

2018

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Comprehensive Annual Financial Report
Year Ended December 31, 2018



CITY OF
Northglenn
COLORADO



CITY OF NORTHGLENN, COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2018

**Prepared by:
Finance Department**

CITY OF NORTHGLENN, COLORADO

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Introductory Section

May 13, 2019

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

We are pleased to submit this Comprehensive Annual Financial Report of the City of Northglenn, Colorado (the City) for the fiscal year ended December 31, 2018 as required by local ordinance, City Charter and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

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

The City's financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

The City is a suburban community made up of two geographically separated areas. The major portion of the City contains 6.5 square miles and serves a population of approximately 39,000. In 1990, the City annexed approximately

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

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

Local Economy

Approximately 950 businesses operate in the City offering a wide variety of goods and services. A 125-acre industrial park located on the east side of the City and comprised of over 100 businesses involved in manufacturing, transportation, warehousing, automotive, and other services provides many of the primary jobs within the community. The City is also home to a number of "big box" commercial retail establishments including Lowes, Best Buy and Bed, Bath & Beyond. The Northglenn Marketplace located at US Interstate 25 and 104th Avenue is the primary retail center within the City and is made up of approximately 35 establishments and representing over 650,000 square feet of retail space.

As part of the Denver metropolitan area, the City's economy reflects and benefits from the general economy of the Denver area. Over the past decade, Colorado and the Denver Metropolitan Region grew at a greater rate than a majority of the country.

The Consumer Price Index for the Denver metropolitan area increased 2.7% comparable with the increase in the national index of 2.4% for all urban consumers for the twelve months ending December 31, 2018. Adams County, Colorado reported an unemployment rate of 4.1% in December 2018 compared to 3.3% reported in 2017. Local area unemployment is above that of the nation as a whole, which reported an ending 2018 unemployment rate of 3.9%.

Long-Term Financial Planning

The City of Northglenn is a mature community, bordered on all sides by other municipalities with limited land available for new development. As such, redevelopment remains a primary focus of long-term financial planning. While limited, opportunities for infill development within the City do exist. Two mass-transit light rail stations were planned in or near Northglenn as part of the Regional Transportation District's (RTD) FasTracks program. The first station has been built between Irma Drive and York Street on east 112th Avenue, while the other is planned to go in just north of the city limits, at 124th Avenue and Claude Court. Future mixed use development is also being considered for the vacant land located north of 120th Avenue between Race Street and Irma Drive. Plans are being made for the redevelopment of the civic center campus, which may include mixed-use development in conjunction with the replacement of the recreation center and theatre complex.

Reinvestment in public infrastructure remains a crucial component of the City's long-range plans. Aging infrastructure, increased traffic from surrounding cities and unfunded mandates drive many of the foreseeable future obligations. Therefore, the City has taken steps to ensure identified funding of future capital and infrastructure needs. In 2013, voters approved the continuation of a one-half percent sales tax dedicated for the procurement of water rights until December 31, 2025. The voters removed a sunset provision of a 4.000 mill property tax for the exclusive purposes of reconstructing streets and roadways in 2017. In 2015, voters approved the extension of a one-half percent sales tax with a spending restriction for purposes of funding capital improvement projects that does not sunset. As part of the long-range planning, the City increased the water and wastewater user rates to support the ongoing operations and maintenance of the City's water and wastewater plants and infrastructure in 2009, 2010, 2011, 2014, 2015, and in 2017 the City Council approved rate increases for the next five-years, beginning in 2018.

Debt Administration. As of December 31, 2018, the City has no general obligation bonded debt outstanding. Under state statute, general obligation bonded debt issuances are subject to a legal limitation based on 3 percent of total assessed value of real and personal property.

In April 2017, the City issued Certificates of Participation in the amount of \$19,325,000. At December of 2018, the 2017 Certificates of Participation were outstanding in the amount of \$18,295,000. The required annual lease payments are approximately \$1,500,000 per year and are scheduled to continue through 2036. The issuance was

used to fund construction costs related to the Justice Center Project, which was completed in 2018.

In January 2013, the Northglenn Capital Leasing Corporation (NCLC), a blended component unit of the City, completed an advanced refunding of its Series 2002A Certificates of Participation (Certificates) in the amount of \$8,795,000. At December of 2018, the 2013 Lease Purchase Agreement was outstanding in the amount of \$3,715,000. Water and wastewater rates are set each year to cover the required lease payments and projected operating costs. The required annual lease payments are approximately \$978,000 per year and are scheduled to continue through 2022. The lease is the long-term obligation of NCLC and does not constitute a general obligation or other indebtedness to the City. The lease was used to fund construction costs related to the Standley Lake Dam Improvement Project.

Relevant Financial Policies. It is the City of Northglenn's policy that unassigned fund balance within the General Fund must be at least 25% of the current year's General Fund expenditure appropriations. Additionally, an operating and maintenance reserve equal to at least 90 days of operations, as well as an additional \$1,000,000 capital reserve is included in both the Water and Wastewater Funds.

Major Initiatives

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

Wastewater Treatment Headworks and Clarifier – In 2018, the City completed a \$12 million upgrade to the existing wastewater treatment plant. The additional infrastructure and equipment brought the facility up to current required standards, and created a sustainable, more cost effective treatment process. The project also included an air ionization system to mitigate the odors associated with the treatment process for recent development neighboring the facility.

Justice Center – This new facility, located near 112th Avenue and Community Center Drive, opened in 2018, at a cost of \$23.7 million. The facility houses the Police Department and Municipal Court.

Ralston House Facility – This \$1.8 million project was completed through a collaborative agreement with, and contributions from, Adams County and the cities of Thornton, Westminster, Broomfield, Commerce City, Federal Heights, Brighton and Aurora. The facility is owned by the City, and leased to the non-profit organization, Ralston House, to serve the City and surrounding communities with child advocacy services. The project entailed the removal of an existing structure, the relocation of an existing generator used for the Water Treatment Plant, and construction of a new facility.

Northwest Open Space Facilities Improvements – In 2017, the City began the design phase to add infrastructure to the City's largest sports field complex located at 112th Avenue and Ranch Drive. The improvements include installing permanent restrooms and a concession stand, and to expand the parking lots to accommodate increased utilization. Construction began in the fall of 2018, and improvements are anticipated to be completed by year's end of 2019. The City has secured grants of up to \$2.04 million through Adams County Open Space to complete this project.

Civic Center Campus – Based on a recently completed master plan of the City's civic center campus redevelopment, the City is moving forward on the design and construction of a new recreation center and theatre complex. Future plans include the replacement of city hall and possible mixed use development to complement the recent redevelopment of the Webster Lake Promenade area.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2017 using Governmental Accounting Standards Board Statement 34 presentation of financial statements. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Heather Geyer".

Heather Geyer
City Manager

A handwritten signature in blue ink, appearing to read "Jason Loveland".

Jason Loveland
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Northglenn
Colorado**

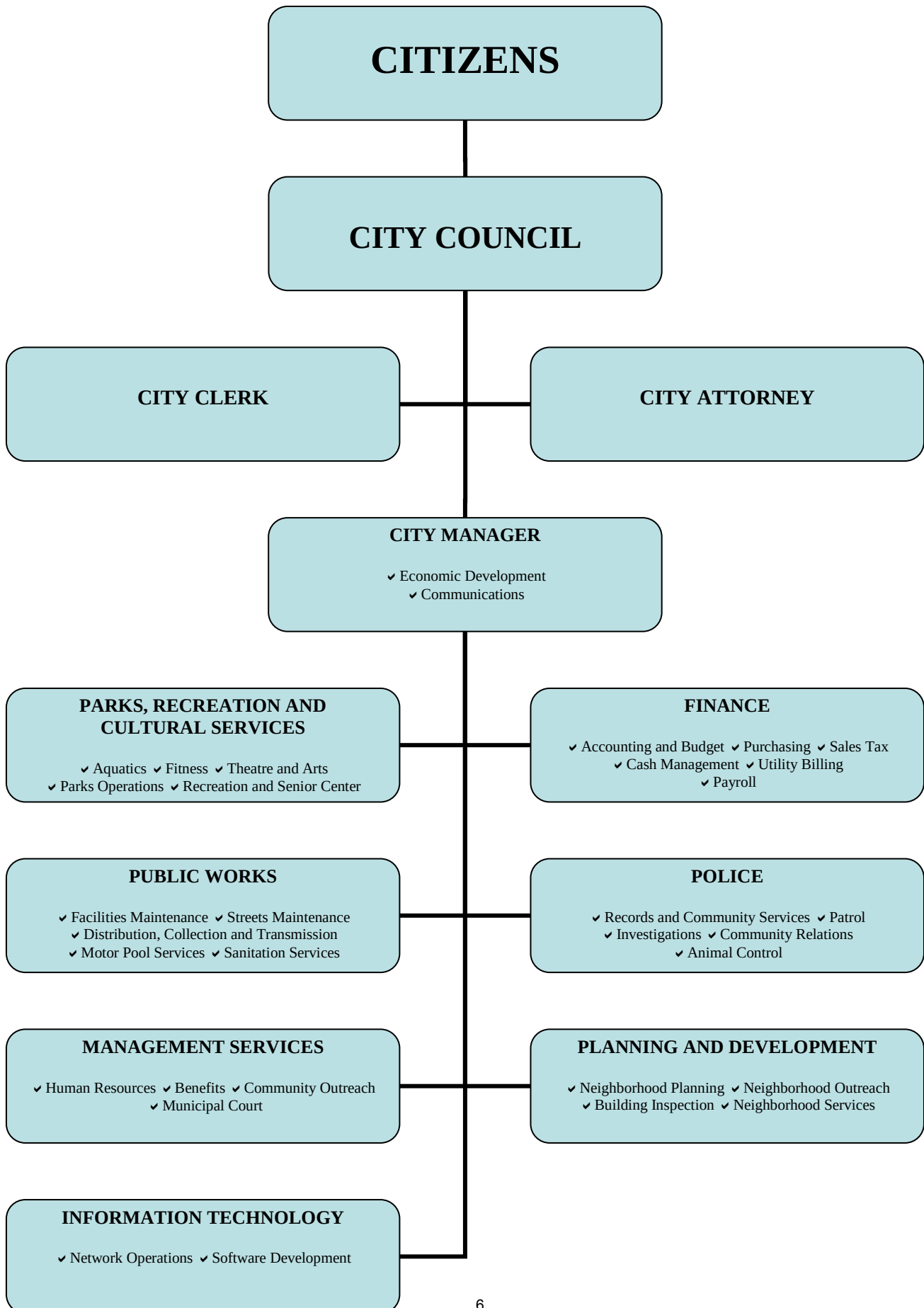
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF NORTHGLENN - ORGANIZATIONAL STRUCTURE





CITY OF NORTHGLENN, COLORADO

CITY COUNCIL

Carol A. Dodge, Mayor

Meredith Leighty, Ward 1

Jordan Sauers, Ward 1

Becky Brown, Ward 2

Joyce Downing, Ward 2

Julie Duran Mullica, Ward 3

Marci Whitman, Ward 3

Antonio Esquibel, Mayor ProTem

Jenny Willford, Ward 4

ADMINISTRATIVE OFFICIALS

Heather Geyer, City Manager

Corey Hoffmann, City Attorney

Johanna Small, City Clerk

Paula Jensen, Director of Management Services

Bob Lehr, Director of Information Technology

Jason Loveland, Director of Finance

James May, Chief of Police

Amanda Peterson, Director of Parks & Recreation

Brook Svoboda, Director of Planning and Development

Kent Kisselman, Director of Public Works and Utilities



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Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Northglenn, Colorado (the City) as of and for the year ended December 31, 2018, 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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City as of December 31, 2018, 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.

Emphasis of Matter

As explained in Note 4.F. to the financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which restated beginning net position of the governmental activities, business type activities, each major enterprise fund and the aggregate remaining fund information to record the total OPEB liability. The City also changed the reporting structure of certain enterprise funds to present the Water and Wastewater Funds as separate major funds in the current year (previously presented as one fund) and has restated each beginning net position accordingly. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northglenn, Colorado's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2019 on our consideration of the City of Northglenn, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northglenn, Colorado's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
April 29, 2019

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

This section of the City of Northglenn's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on December 31, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the City of Northglenn exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$276,016,649 (net position). Of this amount, \$57,612,390 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,755,664 over the prior year.
- At the end of the current fiscal year, fund balance within the governmental funds was \$49,541,814, which represents a decrease of \$5,715,375 when compared to 2017. Approximately 53% of the fund balance, or \$26,471,827 is unrestricted.

Overview of the Financial Statements

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

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

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

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

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

Figure A-1

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

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Government-wide Statements

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

The two government-wide statements report the City's *net position* and how it has changed. Net position - the difference between the City's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the City's financial health, or *position*.

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

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

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

Fund Financial Statements

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

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

The City has two kinds of funds:

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Financial Analysis of the City

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Northglenn, assets exceeded liabilities by \$276,016,649 at the close of the most recent fiscal year.

The largest portion of the City of Northglenn's net position (75%) reflects its net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt to acquire those assets that is still outstanding. The City of Northglenn uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Northglenn's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position is designed to reflect net positions that are subject to restriction beyond the City's control. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Northglenn is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

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

	Governmental		Business-type		Total	
	2017 - restated	2018	2017 - restated	2018	2017 - restated	2018
Current and Other Assets	\$ 65,222	\$ 57,607	\$ 16,655	\$ 21,757	\$ 81,877	\$ 79,364
Capital Assets	93,737	102,483	130,090	128,764	223,827	231,247
Total Assets	158,959	160,090	146,745	150,521	305,704	310,611
Deferred Outflow of Resources	-	-	225	188	225	188
Long-term Debt	23,089	22,344	5,368	4,375	28,457	26,719
Other Liabilities	5,861	3,181	1,380	884	7,241	4,065
Total Liabilities	28,950	25,525	6,748	5,259	35,698	30,784
Deferred Inflow of Resources	3,971	3,994	-	5	3,971	3,999
Total Deferred Inflow of Resources	3,971	3,994	-	5	3,971	3,999
Net Investment in						
Capital Assets	85,803	82,451	125,715	125,236	211,518	207,687
Restricted	2,215	2,363	5,812	8,354	8,027	10,717
Unrestricted, restated	38,020	45,757	8,695	11,855	46,715	57,612
Total Net Position	\$ 126,038	\$ 130,571	\$ 140,222	\$ 145,445	\$ 266,260	\$ 276,016

Changes in Net Position

The government's net position increased by \$9,755,664 during the current fiscal year. This increase is primarily due to revenues exceeding expenditures in both governmental and business-type activities, as explained below. Due to implementation of GASB Statement No. 75, the January 1, 2018 total net position is restated. See Note 1.D.13. of this report for additional information.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Governmental Activities. Governmental activities increased the City of Northglenn's net position by \$4,532,996. The largest increase in governmental net position was attributable to capital grants and contributions in the amount of \$3.0 million, along with an increase in property tax revenues of \$.9 million and other taxes in the amount of \$.8 million over the prior year.

Business-type Activities. Business-type activities increased the City's net position by \$5,222,668. This increase is largely due to the increase of \$2.7 million of restricted fund balance accumulated from the one-half percent sales tax revenue in the Water Fund, and also from a \$1.1 million increase in charges for services from the prior year.

Changes In Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017 - restated	2018	2017 - restated	2018	2017 - restated	2018
Revenues						
Program Revenues:						
Charges for Services	\$ 4,375	\$ 4,423	\$ 13,236	\$ 14,318	\$ 17,611	\$ 18,741
Operating Grants and Contributions	1,006	810	-	-	1,006	810
Capital Grants and Contributions	3,232	6,215	-	-	3,232	6,215
General Revenues:						
Property Taxes	3,099	3,969	-	-	3,099	3,969
Other Taxes	20,564	21,397	3,779	3,863	24,343	25,260
Franchise Fees	64	36	-	-	64	36
Unrestricted to Specific Programs	118	142	-	-	118	142
Investment Earnings	410	867	124	283	534	1,150
Other	186	103	45	27	231	130
Gain on Sale of Assets	-	-	14	-	14	-
Total Revenues	<u>33,054</u>	<u>37,962</u>	<u>17,198</u>	<u>18,491</u>	<u>50,252</u>	<u>56,453</u>
Expenses						
General Government	7,565	7,944	-	-	7,565	7,944
Recreation and Culture	4,961	5,410	-	-	4,961	5,410
Public Safety	9,655	10,517	-	-	9,655	10,517
Public Works	7,148	8,823	12,860	13,268	20,008	22,091
Interest on Long-Term Debt	741	735	-	-	741	735
Total Expenses	<u>30,070</u>	<u>33,429</u>	<u>12,860</u>	<u>13,268</u>	<u>42,930</u>	<u>46,697</u>
Increase in Net Position before Transfers	2,984	4,533	4,338	5,223	7,322	9,756
Transfers In/Out	(200)	-	200	-	-	-
Change in Net Position	2,784	4,533	4,538	5,223	7,322	9,756
Net Position, Jan 1, restated	123,254	126,038	135,684	140,222	258,938	266,260
Net Position Dec 31	<u>\$126,038</u>	<u>\$130,571</u>	<u>\$140,222</u>	<u>\$145,445</u>	<u>\$266,260</u>	<u>\$276,016</u>

Financial Analysis of the City's Funds

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

CITY OF NORTHGLENN, COLORADO

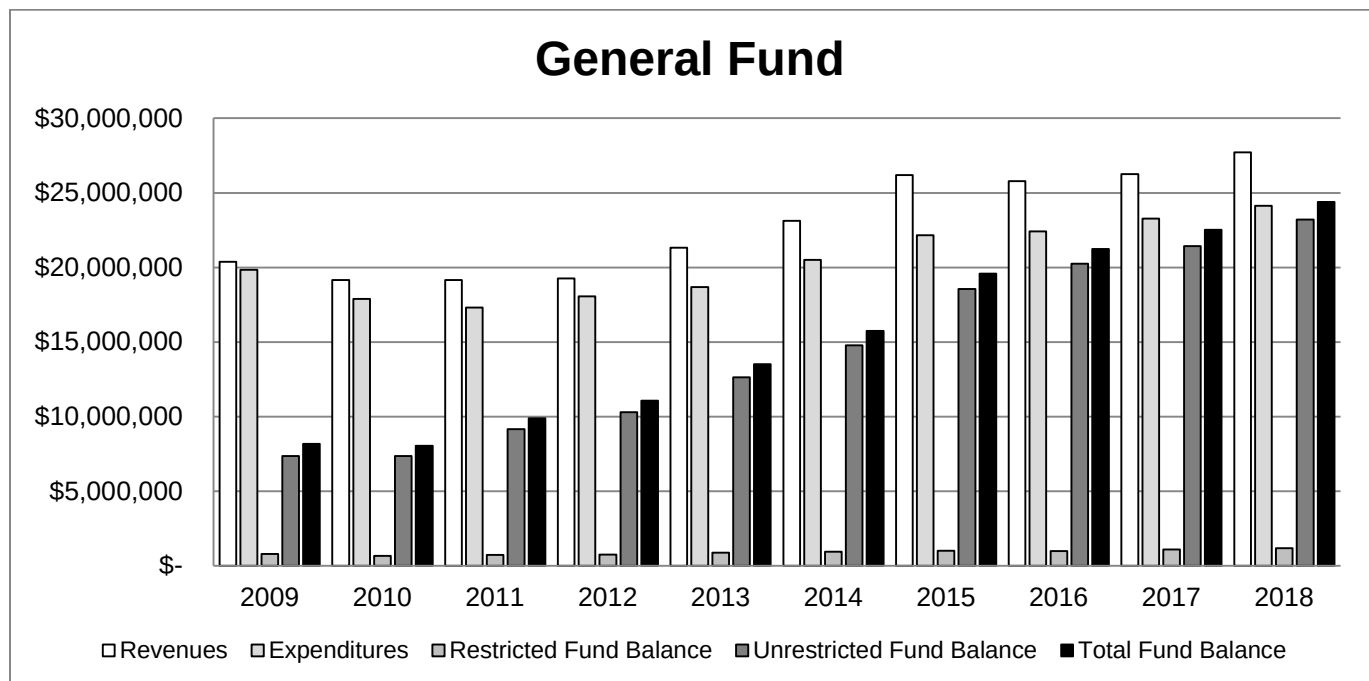
MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Governmental funds. The focus of the City of Northglenn's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Northglenn's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$49,541,814. Of that fund balance, \$23,209,617 constitutes unrestricted fund balance, which is available for spending at the government's discretion. Of the total fund balance, \$61,399 has been restricted for law enforcement use, \$829,233 has been restricted for a state constitution mandated emergency reserve, \$1,472,365 has been restricted for parks and open space purposes, and an additional \$20,509,663 has been restricted for capital projects. The remainder of fund balance is not available for new spending because it has already been restricted for inventories and prepaid items in the amount of \$197,327.

The General Fund is the chief operating fund of the City of Northglenn. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$23,310,129 while total fund balance reached \$24,398,088. The fund balance represents an increase of approximately 8% or \$1,878,298 when compared to the prior year. The increase in fund balance is attributable to an increase in revenue over budget estimates (sales tax and sale of asset proceeds) and expenditure savings from personnel vacancies and continued efforts in cost containment. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents approximately 97% of total 2018 General Fund expenditures, which includes capital outlay, while total fund balance represents 101% of that same amount.

The Capital Projects Fund accounts for all governmental capital improvement projects of the City. As of 2018, total fund balance in the Capital Projects Fund was \$23,671,361. Of the total fund balance \$3,161,698 is committed for specific capital-related uses (e.g. streets, recreation, etc.) while \$20,509,663 remains restricted for general capital uses. The total fund balance represents a decrease of approximately 24% or \$7,587,307 when compared to the prior year. The decrease in fund balance is attributable to the expenditures exceeding the revenues for the current year.



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

Net position of the Water and Wastewater Funds at the end of the year amounted to \$99,977,821, and \$38,496,294 respectively. Net position for the Stormwater and Sanitation Funds amounted to \$3,792,852 and \$3,178,345 respectively. Total change in net position for all four funds was \$5,222,668. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's Business-type activities.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

General Fund Budgetary Highlights

During the year, the changes to the 2018 original budget appropriation were in the form of grant acceptances where revenue equaled expenditures, and the addition of appropriations for continuance of the City website redesign project, City Council projects, acquisition of land, additional personnel, vehicles and unanticipated infrastructure repair needs. These items were not budgeted during the budget process and added by the legislative body to the budget throughout the year.

Revenues were within 2% of budget. The largest revenue, sales and use tax, was higher than projected; however, fines and forfeitures were down accordingly.

Actual expenditures of \$24,130,401 fell below budget appropriations by \$1,266,107 or approximately 5%. A large portion of this is due to salary savings for unanticipated position vacancies during the year.

Capital Asset and Debt Administration

Capital Assets. The City of Northglenn's investment in capital assets for its governmental and business type activities as of December 31, 2018 amounted to \$231,246,693 (net of accumulated depreciation). This investment in capital assets includes land, art, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net increase in the City of Northglenn's investment in capital assets for the current fiscal year was \$7,419,409.

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

- \$10,418,383 for Justice Center work (project complete).
- \$1,495,741 for the Ralston House (project complete).
- \$450,214 for the purchase of a new street patch truck and rear load trash truck.

Capital Assets (In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Water Rights	\$ -	\$ -	\$ 60,114	\$ 60,114	\$ 60,114	\$ 60,114
Land and Improvements	4,705	4,440	808	808	5,513	5,248
Construction in Progress	13,636	2,162	12,773	1,244	26,409	3,406
Works of Art	385	485	-	-	385	485
Infrastructure and Improvements	120,429	121,713	119,777	130,435	240,206	252,148
Buildings and Improvements	11,977	35,931	21,159	21,159	33,136	57,090
Machinery and Equipment	6,509	7,316	7,001	9,378	13,510	16,694
Accumulated Depreciation	(63,904)	(69,564)	(91,542)	(94,374)	(155,446)	(163,938)
Total Capital Assets	<u>\$ 93,737</u>	<u>\$102,483</u>	<u>\$130,090</u>	<u>\$128,764</u>	<u>\$223,827</u>	<u>\$231,247</u>

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Long-Term Debt. As of December 31, 2018, the City has no general obligation bonded debt outstanding.

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

At the end of the current fiscal year, the City had total debt outstanding of \$22,010,001 comprised of Certificates of Participation, Series 2017 in the amount of \$18,295,000 and the 2013 Lease Purchase debt of \$3,715,001.

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

Economic Factors and Next Year's Budgets and Rates

The factors below were considered in preparing the City of Northglenn's budget for the 2019 fiscal year.

- The unemployment rate for Adams County as of December 31, 2018 was 4.1%. City unemployment was at 4.1%.
- In 2018, sales and use tax collections had moderate increases of 3.7% when compared to the prior year. For the 2019 budget, an inflationary factor was given to revenue growth of approximately 2%.
- In 2011, City Council formally adopted comprehensive financial policies which include a requirement that the City maintain a minimum unassigned fund balance of at least 25% of the current year's General Fund appropriations. The budget did not contemplate using unassigned reserves as the City continues to evaluate the best investment of the excess reserves.
- In November 2015, voters approved the extension of a one-half percent city sales tax, to be used for the exclusive purpose of funding capital improvement projects through the Capital Projects Fund. This tax does not have a sunset provision. The tax raised approximately \$2.8 million in 2018. Plans for this tax include an investment to the redevelopment of the Civic Center campus, which includes the construction of a new recreation center and theatre. Funds will also be used to pay for the debt related to the construction of the Justice Center.
- In November 2017, voters approved the extension of a 4.000 mill levy, to be used for the exclusive purpose of funding road reconstruction projects. This tax does not have a sunset provision. The tax generated approximately \$1.4 million in 2018.
- In 2017, a 5-year water and wastewater rate increase plan was implemented to raise funds to complete capital projects over the next decade. The increases began in 2018, at the rate of 4.4% and 9.7% respectively.

Requests for Information

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



Basic Financial Statements

CITY OF NORTHGLENN, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Urban Renewal Authority	Church Ditch Water Authority
ASSETS					
Cash & Investments	\$ 48,484,800	\$ 11,255,510	\$ 59,740,310	\$ 8,784,717	\$ 1,176,199
Receivables, Net of Allowances	8,925,503	2,163,846	11,089,349	1,545,547	42,227
Inventories	28,448	225,363	253,811	-	-
Deposits and Prepaids	168,879	907	169,786	-	46,933
Cash & Investments, restricted	-	8,111,204	8,111,204	-	-
Capital Assets, Non Depreciable	7,086,360	62,165,273	69,251,633	-	767,957
Capital Assets, Net	95,396,288	66,598,772	161,995,060	-	3,470,531
Total Assets	160,090,278	150,520,875	310,611,153	10,330,264	5,503,847
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	-	187,500	187,500	-	-
LIABILITIES					
Accounts Payable	1,947,248	604,248	2,551,496	472,677	54,512
Retainages Payable	183,882	14,100	197,982	-	-
Accrued Liabilities	392,748	193,983	586,731	-	454
Unearned Revenue	156,244	-	156,244	-	45,825
Deposits Payable	435,110	64,665	499,775	-	72,934
Accrued Interest Payable	66,224	6,277	72,501	-	-
Noncurrent Liabilities:					
Due Within One Year	2,060,000	1,377,579	3,437,579	-	8,432
Due After One Year	20,283,800	2,997,504	23,281,304	-	986,594
Total Liabilities	25,525,256	5,258,356	30,783,612	472,677	1,168,751
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	3,977,924	-	3,977,924	1,545,547	-
OPEB Related Items	15,761	4,707	20,468	-	-
	3,993,685	4,707	3,998,392	1,545,547	-
NET POSITION					
Net Investment in Capital Assets	82,450,886	125,236,544	207,687,430	-	1,621,731
Net Investment in Capital Assets - Minority					
Equity Interest, nonexpendable	-	-	-	-	1,621,731
Restricted for:					
Emergency-Tabor	829,233	242,628	1,071,861	-	-
Water Rights	-	8,069,189	8,069,189	-	-
Debt	-	42,015	42,015	-	-
Parks & Open Space	1,472,365	-	1,472,365	-	-
Public Safety	61,399	-	61,399	-	-
Minority Equity Interest, nonexpendable	-	-	-	-	545,817
Unrestricted	45,757,454	11,854,936	57,612,390	8,312,040	545,817
Total Net Position	\$ 130,571,337	\$ 145,445,312	\$ 276,016,649	\$ 8,312,040	\$ 4,335,096

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

CITY OF NORTHGLENN, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 7,944,112	\$ 1,714,176	\$ 268,127	\$ 1,907,600
Recreation and Culture	5,409,662	1,164,951	-	1,735,800
Public Safety	10,516,907	1,543,550	207,909	-
Public Works	8,823,220	-	333,848	2,571,475
Interest on Long-Term Debt	734,839	-	-	-
Total Governmental Activities:	33,428,740	4,422,677	809,884	6,214,875
Business-type Activities:				
Water	7,132,136	7,884,457	-	-
Wastewater	4,111,886	4,097,369	-	-
Stormwater	337,338	449,900	-	-
Sanitation	1,687,210	1,886,792	-	-
Total Business-Type Activities:	13,268,570	14,318,518	-	-
Total Primary Government	\$ 46,697,310	\$ 18,741,195	\$ 809,884	\$ 6,214,875
Component Units:				
Urban Renewal Authority	2,541,738	-	-	500,000
Church Ditch Water Authority	801,842	924,732	-	-
Total Component Units	\$ 3,343,580	\$ 924,732	\$ -	\$ 500,000

General Revenues:

Taxes:

Property Taxes for General Purposes
Property Taxes for Capital Improvements
Sales Taxes for General Purposes
Sales Taxes for Water Rights Purchase
Sales Taxes for Bond Retirement
Unrestricted Occupational Taxes
Grants and Contributions Not Restricted to
Specific Programs
Investment Earnings
Miscellaneous
Gain On Sale of Assets
Total General Revenues

Change in Net Position

Net Position-Beginning, restated

Net Position-Ending

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

Net (Expenses) Revenue and Changes in Net Position				
Primary Government			Urban Renewal Authority	Church Ditch Water Authority
Governmental Activities	Business-type Activities	Total		
\$ (4,054,209)	\$ -	\$ (4,054,209)	\$ -	\$ -
(2,508,911)	-	(2,508,911)	-	-
(8,765,448)	-	(8,765,448)	-	-
(5,917,897)	-	(5,917,897)	-	-
(734,839)	-	(734,839)	-	-
(21,981,304)	-	(21,981,304)	-	-
-	752,321	752,321	-	-
-	(14,517)	(14,517)	-	-
-	112,562	112,562	-	-
-	199,582	199,582	-	-
-	1,049,948	1,049,948	-	-
(21,981,304)	1,049,948	(20,931,356)	-	-
-	-	-	(2,041,738)	-
-	-	-	-	122,890
-	-	-	(2,041,738)	122,890
2,600,896	-	2,600,896	1,218,896	-
1,367,751	-	1,367,751	-	-
21,397,376	-	21,397,376	-	-
-	2,878,343	2,878,343	-	-
-	985,063	985,063	-	-
36,232	-	36,232	-	-
142,305	-	142,305	-	-
866,820	282,784	1,149,604	133,405	440
102,920	26,530	129,450	353	48,907
-	-	-	89,406	-
26,514,300	4,172,720	30,687,020	1,442,060	49,347
4,532,996	5,222,668	9,755,664	(599,678)	172,237
126,038,341	140,222,644	266,260,985	8,911,718	4,162,859
\$ 130,571,337	\$ 145,445,312	\$ 276,016,649	\$ 8,312,040	\$ 4,335,096

CITY OF NORTHGLENN, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2018

	General	Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash & Investments	\$ 22,672,761	\$ 24,234,601	\$ 1,577,438	\$ 48,484,800
Receivables, Net of Allowances	5,237,095	3,355,031	333,377	8,925,503
Inventories	28,448	-	-	28,448
Deposits and Prepaids	168,879	-	-	168,879
Due From Other Funds	194,871	-	-	194,871
Total Assets	<u>\$ 28,302,054</u>	<u>\$ 27,589,632</u>	<u>\$ 1,910,815</u>	<u>\$ 57,802,501</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 643,071	\$ 1,186,223	\$ 117,954	\$ 1,947,248
Retainages Payable	-	179,277	4,605	183,882
Accrued Liabilities	392,748	-	-	392,748
Unearned Revenue	156,244	-	-	156,244
Deposits Payable	104,183	330,927	-	435,110
Due To Other Funds	-	-	194,871	194,871
Total Liabilities	<u>1,296,246</u>	<u>1,696,427</u>	<u>317,430</u>	<u>3,310,103</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	2,605,871	1,372,053	-	3,977,924
Unavailable Revenue - Intergovernmental	1,849	849,791	121,020	972,660
Total Deferred Inflows of Resources	<u>2,607,720</u>	<u>2,221,844</u>	<u>121,020</u>	<u>4,950,584</u>
FUND BALANCES				
Nonspendable:				
Inventories	28,448	-	-	28,448
Deposits and Prepaids	168,879	-	-	168,879
Restricted:				
Emergency	829,233	-	-	829,233
Forfeiture Funds	61,399	-	-	61,399
Capital Improvements	-	20,509,663	-	20,509,663
Parks & Recreation	-	-	1,472,365	1,472,365
Committed:				
VALE Funds	100,512	-	-	100,512
Capital Improvements	-	3,161,698	-	3,161,698
Unassigned	23,209,617	-	-	23,209,617
Total Fund Balances	<u>24,398,088</u>	<u>23,671,361</u>	<u>1,472,365</u>	<u>49,541,814</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,302,054</u>	<u>\$ 27,589,632</u>	<u>\$ 1,910,815</u>	

Amounts reported for governmental activities in the statement

of net position are different because:

Capital assets used in governmental activities are not financial resources therefore are not reported in the funds.	102,482,648
Other long-term assets are not available to pay for current-period expenditures and, therefore, are a deferred inflow of resources in the funds.	972,660
Long-term liabilities, including pension and OPEB benefits, accrued leave, accrued interest payable, and notes are not due and payable in the current period and therefore are not reported in governmental funds.	(22,410,024)
Deferred inflows related to OPEB are not applicable to the current period and therefore are not included in the funds.	(15,761)
Net position of governmental activities	<u>\$ 130,571,337</u>

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

CITY OF NORTHGLENN, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
Taxes-Property, Sales, Use & Other	\$ 20,546,104	\$ 4,856,151	\$ -	\$ 25,402,255
Intergovernmental	2,248,945	1,540,467	598,654	4,388,066
Licenses and Permits	998,100	-	-	998,100
Charges for Services	2,651,742	-	-	2,651,742
Fines and Forfeitures	772,835	-	-	772,835
Contributions	-	1,907,600	-	1,907,600
Investment Earnings	378,247	462,788	25,785	866,820
Miscellaneous	102,920	-	-	102,920
Total Revenues	27,698,893	8,767,006	624,439	37,090,338
EXPENDITURES				
Current:				
General Government	7,198,920	-	-	7,198,920
Recreation and Culture	4,133,131	-	-	4,133,131
Public Safety	9,468,010	-	-	9,468,010
Public Works	2,710,504	-	-	2,710,504
Capital Outlay	619,836	16,585,894	630,805	17,836,535
Debt Service:				
Principal Payments	-	635,000	-	635,000
Interest Expense	-	833,419	-	833,419
Total Expenditures	24,130,401	18,054,313	630,805	42,815,519
Excess (Deficiency) of Revenues Over Expenditures	3,568,492	(9,287,307)	(6,366)	(5,725,181)
OTHER FINANCING SOURCES(USES)				
Transfers Out	(1,700,000)	-	-	(1,700,000)
Transfers In	-	1,700,000	-	1,700,000
Sales of Capital Assets	9,806	-	-	9,806
Total Other Financing Sources and (Uses)	(1,690,194)	1,700,000	-	9,806
Net Change in Fund Balance	1,878,298	(7,587,307)	(6,366)	(5,715,375)
Fund Balance-Beginning	22,519,790	31,258,668	1,478,731	55,257,189
Fund Balance-Ending	<u>\$ 24,398,088</u>	<u>\$ 23,671,361</u>	<u>\$ 1,472,365</u>	<u>\$ 49,541,814</u>
Reconciliation to statement of activities, change in net position:				
Net Change in Fund Balance				(5,715,375)
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of assets is allocated over time as depreciation expense. This is the amount by which capital outlays exceeded depreciation.				9,005,960
The net effect of miscellaneous transactions involving capital assets (i.e. sales and disposals).				(260,579)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.				771,398
The issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.				731,487
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.				105
Change in Net Position of Governmental Activities				<u>\$ 4,532,996</u>

CITY OF NORTHGLENN, COLORADO

PROPRIETARY FUNDS STATEMENT OF NET POSITION DECEMBER 31, 2018

	Business-Type Activities Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	Total
ASSETS				
Current assets:				
Cash & Investments	\$ 5,163,106	\$ 3,664,396	\$ 2,428,008	\$ 11,255,510
Receivables, Net of Allowances	1,325,009	562,214	276,623	2,163,846
Inventories	170,421	31,208	23,734	225,363
Deposits and Prepaids	573	85	249	907
Total Current Assets	6,659,109	4,257,903	2,728,614	13,645,626
Noncurrent Assets:				
Cash & Investments, restricted	8,111,204	-	-	8,111,204
Capital Assets, Non Depreciable:				
Water Rights	60,113,713	-	-	60,113,713
Land and Improvements	273,231	534,584	-	807,815
Construction In Progress	39,336	1,204,409	-	1,243,745
Capital Assets, Depreciable:				
Infrastructure and Improvements	63,238,127	63,099,732	4,097,699	130,435,558
Buildings and Improvements	8,508,892	12,590,483	60,178	21,159,553
Machinery and Equipment	3,843,074	2,802,460	2,732,166	9,377,700
Less Accumulated Depreciation	(46,584,050)	(45,397,085)	(2,392,904)	(94,374,039)
Total Noncurrent Assets	97,543,527	34,834,583	4,497,139	136,875,249
Total Assets	104,202,636	39,092,486	7,225,753	150,520,875
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	187,500	-	-	187,500
Current Liabilities:				
Accounts Payable	199,328	359,054	45,866	604,248
Retainages Payable	564	13,536	-	14,100
Accrued Liabilities	98,725	67,185	28,073	193,983
Deposits Payable	31,636	-	33,029	64,665
Accrued Interest Payable	6,277	-	-	6,277
Long-Term Liabilities, Due Within One Year	1,171,249	91,300	115,030	1,377,579
Total Current Liabilities	1,507,779	531,075	221,998	2,260,852
Noncurrent Liabilities:				
Long-term Liabilities	2,902,285	63,480	31,739	2,997,504
Total Noncurrent Liabilities	2,902,285	63,480	31,739	2,997,504
Total Liabilities	4,410,064	594,555	253,737	5,258,356
DEFERRED INFLOWS OF RESOURCES				
OPEB Related Amounts	2,251	1,637	819	4,707
NET POSITION				
Net Investment in Capital Assets	85,904,822	34,834,583	4,497,139	125,236,544
Restricted for Emergency-Tabor	242,628	-	-	242,628
Restricted for Water Rights	8,069,189	-	-	8,069,189
Restricted for Debt	42,015	-	-	42,015
Unrestricted	5,719,167	3,661,711	2,474,058	11,854,936
Total Net Position	\$ 99,977,821	\$ 38,496,294	\$ 6,971,197	\$ 145,445,312

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

CITY OF NORTHGLENN, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities			
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	Total
Operating Revenues:				
Charges for Services	\$ 7,884,457	\$ 4,097,369	\$ 2,336,692	\$ 14,318,518
Total Operating Revenues	<u>7,884,457</u>	<u>4,097,369</u>	<u>2,336,692</u>	<u>14,318,518</u>
Operating Expenses:				
Administration	1,385,531	54,323	38,777	1,478,631
Facilities	203,608	-	-	203,608
Fleet	33,462	3,154	95,243	131,859
Streets	-	-	17,752	17,752
Engineering	409,155	334,842	-	743,997
Water Operations	1,164,874	-	-	1,164,874
Lab Operations	555,883	-	-	555,883
Electrical and Mechanical	336,310	210,799	-	547,109
Distribution and Collection	794,323	621,017	-	1,415,340
Water Resources Operations	858,094	-	-	858,094
Wastewater Operations	-	1,762,360	-	1,762,360
Industrial Pre-Treatment	-	98,537	-	98,537
Stormwater Operations	-	-	181,934	181,934
Sanitation Operations	-	-	1,146,036	1,146,036
Depreciation	1,260,591	1,026,854	544,806	2,832,251
Total Operating Expenses	<u>7,001,831</u>	<u>4,111,886</u>	<u>2,024,548</u>	<u>13,138,265</u>
Operating Income (Loss)	<u>882,626</u>	<u>(14,517)</u>	<u>312,144</u>	<u>1,180,253</u>
Nonoperating Revenues(Expenses):				
Investment Earnings	186,572	60,114	36,098	282,784
Taxes-Sales/Use	3,863,406	-	-	3,863,406
Miscellaneous Revenue	16,556	9,974	-	26,530
Interest and Amortization Expense	(130,305)	-	-	(130,305)
Total Nonoperating Revenues (Expenses)	<u>3,936,229</u>	<u>70,088</u>	<u>36,098</u>	<u>4,042,415</u>
Change In Net Position	4,818,855	55,571	348,242	5,222,668
Total Net Position-Beginning, restated	95,158,966	38,440,723	6,622,955	140,222,644
Total Net Position-Ending	<u>\$ 99,977,821</u>	<u>\$ 38,496,294</u>	<u>\$ 6,971,197</u>	<u>\$ 145,445,312</u>

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

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities Enterprise Funds			Total
	Water	Wastewater	Nonmajor Enterprise Funds	
Cash Flows From Operating Activities				
Cash Received From Customers	\$ 7,662,892	\$ 4,006,203	\$ 2,325,812	\$ 13,994,907
Cash Payments to Suppliers for Goods and Services	(2,108,437)	(2,212,139)	(544,929)	(4,865,505)
Cash Payments to Employees for Services	(3,196,136)	(1,467,903)	(936,444)	(5,600,483)
Net Cash Provided by Operating Activities	2,358,319	326,161	844,439	3,528,919
Cash Flows From Noncapital Financing Activities				
Cash Received from Miscellaneous Non-Operating Activities	16,556	9,974	-	26,530
Net Cash Provided by Noncapital Financing Activities	16,556	9,974	-	26,530
Cash Flows From Capital and Related Financing Activities				
Tax Receipts Restricted for Capital and Debt	3,863,406	-	-	3,863,406
Acquisition and Construction of Capital Assets	(859,870)	(771,788)	(252,232)	(1,883,890)
Principal Paid on Leases	(885,000)	-	-	(885,000)
Interest Paid on Leases	(131,800)	-	-	(131,800)
Net Cash (Used) In Capital and Related Financing Activities	1,986,736	(771,788)	(252,232)	962,716
Cash Flows From Investing Activities				
Earnings on Investments	186,572	60,114	36,098	282,784
Net Cash Provided by Investing Activities	186,572	60,114	36,098	282,784
Net Increase (Decrease) in Cash and Cash Equivalents	4,548,183	(375,539)	628,305	4,800,949
Cash and Cash Equivalents, Beginning of Year	8,726,124	4,039,935	1,799,703	14,565,762
Cash and Cash Equivalents, End of Year	\$ 13,274,307	\$ 3,664,396	\$ 2,428,008	\$ 19,366,711

(Continued)

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities Enterprise Funds			Total
	Water	Wastewater	Nonmajor Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 882,626	\$ (14,517)	\$ 312,144	\$ 1,180,253
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,260,591	1,026,854	544,806	2,832,251
Amortization	37,500	-	-	37,500
(Increase) Decrease in Accounts Receivable	(221,565)	(91,166)	(10,880)	(323,611)
(Increase) Decrease in Inventory	3,189	(10,271)	539	(6,543)
(Increase) Decrease in Prepaid Expense	276	67	361	704
Increase (Decrease) in Accounts and Retainage Payable	428,467	(584,463)	(593)	(156,589)
Increase (Decrease) in Accrued Liabilities	29,470	35,480	6,468	71,418
Increase (Decrease) in OPEB Related Amounts	2,286	1,663	831	4,780
Increase (Decrease) in Compensated Absences Payable	(60,883)	(37,486)	(9,237)	(107,606)
Increase (Decrease) in Deposits Payable	(3,638)	-	-	(3,638)
Total Adjustments	1,475,693	340,678	532,295	2,348,666
Net Cash Provided by Operating Activities	\$ 2,358,319	\$ 326,161	\$ 844,439	\$ 3,528,919
Schedule of noncash capital activities:				
Acquisition of capital assets through construction payables	(478,922)	101,313	-	(377,609)

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



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Notes to the Financial Statements

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

Individual Component Unit Disclosures:

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales tax collected and held by vendors at year-end on behalf of the City is recognized as revenue if collected within 30 days after year-end. Open Space sales tax is recognized as revenue if collected within 90 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the activities associated with the procurement, construction and rehabilitation of non-enterprise infrastructure and facilities.

The City reports the following major proprietary funds:

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

In prior years, these two funds were combined and presented as one fund – Water and Wastewater Fund - in the financial statements. Effective in 2018, the City has chosen to present them as separate major funds, and has restated the beginning net position accordingly.

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

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

D. Assets, Liabilities and Net Position or Fund Balance

1. Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments. As of December 31, 2018, the City's investments include money market funds and investment in a local government investment pool - Colorado Surplus Asset Fund Trust (CSAFE). The money market funds are reported at amortized cost. The external investment pool, CSAFE, is not SEC registered and is regulated by the State of Colorado and is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79.

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

2. Receivables and Payables

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

Accounts receivable result primarily from sales of water and sewer services accounted for in the Water Fund and Wastewater Fund, respectively. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the fiscal year.

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

6. Compensated Absences

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

7. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Balance

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

Fund balance may be categorized into the following:

1. Nonspendable – items such as inventories, prepaid expenses, long-term loans and resources that must be maintained intact pursuant to legal or contractual requirements.
2. Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resources or through a government's own constitution or charter.
3. Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.
4. Assigned – Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to City Council based on the Comprehensive Financial Policy.
5. Unassigned – any remaining fund balance in the General Fund that does not fall into one of the other categories. The General Fund should be the only fund that reports a positive unassigned fund balance.

The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year in that order.

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

9. Net Position

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

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

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

10. Statements of Cash Flows

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

11. Contraband Forfeitures

The Colorado Contraband Forfeiture Act (C.R.S 16-13-501 to 511) and the Controlled Substances Act (21 USC § 881(e)(3)) allows law enforcement agencies to retain proceeds from the seizure of contraband for the specific purpose

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

of law enforcement activities. All such transactions are recorded in the General Fund. Property and equipment seized are recorded as capital assets if they meet the City's capitalization policy.

12. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

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

13. Implementation of New GASB Statements

Beginning in fiscal year 2018, the City implemented the following statements issued by the Governmental accounting Standards Board (GASB):

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – this statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. As a result of implementing Statement No. 75, the City restated the government-wide and enterprise funds beginning net position. See Note 4.F for additional information.

GASB Statement No. 85, Omnibus 2017 which addressed issues identified during implementation and application of certain GASB Statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. Prior to fiscal year 2018, interest costs associated with constructed assets in enterprise funds were capitalized as part of the cost of the asset. As a result of the adoption of GASB Statement No. 89, no interest costs were capitalized in the current year and none will be capitalized going forward.

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

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. The principal element of that difference is the capital assets of \$172,046,978, less depreciation of \$69,564,330 for a net adjustment of \$102,482,648, which are not reported in the funds. Other Long-term assets that are not available to pay for current-period expenditures are presented as a deferred inflow of resources in the fund of \$972,660. The last element

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

explains that long-term liabilities are not due and payable in current period and therefore are not reported in funds.

The details of this \$22,410,024 difference are as follows:

Compensated Absences	\$ 1,661,240
Total OPEB Liability	610,986
Police Disability Benefits	39,812
Unamortized Premium	1,736,762
Accrued Interest on Certificates of Participation	66,224
Certificates of Participation	18,295,000
Net Adjustment to Fund Balance	<u>\$ 22,410,024</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$8,745,381 difference are as follows:

Capitalized Asset Expenditures	\$ 15,146,889
Construction in Progress Deletions	(125,211)
Depreciation Expense	<u>(6,015,718)</u>
	<u>\$ 9,005,960</u>
Contributed Capital	100,000
Proceeds from sale of capital assets	(9,806)
Loss on disposal of capital assets	<u>(350,773)</u>
	<u>\$ (260,579)</u>
<i>Net adjustment to increase net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 8,745,381</u>

Another element of that reconciliation states, “The issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.”

The details of this \$731,487 difference are as follows:

Principal Repayment on Long-term Debt	\$ 635,000
Amortization of Premium on Long-term Debt	<u>96,487</u>
<i>Net adjustment to increase net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 731,487</u>

Another element of that reconciliation states, “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.”

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

The details of this \$105 difference are as follows:

Change in OPEB related items	\$ (16,006)
Adjustment in Police Disability Benefits Payable	1,040
Change in Compensated Absences	12,978
Accrued Interest on Bonds	<u>2,093</u>
Net adjustment to increase <i>net changes in fund balances - Total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 105</u>

Note 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

	Primary Government	Component Units
Cash on Hand	\$ 3,530	\$ -
Cash Deposits	7,814,703	3,107,054
Investments	<u>60,033,281</u>	<u>6,853,862</u>
Total	<u>\$ 67,851,514</u>	<u>\$ 9,960,916</u>
Cash and Investments	\$ 59,740,310	\$ 9,690,916
Restricted Cash and Investments	<u>8,111,204</u>	<u>-</u>
Total	<u>\$ 67,851,514</u>	<u>\$ 9,690,916</u>

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

	Cash and Investments
Water Rights Acquisition	\$ 8,069,189
Debt Service	<u>42,015</u>
Total	<u>\$ 8,111,204</u>

Deposits. At year-end, the carrying amount of the City and component units reporting entities deposits were \$10,921,757.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2018 were in eligible public depositories, as defined by the Public Deposit protection Act of 1989.

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Due to the federal deposit insurance and the collateral no deposits for the City or the component unit were exposed to custodial credit risk.

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Commercial Paper	270 days	30%	5%
Bankers Acceptances	180 days	30%	5%
Corporate Bonds	3 years	30%	5%
Repurchase Agreements	180 days	None	None
Local Government Investment Pools	N/A	None	None
Variable Rate Securities	1 year	None	None
Money Market Funds	N/A	None	None

Local Government Investment Pool. The City and component units invested \$16,923,017 in the Colorado Surplus Asset Fund Trust (CSAFE). These are investment vehicles established by local government entities in Colorado to pool surplus funds for investment purposes by state statute. They are overseen by the state Securities Commissioner. CSAFE operates similarly to money market funds and each share is equal in value to \$1.00. CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by government pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools consist of U.S. Treasuries, agencies, repurchase agreements, bank deposits, 'AAAM' rated SEC registered money-market funds and highly-rated commercial paper.

Fair Value Measurement. The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

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

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

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

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

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

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

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

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

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

The City has no assets reported at fair value on a nonrecurring basis and no other investment meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

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

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity in years for each investment type as required by the City's investment policy as of December 31, 2018.

Investment Type	Balance	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity	Fair Value Measure- ment
Investments measured at fair value:							
Federal Farm Credit Banks (FFCB)	\$ 2,205,126	N/A	AA+	Aaa	4%	2.05	Level 2
Federal Home Loan Banks (FHLB)	8,384,395	N/A	AA+	Aaa	14%	1.50	Level 2
Federal Home Loan Mortgage Corporation (FHLMC)	4,913,833	N/A	AA+	Aaa	8%	0.94	Level 2
Federal National Mortgage Association (FNMA)	2,962,946	N/A	AA+	Aaa	5%	1.02	Level 2
U.S. Treasury Notes	17,354,862	N/A	AA+	Aaa	29%	1.33	Level 2
Commercial Paper	1,003,990	A-1	A-1	P-1	2%	-	Level 2
Corporate Bonds	13,082,135	AA-	AA	Aa2	22%	0.82	Level 2
Investments measured at amortized cost:							
CSAFE	10,069,155	N/A	AAAm	NR	17%	-	N/A
UMB Money Market	56,839	AAA	AAAm	Aaa	0%	-	N/A
	<u>\$ 60,033,281</u>				<u>100%</u>	<u>1.24</u>	

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity for each investment type held by the City's component unit, Northglenn Urban Renewal Authority, as of December 31, 2018.

Investment Type	Balance	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity
CSAFE	6,853,862	N/A	AAAm	NR	100%	-
	<u>\$ 6,853,862</u>				<u>100%</u>	<u>-</u>

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

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

Custodial Credit Risk. For an investment, this is the risk that, in the event of the failure of the counterpart, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy restricts holding of securities by counterparties, the City utilized a third-party safekeeping arrangement with financial institutions.

B. Receivables

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

Primary Government:

	General	Capital Projects	Other Governmental	Water	Wastewater	Other Enterprise	Primary Government Total
Receivables, net of allowances:							
Taxes	\$4,679,770	\$1,740,851	\$ -	\$ 392,751	\$ -	\$ -	\$ 6,813,372
Accounts	201,011	340,829	-	192,210	37,000	6,000	777,050
Interest and Other	356,314	1,273,351	333,377	740,048	525,214	270,623	3,498,927
Total	<u>\$5,237,095</u>	<u>\$3,355,031</u>	<u>\$ 333,377</u>	<u>\$1,325,009</u>	<u>\$ 562,214</u>	<u>\$ 276,623</u>	<u>\$ 11,089,349</u>

Component Units:

	Urban Renewal Authority	Church Ditch Water Authority
Receivables, net of allowances:		
Taxes	\$1,545,547	\$ -
Accounts	-	42,227
Total	<u>\$1,545,547</u>	<u>\$ 42,227</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

C. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 4,705,382	\$ 62,238	\$ 327,837	\$ 4,439,783
Construction in Progress	13,636,077	17,216,706	28,691,148	2,161,635
Works of Art	384,942	100,000	-	484,942
Total Capital Assets Not Being Depreciated	18,726,401	17,378,944	29,018,985	7,086,360
Other Capital Assets:				
Infrastructure and Improvements	120,428,980	1,299,312	15,000	121,713,292
Buildings and Improvements	11,977,046	24,104,100	150,188	35,930,958
Machinery and Equipment	6,509,399	1,030,470	223,501	7,316,368
Total Other Capital Assets at Historical Cost	138,915,425	26,433,882	388,689	164,960,618
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(53,366,165)	(5,156,078)	15,000	(58,507,243)
Buildings and Improvements	(5,823,213)	(344,960)	110,635	(6,057,538)
Machinery and Equipment	(4,715,181)	(514,680)	230,312	(4,999,549)
Total Accumulated Depreciation	(63,904,559)	(6,015,718)	355,947	(69,564,330)
Other Capital Assets, Net	75,010,866	20,418,164	(32,742)	95,396,288
Governmental Activities Capital Assets, Net	\$ 93,737,267	\$ 37,797,108	\$ (29,051,727)	\$ 102,482,648
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 60,113,713	\$ -	\$ -	\$ 60,113,713
Land and Improvements	807,815	-	-	807,815
Construction in Progress	12,772,598	1,193,449	12,722,302	1,243,745
Total Capital Assets Not Being Depreciated	73,694,126	1,193,449	12,722,302	62,165,273
Other Capital Assets:				
Infrastructure and Improvements	119,777,340	10,658,218	-	130,435,558
Buildings and Improvements	21,159,553	-	-	21,159,553
Machinery and Equipment	7,000,786	2,376,914	-	9,377,700
Total Other Capital Assets at Historical Cost	147,937,679	13,035,132	-	160,972,811
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(78,562,925)	(1,744,141)	-	(80,307,066)
Buildings and Improvements	(9,000,348)	(427,430)	-	(9,427,778)
Machinery and Equipment	(3,978,515)	(660,680)	-	(4,639,195)
Total Accumulated Depreciation	(91,541,788)	(2,832,251)	-	(94,374,039)
Other Capital Assets, Net	56,395,891	10,202,881	-	66,598,772
Business -type Activities Capital Assets, Net	\$ 130,090,017	\$ 11,396,330	\$ (12,722,302)	\$ 128,764,045

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 500,000	\$ -	\$ -	\$ 500,000
Land and Improvements	460,594	-	295,594	165,000
Construction in Progress	54,213	878,881	830,137	102,957
Total Capital Assets Not Being Depreciated	1,014,807	878,881	1,125,731	767,957
Other Capital Assets:				
Infrastructure and Improvements	2,753,943	869,738	-	3,623,681
Buildings and Improvements	681,084	-	-	681,084
Machinery and Equipment	505,553	185,984	20,544	670,993
Total Other Capital Assets at Historical Cost	3,940,580	1,055,722	20,544	4,975,758
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(886,842)	(171,902)	-	(1,058,744)
Buildings and Improvements	(104,873)	(22,695)	-	(127,568)
Machinery and Equipment	(237,470)	(101,989)	20,544	(318,915)
Total Accumulated Depreciation	(1,229,185)	(296,586)	20,544	(1,505,227)
Other Capital Assets, Net	2,711,395	759,136	-	3,470,531
Governmental Activities Capital Assets, Net	\$ 3,726,202	\$ 1,638,017	\$ (1,125,731)	\$ 4,238,488

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 351,204
Public Safety	227,241
Public Works	4,491,938
Recreation & Culture	945,335
Total Governmental Activities Depreciation Expense	<u>\$ 6,015,718</u>
Business-type Activities:	
Water	\$ 1,260,591
Wastewater	1,026,854
Stormwater	137,652
Sanitation	407,154
Total Business-type Activities Depreciation Expense	<u>\$ 2,832,251</u>
Component Units:	
Church Ditch Water Authority	296,586
Total Component Units Depreciation Expense	<u>\$ 296,586</u>

D. Interfund Transactions

Due From/To Other funds consist of the following at December 31, 2018:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Block Grant Fund	\$194,871

The City operates under a pooled cash and investment environment. At December 31, 2018, the negative cash balance of \$194,871 in the Community Development Block Grant Fund was re-classified to a Due To the General Fund.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

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

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

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

E. Long-term Debt

Primary Government

In 2017, the City entered into a Lease Purchase Agreement for the Certificates of Participation, Series 2017 in the amount of \$19,325,000, the proceeds of which were used for the purpose of financing the construction of the City's new Justice Center. The 2017 Certificates of Participation are to be retired over a 20-year period with interest at 3.00% to 5.00%.

The 2017 Certificates of Participation are subject to annual appropriation between the City and UMB Bank, n.a. and have been reported in the financial statements as long-term debt of the City. Principal payments are due annually and interest payments are due semiannually through December 1, 2036. These payments are payable from the Capital Projects Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2018 are as follows:

<u>Year Ending 31-Dec</u>	<u>Governmental Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	660,000	803,519	1,463,519
2020	695,000	770,519	1,465,519
2021	730,000	735,769	1,465,769
2022	765,000	699,269	1,464,269
2023	805,000	661,019	1,466,019
2024-2028	4,660,000	2,660,343	7,320,343
2029-2033	5,875,000	1,445,243	7,320,243
2034-2036	4,105,000	288,844	4,393,844
	<u>\$ 18,295,000</u>	<u>\$ 8,064,525</u>	<u>\$ 26,359,525</u>

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

The 2013 Lease Purchase Agreement is subject to annual appropriation between the City and NCLC and has been reported in the financial statements as a capital lease of the City. Principal payments are due annually and interest payments are due semiannually through December 1, 2022. These payments are payable from the Water Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2018 are as follows:

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

Year Ending 31-Dec	Business-type Funds		
	Principal	Interest	Total
2019	900,000	76,157	976,157
2020	920,000	57,707	977,707
2021	940,000	38,848	978,848
2022	955,001	19,578	974,579
Total	<u>\$ 3,715,001</u>	<u>\$ 192,290</u>	<u>\$ 3,907,291</u>

Component Unit

In November 2013, the Church Ditch Water Authority entered into a Promissory Note Agreement (Note) in the amount of \$606,000 to be retired over a 30-year period at a net effective interest rate of 2.85%, for the Emergency Leyden Creek Crossing Repair to repair damages to the crossing structure, caused by the 2013 flood event. The Note was amended in 2015 to reflect a final balance due of \$591,179. Due to a one-time advanced principal payment of \$66,072 in 2018, the Note was modified in August 2018, decreasing the retirement schedule by nine years, with principal and interest payments due annually through December 1, 2032. Annual debt service requirements to maturity for notes outstanding at December 31, 2018 are as follows:

Year Ending 31-Dec	Component Unit		
	Principal	Interest	Total
2019	8,432	3,946	12,378
2020	8,672	3,706	12,378
2021	8,920	3,459	12,379
2022	9,174	3,204	12,378
2023	9,435	2,943	12,378
2024-2028	51,367	10,525	61,892
2029-2032	42,460	2,894	45,354
Total	<u>\$ 138,460</u>	<u>\$ 30,677</u>	<u>\$ 169,137</u>

To the extent that the Note is not repaid from grant funds received, the Church Ditch Water Authority has pledged future assessments to repay principal and interest on the \$591,179 loan. For the year ended December 31, 2018 available assessments were \$831,726, principal and interest paid were \$66,702 and \$5,829 respectively.

In September 2017, the Church Ditch Water Authority entered into a reimbursement based loan for the construction of 5 ditch improvement projects. The project is to be completed no later than September 2020, with a loan amount not to exceed \$3,615,800, at an interest rate of 3.0%. As of December 31, 2018, the Authority had received a disbursement from the loan in the amount of \$856,566. The terms of the principal and interest repayment terms will be finalized when the project is complete and actual construction cost is known. This loan is on parity with the Note from 2013.

The Church Ditch Water Authority has pledged future special assessments revenue, as well as 100% interest in the Ford Street Siphon property, for the future repayment of the loan. For the year ended December 31, 2018, assessment revenue totaled \$831,726, and no debt service payments were required to be made as loan disbursements are not yet complete.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

Long-term obligation activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2017 Certificates of Participation	\$ 18,930,000	\$ -	\$ (635,000)	\$ 18,295,000	\$ 660,000
Premium on Debt Issuance	1,833,249	-	(96,487)	1,736,762	-
Pension Benefits Payable	40,852	-	(1,040)	39,812	-
Total OPEB Liability, as restated	610,741	245	-	610,986	-
Compensated Absences	1,674,218	1,619,857	(1,632,835)	1,661,240	1,400,000
Total Governmental Activities	23,089,060	1,620,102	(2,365,362)	22,343,800	2,060,000
Business-Type activities:					
2013 Lease Purchase	4,600,001	-	(885,000)	3,715,001	900,000
Total OPEB Liability, as restated	182,430	73	-	182,503	-
Compensated Absences	585,186	466,986	(574,593)	477,579	477,579
Total Business-Type Activities	5,367,617	467,059	(1,459,593)	4,375,083	1,377,579
Total Long-term Liabilities	\$ 28,456,677	\$ 2,087,161	\$ (3,824,955)	\$ 26,718,883	\$ 3,437,579
Component Unit:					
Promissory Notes Payable	\$ 204,532	\$ 856,566	\$ (66,072)	\$ 995,026	\$ 8,432

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

Note 4. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1982, the City joined the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool formed in 1982 to provide property and liability and workers' compensation coverage and related services for its member municipalities. The City pays an annual premium to CIRSA for the property and liability insurance coverage and risk management services. All Colorado municipalities, which are members of the Colorado Municipal League, are eligible to participate in CIRSA. CIRSA's general objectives are to provide member municipalities and special districts defined property and liability and workers' compensation coverage through joint self-insurance and excess insurance.

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

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

B. Joint Venture

Woman Creek Reservoir Authority. The City participates as an equal partner with the Cities of Thornton and Westminster in the operation of the Woman Creek Reservoir Authority. It has no financial interest in the Authority. The Authority began operation in 1996 with funding from a grant by the federal government's Environmental Protection Agency. The grant's purpose was to supply sufficient funds to mitigate and/or clean up any hazardous effects to the water supply of the three cities from the previous production of nuclear weapons at the Rocky Flats facility located near the Woman Creek Reservoir. The initial grant of approximately \$8,000,000 has been invested, and the interest earned has been more than sufficient to cover the Authority's operating expenses. The Authority contracted with the Church Ditch Water Authority to supply maintenance and monitoring services for the reservoir. Copies of the Woman Creek Reservoir Authority's financial statements may be obtained from the City of Thornton, Finance Department, 9500 Civic Center Drive, Thornton, CO 80229.

C. Cost Sharing Agreement

The City entered into a cost sharing agreement with the City of Thornton in 1994 for the joint construction of a pipeline to convey water from Standley Lake to the respective cities. The City of Northglenn has legal ownership of the pipeline and has recorded the pipeline as a capital asset in the Water Fund. Each entity remits sufficient funds to cover costs each year to an escrow account. Major construction was completed in 2000. Each City contributes an equal share of the costs except Thornton is responsible for funding the additional cost of the larger pipe they require. Both cities must approve any expenditure from the escrow. The City's contribution to the escrow account for the year ending December 31, 2018 was \$137,500. Contributions to the escrow account are an expense of the Water Fund at the time of transfer to the escrow account.

D. Enhanced Sales Tax Incentive Program Agreement

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

In October 2006, an agreement was made with the redeveloper of the former Mervyn's building in the Northglenn Marketplace in which the redeveloper receives fifty percent of the general sales tax (excluding the one-half percent sales tax devoted to water acquisition) generated by the new retail space for meeting the project commitment of redeveloping the shopping center. The reimbursement is scheduled to commence with sales tax generated on or after January 1, 2010. The reimbursement will not exceed \$2,905,098 nor extend beyond December 31, 2019. In 2018, the redeveloper received \$43,900 and has received a total of \$406,476 since the reimbursement began in 2010. Reimbursements are an expense of the General Fund.

In August 2013, an agreement was made with the redeveloper of the Webster Lake Promenade in which the redeveloper receives fifty percent of the general sales tax (excluding the one-half percent sales tax devoted to water acquisition) generated by the new retail space for meeting the commitment of developing the shopping center. The reimbursement commenced with the sales tax generated on or after January 1, 2015. The reimbursement will not exceed \$1,400,000 nor extend beyond December 31, 2021. In 2018, the redeveloper received \$356,676, and has received a total of \$1,391,387 since the reimbursement began in 2015. Reimbursements are an expense of the General Fund.

E. Contingent Liabilities

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

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

F. Other Post-Employment Benefits

Retiree Health Program

As a result of the adoption of GASB Statement No. 75, the beginning net position of the governmental activities, business-type activities, Water Fund, Wastewater Fund and Sanitation Fund (aggregate nonmajor) were restated. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed and the total OPEB liability was recorded in accordance with GASB Statement No. 75. The effect on the beginning net position is as follows:

	Governmental Activities	Business-Type Activities	Water	Wastewater	Sanitation
Net position December 31, 2017, as previously reported	\$ 126,121,957	\$ 140,347,370	\$ 95,217,363	\$ 38,504,177	\$ 2,951,128
Total OPEB liability	(610,741)	(182,430)	(87,249)	(63,454)	(31,727)
Removal of net OPEB obligation	527,125	57,704	28,852	-	28,852
Net position December 31, 2017, as restated	<u>\$ 126,038,341</u>	<u>\$ 140,222,644</u>	<u>\$ 95,158,966</u>	<u>\$ 38,440,723</u>	<u>\$ 2,948,253</u>

Plan Description. The Retiree Health Program (Program) is a single-employer defined benefit OPEB healthcare plan administered by the City of Northglenn. The Program provides medical insurance, including prescription drug benefits to eligible retirees and their eligible dependents, until age 65 or upon becoming Medicare eligible. Benefits are provided for active employees and retirees under the same health care plans. The City has the authority to establish or amend the plan provisions or contribution requirements through Council policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. As of August 1, 2009, the Retiree Health Program changed; existing participants in the plan were grandfathered. For these grandfathered participants, the City pays 50% of the cost of the premium for single coverage on behalf of the retiree. The retiree is responsible for paying the remainder of the single premium, as well as 100% of the cost of continuing coverage for a spouse or family member. Effective August 1, 2009 and thereafter, participants become eligible with at least 20 years of service (full-time employment), are at least 55 years old, and when they are no longer employed with the City of Northglenn. These participants are eligible to receive a monthly reimbursement amount for Qualified Medical Insurance Premium payments based on years of service, until they are eligible for Medicare benefits. The monthly stipend amount is \$200 for full-time employees with 20 years of service, increased by \$20 for each additional year to a maximum of \$400 for employees with 30 or more years of service.

Funding Policy. The Program provisions and requirements are established and may be amended by Council policy. The current City policy funds OPEB expense on a pay-as-you-go-basis.

Contributions. During the year, the City paid \$19,360 in stipend and \$4,180 in benefits, with program members receiving benefits paying \$4,180 towards premiums equal to 50% of the equivalent single premium recognized for active employees, plus 100% of the premium for spouse or family member coverage.

Employees Covered by Benefit Terms. As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits, grandfathered plan	1
inactive employees currently receiving benefits, current plan	5
Active employees	<u>228</u>
	<u>234</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

Total OPEB Liability. The City's total OPEB liability of \$793,489 was measured as of December 31, 2018, and was determined by an actuarial valuation as January 1, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018.

Actuarial Methods and Assumptions. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%
Discount Rate	3.68% - measurement date; 3.24% - year preceding measurement date
Health Care Cost Trend Rates	7.0% in 2018 decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years.
Mortality Rates	Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with Scale MP-2018 Full Generational Improvement.

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

Change in OPEB Liability

	Total OPEB Liability
Balance as of December 31, 2017	\$ 793,171
Changes for the year:	
Service cost	24,465
Interest	26,036
Changes in assumptions and inputs	(22,043)
Benefits Payments	(28,140)
Net changes	318
Balance as of December 31, 2018	\$ 793,489

Changes of Assumptions. The discount rate was changed from 3.24% at the beginning of the year to 3.68% at the end of the year.

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

	1% Decrease 2.68%	Discount Rate 3.68%	1% Increase 4.68%
Total OPEB liability	\$ 844,043	\$ 793,489	\$ 746,769

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the City, as well as what the City's approximate total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or higher than the current healthcare cost trend rates:

	1% Decrease 6.0%	Trend Rate 7.0%	1% Increase 8.0%
Total OPEB liability	\$ 788,217	\$ 793,489	\$ 799,007

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

OPEB Expense and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2018, the City recognized OPEB expense of \$48,926. At December 31, 2018 the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflow of Resources
Changes of assumptions or other inputs	\$ 20,468

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

Years ending December 31:		
2019	\$	(1,575)
2020		(1,575)
2021		(1,575)
2022		(1,575)
2023		(1,575)
Thereafter		(12,593)
	\$	<u>(20,468)</u>

G. Employee Retirement Plans

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

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

Investments are self-directed by employees. ICMA-RC is the trustee of both of the pension funds. The trustee's address is 777 North Capitol Street, NE, Washington, DC 20002-4240. Innovest Portfolio Solutions, LLC., a registered investment advisor, whose address is 4643 South Ulster, Suite 1040, Denver, Co. 80237, provides investment-consulting services to the Retirement Boards for both pension plans.

General Employees' Pension Plan (GEPP)

The City made the required contribution of \$963,631. The employees' contribution to the Plan was \$1,263,506. There were no employer liabilities outstanding as of December 31, 2018.

The City provides pension benefits for all of its full-time employees, excluding police officers that are covered by the City's Police Money Purchase Pension Plan, through the General Employees' Pension Plan. Eligible employees must participate from the date of full-time employment. Each participant is required to make a mandatory contribution of 12% of compensation. During 2018, the City's contribution level was 8%, then upon the completion of five years of eligible service 9%, and 10% upon the completion of ten years of eligible service.

A participant's interest in the contributions made by the City, and the related investment earnings, become vested to the extent of percentages based on number of years of service as set forth in the GEPP. Participants are fully vested after six years of continuous service. In addition, if an employee reaches normal retirement age, dies or becomes totally and permanently disabled, his account becomes fully vested regardless of length of service. If an employee

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

leaves covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings remain with the employee. Forfeitures by employees who leave employment before six years of service are used to pay Plan administrative expenses and may be used at the Board's discretion to reduce City contributions. During 2018, the City received \$21,664 from forfeitures to pay for administrative expenses.

Police Money Purchase Pension Plan (PMPPP)

The City made the required contribution of \$456,156. The covered employees made a contribution of \$596,759. There were no employer liabilities outstanding as of December 31, 2018.

The City provides pension benefits for its commissioned police officers through the City's Police Money Purchase Pension Plan. Eligible employees must participate from the date of full-time employment. Each participant is required to make a mandatory contribution of 12% of compensation. During 2018 the City's contribution level was 8%, then upon the completion of five years of eligible service 9%, and 10% upon completion of ten years of eligible service.

A participant's interest in the contributions made by the City, and related investment earnings, become vested to the extent of percentages based on number of years of service as set forth in the PMPPP. Participants are fully vested after seven years of continuous service. In addition, if an employee reaches normal retirement age, dies or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. If an employee leaves covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings remain with the employee. Forfeitures by employees who leave before seven years of service are used to pay the Plan's administrative expenses and may be used at the Board's discretion to reduce City contributions. During 2018, the City received \$17,538 from forfeitures to pay for administrative expenses.

H. Tax, Spending, and Debt Limitations

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

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2018, the emergency reserve of \$1,071,861 was reported as a restriction of fund balance of \$829,233 in the General Fund, and as restricted net position of \$242,628 in the Water Fund.

I. Commitments/Contingencies

Construction Commitments. The City had commitments of \$8,312,767 for capital projects in the governmental fund types and \$2,729,374 in the proprietary fund types at December 31, 2018. Future expenditures related to these commitments are expected to be financed through available resources and future sales tax revenue.

NOTE 5. PENDING GASB PRONOUNCEMENTS

As of December 31, 2018, The GASB had issued several statements not yet required to be implemented by the City. The Statement which might impact the City is as follows:

GASB Statement No. 84, Fiduciary Activities, issued February 2017, will be effective for the City beginning with its fiscal year ending December 31, 2019. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2018

to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

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

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

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

GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement, issued March 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

GASB Statement No. 90, Majority Equity Interests, issued August 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 90 is an amendment of GASB Statements No. 14 and No. 61, and defines a government's majority equity interest in a legally separate organization, whether it should be reported as an investment or as a component unit, and how it should be reported accordingly.

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



Required Supplementary Information

CITY OF NORTHGLENN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
Total OPEB liability	
Service cost	\$ 24,465
Interest cost	26,036
Changes in assumptions and inputs	(22,043)
Benefit payments	(28,140)
Net change in total OPEB liability	318
 Total OPEB liability—beginning	 793,171
Total OPEB liability—ending	<u><u>\$ 793,489</u></u>
 Covered payroll	 \$ 15,158,598
 Total OPEB liability as a percentage of covered payroll	 5.23%

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

2018	3.68%
2017	3.24%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years which information is available.

CITY OF NORTHGLENN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Taxes-Property	\$ 2,631,580	\$ 2,631,580	\$ 2,600,896	\$ (30,684)
Taxes-Sales/Use	17,438,820	17,438,820	17,908,976	470,156
Occupational Tax	62,160	62,160	36,232	(25,928)
Intergovernmental	2,034,441	2,383,518	2,248,945	(134,573)
Licenses and Permits	692,272	692,272	998,100	305,828
Charges for Services	2,543,454	2,543,454	2,651,742	108,288
Fines and Forfeitures	1,201,901	1,201,901	772,835	(429,066)
Investment Earnings	116,018	116,018	378,247	262,229
Miscellaneous	123,700	123,700	102,920	(20,780)
Total Revenues	26,844,346	27,193,423	27,698,893	505,470
EXPENDITURES				
General Government:				
Legislative	632,974	681,879	601,867	80,012
City Manager	1,075,950	1,167,105	1,036,289	130,816
City Clerk	369,440	369,440	342,577	26,863
Management Services	1,800,309	1,800,309	1,754,308	46,001
Technology	905,372	905,372	896,020	9,352
Finance	488,920	488,920	491,340	(2,420)
Planning & Development	1,463,232	1,550,869	1,672,222	(121,353)
Non-Departmental	560,000	560,000	404,297	155,703
Recreation and Culture	4,097,136	4,097,136	4,133,131	(35,995)
Public Safety	9,987,954	10,052,416	9,468,010	584,406
Public Works	2,699,204	2,870,824	2,710,504	160,320
Capital Outlay	580,000	752,238	619,836	132,402
Contingency	100,000	100,000	-	100,000
Total Expenditures	24,760,491	25,396,508	24,130,401	1,266,107
Excess (Deficiency) of Revenues Over Expenditures	2,083,855	1,796,915	3,568,492	1,771,577
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,700,000)	(1,700,000)	(1,700,000)	-
Sales of Capital Assets	-	-	9,806	9,806
Total Other Financing Sources and (Uses)	(1,700,000)	(1,700,000)	(1,690,194)	9,806
 Net Change In Fund Balance	 383,855	 96,915	 1,878,298	 1,781,383
Fund Balance-Beginning	22,091,342	22,519,790	22,519,790	-
Fund Balance-Ending	\$ 22,475,197	\$ 22,616,705	\$ 24,398,088	\$ 1,781,383

See Note to Required Supplementary Information

CITY OF NORTHGLENN, COLORADO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

NOTE 1. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

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



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Capital Projects Fund

CITY OF NORTHGLENN,COLORADO

CAPITAL PROJECTS FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Taxes-Property	\$ 1,383,483	\$ 1,383,483	\$ 1,367,751	\$ (15,732)
Taxes-Sales/Use	3,220,979	3,220,979	3,488,400	267,421
Intergovernmental	1,268,700	3,642,904	1,540,467	(2,102,437)
Contributions	-	1,856,420	1,907,600	51,180
Investment Earnings	80,000	80,000	462,788	382,788
Total Revenues	<u>5,953,162</u>	<u>10,183,786</u>	<u>8,767,006</u>	<u>(1,416,780)</u>
EXPENDITURES				
Capital Outlay	18,188,085	27,967,385	16,585,894	11,381,491
Debt Service:				
Principal Payments	635,000	635,000	635,000	-
Interest Expense	828,919	828,919	833,419	(4,500)
Total Expenditures	<u>19,652,004</u>	<u>29,431,304</u>	<u>18,054,313</u>	<u>11,376,991</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,698,842)</u>	<u>(19,247,518)</u>	<u>(9,287,307)</u>	<u>9,960,211</u>
OTHER FINANCING SOURCES				
Transfers In	1,700,000	1,700,000	1,700,000	-
Total Other Financing Sources	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
Net Change In Fund Balance	<u>(11,998,842)</u>	<u>(17,547,518)</u>	<u>(7,587,307)</u>	<u>9,960,211</u>
Fund Balance-Beginning	30,573,042	31,258,668	31,258,668	-
Fund Balance-Ending	<u>\$ 18,574,200</u>	<u>\$ 13,711,150</u>	<u>\$ 23,671,361</u>	<u>\$ 9,960,211</u>



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Nonmajor Governmental Funds

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2018

	Special Revenue Funds		
	Conservation Trust Fund	CDBG Fund	Total
ASSETS			
Cash & Investments	\$ 1,577,438	\$ -	\$ 1,577,438
Receivables, Net of Allowances	128,604	204,773	333,377
Total Assets	<u>\$ 1,706,042</u>	<u>\$ 204,773</u>	<u>\$ 1,910,815</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 108,052	\$ 9,902	\$ 117,954
Retainages Payable	4,605	-	4,605
Due To Other Funds	-	194,871	194,871
Total Liabilities	<u>112,657</u>	<u>204,773</u>	<u>317,430</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Intergovernmental	121,020	-	121,020
Total Deferred Inflows of Resources	<u>121,020</u>	<u>-</u>	<u>121,020</u>
FUND BALANCES			
Restricted for:			
Parks and Recreation	1,472,365	-	1,472,365
Total Fund Balances	<u>1,472,365</u>	<u>-</u>	<u>1,472,365</u>
Total Liabilities and Fund Balances	<u>\$ 1,706,042</u>	<u>\$ 204,773</u>	<u>\$ 1,910,815</u>

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds		
	Conservation		
	Trust	CDBG	
	Fund	Fund	Total
REVENUES			
Intergovernmental	\$ 393,881	\$ 204,773	\$ 598,654
Investment Earnings	25,785	-	25,785
Total Revenues	<u>419,666</u>	<u>204,773</u>	<u>624,439</u>
EXPENDITURES			
Capital Outlay	426,032	204,773	630,805
Total Expenditures	<u>426,032</u>	<u>204,773</u>	<u>630,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,366)</u>	<u>-</u>	<u>(6,366)</u>
Net Change In Fund Balance	(6,366)	-	(6,366)
Fund Balance-Beginning	1,478,731	-	1,478,731
Fund Balance-Ending	<u>\$ 1,472,365</u>	<u>\$ -</u>	<u>\$ 1,472,365</u>

CITY OF NORTHGLENN,COLORADO

SPECIAL REVENUE FUND - CONSERVATION TRUST FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ 436,560	\$ 731,467	\$ 393,881	\$ (337,586)
Investment Earnings	3,500	3,500	25,785	22,285
Total Revenues	<u>440,060</u>	<u>734,967</u>	<u>419,666</u>	<u>(315,301)</u>
EXPENDITURES				
Capital Outlay	<u>1,546,000</u>	<u>1,993,199</u>	<u>426,032</u>	<u>1,567,167</u>
Total Expenditures	<u>1,546,000</u>	<u>1,993,199</u>	<u>426,032</u>	<u>1,567,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,105,940)</u>	<u>(1,258,232)</u>	<u>(6,366)</u>	<u>1,251,866</u>
Net Change In Fund Balance	(1,105,940)	(1,258,232)	(6,366)	1,251,866
Fund Balance-Beginning	1,283,245	1,478,731	1,478,731	-
Fund Balance-Ending	<u>\$ 177,305</u>	<u>\$ 220,499</u>	<u>\$ 1,472,365</u>	<u>\$ 1,251,866</u>

CITY OF NORTHGLENN,COLORADO

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 205,019	\$ 204,773	\$ (246)
Total Revenues	-	205,019	204,773	(246)
EXPENDITURES				
Capital Outlay	-	205,019	204,773	246
Total Expenditures	-	205,019	204,773	246
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change In Fund Balance	-	-	-	-
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ -	\$ -



Enterprise Funds

CITY OF NORTHGLENN, COLORADO

WATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	
REVENUES				
Taxes-Sales/Use	\$ 3,771,220	\$ 3,771,220	\$ 3,863,406	\$ 92,186
Intergovernmental	3,500	3,500	-	(3,500)
Charges for Services	8,096,597	8,096,597	7,884,457	(212,140)
Investment Earnings	65,000	65,000	186,572	121,572
Miscellaneous	-	-	16,556	16,556
Total Revenues	11,936,317	11,936,317	11,950,991	14,674
EXPENDITURES				
Administration	1,456,481	1,456,481	1,385,531	70,950
Facilities	198,126	198,126	203,608	(5,482)
Fleet	-	-	33,462	(33,462)
Engineering	426,069	426,069	409,155	16,914
Water Operations	1,128,486	1,128,486	1,223,471	(94,985)
Lab Operations	567,465	567,465	555,883	11,582
Electrical and Mechanical	322,166	322,166	336,310	(14,144)
Distribution and Collection	686,659	724,018	794,323	(70,305)
Water Resources Operations	733,427	733,427	858,094	(124,667)
Capital Outlay	2,980,244	3,646,665	380,948	3,265,717
Acquisition of Water Rights	1,000,000	1,000,000	-	1,000,000
Debt Service:				
Principal Payments	885,000	885,000	885,000	-
Interest and Fiscal Charges	94,300	94,300	130,305	(36,005)
Total Expenditures	10,478,423	11,182,203	7,196,090	3,986,113
Net Change	\$ 1,457,894	\$ 754,114	4,754,901	\$ 4,000,787

Adjustments to reconcile budgetary basis to GAAP basis Adjustment for

Principal Paid on Bonds and Notes Payable	885,000
Miscellaneous Non-Cash Adjustments	58,597
Capitalization of Capital Assets	380,948
Depreciation	(1,260,591)
Total Adjustments to Basis	63,954
Change in Net Position	4,818,855
Total Net Position-Beginning, restated	95,158,966
Total Net Position-Ending	\$ 99,977,821

CITY OF NORTHGLENN, COLORADO

WASTEWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Charges for Services	\$ 3,978,202	\$ 3,978,202	\$ 4,097,369	\$ 119,167
Investment Earnings	-	-	60,114	60,114
Miscellaneous	-	-	9,974	9,974
Total Revenues	<u>3,978,202</u>	<u>3,978,202</u>	<u>4,167,457</u>	<u>189,255</u>
EXPENDITURES				
Administration	81,570	81,570	54,323	27,247
Fleet	-	-	3,154	(3,154)
Engineering	312,269	312,269	334,842	(22,573)
Electrical and Mechanical	309,172	309,172	210,799	98,373
Distribution and Collection	484,477	484,477	621,017	(136,540)
Wastewater Operations	1,890,878	1,890,878	1,798,183	92,695
Industrial Pre-Treatment	112,725	112,725	98,537	14,188
Capital Outlay	1,390,979	2,414,562	873,101	1,541,461
Total Expenditures	<u>4,582,070</u>	<u>5,605,653</u>	<u>3,993,956</u>	<u>1,611,697</u>
Net Change	<u>\$ (603,868)</u>	<u>\$ (1,627,451)</u>	173,501	<u>\$ 1,800,952</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			35,823	
Capitalization of Capital Assets			873,101	
Depreciation			(1,026,854)	
Total Adjustments to Basis			<u>(117,930)</u>	
Change in Net Position			55,571	
Total Net Position-Beginning, restated			38,440,723	
Total Net Position-Ending			<u>\$ 38,496,294</u>	

CITY OF NORTHGLENN, COLORADO

NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2018

	Business-Type Activities Enterprise Funds		Total Nonmajor Enterprise Funds
	Stormwater	Sanitation	
ASSETS			
Current assets:			
Cash & Investments	\$ 442,619	\$ 1,985,389	\$ 2,428,008
Receivables, Net of Allowances	29,680	246,943	276,623
Inventories	-	23,734	23,734
Deposits and Prepaids	38	211	249
Total Current Assets	472,337	2,256,277	2,728,614
Noncurrent Assets:			
Capital Assets:			
Infrastructure and Improvements	4,097,699	-	4,097,699
Buildings and Improvements	37,791	22,387	60,178
Machinery and Equipment	-	2,732,166	2,732,166
Less Accumulated Depreciation	(772,449)	(1,620,455)	(2,392,904)
Total Noncurrent Assets	3,363,041	1,134,098	4,497,139
Total Assets	3,835,378	3,390,375	7,225,753
Current Liabilities:			
Accounts Payable	4,885	40,981	45,866
Accrued Liabilities	3,123	24,950	28,073
Deposits Payable	33,029	-	33,029
Long-Term Liabilities, Due Within One Year	1,489	113,541	115,030
Total Current Liabilities	42,526	179,472	221,998
Noncurrent Liabilities:			
Long-Term Liabilities	-	31,739	31,739
Total Noncurrent Liabilities	-	31,739	31,739
Total Liabilities	42,526	211,211	253,737
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Amounts	-	819	819
NET POSITION			
Net Investment in Capital Assets	3,363,041	1,134,098	4,497,139
Unrestricted	429,811	2,044,247	2,474,058
Total Net Position	\$ 3,792,852	\$ 3,178,345	\$ 6,971,197

CITY OF NORTHGLENN, COLORADO

NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2018

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$ 449,900	\$ 1,886,792	\$ 2,336,692
Total Operating Revenues	<u>449,900</u>	<u>1,886,792</u>	<u>2,336,692</u>
Operating Expenses:			
Administration	-	38,777	38,777
Fleet	-	95,243	95,243
Streets	17,752	-	17,752
Stormwater Operations	181,934	-	181,934
Sanitation Operations	-	1,146,036	1,146,036
Depreciation	137,652	407,154	544,806
Total Operating Expenses	<u>337,338</u>	<u>1,687,210</u>	<u>2,024,548</u>
Operating Income	<u>112,562</u>	<u>199,582</u>	<u>312,144</u>
Nonoperating Revenues(Expenses):			
Investment Earnings	5,588	30,510	36,098
Total Nonoperating Revenues (Expenses)	<u>5,588</u>	<u>30,510</u>	<u>36,098</u>
Change In Net Position	118,150	230,092	348,242
Total Net Position-Beginning, restated	3,674,702	2,948,253	6,622,955
Total Net Position-Ending	<u>\$ 3,792,852</u>	<u>\$ 3,178,345</u>	<u>\$ 6,971,197</u>



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CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash Received From Customers	\$ 442,754	\$ 1,883,058	\$ 2,325,812
Cash Payments to Suppliers for Goods and Services	(144,311)	(400,618)	(544,929)
Cash Payments to Employees for Services	(82,944)	(853,500)	(936,444)
Net Cash Provided by Operating Activities	215,499	628,940	844,439
Cash Flows From Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	-	(252,232)	(252,232)
Net Cash (Used) In Capital and Related Financing Activities	-	(252,232)	(252,232)
Cash Flows From Investing Activities			
Earnings on Investments	5,588	30,510	36,098
Net Cash Provided by Investing Activities	5,588	30,510	36,098
Net Increase in Cash and Cash Equivalents	221,087	407,218	628,305
Cash and Cash Equivalents, Beginning of Year	221,532	1,578,171	1,799,703
Cash and Cash Equivalents, End of Year	\$ 442,619	\$ 1,985,389	\$ 2,428,008

(Continued)

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2018

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 112,562	\$ 199,582	\$ 312,144
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	137,652	407,154	544,806
(Increase) Decrease in Accounts Receivable	(7,146)	(3,734)	(10,880)
(Increase) Decrease in Inventory	-	539	539
(Increase) Decrease in Prepaid Expense	294	67	361
Increase (Decrease) in Accounts and Retainage Payable	(25,162)	24,569	(593)
Increase (Decrease) in Accrued Liabilities	329	6,139	6,468
Increase (Decrease) in OPEB Related Amounts	-	831	831
Increase (Decrease) in Compensated Absences Payable	(3,030)	(6,207)	(9,237)
Total Adjustments	102,937	429,358	532,295
Net Cash Provided by Operating Activities	\$ 215,499	\$ 628,940	\$ 844,439

CITY OF NORTHGLENN, COLORADO

STORMWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Charges for Services	\$ 464,185	\$ 464,185	\$ 449,900	\$ (14,285)
Investment Earnings	1,500	1,500	5,588	4,088
Total Revenues	<u>465,685</u>	<u>465,685</u>	<u>455,488</u>	<u>(10,197)</u>
EXPENDITURES				
Streets	15,000	15,000	17,752	(2,752)
Stormwater Operations	120,443	120,443	184,964	(64,521)
Capital Outlay	230,000	228,637	-	228,637
Total Expenditures	<u>365,443</u>	<u>364,080</u>	<u>202,716</u>	<u>161,364</u>
Net Change	<u>\$ 100,242</u>	<u>\$ 101,605</u>	<u>252,772</u>	<u>\$ 151,167</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			3,030	
Depreciation			(137,652)	
Total Adjustments to Basis			<u>(134,622)</u>	
Change in Net Position			<u>118,150</u>	
Total Net Position-Beginning			<u>3,674,702</u>	
Total Net Position-Ending			<u>\$ 3,792,852</u>	

CITY OF NORTHGLENN, COLORADO

SANITATION FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Charges for Services	\$ 1,917,266	\$ 1,917,266	\$ 1,886,792	\$ (30,474)
Investment Earnings	6,000	6,000	30,510	24,510
Total Revenues	<u>1,923,266</u>	<u>1,923,266</u>	<u>1,917,302</u>	<u>(5,964)</u>
EXPENDITURES				
Administration	45,475	45,475	38,777	6,698
Fleet	-	-	95,243	(95,243)
Sanitation Operations	1,201,407	1,201,407	1,151,412	49,995
Capital Outlay	325,000	325,000	252,232	72,768
Total Expenditures	<u>1,571,882</u>	<u>1,571,882</u>	<u>1,537,664</u>	<u>34,218</u>
Net Change	<u>\$ 351,384</u>	<u>\$ 351,384</u>	379,638	<u>\$ 28,254</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			5,376	
Capitalization of Capital Assets			252,232	
Depreciation			(407,154)	
Total Adjustments to Basis			<u>(149,546)</u>	
Change in Net Position			230,092	
Total Net Position-Beginning, restated			<u>2,948,253</u>	
Total Net Position-Ending			<u>\$ 3,178,345</u>	



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Component Units

CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY

BALANCE SHEET

DECEMBER 31, 2018

ASSETS

Cash & Investments	\$ 8,784,717
Receivables, Net of Allowances	<u>1,545,547</u>
Total Assets	<u><u>\$ 10,330,264</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable	\$ 472,677
Total Liabilities	<u>472,677</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Taxes	<u>1,545,547</u>
Total Deferred Inflows of Resources	<u>1,545,547</u>

FUND BALANCES

Fund Balance-Unassigned	<u>8,312,040</u>
Total Fund Balance	<u>8,312,040</u>

Net position of Governmental Activities	<u><u>\$ 8,312,040</u></u>
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CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUES

Taxes-Property	\$ 1,218,896
Investment Earnings	133,405
Miscellaneous	500,353
Total Revenues	<u>1,852,654</u>

EXPENDITURES

General Government:	
Non-Departmental	2,541,738
Total Expenditures	<u>2,541,738</u>

(Deficiency) of Revenues Over Expenditures

(689,084)

OTHER FINANCING SOURCES (USES)

Sales of Capital Assets	385,000
Total Other Financing Sources and (Uses)	<u>385,000</u>

Net Change In Fund Balance	(304,084)
Fund Balance-Beginning	8,616,124
Fund Balance-Ending	<u>\$ 8,312,040</u>

Reconciliation to statement of activities, change in net position:

Net Change in Fund Balance	(304,084)
Disposal of capital assets which are not recorded in the governmental funds since they do not use current assets.	<u>(295,594)</u>
Change in Net Position	<u>\$ (599,678)</u>

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CITY OF NORTHGLENN,COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Taxes-Property	\$ 1,234,905	\$ 1,234,905	\$ 1,218,896	\$ (16,009)
Investment Earnings	15,000	15,000	133,405	118,405
Miscellaneous	500,300	500,300	500,353	53
Total Revenues	<u>1,750,205</u>	<u>1,750,205</u>	<u>1,852,654</u>	<u>102,449</u>
EXPENDITURES				
General Government	<u>3,603,942</u>	<u>3,603,942</u>	<u>2,541,738</u>	<u>1,062,204</u>
Total Expenditures	<u>3,603,942</u>	<u>3,603,942</u>	<u>2,541,738</u>	<u>1,062,204</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,853,737)</u>	<u>(1,853,737)</u>	<u>(689,084)</u>	<u>(959,755)</u>
OTHER FINANCING RESOURCES				
Sales of Capital Assets	<u>385,000</u>	<u>385,000</u>	<u>385,000</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>385,000</u>	<u>385,000</u>	<u>385,000</u>	<u>-</u>
Net Change in Fund Balance	(1,468,737)	(1,468,737)	(304,084)	(959,755)
Fund Balance-Beginning of Year	6,393,763	8,616,124	8,616,124	-
Fund Balance-End of Year	<u>\$ 4,925,026</u>	<u>\$ 7,147,387</u>	<u>\$ 8,312,040</u>	<u>\$ (959,755)</u>

CITY OF NORTHGLENN, COLORADO

CHURCH DITCH WATER AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ 1,565,440	\$ 891,401	\$ -	\$ (891,401)
Charges for Services	909,628	929,936	924,732	(5,204)
Investment Earnings	175	175	440	265
Miscellaneous	10,000	17,500	48,907	31,407
Total Revenues	2,485,243	1,839,012	974,079	(864,933)
EXPENSES				
General Operations	491,350	513,973	499,427	14,546
Capital Outlay	1,957,025	1,185,029	1,006,406	178,623
Debt Service:				
Principal Payments	33,000	71,901	66,072	5,829
Interest and Fiscal Charges	-	-	5,829	(5,829)
Total Expenses	2,481,375	1,770,903	1,577,734	193,169
Net Change	<u>\$ 3,868</u>	<u>\$ 68,109</u>	(603,655)	<u>\$ (671,764)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Loan	-	-	856,566	856,566
Total Other Financing Sources (Uses)	-	-	856,566	856,566
Net Change	<u>\$ 3,868</u>	<u>\$ 68,109</u>	\$ 252,911	<u>\$ 184,802</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Principal Paid on Bonds and Notes Payable			66,072	
Capitalization of Capital Assets			1,006,406	
Proceeds from Loan			(856,566)	
Depreciation			(296,586)	
Total Adjustments to Basis			<u>(80,674)</u>	
Change in Net Position			172,237	
Total Net Position-Beginning			4,162,859	
Total Net Position-Ending			<u>\$ 4,335,096</u>	



Statistical Section

CITY OF NORTHGLENN, COLORADO

STATISTICAL SECTION FOR THE YEAR ENDED DECEMBER 31, 2018

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

<u>Schedule Number</u>		<u>Page Number</u>
	Financial Trends Information - These schedules contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	
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CITY OF NORTHGLENN, COLORADO

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

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 92,633,050	\$ 93,828,783	\$ 94,144,049	\$ 94,336,345
Restricted	1,879,854	1,890,967	1,721,075	918,293
Unrestricted	5,837,248	8,234,241	11,306,483	14,850,635
Total governmental activities net position	\$ 100,350,152	\$ 103,953,991	\$ 107,171,607	\$ 110,105,273
Business-type activities				
Net investment in capital assets	\$ 97,836,240	\$ 102,070,013	102,582,246	104,060,888
Restricted	6,555,525	3,239,578	2,822,811	2,510,692
Unrestricted	8,807,081	11,215,299	13,565,635	14,880,701
Total business-type activities net position	\$ 113,198,846	\$ 116,524,890	\$ 118,970,692	\$ 121,452,281
Primary government				
Net investment in capital assets	\$ 190,469,289	\$ 195,898,796	\$ 196,726,295	\$ 198,397,233
Restricted	8,435,379	5,130,545	4,543,886	3,428,985
Unrestricted	14,644,330	19,449,540	24,872,118	29,731,336
Total primary government net position	\$ 213,548,998	\$ 220,478,881	\$ 226,142,299	\$ 231,557,554

Schedule 1

2013	2014	2015	2016	2017 - Restated	2018
\$ 88,116,480	\$ 84,558,882	\$ 86,060,540	\$ 85,788,225	\$ 85,803,214	\$ 82,450,886
1,270,523	1,513,032	1,510,920	1,860,471	2,214,978	2,362,997
20,151,373	26,125,685	29,509,620	35,605,528	38,020,149	45,757,454
<u>\$ 109,538,376</u>	<u>\$ 112,197,599</u>	<u>\$ 117,081,080</u>	<u>\$ 123,254,224</u>	<u>\$ 126,038,341</u>	<u>\$ 130,571,337</u>
106,585,633	107,983,338	112,221,616	118,485,887	125,715,017	125,236,544
2,445,420	2,741,089	1,738,070	4,157,767	5,812,428	8,353,832
15,451,522	17,453,085	17,612,902	13,040,254	8,695,199	11,854,936
<u>\$ 124,482,575</u>	<u>\$ 128,177,512</u>	<u>\$ 131,572,588</u>	<u>\$ 135,683,908</u>	<u>\$ 140,222,644</u>	<u>\$ 145,445,312</u>
\$ 194,702,113	\$ 192,542,220	\$ 198,282,156	\$ 204,274,112	\$ 211,518,231	\$ 207,687,430
3,715,943	4,254,121	3,248,990	6,018,238	8,027,406	10,716,829
35,602,895	43,578,770	47,122,522	48,645,782	46,715,348	57,612,390
<u>\$ 234,020,951</u>	<u>\$ 240,375,111</u>	<u>\$ 248,653,668</u>	<u>\$ 258,938,132</u>	<u>\$ 266,260,985</u>	<u>\$ 276,016,649</u>

CITY OF NORTHGLENN, COLORADO

CHANGES IN NET POSITION

LAST TEN YEARS

(Accrual basis of accounting)

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 6,381,839	\$ 5,532,381	\$ 4,872,394	\$ 5,188,006
Recreation and Culture	3,740,748	3,436,481	3,669,958	3,738,984
Public safety	9,112,846	7,072,212	7,076,547	7,518,748
Public Works	3,819,443	5,521,558	5,503,927	5,905,627
Interest on Long-Term Debt	35,455	20,146	9,313	-
Total governmental activities expenses	<u>23,090,331</u>	<u>21,582,778</u>	<u>21,132,139</u>	<u>22,351,365</u>
Business-type activities:				
Water and Wastewater	9,951,649	10,273,230	9,788,526	10,576,724
Water (1)	-	-	-	-
Wastewater (1)	-	-	-	-
Stormwater	294,563	347,466	162,823	156,019
Sanitation	1,548,225	1,398,860	1,453,394	1,581,239
Total business-type activities expenses	<u>11,794,437</u>	<u>12,019,556</u>	<u>11,404,743</u>	<u>12,313,982</u>
Total primary government expenses	<u>\$ 34,884,768</u>	<u>\$ 33,602,334</u>	<u>\$ 32,536,882</u>	<u>\$ 34,665,347</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 69,913	\$ 517,172	\$ 525,992	\$ 1,356,943
Public safety	2,044,943	2,297,090	1,584,137	1,261,165
Recreation and Culture	937,978	908,161	941,371	959,609
Operating grants and contributions	344,618	461,110	814,282	1,071,658
Capital grants and contributions	2,485,444	6,177,450	3,271,786	3,795,542
Total governmental activities program revenues	<u>5,882,896</u>	<u>10,360,983</u>	<u>7,137,568</u>	<u>8,444,917</u>
Business-type activities:				
Charges for services:				
Water and Wastewater	8,814,128	8,676,473	9,296,698	10,227,963
Water (1)	-	-	-	-
Wastewater (1)	-	-	-	-
Stormwater	425,725	419,799	417,656	413,801
Sanitation	1,424,697	1,508,397	1,479,488	1,487,633
Total business-type activities program revenues	<u>10,664,550</u>	<u>10,604,669</u>	<u>11,193,842</u>	<u>12,129,397</u>
Total primary government program revenues	<u>\$ 16,547,446</u>	<u>\$ 20,965,652</u>	<u>\$ 18,331,410</u>	<u>\$ 20,574,314</u>
Net (Expense) Revenue				
Governmental activities	\$ (17,207,435)	\$ (11,221,795)	\$ (13,994,571)	\$ (13,906,448)
Business-type activities	(1,129,887)	(1,414,887)	(210,901)	(184,585)
Total primary government net expense	<u>\$ (18,337,322)</u>	<u>\$ (12,636,682)</u>	<u>\$ (14,205,472)</u>	<u>\$ (14,091,033)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 3,083,895	\$ 2,951,290	\$ 2,972,443	\$ 2,973,213
Sales Taxes	10,330,693	10,610,255	13,023,411	13,561,188
Franchise Fees	1,117,418	893,087	881,196	66,367
Unrestricted grants and contributions	139,838	96,538	111,118	135,854
Investment earnings	189,939	57,354	78,796	50,565
Miscellaneous	296,926	201,996	122,063	52,927
Gain (loss) on sale of assets	-	15,114	23,158	-
Transfers	(260,000)	-	-	-
Total governmental activities	<u>14,898,709</u>	<u>14,825,634</u>	<u>17,212,185</u>	<u>16,840,114</u>
Business-type activities:				
Sales Taxes	4,115,330	4,090,837	2,411,051	2,481,927
Investment earnings	182,373	105,322	99,486	56,212
Miscellaneous	271,200	149,029	136,046	125,553
Gain (loss) on sale of assets	-	395,743	10,120	2,484
Transfers	260,000	-	-	-
Total business-type activities	<u>4,828,903</u>	<u>4,740,931</u>	<u>2,656,703</u>	<u>2,666,176</u>
Total primary government	<u>\$ 19,727,612</u>	<u>\$ 19,566,565</u>	<u>\$ 19,868,888</u>	<u>\$ 19,506,290</u>
Change in Net Position				
Governmental activities	\$ (2,308,726)	\$ 3,603,839	\$ 3,217,614	\$ 2,933,666
Business-type activities	3,699,016	3,326,044	2,445,802	2,481,591
Total primary government net expense	<u>\$ 1,390,290</u>	<u>\$ 6,929,883</u>	<u>\$ 5,663,416</u>	<u>\$ 5,415,257</u>

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

Schedule 2

2013	2014	2015	2016	2017 - Restated	2018
\$ 5,642,648	\$ 7,026,920	\$ 6,874,866	\$ 7,014,984	\$ 7,565,557	\$ 7,944,112
3,925,859	4,378,446	4,548,921	4,690,956	4,960,869	5,409,662
7,919,263	8,252,498	8,687,337	9,007,976	9,654,773	10,516,907
6,086,819	6,332,372	6,634,423	6,671,524	7,147,581	8,823,220
-	-	-	-	740,892	734,839
<u>23,574,589</u>	<u>25,990,236</u>	<u>26,745,547</u>	<u>27,385,440</u>	<u>30,069,672</u>	<u>33,428,740</u>
10,198,187	10,113,527	10,972,042	11,225,967	11,014,972	-
-	-	-	-	-	7,132,136
-	-	-	-	-	4,111,886
139,504	168,053	253,738	196,710	255,971	337,338
1,488,962	1,646,175	1,510,257	1,477,851	1,588,499	1,687,210
<u>11,826,653</u>	<u>11,927,755</u>	<u>12,736,037</u>	<u>12,900,528</u>	<u>12,859,442</u>	<u>13,268,570</u>
<u>\$ 35,401,242</u>	<u>\$ 37,917,991</u>	<u>\$ 39,481,584</u>	<u>\$ 40,285,968</u>	<u>\$ 42,929,114</u>	<u>\$ 46,697,310</u>
\$ 1,557,560	\$ 1,505,853	\$ 1,624,266	\$ 1,594,496	\$ 1,656,232	\$ 1,714,176
1,987,633	2,038,382	1,766,656	1,484,133	1,486,893	1,543,550
935,981	984,188	1,074,442	1,180,494	1,232,504	1,164,951
658,937	629,722	512,031	573,753	1,005,881	809,884
2,719,205	3,250,625	3,643,999	4,805,431	3,231,517	6,214,875
<u>7,859,316</u>	<u>8,408,770</u>	<u>8,621,394</u>	<u>9,638,307</u>	<u>8,613,027</u>	<u>11,447,436</u>
10,084,324	9,477,142	10,402,537	11,206,334	10,882,424	-
-	-	-	-	-	7,884,457
-	-	-	-	-	4,097,369
506,339	409,566	415,007	476,152	438,994	449,900
1,461,574	1,487,065	1,453,662	1,460,563	1,914,730	1,886,792
<u>12,052,237</u>	<u>11,373,773</u>	<u>12,271,206</u>	<u>13,143,049</u>	<u>13,236,148</u>	<u>14,318,518</u>
<u>\$ 19,911,553</u>	<u>\$ 19,782,543</u>	<u>\$ 20,892,600</u>	<u>\$ 22,781,356</u>	<u>\$ 21,849,175</u>	<u>\$ 25,765,954</u>
\$ (15,715,273)	\$ (17,581,466)	\$ (18,124,153)	\$ (17,747,133)	\$ (21,456,645)	\$ (21,981,304)
225,584	(553,982)	(464,831)	242,521	376,706	1,049,948
<u>\$ (15,489,689)</u>	<u>\$ (18,135,448)</u>	<u>\$ (18,588,984)</u>	<u>\$ (17,504,612)</u>	<u>\$ (21,079,939)</u>	<u>\$ (20,931,356)</u>
\$ 3,006,351	\$ 3,023,073	\$ 2,748,798	\$ 3,125,606	\$ 3,099,837	\$ 3,968,647
14,733,641	16,669,901	19,233,873	19,882,073	20,563,896	21,397,376
62,910	62,886	62,622	63,840	63,554	36,232
135,876	210,143	234,835	151,044	117,737	142,305
(54,921)	144,245	137,528	189,370	410,019	866,820
112,350	120,903	100,135	190,374	185,719	102,920
(2,847,831)	9,538	489,843	317,970	-	-
-	-	-	-	(200,000)	-
<u>15,148,376</u>	<u>20,240,689</u>	<u>23,007,634</u>	<u>23,920,277</u>	<u>24,240,762</u>	<u>26,514,300</u>
2,685,471	3,098,715	3,561,700	3,656,420	3,778,572	3,863,406
(34,663)	106,351	88,134	106,701	124,357	282,784
159,144	873,193	142,073	17,745	44,841	26,530
(5,242)	170,660	68,000	87,933	14,260	-
-	-	-	-	200,000	-
<u>2,804,710</u>	<u>4,248,919</u>	<u>3,859,907</u>	<u>3,868,799</u>	<u>4,162,030</u>	<u>4,172,720</u>
<u>\$ 17,953,086</u>	<u>\$ 24,489,608</u>	<u>\$ 26,867,541</u>	<u>\$ 27,789,076</u>	<u>\$ 28,402,792</u>	<u>\$ 30,687,020</u>
\$ (566,897)	\$ 2,659,223	\$ 4,883,481	\$ 6,173,144	\$ 2,784,117	\$ 4,532,996
3,030,294	3,694,937	3,395,076	4,111,320	4,538,736	5,222,668
<u>\$ 2,463,397</u>	<u>\$ 6,354,160</u>	<u>\$ 8,278,557</u>	<u>\$ 10,284,464</u>	<u>\$ 7,322,853</u>	<u>\$ 9,755,664</u>

CITY OF NORTHGLENN, COLORADO

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

	2009	2010	2011 (1)	2012
General Fund				
Reserved	\$ 805,168	\$ 684,172	N/A	N/A
Unreserved	7,371,617	7,361,071	N/A	N/A
Nonspendable	N/A	N/A	\$ 100,357	\$ 60,854
Restricted	N/A	N/A	630,324	631,157
Committed	N/A	N/A	102,784	79,109
Unassigned	N/A	N/A	9,053,818	10,307,279
Total general fund	\$ 8,176,785	\$ 8,045,243	\$ 9,887,283	\$ 11,078,399
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	\$ 1,020,134	\$ 1,325,586	N/A	N/A
Restricted:				
Capital Improvements	N/A	N/A	\$ 3,288,913	\$ 4,436,891
Parks & Recreation	N/A	N/A	1,150,014	34,568
Committed:				
Capital Improvements	N/A	N/A	547,861	632,969
Total all other governmental funds	\$ 1,020,134	\$ 1,325,586	\$ 4,986,788	\$ 5,104,428

(1) The City adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," for fiscal year 2011. This statement changed the fund balance categories reported for governmental funds beginning with the fiscal year ending December 31, 2011.

Schedule 3

2013	2014	2015	2016	2017	2018
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 44,236	\$ 59,273	\$ 73,405	\$ 63,740	\$ 148,432	\$ 197,327
678,400	728,385	777,823	759,328	783,815	890,632
167,694	166,131	165,118	164,210	163,436	100,512
12,635,270	14,789,657	18,563,358	20,251,190	21,424,107	23,209,617
<u>\$ 13,525,600</u>	<u>\$ 15,743,446</u>	<u>\$ 19,579,704</u>	<u>\$ 21,238,468</u>	<u>\$ 22,519,790</u>	<u>\$ 24,398,088</u>

N/A	N/A	N/A	N/A	N/A	N/A
\$ 6,409,837	\$ 9,817,782	\$ 10,927,281	\$ 13,697,714	\$ 25,913,798	\$ 20,509,663
639,048	831,572	780,022	1,148,068	1,478,731	1,472,365
2,550,678	3,214,989	1,410,538	3,396,553	5,344,870	3,161,698
<u>\$ 9,599,563</u>	<u>\$ 13,864,343</u>	<u>\$ 13,117,841</u>	<u>\$ 18,242,335</u>	<u>\$ 32,737,399</u>	<u>\$ 25,143,726</u>

CITY OF NORTHGLENN, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified accrual basis of accounting)

	2009	2010	2011	2012
Revenues				
Taxes	\$ 14,532,006	\$ 14,454,632	\$ 16,877,050	\$ 16,600,768
Licenses and permits	250,074	475,652	446,766	484,191
Intergovernmental	2,714,706	6,713,795	4,271,170	3,471,227
Charges for services	995,364	1,281,364	1,320,072	2,141,212
Contributions	1,807,396	1,965,407	1,284,662	952,314
Fines and forfeitures	-	-	-	-
Investment earnings	189,939	57,354	78,796	50,565
Miscellaneous	296,926	201,996	122,063	52,927
Total revenues	20,786,411	25,150,200	24,400,579	23,753,204
Expenditures				
Current:				
General government	4,670,444	5,288,399	4,566,704	4,854,056
Recreation and Culture	3,106,896	2,889,045	3,109,907	3,159,763
Public Safety	8,942,516	7,007,715	6,947,691	7,355,358
Public Works	1,325,612	1,900,952	1,881,271	2,085,972
Capital outlay	1,425,250	5,486,729	4,338,874	4,989,302
Debt service				
Principal	488,582	287,765	177,389	-
Interest and fiscal charges	38,958	20,146	9,313	-
Total expenditures	19,998,258	22,880,751	21,031,149	22,444,451
Excess of revenues over (under) expenditures	788,153	2,269,449	3,369,430	1,308,753
Other Finances Sources (Uses)				
Transfers In	-	296,000	100,000	200,000
Transfers Out	(260,000)	(296,000)	(100,000)	(200,000)
Proceeds from Debt Issuance	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Capital Lease	-	-	-	-
Proceeds from sale of asset	-	15,114	23,158	-
Total other financing sources (uses)	(260,000)	15,114	23,158	-
Net change in fund balances	\$ 528,153	\$ 2,284,563	\$ 3,392,588	\$ 1,308,753
Debt service as a percentage of noncapital expenditures	2.8%	1.8%	1.1%	0.0%

Schedule 4

2013	2014	2015	2016	2017	2018
\$ 17,802,902	\$ 19,755,860	\$ 22,045,293	\$ 23,071,519	\$ 23,727,287	\$ 25,402,255
691,200	642,525	824,611	697,955	700,943	4,388,066
4,697,234	4,210,827	4,068,717	4,207,082	4,183,643	998,100
2,309,074	2,332,248	2,496,462	2,580,488	2,704,426	2,651,742
1,480,900	1,553,650	1,144,572	980,680	970,260	772,835
-	-	-	-	-	1,907,600
(54,921)	144,245	137,528	189,370	410,019	866,820
112,350	120,903	100,135	190,374	185,719	102,920
<u>27,038,739</u>	<u>28,760,258</u>	<u>30,817,318</u>	<u>31,917,468</u>	<u>32,882,297</u>	<u>37,090,338</u>
5,276,777	6,322,735	6,376,869	6,685,674	7,156,756	7,198,920
3,259,841	3,577,881	3,733,782	3,757,864	3,922,289	4,133,131
7,712,736	7,991,053	8,480,024	8,762,452	9,276,436	9,468,010
2,053,943	2,254,693	2,400,902	2,387,284	2,597,686	2,710,504
1,874,805	2,140,808	8,361,820	3,868,490	14,056,419	17,836,535
-	-	-	-	395,000	635,000
-	-	-	-	769,062	833,419
<u>20,178,102</u>	<u>22,287,170</u>	<u>29,353,397</u>	<u>25,461,764</u>	<u>38,173,648</u>	<u>42,815,519</u>
6,860,637	6,473,088	1,463,921	6,455,704	(5,291,351)	(5,725,181)
200,000	400,000	200,000	1,700,000	1,700,000	1,700,000
(200,000)	(400,000)	(200,000)	(1,700,000)	(1,900,000)	(1,700,000)
-	-	-	-	19,325,000	-
-	-	-	-	1,929,736	-
-	-	-	-	-	-
81,699	9,538	1,625,835	327,554	13,001	9,806
<u>81,699</u>	<u>9,538</u>	<u>1,625,835</u>	<u>327,554</u>	<u>21,067,737</u>	<u>9,806</u>
<u>\$ 6,942,336</u>	<u>\$ 6,482,626</u>	<u>\$ 3,089,756</u>	<u>\$ 6,783,258</u>	<u>\$ 15,776,386</u>	<u>\$ (5,715,375)</u>
0.0%	0.0%	0.0%	0.0%	3.8%	5.3%

CITY OF NORTHGLENN, COLORADO

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

	2009	2010	2011	2012
Operating Revenues				
Charges for services	\$ 8,814,128	\$ 8,676,473	\$ 9,296,698	\$ 10,227,963
Other Operating Revenues	62,692	149,029	136,046	125,553
Total Operating Revenues	8,876,820	8,825,502	9,432,744	10,353,516
Operating Expenses				
Administration	1,160,701	1,284,971	1,231,504	1,217,943
Facilities	169,519	187,669	146,643	149,425
Fleet	100,682	111,462	61,338	77,613
Engineering	275,565	305,069	276,917	301,868
Water Operations	704,518	779,948	856,192	925,756
Lab Operations	318,614	352,727	384,274	383,140
Electrical and Mechanical	534,235	591,433	614,800	592,165
Distribution and Collection	595,067	658,778	744,843	1,814,630
Water Resources Operations	684,582	757,877	916,499	865,323
Wastewater Operations	1,295,033	1,433,687	1,233,791	857,399
Industrial Pre-Treatment	57,376	63,519	86,153	72,498
Depreciation	3,197,291	3,125,059	2,375,946	2,378,146
Amortization of Bond Costs	50,264	31,993	30,475	192,896
Total Operating Expenses	9,143,447	9,684,192	8,959,375	9,828,802
Net Operating Income	(266,627)	(858,690)	473,369	524,714
Nonoperating Revenues (Expenses)	3,439,869	3,596,333	1,664,661	1,783,986
Income Before Contributions and Transfers	3,173,242	2,737,643	2,138,030	2,308,700
Capital Contributions/Transfers	260,000	-	-	-
Change in Net Position	3,433,242	2,737,643	2,138,030	2,308,700
Total Net Position-Beginning	106,165,826	109,458,867	112,196,510	114,334,538
Prior Period Adjustment	(140,201)	-	-	-
Total Net Position-Ending	<u>\$ 109,458,867</u>	<u>\$ 112,196,510</u>	<u>\$ 114,334,540</u>	<u>\$ 116,643,238</u>

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

Schedule 5

2013	2014	2015	2016	2017 - Restated	2018
\$ 10,084,324	\$ 9,477,142	\$ 10,402,537	\$ 11,206,334	\$ 10,882,424	\$ 11,981,826
159,144	171,962	142,073	17,745	44,841	-
10,243,468	9,649,104	10,544,610	11,224,079	10,927,265	11,981,826
1,183,385	1,266,235	1,484,033	1,480,587	1,416,459	1,439,854
149,307	183,411	189,891	192,367	219,770	203,608
67,685	81,361	84,883	79,398	42,326	36,616
305,081	285,754	485,839	662,612	661,093	743,997
1,251,945	928,361	1,003,930	1,123,400	1,236,237	1,164,874
390,253	417,239	498,409	507,654	547,597	555,883
584,580	583,784	523,305	472,371	533,386	547,109
1,083,932	1,195,375	1,499,666	1,362,025	1,092,036	1,415,340
853,219	966,461	828,739	1,056,749	1,039,124	858,094
1,379,579	1,429,958	1,553,157	1,801,951	1,713,025	1,762,360
70,764	74,792	71,970	73,604	91,312	98,537
2,413,840	2,389,599	2,510,512	2,247,724	2,274,559	2,287,445
-	-	-	-	-	-
9,733,570	9,802,330	10,734,334	11,060,442	10,866,924	11,113,717
509,898	(153,226)	(189,724)	163,637	60,341	868,109
2,185,990	3,586,808	3,468,892	3,584,612	3,739,223	4,006,317
2,695,888	3,433,582	3,279,168	3,748,249	3,799,564	4,874,426
-	-	-	-	-	-
2,695,888	3,433,582	3,279,168	3,748,249	3,799,564	4,874,426
116,643,238	119,339,126	122,772,708	126,051,876	129,800,125	133,599,689
-	-	-	-	-	-
<u>\$ 119,339,126</u>	<u>\$ 122,772,708</u>	<u>\$ 126,051,876</u>	<u>\$ 129,800,125</u>	<u>\$ 133,599,689</u>	<u>\$ 138,474,115</u>

CITY OF NORTHGLENN, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN YEARS

Schedule 6

Year	Property Tax		Sales and Use Taxes (2)	Occupational Tax	Total
	General (1)	Specific Ownership			
2009	4,857,245	225,088	10,330,693	1,117,418	16,530,444
2010	4,197,591	191,761	10,610,255	893,087	15,892,694
2011	4,088,194	186,395	13,023,411	881,196	18,179,196
2012	4,051,116	198,343	13,561,188	66,367	17,877,014
2013	3,994,463	212,096	14,733,641	62,910	19,003,110
2014	6,711,993	221,128	16,669,901	62,886	23,665,908
2015	4,738,947	251,151	19,233,873	62,622	24,286,593
2016	5,474,110	275,735	19,882,073	63,840	25,695,758
2017	5,656,376	322,415	20,563,896	63,554	26,606,241
2018	5,187,543	356,124	21,397,376	36,232	26,977,275

Source: City of Northglenn Finance Department

- (1) Includes general funds and Northglenn Urban Renewal Authority, a discretely presented component unit.
- (2) Sales taxes on food and a 1/2% sales tax for purchases of water rights are recorded directly in the Water Enterprise Fund.

Year	Sales and Use Tax Collections	Percent Increase
2009	10,330,693	-10.75%
2010	10,610,255	2.71%
2011	13,023,411	22.74%
2012	13,561,188	4.13%
2013	14,733,641	8.65%
2014	16,669,901	13.14%
2015	19,233,873	15.38%
2016	19,882,073	3.37%
2017	20,563,896	3.43%



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CITY OF NORTHGLENN, COLORADO

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

Year	Commercial	Residential	Vacant Land	Industrial	Agriculture	Other Natural Resources	Oil & Gas
2009	56,836,630	170,640,120	2,138,700	3,975,130	61,870	150	356,890
2010	61,125,780	156,921,400	1,721,670	4,036,580	23,090	150	-
2011	59,002,460	155,323,970	1,660,070	3,943,050	25,280	150	-
2012	58,936,040	156,198,870	1,724,320	4,123,180	25,280	150	-
2013	58,582,220	151,933,750	2,167,600	3,937,680	26,900	150	-
2014	53,341,300	151,205,720	2,390,870	4,249,990	26,900	150	-
2015	56,793,760	182,440,830	1,978,350	4,293,940	27,980	150	-
2016	56,389,140	182,727,960	1,862,830	4,293,940	27,890	150	-
2017	79,875,660	229,626,210	2,776,280	4,689,810	27,350	150	-
2018	81,730,360	229,220,150	2,529,960	4,678,890	27,350	150	-

Source: Adams and Weld County Assessors

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

Year	Residential Rate
2009	7.96%
2010	7.96%
2011	7.96%
2012	7.96%
2013	7.96%
2014	7.96%
2015	7.96%
2016	7.96%
2017	7.96%
2018	7.20%

Schedule 7

State Assessed	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a % of Estimated Actual Value
416,940	16,313,690	250,740,120	11.597	2,419,107,645	10.36%
133,350	15,867,890	239,829,910	11.597	2,299,232,194	10.43%
288,910	15,451,950	235,695,840	11.597	2,591,781,486	9.09%
247,380	15,563,030	236,818,250	11.597	2,265,564,967	10.45%
137,620	17,655,690	234,441,610	11.597	2,431,042,872	9.64%
162,940	17,358,170	244,450,580	11.597	2,377,871,036	10.28%
170,910	19,582,190	265,288,020	11.597	2,378,939,110	11.15%
161,970	20,871,130	266,335,010	11.597	2,425,558,180	10.98%
215,490	23,917,840	341,128,790	11.597	3,037,487,550	11.23%
192,210	23,752,200	342,134,270	11.597	3,115,891,580	10.98%

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS

Schedule 8

Year	City of Northglenn			Overlapping Rates (1)								Total Direct & Overlapping Rates
	Operating Millage	Road		Adams County		Rangeview Library District		North Metro Fire District		Urban Drainage Flood Control District		
		Reconstruction Millage	Total City Millage	School District	County	Library District	Fire District	Metro District	Flood Control District	Total Overlapping Rates		
2009	11.597	-	11.597	70.179	26.824	3.659	13.207	0.508	114.377	125.974		
2010	7.597	4.000	11.597	70.179	26.824	3.659	13.207	0.508	114.377	125.974		
2011	7.597	4.000	11.597	70.276	26.806	3.659	11.176	0.566	112.483	124.080		
2012	7.597	4.000	11.597	70.602	26.903	3.659	11.375	0.599	113.138	124.735		
2013	7.597	4.000	11.597	68.605	26.815	3.659	11.246	0.608	110.933	122.530		
2014	7.597	4.000	11.597	68.781	27.042	3.659	14.903	0.632	115.017	126.614		
2015	7.597	4.000	11.597	66.017	26.817	3.659	14.713	0.553	111.759	123.356		
2016	7.597	4.000	11.597	65.922	27.055	3.659	14.810	0.559	112.005	123.602		
2017	7.597	4.000	11.597	63.259	26.929	3.669	14.710	0.500	109.067	120.664		
2018	7.597	4.000	11.597	73.510	26.864	3.666	14.730	0.820	119.590	131.187		

Source: Adams County abstract of assessments and tax levies

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

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

CITY OF NORTHGLENN, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND TEN YEARS AGO

Schedule 9

Taxpayer(1)	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Retail	\$ 13,920,000	1	5.94%			
Public Utility	10,323,520	2	4.40%	3,204,620	3	1.32%
Apartments	5,145,280	3	2.19%	4,829,450	2	1.99%
Hospital	4,899,850	4	2.09%			
Apartments	4,500,010	5	1.92%	2,565,860	4	1.06%
Apartments	4,610,130	6	1.97%	2,460,070	5	1.01%
Apartments	3,819,980	7	1.97%			
Commercial	3,345,190	8	1.38%	10,120,060	1	4.17%
Commercial	3,225,600	9	1.31%	2,237,700	6	0.92%
Commercial	3,067,090	10	1.31%	1,897,260	7	0.78%
Commercial	-		-	1,902,980	9	0.78%
Commercial	-		-	1,885,450	10	0.78%
Apartments	-		-	1,957,690	8	0.81%
Total	<u>\$ 56,856,650</u>		<u>24.25%</u>	<u>\$ 33,061,140</u>		<u>13.63%</u>

Source: Adams and Weld County Assessors

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

CITY OF NORTHGLENN, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Schedule 10

Levy Year	Tax Collection Year	Taxes Levied for the Year (1)	Collections (2)	Percentage of Levy (3)
2008	2009	2,908,957	2,858,807	98.28%
2009	2010	2,781,307	2,759,529	99.22%
2010	2011	2,789,189	2,972,443	106.57% (4)
2011	2012	2,771,330	2,973,213	107.28% (4)
2012	2013	2,809,715	3,006,351	107.00% (4)
2013	2014	2,808,108	3,023,073	107.66% (4)
2014	2015	2,749,205	2,748,798	99.99%
2015	2016	3,133,582	3,125,606	99.75%
2016	2017	3,104,737	3,099,837	99.84%
2017	2018	3,971,258	3,968,647	99.93%

Source: Adams and Weld County Assessors

- (1) Taxes are levied on November 1 of the prior year based on the prior year's assessed valuation at January 1.
- (2) Includes general funds.
- (3) Information on outstanding delinquent taxes is not readily available.
- (4) The City's tax collections were in excess of the taxes levied due to a miscalculation by the County of the tax increment financing revenue owed to the Northglenn Urban Renewal Authority ("NURA") which resulted in overpayments to the City. NURA has since won in litigation against the County and has collected the appropriate amount of revenue.



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CITY OF NORTHGLENN, COLORADO

SALES TAX COLLECTIONS BY CATEGORY (1)

LAST TEN YEARS

Category	2009	2010	2011	2012
Automotive Sales/Supplies/Rentals	\$ 1,013,025	\$ 996,803	\$ 873,739	\$ 1,017,472
Finance/Insurance/Real Estate/Rental/Leasing	156,376	152,608	157,224	163,758
Food and Beverage Stores (2)	862,856	806,014	781,939	810,630
Retail Stores	5,680,284	5,777,124	6,233,696	6,083,040
Arts, Entertainment, and Recreation	190,660	190,798	198,676	262,228
Eating and Drinking Establishments	1,854,541	1,838,558	1,959,685	2,031,747
Lodging (3)	114,075	135,757	152,430	151,729
Manufacturing	86,685	94,997	75,931	83,052
Service Providers and Transportation	1,548,096	1,603,336	1,565,425	1,783,006
Construction and Contractors	62,032	66,064	67,200	93,318
Utilities	997,972	1,093,927	1,090,808	1,042,736
Wholesale	143,727	112,913	144,706	144,805
Total	<u>\$ 12,710,330</u>	<u>\$ 12,868,899</u>	<u>\$ 13,301,458</u>	<u>\$ 13,301,458</u>
City Direct Sales Tax Rate	4.00%	4.00%	4.00%	4.00%

Source: City of Northglenn Finance Department

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

(2) Food for home consumption is taxed at 3.0%.

(3) Lodging is taxed at 5.0%.

Schedule 11

2013	2014	2015	2016	2017	2018
\$ 1,218,585	\$ 1,237,885	\$ 1,554,178	\$ 1,586,320	\$ 1,650,406	\$ 1,593,968
201,250	190,062	313,728	387,128	490,882	528,320
393,708	1,001,952	646,940	1,481,906	1,578,068	1,612,254
5,993,120	5,668,197	6,607,015	6,814,539	7,009,480	7,194,652
277,369	313,922	314,364	330,990	335,307	333,810
2,154,024	2,447,832	3,102,060	3,394,196	3,651,690	3,738,574
164,488	194,746	221,625	226,904	241,401	237,609
99,041	114,419	122,624	115,839	96,205	79,819
1,887,538	2,455,393	3,017,540	3,531,981	3,512,585	3,840,291
102,364	157,807	162,640	187,582	183,531	270,997
1,105,393	1,088,352	1,104,150	1,055,994	1,127,770	1,062,295
162,493	157,355	208,844	221,341	256,589	274,962
<u>\$ 13,759,372</u>	<u>\$ 15,027,922</u>	<u>\$ 17,375,708</u>	<u>\$ 19,334,718</u>	<u>\$ 20,133,914</u>	<u>\$ 20,767,551</u>
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CITY OF NORTHGLENN, COLORADO

LARGEST SALES TAX GENERATORS CURRENT YEAR

Schedule 12

Type of Business(1)	2018 Sales Tax Collected	% of Total City Sales Tax(2)
Auto Use Tax	\$ 2,690,370	11.31%
Retail	1,356,747	5.70%
Public Utility	1,096,483	4.61%
Retail	802,288	3.37%
Retail	794,597	3.34%
Grocery Store	596,414	2.51%
Retail	570,399	2.40%
Retail	424,805	1.79%
Grocery Store	376,629	1.58%
Retail	330,923	1.39%
	<u>\$ 9,039,655</u>	<u>38.00%</u>

Source: City of Northglenn Finance Department

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

(2) Based upon 2018 Sales and Use Tax Collections of \$23,784,231.

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN YEARS

Schedule 13

Year	City Direct Rate (1)	State of Colorado	Adams County	RTD / CD (2)	Total Sales Tax Rate
2009	4.00%	2.90%	0.75%	1.20%	8.85%
2010	4.00%	2.90%	0.75%	1.20%	8.85%
2011	4.00%	2.90%	0.75%	1.20%	8.85%
2012	4.00%	2.90%	0.75%	1.10%	8.75%
2013	4.00%	2.90%	0.75%	1.10%	8.75%
2014	4.00%	2.90%	0.75%	1.10%	8.75%
2015	4.00%	2.90%	0.75%	1.10%	8.75%
2016	4.00%	2.90%	0.75%	1.10%	8.75%
2017	4.00%	2.90%	0.75%	1.10%	8.75%
2018	4.00%	2.90%	0.75%	1.10%	8.75%

Source: City of Northglenn Finance Department

- (1) Sales tax rates reflect rate of sales tax on everything except food for home consumption. Food for home consumption is taxed at a rate of 3.0% by the City and is not taxed by any other overlapping jurisdiction.
- (2) Includes special districts, Regional Transportation District (RTD) and Science/Cultural Facility District (CD).

CITY OF NORTHGLENN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities		Total Primary Government
	Notes Payable	Capital Lease	Certificates Of Participation	Certificates Of Participation	Capital Lease	
2009	345,927	119,227	-	10,185,000	433,561	11,083,715
2010	177,389	-	-	9,625,000	7,590,000	17,392,389
2011	-	-	-	9,035,000	6,163,339	15,198,339
2012	-	-	-	8,420,000	4,705,649	13,125,649
2013	-	-	-	-	11,163,879	11,163,879
2014	-	-	-	-	8,776,023	8,776,023
2015	-	-	-	-	6,315,000	6,315,000
2016	-	-	-	-	5,465,000	5,465,000
2017	-	-	20,763,249	-	4,600,000	25,363,249
2018	-	-	20,031,762	-	3,715,001	23,746,763

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

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

Schedule 14

Percentage Of Personal Income	Population	Debt Per Capita
0.991%	35,238	315
1.633%	33,563	518
1.348%	33,563	453
0.930%	35,789	367
0.767%	36,891	303
0.593%	37,499	234
0.432%	37,075	170
0.358%	38,648	141
1.651%	38,928	652
2.221%	38,905	610

CITY OF NORTHGLENN, COLORADO

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

	2009	2010	2011	2012
Debt Applicable to Limitation:				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Percentage to estimated actual property value (1)	0.00%	0.00%	0.00%	0.00%
Per capita (2)	-	-	-	-
Total net debt applicable to limit	-	-	-	-
Legal debt limit (3)	72,573,229	68,976,966	77,753,445	67,966,949
Legal debt margin	<u>\$ 72,573,229</u>	<u>\$ 68,976,966</u>	<u>\$ 77,753,445</u>	<u>\$ 67,966,949</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

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

(2) Population data can be found in Schedule 17

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

Schedule 15

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-
-	-	-	-	-	-
72,931,286	71,336,131	71,368,173	72,766,745	91,124,627	93,476,747
<u>\$ 72,931,286</u>	<u>\$ 71,336,131</u>	<u>\$ 71,368,173</u>	<u>\$ 72,766,745</u>	<u>\$ 91,124,627</u>	<u>\$ 93,476,747</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2018

Schedule 16

Name of Governmental Entity (1)	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (2)
Direct:			
City of Northglenn	\$ 23,746,763	100%	\$ 23,746,763
Overlapping:			
Adams County School District No. 12	527,295,000	12.60%	66,444,819
North Metro Fire Rescue Authority	15,685,000	16.57%	2,599,587
Rangeview Library District	<u>36,170,956</u>	5.63%	<u>2,035,910</u>
	<u>\$ 602,897,719</u>		<u>\$ 94,827,079</u>

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

- (1) The following entities also overlap the City but have no reported general obligation debt outstanding:
- Adams County
 - Urban Drainage and Flood Control District
 - Urban Drainage and Flood Control District - South Platte
- (2) Determined by calculating ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit.
- (3) Although the City has attempted to obtain accurate information as to the outstanding debt of such governmental entites, it does not represent its completeness or accuracy as there is no central reporting entity which has this information available and the statistics are based on information supplied by others. This table, however, should provide a reasonable representation of the overlapping debt which affects the City

CITY OF NORTHGLENN, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Schedule 17

Year	(1) Population	Personal Income	(2) Adams County Per Capita Income	(1) Adams County Median Age	(3) Adams County School Enrollment	(4) Unemployment Rate	(4) Denver Boulder Consumer Price Index
2009	35,238	1,117,996,026	31,727	32.1	81,645	9.0%	208.6
2010	33,563	1,064,853,301	31,727	32.0	82,252	8.1%	212.4
2011	35,528	1,127,196,856	31,727	32.3	85,951	10.0%	220.3
2012	35,789	1,412,054,995	39,455	32.4	87,096	8.9%	221.5
2013	36,891	1,455,534,405	39,455	33.1	87,120	8.4%	229.1
2014	37,499	1,479,523,045	39,455	32.4	84,340	9.0%	232.4
2015	37,075	1,462,794,125	39,455	32.4	84,284	3.8%	240.0
2016	38,648	1,524,856,840	39,455	32.4	82,921	3.6%	246.6
2017	38,928	1,535,904,240	39,455	32.8	83,999	4.3%	253.2
2018	38,905	1,069,381,735	27,487	33.5	84,676	4.1%	251.4

Sources:

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

Notes:

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

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



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CITY OF NORTHGLENN, COLORADO

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

Schedule 18

Function / Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government									
City Manager	4.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00
City Clerk	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Management Services	13.75	13.65	13.65	13.65	14.65	15.65	15.65	15.65	15.80
Information Technology	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Finance	13.60	13.60	12.60	11.60	11.60	11.60	11.60	11.60	11.60
Planning & Development	11.01	10.01	10.00	9.00	11.00	12.00	12.00	12.00	12.00
Parks, Recreation & Culture	44.65	45.72	46.11	47.67	47.07	48.19	48.69	49.69	49.69
Public Safety	79.00	82.00	82.50	75.00	82.50	84.50	84.50	87.50	88.50
Public Works	12.50	15.00	15.00	15.00	37.00	40.00	40.00	40.00	40.00
Water and Environmental Services									
Water/Wastewater	41.70	43.80	43.80	42.00	22.00	22.00	22.00	22.00	24.00
Stormwater	5.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	12.20	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Total	<u>246.91</u>	<u>247.28</u>	<u>247.16</u>	<u>238.42</u>	<u>250.32</u>	<u>258.44</u>	<u>258.94</u>	<u>262.94</u>	<u>268.09</u>

Source: City of Northglenn Human Resources Department

Notes:

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

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

CITY OF NORTHGLENN, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	2009	2010	2011	2012
Police				
Physical Arrests	2,830	1,752	1,494	1,457
Traffic Violations	10,695	12,929	7,226	5,916
Parking Violations	933	1,159	555	349
Fire (1)				
Number of Fire Personnel & Officers	108	108	108	108
Building Division				
Building Permits Value	6,657,248	11,681,311	10,740,103	40,711,538
Building Permits Issued	247	2,016	1,657	1,373
Refuse Collection				
Refuse collected (tons)	15,336	15,250	15,011	14,498
Recyclables collected				
Commingled (tons)	168	149	295	481
Newspaper (tons)	236	273	541	892
Steel (tons)	39	22	27	22
Other Public Works				
Minor Street Repair Materials (tons)	1,319	974	1,144	349
Street Sweeping (miles)	3,199	3,700	2,354	2,134
Parks and Recreation				
Athletic Field Rentals (2)	105	43	38	40
Recreation Center Memberships (3)	4,417	4,016	4,026	4,041
Theatre Admissions	6,314	6,150	6,463	9,620
Park Shelter Rentals	512	450	461	627
Water				
Number of Service Connections	10,331	10,331	10,331	10,304
Water main breaks	6	6	2	5
Average daily consumption (millions of gallons)	4.074	4.386	4.341	4.621
Peak daily consumption (millions of gallons)	9.432	9.027	9.178	10.902
Wastewater				
Average daily treatment (millions of gallons)	3.834	3.910	3.700	3.030

Sources: Various city departments, unless otherwise noted

(1) North Metro Fire Rescue Authority

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

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

Schedule 19

2013	2014	2015	2016	2017	2018
1,578	2,143	2,094	1,712	1,344	539
10,693	9,141	6,388	5,263	6,178	3,875
530	537	530	517	522	287
108	108	108	108	108	108
13,234,974	22,421,849	32,085,372	32,446,029	44,720,122	36,475,903
1,483	1,681	1,561	1,705	1,595	2,453
13,848	14,402	14,823	14,877	14,675	15,265
521	555	516	532	229	294
967	1,032	1,259	1,817	1,833	1,728
27	36	21	23	23	73
386	1,313	246	363	243	251
3,205	3,744	3,547	3,547	3,057	3,057
40	35	34	46	57	3,258
4,123	3,972	4,021	4,129	4,125	1,291
9,564	9,567	9,974	10,630	13,654	13,629
543	509	537	503	531	826
10,223	10,240	10,245	10,251	10,257	10,277
7	12	4	4	4	3
4.037	3.795	3.780	3.925	3.837	3.976
9.081	8.221	7.669	8.607	8.479	8.721
3.165	3.280	3.424	3.563	3.713	3.130

CITY OF NORTHGLENN, COLORADO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

	2009	2010	2011	2012
Police				
Stations	1	1	1	1
Patrol Units	23	25	25	26
Fire Stations (1)	2	2	2	2
Refuse Collection				
Collection Trucks (Trash & Roll Off)	9	7	7	8
Recycling Collection Stations	2	2	2	2
Other Public Works				
Streets (miles) (2)	104.92	104.92	104.92	104.92
Street Lights	2,012	2,012	2,012	2,012
Parks and Recreation				
Community Centers	1	1	1	1
Parks	25	25	25	25
Developed Acreage	182	182	183	183
Undeveloped Acreage	312	312	311	311
Swimming Pools	2	2	2	2
Tennis Courts	5	5	5	5
Water				
Water Mains (miles)	120.43	182.00	182.00	182.00
Fire Hydrants	1,000	999	999	999
Storage Capacity (millions of gallons)	7,750,000	7,725,000	7,725,000	7,725,000
Daily Plant Capacity (millions of gallons)	16.00	16.00	16.00	16.00
Wastewater				
Treatment Plants	1	1	1	1
Sanitary Sewer (miles)	138.20	138.20	138.20	138.20
Storm Sewer (miles)	23.00	23.00	23.00	23.00
Treatment Capacity (millions of gallons)	6.50	6.50	6.50	6.50

Sources: Various city departments, unless otherwise noted

(1) North Metro Fire Rescue Authority

(2) CDOT Annual Certification Report

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

Schedule 20

2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
24	24	22	21	22	29
2	2	2	2	2	2
8	9	10	11	11	2
2	2	2	2	2	2
104.92	104.92	104.92	104.92	104.92	104.92
2,012	2,012	2,012	2,012	2,012	2,012
1	1	1	1	1	1
25	25	25	25	25	25
183	183	183	183	183	183
311	311	311	311	311	311
2	2	2	2	2	2
5	5	5	5	5	5
182.00	182.00	182.00	182.00	182.00	182.00
999	999	999	999	999	999
7,725,000	7,725,000	7,725,000	7,725,000	7,725,000	7,725,000
16.00	16.00	16.00	16.00	16.00	16.00
1	1	1	1	1	1
138.20	138.20	138.20	138.20	138.20	138.20
23.00	23.00	23.00	23.00	23.00	23.00
6.50	6.50	6.50	6.50	6.50	6.50



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Other Schedules

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Northglenn
		YEAR ENDING :
This Information From The Records Of (example - City of _ or County of City of Northglenn)		Prepared By: V JoAnn Koenig
		Phone: (303) 450-8719

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,399,707
3. Other local imposts (from page 2)	2,595,078
4. Miscellaneous local receipts (from page 2)	603,593
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	4,598,378
B. Private Contributions	
C. Receipts from State government (from page 2)	1,405,667
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	6,004,045

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,628,353
2. Maintenance:	1,302,807
3. Road and street services:	
a. Traffic control operations	33,405
b. Snow and ice removal	73,618
c. Other	
d. Total (a. through c.)	107,023
4. General administration & miscellaneous	224,131
5. Highway law enforcement and safety	2,741,731
6. Total (1 through 5)	6,004,045
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	6,004,045

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
		6,004,045	6,004,045		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	

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	1,367,751	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	600,214
1. Sales Taxes	1,006,551	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	3,379
5. Specific Ownership &/or Other	220,776	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,227,327	h. Other	
c. Total (a. + b.)	2,595,078	i. Total (a. through h.)	603,593
	(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	1,279,950	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	125,717	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	125,717	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,405,667	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		556,364	556,364
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		865,383	865,383
(4). System Enhancement & Operation		206,606	206,606
(5). Total Construction (1) + (2) + (3) + (4)	0	1,071,989	1,071,989
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,628,353	1,628,353
			(Carry forward to page 1)

Notes and Comments: