 559,542	\$ 634,437	\$ 354,768	\$ 348,793	\$ 1,897,540
Unrestricted cash and cash equivalents with fiscal agent	252,875	-	-	-	252,875
Total Cash and Cash Equivalents	<u>\$ 812,417</u>	<u>\$ 634,437</u>	<u>\$ 354,768</u>	<u>\$ 348,793</u>	<u>\$ 2,150,415</u>

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities

Operating income (loss)	\$ 1,123,521	\$ 339,524	\$ (442,173)	\$ 715,367	\$ 1,736,239
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	2,156,817	2,156,817
(Increase) decrease in accounts receivable	-	-	1,299	29,765	31,064
(Increase) decrease in prepaid items	-	-	(22,160)	100,000	77,840
Increase (decrease) in accounts payable and other	243,252	(15)	(241,533)	(10,960)	(9,256)
Increase (decrease) in accrued liabilities	4,490	-	5,977	-	10,467
Increase (decrease) in estimated claims	(130,710)	115,323	213,054	-	197,667
Total adjustments	<u>117,032</u>	<u>115,308</u>	<u>(43,363)</u>	<u>2,275,622</u>	<u>2,464,599</u>
Net cash provided by (used in) operating activities	<u>\$ 1,240,553</u>	<u>\$ 454,832</u>	<u>\$ (485,536)</u>	<u>\$ 2,990,989</u>	<u>\$ 4,200,838</u>

Noncash investing, capital and financing activities Internal Service Funds:

- * The change in unrecognized loss recorded to value the non-cash investments of the City's internal service funds to fair market value was \$110,565.
- * Accrued interest decreased for the General Capital Outlay Replacement Internal Service Fund by \$11,552.
- * Accounts payable used to acquire capital assets decreased by \$20,162 for the General Capital Outlay Replacement Internal Service Fund.
- * The General Capital Outlay Internal Service Fund disposed of capital assets at a loss of \$63,444.

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BUDGETARY COMPARISON SCHEDULES

INTERNAL SERVICE FUNDS

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL OUTLAY REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 3,327,433	\$ 3,227,433	\$ (100,000)
Other	78,944	78,945	1
Total operating revenues	<u>3,406,377</u>	<u>3,306,378</u>	<u>(99,999)</u>
Operating expenses			
Capital expense	<u>7,320,976</u>	<u>2,690,662</u>	<u>4,630,314</u>
Total operating expenses	<u>7,320,976</u>	<u>2,690,662</u>	<u>4,630,314</u>
Operating income	<u>(3,914,599)</u>	<u>615,716</u>	<u>4,530,315</u>
Nonoperating revenues (expenses)			
Income on investments	-	23,661	23,661
Debt service	(439,133)	(439,132)	1
Grants	16,520	16,520	-
Disposition of assets	<u>-</u>	<u>326,997</u>	<u>326,997</u>
Total nonoperating revenues (expenses)	<u>(422,613)</u>	<u>(71,954)</u>	<u>350,659</u>
Change in net position	<u>\$ (4,337,212)</u>	<u>543,762</u>	<u>\$ 4,880,974</u>
Adjustments to GAAP basis			
Debt			
Principal payments		397,301	
Accrued interest adjustment		11,552	
Capital assets			
Acquisitions		2,256,468	
Net book value of disposals		(134,375)	
Capital contributions		6,816	
Depreciation		<u>(2,156,817)</u>	
Change in Net Position, GAAP Basis		<u>\$ 924,707</u>	

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**STATISTICS
SECTION**

STATISTICAL SECTION

Table

Financial Trends Information

These schedules contain trend information to help the reader understand how the city's financial performance and well-being are changed over time.

Net Position by Component	1
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Fund Balances, Governmental Funds	3
Changes in Fund Balances, Governmental Funds	4

Revenue Capacity Information

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales and use tax.

Sales and Use Tax Revenue	5
Direct and Overlapping Sales and Use Tax Rates	6
Principal Sales and Use Taxpayers by Category	7

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	8
Direct and Overlapping Governmental Activities Debt	9
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the city's financial activity take place.

Demographic and Economic Statistics	12
Principal Employers	13

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

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Capital Asset Statistics by Function/Program	16

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Table 1
City of Westminster

Table 1		City of Westminster										Net Position by Component								
		Fiscal Year										Last ten fiscal years								
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008									
Governmental activities																				
Net Investment in capital assets	\$	284,051,559	\$	262,972,719	\$	233,726,088	\$	203,103,757	\$	181,518,179	\$	167,459,905	\$	166,119,255	\$	158,875,846	\$	160,998,545		
Restricted		44,958,563		35,829,766		31,977,574		27,825,584		34,508,098		32,889,201		35,378,439		36,445,526		30,686,285		
Unrestricted		129,559,139		125,748,290		118,916,142		118,324,325		107,275,937		96,304,116		91,201,675		67,848,480		72,256,476		
Total governmental activities																				
net position	\$	458,569,261	\$	424,550,775	\$	384,619,804	\$	349,253,666	\$	323,302,214	\$	305,257,664	\$	294,040,019	\$	277,796,182	\$	263,169,852	\$	263,941,306
Business-type activities																				
Net Investment in capital assets	\$	397,726,132	\$	385,909,492	\$	375,115,816	\$	353,498,654	\$	343,060,522	\$	336,924,153	\$	337,605,101	\$	336,344,413	\$	329,710,391	\$	343,627,745
Restricted		3,427,214		5,135,850		5,133,269		5,132,572		5,207,324		5,206,778		5,484,664		5,483,098		5,486,422		3,424,753
Unrestricted		113,763,592		106,406,204		87,632,673		89,037,701		86,956,838		81,540,256		64,814,804		55,893,678		58,676,671		73,164,925
Total business-type activities																				
net position	\$	514,916,938	\$	497,451,546	\$	467,881,758	\$	447,668,927	\$	435,224,684	\$	423,671,187	\$	407,904,569	\$	397,721,189	\$	393,873,484	\$	420,217,423
Total																				
Net Investment in capital assets	\$	681,777,691	\$	648,882,211	\$	608,841,904	\$	556,602,411	\$	524,578,701	\$	512,988,500	\$	505,065,006	\$	502,463,668	\$	488,586,237	\$	504,626,290
Restricted		48,385,777		40,965,616		37,110,843		32,958,156		39,715,422		38,095,979		40,863,103		38,311,495		41,931,948		34,111,038
Unrestricted		243,322,731		232,154,494		206,548,815		207,362,026		194,232,775		177,844,372		156,016,479		134,742,208		126,525,151		145,421,401
Total net position																				
	\$	973,486,199	\$	922,002,321	\$	852,501,562	\$	796,922,593	\$	758,526,898	\$	728,928,851	\$	701,944,588	\$	675,517,371	\$	657,043,336	\$	684,158,729

Table 2
City of Westminster

Changes in Net Position
Last ten fiscal years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 50,382,503	\$ 49,564,911	\$ 41,265,248	\$ 37,225,374	\$ 38,096,012	\$ 35,878,873	\$ 35,365,276	\$ 37,650,090	\$ 36,876,436	\$ 37,827,492
Public safety	39,908,597	36,274,992	34,620,914	33,917,996	34,701,963	32,690,106	31,572,328	31,705,261	31,552,454	31,797,184
Public works	13,475,717	13,459,466	13,490,199	14,967,446	14,526,130	14,484,672	10,278,949	14,468,243	13,941,301	13,748,911
Community development	15,565,417	14,174,997	13,136,180	9,253,118	10,053,995	10,294,204	14,367,026	12,014,109	12,454,872	17,656,461
Culture and recreation	24,625,914	24,576,687	21,506,116	23,345,230	20,547,209	21,450,331	17,403,563	17,608,348	20,368,098	17,307,667
Interest and fiscal charges	3,838,725	6,637,408	7,326,033	6,586,443	7,012,596	6,697,736	6,952,116	7,803,642	8,449,810	7,845,618
Refunding issuance costs	-	191,082	-	-	157,626	-	-	-	-	-
Unallocated depreciation	230,867	232,974	271,497	304,769	308,894	309,553	347,847	443,359	479,427	489,012
Total governmental activities expenses	148,027,740	145,112,517	131,616,187	125,600,376	125,404,425	121,805,475	116,287,105	121,693,052	124,122,398	126,671,345
Business-type activities										
Utility	53,216,225	50,691,118	48,485,130	44,811,783	43,302,750	44,861,022	42,845,082	44,664,016	48,678,931	45,569,405
Golf	4,054,852	3,579,035	3,530,467	3,528,224	3,809,085	3,354,014	3,389,873	3,526,264	4,017,357	4,128,726
Westminster Housing Authority		70,770	125,491	84,666	106,956	696,930	792,691	124,3300	922,689	969,722
Total business-type activities expenses	57,271,077	54,340,923	52,141,088	48,424,673	47,218,791	48,911,966	47,027,646	49,433,580	53,618,977	50,667,853
Total primary government expenses	205,298,817	199,453,440	183,757,275	174,025,049	172,623,216	170,717,441	163,314,751	171,126,632	177,741,375	177,339,198
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,237,623	6,105,832	4,856,467	4,150,020	4,883,189	4,055,921	3,737,240	6,116,547	4,497,892	5,666,074
Public safety	3,709,546	3,972,310	4,138,624	4,031,642	4,204,733	4,507,902	4,550,427	4,160,047	4,225,333	4,096,692
Public works	2,824,964	2,548,173	2,439,228	2,026,345	1,630,161	1,810,028	1,744,118	1,419,414	1,777,317	1,527,937
Community development	228,383	801,191	206,671	358,835	190,322	(12,469)	186,524	297,219	400,784	246,084
Culture and recreation	7,506,249	7,746,111	7,476,626	7,368,157	6,765,100	6,747,706	6,550,418	7,139,822	6,249,434	6,908,729
Operating grants and contributions	9,484,810	9,273,135	8,279,617	7,792,918	6,266,173	6,669,118	6,550,602	4,496,790	4,300,000	5,486,482
Capital grants and contributions	10,959,356	26,547,690	15,799,445	14,107,955	15,133,416	9,309,177	9,094,638	11,701,408	7,113,267	8,736,385
Total program revenues	39,950,931	56,994,442	43,196,678	39,835,872	39,073,094	33,087,383	32,413,967	35,331,247	28,564,027	32,668,385
Business-type activities										
Charges for services:										
Utility	57,918,080	55,326,918	50,580,355	47,890,317	45,097,929	49,243,639	44,227,706	43,638,168	37,785,693	41,355,962
Golf	3,748,446	3,529,970	3,483,098	3,427,107	3,090,119	3,141,318	2,679,816	2,682,977	2,730,028	3,137,704
Westminster Housing Authority	-	-	-	-	-	723,307	944,917	942,564	920,327	901,313
Operating grants and contributions	1,500	700	-	-	1,695	36,435	-	1,972	-	-
Capital grants and contributions	12,800,673	24,125,580	16,731,575	7,060,781	9,313,996	5,460,466	7,589,453	4,221,676	3,534,458	12,590,561
Total business-type activities	74,468,699	82,983,168	70,795,028	58,378,205	57,503,739	58,605,165	55,441,892	51,487,357	44,970,506	57,985,540
program revenues	114,419,630	139,977,610	113,991,706	98,214,077	96,576,833	91,692,548	87,855,859	86,818,604	73,534,533	90,653,923
Net (expense)/revenue										
Governmental activities	(108,076,809)	(88,118,075)	(88,419,509)	(85,764,504)	(86,331,331)	(88,718,092)	(83,873,138)	(86,361,805)	(95,558,371)	(94,002,962)
Business-type activities	17,197,622	28,642,245	18,653,940	9,953,532	10,284,948	9,693,199	8,414,246	2,053,777	(8,648,471)	7,317,687
Total primary government net expense	(90,879,187)	(59,475,830)	(69,765,569)	(75,810,972)	(76,046,383)	(79,024,893)	(75,458,892)	(84,308,028)	(104,206,842)	(86,685,275)

Table 2 (continued)
City of Westminster

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	15,799,702	15,090,147	13,461,402	13,535,334	12,947,197	12,891,503	13,334,499	13,326,123	10,737,251	9,020,419
Sales taxes	84,790,732	80,283,226	76,576,042	72,699,403	68,712,125	65,544,298	64,746,106	66,078,878	63,634,222	65,369,753
Use taxes	19,861,540	19,824,648	17,498,401	14,797,452	14,110,138	11,946,218	11,614,468	11,432,450	10,382,385	12,436,326
Business fees and other taxes	5,381,255	5,373,974	5,636,924	5,745,800	5,587,433	5,275,222	5,342,892	5,092,047	4,797,606	5,157,132
Accommodations taxes	4,463,046	4,258,630	4,005,426	3,478,033	2,905,893	2,427,226	2,365,444	2,231,693	2,045,874	2,627,010
Intergovernmental not restricted to a specific	249,184	241,386	393,033	224,580	672,693	672,172	673,423	1,612,345	1,360,925	1,079,951
Assessments	-	-	-	-	2,000	6,000	2,000	-	-	-
Interest	1,018,194	1,298,621	739,407	996,457	139,218	811,117	913,339	1,261,427	1,979,580	6,043,261
Rentals	443,624	443,074	419,137	409,143	409,789	470,674	569,867	-	-	-
Other	8,288,774	30,561	6,862	257,781	1,084,214	35,000	273,002	-	597,423	1,420,276
Gain on Sale of Assets	227,523	156,319	165,759	71,130	-	21,879	632,142	809,511	-	604,571
Special Item	-	-	-	-	-	-	-	-	-	(14,825,447)
Transfers	(356,098)	1,028,460	(757)	(499,157)	(774,544)	(165,572)	(350,207)	(856,339)	(748,349)	(507,121)
Total governmental activities	140,167,476	128,029,046	120,387,636	111,715,956	105,796,156	99,935,737	100,116,975	100,988,135	94,786,917	88,406,131
Business-type activities										
Interest	1,045,374	958,005	634,166	860,924	32,742	840,406	901,668	670,337	1,177,710	3,978,172
Rentals	-	10	10	20	587	839	-	-	-	-
Other	845,666	931,015	911,961	948,874	883,951	1,190,155	572,259	267,252	-	-
Gain on Sale of Assets	345,328	66,973	11,997	181,736	98,245	-	-	-	1,019	895,150
Special Item	-	-	-	-	-	3,876,447	-	-	-	-
Transfers	356,098	(1,028,460)	757	499,157	774,544	165,572	350,207	856,339	748,349	507,121
Total business-type activities	2,592,466	927,543	1,558,891	2,490,711	1,790,069	6,073,419	1,769,134	1,793,928	1,927,078	5,380,443
Total	142,759,942	128,956,589	121,946,527	114,206,667	107,586,225	106,009,156	101,886,109	102,782,063	96,713,995	93,786,574
Change in net position										
Governmental activities	32,090,667	39,910,971	31,968,127	25,951,452	19,464,825	11,217,645	16,243,837	14,626,330	(771,454)	(5,596,831)
Adjustment for accounting change	-	-	3,418,011	-	(1,420,275)	-	-	-	-	-
Business-type activities	19,790,088	29,569,788	20,212,831	12,444,243	12,075,017	15,766,618	10,183,380	3,847,705	(6,721,393)	12,698,130
Adjustment for accounting change	-	-	-	-	(521,520)	-	-	-	-	-
Total	\$ 51,880,755	\$ 69,480,759	\$ 55,598,969	\$ 38,395,695	\$ 29,598,047	\$ 26,984,263	\$ 26,427,217	\$ 18,474,035	\$ (7,492,847)	\$ 7,101,299

Note: 2013: Adjustment for accounting change due to implementation of GASB 65.

2015: Adjustment for accounting change due to implementation of GASB 68.

Table 3
City of Westminster

Fund Balances, Governmental Funds
Last ten fiscal years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,220,548	\$ 4,971,225	\$ 5,299,062
Unreserved	-	-	-	-	-	-	-	11,628,557	14,873,895	12,045,241
Nonspendable	1,149,356	1,115,952	1,000,834	934,588	887,569	943,056	1,060,299	-	-	-
Restricted	6,205,516	6,227,738	5,699,348	5,145,534	5,177,644	4,849,535	4,822,404	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	6,836,562	6,492,595	5,915,385	6,118,523	5,732,552	5,843,851	5,802,983	-	-	-
Unassigned	33,655,936	29,970,602	31,869,732	25,115,741	18,960,092	17,795,609	15,243,510	-	-	-
Total general fund	\$47,847,370	\$43,806,887	\$44,485,299	\$37,314,386	\$30,757,857	\$29,432,051	\$26,929,196	\$18,849,105	\$19,845,120	\$17,344,303
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,287,957	\$ 32,504,877	\$ 49,434,107
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	11,702,434	9,959,421	10,975,428
Capital project funds	-	-	-	-	-	-	-	17,652,289	35,179,303	46,104,714
Nonspendable	16,648,057	20,776,055	20,776,315	31,630,640	31,226,133	32,351,416	27,391,523	-	-	-
Restricted	37,372,256	38,803,425	60,767,096	22,539,782	29,425,771	30,475,367	32,119,519	-	-	-
Committed	52,930,080	41,415,625	37,721,829	36,473,901	34,204,717	29,391,324	24,387,010	-	-	-
Assigned	3,467,415	551,520	398,546	279,822	306,482	460,677	338,688	-	-	-
Unassigned	(196,189)	1,605,617	(581,144)	(455,532)	(621,910)	(382,694)	(754,471)	-	-	-
Total all other governmental funds	\$10,221,619	\$103,152,242	\$119,082,642	\$90,468,613	\$94,541,193	\$92,296,090	\$83,482,269	\$82,642,680	\$77,643,601	\$106,514,249

Note: In 2011 GASB 54 was implemented with new fund balance classifications.

Table 4
City of Westminster
Changes in Fund Balance, Governmental Funds
Last ten fiscal years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Taxes and business fees	\$ 130,296,275	\$ 124,830,625	\$ 117,178,195	\$ 110,256,022	\$ 104,262,786	\$ 98,084,467	\$ 97,403,409	\$ 98,161,191	\$ 91,597,338	\$ 94,590,640
Intergovernmental	17,197,954	18,835,428	14,621,889	14,666,756	13,444,290	13,363,386	14,690,316	14,485,838	13,354,111	14,316,029
Assessments	-	-	41,662	39,444	41,199	45,935	43,361	41,905	46,471	42,886
Licenses and permits	3,563,800	4,278,584	2,923,276	2,459,437	2,653,281	2,006,610	1,824,264	1,708,941	1,127,900	2,133,832
Interest	9,06,697	1,135,671	755,385	830,006	139,740	828,450	937,931	1,265,429	2,029,458	6,102,824
Rentals	443,624	443,074	419,137	409,143	425,569	476,399	569,867	-	-	-
Contributions	3,759,405	14,996,774	6,584,703	2,561,733	3,389,088	2,846,572	2,893,030	2,444,022	341,739	771,595
Recreation fees	7,583,862	7,605,943	7,569,719	7,379,510	6,788,407	6,751,616	6,443,748	6,372,404	5,766,441	6,379,855
Fines and forfeits	1,239,978	1,377,401	1,657,240	1,587,334	1,868,695	2,010,118	2,251,882	2,077,598	2,066,013	1,977,465
Fleet maintenance billings and other	5,151,565	5,326,371	4,920,307	4,374,067	4,508,886	4,529,238	4,442,594	5,427,769	6,544,888	6,886,037
EMS billings	2,410,270	2,503,787	2,362,530	2,178,911	2,173,899	2,357,911	2,016,677	2,031,040	1,858,670	2,026,555
Miscellaneous and other	4,931,886	589,913	65,761	358,555	810,454	127,277	317,947	128,456	336,893	973,939
Total revenues	177,485,316	181,923,571	159,099,804	147,100,918	140,506,294	133,427,979	133,835,026	134,144,593	125,069,922	136,201,657
Expenditures										
Current:										
General government	54,426,899	49,618,140	45,752,230	42,189,889	42,191,325	41,025,193	40,160,148	39,544,389	38,893,287	38,981,777
Public safety	38,084,423	34,987,444	33,409,984	32,882,207	33,173,549	31,434,925	30,521,418	30,409,003	30,241,887	30,411,901
Public works	8,646,817	8,488,590	7,812,814	7,589,559	7,398,650	7,210,468	3,280,134	7,391,466	6,754,884	6,753,727
Community development	10,241,109	6,077,910	6,007,219	5,442,684	5,746,886	5,416,821	8,948,499	7,090,959	4,647,250	9,807,146
Culture and recreation	16,374,128	15,930,277	15,741,361	14,964,860	14,186,013	13,674,664	13,047,644	13,771,317	14,036,487	14,009,673
Capital projects	27,422,712	63,965,424	45,074,138	25,199,894	17,487,657	11,361,038	13,070,798	19,731,978	32,958,628	26,018,509
Debt service:										
Principal	8,042,000	12,018,000	11,775,000	10,790,000	14,651,000	11,635,000	12,585,000	8,720,000	15,538,875	4,920,000
Interest and fiscal charges	3,818,063	5,914,294	5,483,247	5,313,893	5,769,157	9,816,176	6,584,681	6,973,932	7,883,680	7,519,672
Insurance costs	-	191,082	532,288	-	157,626	383,516	-	483,318	1,003,757	-
Total expenditures	167,056,151	197,191,161	171,588,281	144,372,986	140,761,863	131,957,801	128,198,322	134,116,362	151,958,735	138,422,405
Excess of revenues over (under) expenditures	10,429,165	(15,267,590)	(12,488,477)	2,727,932	(255,569)	1,470,178	5,636,704	28,231	(26,888,813)	(2,220,748)
Other financing Sources (Uses)										
Issuance of bonds	-	-	-	-	11,095,000	5,812,724	-	1,134,410	535,337	-
Issuance of notes	-	-	-	-	-	-	3,500,000	-	-	-
Issuance of leases	-	-	40,577,946	-	-	-	-	2,575,190	562,530	32,792
Issuance of refunding debt	-	14,995,000	18,500,000	-	-	9,636,606	-	-	-	-
Premium on debt	-	1,550,018	5,074,187	-	1,167,165	1,756,197	-	-	-	-
Discount on debt	-	-	(137,068)	-	-	(67,028)	-	-	-	-
Payment to refunded bond escrow agent	-	(18,978,975)	(20,451,328)	-	(12,065,594)	(9,428,710)	-	-	-	-
Sale of capital asset	34,901	32,952	4,678,053	57,990	848,454	43,519	50,770	1,121,572	169,464	1,071,525
Transfers in	31,101,861	35,831,912	23,439,943	19,439,703	23,123,984	15,240,547	21,348,099	92,160,117	67,485,765	75,333,568
Transfers (out)	(31,445,264)	(34,772,129)	(23,408,314)	(19,741,676)	(20,342,531)	(15,018,965)	(21,615,893)	(93,016,456)	(68,234,114)	(75,840,689)
Total other financing sources (uses)	(308,502)	(1,341,222)	48,273,419	(243,983)	3,826,478	9,846,498	3,282,976	3,974,833	518,982	597,196
Net change in fund balances	10,120,663	(16,608,812)	35,784,942	2,483,949	3,570,909	11,316,676	8,919,680	4,003,064	(26,369,831)	(1,623,552)
Debt Service as a percentage of noncapital expenditures	8.0%	12.2%	12.9%	12.9%	16.0%	17.2%	16.4%	13.4%	18.4%	10.5%

Table 5
City of Westminster
Sales and Use Tax Revenue
Last ten fiscal years

Fiscal Year	City		Public Safety		Open Space		Total Direct Tax Rate
	Sales and Use Tax		Sales and Use Tax ¹		Sales and Use Tax ²		
2008	\$	60,528,509	\$	12,196,830	\$	5,080,740	3.85%
2009		57,689,143		11,526,170		4,801,294	3.85%
2010		60,677,400		11,832,426		5,001,503	3.85%
2011		59,520,797		11,887,799		4,951,978	3.85%
2012		60,408,927		12,058,508		5,023,081	3.85%
2013		64,567,679		12,886,561		5,368,023	3.85%
2014		68,180,777		13,635,955		5,680,123	3.85%
2015		73,302,647		14,663,545		6,108,251	3.85%
2016		78,019,813		15,590,932		6,497,129	3.85%
2017		81,491,615		16,349,963		6,810,615	3.85%

Source: City Sales Tax Division

¹ The Public Safety Sales and Use Tax was implemented January 1, 2004.

² The Open Space Sales and Use Tax was implemented January 1, 1985.

Table 6
City of Westminster
Direct and Overlapping Sales and Use Tax Rates
Last ten fiscal years

Fiscal Year	City Direct Rates				Overlapping Rates ³			
	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate	State of Colorado	Adams County Sales Tax	Jefferson County Sales Tax	RTD/ CD/FD Sales Tax
2008	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.20%
2009	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.20%
2010	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.20%
2011	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.20%
2012	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.10%
2013	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.10%
2014	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.10%
2015	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.10%
2016	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.10%
2017	3.00%	0.60%	0.25%	3.85%	2.90%	0.75%	0.50%	1.10%

Source: City Sales Tax Division

¹ The Public Safety Sales and Use Tax was implemented January 1, 2004.

² The Open Space Sales and Use Tax was implemented January 1, 1985.

³ Overlapping rates are those of county governments and tax districts within the City of Westminster. Not all overlapping rates apply to all sales transactions.

Table 7
City of Westminster
Principal Sales and Use Tax Payers by Category
Current Year and Nine Years Ago

Category	Fiscal Year 2017				Fiscal Year 2008			
	Sales and Use		Percentage of		Sales and Use		Percentage of	
	Tax Amount	Rank	Total City Sales	and Use Tax	Tax Amount	Rank	Total City Sales	and Use Tax
Department and Discount Stores	\$ 20,673,418	1	19.8%		\$ 19,969,042	1	25.7%	
Building/Home Improvement	11,746,507	2	11.2%		8,203,170	3	10.5%	
Restaurants	10,971,537	3	10.5%		5,711,620	5	7.3%	
Utility/Telecommunications	9,812,994	4	9.4%		8,861,260	2	11.4%	
Automobile	9,745,851	5	9.3%		6,035,948	4	7.8%	
Grocery	6,229,109	6	6.0%		4,501,814	6	5.8%	

Source: City Sales Tax Division

Note: Due to requirements under the City Code, the names of the largest revenue payers are held as confidential.

The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Table 8
City of Westminster
Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Per Capita ¹					
	Revenue		Tax Increment		Notes	Capital Leases	Revenue		Notes	Capital Leases							
	Bonds		Bonds				Bonds										
2008	\$	70,443,343	\$	119,735,076	\$	-	\$	79,914,150	\$	16,250,019	\$	36,517,757	\$	835,300	\$	323,695,645	2,909
2009		65,625,270		108,568,501		-		76,193,389		14,328,466		33,932,956		1,075,366		299,723,948	2,741
2010		61,109,196		104,883,171		-		75,754,921		37,291,914		31,790,310		5,450,956		316,280,468	2,724
2011		56,202,915		100,713,157		-		71,210,191		35,460,361		29,141,172		4,989,583		297,717,379	2,715
2012		51,151,751		97,880,475		1,612,724		65,433,763		33,558,808		24,123,395		4,427,856		278,188,772	2,577
2013		47,001,480		93,599,570		1,612,724		62,880,551		31,577,255		21,077,341		4,516,937		262,265,858	2,396
2014		41,214,039		88,185,621		1,612,724		56,474,766		29,505,000		18,374,433		5,064,654		240,431,237	2,167
2015		36,429,070		82,594,672		1,159,724		93,027,440		32,291,867		15,581,464		4,304,841		265,389,078	2,368
2016		29,892,252		76,807,723		929,724		87,080,858		81,444,004		12,656,181		3,631,794		292,442,536	2,585
2017		27,467,417		70,846,774		817,000		79,377,924		77,759,407		9,736,204		3,556,337		269,561,063	2,329

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

¹Personal income and population data can be found on Table 12.

Table 9
City of Westminster
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage		Estimated Share of
		Applicable	Overlapping Debt	
Adams County Fire Protection District	\$ 2,619,537	0.05%	\$ 1,310	
Adams County School District #12	485,570,000	26.28%	127,607,796	
Apex Park & Rec District	25,000,000	8.33%	2,082,500	
Arvada Fire Protection District	6,357,209	0.06%	3,814	
Bradburn Metro #2	2,660,000	100.00%	2,660,000	
Bradburn Metro #3	8,410,000	10.01%	841,841	
Church Ranch Metro District	3,145,000	100.00%	3,145,000	
Country Club Highlands Metro District	2,055,000	100.00%	2,055,000	
Country Club Village Metro District	2,620,000	100.00%	2,620,000	
Countryside Metropolitan District	16,085,000	100.00%	16,085,000	
Huntington Trails Metro District	6,820,000	100.00%	6,820,000	
Hyland Hills Park & Recreation	6,225,000	53.76%	3,346,560	
Hyland Village Metro District	4,770,000	100.00%	4,770,000	
Jefferson County	111,430,000	7.67%	8,546,681	
Jefferson County School District R-1	358,275,000	7.67%	27,479,693	
NBC Metropolitan District	4,930,000	100.00%	4,930,000	
North Metro Fire and Rescue	17,565,000	0.61%	107,147	
Westglenn Metro District	3,258,000	100.00%	3,258,000	
Westminster Public Schools	64,515,000	45.90%	29,612,385	
Subtotal, overlapping debt			\$ 245,972,727	
City Direct debt			172,522,845	
Total direct and overlapping debt			\$ 418,495,572	

Source: Assessed value data used to estimate applicable percentages provided by Adams County and Jefferson County Governments. Debt outstanding data provided by each governmental unit. City direct debt details can be found on Table 8.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident. And therefore responsible for repaying the debt, of each overlapping government.

Table 11 **Pledged Revenue Coverage**
City of Westminster **Last ten fiscal years**

Fiscal Year	Utilities Revenue Bonds					
	Applicable Revenues	Less:		Debt Service		
		Operating Expenses	Net Pledged Revenue	Principal	Interest	Coverage
2008	\$ 52,890,292	\$ (34,178,877)	\$ 18,711,415	\$ 9,913,352	\$ 2,159,562	1.55
2009	38,962,225	(34,914,945)	4,047,280	3,913,088	1,821,361	0.71
2010	45,945,519	(29,813,687)	16,131,832	4,055,665	2,446,814	2.48
2011	50,529,479	(27,931,057)	22,598,422	4,190,557	3,006,017	3.14
2012	54,605,982	(29,478,283)	25,127,699	4,337,883	2,852,651	3.49
2013	52,903,911	(27,684,633)	25,219,278	4,501,875	2,690,433	3.51
2014	53,326,893	(29,817,470)	23,509,423	4,678,308	2,509,611	3.27
2015	65,683,761	(33,884,996)	31,798,765	4,652,930	2,352,949	4.54
2016	77,302,486	(35,226,787)	42,075,699	4,779,791	3,045,426	5.38
2017	70,329,299	(37,392,699)	32,936,600	6,054,011	3,682,728	3.38

Fiscal Year	Golf Course Enterprise Revenue Bonds					
	Applicable Revenues	Less:		Debt Service		
		Operating Expenses	Net Pledged Revenue	Principal	Interest	Coverage
2008	\$ 3,137,704	\$ (2,848,731)	\$ 288,973	\$ 215,000	\$ 285,165	0.58
*2009	2,730,028	(3,174,737)	(444,709)	225,000	274,415	(0.89)
2010	-	-	-	-	-	N/A
2011	-	-	-	-	-	N/A
2012	-	-	-	-	-	N/A
2013	-	-	-	-	-	N/A
2014	-	-	-	-	-	N/A
2015	-	-	-	-	-	N/A
2016	-	-	-	-	-	N/A
2017	-	-	-	-	-	N/A

Notes: * Refunded in 2010 as part of the 2010 COPs issue.
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

Source: City's Treasury Division

Table 11 (continued)
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Sales and Use Tax Revenue Bonds											
Fiscal Year	Sales and Use Tax		Less:		Net Pledged		Debt Service				
	Collections		Operating Expenses		Revenue		Principal	Interest	Coverage		
2008	\$	51,438,718	\$	(410,638)	\$	51,028,080	\$	3,450,000	\$	1,896,409	9.54
2009		47,712,522		(434,255)		47,278,267		3,605,000		1,747,921	8.83
2010		53,964,035		(439,522)		53,524,513		3,220,000		2,347,240	9.61
2011		54,419,273		(434,196)		53,985,077		3,345,000		1,348,146	11.50
2012		56,057,366		(448,515)		55,608,851		3,435,000		1,211,039	11.97
2013		59,734,283		(454,483)		59,279,800		3,545,000		1,172,826	12.57
2014		63,933,137		(452,233)		63,480,904		3,805,000		904,026	13.48
2015		68,723,743		(448,060)		68,275,683		4,080,000		744,345	14.15
2016		71,194,240		(446,034)		70,748,206		4,255,000		558,845	14.70
2017		74,824,655		(519,697)		74,304,958		1,225,000		374,600	46.45

Parks Open Space Trails Sales and Use Tax Revenue Bonds											
	Sales and Use Tax		Less:		Net Pledged		Debt Service				
	Collections	Operating Expenses			Revenue		Principal	Interest	Coverage		
2008	\$	5,068,261	\$	(34,198)	\$	5,034,063	\$	1,140,000	\$	1,513,780	1.90
2009		4,823,367		(36,165)		4,787,202		1,180,000		1,494,038	1.79
2010		4,998,817		(36,603)		4,962,214		1,435,000		1,466,838	1.71
2011		4,930,898		(36,160)		4,894,738		1,490,000		1,389,438	1.70
2012		5,039,265		(37,352)		5,001,913		1,545,000		1,329,837	1.74
2013		5,346,716		(37,849)		5,308,867		1,610,000		1,268,038	1.84
2014		5,625,403		(37,686)		5,587,717		1,675,000		1,203,638	1.94
2015		6,084,365		(37,338)		6,047,027		1,755,000		1,119,888	2.10
2016		6,453,721		(37,169)		6,416,552		1,850,000		817,676	2.41
2017		6,767,505		(43,308)		6,724,197		960,000		757,119	3.92

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

Source: City's Treasury Division

Table 11 (continued)
City of Westminister

1997 Westminster Economic Development Authority (WEDA) Revenue Bonds (Westminster Plaza Urban Reinvestment Project)												
Fiscal Year	Less:			Debt Service								
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees		Total Debt Service		Principal	Interest and Fees	Total Debt Service	Coverage
2008	\$	505,684	\$ (364,424)	\$	141,260	\$	206,828	\$	536,828			0.26
*2009		262,399	(3,254)		259,145	-	33,436		33,436			7.75
2010		-	-		-	-	-		-			N/A
2011		-	-		-	-	-		-			N/A
2012		-	-		-	-	-		-			N/A
2013		-	-		-	-	-		-			N/A
2014		-	-		-	-	-		-			N/A
2015		-	-		-	-	-		-			N/A
2016		-	-		-	-	-		-			N/A
2017		-	-		-	-	-		-			N/A
*Refunded in June 2009 as WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009.												
WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2005 (North Huron Project)												
	Less:			Total Revenues					Debt Service			
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Available for Debt Service		Principal	Interest and Fees	Total Debt Service	Coverage		
2008	\$	6,369,646	\$ (116,079)	\$	6,253,567	\$	7,693,303	\$	-	\$	2,316,866	\$ 3.32
*2009		2,245,860	(42,450)		2,203,410	-	2,203,410		5,925,000		6,717,075	0.33
2010		-	-		-	-	-		-		-	N/A
2011		-	-		-	-	-		-		-	N/A
2012		-	-		-	-	-		-		-	N/A
2013		-	-		-	-	-		-		-	N/A
2014		-	-		-	-	-		-		-	N/A
2015		-	-		-	-	-		-		-	N/A
2016		-	-		-	-	-		-		-	N/A
2017		-	-		-	-	-		-		-	N/A

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2005 (North Huron Project)

	Less:			Total Revenues					Debt Service		Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Available for Debt Service	Interest and Fees		Total Debt Service			
						Principal					
2008 \$	6,369,646	\$ (116,079)	\$ 6,253,567	\$ 1,439,736	\$ 7,693,303	\$ -	\$ 2,316,866	\$ 2,316,866	3.32		
*2009	2,245,860	(42,450)	2,203,410	-	2,203,410	5,925,000	792,075	6,717,075	0.33		
2010	-	-	-	-	-	-	-	-	N/A		
2011	-	-	-	-	-	-	-	-	N/A		
2012	-	-	-	-	-	-	-	-	N/A		
2013	-	-	-	-	-	-	-	-	N/A		
2014	-	-	-	-	-	-	-	-	N/A		
2015	-	-	-	-	-	-	-	-	N/A		
2016	-	-	-	-	-	-	-	-	N/A		
2017	-	-	-	-	-	-	-	-	N/A		

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006 (Mandalay Gardens Project)									
	Gross Pledged Revenues	Less:		Net Pledged Revenue	Total Revenues				Total Debt Service
		Operating Expenses			Capitalized Interest	Available for Debt Service	Principal	Interest and Fees	
2008 \$	3,126,504	\$ (23,084)		\$ 3,103,420	\$ -	\$ 3,103,420	\$ -	\$ 1,298,745	\$ 1,298,745
*2009	2,798,958	(27,004)		2,771,954	-	2,771,954	2,857,875	1,056,631	3,914,506
2010	-	-		-	-	-	-	-	-
2011	-	-		-	-	-	-	-	-
2012	-	-		-	-	-	-	-	-
2013	-	-		-	-	-	-	-	-
2014	-	-		-	-	-	-	-	-
2015	-	-		-	-	-	-	-	-
2016	-	-		-	-	-	-	-	-
2017	-	-		-	1	1	-	-	-
*Refunded in September 2009 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009.									

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2007 (South Sheridan Project)									
	Gross Pledged Revenues	Less:		Net Pledged Revenue	Total Revenues				Total Debt Service
		Operating Expenses			Capitalized Interest	Available for Debt Service	Principal	Interest and Fees	
2008 \$	722,502	\$ (550,629)		\$ 171,873	\$ 282,866	\$ 454,739	\$ -	\$ 282,866	\$ 282,866
*2009	563,172	(401,776)		161,396	156,055	317,451	416,000	128,584	544,584
2010	-	-		-	-	-	-	-	-
2011	-	-		-	-	-	-	-	-
2012	-	-		-	-	-	-	-	-
2013	-	-		-	-	-	-	-	-
2014	-	-		-	-	-	-	-	-
2015	-	-		-	-	-	-	-	-
2016	-	-		-	-	-	-	-	-
2017	-	-		-	-	-	-	-	-
*Refunded in June 2009 with WEDA Tax Increment Loan Series 2009 (South Sheridan Project).									

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009									
			Less:		Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Total Revenues		Principal	Interest and Fees	Total Debt Service
					Available for Debt Service				
2008 \$	-	\$	-	\$	-	\$	-	\$	-
*2009	269,431	(3,341)	266,090	97,929	364,019		265,000	121,697	386,697
2010	379,965	(5,601)	374,364	373,106	747,470		555,000	192,470	747,470
2011	408,035	(5,948)	402,087	344,293	746,380		575,000	171,380	746,380
2012	469,479	(6,081)	463,398	281,132	744,530		595,000	149,530	744,530
2013	469,946	(6,390)	463,556	283,364	746,920		620,000	126,920	746,920
2014	286,639	(4,253)	282,386	465,974	748,360		645,000	103,360	748,360
2015	326,466	(3,594)	322,872	421,813	744,685		665,000	78,850	743,850
2016	545,321	(4,046)	541,275	202,305	743,580		690,000	53,580	743,580
2017	716,627	(4,832)	711,795	35,565	747,360		720,000	27,360	747,360

*Bonds issued in June 2009 to refund the WEDA Series 1997 Revenue Bonds.

Source: City's Sales Tax Division

WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009 (Mandalay Gardens Project)									
			Less:		Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Total Debt		Principal	Interest and Fees	Coverage
					Service				
2008 \$	-	\$	-	\$	-	\$	-	\$	-
*2009	803,667	(6)	803,661	-	376,662		376,662		N/A
2010	2,697,327	(31,954)	2,665,373	1,125,000	1,739,960		1,739,960		2.13
2011	2,175,755	(31,752)	2,144,003	1,185,000	589,869		1,774,869		1.53
2012	1,830,823	(27,462)	1,803,361	-	392,699		392,699		1.21
2013	-	-	-	-	-		-		4.59
2014	-	-	-	-	-		-		N/A
2015	-	-	-	-	-		-		N/A
2016	-	-	-	-	-		-		N/A
2017	-	-	-	-	-		-		N/A

*Bonds were issued in September 2009 to refund the WEDA Series 2006 Revenue Refunding Bonds and were subsequently refunded in 2012.

Source: City's Sales Tax Division

Table T1 (continued)
City of Westminster

Pledged Revenue Coverage

Last ten fiscal years

WEDA Tax Increment Loan Series 2009 (North Huron Project)

	Gross Pledged Revenues	Less:		Net Pledged Revenue	Debt Service			Total Debt Service	Coverage
		Operating Expenses			Principal	Interest and Fees			
2008	-	-	-	-	-	-	-	-	N/A
*2009	4,529,320	(40,366)		4,488,954	1,170,000	1,911,157		3,081,157	1.46
2010	5,993,927	(81,617)		5,912,310	2,125,000	2,760,466		4,885,466	1.21
2011	5,352,616	(82,240)		5,270,376	2,215,000	2,664,608		4,879,608	1.08
2012	5,326,071	(82,895)		5,243,176	-	1,627,997		1,627,997	3.22
2013	-	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	-	-	N/A
2017	-	-	-	-	-	-	-	-	N/A

*Loan was entered into May 2009 to refund the WEDA Series 2005 Revenue Refunding Bonds and was subsequently refunded in 2012.

WEDA Tax Increment Loan Series 2009 (South Sheridan Project)

	Gross Pledged Revenues	Less:		Net Pledged Revenue	Debt Service			Total Debt Service	Coverage
		Operating Expenses			Principal	Interest and Fees			
2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
*2009	1,429,709	(637,131)		792,578	120,000	220,579		340,579	2.33
2010	2,368,657	(1,090,879)		1,277,778	260,000	399,282		659,282	1.94
2011	2,087,819	(1,204,614)		883,205	275,000	386,265		661,265	1.34
2012	1,153,846	(845,516)		308,330	-	252,923		252,923	1.22
2013	-	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	-	-	N/A
2017	-	-	-	-	-	-	-	-	N/A

*Loan was entered into June 2009 to refund the WEDA Series 2007 Revenue Refunding Bonds and was subsequently refunded in 2012.

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Revenue Refunding Bonds Series 2012 (Mandalay Gardens Project)										
	Less:			Total Revenues				Debt Service		Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Available for Debt Service	Principal	Interest and Fees	Total Debt Service		
2008 \$	-	\$	-	\$	-	\$	-	\$	-	N/A
2009	-	-	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	-	N/A
2012	125,145	(1,022)	124,123	1,306,770	1,430,893	1,150,000	280,893	1,430,893	1,430,893	1.00
2013	1,795,005	(26,105)	1,768,900	565,075	2,333,975	1,390,000	943,975	2,333,975	2,333,975	1.00
2014	2,062,679	(27,550)	2,035,129	295,096	2,330,225	1,400,000	930,225	2,330,225	2,330,225	1.00
2015	2,371,195	(27,420)	2,343,775	-	2,343,775	1,445,000	888,225	2,333,225	2,333,225	1.00
2016	2,459,290	(27,441)	2,431,849	-	2,431,849	1,490,000	844,875	2,334,875	2,334,875	1.04
2017	2,449,719	(27,298)	2,422,421	-	2,422,421	1,515,000	815,075	2,330,075	2,330,075	1.04

*Bonds were issued in August 2012 to refund the WEDA Series 2009 Revenue Refunding Bonds with pledged revenues transferred from 2009 Bond account to meet debt service.

WEDA Tax Increment Loan Series 2012 (North Huron Project)									
	Less:			Debt Service					
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Total Revenues		Debt Service		Total Debt Service Coverage
					Available for Debt Service	Principal	Fees		
2008 \$	-	\$	-	\$	\$	-	\$	-	N/A
2009	-	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	N/A
2012	26,490	(388)	26,102	508,941	535,043	-	535,043	535,043	1.00
2013	5,620,846	(301,220)	5,319,626	-	5,319,626	2,811,000	2,071,163	4,882,163	1.09
2014	6,072,318	(425,753)	5,646,565	-	5,646,565	2,910,000	1,972,514	4,882,514	1.16
2015	6,043,551	(388,377)	5,655,174	-	5,655,174	3,012,000	1,870,103	4,882,103	1.16
2016	6,966,179	(291,459)	6,674,720	-	6,674,720	3,118,000	1,764,394	4,882,394	1.37
2017	7,556,140	(484,838)	7,071,302	-	7,071,302	3,227,000	1,654,952	4,881,952	1.45

*Loan was entered into August 2012 to refinance the WEDA 2009 loan with pledged revenues transferred from 2009 Loan account to meet debt service.

Source: City's Sales Tax Division

Table T1 (continued)
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Loan Series 2012 (South Sheridan Project)

	Less:			Total Revenues					Debt Service		Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Available for		Interest and Fees	Total Debt Service			
					Debt Service	Principal					
2008 \$	-	\$	-	\$	-	\$	-	\$	-	N/A	
2009	-	-	-	-	-	-	-	-	-	N/A	
2010	-	-	-	-	-	-	-	-	-	N/A	
2011	-	-	-	-	-	-	-	-	-	N/A	
*2012	263,400	(286,612)	(23,212)	358,834	335,622	290,000	45,622	335,622	335,622	1.00	
2013	614,018	(90,586)	523,432	29,083	552,515	350,000	202,515	552,515	552,515	1.00	
2014	510,298	(7,634)	502,664	44,892	547,556	355,000	192,556	547,556	547,556	1.00	
2015	525,707	(7,868)	517,839	29,651	547,490	365,000	182,490	547,490	547,490	1.00	
2016	586,198	(8,783)	577,415	-	577,415	385,000	172,612	557,612	557,612	1.04	
2017	579,970	(8,689)	571,281	-	571,281	395,000	168,307	563,307	563,307	1.01	

*Loan was entered into September 2012 to refinance the WEDA 2009 loan with pledged revenues transferred from 2009 Loan account to meet debt service.

Table 12
City of Westminster
Demographic and Economic Statistics
Last ten fiscal years

Fiscal Year	Population ¹	Total Personal Income ²	Per Capita Personal Income (Weighted Avg.) ³	Unemployment Rate ⁴
2008	111,257	\$ 4,327,786,043	\$ 38,899	5.6%
2009	109,353	4,238,522,280	38,760	7.7%
2010	106,114	4,574,427,144	43,109	9.0%
2011	109,652	4,475,336,728	40,814	8.9%
2012	107,967	4,477,067,589	41,467	8.0%
2013	109,456	4,511,010,128	41,213	6.0%
2014	110,946	4,630,553,202	41,737	4.1%
2015	112,090	4,941,599,740	44,086	3.4%
2016	113,130	5,092,094,430	45,011	2.8%
2017	115,732	5,384,894,228	46,529	3.0%

Source:

¹ 2016 Population - City of Westminster 2016-2017 City Profile

² Total Personal Income - Product of Per Capita Personal Income by Population

³ Per Capita Personal Income - US Bureau of Economic Analysis weighted average of Adams and Jefferson County figures for 2016. 2017 estimated by applying 2017 CPI-U growth rate (2.1%) for all urban consumers to 2016 income.

⁴ Unemployment Rate obtained from the Colorado Department of Labor for December, 2016, and calculated as a weighted average of rates for Adams and Jefferson Counties.

Table 13
City of Westminster
Principal Private Sector Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2017				Fiscal Year 2008			
	Employees	Rank	Percentage of		Employees	Rank	Percentage of	
			Total City	Employment			Total	Employment
St. Anthony North Hospital	915	3		1.91%	750	3		1.84%
Alliance Data Systems	1,045	2		2.18%	400	5		0.98%
Ball Corporation	1,182	1		2.46%	800	2		1.96%
DigitalGlobe	809	4		1.69%				
Trimble Navigation	600	5		1.25%	277	9		0.68%
Tri State Generation	550	6		1.15%	400	5		0.98%
Kaiser Permanente	441	9		0.92%	307	8		0.75%
Reed Group	477	7		0.99%				
Mtech Mechanical Technologies Gr	460	8		0.96%				
LGS Innovations	373	10		0.78%				
Avaya					1,318	1		3.23%
LaFarge North America								
Global Healthcare Exchange								
Access Distribution Systems (CE)								
McKesson Information Systems					430	4		0.0105
LPS Asset Management Solutions					400	5		0.0098
Kaiser Permanente (Sheridan)					240	10		0.0059

Note: Total employment in Westminster businesses was 47,966 in 2017 and 40,804 in 2008.

Source: Westminster Economic Development Department; DRCOG 2017 Master Employment

Table 14

City of Westminster

Full-time Equivalent City Employees by Function/Program

Last ten fiscal years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
City Attorney's Office	15700	14700	13700	13700	13700	13700	13700	13950	13950	13950
City Manager's Office	29500	23000	17500	15500	15500	15500	14800	16900	16900	11900
Finance	29500	28500	28500	27500	27500	26750	26750	29000	29000	28000
General Services	71466	74516	71766	72766	72766	71766	71766	78326	76326	75826
Public Safety										
Fire Department	139500	136300	135300	135300	135300	135300	135300	143500	142500	142500
Police Department	265600	263600	263600	261600	261600	262600	262600	274800	275300	277300
Public Works										
Street Maintenance	25000	24000	24000	24000	24000	24000	24000	26000	26000	26000
Community Development										
Administration	7600	7600	6100	6100	6100	6100	6100	7600	7600	7600
Economic Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000
Planning Division	17000	17000	14500	14200	14200	14200	14200	14200	14700	14700
Building Division	18500	18000	16100	16100	16000	16000	16000	16500	18500	18500
Engineering Division	17000	15750	13000	13000	13000	13000	13000	14500	14500	14500
Open Space	16300	12500	6500	2500	2500	2500	2500	2500	2500	2500
Westminster Housing Authority	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
Culture and Recreation										
Administration	19000	19000	17200	17200	15200	15200	15200	16200	10200	10200
Parks Services	35000	34800	33800	35800	35800	35800	35800	42400	49400	49400
Aquatics	15600	16300	15800	14800	0.000	0.000	0.000	0.000	0.000	0.000
Library Services	41975	41975	39275	39275	40275	40275	40275	42200	42200	42200
Recreation Programs	10300	14900	17300	15600	15600	15000	15000	16500	16500	15300
Recreation Facilities	42300	37000	35500	35500	50300	50300	50300	64048	65298	65298
Utilities										
Administration	49500	45500	45300	41800	41800	41800	42300	44300	46800	45700
Water Resources & Treatment	56000	56000	56000	56000	54750	53750	52750	53750	52750	51750
Field Operations	50500	46500	45500	42500	42500	38500	38500	44500	42000	42000
Golf Courses										
Legacy Ridge	8000	8000	8500	9000	10000	10000	9000	10500	10500	10500
The Heritage	8000	8000	8500	9000	9000	9000	10000	10500	10500	10500
Total	988.841	963.441	933.241	918.741	917.391	911.041	909.841	982.674	983.924	981.124

Source: City Annual Pay Plan

Table 15
City of Westminster
Operating Indicators by Function/Program
Last ten fiscal years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Total Fire/EMS Incidents	11,559	10,699	10,226	9,968	6,709	9,267	8,834	8,288	7,980	8,058
EMS Transports by fire department	6,019	5,619	5,497	5,314	6,589	5,166	4,804	4,710	4,493	4,622
Police emergency responses	635	870	935	965	1,049	874	964	1,142	1,361	1,858
Traffic Citations (municipal)	5,506	5,454	7,117	7,791	8,325	9,190	11,528	11,739	10,536	9,771
Public Works										
Curb miles swept	4,101	3,430	3,051	3,281	3,258	4,426	3,112	4,001	8,004	7,361
Lane miles rehabilitated	74	80	88	71	103	101	103	104	98	133
Community Development										
Official Development Plans processed	177	142	136	130	129	120	92	137	123	176
Building Permits issued	6,937	6,890	4,976	5,999	4,994	5,456	5,079	6,007	5,978	4,244
Culture and Recreation										
Library circulation	964,606	746,113	844,001	941,256	1,015,864	1,102,660	1,183,780	1,403,597	1,533,879	1,475,611
Facility participants	1,092,832	1,079,685	1,025,625	986,153	955,079	943,876	918,842	918,842	675,855	924,843
Program registrants	200,206	178,038	172,257	103,704	97,325	91,397	97,447	97,447	91,640	88,483
Utilities										
Water gallons treated (in millions)	5,795	6,128	5,883	5,827	5,873	6,867	6,244	6,298	5,825	6,241
Water customers	32,825	32,587	32,322	32,227	32,163	32,040	31,938	31,815	31,659	31,730
Wastewater gallons treated (in millions)	2,460	2,586	2,684	2,488	2,508	2,603	3,681	2,746	2,470	2,345
Wastewater customers	30,347	30,904	30,586	30,803	30,726	30,626	30,526	30,042	30,299	30,296
Golf Courses										
Paid golf rounds played	70,613	76,684	71,750	67,728	61,899	61,439	58,382	54,792	51,825	58,300
Golf course acres maintained	414	414	414	414	414	414	414	414	414	414

Source: City's Performance Measures Team

Table 16
City of Westminster
Capital Asset Statistics by Function/Program
Last ten fiscal years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Public Safety										
Firestations	6	6	6	6	6	6	6	6	6	6
Patrol Units	79	71	71	71	71	71	71	70	62	59
Public Works										
Total Lane Miles	1,126	1,116	1,101	1,101	1,100	1,099	1,099	1,106	1,061	1,057
Community Development										
Traffic Signals	113	113	113	113	111	111	111	110	109	105
Culture and Recreation										
Libraries	2	2	2	2	2	2	2	2	2	2
Open Space sites	219	218	215	212	212	200	196	194	188	157
Neighborhood, community & citywide parks	58	54	53	53	53	53	53	53	52	52
Utilities										
Water mains	550	531	544	516	509	508	509	509	508	504
Treatment plants (water & wastewater)	4	4	4	4	4	4	4	4	4	4
Golf Courses										
Golf Courses	2	2	2	2	2	2	2	2	2	2

Source: City's Performance Measures Team

**COMPLIANCE
SECTION**

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards**

Honorable Mayor and Members of City Council
City of Westminster, Colorado
Westminster, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Westminster, Colorado (the City) as of and for the year ended December 31, 2017 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 17, 2018.

Internal Control Over Financial Reporting

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

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

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

Honorable Mayor and Members of City Council
City of Westminster, Colorado

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

BKD, LLP

Denver, Colorado
May 17, 2018

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Honorable Mayor and Members of City Council
City of Westminster, Colorado
Westminster, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of Westminster, Colorado's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2017. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Honorable Mayor and Members of City Council
City of Westminster, Colorado

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

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

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

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

BKD, LLP

Denver, Colorado
May 17, 2018

City of Westminster

Schedule of Findings and Questioned Costs

Year Ended December 31, 2017

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP):

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over compliance for major federal awards programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

5. Type of auditor’s report issued on compliance for major federal award programs:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218	CDBG Entitlement Grants Cluster

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

9. Auditee qualified as low-risk auditee? ☒ Yes ☐ No

City of Westminster
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2017

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

City of Westminster
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017

Reference Number	Summary of Finding	Status
	No matters are reportable.	

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CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Agency Cluster/Grant Program	Pass-through Entity	Pass-through Identifying Number If Applicable	Federal Number	Passed-through to Subrecipients	Total Federal Program Expenditures
<u>Department of Housing and Urban Development</u> Community Development Block Grants/Entitlement Grants (CDBG - Entitlements Grants Cluster)			14,218	\$ 55,020	\$ 766,578
<u>Department of Justice</u> Missing Children's Assistance (ICAC) Crime Victim Assistance Equitable Sharing Program Subtotal	City of Colorado Springs Police Colorado Department of Public Safety-Division of Criminal Justice	2015-MC-FX-K030 2015-VA-16-013876-17	16,543 16,575 16,922	- - -	2,774 63,129 13,698 79,601
<u>Department of Homeland Security</u> National Urban Search and Rescue (US&R) Response System Emergency Management Performance Grant Hazard Mitigation Grant Subtotal	West Metro Fire Protection District/Colorado Department of Local Affairs Colorado Division of Homeland Security & Emergency Management/Colorado Department of Local Affairs Colorado Department of Public Safety-Division of Homeland Security and Emergency Management/Colorado Department of Public Safety	None Provided T7EM-18-94 HMGP-4229 17-D4229-18P	97,025 97,042 97,039	- - -	48,939 45,000 3,969 97,908
<u>Executive Office of the President</u> High Intensity Drug Trafficking Areas Program			95,001	373,357	373,357
<u>Department of Education</u> Race to the Top-Early Learning Challenge	Red Rocks Community College	S412A130004	84,42A	800	800
<u>Department of Transportation</u> Highway Planning and Construction (Highway Planning and Construction Cluster) Highway Planning and Construction (Highway Planning and Construction Cluster) Subtotal	Colorado Department of Transportation Regional Air Quality	331001219/331001383 PO 954	20,205 20,205	- -	90,090 41,560 131,650
TOTAL FEDERAL ASSISTANCE	Total Federal Assistance		\$ 429,177	\$	\$ 1,449,894

The accompanying notes are an integral part of this schedule.

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2017. 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 net position or cash flows of the City.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2: Department of Housing and Urban Development, HUD Section 108 Loan Guarantee

The original note was issued on October 05, 2012, for \$1,500,000. The outstanding loan balance as of December 31, 2017 is \$817,000. The terms of the loan are a 20-year repayment with the first 15 years set at interest-only payments, and the principal to be repaid in the remaining 5 years. A prepayment was made in 2015 and 2016 toward the loan principal balance that had originally been scheduled with due dates of August 1, 2028, August 1, 2029, and August 1, 2030. The final maturity date is August 1, 2032. The 2012 Section 108 Housing and Urban Development Loan has a variable interest rate based on 3 month LIBOR plus 0.20%, adjusted monthly on the first day of each month. The 3 month LIBOR as of 12/31/2017 is 1.68063%. The Community Development Block Grant allocation is pledged as security for repayment in the event of a default on the note.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Westminster
		YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of	Prepared By:	Finance/Accounting
	Phone:	303-658-2062

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,619,270
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,986,173
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,612,229
2. General fund appropriations	17,772,176	b. Snow and ice removal	883,407
3. Other local imposts (from page 2)	4,131,897	c. Other	
4. Miscellaneous local receipts (from page 2)	2,064,982	d. Total (a. through c.)	3,495,636
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,696,382
a. Bonds - Original Issues		6. Total (1 through 5)	20,797,461
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,252,660
7. Total (1 through 6)	23,969,055	b. Redemption	1,664,999
B. Private Contributions		c. Total (a. + b.)	2,917,659
C. Receipts from State government		2. Notes:	
(from page 2)	4,048,528	a. Interest	970,000
D. Receipts from Federal Government		b. Redemption	3,454,070
(from page 2)	590,036	c. Total (a. + b.)	4,424,070
E. Total receipts (A.7 + B + C + D)	28,607,619	3. Total (1.c + 2.c)	7,341,729
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	28,139,190

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	105,753,364	28,607,619	28,139,190	106,221,793	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	96,806
b. Other local imposts:		b. Traffic Fines & Penalties	1,096,232
1. Sales Taxes	3,623,332	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	
5. Specific Ownership &/or Other	508,565	g. Other Misc. Receipts	
6. Total (1. through 5.)	4,131,897	h. Other	871,944
c. Total (a. + b.)	4,131,897	i. Total (a. through h.)	2,064,982
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,609,519	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	590,036
c. Motor Vehicle Registrations	395,449	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	43,560	f. Other Federal	
f. Total (a. through e.)	439,009	g. Total (a. through f.)	590,036
4. Total (1. + 2. + 3.f)	4,048,528	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		421,437	421,437
c. Construction:			
(1). New Facilities		3,363,283	3,363,283
(2). Capacity Improvements	315,000	3,367,597	3,682,597
(3). System Preservation	359,491	138,049	497,540
(4). System Enhancement & Operation		654,413	654,413
(5). Total Construction (1) + (2) + (3) + (4)	674,491	7,523,342	8,197,833
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	674,491	7,944,779	8,619,270
			(Carry forward to page 1)
Notes and Comments:			

SPIRIT OF FULL DISCLOSURE... RESULTS THAT COUNT

Service Pride Integrity Responsibility Innovation Teamwork



WESTMINSTER

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