



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: May 30, 2012

SUBJECT: Study Session Agenda for June 4, 2012

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room

6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

PRESENTATIONS

6:30 P.M.

1. 2011 Comprehensive Annual Financial Report and Auditor's Letter to City Council and Management
2. Recommendations from EAB on Community Recycling
3. Annual Updates to the Westminster Municipal Code

INFORMATION ONLY ITEMS

1. 2012 1st Quarter City Council Expenditure Report
2. 2012 State Legislative Session Wrap-up
3. Sustainable Community Initiative - DRCOG

EXECUTIVE SESSION

1. Discuss strategy and progress on potential sale, acquisition, trade or exchange of certain water supply and storage rights and the City's position relative thereto, pursuant to WMC 1-11-3 (C)(2) and 1-11-3(C)(7)

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 4, 2012



SUBJECT: 2011 Comprehensive Annual Financial Report and Management Letter

PREPARED BY: Tammy Hitchens, Finance Director

Recommended City Council Action:

Review and discuss the 2011 Comprehensive Annual Financial Report (CAFR) and the Auditor's Communication to City Council and Management on the scope and results of the City's annual financial audit.

Summary Statement:

Finance staff along with Rob MaCoy, Partner, and Marcie Ardan, Audit Manager, of BKD, LLP, the City's independent audit firm, will present to Council the 2011 CAFR and discuss the audit scope and results. The CAFR is scheduled for formal acceptance at the Council meeting on June 11, 2012.

The City has received an unqualified opinion from BKD, LLP. This means the CAFR represents fairly the financial position of the City.

This Staff Report discusses the financial highlights of the CAFR and is accompanied by BKD's letter to Council and Management, which discusses items significant to the audit, such as financial estimates, management assertions, financial statement disclosures, and communications. There were no findings or audit adjustments resulting from the 2011 financial audit.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue:

Section 9.10 of the City Charter requires that an independent audit be conducted at least annually in accordance with generally accepted accounting principles as they pertain to governments for all funds reported in the Comprehensive Annual Financial Report. The audit is required to be conducted by Certified Public Accountants, experienced in municipal accounting. The 2011 audit was performed by BKD, LLC, Certified Public Accountants.

Alternative:

Require Staff to make changes to the report. Minor changes could be made to the report without affecting the audit opinion; however, major changes may result in the report not being in compliance with generally accepted accounting principles as they pertain to governments and could result in a change of the auditor's opinion.

Background Information:

Each year Finance staff prepares a CAFR and contracts with an independent auditor to conduct an audit of the City's financial statements. The 2011 CAFR received an unqualified opinion from BKD, LLP, the City's independent auditors. An unqualified opinion indicates that the financial data of the City is fairly presented according to generally accepted accounting principles.

Financial Highlights

- Government-wide: Combined net position of governmental and business-type activities increased \$26.4 million, including a \$16.2 million increase in governmental activities net position and a \$10.2 million increase in business-type activities net position.
- General Fund: For the first time ever, the revenues, expenditures, assets, liabilities, and fund balance of the City's Sales and Use Tax Fund were combined with the General Fund and the beginning fund balance of these funds was retroactively restated by \$8.9 million as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The fund balance of the General Fund decreased \$0.8 million in 2011. Of the \$26.9 million ending fund balance, \$15.2 million was unrestricted and available for future spending.
- General Capital Improvement Fund: Operating revenues decreased by \$1.8 million and expenditures were \$4.2 million less than 2010. These changes as well as interfund transfer activity resulted in an increase in Fund Balance of \$2.1 million.
- Westminster Economic Development Authority: Fund balance increased \$6.7 million to \$54.0 million, primarily due to significant interfund transfers from the General and General Capital Improvement Funds and note proceeds of \$3.5 million to support economic development of the Westminster Center Urban Reinvestment Project.
- Utility Fund: Net Position increased \$9.1 million from \$386.6 in 2010 to \$395.7 million in 2011. This increase is \$5.0 million more than the \$4.1 million increase in 2010. The 2011 increase results from a \$3.3 million operating gain made up primarily of a \$1.3 million increase in charges for services revenue and a \$1.3 million decrease in operating expenses over the prior year. Tap fees and developer contributions were up \$3.3 million and investment income was up \$.2 million compared to the prior year.
- Golf Course Fund: Net Assets remained the same at \$10.8 million.

- Capital spending was funded with pay-as-you-go resources, grants and bond proceeds. Capital spending for all projects included the following:

\$ 9,213,426	General Capital Improvements Fund
1,754,918	Westminster Economic Development Authority
925,654	Parks, Open Space and Trails Fund
588,583	Community Development Block Grant Fund
588,217	Conservation Trust Fund
17,811,255	Utility Fund
<u>\$ 30,882,053</u>	

Auditor's Communication to City Council and Management

BKD's letter to Council and Management discusses items of significance to the audit, such as financial estimates, management assertions, financial statement disclosures, communications, adjustments, and when applicable, audit findings and suggestions for improvement.

Staff is pleased to advise that BKD noted no findings or audit adjustments from its 2011 financial audit of the City. This is especially significant since prior year findings involved the need to improve internal controls around organizational communication and tracking of Federal awards. For the past several years, tremendous effort has been made by staff to clear outstanding audit findings. Enhanced sharing of information, significant training efforts, and administration of new processes and procedures have all made a difference.

New Accounting Standards

For 2011, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This standard, which applies only to governmental funds, clarifies definitions for governmental fund types, establishes accounting and financial reporting standards for all governments that report governmental funds, and establishes criteria for categorizing fund balances into specifically defined classifications. As a result of the change in fund type classifications, the revenues, expenditures, assets, liabilities, and fund balance of the City's Sales and Use Tax Fund was combined with the General Fund.

In 2011, the Governmental Account Standards Board issued an exposure draft, *Accounting and Financial Reporting for Pensions*, which will likely amend current financial reporting and disclosure requirements for pensions. Staff is currently evaluating the draft to determine the potential impact of the proposed changes on the City's financial statements.

Final Comments

Many thanks go to accounting manager Cherie Sanchez; accountants Vicki Adams, Karen Barlow, Karen Creager, Gary Newcomb, and Sherri Rickard; accounting specialist Leslie Krough; accounting technician Karen Elrod; retirement administrator Kim McDaniel; financial analyst Rachel Price; senior financial analyst Bob Byerhof; sales tax manager Barb Dolan; treasury manager Bob Smith and administrative secretary Maggie Hunter for making this first year audit such a success. Staff would also like to thank and acknowledge BKD for their professionalism, communication and helpfulness in completing the 2011 audit.

Staff and representatives from BKD will attend the June 4, 2012 Study Session to answer City Council's questions. This review of the City's CAFR and the 2011 financial audit scope and results supports the City's strategic goal of Financially Sustainable City Government Providing Exceptional Services.

Staff Report – 2010 Comprehensive Annual Financial Report and Management Letter
June 4, 2012
Page 4

Respectfully submitted,

J. Brent McFall
City Manager

Attachments

CAFR Draft

Auditor's Letter to Council and Management (attachments to Auditor's Letter to Council
and Management are on file in the City's Finance Department)



WESTMINSTER

COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

Prepared by:

**Finance Department
Tammy A. Hitchens, CPA
Finance Director**

www.cityofwestminster.us

On the cover:

2011 was the City of Westminster's Centennial year. The cover portrays current and historical photographs in celebration of Westminster's history, courtesy of the Westminster Centennial Committee, and is fashioned after the 2011 publication *Westminster: The First 100 Years*, featuring photos, stories and profiles from Westminster's rich past and an inside look at the community's growth over the years.

Throughout its 94 year history, *Shoenberg Farm* (72nd Avenue and Sheridan Boulevard) was a poultry and dairy farm. In 1941 it added *Dolly Madison Ice Cream* stores, which operated both neighborhood grocery and soda fountain shops until 2001. The farm was owned by the Tepper family – a photo of the founder's wife, Mary, is shown.

The Charles W. Savery *Savory Mushroom Farm* water tower (recently restored) is the only remaining evidence of the enterprise that existed at this location between 1923 and 1953. Water was pumped from the ground into an elevated tank along Federal Boulevard., strategically located at a high spot on the property, and distributed through gravity to the numerous mushroom growing and canning buildings.

The *Pillar of Fire*, which sits atop the highest point in Adams County, once housed Westminster University, the "Princeton of the West". The university operated just 10 years before it closed in 1917. In 1926, the school became Bellevue Schools, which still operates at the same location today.

Since opening in 2008, *The Orchard Town Center* at 144th Avenue and Huron in Westminster has become a successful open-air retail and entertainment district, despite the Great Recession. It was designed with the theme "Orchard and Plain".

The *Rodeo Supermarket* was founded in 1953 by Fred Valente. The supermarket's delivery truck was used to deliver groceries to anyone who couldn't make it to the store.

When the Bowles House was finished in 1875, Edward Bruce Bowles, a homesteader and breeder of fine horses, planted a *Harrison Gold* rose bush on the east side of the house, which still thrives today. It is said to be the oldest rose of its type in the State of Colorado.

Westminster is the proud home of the *Butterfly Pavilion*, located off US 36 at Church Ranch Boulevard. The Butterfly Pavilion opened its doors in July 1995.

Westminster's emphasis on *public art* can be seen in more than 100 displays throughout the City. The *Jim Baker* sculpture reminds residents of the important role Baker played in civilizing Westminster and the surrounding area. Baker settled on land near 52nd Avenue and Tennyson Street in 1859 and operated a toll ferry and store across Clear Creek. *Chief Little Raven*, a chief of the Arapahoe Indians, tried to achieve peace with white settlers and gold seekers who flooded the Denver area during the 1850's and 1860's. Additional sculptures on the back cover include *Wapiti Circle*, *Summer Series sculptures*, and the *Dolphin Fountain*

Between 1870 and 1945, Westminster boasted the largest *apple orchards* west of the Mississippi River, as well as several cherry orchards. Each spring, residents from the surrounding Denver area came to Westminster to enjoy the apple trees in blossom and returned in the fall to buy fruit.

Red Fox can commonly be seen on Westminster's open space lands and golf courses.

The *City Hall bell tower*, dedicated in 1988, is the inspiration behind the City's pyramid logo. The *spire* above the 92nd Avenue bridge over US 36 proudly bears the logo and is a gateway to the City of Westminster.

Specially created by Parks employees, the "100" year *light banner* with logo was added to the 2011 Christmas light display in the City Hall plaza in a final celebration of our City's 100th year.

PHOTO CREDITS

Dolly Madison neon: Photo by Douglas Towne, www.neonmotel.com; The Orchards: Courtesy of Forest City; Chief Little Raven photo by Fred Girk; Rodeo Market Truck courtesy of Westminster Historical Society; Shoenberg Farms milk cap: Courtesy of Tepper Family; Mary Tepper: Courtesy of Tepper Family; yellow roses photo by Michael Field. Photos not otherwise mentioned Courtesy of City of Westminster.

Jim Baker sculpture by Steve Boyce, Chief Little Raven sculpture by Marie Barbera; Wapiti Circle sculpture by Bart Walter, Summer Series sculpture by Dennis Smith.

CITY OF WESTMINSTER, COLORADO

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WESTMINSTER
COLORADO

May 29, 2012

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

We are pleased to present to you the 2011 Comprehensive Annual Financial Report for the City of Westminster. The report demonstrates the City's operations and financial position.

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

The Past Year

On April 4th, 2011, the City hosted a party to celebrate its 100th birthday. A 50-year time capsule was also opened to take a glimpse at the past. Proud of our past, Council and staff worked diligently to position the City for the future. As a result, Westminster had many successes to celebrate during 2011.

The City and the Westminster Economic Development Authority (WEDA) continued to make progress in the Westminster Center Urban Reinvestment Project (WURP) area. WEDA was able to acquire the majority of the Westminster Mall in May for \$22,000,000. The City hosted a demolition party to kick off the demolition of the mall and clearing of the site. WEDA owned approximately 90% of the WURP area at the end of 2011.

The City Manager's office (CMO) has led the efforts in the redevelopment of the Westminster Mall site. This has included the acquisition and demolition of the property, working to secure a developer with the same vision as the City and developing the overall strategic plan of the project. Public Information staff within the City Manager's office led the efforts to expand the electronic presence of the City on the internet via Facebook and Twitter. CMO staff, working with Mayor McNally and the US 36 Coalition, secured funding for phase 1 of the US 36 managed lanes project. They also negotiated an energy only street light rate and metered street light rate as part of a comprehensive effort to reduce energy and maintenance expenditures for street lighting.

The City Attorney's office (CAO) provided awesome support to the organization on many initiatives. They were heavily involved in all of the legal work associated with acquiring the Westminster Mall and resolving all associated litigation. CAO staff worked with Finance staff and collected over \$200,000 in unpaid sales and use taxes. The City Attorney played an instrumental role in negotiating an intergovernmental agreement (IGA) between the Regional Transportation District and the City for the South Westminster commuter rail station. Finally, the City Attorney's Office provided legal services for the day-to-day transactions of the City, including contracts, request for proposals, and personnel issues.

The Finance Department utilized technology to provide enhancements for citizens and customers. Staff implemented e-checks for paying utility bills, ACH credit for taxpayers, and a program for

adding customers to the reclaimed water system. In addition, a new banking vendor was selected as part of a solicitation process. The new contract will save the City approximately \$90,000 over the next five years.

In the Community Development Department, staff led the efforts for the City to purchase 25.63 acres of open space. Design work and construction drawings for the Metzger Farm project were completed. The public art program was revised in 2011 to require that multi-family residential building dedicate public art. Three new public art pieces were installed. The City's first bicycle master plan was adopted by City Council.

The Fire Department welcomed a new Fire Chief in June. A minor reorganization was made to realign personnel and programs for better management and improved service to internal and external customers. The Fire Department has been able to maintain service levels and meet performance expectations despite an increase in service calls of 6.5%. The first phase of a records management system was implemented with incident report modules being utilized in late 2011. In November 2011, staff began work on a master plan. This plan sets forth the Fire Department's strategic leadership expectations, the mission and values, and the organizational service priorities through 2017.

The Parks, Recreation and Libraries Department implemented a tiered maintenance program to manage available resources while still meeting the expectations of the public. They also completed the renovation of the Swim and Fitness Center which included adding family changing rooms, renovating outdated locker rooms and adding a family-oriented playground. Library staff conducted a Library community needs assessment. The last assessment was completed in 1969. The library also revised the library collection development policy and wrote an electronic resources policy. The Little Dry Creek Dog Park was completed. The golf courses hosted several prestigious events.

The Police Department continued emphasis on ethics, leadership and professional development. Twenty-six managers and supervisors have participated in the nationally acclaimed three week *Leadership in Police Organizations* training. All Police Officers have completed *Emotional Survival* training. The Gregory Hills radio site was installed and implemented to increase radio strength and reliability. Although violent crimes increased 5%, property crimes declined 14% in 2011. Violent crimes were still below the 5-year average.

The Public Works and Utilities Department met or exceeded all regulatory water and wastewater treatment standards 24/7/365. They completed pavement rehabilitation on 168 streets totaling 103 lane miles of pavement. They also completed the street condition rating for all city streets as part of the pavement management system. The Northwest Water Treatment Facility capacity expansion from 15 to 20 million gallons per day was completed. Staff completed large scale, comprehensive master plans of both the City's large diameter sewer lines and the City's treated water storage tanks.

The Information Technology Department (IT) completed the third and final phase of the VOIP (voice over IP) phone system project. IT implemented a new PC Lifecycle management tool to reduce the time and costs associated with PC deployments and management. They also received a top 10 Digital Cities Award from the Center for Digital Government recognizing the City's success in IT strategic planning, hardware and software technologies, digital web services, technology in public safety, GIS, networks and more.

The General Services Department welcomed a new Director near the end of the year. Fleet staff completed a vehicle utilization study. As a result, 14 vehicles were removed from the fleet. They also established the shop as an ASE Blue Seal shop, which required all of the mechanics to meet

ASE certifications. Court staff eliminated the early pay discount while implementing a new fine schedule. Building Operations and Maintenance staff maintained Westminster Mall support services to tenants and coordinated the recycling of precious metals, building materials, and auctioning of assets, yielding over \$200,000 to WEDA. They also completed 65 major facility projects with minimal interruption to facility operations. Human Resources staff continued employee development through coaching, training and staff development initiatives. They also focused on marketing and recruiting for the organization as an employer of choice. The Workers' Compensation Program was transitioned to a self-administered program for the purpose of improving customer service and saving money.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2012.

The number one goal of City Council and staff is to make further progress on the Westminster Center Urban Reinvestment Project. To that end, on leap year day in 2012, WEDA closed on an additional 9 acres with the purchase of one of two remaining department stores to take control of 95% of the WURP area. WEDA also entered into an exclusive negotiating agreement with a nationally recognized redeveloper. It is the goal of the City to have a development agreement finalized by year end.

The South Westminster Revitalization continues as several different projects are being discussed. The City looks forward to finalizing the IGA with RTD and commencing construction on the Westminster commuter rail station. In addition, construction will commence on the Little Dry Creek Park.

The City will be doing further work on water storage tank renovations and repair, establishing an employee wellness clinic, working with an on-site, independent auto parts store, welcoming a new Parks, Recreation and Libraries Director, implementing a new Citizen Relationship Management software, refinancing three debt issues, completing the demolition of the mall, and completing the skate spot at the Kings Mill park.

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

Independent Audit

Pursuant to Section 9.10 of the City Charter, an audit of the accounts and financial statements has been completed by the City's independent Certified Public Accountants, BKD, LLP. Their report is included as part of the City's financial statements.

Government Structure and Types of Services

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

With a population of approximately 109,600, the City is approximately 94% built out, with just over 6% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical service, court system, parks, recreation facilities and programs, libraries,

planning and development, water and wastewater treatment, street construction and maintenance and a variety of related services such as human resources, finance, information technology, building maintenance, etc.

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

- Westminster Housing Authority (WHA), the owner and manager of the City's senior housing project named Westminster Commons and other housing initiatives,
- The Westminster Economic Development Authority (WEDA), the City's Urban Renewal Authority, enables the City to employ eminent domain and tax increment financing for needed redevelopment in the City's blighted sections,
- Seven General Improvement Districts that were created for infrastructure improvements and maintenance.
 - Amherst General Improvement District
 - Sheridan Crossing General Improvement District
 - 136th Avenue General Improvement District
 - Mandalay Town Center General Improvement District
 - Promenade Parking General Improvement District
 - 144th Avenue General Improvement District
 - Orchard Park Place General Improvement District

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

Internal Controls and Limitations

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

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

As with any system, the inherent limitations of the system make it imperative that the City rely on review and revision of programs when weaknesses are discovered; SAS 99, *Consideration of Fraud in a Financial Statement Audit*, reporting by the City's audit firm; and constant diligence on the part

of management and employees for preventing and correcting errors or other weaknesses when reviewed.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westminster, Colorado, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the content of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

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

In particular, our sincere appreciation is due to Cherie Sanchez, Accounting Manager; Vicki Adams, Accountant; Karen Creager, Accountant; Gary Newcomb, Accountant; Sherri Rickard, Accountant; Leslie Krough, Accounting Specialist; Karen Elrod, Accounting Technician; Kim McDaniel, Retirement Administrator; Rachel Price, Financial Analyst; Bob Byerhof, Senior Financial Analyst; Barb Dolan, Sales Tax Manager; Bob Smith, Treasury Manager; and Maggie Hunter, Administrative Secretary. Thank you for your dedication, hard work and another excellent annual report.

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

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

Respectfully submitted,

J. Brent McFall
City Manager

Tammy Hitchens
Director of Finance

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WESTMINSTER
COLORADO

ORGANIZATIONAL CHART

Citizens



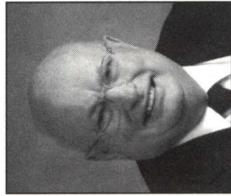
Nancy McNally
Mayor



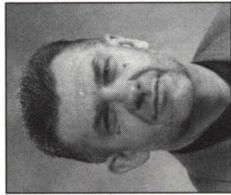
Faith Winter
Mayor Pro Tem



Herb Atchison
Councillor



Bob Briggs
Councillor



Mark Kaiser
Councillor



Mary Lindsey
Councillor



Scott Major
Councillor



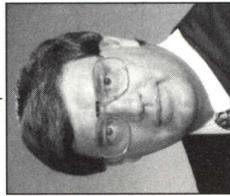
Marty McCullough
City Attorney



J. Brent McFall
City Manager



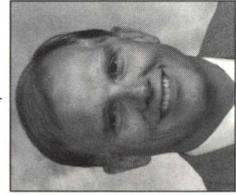
Steve Smithers
Deputy City Manager



John Stipech
Presiding Judge



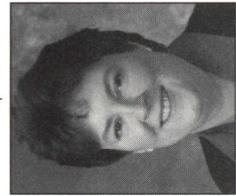
Lee Birk
Police Chief



John Carpenter
Director of
Community
Development



Doug Hall
Fire Chief



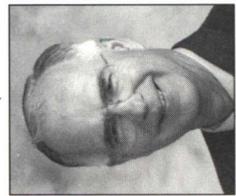
Tammy Hitchens
Director of
Finance



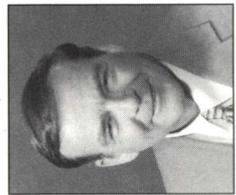
Debbie Mitchell
Director of
General Services



David Puntenny
Director of
Information
Technology



Mike Smith
Director of Public
Works & Utilities



Bill Walenczak
Director of Parks,
Recreation &
Libraries

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westminster
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Sandison

President

Jeffrey R. Emer

Executive Director

Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, Colorado (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, Colorado as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3.T, in 2011 the City changed its method of accounting for fund balances through retrospective application to prior years' financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, other postemployment benefits and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules and other supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

May 23, 2012



WESTMINSTER
COLORADO

City of Westminster, Colorado

Management's Discussion and Analysis (Unaudited)

This discussion and analysis of Westminster's financial statements for the year ended December 31, 2011 provides a narrative overview of the City's financial activities. Please consider the information here in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report and the financial statements and notes to the financial statements, which begin on page 17.

THE CITY

The City of Westminster is a charter city, organized under the laws of the State of Colorado, governed by a Council-Manager form of government. City Council is comprised of seven members: a Mayor elected at large and six Councillors, also elected at large. The Council appoints the City Manager, the City Attorney, and the Municipal Court Judge; all other staff are appointed or hired by the City Manager. The City Manager has served Westminster since 2001 and continues to promote service, pride, integrity, responsibility, innovation and teamwork throughout the organization. The City Manager directs eight departments, including Community Development, Finance, Fire, General Services, Information Technology, Parks, Recreation and Libraries, Police, and Public Works and Utilities.

Centrally located between Denver and Boulder Colorado, the City of Westminster is known for its exceptional quality of life, and for its innovative and progressive local government services. With a population of approximately 109,600, the City is approximately 94% built out, with just about 6% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical services, 54 developed parks and 4 undeveloped parks, 2,953 acres of natural open space, two libraries, two golf courses, several recreation centers, water and wastewater treatment, street construction and maintenance, and a variety of other services.

The primary sources of revenues for cities in Colorado are sales and use taxes, comprising approximately 56.2% of the City's governmental activities revenues. Sales tax increment contributes an additional 1.3%. Property taxes comprise approximately 3.4% of the City's governmental activities revenues. Property tax increment contributes an additional 6.6%. The primary sources of revenues for the City's enterprise funds including the Utility Enterprise and Golf Course Enterprise are fees and charges.

FINANCIAL HIGHLIGHTS

During 2011, utilizing the Westminster Economic Development Authority (WEDA), the City purchased the majority of the Westminster Mall for \$22,000,000 as part of the Westminster Urban Reinvestment Project. Please see the Property Held for Resale note on page 67 for more details. The City implemented GASB 54 which changed the display of fund balance and required the City to consolidate the Sales and Use Tax Fund into the General Fund. For more information on the implementation and changes associated with GASB 54, please see Note 3T on pages 67-68.

During 2011, the City was able to replenish the General Fund Stabilization Reserve (which is consolidated into the General Fund) utilizing carryover funds from 2010. The Stabilization Reserve

was increased by \$0.9 million bringing the total back to \$3.2 million which is 5% of the 2011 Sales and Use Tax Fund budget.

The City eliminated the vendor's fee which added \$0.5 million to the Sales and Use Tax Fund which is consolidated with the General Fund.

The City received \$2.6 million in grant reimbursements for open space acquisitions awarded by Great Outdoors Colorado, Jefferson County Open Space and Adams County Open Space.

The City received public safety grant reimbursements totaling \$0.5 million from Federal, State and County entities.

The 2009 WEDA Mandalay Gardens Urban Renewal Area Revenue Refunding Bonds have a letter of credit associated with them that expires in September 2012. Therefore, \$33.5 million has been classified as "due within one year". In past years, the amount was reflected in "due in more than one year".

The assets and deferred outflows of the City exceed its liabilities at the close of 2011 by \$701.9 million (\$294.0 million in governmental activities and \$407.9 million in business-type activities). Of the governmental activities net position total, \$91.2 million, or 31.0%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$64.8 million, or 15.9%, of business-type activities net position are unrestricted.

Total net position of the City increased \$26.4 million, or 3.9%, compared to 2010. The net position of the City's governmental activities increased \$16.2 million, which represents an increase of 5.8% from 2010. The net position of the City's business-type activities increased \$10.2 million, or 2.6%, over 2010.

The total expenses of all the City's programs decreased \$7.8 million, or 4.6%, compared to 2010. The governmental activities program expenses decreased \$5.4 million, or 4.4%, to \$116.3 million, while business-type activities expenses decreased \$2.4 million, or 4.9%, to \$47.0 million from 2010.

Total revenues, excluding special items and transfers, increased \$0.1 million, or 0.1%, compared to 2010. Governmental activities revenues decreased \$4.3 million, or 3.1%, to \$132.9 million, while revenues of business-type activities increased \$4.4 million, or 8.4%, to \$56.8 million compared to 2010.

As of December 31, 2011, the City's governmental funds reported a combined ending fund balance of \$110.4 million. Approximately 40.8%, or \$45.0 million, is committed, assigned or unassigned fund balance and, therefore, available for spending at the City's discretion within the purposes specified for the City's funds.

The General Fund reported a fund balance of \$26.9 million as of December 31, 2011, of which \$21.0 million was assigned or unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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

expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City maintains 15 individual governmental funds. The Sales and Use Tax Fund is now consolidated into the General Fund for financial statement purposes. It is shown as a separate column this year to reflect the change in accounting as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, adopted by the City in 2011. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the General Capital Improvement Fund and the Westminster Economic Development Authority (WEDA), the City's urban renewal authority. These funds are considered major funds for the City. Financial information for the other 12 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

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

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

Fiduciary funds are used to account for resources held for the benefit of parties external to the City. The City is the trustee, or fiduciary, for three pension plans: General, Police, and Volunteer Fire. The Volunteer Fire Pension Fund is shown as a Fiduciary Fund as a defined benefit plan. The City's fiduciary activities related to the General, Police and Volunteer Fire pension plans are reported in the notes to the financial statements on pages 58-62. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. The notes to the financial statements can be found beginning on page 31 of this report.

Other information is presented as required supplementary information. This information includes budgetary comparison schedules for the General Fund and major special revenue fund, and funding progress for the City's volunteer firefighter pension plan and post employment benefits other than pension (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

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

Table 1 presents an analysis of the City's net position as of December 31. The City's assets and deferred outflow of resources exceeded its liabilities by \$701.9 million at December 31, 2011. Governmental activities make up \$294.0 million (41.9%) of the net position, with business-type activities making up the remaining \$407.9 million (58.1%). Total net position increased by \$26.4 million in 2011. The increase is comprised of the following:

- Total assets increased \$7.2 million, or 0.7%, to \$1,038.2 million. This included a decrease in capital assets of \$1.9 million and an increase in current and other assets of \$9.1 million. The increase in current and other assets was primarily due to an increase of \$21.8 million of property held for resale, which is land purchased for resale in an urban renewal area for WEDA. This was offset by a decrease of \$10.0 million of cash, cash equivalents, and investments used to purchase the land. There was also a decrease of \$2.6 million of grants receivable primarily related to Parks, Open Space and Trails grants. \$32.4 million of depreciation was recognized while \$30.7 million of assets were added. Non-depreciable assets increased by \$24.5 million, primarily as a result of construction in progress.
- Total liabilities decreased \$17.8 million, or 5.0%, to \$339.9 million. This primarily related to reduction in bonds, loans, notes, and leases outstanding of \$13.6 million in the Governmental Activities and \$4.9 million in the Business-type Activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 161.1	\$ 153.3	\$ 82.4	\$ 81.1	\$ 243.5	\$ 234.4
Capital assets	392.8	398.8	401.9	397.8	794.7	796.6
Total assets	553.9	552.1	484.3	478.9	1,038.2	1,031.0
Deferred outflow of resources	3.6	2.2	-	-	3.6	2.2
Current and other liabilities	26.9	27.7	5.4	5.2	32.3	32.9
Long-term liabilities	236.6	248.8	71.0	76.0	307.6	324.8
Total liabilities	263.5	276.5	76.4	81.2	339.9	357.7
Net Position:						
Net investment in capital assets	167.5	166.1	337.6	336.3	505.1	502.4
Restricted	35.3	32.9	5.5	5.5	40.8	38.4
Unrestricted	91.2	78.8	64.8	55.9	156.0	134.7
Total net position	\$ 294.0	\$ 277.8	\$ 407.9	\$ 397.7	\$ 701.9	\$ 675.5

By far the largest portion of the City's assets (76.5%) reflects its investment of \$794.7 million in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net investment in capital assets is reported less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets was \$505.1 million as of December 31, 2011, or 72.0% of total net position.

An additional portion of the City's net position, \$40.8 million (5.8%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$156.0 million (22.2%) may be used to meet the City's on-going obligations to the public and creditors. It is important to note that the \$64.8 million in unrestricted net position of the City's business-type activities may not be used to fund governmental activities.

Analysis of Changes in Net Position

As can be seen from Table 2, the City's net position increased \$26.4 million during 2011. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$16.2 million during 2011. This was \$1.6 million more than the increase of \$14.6 million in 2010. Governmental activities revenues decreased \$4.3 million from 2010. Most of the decrease can be attributed to decreases in the amount of revenues from Capital Grants and Contributions (\$2.6 million); Charges for Services, (\$2.3 million); Intergovernmental Revenue (\$0.9 million) and Sales Tax Increment (\$1.3 million),

offset by an increase in Operating Grants and Contributions of \$2.1 million. Governmental expenses decreased \$5.4 million (4.4%) from 2010. Most of the decrease is attributable to reduced expenses in Public Works and General Government, offset by an increase in expenses in Community Development.

Table 2: Changes in Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Service	\$ 16.8	\$ 19.1	\$ 47.8	\$ 47.3	\$ 64.6	\$ 66.4
Operating Grants and Contributions	6.6	4.5	-	-	6.6	4.5
Capital Grants and Contributions	9.1	11.7	7.6	4.2	16.7	15.9
General Revenues						
Property Taxes	4.5	4.6	-	-	4.5	4.6
Sales Taxes	63.0	63.1	-	-	63.0	63.1
Use Taxes	11.6	11.4	-	-	11.6	11.4
Property Tax Increment	8.8	8.8	-	-	8.8	8.8
Sales Tax Increment	1.7	3.0	-	-	1.7	3.0
Business Fees and Other Taxes	5.3	5.1	-	-	5.3	5.1
Accommodations Taxes	2.4	2.2	-	-	2.4	2.2
Intergovernmental	0.7	1.6	-	-	0.7	1.6
Interest	0.9	1.3	0.9	0.7	1.8	2.0
Rentals	0.6	-	-	-	0.6	-
Other	0.3	-	0.5	0.2	0.8	0.2
Gain on sale of assets	0.6	0.8	-	-	0.6	0.8
Total Revenues	132.9	137.2	56.8	52.4	189.7	189.6
Program Expenses						
General Government	35.3	37.7	-	-	35.3	37.7
Public Safety	31.6	31.7	-	-	31.6	31.7
Public Works	10.3	14.5	-	-	10.3	14.5
Community Development	14.4	12.0	-	-	14.4	12.0
Culture and Recreation	17.4	17.6	-	-	17.4	17.6
Utility	-	-	42.8	44.7	42.8	44.7
Golf	-	-	3.4	3.5	3.4	3.5
Housing Authority	-	-	0.8	1.2	0.8	1.2
Interest and Fiscal Charges	7.0	7.8	-	-	7.0	7.8
Unallocated Depreciation	0.3	0.4	-	-	0.3	0.4
Total Expenses	116.3	121.7	47.0	49.4	163.3	171.1
Excess (Deficiency) before Transfers	16.6	15.5	9.8	3.0	26.4	18.5
Transfers	(0.4)	(0.9)	0.4	0.9	-	-
Increase in Net Position	\$ 16.2	\$ 14.6	\$ 10.2	\$ 3.9	\$ 26.4	\$ 18.5

As can be seen in Table 2, Public Safety expenses accounted for 27.2% of Governmental expenses. General Government, which includes all benefits, insurances and lease payments as well as the City Council and four departments' (City Manager's Office, City Attorney's Office, General Services and Finance) accounted for 30.4% and Culture and Recreation accounted for 15.0% of total Governmental expenses.

Charts 2 and 3 illustrate the City's governmental expenses and revenues by function and its general revenues by source. General revenues such as sales and use taxes, property and other taxes shown in Chart 3 are used to support City program activities city-wide. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (56.2%), followed by charges for services (12.6%).

Chart 2: Expenses and Program Revenues - Governmental Activities

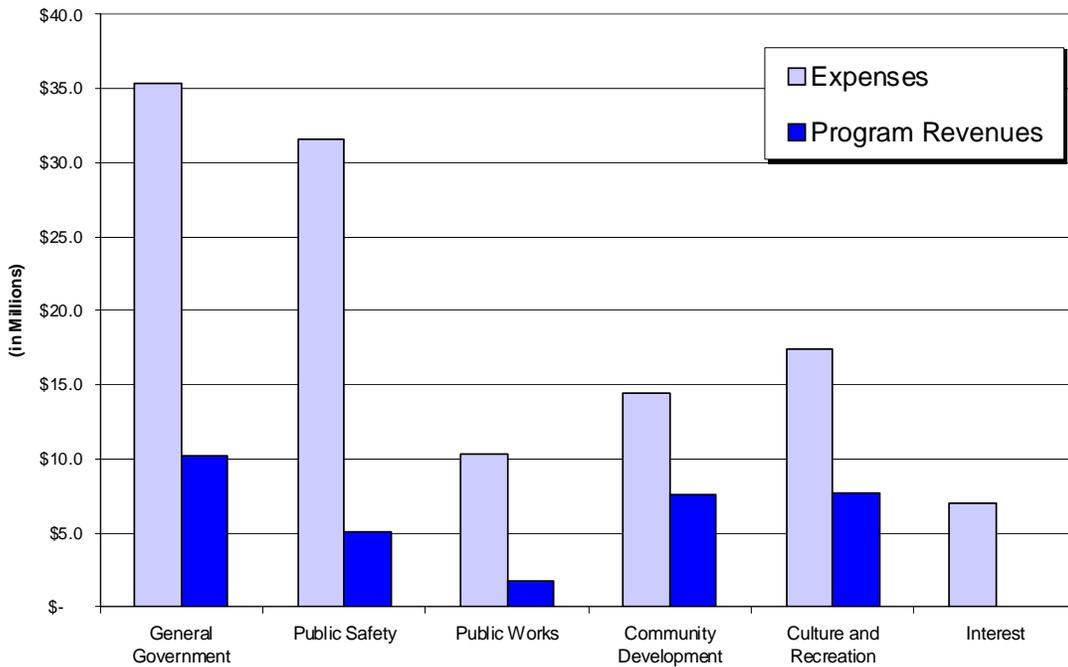
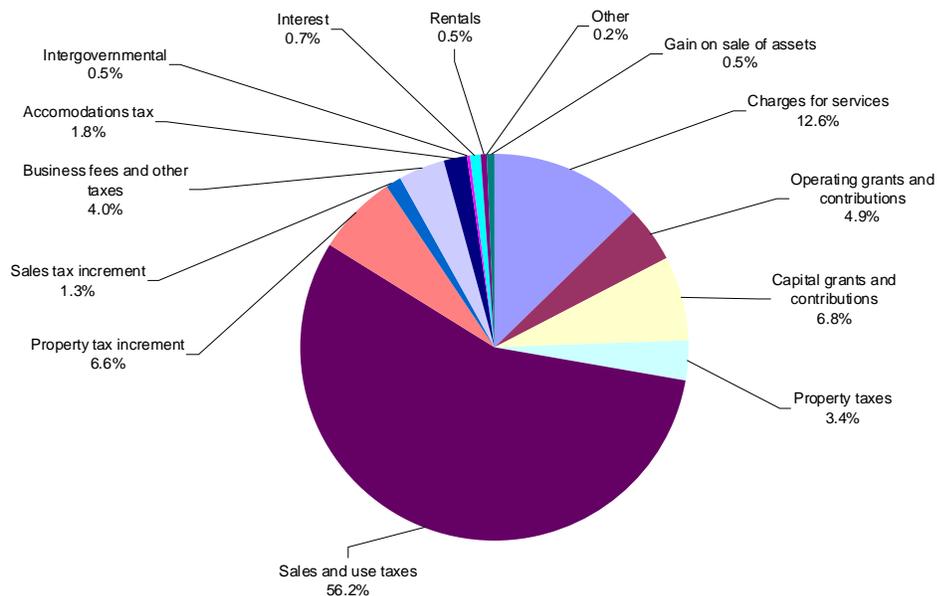


Chart 3: Revenues by Source - Governmental Activities



Business-type Activities

Net position in business-type activities increased \$10.2 million in 2011. This is \$6.3 million, or 161.5%, more than the increase of \$3.9 million in 2010. In 2011, the City received \$3.4 million more in tap fees and contributed lines, as well as \$0.5 million more for Charges for Services.

Chart 4: Expenses and Program Revenues - Business Type Activities

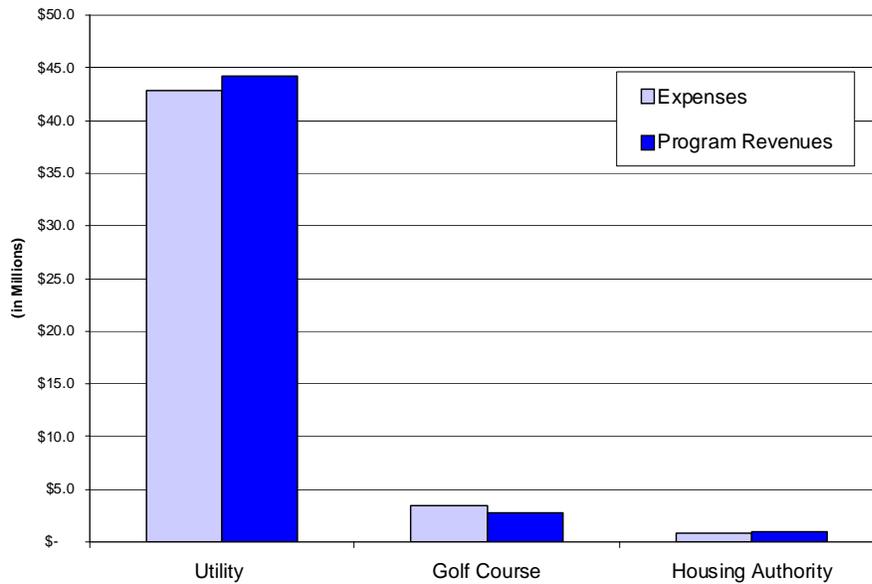
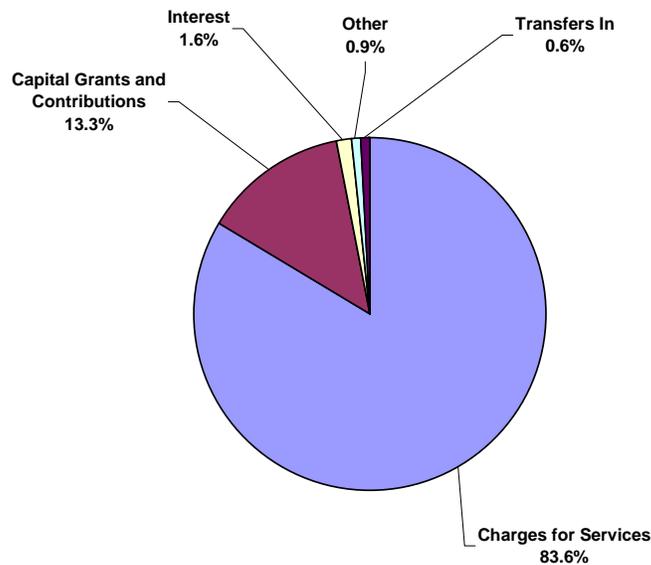


Chart 5: Revenues by Source - Business-type Activities



Total business-type revenues increased \$4.4 million, or 8.4%, compared to 2010. This increase was due primarily to an increase of \$3.4 million, or 81.0%, in Capital Grants and Contributions, a \$0.5 million, or 1.1%, increase in Charges for Services, and a \$0.2 million, or 28.6% increase in interest earnings.

Expenses of business-type activities decreased \$2.4 million, or 4.9%, compared to 2010. The decrease was due primarily to a decrease in costs associated with providing utility services.

As can be seen from Chart 4, the City's Utility Enterprise accounts for the majority of its business-type activities, representing 91.1% of total business-type expenses. Charges for Services provides the largest share of business-type revenues (83.6%), followed by Capital Grants and Contributions (13.3%), as shown in Chart 5.

THE CITY'S FUNDS (ANALYSIS OF SPECIFIC FUNDS)

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

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

At December 31, 2011, the City's governmental funds reported a combined ending fund balance of \$110.4 million, an increase of \$8.9 million, or 8.8%, compared to 2010. Based on the level of constraint imposed on the use of financial resources, fund balance is reported as either nonspendable; restricted; or as committed, assigned or unassigned.

- Nonspendable fund balance related to property held for resale increased to \$26.3 million due to acquisitions of property in the WURP area.
- Fund balance restricted for capital projects decreased \$2.1 million, or (26.5%).
- Unrestricted but committed for urban renewal fund balance decreased to \$3.8 million from \$19.4 million and for capital projects increased to \$20.6 million from \$16.3 million in 2010.
- Unassigned fund balance decreased \$1.1 million, or 6.9%, to \$14.5 million compared to 2010. Unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds.
- The remainder of unrestricted fund balance is assigned to indicate that it is not available for new spending.

The General Fund is the primary operating fund of the City. At the end of 2011, the unassigned fund balance of the General Fund was \$15.2 million, while total fund balance was \$26.9 million. Total fund balance decreased in the General Fund by \$0.8 million, or 3.0%, compared to 2010, exclusive of the restatement for implementation of GASB Statement No. 54. The unassigned fund balance represents 14.4% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance. It is important to note the accounting change to the General Fund that increased beginning fund balance by \$8.9 million as a result of consolidating the Sales Tax Fund into the General Fund.

The original budget in the General Fund was \$96.5 million. \$8.4 million of carryover from 2010 was utilized in the General Fund. Actual General Fund expenditures and transfers out totaled \$106.1 million.

Charts 6 and 7 illustrate the Budget and Actual Revenue and Expenditures less transfers for the General Fund.

Chart 6: Budget and Actual Revenue by Source, less Transfers - General Fund

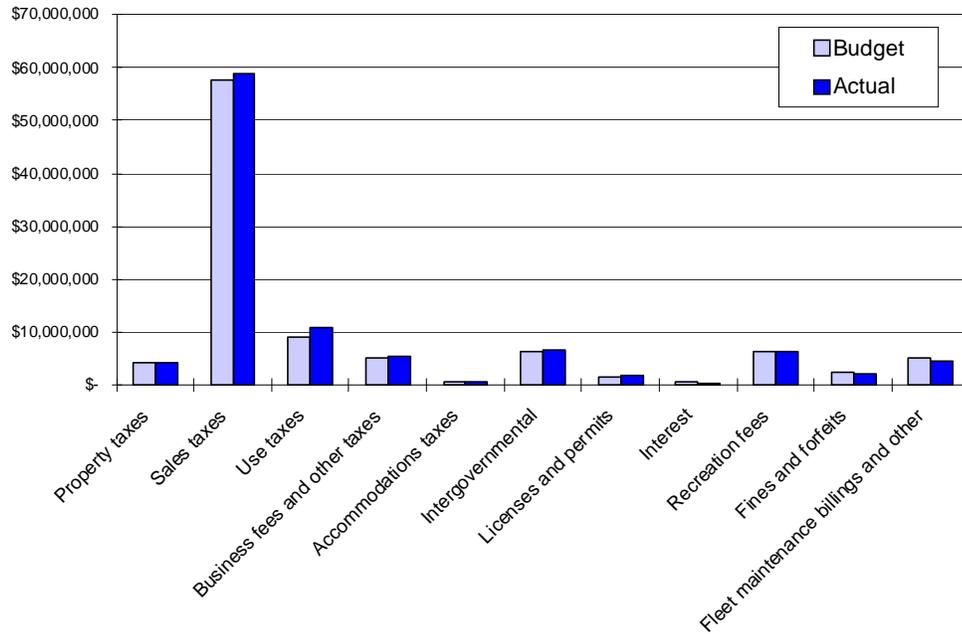
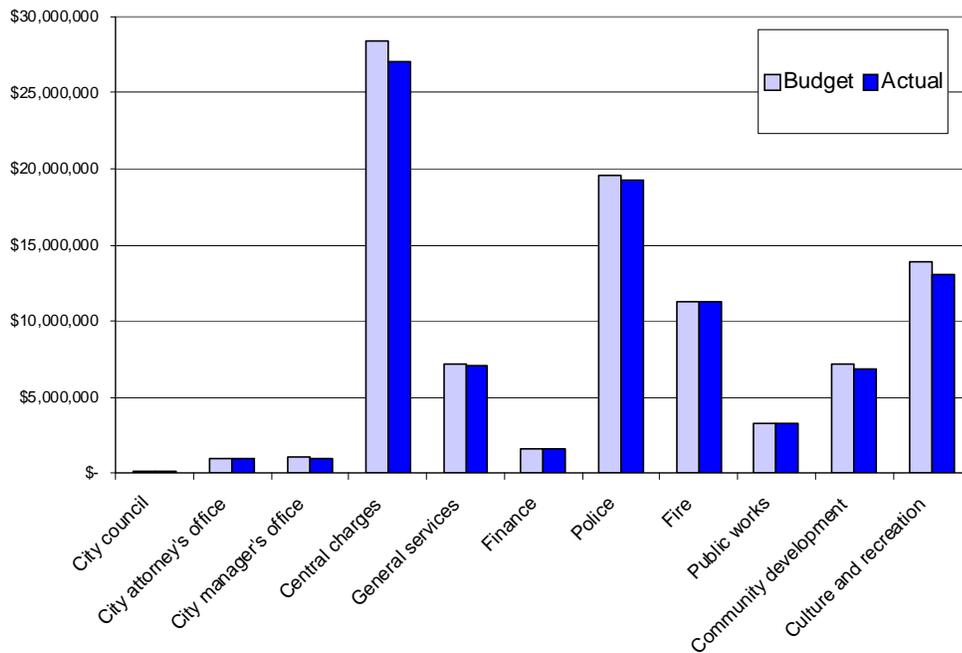


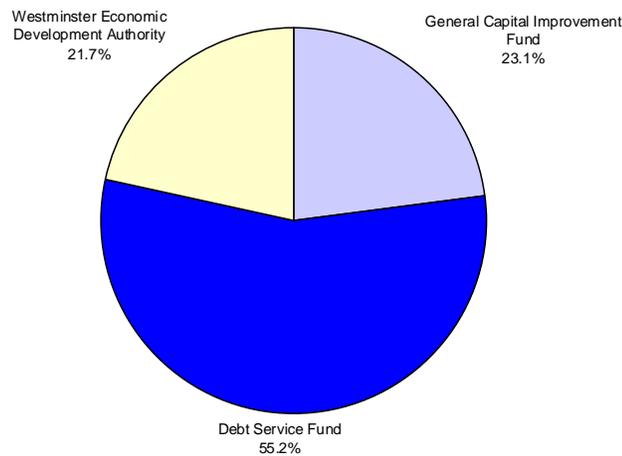
Chart 7: Budget and Actual Expenditures by Department, less Transfers - General Fund



Sales and use taxes are the primary funding source for the City's governmental funds. Once the sales and use tax is collected it is transferred to other funds. As Chart 8 illustrates, the majority (55.2%) of the sales and use tax is transferred to the Debt Service Fund.

Sales and use tax remained relatively flat with a slight increase of \$0.1 million, compared to 2010.

Chart 8: General Fund Transfers of Sales and Use Tax



The General Capital Improvement Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the City, except those financed by the Enterprise Funds. At December 31, 2011, the fund had a fund balance of \$23.8 million.

The General Capital Improvement Fund revenues include accommodations taxes, interest, revenues from other governments, and transfers from other funds. The fund's revenues decreased by \$1.8 million. Contributions increased \$0.4 million, offset by a \$2.4 million decrease in intergovernmental revenue, primarily as a result in less open space grants and a decrease in school land dedication fees. Expenditures totaling \$9.5 million were \$4.2 million less than 2010.

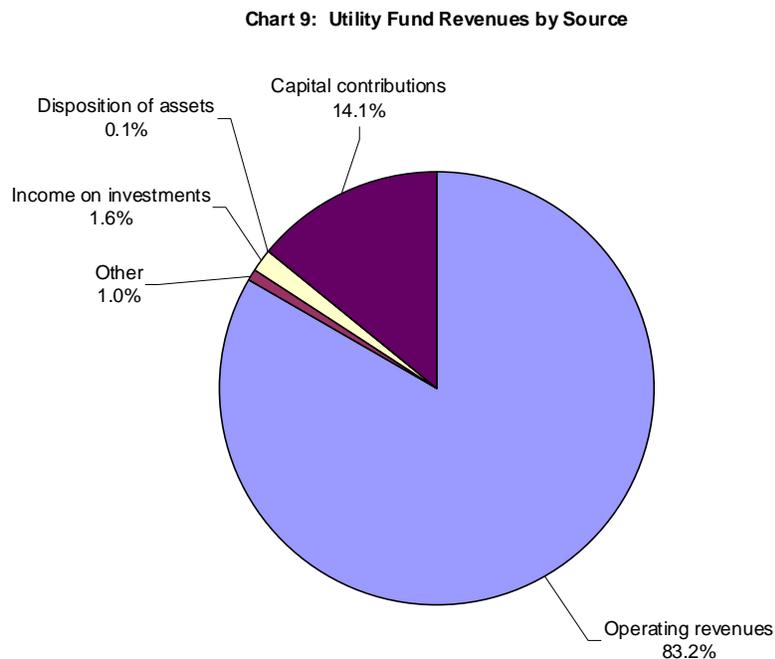
The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance increased \$6.7 million from 2010. As of December 31, 2011, Fund Balance was \$54.0 million.

Revenue for the Westminster Economic Development Authority decreased by \$0.8 million, or 6.4%, compared to 2010. This was primarily because of a decrease in sales tax increment of \$1.3 million, offset by \$0.6 million in rentals. Interest earnings decreased by \$0.4 million or 73.9%. Most significantly, transfers in decreased \$14.9 million as WEDA had accumulated cash for a significant urban renewal project in 2010.

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

The Utility Fund, which accounts for the City's water, wastewater and storm drainage activities, ended 2011 with net position equal to \$395.7 million. Of that amount, \$63.4 million is unrestricted. Net position increased \$9.2 million, or 2.4%, compared to 2010.

Operating revenues increased \$0.6 million, or 1.3%, compared to 2010. Chart 9 illustrates both operating and nonoperating revenues by source. The primary reason for the increase in operating revenues is due to an increase in rates.



Utility Fund operating expenses decreased \$1.3 million, or 3.1%, compared to 2010. The primary reason is a result of cutbacks, including the reduction of staff.

The Golf Course Fund accounts for the City's two championship golf courses. Operating expenses exceeded operating revenues by \$0.5 million. The Golf Course Fund's net position remained unchanged at \$10.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As can be seen from Table 3, the City's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$794.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants, improvements, parks, infrastructure, water rights, machinery and equipment, joint venture assets and construction work in progress. The total decrease in the City's investment in capital assets was \$1.9 million, or 0.2%. Net capital assets of governmental activities decreased \$6.0 million, or 1.5%, and business-type activities increased \$4.1 million, or 1.0%.

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

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land and property rights	\$ 118.2	\$ 115.4	\$ 111.3	\$ 109.6	\$ 229.5	\$ 225.0
Buildings	47.0	46.6	154.4	159.6	201.4	206.2
Improvements other than buildings	24.3	24.7	120.6	117.4	144.9	142.1
Machinery and equipment	11.4	10.5	6.5	6.9	17.9	17.4
Parks	27.8	28.3	0.7	0.7	28.5	29.0
Ice Center	5.1	5.2	-	-	5.1	5.2
Construction in progress	1.1	2.7	8.4	3.6	9.5	6.3
Infrastructure	157.9	165.4	-	-	157.9	165.4
Totals	<u>\$ 392.8</u>	<u>\$ 398.8</u>	<u>\$ 401.9</u>	<u>\$ 397.8</u>	<u>\$ 794.7</u>	<u>\$ 796.6</u>

Major capital asset activity during 2011 included the following:

Governmental Activities

- \$2.0 million for the renovation and enhancement of Swim and Fitness Center
- \$2.0 million for open space property
- \$3.3 million for energy enhancements

Business-type activities

- \$1.8 million for water rights
- \$2.3 million for distribution lines
- \$2.8 million for Semper Water Treatment Facility Improvements
- \$1.6 million for wastewater line rehabilitation
- \$0.8 million for storm drainage improvements

Additional information on the City's capital assets can be found in Note 2E on pages 43 and 44.

Debt Administration

At December 31, 2011, the City's bond ratings carry investment grade ratings as follows:

<u>Bond Issue</u>	<u>Standard & Poors</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
Sales Tax Revenue	AA+	AA+	Not Requested
Sales Tax Revenue - POST	AA-	AA-	Not Requested
General Obligation	Not Requested	Not Requested	Not Requested
Utility Enterprise	AA	AAA	Aa2
COPs-Ice Centre	AA-	Not Requested	Not Requested
COPs-All Others	AA-	Not Requested	Not Requested

The State of Colorado limits the amount of general obligation debt that cities can issue to 3% of the actual value of all taxable property within the City's corporate limits (CRS 31-15-302). The City's outstanding general obligation debt is significantly below this \$296.2 million state-imposed limit. See page 111 for the City's legal debt margin information.

Table 4 illustrates the City's total indebtedness:

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

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenue Bonds and Interest Coupons (backed by specific tax and fee revenues)	\$ 55.6	\$ 60.4	\$ 35.3	\$ 37.1	\$ 90.9	\$ 97.5
WEDA Tax Increment Revenue Bonds	37.5	39.2	-	-	37.5	39.2
Notes and Mortgages	64.3	66.8	\$ 28.6	31.3	92.9	98.1
Leases	72.0	76.7	\$ 4.9	5.4	76.9	82.1
Total	\$229.4	\$ 243.1	\$ 68.8	\$ 73.8	\$ 298.2	\$ 316.9

Further information on the City's debt can be found in Note 2H on pages 46-48.

NEXT YEAR'S BUDGETS AND RATES

Budgets and Plans for 2012. In April, 2011, the City Council met in its annual 2-day strategic planning retreat, and accomplished the following:

- Affirmation of the City's Strategic Goals for the next five years, 2011-2016.
 1. Financially Sustainable City Government Providing Exceptional Services
 2. Strong, Balanced Local Economy
 3. Safe and Secure Community
 4. Vibrant Neighborhoods in One Livable Community
 5. Beautiful and Environmentally Sensitive City

In addition, City Council met in September, 2011 to review the 2012 budget presented by staff. The product of the City Council's budget review was an amendment to the 2012 budget, effective on October 24, 2011. While the General Fund and Sales Tax Fund are consolidated for year-end financial reporting purposes, they are still separated for budgeting, legal and administrative purposes. Highlights of the 2012 budget include the following:

- The 2012 General Fund operating expenditures are budgeted at \$94.1 million (including contingencies).
- The 2012 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$59.1 million, which is a 0.5% increase over the 2011 transfer payment of \$58.8 million.
- In 2012, the Contingency account is \$1 million in the General Fund. The 2012 General Reserve Fund is projected to be \$9.7 million, the General Fund Stabilization Reserve is projected to be \$3.6 million, the Utility Capital Project Reserve Fund is projected to be \$17.4 million and the Utility Rate Stabilization Reserve is projected to be \$12.0 million.
- The total number of full-time equivalent (FTE) staffing in 2012 is 910.341 FTE, a net increase of 0.5 FTE.
- In order to ensure reliable infrastructure throughout the City that accommodates continued growth, a proactive Capital Improvement Program (CIP) is recommended as a key component of the 2012 Budget. The total capital improvements for 2012 are \$8.3 million. 100% of the 2012 CIP will be funded on a "pay-as-you-go" basis.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Westminster
4800 W. 92nd Ave
Westminster, CO 80031
303-658-2036
thitchen@cityofwestminster.us

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,945,838	\$ 10,197,316	\$ 23,143,154
Cash and cash equivalents with fiscal agent	146,140	-	146,140
Investments	61,425,356	48,060,390	109,485,746
Receivables:			
Taxes	20,892,393	-	20,892,393
Accounts	3,065,776	4,908,684	7,974,460
Notes and leases	5,196,347	-	5,196,347
Grants	991,512	-	991,512
Interest	364,245	300,192	664,437
Internal balances	(3,168,899)	3,168,899	-
Inventories	888,466	1,285,993	2,174,459
Property held for resale	26,297,997	-	26,297,997
Bond costs and other prepaid items	2,720,653	1,222,306	3,942,959
Restricted assets:			
Cash and cash equivalents	325,462	1,558,419	1,883,881
Cash and cash equivalents with fiscal agent	26,209,190	1,477,319	27,686,509
Investments	1,577,826	3,926,245	5,504,071
Investments with fiscal agent	599,643	5,153,446	5,753,089
Capital assets:			
Non-depreciable assets	119,330,237	119,712,978	239,043,215
Depreciable assets, net	273,503,017	282,208,177	555,711,194
Notes Receivable	-	87,139	87,139
Other assets	-	1,025,945	1,025,945
Investment in joint venture	646,313	-	646,313
Total assets	<u>553,957,512</u>	<u>484,293,448</u>	<u>1,038,250,960</u>
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivative	3,632,226	-	3,632,226
LIABILITIES			
Accounts payable and other	10,235,786	4,818,780	15,054,566
Accrued liabilities	1,803,403	346,394	2,149,797
Unearned revenue	13,266,239	35,282	13,301,521
Accrued interest	854,334	171,670	1,026,004
Estimated claims	750,009	-	750,009
Noncurrent liabilities:			
Due within one year	47,368,344	5,322,197	52,690,541
Due in more than one year	189,271,604	65,694,556	254,966,160
Total liabilities	<u>263,549,719</u>	<u>76,388,879</u>	<u>339,938,598</u>
NET POSITION			
Net investment in capital assets	167,459,905	337,605,101	505,065,006
Restricted for:			
Emergencies	3,647,644	-	3,647,644
Capital projects	1,463,289	-	1,463,289
Improvements and open space conservation	5,378,206	-	5,378,206
Debt service	24,685,269	5,205,855	29,891,124
Other purposes	204,031	278,809	482,840
Unrestricted	91,201,675	64,814,804	156,016,479
Total net position	<u>\$ 294,040,019</u>	<u>\$ 407,904,569</u>	<u>\$ 701,944,588</u>

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Governmental activities:				
General government	\$ 35,365,276	\$ 3,737,240	\$ 5,970,464	\$ 497,323
Public safety	31,572,328	4,550,427	532,718	-
Public works	10,278,949	1,744,118	47,190	-
Community development	14,367,026	186,524	230	7,399,789
Culture and recreation	17,403,563	6,550,418	-	1,197,526
Interest and fiscal charges	6,952,116	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	347,847	-	-	-
Total governmental activities	116,287,105	16,768,727	6,550,602	9,094,638
Business-type activities:				
Utility	42,845,082	44,227,706	-	7,507,041
Golf	3,389,873	2,679,815	-	82,413
Westminster Housing Authority	792,691	944,917	-	-
Total business-type activities	47,027,646	47,852,438	-	7,589,454
Total	\$ 163,314,751	\$ 64,621,165	\$ 6,550,602	\$ 16,684,092

GENERAL REVENUES

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

TRANSFERS

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (25,160,249)	\$ -	\$ (25,160,249)
(26,489,183)	-	(26,489,183)
(8,487,641)	-	(8,487,641)
(6,780,483)	-	(6,780,483)
(9,655,619)	-	(9,655,619)
(6,952,116)	-	(6,952,116)
(347,847)	-	(347,847)
<u>(83,873,138)</u>	<u>-</u>	<u>(83,873,138)</u>
-	8,889,665	8,889,665
-	(627,645)	(627,645)
-	152,226	152,226
<u>-</u>	<u>8,414,246</u>	<u>8,414,246</u>
(83,873,138)	8,414,246	(75,458,892)
4,536,554	-	4,536,554
63,058,586	-	63,058,586
11,614,468	-	11,614,468
8,797,945	-	8,797,945
1,687,520	-	1,687,520
5,342,892	-	5,342,892
2,365,444	-	2,365,444
673,423	-	673,423
2,000	-	2,000
913,339	901,668	1,815,007
569,867	-	569,867
273,002	517,259	790,261
632,142	-	632,142
(350,207)	350,207	-
<u>100,116,975</u>	<u>1,769,134</u>	<u>101,886,109</u>
16,243,837	10,183,380	26,427,217
277,796,182	397,721,189	675,517,371
<u>\$ 294,040,019</u>	<u>\$ 407,904,569</u>	<u>\$ 701,944,588</u>

CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,094,949	\$ -	\$ 4,023,162	\$ 1,166,004	\$ 812,468	\$ 10,096,583
Cash and cash equivalents with fiscal agent	5,423	-	-	-	-	5,423
Investments	19,811,373	-	19,504,100	5,652,735	2,644,090	47,612,298
Receivables:						
Taxes	11,515,669	-	-	8,600,238	776,486	20,892,393
Accounts	2,535,085	-	457,285	24,538	8,005	3,024,913
Notes and leases	4,667,500	-	194,847	334,000	-	5,196,347
Grants	90,305	-	423,606	-	477,601	991,512
Interest	114,577	-	116,901	29,341	24,496	285,315
Due from other funds	28,752	-	-	-	162,389	191,141
Inventories	888,466	-	-	-	-	888,466
Property held for resale	31,474	-	366,000	25,900,523	-	26,297,997
Prepaid items	20,359	-	-	-	-	20,359
Restricted assets:						
Cash and cash equivalents	-	-	-	32,763	292,699	325,462
Cash and cash equivalents with fiscal agent	1,189,558	-	11,808	24,879,903	127,921	26,209,190
Investments	-	-	-	158,832	1,418,994	1,577,826
Investments with fiscal agent	-	-	50,733	-	548,910	599,643
Loans to other funds	120,000	-	1,125,000	-	-	1,245,000
Total assets	<u>\$ 45,113,490</u>	<u>\$ -</u>	<u>\$ 26,273,442</u>	<u>\$ 66,778,877</u>	<u>\$ 7,294,059</u>	<u>\$ 145,459,868</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other	\$ 6,835,732	\$ -	\$ 1,682,785	\$ 688,085	\$ 492,651	\$ 9,699,253
Accrued liabilities	1,749,730	-	34,576	2,373	8,102	1,794,781
Due to other funds	-	-	162,389	-	28,752	191,141
Accrued interest	-	-	-	5,427	-	5,427
Loans from other funds	-	-	-	3,070,000	425,000	3,495,000
Deferred revenue	9,598,832	-	618,453	8,966,371	679,145	19,862,801
Total liabilities	<u>18,184,294</u>	<u>-</u>	<u>2,498,203</u>	<u>12,732,256</u>	<u>1,633,650</u>	<u>35,048,403</u>
Fund balances:						
Nonspendable:						
Long-term receivables	120,000	-	1,125,000	-	-	1,245,000
Prepays and inventories	908,825	-	-	-	-	908,825
Property held for resale	31,474	-	366,000	25,900,523	-	26,297,997
Restricted for:						
Capital additions and improvements	-	-	1,681,031	1,460,661	2,558,068	5,699,760
Contractual obligations	157,224	-	-	-	16,311	173,535
Debt service	1,032,334	-	-	23,607,247	-	24,639,581
Emergencies - TABOR	3,632,846	-	-	-	17,230	3,650,076
Open space conservation and improvements	-	-	-	-	2,748,988	2,748,988
Public safety	-	-	-	-	29,983	29,983
Committed for:						
Capital additions and improvements	-	-	20,603,208	-	-	20,603,208
Urban renewal	-	-	-	3,783,802	-	3,783,802
Assigned to:						
Community development	-	-	-	-	71,663	71,663
Debt service	-	-	-	-	267,025	267,025
Emergencies	5,802,983	-	-	-	-	5,802,983
Unassigned	15,243,510	-	-	(705,612)	(48,859)	14,489,039
Total fund balances	<u>26,929,196</u>	<u>-</u>	<u>23,775,239</u>	<u>54,046,621</u>	<u>5,660,409</u>	<u>110,411,465</u>
Total liabilities and fund balances	<u>\$ 45,113,490</u>	<u>\$ -</u>	<u>\$ 26,273,442</u>	<u>\$ 66,778,877</u>	<u>\$ 7,294,059</u>	<u>\$ 145,459,868</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2011

Fund balances - total government funds \$ 110,411,465

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

Capital assets used in governmental activities excluding internal service fund capital assets of \$6,784,649, are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	665,942,513	
Less accumulated depreciation	<u>(279,893,908)</u>	386,048,605

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

Bond costs	2,547,858	
Investment in joint venture	<u>646,313</u>	3,194,171

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

Governmental long-term debt payable	(231,036,865)	
Premiums/Discounts on long-term debt payable	1,211,755	
Compensated absences	(4,712,199)	
Postemployment benefits	(143,415)	
Accrued interest	(837,168)	
Change in fair value of hedging derivative	<u>3,632,226</u>	(231,885,666)

Certain revenue earned but not available classified as deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements.

Deferred revenue		6,596,562
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

19,674,882

Net position of governmental activities		<u><u>\$ 294,040,019</u></u>
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CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 4,302,300	\$ -	\$ -	\$ -	\$ 234,254	\$ 4,536,554
Sales taxes	58,860,438	-	-	-	4,198,148	63,058,586
Use taxes	10,860,638	-	-	-	753,830	11,614,468
Property tax increment	-	-	-	8,797,945	-	8,797,945
Sales tax increment	-	-	-	1,687,520	-	1,687,520
Business fees and other taxes	5,342,892	-	-	-	-	5,342,892
Accommodations taxes	726,303	-	1,639,141	-	-	2,365,444
Intergovernmental	6,605,636	-	3,545,052	59,000	4,480,628	14,690,316
Assessments	-	-	41,361	-	2,000	43,361
Licenses and permits	1,824,264	-	-	-	-	1,824,264
Interest	330,309	-	353,005	133,782	120,835	937,931
Rentals	-	-	-	569,867	-	569,867
Contributions	-	-	2,893,030	-	-	2,893,030
Recreation fees	6,443,748	-	-	-	-	6,443,748
Fines and forfeitures	2,250,390	-	-	-	1,492	2,251,882
Fleet maintenance billings and other	4,442,594	-	-	-	-	4,442,594
EMS billings	2,016,677	-	-	-	-	2,016,677
Other	-	-	8,855	266,262	42,830	317,947
Total revenues	<u>104,006,189</u>	<u>-</u>	<u>8,480,444</u>	<u>11,514,376</u>	<u>9,834,017</u>	<u>133,835,026</u>
EXPENDITURES						
Current:						
General government	37,827,453	-	267,120	1,626,075	439,500	40,160,148
Public safety	30,501,730	-	-	-	19,688	30,521,418
Public works	3,280,134	-	-	-	-	3,280,134
Community development	6,888,990	-	-	-	2,059,509	8,948,499
Culture and recreation	13,047,644	-	-	-	-	13,047,644
Capital projects	-	-	9,213,426	1,754,918	2,102,454	13,070,798
Debt service:						
Principal	-	-	-	7,750,000	4,835,000	12,585,000
Interest and fiscal charges	-	-	-	3,822,478	2,762,203	6,584,681
Total expenditures	<u>91,545,951</u>	<u>-</u>	<u>9,480,546</u>	<u>14,953,471</u>	<u>12,218,354</u>	<u>128,198,322</u>
Excess of revenues over (under) expenditures	<u>12,460,238</u>	<u>-</u>	<u>(1,000,102)</u>	<u>(3,439,095)</u>	<u>(2,384,337)</u>	<u>5,636,704</u>
OTHER FINANCING SOURCES (USES)						
Issuance of notes	-	-	-	3,500,000	-	3,500,000
Sale of capital asset	50,770	-	-	-	-	50,770
Transfers in	1,203,000	-	4,713,052	7,672,134	7,759,913	21,348,099
Transfers (out)	(14,537,747)	-	(1,656,760)	(1,000,000)	(4,421,386)	(21,615,893)
Total other financing sources (uses):	<u>(13,283,977)</u>	<u>-</u>	<u>3,056,292</u>	<u>10,172,134</u>	<u>3,338,527</u>	<u>3,282,976</u>
Net change in fund balances	(823,739)	-	2,056,190	6,733,039	954,190	8,919,680
Fund balances, beginning, before restatement	18,849,105	8,903,830	-	-	-	27,752,935
Adjustment for accounting change	8,903,830	(8,903,830)	-	-	-	-
Fund balances, beginning, as restated	27,752,935	-	21,719,049	47,313,582	4,706,219	101,491,785
Fund balances, ending	<u>\$ 26,929,196</u>	<u>\$ -</u>	<u>\$ 23,775,239</u>	<u>\$ 54,046,621</u>	<u>\$ 5,660,409</u>	<u>\$ 110,411,465</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net changes in fund balances - total government funds \$ 8,919,680

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

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

Expenditures for capital assets	11,143,856	
Capital contributions	(82,413)	
Current year depreciation	<u>(18,251,292)</u>	
		(7,189,849)

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

Proceeds from sale of capital assets	(50,770)	
Gain/(loss) on sale of capital assets	<u>632,142</u>	
		581,372

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

Issuance of notes	(3,500,000)	
Principal payments	<u>17,603,235</u>	
		14,103,235

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond discount/premium and issuance costs	(383,726)	
Accrual of interest expense	16,291	
Adjustment to long-term compensated absences liability	(160,735)	
Adjustment to postemployment benefit obligation	<u>92,008</u>	
		(436,162)

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

Intergovernmental revenue	(1,640,252)	
Fines and forfeitures	10,567	
Recreation fees	<u>43,666</u>	
		(1,586,019)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

1,851,580

Change in net position of governmental activities \$ 16,243,837

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Utility	Golf Course	Nonmajor Westminster Housing Authority	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	9,813,528	76,435	307,353	10,197,316	\$ 2,849,255
Cash and cash equivalents with fiscal agent	-	-	-	-	140,717
Investments	47,575,526	356,010	128,854	48,060,390	13,813,058
Receivables	5,196,655	3,969	8,252	5,208,876	119,793
Inventories	1,099,285	186,708	-	1,285,993	-
Bond costs and other prepaid items	1,112,477	97,042	12,787	1,222,306	152,436
Total current assets	<u>64,797,471</u>	<u>720,164</u>	<u>457,246</u>	<u>65,974,881</u>	<u>17,075,259</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	1,279,610	-	278,809	1,558,419	-
Cash and cash equivalents with fiscal agent	1,477,319	-	-	1,477,319	-
Investments	3,926,245	-	-	3,926,245	-
Investments with fiscal agent	5,153,446	-	-	5,153,446	-
Loans to other funds	2,250,000	-	-	2,250,000	-
Capital assets:					
Non-depreciable assets	108,246,272	11,101,327	365,379	119,712,978	-
Depreciable assets, net	276,002,730	4,268,856	1,936,591	282,208,177	6,784,649
Notes Receivable	87,139	-	-	87,139	-
Other assets	1,017,112	-	8,833	1,025,945	-
Total noncurrent assets	<u>399,439,873</u>	<u>15,370,183</u>	<u>2,589,612</u>	<u>417,399,668</u>	<u>6,784,649</u>
Total assets	<u>464,237,344</u>	<u>16,090,347</u>	<u>3,046,858</u>	<u>483,374,549</u>	<u>23,859,908</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	4,744,212	18,579	55,989	4,818,780	536,533
Accrued liabilities	310,780	35,614	-	346,394	8,622
Unearned revenue	-	35,282	-	35,282	-
Bonds payable, current portion	1,901,553	-	-	1,901,553	-
Notes payable, current portion	2,536,658	-	197,832	2,734,490	-
Lease payable, current portion	1,550	553,079	-	554,629	428,983
Other liabilities, current portion	118,802	12,723	-	131,525	2,357
Accrued interest	144,950	17,958	8,762	171,670	11,739
Estimated claims	-	-	-	-	750,009
Total current liabilities	<u>9,758,505</u>	<u>673,235</u>	<u>262,583</u>	<u>10,694,323</u>	<u>1,738,243</u>
Noncurrent liabilities:					
Bonds payable	33,558,808	-	-	33,558,808	-
Notes payable	24,123,395	-	2,283,287	26,406,682	-
Leases payable	805	4,434,149	-	4,434,954	1,504,396
Other liabilities payable	1,065,126	228,986	-	1,294,112	23,488
Total noncurrent liabilities	<u>58,748,134</u>	<u>4,663,135</u>	<u>2,283,287</u>	<u>65,694,556</u>	<u>1,527,884</u>
Total liabilities	<u>68,506,639</u>	<u>5,336,370</u>	<u>2,545,870</u>	<u>76,388,879</u>	<u>3,266,127</u>
NET POSITION					
Net investment in capital assets	327,149,612	10,382,955	72,534	337,605,101	4,563,226
Restricted for:	-	-	-	-	-
Debt service	5,205,855	-	-	5,205,855	-
Other purposes	-	-	278,809	278,809	-
Unrestricted	63,375,238	371,022	149,645	63,895,905	16,030,555
Total net position	<u>\$ 395,730,705</u>	<u>\$ 10,753,977</u>	<u>\$ 500,988</u>	<u>406,985,670</u>	<u>\$ 20,593,781</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				918,899	
Net position of business-type activities				<u>\$ 407,904,569</u>	

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds			Total	
	Utility	Golf Course	Nonmajor Westminster Housing Authority		
Operating revenues					
Charges for services	\$ 43,805,526	\$ 2,679,508	\$ 944,445	\$ 47,429,479	\$ 15,162,168
Rentals	-	-	472	472	-
Other	422,180	307	-	422,487	-
Total operating revenues	<u>44,227,706</u>	<u>2,679,815</u>	<u>944,917</u>	<u>47,852,438</u>	<u>15,162,168</u>
Operating expenses					
Personnel services	14,357,070	1,488,486	164,322	16,009,878	246,112
Contractual services	10,812,156	618,153	194,732	11,625,041	1,405,083
Commodities	1,542,604	490,261	177,502	2,210,367	6,616
Capital expense	1,906,436	9,527	-	1,915,963	205,501
Insurance and other expenses	9,436	-	26,250	35,686	9,773,108
Depreciation expense	12,296,290	538,527	143,877	12,978,694	1,181,696
Total operating expenses	<u>40,923,992</u>	<u>3,144,954</u>	<u>706,683</u>	<u>44,775,629</u>	<u>12,818,116</u>
Operating income (loss)	<u>3,303,714</u>	<u>(465,139)</u>	<u>238,234</u>	<u>3,076,809</u>	<u>2,344,052</u>
Nonoperating revenues (expenses)					
Income on investments	867,042	32,167	2,459	901,668	238,024
Interest expense	(2,845,507)	(190,855)	(85,102)	(3,121,464)	(54,946)
Gain on disposition of capital assets	33,867	-	-	33,867	141,758
Other	517,259	-	(906)	516,353	-
Total nonoperating revenues (expenses)	<u>(1,427,339)</u>	<u>(158,688)</u>	<u>(83,549)</u>	<u>(1,669,576)</u>	<u>324,836</u>
Income (loss) before contributions and transfers	<u>1,876,375</u>	<u>(623,827)</u>	<u>154,685</u>	<u>1,407,233</u>	<u>2,668,888</u>
Capital contributions	7,507,041	82,413	-	7,589,454	101,591
Transfers in	-	485,794	-	485,794	-
Transfers (out)	(218,000)	-	-	(218,000)	-
Change in net position	<u>9,165,416</u>	<u>(55,620)</u>	<u>154,685</u>	<u>9,264,481</u>	<u>2,770,479</u>
Net position - beginning	<u>386,565,289</u>	<u>10,809,597</u>	<u>346,303</u>		<u>17,823,302</u>
Net position - ending	<u>\$ 395,730,705</u>	<u>\$ 10,753,977</u>	<u>\$ 500,988</u>		<u>\$ 20,593,781</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>918,899</u>	
Change in net position of business-type activities				<u>\$ 10,183,380</u>	

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Westminster			Total	
	Utility	Golf Course	Housing Authority		
Cash flows from operating activities:					
Cash received from customers	\$ 43,562,428	\$ 2,656,937	\$ 942,298	\$ 47,161,663	\$ 12,992,191
Cash payments to employees for services	(11,309,926)	(1,489,880)	-	(12,799,806)	(241,454)
Cash payments to suppliers for goods and services	(13,897,377)	(1,087,446)	(584,757)	(15,569,580)	(12,214,027)
Payments to other funds	(3,350,210)	-	-	(3,350,210)	2,180,770
Other operating revenues (expenses)	422,180	-	-	422,180	-
Net cash provided by operating activities	<u>15,427,095</u>	<u>79,611</u>	<u>357,541</u>	<u>15,864,247</u>	<u>2,717,480</u>
Cash flows from noncapital financing activities:					
Interfund lending	175,177	-	-	175,177	-
Principal paid on long-term debt	-	-	(22,073)	(22,073)	-
Interest paid on long-term debt	-	-	(5,475)	(5,475)	-
Transfer in	-	485,794	-	485,794	-
Transfer out	(218,000)	-	-	(218,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(42,823)</u>	<u>485,794</u>	<u>(27,548)</u>	<u>415,423</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(4,200,279)	(455,072)	(173,263)	(4,828,614)	(324,615)
Interest paid on long-term debt	(3,012,660)	(190,409)	(76,684)	(3,279,753)	(54,582)
Acquisition and construction of capital assets	(16,285,659)	-	-	(16,285,659)	(786,698)
Proceeds from sale of capital assets	30,510	-	-	30,510	167,920
Contributions	6,940,486	-	-	6,940,486	-
Interest subsidy on capital debt	517,259	-	-	517,259	-
Net cash used in capital and related financing activities	<u>(16,010,343)</u>	<u>(645,481)</u>	<u>(249,947)</u>	<u>(16,905,771)</u>	<u>(997,975)</u>
Cash flow from investing activities:					
Sale/(purchase) of investments	(6,117,945)	(30,257)	(12,307)	(6,160,509)	(3,412,169)
Interest received on investments	770,488	44,029	2,135	816,652	236,599
Net cash provided by (used in) investing activities	<u>(5,347,457)</u>	<u>13,772</u>	<u>(10,172)</u>	<u>(5,343,857)</u>	<u>(3,175,570)</u>
Net increase (decrease) in cash and cash equivalents	(5,973,528)	(66,304)	69,874	(5,969,958)	(1,456,065)
Cash and cash equivalents - beginning of year	<u>18,543,985</u>	<u>142,739</u>	<u>516,288</u>	<u>19,203,012</u>	<u>4,446,037</u>
Cash and cash equivalents - end of year	<u>\$ 12,570,457</u>	<u>\$ 76,435</u>	<u>\$ 586,162</u>	<u>\$ 13,233,054</u>	<u>\$ 2,989,972</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds	
	Utility	Westminster			
		Golf Course	Housing Authority		Total
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 3,303,714	\$ (465,139)	\$ 238,234	\$ 3,076,809	\$ 2,344,052
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	12,296,290	538,527	143,877	12,978,694	1,181,696
(Increase) decrease in accounts receivable	(243,098)	(244)	(2,619)	(245,961)	10,793
(Increase) decrease in inventories	(237,658)	57,743	-	(179,915)	-
Increase in prepaid items	(825)	-	(1,496)	(2,321)	(128,852)
Decrease in deferred revenue	-	(22,634)	-	(22,634)	-
Increase in accounts payable and other	304,049	(27,248)	(20,455)	256,346	60,085
Increase in accrued liabilities	4,623	(1,394)	-	3,229	4,659
Decrease in estimated claims	-	-	-	-	(754,953)
Total adjustments	12,123,381	544,750	119,307	12,787,438	373,428
Net cash provided by operating activities	<u>\$ 15,427,095</u>	<u>\$ 79,611</u>	<u>\$ 357,541</u>	<u>\$ 15,864,247</u>	<u>\$ 2,717,480</u>

Non-cash investing, capital, and financing activities:

- Capital contributions were received by the Utility Fund from developers and Urban Drainage Flood Control District totaling \$518,810
- The Utility Fund received trade in allowances exceeding net book value by \$35,483 on asset purchases
- A contribution of \$47,745 was recorded in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority
- Accounts payable used to acquire capital assets decreased by \$118,827 for the Utility Fund
- The unrecognized gain recorded to value the non-cash investments of the enterprise funds to fair market value was \$48,059
- Amortization totaling (\$150,838) was recognized through the amortization of bond premiums, discounts, deferred loss on refunding, and bond issuance costs
- Accrued interest decreased for enterprise funds by \$16,663
- An allowance for doubtful collection was recorded for a note receivable in the amount of \$287,000 in the Westminster Housing Authority Fund
- Capital contributions were received by the Golf Course from the General Capital Improvement Fund in the amount of \$82,413

**CITY OF WESTMINSTER, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2011**

	Volunteer Fire Pension
	<u> </u>
ASSETS	
Investments with fiscal agent	<u>\$ 2,368,875</u>
NET POSITION	
Held in trust for pension benefits	<u><u>\$ 2,368,875</u></u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Volunteer Fire Pension
ADDITIONS	
Net investment income	\$ 35,039
Total additions	<u>35,039</u>
 DEDUCTIONS	
Benefits	201,390
Administrative expense	19,140
Total deductions	<u>220,530</u>
 Change in net position	 (185,491)
 Net position - beginning	 2,554,366
 Net position - ending	 <u>\$ 2,368,875</u>

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**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City is a municipality governed by an elected mayor and six additional members of Council. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 14 are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units are, in substance, part of the City's operations, therefore data from these units are combined with the data of the City; separate financial statements are not prepared. The City's component units are all blended. All component units have a December 31 year-end.

Blended Component Units

The Westminster Housing Authority (WHA) (Enterprise Fund), Amherst General Improvement District (Special Revenue Fund), Sheridan Crossing General Improvement District (Special Revenue Fund), Westminster Economic Development Authority (WEDA) Fund (Special Revenue Fund), 136th Avenue General Improvement District (Special Revenue Fund), Orchard Park Place General Improvement District (Special Revenue Fund), Mandalay Town Center General Improvement District (Special Revenue Fund), 144th Avenue General Improvement District (Special Revenue Fund), and the Promenade Parking General Improvement District (Special Revenue Fund) are all governed by boards comprised of the City's elected officials. Each component unit governing body is substantially the same as the governing body of the City. In addition, the City has the ability to modify or approve the budgets of these entities and to appoint or designate new management in the case of the WHA.

Westminster Building Authority (WBA)

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

B. Basic Financial Statements

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

Government-Wide Statements

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

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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

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

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

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

Fund Financial Statements

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

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

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

Reporting of Internal Service and Fiduciary Funds

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

The Volunteer Firefighter Pension Fund is presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Since these assets are being

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, it is not incorporated into the government-wide statements.

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

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

GASB Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis— for State and Local Governments*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City has chosen to present additional funds as major funds, as allowed by GASB Statement 34. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements section.

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

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

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

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

The City reports the following major governmental funds:

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

General Capital Improvement Fund accounts for the financing and construction of projects ranging from parks, street improvements, and traffic signals to fire station construction and remodeling. Financing is provided by investment earnings, General Fund and Conservation Trust Fund revenues, intergovernmental revenues, contributions, bond proceeds and transfers.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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

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

The City's proprietary funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedures issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The following is a description of proprietary funds reported as major funds of the City:

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

Golf Course accounts for all activities necessary to operate and maintain two championship golf courses and finance the related debt service.

The City additionally reports the following Fund types:

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

Trust Funds account for assets held by the City in a trustee capacity on behalf of others under the terms of a formal trust agreement. Trust funds use the same measurement focus and basis of accounting as proprietary funds. The City has one pension trust fund that accounts for the assets of the City's volunteer firefighter pension plan.

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D. Assets and Liabilities

Deposits and Investments

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

Investments are reported at fair value. For cash and cash equivalents, the fair value approximates the carrying value. For long-term investments, fair value is determined via dealer quotes. The City considers all investments with original maturities at three months or less to be cash equivalents.

Receivables and Payables

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

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

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Depreciable Life Schedule

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

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

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

Long-Term Debt Premiums, Discounts, Deferred Losses on Refundings, and Issuance Costs

In the governmental funds, bond premiums, discounts, deferred loss on refundings and issuance costs are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities, in the government-wide statements) bond premiums, discounts, deferred loss on refundings and issue costs are deferred and amortized over the term of the bonds.

Other Long-Term Liabilities

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

In governmental funds, compensated absences and OPEB are considered long-term and therefore are not accrued as fund liabilities. Pollution remediation obligations are accrued when extinguishable with current financial resources; otherwise, they are not accrued.

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

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

E. Net Position/Fund Balances

Net position reflects assets plus deferred outflows less liabilities plus deferred inflows and is shown in three main categories in the government-wide, proprietary, and fiduciary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt used to acquire,

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construct and improve capital assets. Net position is restricted when constraints placed on net resources are externally imposed. Remaining net position is reported as unrestricted.

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

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

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

Committed Fund Balance is constrained for specified purposes by resolution or ordinance adopted by the City Council, and can be rescinded only through the same type of formal action used to establish the commitments.

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

Unassigned Fund Balance is unconstrained and comprised of residual uncategorized fund balance amounts.

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

In 2009, City Council adopted a resolution establishing the General Fund Stabilization Reserve, which is intended to level the ebbs and flows of revenue collections, particularly sales and use tax revenues, and to smooth out any peaks or valleys that result from the unpredictable nature of this primary revenue source. The General Fund Stabilization Reserve is intended to enable continuous delivery of City services despite downturns in the economy. The reserve may be tapped prior to, in conjunction with or as a final step after budget reductions have been made. When not in an economic downturn, the target amount of the General Fund Stabilization Reserve in any given year is between 5% and 10% of the total sales and use tax revenues for that year. Should the reserve fall below the lower threshold of 5%, it will be replenished from various sources once economic conditions allow. At December 31, 2011, the General Fund Stabilization Reserve balance was \$3,234,014. This amount is included in the unassigned fund balance on the balance sheet.

F. Interfund Transactions

In the fund financial statements, interfund transactions are reflected as loans, services provided and used, reimbursements or transfers. Transactions between funds that are

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NOTES TO FINANCIAL STATEMENTS
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representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “loans to” and “loans from” other funds. In Governmental Funds, loans to other funds are offset by an equal nonspendable fund balance to indicate that resources are not available for appropriation. Short-term advances between funds are reported as “due to” and “due from” other funds.

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

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

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

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The bank balance of the City’s cash deposits at December 31, 2011 was \$5,205,655, of which \$1,000,000 was covered by Federal Deposit Insurance and \$4,205,655 was uninsured but collateralized in accordance with provision of the Colorado Public Deposit Protection Act (PDPA). The collateral is pooled and held in trust for all uninsured deposits as a group. An additional \$250,000 in Federal Deposit Insurance covers deposits held separately for the Westminster Economic Development Authority. The carrying amount of deposits and cash on hand at December 31, 2011 was \$4,192,016.

Investments

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

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

The City’s principal investment objectives are:

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

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

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

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

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

The City's securities at December 31, 2011, were in compliance with the City's Investment Policy. The City's investment policy follows Colorado Revised Statutes 24-75-602.1(j) and any changes enacted in the statutes. In addition, public funds are protected by the Public Depository Protection Act, which require that collateral must have an original minimum fair value (including accrued interest) of 102% of the dollar value of the transaction; if the collateralized value drops below 101%, it is immediately restored to 102%. Collateral is held by the City's custodian bank as the safekeeping agent and marked to market daily.

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

Local Government Investment Pool. At December 31, 2011, the City had invested \$2,168,770 in Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pool.

CSAFE is a 2a7-like investment pool and is not subject to interest rate risk disclosure. CSAFE operates similar to a money market fund where each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pooled shares. The pool is rated AAA by Standard and Poor's.

The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool 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 pool. Investments of the pool comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits, and Money Market Funds.

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Cash and Investments as reported on the financial statements at December 31, 2011

Cash and cash equivalents	\$ 23,143,154
Cash and cash equivalents with fiscal agent	146,140
Investments	109,485,746
Restricted cash and cash equivalents	1,883,881
Restricted cash and cash equivalents with fiscal agent	27,686,509
Restricted investments	5,504,071
Restricted investments with fiscal agent	5,753,089
Total per Statement of Net Position:	<u>\$ 173,602,590</u>

Credit Quality Distribution for Securities as a Percentage of Total Investments

<u>Investment Type</u>	<u>S & P Rating</u>	<u>% of Total</u>
Local Investment - CSAFE	AAA	1.28%
Commercial Paper Kells Funding LLC	A-1+	1.47%
Commercial Paper Sheffield Receivables	A-1	1.41%
Commercial Paper Fairway Financial	A-1	0.71%
Corporate GE Capital	AA+	2.60%
Corporate Met Life Glob	AA-	1.48%
Corporate New York Life Global Funding	AA+	0.93%
Corporate Metropolitan Life Global Funding	AA-	0.95%
Corporate CME Group Inc	AA	1.41%
Corporate Walmart	AA	1.36%
Corporate Bank of New York	A+	1.26%
Corporate Johnson & Johnson	AAA	1.74%
Corporate TIAA Global Markets	AA+	1.83%
Municipal - Westminster EDA	NR	2.32%
US Treasury Securities	N/A	12.26%
Federal Farm Credit Banks	AA+	9.98%
Federal Home Loan Bank System	AA+	11.84%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AA+	14.26%
Fannie Mae (Federal National Mortgage Association)	AA+	13.90%
First American Money Market Fund	AAA m	16.93%
First American Treasury Obligation	AAA m	0.08%

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>
Colorado Surplus Asset Fund (CSAFE)	\$ 2,168,770	-
Repurchase Agreements (FHLMC)	18,140,704	-
Commercial Paper	6,098,182	-
US Treasuries	20,763,342	3.07
US Instrumentalities	66,522,743	1.27
Domestic Corporate Securities	22,965,516	1.44
Municipal	3,935,000	3.22
First American Money Market Fund	28,816,317	-
Total Investments controlled by City	<u>\$ 169,410,574</u>	
Portfolio weighted average maturity		1.72

**CITY OF WESTMINSTER, COLORADO
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B. Disaggregation of Receivables

Receivables at December 31, 2011, were as follows:

	Taxes	Accounts	Notes and Leases	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 11,515,669	\$ 3,497,378	\$ 4,667,500	\$ 90,305	\$ 114,577	\$ 19,885,429
GCIF	-	457,285	194,847	423,606	116,901	1,192,639
WEDA	8,600,238	24,538	334,000	-	29,341	8,988,117
Other Governmental	776,486	8,005	-	477,601	24,496	1,286,588
Less: Allowance for Doubtful Accounts	-	(962,293)	-	-	-	(962,293)
Subtotal	<u>20,892,393</u>	<u>3,024,913</u>	<u>5,196,347</u>	<u>991,512</u>	<u>285,315</u>	<u>30,390,480</u>
 Reconciliation of balances in fund financial statements to government-wide financial statements						
	-	40,863	-	-	78,930	119,793
Total - Governmental Activities	<u>\$ 20,892,393</u>	<u>\$ 3,065,776</u>	<u>\$ 5,196,347</u>	<u>\$ 991,512</u>	<u>\$ 364,245</u>	<u>\$ 30,510,273</u>
 Business-type Activities:						
Utilities	\$ -	\$ 4,899,052	\$ -	\$ -	\$ 297,603	\$ 5,196,655
Golf Course	-	2,110	-	-	1,859	3,969
Housing Authority	-	7,522	287,000	-	730	295,252
Less: Allowance for Doubtful Accounts	-	-	(287,000)	-	-	(287,000)
Total - Business-type Activities:	<u>\$ -</u>	<u>\$ 4,908,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,192</u>	<u>\$ 5,208,876</u>

C. Notes and Leases Receivable

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

The capital lease with Hyland Hills Parks and Recreation District represents a sublease for an undivided fifty percent interest in the Ice Arena to be paid over 25 years. In the event of default, Hyland Hills' interest would be reduced by two percent for each year the lease obligation was not met. The net interest rate on the lease is 3.585%.

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

The note with Colorado Rural Housing Development Corp. is for the construction and purchase of a 12,000 square foot building located in the South Westminster Urban Renewal Area. The note requires minimum annual payments of interest and 20% of any surplus cash flow. It is anticipated that the loan will be repaid in 2012.

The City considers these amounts to be fully collectable and therefore, no reserve has been established. The City will periodically reassess the collectability of the notes receivable and record a reserve if deemed necessary.

The Westminster Housing Authority entered into a note with Community Builders for the construction of a 12,000 square foot building. Certain performance provisions of the note were satisfied in 2009. Therefore, the principal is forgiven at the rate of 10% per year. An allowance for doubtful accounts has been established for the remaining balance of \$287,000 at December 31, 2011.

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Description of notes and leases receivable

PRIMARY GOVERNMENT	Purpose of Issue	Amount Issued	Amount Outstanding	Scheduled Payments	Final Payment
Governmental Activities					
Catellus Development Corporation	Land SID assessment	\$ 194,847	\$ 194,847	one-time pymt	*
Hyland Hills Park and Recreation District	Ice Centre	4,975,000	4,667,500	semi-annually	Dec-2022
Colorado Rural Housing Development Corporation	Development Corp Building Construction	334,000	334,000	annually	2012
Total Governmental Activities		<u>\$ 5,503,847</u>	<u>\$ 5,196,347</u>		
Business-type Activities					
Community Builders	Development Corp Building Construction	410,000	**	**	**
Total Business-Type Activities		<u>\$ 410,000</u>	<u>**</u>		

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

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

Notes and Leases Receivable Maturities

Governmental activities					Business-type activities		
Year Ending	Catellus	Hyland Hills	Colorado Rural Housing*	Total	Year Ending	Community Builders	Total
2012	\$ 194,847	\$ 327,500	\$ 334,000	\$ 856,347	2012	\$ (41,000)	\$ (41,000)
2013	-	335,000	-	335,000	2013	(41,000)	(41,000)
2014	-	342,500	-	342,500	2014	(41,000)	(41,000)
2015	-	352,500	-	352,500	2015	(41,000)	(41,000)
2016	-	365,000	-	365,000	2016	(41,000)	(41,000)
2017-2021	-	2,005,000	-	2,005,000	2017-2021	(82,000)	(82,000)
2022-2025	-	940,000	-	940,000	2022-2025	-	-
	<u>\$ 194,847</u>	<u>\$ 4,667,500</u>	<u>\$ 334,000</u>	<u>\$ 5,196,347</u>		<u>\$ (287,000)</u>	<u>\$ (287,000)</u>

*See subsequent event note V on pages 68-69.

**CITY OF WESTMINSTER, COLORADO
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D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2011, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds:		
Parks, Open Space and Trails General Fund	General Capital Improvement Community Development Block Grant	\$ 162,389 28,752
Loans from/to other funds:		
General Fund	Westminster Economic Development Authority	120,000
General Capital Improvement	Westminster Economic Development Authority	1,125,000
Utility Fund	Westminster Economic Development Authority	1,825,000
Utility Fund	Parks, Open Space and Trails	<u>425,000</u>
	Total	<u>\$ 3,686,141</u>

At December 31, 2011, the General Fund covered the overdrawn cash balance of the Community Development Block Grant Fund in the amount of \$28,752. The Parks, Open Space and Trails Fund covered the overdrawn cash balance of the General Capital Improvement Fund in the amount of \$162,389 relating to bond proceeds.

The loans of \$3,070,000 to the WEDA Fund were used to 1) pay for the redevelopment and revitalization of the Westminster Plaza Shopping Center and 2) pay for expenses associated with the redevelopment of an abandoned residential project within the Holly Park Urban Renewal Area. These interfund loans are expected to be repaid in the near term.

The loan of \$425,000 to the Parks, Open Space and Trails Fund from the Utility fund assisted in the purchase of the Mandalay-Parkwood open space property. The interfund loan is expected to be repaid in 2017.

For budget purposes, interfund loans are appropriated as "Other Financing Use" in the payor fund. On an actual basis, the interfund loan is only a balance sheet transaction; therefore, interfund loan transactions show a budget to actual variance in the budget comparison financial statements.

E. Capital Assets

The following is a summary of machinery and equipment purchased by capital lease with a liability outstanding as of December 31, 2011.

2011 Leased Assets

	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Governmental Activities	3,063,918	(921,686)	2,142,232
General Capital Outlay Replacement Fund	\$ 4,137,435	\$ (772,864)	\$ 3,364,571
Golf Course Fund	1,245,659	(1,032,524)	213,135
Total	<u>\$ 8,447,012</u>	<u>\$ (2,727,074)</u>	<u>\$ 5,719,938</u>

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Capital Assets at 12/31/2011 were as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities					
Land & Land Rights	\$ 109,055,551	\$ 2,804,844	\$ -	\$ -	111,860,395
Water Rights	1,000,000	-	-	-	1,000,000
Joint Venture	5,361,000	-	-	-	5,361,000
Construction in progress	2,674,230	5,735,348	(7,300,736)	-	1,108,842
Total nondepreciable assets	<u>118,090,781</u>	<u>8,540,192</u>	<u>(7,300,736)</u>	<u>-</u>	<u>119,330,237</u>
Buildings	85,420,419	-	3,918,786	-	89,339,205
Machinery and equipment	38,528,835	3,771,884	332,396	(1,871,136)	40,761,979
Improvements other than buildings	40,721,069	1,336,293	234,860	-	42,292,222
Parks	54,599,416	-	1,860,160	-	56,459,576
Ice Center	6,972,384	-	-	-	6,972,384
Infrastructure	325,377,240	-	872,121	-	326,249,361
Total depreciable assets	<u>551,619,363</u>	<u>5,108,177</u>	<u>7,218,323</u>	<u>(1,871,136)</u>	<u>562,074,727</u>
Less accumulated depreciation for:					
Buildings	(38,856,902)	(3,479,681)	-	-	(42,336,583)
Machinery and equipment	(28,055,907)	(3,037,690)	-	1,781,550	(29,312,047)
Improvements other than buildings	(15,990,220)	(1,996,353)	-	-	(17,986,573)
Parks	(26,271,610)	(2,382,821)	-	-	(28,654,431)
Ice Center	(1,743,096)	(145,258)	-	-	(1,888,354)
Infrastructure	(160,002,537)	(8,391,185)	-	-	(168,393,722)
Total accumulated depreciation	<u>(270,920,272)</u>	<u>(19,432,988)</u>	<u>-</u>	<u>1,781,550</u>	<u>(288,571,710)</u>
Net total depreciable assets	<u>280,699,091</u>	<u>(14,324,811)</u>	<u>7,218,323</u>	<u>(89,586)</u>	<u>273,503,017</u>
Governmental activities capital assets, net	<u>\$ 398,789,872</u>	<u>\$ (5,784,619)</u>	<u>\$ (82,413)</u>	<u>\$ (89,586)</u>	<u>\$ 392,833,254</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,164,554
Public safety	1,854,187
Public works	6,519,837
Community development	2,926,352
Culture and Recreation	6,620,211
Unallocated depreciation-Internal Service Funds	347,847
Total depreciation expense	<u>\$ 19,432,988</u>

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Business-type activities:					
Land & Land Rights	\$ 20,544,199	\$ -	\$ -	\$ -	20,544,199
Water rights	89,003,295	1,768,000	-	-	90,771,295
Construction in progress	3,631,978	14,216,323	(9,450,817)	-	8,397,484
Total nondepreciable assets	<u>113,179,472</u>	<u>15,984,323</u>	<u>(9,450,817)</u>	<u>-</u>	<u>119,712,978</u>
Buildings and plants	232,905,611	-	3,102,634	-	236,008,245
Improvements other than buildings	182,474,524	568,923	5,027,923	-	188,071,370
Parks	1,551,253	-	12,234	-	1,563,487
Machinery and equipment	18,307,025	464,595	1,390,439	(239,190)	19,922,869
Total depreciable assets	<u>435,238,413</u>	<u>1,033,518</u>	<u>9,533,230</u>	<u>(239,190)</u>	<u>445,565,971</u>
Less accumulated depreciation for:					
Buildings and plants	(75,252,242)	(6,333,246)	-	-	(81,585,488)
Improvements other than buildings	(63,045,955)	(4,386,461)	-	-	(67,432,416)
Parks	(828,857)	(77,563)	-	-	(906,420)
Machinery and equipment	(11,459,109)	(2,181,424)	-	207,063	(13,433,470)
Total accumulated depreciation	<u>(150,586,163)</u>	<u>(12,978,694)</u>	<u>-</u>	<u>207,063</u>	<u>(163,357,794)</u>
Net total depreciable assets	<u>284,652,250</u>	<u>(11,945,176)</u>	<u>9,533,230</u>	<u>(32,127)</u>	<u>282,208,177</u>
Business-type activities capital assets, net	<u>\$ 397,831,722</u>	<u>\$ 4,039,147</u>	<u>\$ 82,413</u>	<u>\$ (32,127)</u>	<u>\$ 401,921,155</u>

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

Utility	\$ 12,296,290
Golf	538,527
Westminster Housing Authority	143,877
Total depreciation expense	<u>\$ 12,978,694</u>

During the year ended December 31,2011, the City recorded \$296,716 of capitalized interest.

**CITY OF WESTMINSTER, COLORADO
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F. Disaggregation of Payables

Payables at December 31, 2011, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Funds:					
General	\$ 4,858,195	\$ 1,977,537	\$ 1,749,730	\$ -	\$ 8,585,462
GCIF	1,619,117	63,668	34,576	-	1,717,361
WEDA	375,546	312,539	2,373	5,427	695,885
Other Governmental	492,651	-	8,102	-	500,753
Subtotal - Governmental Funds	<u>7,345,509</u>	<u>2,353,744</u>	<u>1,794,781</u>	<u>5,427</u>	<u>11,499,461</u>
Reconciliation of balances in fund financial statements to government wide financial statements					
Internal service funds	536,533	-	8,622	11,739	837,168
Total - Governmental Activities	<u>\$ 7,882,042</u>	<u>\$ 2,353,744</u>	<u>\$ 1,803,403</u>	<u>\$ 854,334</u>	<u>\$ 12,893,523</u>
Business-type Activities:					
Utilities	\$ 4,451,238	\$ 292,974	\$ 310,780	\$ 144,950	\$ 5,199,942
Golf Course	17,617	962	35,614	17,958	72,151
Housing Authority	55,989	-	-	8,762	64,751
Total - Business-type Activities	<u>\$ 4,524,844</u>	<u>\$ 293,936</u>	<u>\$ 346,394</u>	<u>\$ 171,670</u>	<u>\$ 5,336,844</u>

G. Interfund Transfers

Transfer activity for the year ended December 31, 2011 was as follows:

TRANSFERS OUT	TRANSFERS IN					Grand Total
	General Fund	General Capital Improvement Fund	Westminster Economic Development Authority	Nonmajor Governmental Funds	Golf Course Fund	
General Fund	\$ -	\$ 4,065,613	\$ 6,672,134	\$ 3,800,000	\$ -	\$ 14,537,747
General Capital Improvement Fund	-	-	1,000,000	406,760	250,000	\$ 1,656,760
Westminster Economic Development Authority	1,000,000	-	-	-	-	\$ 1,000,000
Nonmajor Governmental Funds	-	647,439	-	3,538,153	235,794	\$ 4,421,386
Utility Fund	203,000	-	-	15,000	-	\$ 218,000
Grand Totals	<u>\$ 1,203,000</u>	<u>\$ 4,713,052</u>	<u>\$ 7,672,134</u>	<u>\$ 7,759,913</u>	<u>\$ 485,794</u>	<u>\$ 21,833,893</u>

The matrix summarizes the City's interfund transfer activity. Most transfers between the General, General Capital Improvement, and Nonmajor Governmental Funds are routinely used to reallocate resources to fund City operations, capital construction, land purchases, debt service and governmental subsidies. In 2011, onetime transfers from governmental funds to the Westminster Economic Development Authority totaling \$7,672,134 transpired to provide funding for the redevelopment of urban renewal areas. Transfer activity between governmental and business-type funds is detailed below:

Reconciliation of Transfers between Governmental and Proprietary Funds:

From the General Capital Improvement Fund to the Golf Course Fund for operating subsidies	\$ (250,000)
From the Utility Fund to the General Fund in lieu of taxes	203,000
From the Utility Fund to the Nonmajor Governmental Fund (Open Space Fund) in lieu of taxes	15,000
From the Nonmajor Governmental Fund (Open Space Fund) to the Golf Course Fund to assist with debt service obligati	(235,794)
Total transfers between Governmental and Business Type Activities Funds	<u>\$ (267,794)</u>

Reconciliation of Transfers between Governmental and Business-type Activities

Transfers between Governmental and Proprietary Funds	\$ (267,794)
Reassignment of capital asset contributions between governmental and business-type activities	(82,413)
	<u>\$ (350,207)</u>

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H. Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, loans, leases and other payable:					
Revenue bonds	\$ 60,300,000	\$ -	\$ (4,835,000)	\$ 55,465,000	\$ 4,980,000
Tax increment bonds and notes	39,215,000	-	(1,760,000)	37,455,000	34,115,000
Registered interest coupons	125,000	-	-	125,000	-
Loans	66,775,000	3,500,000	(5,990,000)	64,285,000	2,605,000
Capital leases	76,667,485	683,383	(5,342,850)	72,008,018	5,794,563
	<u>243,082,485</u>	<u>4,183,383</u>	<u>(17,927,850)</u>	<u>229,338,018</u>	<u>47,494,563</u>
Add:					
Bond premium	4,313,024	-	(454,985)	3,858,039	454,870
Bond discount and deferred amount on refundings	(5,648,221)	-	578,427	(5,069,794)	(798,940)
	<u>241,747,288</u>	<u>4,183,383</u>	<u>(17,804,408)</u>	<u>228,126,263</u>	<u>47,150,493</u>
Other liabilities:					
Compensated absences	4,573,321	6,371,425	(6,206,702)	4,738,044	217,851
OPEB	235,423	226,313	(318,321)	143,415	-
Derivative	2,203,000	1,429,226	-	3,632,226	-
Total other liabilities	<u>7,011,744</u>	<u>8,026,964</u>	<u>(6,525,023)</u>	<u>8,513,685</u>	<u>217,851</u>
Governmental activities long-term liabilities	<u>\$ 248,759,032</u>	<u>\$ 12,210,347</u>	<u>\$ (24,329,431)</u>	<u>\$ 236,639,948</u>	<u>\$ 47,368,344</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds, notes and leases payable:					
Revenue bonds	\$ 37,090,000	\$ -	\$ (1,780,000)	\$ 35,310,000	\$ 1,850,000
Notes	31,258,393	-	(2,614,141)	28,644,252	2,699,492
Capital leases	5,390,622	-	(456,546)	4,934,076	549,802
	<u>73,739,015</u>	<u>-</u>	<u>(4,850,687)</u>	<u>68,888,328</u>	<u>5,099,294</u>
Add:					
Bond/Notes premium	947,512	-	(104,811)	842,701	104,811
Bond discount and deferred amount on refundings	(153,346)	-	13,433	(139,913)	(13,433)
	<u>74,533,181</u>	<u>-</u>	<u>(4,942,065)</u>	<u>69,591,116</u>	<u>5,190,672</u>
Other liabilities:					
Compensated absences	980,705	1,318,234	(1,339,134)	959,805	62,025
OPEB	190,921	44,459	(3,518)	231,862	-
Pollution Remediation	304,715	-	(70,745)	233,970	69,500
Total other liabilities	<u>1,476,341</u>	<u>1,362,693</u>	<u>(1,413,397)</u>	<u>1,425,637</u>	<u>131,525</u>
Business-type activities long-term liabilities	<u>\$ 76,009,522</u>	<u>\$ 1,362,693</u>	<u>\$ (6,355,462)</u>	<u>\$ 71,016,753</u>	<u>\$ 5,322,197</u>

**CITY OF WESTMINSTER, COLORADO
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Description of Individual Debt Issues Outstanding - Summarized below are the City's debt issues outstanding at December 31, 2011.

Revenue Bonds	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Sales and Use Tax Refunding Series 2001	Refunding/112th Ave Improvements	\$ 13,275,000	\$ 1,765,000	4.25% - 5.0%	12/01/21
Sales and Use Tax Revenue Series 2002	136th Avenue & I-25 Interchange	15,090,000	745,000	4.00%	12/01/12
Sales and Use Tax Revenue Series 2007A	Refunding/Street Improvements	10,715,000	6,865,000	4.0% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007B	Refunding/Open Space Purchases	13,680,000	8,435,000	4.0% - 5.5%	12/01/16
Sales and Use Tax Refunding Series 2007C	Refunding/Street Improvements	10,910,000	7,110,000	4.0% - 5.25%	12/01/16
Sales and Use Tax POST Series 2007D	Open Space Purchases/Facility Improvements	20,000,000	20,000,000	4.0% - 5.0%	12/01/31
Sales and Use Tax Refunding Series 2010	Refunding/Street Improvements	10,545,000	10,545,000	2.1% - 5.0%	12/01/22
Total Governmental Activities			<u>55,465,000</u>		
Water/Wastewater Revenue Series 2001	Refunding	20,990,000	5,805,000	4.25% - 5.5%	12/01/14
Water/Wastewater Revenue Series 2010	Build America Bonds	29,505,000	29,505,000	3.23% - 5.82%	12/01/30
Total Business-type Activities			<u>35,310,000</u>		
Total Revenue bonds			<u>\$ 90,775,000</u>		
Registered interest coupons					
Sales and Use Tax Refunding Series 2010	Registered 'B' interest coupons	125,000	\$ 125,000	(1)	12/01/13
			<u>\$ 125,000</u>		

Annual debt service requirements to maturity for revenue bonds and registered interest coupons are as follows:

Year	Governmental Activities			Year	Business-type Activities		
	Principal	Interest	Total		Principal	Interest	Total
2012	\$ 4,980,000	\$ 2,540,876	\$ 7,520,876	2012	\$ 1,850,000	\$ 1,764,384	\$ 3,614,384
2013	5,155,000	2,565,864	7,720,864	2013	1,930,000	1,685,759	3,615,759
2014	5,480,000	2,107,664	7,587,664	2014	2,025,000	1,589,259	3,614,259
2015	5,835,000	1,864,233	7,699,233	2015	1,475,000	1,477,884	2,952,884
2016	6,105,000	1,582,208	7,687,208	2016	1,505,000	1,430,212	2,935,212
2017-2021	11,920,000	5,558,388	17,478,388	2017-2021	8,145,000	6,195,984	14,340,984
2022-2026	7,740,000	3,002,025	10,742,025	2022-2026	9,495,000	4,135,223	13,630,223
2027-2031	8,250,000	1,207,725	9,457,725	2027-2031	8,885,000	1,316,032	10,201,032
Total	<u>\$ 55,465,000</u>	<u>\$ 20,428,983</u>	<u>\$ 75,893,983</u>	Total	<u>\$ 35,310,000</u>	<u>\$ 19,594,737</u>	<u>\$ 54,904,737</u>

(1) The Series 2010 Sales and Use Tax Revenue Refunding Bonds include \$125,000 of B Interest Registered Coupons. These do not have a specified interest rate associated with payment due but are included in the total amount of interest due for 2013 above.

Tax Increment Bonds and Loans	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
WEDA Revenue Refunding Bonds Series 2009	Westminster Plaza Redevelopment	\$ 5,330,000	\$ 3,935,000	3.800%	12/01/17
WEDA Revenue Refunding Bonds Series 2009	Mandalay Gardens Urban Renewal	35,830,000	33,520,000	(2)	12/01/28
Total Tax Increment Bonds			<u>37,455,000</u>		
WEDA Revenue Loan Series 2009	North Huron Urban Renewal	62,375,000	56,865,000	4.510%	12/01/16
WEDA Revenue Loan Series 2009	South Sheridan Urban Renewal	8,075,000	7,420,000	4.950%	12/01/28
Total Tax Increment Loans			<u>64,285,000</u>		
Total Governmental Activities			<u>\$ 101,740,000</u>		

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

Year	Governmental Activities		
	Principal	Interest	Total
2012	\$ 36,720,000	\$ 3,141,768	\$ 39,861,768
2013	3,340,000	2,940,060	6,280,060
2014	3,490,000	2,792,486	6,282,486
2015	3,635,000	2,638,259	6,273,259
2016	48,015,000	1,418,281	49,433,281
2017-2021	2,745,000	1,277,235	4,022,235
2022-2026	2,575,000	696,713	3,271,713
2027-2031	1,220,000	91,328	1,311,328
Total	<u>\$ 101,740,000</u>	<u>\$ 14,996,130</u>	<u>\$ 116,736,130</u>

(2) The Series 2009 WEDA Mandalay Gardens Renewal Refunding Bonds have a variable interest rate is based on LIBOR. The interest rate as of 12/31/11 is 0.18%

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Capital Leases	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
Capital lease	05 Fire truck	\$ 472,039	\$ 64,206	4.27%	10/15/12
Capital lease	05 Energy Saving Equipment	2,262,993	1,124,047	4.029%	10/15/16
Capital lease	07 Fire truck	396,932	134,133	4.10%	01/15/14
Capital lease	08 Fire truck	603,450	297,814	3.52%	01/15/15
Capital lease	08 Pumper Truck	216,475	129,287	3.48%	10/15/15
Capital lease	09 Parks Equipment	527,540	271,643	4.85%	10/15/14
Capital lease	10 Copier Portion of Joint Lease	58,096	29,827	5.00%	04/15/13
Capital lease	10 Energy Saving Equipment	2,517,094	2,414,122	4.100%	04/01/21
Capital lease	10 Heavy Rescue Truck	274,999	231,194	3.89%	01/31/17
Capital lease	10 Pumper Truck	451,416	393,361	3.44%	10/15/17
Capital lease	11 Fire Ladder	683,383	683,383	2.18%	10/15/17
Capital lease - Certificates of Participation 05	144th & I-25 interchange	17,130,000	13,815,000	4.0% - 5.0%	12/01/25
Capital lease - Broomfield/Westminster Foundation	Metzger Farm Open Space	4,920,000	2,485,000	4.25% - 5.0%	12/01/16
Capital lease - Certificates of Participation 07	Refunding/Capital Facilities & Streets	32,210,000	27,775,000	4.0% - 5.0%	12/01/25
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	12,825,000	12,825,000	3.0% - 4.25%	12/01/22
Capital lease - Certificates of Participation 10	Ice Centre Refunding	9,950,000	9,335,000	2.0% - 4.5%	12/01/22
Total Governmental Activities			<u>72,008,017</u>		
Golf Course capital lease	06 Maintenance Equipment	582,144	139,888	4.32%	04/15/13
Golf Course capital lease	07 Maintenance Equipment	547,000	215,185	4.85%	04/15/14
Golf Course capital lease	09 Golf Portion of Joint Lease	439,745	186,648	4.85%	04/15/14
Public Works and Utilities capital lease	10 PWU Portion of Joint Copier Lease	4,585	2,355	5.00%	04/15/13
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	4,820,000	4,390,000	3.0% - 4.25%	12/01/22
Total Business-type Activities			<u>4,934,076</u>		
Total Capital Leases			<u>\$ 76,942,093</u>		

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

Year	Governmental Activities			Year	Business-type Activities		
	Principal	Interest	Total		Principal	Interest	Total
2012	\$ 5,794,562	\$ 2,915,710	\$ 8,710,272	2012	\$ 549,803	\$ 172,218	\$ 722,021
2013	5,929,670	2,700,359	8,630,029	2013	379,128	151,477	530,605
2014	6,086,812	2,479,667	8,566,479	2014	235,145	140,176	375,321
2015	6,286,983	2,244,102	8,531,085	2015	365,000	131,750	496,750
2016	6,459,455	2,010,328	8,469,783	2016	375,000	120,800	495,800
2017-2021	27,530,535	6,373,441	33,903,976	2017-2021	2,090,000	391,513	2,481,513
2022-2026	13,920,000	1,395,825	15,315,825	2022-2026	940,000	55,550	995,550
Total	<u>\$ 72,008,017</u>	<u>\$ 20,119,432</u>	<u>\$ 92,127,449</u>	Total	<u>\$ 4,934,076</u>	<u>\$ 1,163,484</u>	<u>\$ 6,097,560</u>

Notes	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Colorado Water Power Authority Note 97	Reclamation Facility	\$ 13,246,525	\$ 5,245,835	4.54%	06/01/17
Colorado Water Power Authority Note 98	Reclamation Facility	4,085,697	1,413,038	3.96%	06/01/17
Colorado Water Power Authority Note 00	Northwest Water Treatment Plant	14,998,357	7,529,088	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Plant	15,440,000	11,362,500	3.32%	06/01/25
POST Church Ditch Note	Purchase of water shares	425,000	425,000	5.00%	12/28/17
Housing Authority Mortgage	Refinance/Capital Projects	3,600,000	2,265,169	(3)	01/09/22
Brownfields Note	Remediation of South Westminster Property	413,000	251,683	2.00%	02/01/16
Rehfeld Note	Purchase of water shares	180,000	151,939	4.00%	03/31/23
Total Business-type Activities			<u>\$ 28,644,252</u>		

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

Year	Business-Type Activities		
	Principal	Interest	Total
2012	\$ 2,699,492	\$ 1,191,653	\$ 3,891,145
2013	2,790,234	1,101,242	3,891,476
2014	2,878,648	1,008,966	3,887,614
2015	2,975,475	909,958	3,885,433
2016	3,249,295	775,553	4,024,848
2017-2021	10,413,131	2,069,430	12,482,561
2022-2026	3,637,977	509,842	4,147,819
Total	<u>\$ 28,644,252</u>	<u>\$ 7,566,644</u>	<u>\$ 36,210,896</u>

(3) The Housing Authority Mortgage bears interest at a variable yearly rate based on the Prime Rate. The interest rate as of 12/31/11 is 3.25%.

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I. Bonds with Demand Features

The WEDA Series 2009 Tax Increment Adjustable Rate Revenue Refunding Bonds are subject to tender on the demand of the holder at a price of par plus accrued interest upon delivery of an irrevocable notice of tender to the Remarketing Agent. While the Bonds are outstanding in any interest rate mode other than Fixed Rate, the Issuer is required to maintain a credit facility to provide security and liquidity. The Remarketing Agency agent is authorized to use its best efforts to sell the tendered bonds.

Under the existing irrevocable direct-pay letter of credit for the WEDA Series 2009 adjustable rate bonds, the trustee is entitled to draw an amount sufficient to pay the purchase price of the tendered bonds, maturing bonds and accrued interest. The letter of credit expiration date is September 23, 2012. As of December 31, 2011 it is the intention of the Authority to further extend the letter of credit. The letter of credit reimbursement agreement requires the Authority to pay a fee of 1.30% per annum of the undrawn stated amount of the letter of credit.

Because the WEDA Series 2009 adjustable rate revenue bonds has demand features and the letter of credit expires within 12 months after year-end, it is classified as due within one year on the statement of net position, even though the scheduled maturities extend beyond 2012; because the debt has not matured, it is not reported as a liability in the fund financial statements.

The outstanding balance of the WEDA Series 2009 Tax Increment Adjustable Rate Revenue Refunding Bonds at December 31, 2011 was \$33,520,000. There were no amounts drawn against the letter of credit.

J. Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2011 and the changes in fair value of such derivative instrument for the year then ended as reported in the 2011 financial statements are as follows [debit (credit)]:

	Change in Fair Value	Fair Value at December 31, 2011		Notional	
	Classification	Amount	Classification		Amount
Governmental activities:					
Cash flow hedges					
Pay-fixed interest rate sw ap	Deferred outflow of resources	\$1,429,226	Debt	\$(3,632,226)	\$56,865,000

The fair value of the interest rate swap is estimated using the zero-coupon method. This method calculates future net settlement payments required by the swap, assuming that the current forward rates implied by the 3-month Libor yield curve as of December 31, 2011 correctly anticipate future spot interest rates. These payments are then discounted using the

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spot rates implied by the then current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The fair value calculation was completed by a consultant retained by the Westminster Economic Development Authority ("Authority") using a proprietary model.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Authority's hedging derivative instrument outstanding at December 31, 2011, along with the credit rating of the associated counterparty (amounts in thousands).

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009 Bank Loan (North Huron Urban Renewal)	\$ 56,865,000	5/8/2009	6/1/2016	Pay 4.51%; receive 65% of 1 month Libor + 2.30%	A/Aa3

Throughout the term of the interest rate swap the notional amount of the swap is identical to the outstanding principal balance of the 2009 WEDA North Huron loan and the settlement dates of the swap are the same as the interest payment dates (June 1, December 1) of the loan.

Risks

Credit risk. The Authority is exposed to credit risk on the hedging derivative instrument that is in asset positions. The counterparty for the interest rate swap is currently rated A/Aa3. The Authority does not require counterparty collateral to be posted in the event the counterparty's credit rating declines. At this time the derivative instrument is not in an asset position.

Interest rate risk. The Authority is exposed to interest rate risk on the pay fixed receive variable rate interest rate swap if the 1 month London Interbank Offered Rate (LIBOR) reference rate were to decline. If that were to happen the Authority's net payment on the swap would increase. However as this is an effective hedge the interest rate paid on the loan would decline by a like amount.

Basis risk. The Authority is not exposed to basis risk on its pay fixed interest rate swap. This is because the reference rate that the Authority pays on its variable rate loan is exactly the same as the variable reference rate the Authority receives under the interest rate swap.

Termination risk. The Authority or its counterparty may terminate the derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a derivative instrument is in a liability position, the Authority then would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Rollover risk. The Authority is exposed to rollover risk on hedging derivative instruments used as hedges of debt that mature or may be terminated prior to the maturity of the debt. Currently both the pay variable loan and the derivative instrument have the same maturity date and

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therefore no rollover risk occurs. However, should the derivative instrument be subject to early termination for any reason, there would be rollover risk to the hedgeable item. It is the Authority's intention to hold the derivative to maturity.

Derivative Instrument Payments and Hedged Debt

As of December 31, 2011, aggregate debt service requirements of the Authority's hedged debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are shown below. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Fiscal Year Ending December 31	Principal	Interest	Hedging Derivative Instrument	Total
2012	2,315,000	1,440,662	1,123,950	4,879,612
2013	2,415,000	1,378,236	1,081,969	4,875,205
2014	2,525,000	1,317,220	1,034,069	4,876,289
2015	2,635,000	1,253,424	983,987	4,872,411
2016	46,975,000	595,050	464,235	48,034,285
Total	\$ 56,865,000	\$ 5,984,592	\$ 4,688,210	\$ 67,537,802

K. Net Position

The government-wide, business-type and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position is liquid assets which have third-party limitations on their use. Restricted net position is reported by major category, which includes emergencies; capital projects; open space conservation and improvements; and debt service. Nonmajor categories have been aggregated as restricted for other purposes.

Unrestricted Net Position represents assets that do not have any third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

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Net investment in capital assets for the year ended December 31, 2011 was as follows:

Governmental activities:

Capital Assets: \$ 392,833,254

Related Debt:

Issue	Amount Outstanding	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Total Capital Related Debt	Less Unspent Proceeds	Net Capital Related Debt
2001 sales tax revenue bond	\$ 1,765,000	\$ (3,771)	\$ 1,761,229	\$ -	\$ 1,761,229
2002 sales tax revenue bond	745,000	1,259	746,259	-	746,259
2007A sales tax revenue refunding bond	6,865,000	55,152	6,920,152	-	6,920,152
2007B open space sales tax refunding	8,435,000	101,769	8,536,769	-	8,536,769
2007C sales tax revenue refunding bond	7,110,000	(22,649)	7,087,351	-	7,087,351
2007D open space revenue bond	20,000,000	343,723	20,343,723	838,863	19,504,860
2010 sales tax revenue refunding bond	10,545,000	268,461	10,813,461	-	10,813,461
2010 sales tax revenue refunding "B interest coupons"	125,000	(6,027)	118,973	-	118,973
2009 WEDA Mandalay Gardens	33,520,000	(593,013)	32,926,987	-	32,926,987
2009 WEDA North Huron	56,865,000	(339,241)	56,525,759	-	56,525,759
2009 WEDA South Sheridan	7,420,000	(127,119)	7,292,881	-	7,292,881
Capital Lease	72,008,018	(797,828)	71,210,190	-	71,210,190
Accounts payable incurred for capital asset purchases	1,928,478	-	1,928,478	-	1,928,478
Total Governmental Activities	\$ 227,331,496	\$ (1,119,284)	\$ 226,212,212	\$ 838,863	\$ 225,373,349

Net investment in capital assets, governmental activities

167,459,905

Business-type activities:

Capital Assets: 401,921,155

Related Debt:

Issue	Amount Outstanding	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Total Capital Related Debt	Less Unspent Proceeds	Net Capital Related Debt
2001 Utility Refunding Revenue Bonds	\$ 5,805,000	\$ 150,361	\$ 5,955,361	\$ -	\$ 5,955,361
2010 Utility Revenue Bonds	29,505,000	-	29,505,000	6,448,479	23,056,521
2010 COPS - Golf Course Portion	4,390,000	55,507	4,445,507	-	4,445,507
Water Notes	25,702,400	532,653	26,235,053	-	26,235,053
Capital Leases	544,076	-	544,076	-	544,076
2002 Mortgage Note	2,265,169	(35,733)	2,229,436	-	2,229,436
Accounts payable incurred for capital asset purchases	1,850,100	-	1,850,100	-	1,850,100
Total Business Type Activities	\$ 70,061,745	\$ 702,788	\$ 70,764,533	\$ 6,448,479	\$ 64,316,054

Net investment in capital assets, business-type activities

337,605,101

Total net investment in capital assets

\$ 505,065,006

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L. Pledged Revenues

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

- \$13,275,000 issued in 2001 to refund the Series 1991 refunding and improvement bonds originally issued to finance capital improvements.
- \$15,090,000 issued in December 2002 to finance its portion of a joint construction project with the City of Thornton for an interchange at 136th Avenue and Interstate 25.
- \$10,715,000 issued in March 2007 to provide new funding for street improvements and to refund certain of the City's outstanding Series 1997A sales and use tax revenue refunding and improvement bonds, originally issued to refund certain outstanding 1992A sales and use tax revenue bonds, originally issued for capital improvements.
- \$10,910,000 issued in October 2007 to provide new funding for street improvements and to refund certain of the City's outstanding Series 1997A sales and use tax revenue refunding and improvement bonds.
- \$13,680,000 issued in March 2007 to refund certain of the City's outstanding series 1997B sales and use tax revenue bonds originally issued for public improvements.
- \$20,000,000 issued in December 2007 to finance the acquisition, development, enhancement, and maintenance of open space and parkland throughout the City.
- \$10,545,000 issued in July 2010 to refund certain of the City's outstanding series 2001 and 2002 sales and use tax revenue refunding and improvement bonds, originally issued to finance capital improvements.

These bonds are payable solely from sales and use tax revenue collections. Current year, principal and interest of \$7,572,584 were paid from sales and use tax revenue totaling \$58,879,815. Total principal and interest payments remaining on the bonds is \$75,893,983 payable through December 2031.

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

- \$6,460,000 originally issued in 1997 to finance the redevelopment in the South Westminster Urban Renewal Area. The bonds were refunded in 2009 to tax increment revenue refunding bonds.
- \$38,455,000 originally issued in 2003 to finance redevelopment in the Mandalay Gardens Urban Renewal Area. The bonds were refunded in 2006 to tax-exempt tax increment revenue bonds and again in 2009 as tax increment adjustable rate Revenue Refund bonds.
- \$68,300,000 originally issued in 2005 to finance new development in the North Huron Urban Renewal Area. The bonds were refunded in 2009 with a loan.
- \$8,320,000 originally issued in 2007 to finance the redevelopment in the South Sheridan Urban Renewal Area. The bonds were refunded in 2009 with a loan.

Tax increment variable rate revenue bonds and loans are payable from incremental sales taxes and property taxes generated by increases above the base value of retail sales and assessed valuation in the urban renewal area plus interest earnings. Current year, principal, interest and fees of \$8,062,122 were paid with incremental net pledged revenues plus prior

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year revenues totaling \$9,039,080. Total principal and interest remaining on the bonds is \$116,736,130, payable through December 1, 2031.

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

Colorado Water Resource and Power Development Authority Notes:

- \$13,246,525 issued in May 1997 to construct a Reclamation Facility
- \$4,085,697 issued in April 1998 to construct a Reclamation Facility
- \$14,998,357 issued in April 2000 to construct the NW Water Treatment Facility
- \$15,440,000 issued in May 2005 to expand the Big Dry Creek Treatment Facility

Revenue Bonds

- \$20,990,000 issued in December 2001 to refund 1992 and 1994 General Obligation bonds
- \$29,505,000 issued in May 2010 to acquire and develop improvements to the System throughout the City

The notes and bonds are payable solely from water and waste water pledged net revenues. For the current year, principal and interest payments were \$7,196,574 and total water and waste water net revenues were \$22,598,422. Total principal and interest payments remaining on the bonds and notes are \$87,962,189 payable through December 2030.

NOTE 3 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; employee injury on the job; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the City carries excess insurance. The City self-funds the deductible portion of all claims. There were no reductions in insurance coverage from 2010 to 2011. The City has not had any settlements during the last three fiscal years that exceeded insurance coverage.

Medical and Dental Self-Insurance Internal Service Fund

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

The City has an Administrative Service Only plan with Cigna, whereby the City pays Cigna a separate amount for administrative costs, insurance taxes, and claim servicing fees. The City agrees to provide funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City provides a specific stop loss of \$150,000 per individual per year. This Open Access Plus plan has an unlimited lifetime benefit. The City has recorded a liability in this fund totaling \$383,617 for open and estimated claims not yet reported at December 31, 2011.

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

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Workers' Compensation Self-Insurance Internal Service Fund

The City established a self-insured program for workers' compensation claims effective January 1, 1986. The purpose of this program is to pay workers' compensation claims of City employees and to reduce total annual workers' compensation costs to the City. The program covers individual losses up to \$350,000 per claim plus \$100,000 annual corridor deductible. Greater individual losses are covered by an excess insurance policy with statutory limits per occurrence purchased from an outside company. The City has recorded a liability totaling \$285,719 for open claims and estimated claims not yet reported at December 31, 2011.

Property and Liability Self-Insurance Internal Service Fund

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

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$80,673 for open claims at December 31, 2011.

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

<u>Year</u>	<u>Beginning Balance</u> <u>Unpaid Claims</u>	<u>Incurred Claims</u>	<u>Cumulative</u> <u>Claim Payments</u>	<u>Ending Balance</u> <u>Unpaid Claims</u>
2010	\$ 1,549,673	\$ 7,833,437	\$ 7,878,148	\$ 1,504,962
2011	1,504,962	6,206,446	6,961,399	750,009

B. Public Entity Risk Pools

The Colorado Intergovernmental Risk Sharing Agency ("CIRSA") was formed by an intergovernmental agreement by member municipalities pursuant to the provisions of regulation 24-10-115.5, C.R.S. (1982 Repl. Vol.), as amended, 29-1-201 et seq., C.R.S. (1977 Repl. Vol.), as amended, 29-13-102, C.R.S. (1977 Repl. Vol.), as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities, which are members of the Colorado Municipal League. The City only participates in the property and liability coverage of the pool and does not participate in the worker's compensation coverage. As of December 31, 2011, there were 209 member municipalities and 30 special districts, including the City of Westminster, in the property and casualty pool.

The purpose of CIRSA is to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. CIRSA provides insurance coverage for property, liability, fiduciary, crime, police

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professional, and errors and omissions. The deductible amount paid by the City per each incident in 2011 was \$250,000 for property and \$250,000 for liability. Coverages are as follows:

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

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

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

C. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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

Various suits and claims are pending against the City as of December 31, 2011. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that

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adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the City.

In 2010, the City issued sales and use tax refunding bonds to partially advance refund its Series 2001 and 2002 Sales and Use Tax issues. As of December 31, 2011 the amount of defeased debt outstanding is \$10,216,445.

D. Construction and Other Significant Commitments

At December 31, 2011, the City had commitments for the acquisition and construction of various major capital projects and facilities in the capital projects and enterprise funds as shown below.

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

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

	Appropriation 12/31/2011	Cumulative Expenditures 12/31/2011	Authorized Available 12/31/2011
Governmental activities:			
General Capital Improvement Fund	\$ 23,691,429	\$ 1,010,235	\$ 22,681,194
Westminster Economic Development Authority	5,240,797	-	5,240,797
Nonmajor governmental funds	2,524,569	98,607	2,425,962
General Capital Outlay Replacement Fund	3,329,917	-	3,329,917
Total Governmental activities	<u>\$ 34,786,712</u>	<u>\$ 1,108,842</u>	<u>\$ 33,677,870</u>
Business-type activities			
Utility Fund	<u>\$ 37,798,336</u>	<u>\$ 8,287,620</u>	<u>\$ 29,510,716</u>

E. Denver Water Board Raw Water Leases

The City has the right to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from the Denver Water Board. Permitted usage varies from month-to-month and peaks during the summer months. By contract the City is obligated to take or pay for 1,750 acre-feet of water during Denver's fiscal year, which runs from July 1 to June 30. The 2011 rate charged per acre-foot by the Denver Water Board was \$263.94. The 2011 annual lease cost based on this rate was \$462,000.

F. Perpetual Agreement

In December 2003, the City amended its perpetual water rights lease exchange contract dated January 7, 1982 with the City of Thornton. The amended contract provided that Westminster could perpetually lease from Thornton 2.0 million gallons per day of treated water with the option to increase or decrease this amount by 10%. The rate on December 31, 2011, was \$3.28 per

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thousand gallons for an annual cost of \$2,154,960. In 2009, the City of Westminster signed an agreement with the City of Brighton that states Brighton will take the full amount of water, up to 2.2 million gallons, and pay the City of Westminister, which will pass the payment on to Thornton. All future rate increases will be passed through in a similar fashion, and Brighton will have all responsibility for the lease.

G. Employee Retirement Plans

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

Both employee plans are established by separate ordinances as single-employer, defined contribution plans, qualified under IRS guidelines. When employees change job status, their pension balance is moved from their old plan to the appropriate new plan through a transfer. The City does not participate in Social Security.

Long-term disability and death benefits are provided as employee benefits apart from the Pension Plans.

The Plan provisions and requirements are established by Municipal Ordinance and determined to be a qualified Pension Plan by the Internal Revenue Service. The Plan Ordinance grants the Pension Board members and Trustee the authority to administer, interpret, and apply the requirements of the Plan document. Any changes to the Plan Document are subject to City Council approval and require Internal Revenue Service determination of qualification.

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

Eligible employees hired on or after January 6, 1986 must participate from the date of employment. Employees hired before that date were given the option to begin participation on January 6, 1986 or wait until they had completed 22 months of service with the City. Before January 6, 1986, employees could not participate until completing 22 months of service, at which time participation was mandatory.

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

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

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

Summary of Contributions For the year ended December 31, 2011, contributions actually made to the two plans equaled required contributions and were as follows:

Required contributions to the two plans, and contributions actually made were as follows:

	Police Pension Plan	General Employee Pension Plan	Total
City contributions at 10.25%	\$ 1,207,172	\$ 3,178,344	\$ 4,385,516
Mandatory employee contributions at 10%	1,256,349	3,350,521	4,606,870
Voluntary employee contributions up to 10%	11,639	67,506	79,145
Rollover contributions	-	84,476	84,476

H. State Fire and Police Pension Plan (FPPA Defined Benefit Plan)

Effective September 1, 2004, the City of Westminster began contributing to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid firefighters of the City of Westminster are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the City of Westminster are established by statute. The contribution rate for the last three years to the Statewide Defined Benefit Plan for active plan members was either 8% or 10% of covered salary depending on date of hire, and for the employer was either 8% or 10% of covered salary, again depending on date of hire.

The City of Westminster's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2011, 2010, 2009 were \$1,650,819, \$1,696,958 and \$1,708,355, respectively, equal to the required contributions for each year. The following exhibit shows a detailed history of Annual Required Contributions (ARC) and actual contributions made to the plan:

State Fire and Police Pension Plan Contribution Summary

Description	2009	2010	2011	Total
Employee Contribution 10%	\$ 609,913	\$ 584,127	\$ 554,814	\$ 1,748,854
Employee Contribution 8%	234,969	247,530	253,202	\$ 735,701
Employee Drop Program 10% *	18,592	33,644	34,787	\$ 87,023
Employer Contribution 10%	609,913	584,127	554,814	\$ 1,748,854
Employer Contribution 8%	234,968	247,530	253,202	\$ 735,700
Total	<u>\$ 1,708,355</u>	<u>\$ 1,696,958</u>	<u>\$ 1,650,819</u>	<u>\$ 5,056,132</u>

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*The FPPA Deferred Retirement Option Plan (DROP) is part of the Statewide Defined Benefit Plan designed for members who are eligible to retire, but instead choose to continue employment for a specified period of time not to exceed five years. The City has no liability to match DROP program employee contributions.

Prior to 1997, the State of Colorado made a one-time contribution to fund future service costs for all firefighters hired prior to January 1, 1997. These members do not make contributions to the Statewide Death and Disability Plan. Aggregate contributions totaling 2.6% of payroll were made to the Statewide Death and Disability Plan in 2011 for firefighters hired on or after January 1, 1997, of which 1.8% and 0.8% were funded by the City and plan members, respectively through October 31, 2011. Beginning November 1, 2011, the contribution of 2.6% changed, so that 1.02% and 1.58% were funded by the City and plan members, respectively. The contribution rate may vary from year to year, depending on actuarial experience.

I. Volunteer Firefighter Pension Fund

The City has fiduciary responsibility for a single-employer defined benefit retirement system (“the plan”) established by the Volunteers, which is included in the City’s financial reports as a pension trust fund.

Summary of Significant Accounting Policies

Basis of Accounting. Financial statements of the plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

Plan Description and Contribution Information

At December 31, 2011, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	31
Terminated volunteers entitled to benefits but not receiving them	0
Active plan members	<u>0</u>
Total	<u>31</u>

Plan Description. The plan provides retirement benefits as well as death and disability benefits. Participants become fully vested after 20 years of active service. Retirement benefits are payable upon vesting for any volunteer who terminates after 10 years but prior to 20 years of active service allowed by State Statutes. The benefit is equal to the full retirement benefit at the date of termination prorated by the number of years of service accrued. Surviving spouses of deceased retirees may receive up to 50% of the retirement benefit until remarriage.

Volunteers may retire upon completion of 20 years of service even though not all of the service was earned in the same fire department. If they first became volunteers prior to June 2, 1977,

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the retirement benefit is paid from the pension fund of each department for which they served at least five years. The amount paid is equal to 1/20 of the monthly retirement benefit being paid by that department at the date of termination from the department for each year of service with that department.

Contributions. An actuarial study performed on January 1, 2011, states that the current level of assets in the fund are in excess of the amount needed to pay the capped maximum of \$700 per month and all prorated amounts by \$739,516. Therefore, no additional contributions are required at this time by either the Volunteers or the City. State statutes govern contribution requirements. For 2011, the City's annual pension cost of \$0 for the Volunteer Firefighter Pension Plan was equal to the City's required and actual contributions. The required contribution was determined as part of the 2011 actuarial valuation using the entry age actuarial cost method. The following exhibit shows a history of Annual Required Contributions (ARC) and Actual Contributions made to the plan:

Year Ended 31-Dec	Required Contribution	Actual Contribution	Percentage Contributed
2006	-	-	100%
2007	-	-	100%
2008	-	-	100%
2009	-	-	100%
2010	-	-	100%
2011	-	-	100%

(Note: From 2006 – 2011, there was no active plan members and therefore, no actual or required contributions.)

Funding for the plan was provided through a property tax levy prior to 1987. The levy was eliminated in 1987 because the plan was over-funded. No annual employer contributions have been required. Therefore, the pension liability for the plan, determined in accordance with Statement No. 27 of the Governmental Accounting Standards Board (GASB), “*Accounting for Pensions by State and Local Government Employers*,” is zero, as it was previously reported prior to implementation of GASB Statement 27. Since Volunteers do not contribute to the plan, no plan assets are distributed if a volunteer is terminated prior to vesting.

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

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The plan is included in FPPA's audited annual financial report, which may be obtained by calling 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

Funded Status and Funding Progress-Volunteer Firefighter Pension Plan

Based on an amortization period of twenty years using the entry age actuarial cost method on an open level dollar amount basis, expected contributions exceed the amount recommended to fund the plan. The entry age actuarial cost method does not yield an unfunded actuarial liability.

Because Volunteers are not paid, no projected salary increases or cost-of-living adjustments are included in the actuarial assumptions.

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

	<u>2011 Actuarial Valuation*</u>
Actuarial Value of Assets	\$ 2,594,924
Actuarial Accrued Liability (AAL)	1,855,408
Excess/(Shortfall) of Assets over AAL	739,516
Funded Ratio	140%

*Actuarial Valuation performed every two years. Next valuation is scheduled for 2013.

Actuarial Methods and Assumptions

The actuarial valuation and annual required contributions (ARC) were determined using the entry age actuarial cost method since the plan has been dissolved and benefits capped. The actuarial assumptions used in the 2011 actuarial valuation included:

- a) Actuarial cost method: Entry Age
- b) Amortization method: Level Dollar – Open
- c) Remaining amortization period: 20 years
- d) Asset valuation method: Actuarial Value, based on a three-year smooth fair market value.
- e) Investment rate of return: 8.0%
- f) No projected salary increases
- g) No cost of living increases
- h) Inflation rate: 3.5%

J. Retiree Health Program

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

The Program offers a self-funded OAP program as well as a fully insured HMO. The dental benefit component is self-funded and the vision benefit is paid solely by the participants in the Program.

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Program claims and fees for the self-funded plan, and expected premiums for the fully funded plan totaled \$581,089 during 2011. Program members receiving benefits contributed \$259,251 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City's pay-as-you-go program funding totaled \$321,838 during the year.

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

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover current year costs plus amortization for a portion of the unfunded accrued actuarial liability for Program benefits. The City implemented GASB 45 prospectively on January 1, 2007, and reports the net OPEB obligation at transition as zero in accordance with the provisions of the statement. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Program, and changes in the City's net OPEB obligation.

	2011
Annual required contribution	\$ 270,252
Interest on net OPEB obligation	20,934
Annual required contribution adjustment	(20,413)
Annual OPEB cost	270,773
Contributions made	(321,838)
Increase (decrease) in annual OPEB obligation	(51,065)
OPEB obligation - beginning of year	426,344
OPEB obligation - end of year	\$ 375,279

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for years 2009-2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	427,554	113.83%	473,095
12/31/2010	426,938	110.95%	426,344
12/31/2011	270,773	118.86%	375,279

Funded Status and Funding Progress. As of January 1, 2011, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$2,402,366. The covered payroll (annual payroll of active employees covered by the Program) was \$51,742,297. The ratio of the UAAL to covered payroll was 4.6 percent.

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information about the actuarial accrued liability for benefits relative to the covered payroll of employees covered by the Program.

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

In the January 1, 2011 valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 4.91 percent investment rate of return to calculate the ARC on a pay-as-you-go basis, which is the rate expected on short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years. It is calculated assuming a level percentage of projected payroll on an open basis. Payroll is assumed to increase at 3.5% per year. The annual trend rates for health care costs applied on a select and ultimate basis are 9% and 5%, respectively. Select trends are reduced 0.5% each year until reaching the ultimate trend. These rates reflect the growth in health care costs and are used to project the benefit costs for current and future retirees.

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

K. Tax Spending and Debt Limitations

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

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

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

At December 31, 2011, amounts required as Emergency Reserves in compliance with the Amendment total \$3,632,846 for the general government and an aggregate of \$17,230 for applicable component units. These amounts are shown as restrictions of fund balance in the General and respective nonmajor funds as well as a restriction of Net Position on the Statement of Net Position.

**CITY OF WESTMINSTER, COLORADO
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L. Jointly Governed Organization

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

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

M. Joint Ventures

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

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

The City receives one-half of the net revenues from operations of the Ice Centre and the Hyland Hills Ice Arena and Carroll Butts Park. The City's share of net operating revenues in 2011 was \$479,505. At December 31, 2011, the net book value of the Ice Centre joint venture was \$5,084,030 and Carroll Butts Park was \$441,000. There are not separate financial statements for the joint venture.

Broomfield-Westminster Open Space Foundation. The City entered into an intergovernmental agreement with The City and County of Broomfield on December 12, 2005, to create the Broomfield-Westminster Open Space Foundation (Foundation), a nonprofit corporation qualifying under section 501 (c) (3) of the Internal Revenue Code, to function as a public foundation. The sole purpose of the nonprofit corporation is to acquire, finance, own, and operate approximately 150 acres of undeveloped land known as the Metzger Property. The board of directors for the Foundation is comprised of an equal number of directors appointed by each City, and one additional impartial director selected by Broomfield and Westminster. Acquisition of the property was financed in 2006 from grants, donations, gifts, contributions from public and private entities, and issuance of financial obligations by the Foundation. The cities agree to their share of payments as set forth in the By-Laws of the Foundation. The City

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

accrues one-half ownership interest in the property based on annual lease rental payments set forth in the financing document. The City records its interest in the Metzger Farm as a capital lease payable and as Joint Venture Land valued at \$4,920,000. At December 31, 2011, the City's fifty percent equity interest in the Foundation is \$646,313.

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

N. Component Unit of Another Government with Joint Venture Characteristics

The City of Westminster entered into an intergovernmental agreement with the City of Northglenn to establish the Church Ditch Water Authority (the Authority) on October 29, 2004. The Authority is responsible for the operation, maintenance, and continued development of Church Ditch. The effects of water resource development by the Authority benefit both cities and other contractual users of the Church Ditch. The Authority (a governmental entity), which replaced the Church Ditch Company (a private carrier ditch company), was created to maximize operating efficiencies, streamline the rate setting process, and provide for management of easement and property ownership issues. The Authority is governed by a Board of Directors consisting of two directors appointed by the City of Northglenn, and one director appointed by the City of Westminster. The City owns one-third of the Church Ditch while Northglenn owns the other two-thirds. The City of Northglenn reports the Church Ditch Authority as a discretely presented component unit; the City of Westminster, as the minority participant in the Authority, reports an equity interest of one-third of the Authority's net assets as "Other Assets" in the Utility Fund. At December 31, 2011, the City's equity interest in the Church Ditch Authority was \$1,017,112.

O. Intergovernmental Agreement

In September 1995, the City entered into an intergovernmental agreement with the State of Colorado, Department of Higher Education for the construction and operation of the College Hill Library at Front Range Community College. This agreement called for the City and Front Range College to jointly build, furnish, equip, staff, operate and maintain the College Hill Library. The library has been fully operational since April 7, 1998. The intergovernmental agreement calls for the City to pay Front Range Community College its proportionate share of operating expenses, which totaled \$236,514 in 2011. This agreement allows the City to occupy space in the facility for up to 50 years. After 33 years, either party may terminate this agreement by giving two years' written notice to the other party. Thus, the City would enjoy a minimum of 35 years.

P. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2011, Industrial Revenue Bonds outstanding aggregated \$14,675,000.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Q. Arbitrage Compliance

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

R. Property Held for Resale

WEDA acquired the abandoned portions of a townhome project within the Holly Park urban renewal area with the intention to clean-up the abandoned areas and ready the land for sale. WEDA continues to maintain the property as a potential redevelopment site of approximately 5.7 acres. At December 31, 2011, the property was reported in the financial statements at the fair market value of \$850,000. WEDA also acquired approximately 90% of the approximately 105-acre Westminster Center Urban Reinvestment Project site. Demolition is in progress to ready the site for development; however, no redevelopment agreement has been finalized. At December 31, 2011, the properties were reported as property held for resale in the financial statements at the fair market value of \$25,050,523, which is less than cost.

The City acquired an approximate 295,000 square foot parcel of land in the South Westminster Transportation Oriented District. Roughly 168,000 square feet of the parcel will be used for the future development of a parking garage and street rights-of-way, while the balance will be sold at a later date. At December 31, 2011 the portion of the property held for resale was reported in the General Capital Improvement Fund at the prorated cost of \$366,000.

The City purchased a 40,000 square foot/.9183 acre parcel located at the southwest corner of 92nd Avenue and Lowell Boulevard which is intended to be sold at a later date for development purposes. At December 31, 2011, the land held for resale was reported as property held for resale in the financial statements of the General Fund at a cost of \$31,474.

S. Pollution Remediation

The State of Colorado, Department of Labor and Employment, Division of Oil and Public Safety recognizes the City of Westminster as the sole responsible party for the pollution remediation of a leak from underground gas storage tanks at the Municipal Service Center discovered in 1986. A feasibility study performed by a consultant estimated the value of recovery costs on January 1, 2008 at \$550,000 for the mobile enhanced fluid recovery remediation method selected by the City.

The consultant provided cost estimates based on well readings and current costs for monitoring, operations and maintenance, and site closure over a 13-15 year period. At December 31, 2011, the pollution remediation liability recorded was \$233,970. Changes in the cost elements are likely to occur as a result of new information and data collected. The cost estimation is between -30% and +50%.

T. Governmental Accounting Standards Board (GASB) Statement No. 54

For the year ended December 31, 2011, the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This standard, which applies only to governmental funds, clarifies definitions for

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

governmental fund types, establishes accounting and financial reporting standards for all governments that report governmental funds, and establishes criteria for categorizing fund balances into specifically defined classifications.

GASB 54 required the City to classify fund balance based on the extent to which the City is bound to honor constraints on how the funds can be spent and also clarified the definitions of governmental fund types, which resulted in a change in the activities reported in them. As a result of the change in fund type classifications, the revenues, expenditures, assets, liabilities, and fund balance of the City's Sales and Use Tax Fund have been combined with the General Fund and the beginning fund balance of these funds was retroactively restated by \$8,903,830.

Note 1.E. provides more detail on the new fund balance categories and basis for fund balance allocations.

U. Governmental Accounting Standards Board Statement No. 63

For the year ended December 31, 2011, the City adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 requires that the City record transactions that result in the consumption or acquisition of net assets that are applicable to future periods as deferred outflows and deferred inflows of resources. GASB 63 also changes the presentation of the Statement of Net Assets and governmental fund balance sheet to a statement of net position in order for separate presentation of the deferred outflows and inflows of resources from assets and liabilities. The City currently reports Deferred Outflows of Resources for the change in fair value of a derivative instrument associated with an effective hedge, as described in Note 2.I. Adoption of GASB 63 had no effect on beginning net assets/fund balance or change in net assets/fund balance.

V. Subsequent Events

On February 29, 2012, the Westminster Economic Development Authority (WEDA) purchased a department store at the Westminster Center Urban Reinvestment Project site with a combination of existing funds and a loan, for a total purchase price of \$4,200,000 plus closing costs. Under the terms of the Loan Agreement, the loan is collateralized by the properties purchased and two former department store properties. The loan term is for two years with interest-only payments made semi-annually at a rate of 2.96% per annum and a balloon principal payment of \$4.2 million, due February 28, 2014, plus accrued interest. Funding for the principal payment is anticipated to be paid from proceeds from the sale of the project site to a developer. The acquisition of this property is an integral part of the urban renewal redevelopment efforts.

The note of \$334,000 with the Colorado Rural Housing Development Corporation (CRHDC) was in default on December 31, 2011. On January 23, 2012, the Westminster Economic Development Authority Board authorized an amended repayment schedule with the CRHDC. The amended schedule increases the principal to \$355,513 for unpaid interest and principal due and provides for monthly principal and interest payments with a balloon payment on January 1, 2017. Prior to the approved amendment, WEDA expected to be paid the amount due of \$334,000 in 2012.

On April 8, 2010 the City signed a promissory note with the CHF Revolving Loan Fund (CHF) for the restoration of the Schoenberg Farm Historic Property in the amount of \$117,000 at a rate of 3.0% per Annum. The loan was not funded by CHF until January 13, 2012 and the City

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

received only \$112,724. Thus, a Note Allonge and Amendment to the Deed of Trust were executed on March 1, 2012 to recognize the new funding date, change in principal amount, and extension of the payment period through January 13, 2017.

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 4,190,000	\$ 4,190,000	\$ 4,302,300	\$ 112,300
Sales taxes	54,575,029	57,574,099	58,860,438	1,286,339
Use taxes	8,926,059	9,103,501	10,860,638	1,757,137
Business fees and other taxes	5,065,161	5,065,161	5,342,892	277,731
Accommodations taxes	715,000	715,000	726,303	11,303
Intergovernmental	5,957,454	6,254,351	6,605,636	351,285
Licenses and permits	1,336,000	1,428,382	1,824,264	395,882
Interest	676,834	676,834	330,309	(346,525)
Recreation fees	6,232,983	6,242,307	6,443,748	201,441
Fines and forfeits	2,334,000	2,334,000	2,250,390	(83,610)
Fleet maintenance billings and other	4,557,840	4,981,330	4,442,594	(538,736)
EMS billings	2,000,000	2,000,000	2,016,677	16,677
Total revenues	<u>96,566,360</u>	<u>100,564,965</u>	<u>104,006,189</u>	<u>3,441,224</u>
EXPENDITURES				
General government				
City council	181,225	181,225	140,422	40,803
City attorney's office	971,911	1,010,773	1,006,715	4,058
City manager's office	1,061,763	1,070,013	982,849	87,164
Central charges	25,016,330	28,422,354	27,059,977	1,362,377
General services	7,187,836	7,199,356	7,049,691	149,665
Finance	1,602,790	1,616,790	1,587,799	28,991
Public safety				
Police	19,175,550	19,602,530	19,244,733	357,797
Fire	11,145,977	11,316,874	11,256,997	59,877
Public works	3,302,642	3,296,980	3,280,134	16,846
Community development	7,143,896	7,143,896	6,888,990	254,906
Culture and recreation	13,831,506	13,855,939	13,047,644	808,295
Total expenditures	<u>90,621,426</u>	<u>94,716,730</u>	<u>91,545,951</u>	<u>3,170,779</u>
Excess of revenues over (under) expenditures	5,944,934	5,848,235	12,460,238	6,612,003
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	30,000	38,285	50,770	12,485
Transfers in	203,000	1,203,000	1,203,000	-
Transfers (out)	(5,916,000)	(15,485,094)	(14,537,747)	947,347
Total other financing sources (uses):	<u>(5,683,000)</u>	<u>(14,243,809)</u>	<u>(13,283,977)</u>	<u>959,832</u>
Net change in fund balance	261,934	(8,395,574)	(823,739)	7,571,835
Fund balance, beginning, before restatement	-	6,553,740	18,849,105	12,295,365
Adjustment for accounting change	-	1,841,834	8,903,830	7,061,996
Fund balance, beginning, as restated	(261,934)	8,395,574	27,752,935	19,357,361
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,929,196</u>	<u>\$ 26,929,196</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property tax increment	\$ 8,777,465	\$ 8,777,465	\$ 8,797,945	\$ 20,480
Sales tax increment	1,322,760	1,322,760	1,687,520	364,760
Intergovernmental	65,000	65,000	59,000	(6,000)
Interest	61,858	190,849	133,782	(57,067)
Rentals	-	521,578	569,867	48,289
Other	-	300,000	266,262	(33,738)
Total revenues	<u>10,227,083</u>	<u>11,177,652</u>	<u>11,514,376</u>	<u>336,724</u>
EXPENDITURES				
Current:				
General government	2,066,739	23,990,238	1,626,075	22,364,163
Capital projects	20,633,300	7,000,669	1,754,918	5,245,751
Debt service:				
Principal	4,250,000	7,750,000	7,750,000	-
Interest and fiscal charges	5,118,279	5,128,636	3,822,478	1,306,158
Total expenditures	<u>32,068,318</u>	<u>43,869,543</u>	<u>14,953,471</u>	<u>28,916,072</u>
Excess of revenues over (under) expenditures	<u>(21,841,235)</u>	<u>(32,691,891)</u>	<u>(3,439,095)</u>	<u>29,252,796</u>
OTHER FINANCING SOURCES (USES)				
Issuance of notes	-	3,500,000	3,500,000	-
Transfers in	-	7,497,134	7,672,134	175,000
Transfers (out)	-	(1,000,000)	(1,000,000)	-
Total other financing sources (uses):	<u>-</u>	<u>9,997,134</u>	<u>10,172,134</u>	<u>175,000</u>
Net change in fund balance	(21,841,235)	(22,694,757)	6,733,039	29,427,796
Fund balance, beginning	41,954,428	42,807,950	47,313,582	4,505,632
Fund balance, ending	<u>\$ 20,113,193</u>	<u>\$ 20,113,193</u>	<u>\$ 54,046,621</u>	<u>\$ 33,933,428</u>

CITY OF WESTMINSTER, COLORADO
Schedules of Funding Progress
December 31, 2011

Retiree Health Program

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2007 (a)	\$ -	\$ 3,198,000	\$ 3,198,000	0%	\$ 48,655,116	6.6%
1/1/2009	-	4,000,000	4,000,000	0%	52,697,614	7.6%
1/1/2011	-	2,402,366	2,402,366	0%	51,742,297	4.6%

(a) GASB 45 was implemented as of January 1, 2007; therefore, actuarial information on the Retiree Health Program is not available prior to that date

Volunteer Firefighter Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age Actuarial Cost Method	Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2005	2,910,768	2,259,116	651,652	128.80%	(a)	NA
1/1/2007	3,213,932	2,100,669	1,113,263	153.00%	(a)	NA
1/1/2009	2,710,097	1,975,712	734,385	137.00%	(a)	NA
1/1/2011	2,594,924	1,855,408	739,516	140.00%	(a)	NA

(a) Volunteer firefighters are not paid; therefore comparison of the over-funded actuarial accrued liability to covered payroll is not applicable.

**CITY OF WESTMINSTER, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2011**

Budgetary Information

A biennial city budget is legally adopted according to applicable generally accepted accounting principles for each fund type, except for the Investigation Recovery Special Revenue Fund, Volunteer Firefighter Pension Fund, internal service self-insurance funds, and capital projects funds. Appropriations lapse at year end for legally adopted operating budgets.

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

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

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

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

See the disclosure on Construction and Other Significant Commitments, page 57 for detail on the continuing appropriations for capital project and project length budgets.

NONMAJOR FUNDS
Governmental Activities Funds
Special Revenue Funds

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

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

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

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

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

Promenade Parking General Improvement District Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of a parking garage within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

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

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

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

Investigation Recovery Fund - accounts for proceeds from police seizures, forfeitures and restitutions. Spending is restricted by both Federal and State law to Police Department equipment, commodities, and/or training needs above budgeted amounts.

Debt Service Funds

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

- a) 2001 Sales and Use Tax Revenue Refunding Bonds of \$13,275,000 originally issued; \$1,765,000 remaining after 2010 refunding, due in annual installments through December 1, 2021; interest at 4.25 to 5.0 percent. Financing is provided by the City's 3 percent sales and use tax.
- b) 2002 Sales and Use Tax Revenue Bonds of \$15,090,000 originally issued; \$745,000 remaining after 2010 refunding, due in annual installments through December 1, 2012, interest at 4.0 percent. Financing is provided by the City's 3 percent sales and use tax.
- c) 2007A Sales and Use Tax Revenue Refunding Bonds of \$10,715,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.5 percent. Financing is provided by the City's 3 percent sales and use tax.
- d) 2007B Special Purpose Sales and Use Tax Revenue Refunding Bonds of \$13,680,000 due in annual installments through December 1, 2016, interest at 4.0 to 5.5 percent. Financing is provided by the City's .25 percent open space sales and use tax.
- e) 2007C Sales and Use Tax Revenue Refunding Bonds of \$10,910,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.25 percent. Financing is provided by the City's 3 percent sales and use tax.
- f) 2007D Special Purpose Sales and Use Tax Revenue Bonds of \$20,000,000 due in annual installments through December 1, 2031, interest at 4.0 to 5.0 percent. Financing is provided by the City's .25% percent open space sales and use tax.
- g) 2010 Sales and Use Tax Revenue Refunding Bonds of \$10,545,000 in annual installments through December 1, 2022; interest at 2.13 to 5.0 percent. Financing is provided by the City's 3 percent sales and use tax.

Capital Projects Funds

Community Development Block Grant Fund - accounts for monies received from the Federal government through Community Development Block Grant entitlements. Funds are used to finance low income and senior housing. Additional financing is provided by General Fund revenues and investment earnings.

Internal Service Funds

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

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

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

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

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**CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Special Revenue Funds					
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID	Orchard Park Place GID	Promenade Parking GID
ASSETS						
Cash and cash equivalents	\$ 327,500	\$ 162,653	\$ 43,229	\$ 1,744	\$ 164	\$ 75
Investments	1,587,705	788,533	209,570	8,454	793	363
Receivables:						
Taxes	546,201	100,748	62,839	11,676	148	146
Accounts	-	487	297	1,106	22	-
Grants	400,000	-	-	-	-	-
Interest	9,029	4,514	1,195	66	-	-
Due from other funds	162,389	-	-	-	-	-
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents with fiscal agent	127,921	-	-	-	-	-
Investments	-	-	-	-	-	-
Investments with fiscal agent	548,910	-	-	-	-	-
Total assets	<u>\$ 3,709,655</u>	<u>\$ 1,056,935</u>	<u>\$ 317,130</u>	<u>\$ 23,046</u>	<u>\$ 1,127</u>	<u>\$ 584</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other	\$ 58,851	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	5,153	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Loans from other funds	425,000	-	-	-	-	-
Deferred revenue	400,000	100,748	62,839	11,676	148	146
Total liabilities	<u>889,004</u>	<u>100,748</u>	<u>62,839</u>	<u>11,676</u>	<u>148</u>	<u>146</u>
Fund balances:						
Restricted for:						
Capital additions and improvements	-	952,555	252,207	-	513	-
Contractual obligations	-	-	-	4,026	436	433
Emergencies	-	3,632	2,084	7,344	30	5
Open space conservation and improvements	2,748,988	-	-	-	-	-
Public safety	-	-	-	-	-	-
Assigned to:						
Community development	71,663	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,820,651</u>	<u>956,187</u>	<u>254,291</u>	<u>11,370</u>	<u>979</u>	<u>438</u>
Total liabilities and fund balances	<u>\$ 3,709,655</u>	<u>\$ 1,056,935</u>	<u>\$ 317,130</u>	<u>\$ 23,046</u>	<u>\$ 1,127</u>	<u>\$ 584</u>

				Total Special Revenue Funds	Debt Service Fund Debt Service	Capital Project Fund Community Development Block Grant	Total Other Governmental Funds
Mandalay Town Center GID	144th Avenue GID	Conservation Trust	Investigation Recovery				
\$ 965	\$ 653	\$ -	\$ 8,423	\$ 545,406	\$ 267,062	\$ -	\$ 812,468
4,676	3,164	-	40,832	2,644,090	-	-	2,644,090
25,322	29,406	-	-	776,486	-	-	776,486
3,329	2,764	-	-	8,005	-	-	8,005
-	-	-	-	400,000	-	77,601	477,601
-	-	8,165	266	23,235	1,261	-	24,496
-	-	-	-	162,389	-	-	162,389
-	-	292,699	-	292,699	-	-	292,699
-	-	-	-	127,921	-	-	127,921
-	-	1,418,994	-	1,418,994	-	-	1,418,994
-	-	-	-	548,910	-	-	548,910
<u>\$ 34,292</u>	<u>\$ 35,987</u>	<u>\$ 1,719,858</u>	<u>\$ 49,521</u>	<u>\$ 6,948,135</u>	<u>\$ 268,323</u>	<u>\$ 77,601</u>	<u>\$ 7,294,059</u>
\$ -	\$ -	\$ 367,065	\$ 19,538	\$ 445,454	\$ 1,298	\$ 45,899	\$ 492,651
-	-	-	-	5,153	-	2,949	8,102
-	-	-	-	-	-	28,752	28,752
-	-	-	-	425,000	-	-	425,000
<u>25,322</u>	<u>29,406</u>	<u>-</u>	<u>-</u>	<u>630,285</u>	<u>-</u>	<u>48,860</u>	<u>679,145</u>
<u>25,322</u>	<u>29,406</u>	<u>367,065</u>	<u>19,538</u>	<u>1,505,892</u>	<u>1,298</u>	<u>126,460</u>	<u>1,633,650</u>
-	-	1,352,793	-	2,558,068	-	-	2,558,068
6,871	4,545	-	-	16,311	-	-	16,311
2,099	2,036	-	-	17,230	-	-	17,230
-	-	-	-	2,748,988	-	-	2,748,988
-	-	-	29,983	29,983	-	-	29,983
-	-	-	-	71,663	-	-	71,663
-	-	-	-	-	267,025	-	267,025
-	-	-	-	-	-	(48,859)	(48,859)
<u>8,970</u>	<u>6,581</u>	<u>1,352,793</u>	<u>29,983</u>	<u>5,442,243</u>	<u>267,025</u>	<u>(48,859)</u>	<u>5,660,409</u>
<u>\$ 34,292</u>	<u>\$ 35,987</u>	<u>\$ 1,719,858</u>	<u>\$ 49,521</u>	<u>\$ 6,948,135</u>	<u>\$ 268,323</u>	<u>\$ 77,601</u>	<u>\$ 7,294,059</u>

CITY OF WESTMINSTER, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds					
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID	Orchard Park Place GID	Promenade Parking GID
REVENUES						
Property taxes	\$ -	\$ 101,087	\$ 61,836	\$ 12,418	\$ 693	\$ 159
Sales taxes	4,198,148	-	-	-	-	-
Use taxes	753,830	-	-	-	-	-
Intergovernmental	2,620,335	6,475	3,956	232,131	292	-
Assessments	-	-	-	-	-	-
Interest	32,291	13,505	3,663	241	6	-
Fines and forfeits	-	-	-	-	-	-
Other	42,829	-	-	-	-	-
Total revenues	<u>7,647,433</u>	<u>121,067</u>	<u>69,455</u>	<u>244,790</u>	<u>991</u>	<u>159</u>
					-	
EXPENDITURES						
Current:						
General government	-	25,945	30,880	244,635	12	157
Public safety	-	-	-	-	-	-
Community development	2,059,509	-	-	-	-	-
Capital projects	925,654	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	21,073	-	-	-	-	-
Total expenditures	<u>3,006,236</u>	<u>25,945</u>	<u>30,880</u>	<u>244,635</u>	<u>12</u>	<u>157</u>
Excess of revenues over (under) expenditures	<u>4,641,197</u>	<u>95,122</u>	<u>38,575</u>	<u>155</u>	<u>979</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)					-	
Transfers in	421,760	-	-	-	-	-
Transfers (out)	(4,300,888)	-	-	-	-	-
Total other financing sources (uses):	<u>(3,879,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	762,069	95,122	38,575	155	979	2
Fund balances - beginning	2,058,582	861,065	215,716	11,215	-	436
Fund balances - ending	<u>\$ 2,820,651</u>	<u>\$ 956,187</u>	<u>\$ 254,291</u>	<u>\$ 11,370</u>	<u>\$ 979</u>	<u>\$ 438</u>

Mandalay Town Center GID	144th Ave GID	Conservation Trust	Investigation Recovery	Total Special Revenue Funds	Debt Service	Capital Project	Total Other Governmental Funds
					Fund	Fund	
					Debt Service	Community Development Block Grant	
\$ 27,251	\$ 30,810	\$ -	\$ -	\$ 234,254	\$ -	\$ -	\$ 234,254
-	-	-	-	4,198,148	-	-	4,198,148
-	-	-	-	753,830	-	-	753,830
42,336	36,784	725,001	-	3,667,310	234,449	578,869	4,480,628
-	-	-	-	-	2,000	-	2,000
389	269	23,965	627	74,956	45,879	-	120,835
-	-	-	1,492	1,492	-	-	1,492
-	-	-	-	42,829	-	1	42,830
<u>69,976</u>	<u>67,863</u>	<u>748,966</u>	<u>2,119</u>	<u>8,972,819</u>	<u>282,328</u>	<u>578,870</u>	<u>9,834,017</u>
69,409	68,462	-	-	439,500	-	-	439,500
-	-	-	19,688	19,688	-	-	19,688
-	-	-	-	2,059,509	-	-	2,059,509
-	-	588,217	-	1,513,871	-	588,583	2,102,454
-	-	-	-	-	4,835,000	-	4,835,000
-	-	-	-	21,073	2,741,130	-	2,762,203
<u>69,409</u>	<u>68,462</u>	<u>588,217</u>	<u>19,688</u>	<u>4,053,641</u>	<u>7,576,130</u>	<u>588,583</u>	<u>12,218,354</u>
<u>567</u>	<u>(599)</u>	<u>160,749</u>	<u>(17,569)</u>	<u>4,919,178</u>	<u>(7,293,802)</u>	<u>(9,713)</u>	<u>(2,384,337)</u>
-	-	-	-	421,760	7,338,153	-	7,759,913
-	-	-	-	(4,300,888)	-	(120,498)	(4,421,386)
-	-	-	-	(3,879,128)	7,338,153	(120,498)	3,338,527
567	(599)	160,749	(17,569)	1,040,050	44,351	(130,211)	954,190
8,403	7,180	1,192,044	47,552	4,402,193	222,674	81,352	4,706,219
<u>\$ 8,970</u>	<u>\$ 6,581</u>	<u>\$ 1,352,793</u>	<u>\$ 29,983</u>	<u>\$ 5,442,243</u>	<u>\$ 267,025</u>	<u>\$ (48,859)</u>	<u>\$ 5,660,409</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Sales taxes	4,305,435	4,305,435	4,198,148	(107,287)
Use taxes	623,712	629,918	753,830	123,912
Intergovernmental	-	1,255,187	2,620,335	1,365,148
Interest	45,000	45,000	32,291	(12,709)
Other	92,337	92,337	42,829	(49,508)
Total revenues	<u>5,066,484</u>	<u>6,327,877</u>	<u>7,647,433</u>	<u>1,319,556</u>
EXPENDITURES				
Current:				
Community development	995,596	2,425,739	2,059,509	366,230
Capital projects	1,764,518	1,764,518	925,654	838,864
Interest and fiscal charges	-	21,250	21,073	177
Total expenditures	<u>2,760,114</u>	<u>4,211,507</u>	<u>3,006,236</u>	<u>1,205,271</u>
Excess of revenues over (under) expenditures	<u>2,306,370</u>	<u>2,116,370</u>	<u>4,641,197</u>	<u>2,524,827</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	230,000	421,760	421,760	-
Transfers (out)	(4,300,888)	(4,300,888)	(4,300,888)	-
Total other financing sources (uses):	<u>(4,070,888)</u>	<u>(3,879,128)</u>	<u>(3,879,128)</u>	<u>-</u>
Net change in fund balance	(1,764,518)	(1,762,758)	762,069	2,524,827
Fund balance, beginning	1,764,518	1,762,758	2,058,582	295,824
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,820,651</u>	<u>\$ 2,820,651</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 101,000	\$ 101,000	\$ 101,087	\$ 87
Intergovernmental	6,810	6,810	6,475	(335)
Interest	20,550	20,550	13,505	(7,045)
Total revenues	<u>128,360</u>	<u>128,360</u>	<u>121,067</u>	<u>(7,293)</u>
EXPENDITURES				
Current:				
General government	63,488	63,488	25,945	37,543
Total expenditures	<u>63,488</u>	<u>63,488</u>	<u>25,945</u>	<u>37,543</u>
Net change in fund balance	64,872	64,872	95,122	30,250
Fund balance, beginning	870,776	870,776	861,065	(9,711)
Fund balance, ending	<u>\$ 935,648</u>	<u>\$ 935,648</u>	<u>\$ 956,187</u>	<u>\$ 20,539</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 AMHERST GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 61,660	\$ 61,660	\$ 61,836	\$ 176
Intergovernmental	4,000	4,000	3,956	(44)
Interest	4,546	4,546	3,663	(883)
Total revenues	<u>70,206</u>	<u>70,206</u>	<u>69,455</u>	<u>(751)</u>
EXPENDITURES				
Current:				
General government	63,925	63,925	30,880	33,045
Total expenditures	<u>63,925</u>	<u>63,925</u>	<u>30,880</u>	<u>33,045</u>
Net change in fund balance	6,281	6,281	38,575	32,294
Fund balance, beginning	216,467	216,467	215,716	(751)
Fund balance, ending	<u>\$ 222,748</u>	<u>\$ 222,748</u>	<u>\$ 254,291</u>	<u>\$ 31,543</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
136TH AVENUE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 12,325	\$ 12,325	\$ 12,418	\$ 93
Intergovernmental	232,010	232,010	232,131	121
Interest	300	300	241	(59)
Total revenues	<u>244,635</u>	<u>244,635</u>	<u>244,790</u>	<u>155</u>
EXPENDITURES				
Current:				
General government	244,635	244,635	244,635	-
Total expenditures	<u>244,635</u>	<u>244,635</u>	<u>244,635</u>	<u>-</u>
Net change in fund balance	-	-	155	155
Fund balance, beginning	8,786	8,786	11,215	2,429
Fund balance, ending	<u>\$ 8,786</u>	<u>\$ 8,786</u>	<u>\$ 11,370</u>	<u>\$ 2,584</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 ORCHARD PARK PLACE GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 3	\$ 3	\$ 693	\$ 690
Intergovernmental	-	15	292	277
Interest	-	-	6	6
Total revenues	<u>3</u>	<u>18</u>	<u>991</u>	<u>973</u>
EXPENDITURES				
General government	<u>3</u>	<u>18</u>	<u>12</u>	<u>6</u>
Total expenditures	<u>3</u>	<u>18</u>	<u>12</u>	<u>6</u>
Net change in fund balance	-	-	979	979
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 979</u>	<u>\$ 979</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PROMENADE PARKING GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 157	\$ 157	\$ 159	\$ 2
Total revenues	<u>157</u>	<u>157</u>	<u>159</u>	<u>2</u>
EXPENDITURES				
Current:				
General government	<u>157</u>	<u>157</u>	<u>157</u>	<u>-</u>
Total expenditures	<u>157</u>	<u>157</u>	<u>157</u>	<u>-</u>
Net change in fund balance	-	-	2	2
Fund balance, beginning	436	436	436	-
Fund balance, ending	<u>\$ 436</u>	<u>\$ 436</u>	<u>\$ 438</u>	<u>\$ 2</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 28,271	\$ 28,271	\$ 27,251	\$ (1,020)
Intergovernmental	42,000	42,000	42,336	336
Interest	186	186	389	203
Total revenues	<u>70,457</u>	<u>70,457</u>	<u>69,976</u>	<u>(481)</u>
EXPENDITURES				
Current:				
General government	75,424	75,424	69,409	6,015
Total expenditures	<u>75,424</u>	<u>75,424</u>	<u>69,409</u>	<u>6,015</u>
Net change in fund balance	(4,967)	(4,967)	567	5,534
Fund balance, beginning	8,870	8,870	8,403	(467)
Fund balance, ending	<u>\$ 3,903</u>	<u>\$ 3,903</u>	<u>\$ 8,970</u>	<u>\$ 5,067</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 144th AVENUE GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 30,794	\$ 30,794	\$ 30,810	\$ 16
Intergovernmental	37,181	37,181	36,784	(397)
Interest	450	450	269	(181)
Total revenues	<u>68,425</u>	<u>68,425</u>	<u>67,863</u>	<u>(562)</u>
EXPENDITURES				
Current:				
General government	68,462	68,462	68,462	-
Total expenditures	<u>68,462</u>	<u>68,462</u>	<u>68,462</u>	<u>-</u>
Net change in fund balance	(37)	(37)	(599)	(562)
Fund balance, beginning	2,839	2,839	7,180	4,341
Fund balance, ending	<u>\$ 2,802</u>	<u>\$ 2,802</u>	<u>\$ 6,581</u>	<u>\$ 3,779</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	625,000	625,000	725,001	100,001
Interest	-	-	23,965	23,965
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>748,966</u>	<u>123,966</u>
EXPENDITURES				
Current:				
Capital projects	1,645,078	1,801,322	588,217	1,213,105
Total expenditures	<u>1,645,078</u>	<u>1,801,322</u>	<u>588,217</u>	<u>1,213,105</u>
Net change in fund balance	(1,020,078)	(1,176,322)	160,749	1,337,071
Fund balance, beginning	1,020,078	1,176,322	1,192,044	15,722
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,352,793</u>	<u>\$ 1,352,793</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	245,000	245,000	234,449	(10,551)
Assessments	-	-	2,000	2,000
Interest	75,000	75,000	45,879	(29,121)
Total revenues	<u>320,000</u>	<u>320,000</u>	<u>282,328</u>	<u>(37,672)</u>
EXPENDITURES				
Debt service:				
Principal	4,835,000	4,835,000	4,835,000	-
Interest and fiscal charges	2,744,235	2,744,235	2,741,130	3,105
Total expenditures	<u>7,579,235</u>	<u>7,579,235</u>	<u>7,576,130</u>	<u>3,105</u>
Excess of revenues over (under) expenditures	<u>(7,259,235)</u>	<u>(7,259,235)</u>	<u>(7,293,802)</u>	<u>(34,567)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,338,153	7,338,153	7,338,153	-
Total other financing sources (uses):	<u>7,338,153</u>	<u>7,338,153</u>	<u>7,338,153</u>	<u>-</u>
Net change in fund balance	78,918	78,918	44,351	(34,567)
Fund balance, beginning	-	-	222,674	222,674
Fund balance, ending	<u>\$ 78,918</u>	<u>\$ 78,918</u>	<u>\$ 267,025</u>	<u>\$ 188,107</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 45,640,344	\$ 45,640,344	\$ 43,805,526	\$ (1,834,818)
Other	500,000	500,000	422,180	(77,820)
Total operating revenues	<u>46,140,344</u>	<u>46,140,344</u>	<u>44,227,706</u>	<u>(1,912,638)</u>
Operating expenses				
Personnel services	15,001,536	15,008,284	14,335,967	672,317
Contractual services	12,163,784	12,113,633	10,812,156	1,301,477
Commodities	2,151,146	2,196,227	1,780,262	415,965
Capital expense	48,562,600	48,628,840	17,895,379	30,733,461
Insurance and other expenses	-	-	9,436	(9,436)
Total operating expenses	<u>77,879,066</u>	<u>77,946,984</u>	<u>44,833,200</u>	<u>33,113,784</u>
Operating income (loss)	<u>(31,738,722)</u>	<u>(31,806,640)</u>	<u>(605,494)</u>	<u>31,201,146</u>
Nonoperating revenues (expenses)				
Income on investments	1,691,272	1,725,987	867,042	(858,945)
Debt service	(7,222,079)	(7,256,794)	(7,212,939)	43,855
Disposition of assets	-	-	65,994	65,994
Other	-	-	517,259	517,259
Total nonoperating revenues (expenses)	<u>(5,530,807)</u>	<u>(5,530,807)</u>	<u>(5,762,644)</u>	<u>(231,837)</u>
Income (loss) before contributions and transfers	<u>(37,269,529)</u>	<u>(37,337,447)</u>	<u>(6,368,138)</u>	<u>30,969,309</u>
Capital contributions	3,700,000	3,700,000	7,197,041	3,497,041
Transfers in	604,995	604,995	4,326,472	3,721,477
Transfers (out)	(604,995)	(4,326,472)	(4,544,472)	(218,000)
Change in net position	<u>\$ (33,569,529)</u>	<u>\$ (37,358,924)</u>	<u>610,903</u>	<u>\$ 37,969,827</u>
Adjustments to GAAP basis				
Debt				
Principal payments			4,200,279	
Amortization of prepaid bond sale expense			(232,871)	
Amortization of premiums and discounts			90,216	
Accrued interest adjustment			13,092	
Capital assets				
Acquisitions			16,285,659	
Net book value of disposals			(32,127)	
Capital contributions			310,000	
Depreciation			(12,296,290)	
Inventories				
General leave accrual			(21,103)	
Change in net position, GAAP basis			<u>\$ 9,165,416</u>	

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Operating revenues				
Charges for services	\$ 2,949,625	\$ 2,949,625	\$ 2,679,508	\$ (270,117)
Other	-	-	308	308
Total operating revenues	<u>2,949,625</u>	<u>2,949,625</u>	<u>2,679,816</u>	<u>(269,809)</u>
Operating Expenses				
Personnel services	1,603,586	1,589,836	1,489,133	100,703
Contractual services	1,339,258	1,329,058	1,263,634	65,424
Commodities	482,855	503,355	432,518	70,837
Capital expense	9,720	13,170	9,527	3,643
Total operating expenses	<u>3,435,419</u>	<u>3,435,419</u>	<u>3,194,812</u>	<u>240,607</u>
Operating income (loss)	<u>(485,794)</u>	<u>(485,794)</u>	<u>(514,996)</u>	<u>(29,202)</u>
Nonoperating revenues (expenses)				
Income on investments	-	-	32,168	32,168
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>32,168</u>	<u>32,168</u>
Income (loss) before transfers	(485,794)	(485,794)	(482,828)	2,966
Transfers in	485,794	485,794	485,794	-
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>2,966</u>	<u>\$ 2,966</u>
Adjustments to GAAP basis				
Debt				
Principal payments			455,072	
Amortization of prepaid bond sale expense			(8,438)	
Amortization of premiums and discounts			4,825	
Accrued interest adjustment			3,166	
Capital assets				
Capital contributions			82,412	
Depreciation			(538,527)	
Inventories			(57,743)	
General leave accrual			647	
Change in net position, GAAP basis			<u>\$ (55,620)</u>	

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Operating revenues				
Charges for services	\$ 929,801	\$ 929,801	\$ 944,445	\$ 14,644
Rentals	-	-	472	472
Total operating revenues	<u>929,801</u>	<u>929,801</u>	<u>944,917</u>	<u>15,116</u>
Operating expenses				
Personnel services	161,300	161,300	164,322	(3,022)
Contractual services	209,074	209,074	194,732	14,342
Commodities	168,828	168,828	177,502	(8,674)
Insurance and other expenses	28,488	28,488	26,250	2,238
Total operating expenses	<u>567,690</u>	<u>567,690</u>	<u>562,806</u>	<u>4,884</u>
Operating income (loss)	<u>362,111</u>	<u>362,111</u>	<u>382,111</u>	<u>20,000</u>
Nonoperating revenues (expenses)				
Income on investments	1,493	1,493	2,459	966
Debt service	(292,790)	(292,790)	(271,667)	21,123
Other	(906)	(906)	(906)	-
Total nonoperating revenues (expenses)	<u>(292,203)</u>	<u>(292,203)</u>	<u>(270,114)</u>	<u>22,089</u>
Change in net position	<u>\$ 69,908</u>	<u>\$ 69,908</u>	<u>111,997</u>	<u>\$ 42,089</u>
Adjustments to GAAP basis				
Debt				
Principal payments			195,327	
Accrued interest adjustment			(8,762)	
Capital assets				
Depreciation			(143,877)	
Change in net position, GAAP basis			<u>\$ 154,685</u>	

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011

	Governmental Activities				Total
	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
ASSETS					
Current assets:					
Cash and cash equivalents	875,117	716,337	639,077	618,724	2,849,255
Cash and cash equivalents with fiscal agent	140,717	-	-	-	140,717
Investments	4,242,527	3,472,771	3,098,215	2,999,545	13,813,058
Receivables:					
Accounts	-	40,863	-	-	40,863
Interest	23,898	20,048	17,857	17,127	78,930
Prepaid items	-	7,378	20,758	124,300	152,436
Total current assets	<u>5,282,259</u>	<u>4,257,397</u>	<u>3,775,907</u>	<u>3,759,696</u>	<u>17,075,259</u>
Noncurrent assets:					
Capital assets:					
Depreciable assets, net	-	-	-	6,784,649	6,784,649
Total assets	<u>5,282,259</u>	<u>4,257,397</u>	<u>3,775,907</u>	<u>10,544,345</u>	<u>23,859,908</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	169,913	38,858	39,717	288,045	536,533
Accrued liabilities	3,196	-	5,426	-	8,622
Lease payable, current portion	-	-	-	428,983	428,983
Other liabilities, current portion	-	-	2,357	-	2,357
Accrued interest	-	-	-	11,739	11,739
Estimated claims	383,617	285,719	80,673	-	750,009
Total current liabilities	<u>556,726</u>	<u>324,577</u>	<u>128,173</u>	<u>728,767</u>	<u>1,738,243</u>
Noncurrent liabilities:					
Leases payable	-	-	-	1,504,396	1,504,396
Other liabilities payable	18,713	-	4,775	-	23,488
Total noncurrent liabilities	<u>18,713</u>	<u>-</u>	<u>4,775</u>	<u>1,504,396</u>	<u>1,527,884</u>
Total liabilities	<u>575,439</u>	<u>324,577</u>	<u>132,948</u>	<u>2,233,163</u>	<u>3,266,127</u>
NET POSITION					
Net investment in capital assets	-	-	-	4,563,226	4,563,226
Unrestricted	4,706,820	3,932,820	3,642,959	3,747,956	16,030,555
Total net position	<u>\$ 4,706,820</u>	<u>\$ 3,932,820</u>	<u>\$ 3,642,959</u>	<u>\$ 8,311,182</u>	<u>\$ 20,593,781</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Operating revenues					
Charges for services	\$ 11,134,512	\$ 1,045,464	\$ 1,313,488	\$ 1,668,704	\$ 15,162,168
Total operating revenues	<u>11,134,512</u>	<u>1,045,464</u>	<u>1,313,488</u>	<u>1,668,704</u>	<u>15,162,168</u>
Operating expenses					
Personnel services	91,934	1,263	152,915	-	246,112
Contractual services	850,433	94,414	460,236	-	1,405,083
Commodities	-	4,768	1,848	-	6,616
Capital expense	-	-	-	205,501	205,501
Insurance and other expenses	9,061,719	288,181	423,208	-	9,773,108
Depreciation	-	-	-	1,181,696	1,181,696
Total operating expenses	<u>10,004,086</u>	<u>388,626</u>	<u>1,038,207</u>	<u>1,387,197</u>	<u>12,818,116</u>
Operating income	<u>1,130,426</u>	<u>656,838</u>	<u>275,281</u>	<u>281,507</u>	<u>2,344,052</u>
Nonoperating revenues (expenses)					
Income on investments	73,603	58,016	51,605	54,800	238,024
Interest expense	-	-	-	(54,946)	(54,946)
Gain (loss) on disposition of capital assets	-	-	-	141,758	141,758
(expenses)	<u>73,603</u>	<u>58,016</u>	<u>51,605</u>	<u>141,612</u>	<u>324,836</u>
Income before contributions and transfers	1,204,029	714,854	326,886	423,119	2,668,888
Capital contributions	-	-	-	101,591	101,591
Change in net position	1,204,029	714,854	326,886	524,710	2,770,479
Net position - beginning	3,502,791	3,217,966	3,316,073	7,786,472	17,823,302
Net position - ending	<u>\$ 4,706,820</u>	<u>\$ 3,932,820</u>	<u>\$ 3,642,959</u>	<u>\$ 8,311,182</u>	<u>\$ 20,593,781</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Governmental Activities				Total
	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Cash flows from operating activities:					
Cash received from customers	\$ 11,134,512	\$ 44,546	\$ 123,587	\$ 1,689,546	\$ 12,992,191
Cash payments to employees for services	(90,761)	(1,263)	(149,430)	-	(241,454)
Cash payments to suppliers for goods and services	(10,132,509)	(837,594)	(914,123)	(329,801)	(12,214,027)
Payments from other funds	-	960,055	1,220,715	-	2,180,770
Net cash provided by (used in) operating activities	<u>911,242</u>	<u>165,744</u>	<u>280,749</u>	<u>1,359,745</u>	<u>2,717,480</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(324,615)	(324,615)
Interest paid on long term debt	-	-	-	(54,582)	(54,582)
Acquisition and construction of capital assets	-	-	-	(786,698)	(786,698)
Proceeds from sale of capital assets	-	-	-	167,920	167,920
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(997,975)</u>	<u>(997,975)</u>
Cash flow from investing activities:					
Sale of investments	(1,313,392)	(674,085)	(693,688)	(731,004)	(3,412,169)
Interest received on investments	71,130	62,395	53,809	49,265	236,599
Net cash used in investing activities	<u>(1,242,262)</u>	<u>(611,690)</u>	<u>(639,879)</u>	<u>(681,739)</u>	<u>(3,175,570)</u>
Net decrease in cash and cash equivalents	(331,020)	(445,946)	(359,130)	(319,969)	(1,456,065)
Cash and cash equivalents - beginning of year	<u>1,346,854</u>	<u>1,162,283</u>	<u>998,207</u>	<u>938,693</u>	<u>4,446,037</u>
Cash and cash equivalents - end of year	<u>\$ 1,015,834</u>	<u>\$ 716,337</u>	<u>\$ 639,077</u>	<u>\$ 618,724</u>	<u>\$ 2,989,972</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income	\$ 1,130,426	\$ 656,838	\$ 275,281	\$ 281,507	\$ 2,344,052
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	1,181,696	1,181,696
(Increase) decrease in accounts receivable	-	(40,863)	30,814	20,842	10,793
(Increase) decrease in inventories	-	(7,379)	2,827	(124,300)	(128,852)
Increase (decrease) in accounts payable and other	81,522	(26,619)	5,182	-	60,085
Increase in accrued liabilities	1,173	-	3,486	-	4,659
Increase (decrease) in estimated claims	(301,879)	(416,233)	(36,841)	-	(754,953)
Total adjustments	<u>(219,184)</u>	<u>(491,094)</u>	<u>5,468</u>	<u>1,078,238</u>	<u>373,428</u>
Net cash provided by (used in) operating activities	<u>\$ 911,242</u>	<u>\$ 165,744</u>	<u>\$ 280,749</u>	<u>\$ 1,359,745</u>	<u>\$ 2,717,480</u>

Non-cash investing, capital, and financing activities:

- The unrecognized gain (loss) recorded to value the non-cash investments of the City's internal service funds to fair market value was \$8,493
- Capital assets contributed from governmental activities to the General Capital Outlay Replacement Internal Service Fund totaled \$101,591
- A lease payable in the amount of \$683,383 was entered into for the purchase of an asset; payments will commence in 2012
- Accrued interest increased for the General Capital Outlay Replacement Internal Service Fund by \$365
- Accounts payable used to acquire capital assets increased by \$288,045 for the General Capital Outlay Replacement Internal Service Fund

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL OUTLAY REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,209,838	\$ 1,289,507	\$ 1,668,704	\$ 379,197
Total operating revenues	<u>1,209,838</u>	<u>1,289,507</u>	<u>1,668,704</u>	<u>379,197</u>
Operating expenses				
Capital expense	4,305,459	5,201,546	992,199	4,209,347
Total operating expenses	<u>4,305,459</u>	<u>5,201,546</u>	<u>992,199</u>	<u>4,209,347</u>
Operating income (loss)	<u>(3,095,621)</u>	<u>(3,912,039)</u>	<u>676,505</u>	<u>4,588,544</u>
Nonoperating revenues (expenses)				
Income on investments	-	4,084	54,800	50,716
Debt service	-	-	(379,925)	(379,925)
Disposition of assets	-	-	167,920	167,920
Issuance of debt	-	683,383	683,383	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>687,467</u>	<u>526,178</u>	<u>(161,289)</u>
Change in net position	<u>\$ (3,095,621)</u>	<u>\$ (3,224,572)</u>	<u>1,202,683</u>	<u>\$ 4,427,255</u>
Adjustments to GAAP basis				
Debt				
Principal payments			324,615	
Issuance of leases			(683,383)	
Accrued interest adjustment			364	
Capital assets				
Acquisitions			786,698	
Net book value of disposals			(26,162)	
Capital contributions			101,591	
Depreciation			<u>(1,181,696)</u>	
Change in net position, GAAP basis			<u>\$ 524,710</u>	

STATISTICAL SECTION (Unaudited)

Table

Financial Trends Information

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

Net Position by Component	1
Changes in Net Position	2
Fund Balance of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4

Revenue Capacity Information

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

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

Debt Capacity Information

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

Ratios of Outstanding Debt by Type	8
Direct and Overlapping Governmental Activities Debt	9
Legal Debt Margin Information	10
Pledged Revenue Coverage	11

Demographic and Economic Information

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

Demographic and Economic Statistics	12
Principal Employers	13

Operating Information

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

Full Time Equivalent City Government Employees by Function/Program	14
Operating Indicators by Function/Program	15
Capital Asset Statistics by Function/Program	16

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Table 1
City of Westminster

	Fiscal Year										Net Assets by Component Last ten fiscal years	
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002		
Governmental activities												
Net Investment in capital assets	\$167,459,905	\$166,119,255	\$158,875,846	\$160,998,545	\$177,034,028	\$174,180,185	\$198,949,426	\$182,883,693	\$188,252,570	\$194,284,140		
Restricted	35,378,439	32,828,397	36,445,526	30,686,285	30,387,925	45,756,100	3,978,822	3,275,792	4,427,178	4,588,769		
Unrestricted	91,201,675	78,848,530	67,848,480	72,256,476	62,116,184	32,614,076	53,798,749	60,247,261	65,813,768	63,022,215		
Total governmental activities net assets	\$294,040,019	\$277,796,182	\$263,169,852	\$263,941,306	\$269,538,137	\$252,550,361	\$256,726,997	\$246,406,746	\$258,493,516	\$261,895,124		
Business-type activities												
Net Investment in capital assets	\$337,605,101	\$336,344,413	\$329,710,391	\$343,627,745	\$321,320,685	\$296,968,005	\$288,116,734	\$280,402,901	\$276,220,697	\$265,141,364		
Restricted	5,484,664	5,483,098	5,486,422	3,424,753	3,406,636	3,384,483	3,371,769	3,939,139	690,739	854,757		
Unrestricted	64,814,804	55,893,678	58,676,671	73,164,925	83,341,972	96,573,378	81,944,889	74,959,025	74,913,867	79,999,022		
Total business-type activities net assets	\$407,904,569	\$397,721,189	\$393,873,484	\$420,217,423	\$408,069,293	\$396,925,866	\$373,433,392	\$359,301,065	\$351,825,303	\$345,995,143		
Total												
Net Investment in capital assets	\$505,065,006	\$502,463,668	\$488,586,237	\$504,626,290	\$498,354,713	\$471,148,190	\$487,066,160	\$463,286,594	\$464,473,267	\$459,425,504		
Restricted	40,863,103	38,311,495	41,931,948	34,111,038	33,794,561	49,140,583	7,350,591	7,214,931	5,117,917	5,443,526		
Unrestricted	156,016,479	134,742,208	126,525,151	145,421,401	145,458,156	129,187,454	135,743,638	135,206,286	140,727,635	143,021,237		
Total net assets	\$701,944,588	\$675,517,371	\$657,043,336	\$684,158,729	\$677,607,430	\$649,476,227	\$630,160,389	\$605,707,811	\$610,318,819	\$607,890,267		

Note: Prior year transactions affecting the beginning Net Assets were restated in the reporting year as follows:
 2006: \$401,667 decrease GCORF depreciation expense, \$1,098,603 Utility Fund increase construction expense, \$1,132,332 Governmental Activities decrease depreciation expense, \$8,889,537 increase construction expense, \$692,455 decrease loss on disposal of assets
 2005: \$535,927 Government Activities accreted interest subtracted from capital lease payable
 2004: \$839,626 WEDA decrease interest expense, \$839,626 General Fund increase interest expense, \$1,894,844 Governmental Activities accreted interest added to capital lease payable

Table 2
City of Westminster
Changes in Net Assets
Last ten fiscal years

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
General government	\$35,365,276	\$37,650,090	\$36,876,436	\$37,827,492	\$30,083,440	\$26,755,382	\$28,375,433	\$27,373,824	\$23,149,819	\$16,535,561
Public safety	31,572,328	31,705,261	31,552,454	31,797,184	30,077,636	29,526,569	28,211,005	25,188,099	21,748,704	20,257,253
Public works	10,278,949	14,468,243	13,941,301	13,748,911	14,501,794	14,385,925	7,793,659	6,669,236	6,259,809	6,434,332
Community development	14,367,026	12,014,109	12,454,872	17,656,461	14,059,071	24,290,269	14,849,423	20,668,261	3,492,112	3,853,280
Culture and recreation	17,403,563	17,608,348	20,368,098	17,307,667	17,829,533	11,481,246	13,498,043	13,487,779	12,773,283	13,462,288
Capital projects	0	0	0	0	0	0	0	7,761,325	2,556,076	9,017,184
Interest and fiscal charges	6,952,116	7,803,642	8,449,810	7,845,618	7,394,096	9,052,813	2,964,876	4,721,589	3,621,023	4,149,821
Unallocated depreciation	347,847	443,359	479,427	488,012	1,095,078	1,099,897	11,354,543	11,885,480	10,327,198	9,502,822
Total governmental activities expenses	116,287,105	121,693,052	124,122,398	126,671,345	115,040,648	116,592,101	107,046,982	117,755,593	83,928,024	83,212,541
Business-type activities:										
Utility	42,845,082	44,664,016	48,678,931	45,569,405	40,329,042	37,840,442	30,937,189	31,668,693	30,161,907	29,375,900
Golf	3,389,873	3,526,264	4,017,357	4,128,726	3,410,562	3,301,699	3,171,327	3,534,028	3,170,192	3,181,173
Westminster Building Authority	0	0	0	0	0	0	68,559	120,821	149,035	82,313
Westminster Housing Authority	792,691	1,243,300	922,689	969,722	995,606	947,135	1,325,012	996,062	818,719	791,391
Total business-type activities expenses	47,027,646	49,433,580	53,618,977	50,667,853	44,735,210	42,089,276	35,502,087	36,319,604	34,299,853	33,430,777
Total primary government expenses	163,314,751	171,126,632	177,741,375	177,339,198	159,775,858	158,681,377	142,549,069	154,075,197	118,227,877	116,643,318
Program Revenues										
Governmental activities:										
Charges for services:										
General government	3,737,240	6,116,547	4,497,892	5,666,074	7,432,044	5,319,186	5,591,578	6,297,375	2,821,007	1,881,594
Public safety	4,550,427	4,160,047	4,225,333	4,096,692	4,053,890	4,498,935	4,195,334	3,692,640	3,223,216	3,381,639
Public works	1,744,118	1,419,414	1,777,317	1,527,937	0	0	0	0	159,478	148,593
Community development	186,524	297,219	400,784	246,084	77,884	117,934	178,163	228,753	295,462	203,494
Culture and recreation	6,550,418	7,139,822	6,249,434	6,908,729	5,753,903	6,297,123	5,913,673	5,649,992	5,873,713	5,951,419
Operating grants and contributions	6,550,602	4,496,790	4,300,000	5,486,482	5,748,908	5,329,834	4,165,796	4,716,909	5,210,404	4,847,307
Capital grants and contributions	9,094,638	11,701,408	7,113,267	8,736,385	14,261,659	10,067,149	10,400,100	9,012,841	7,334,926	9,160,429
Total program revenues	32,413,967	35,331,247	28,564,027	32,668,383	37,328,288	31,630,161	30,444,644	29,598,510	24,918,206	25,574,475

Table 3
City of Westminster
Fund Balances, Governmental Funds
Last ten fiscal years

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund										
Reserved		\$7,220,548	\$4,971,225	\$5,299,062	\$5,203,223	\$6,539,253	\$7,623,125	\$7,387,538	\$5,277,981	\$4,544,041
Unreserved		11,628,557	14,873,895	12,045,241	9,859,229	11,015,978	10,172,500	11,058,947	10,154,348	8,928,901
Nonspendable	\$1,060,299									
Restricted	4,822,404									
Committed	0									
Assigned	5,802,983									
Unassigned	15,243,510									
Total general fund	\$26,929,196	\$18,849,105	\$19,845,120	\$17,344,303	\$15,062,452	\$17,555,231	\$17,795,625	\$18,446,485	\$15,432,329	\$13,472,942
All other governmental funds										
Reserved		\$53,287,957	\$32,504,877	\$49,434,107	\$55,624,752	\$41,493,854	\$51,749,047	\$13,894,852	\$32,396,047	\$16,042,228
Unreserved, reported in:										
Special revenue funds		11,702,434	9,959,421	10,975,428	12,304,218	7,472,186	14,949,783	3,161,386	4,821,194	5,388,104
Capital project funds		17,652,289	35,179,303	46,104,714	41,475,007	33,713,081	47,985,815	40,797,055	42,654,999	47,822,846
Nonspendable	\$27,391,523									
Restricted	32,119,519									
Committed	24,387,010									
Assigned	338,688									
Unassigned	(754,471)									
Total all other governmental funds	\$83,482,269	\$82,642,680	\$77,643,601	\$106,514,249	\$109,403,977	\$82,679,121	\$114,684,645	\$57,853,293	\$79,872,240	\$69,253,178

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

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Taxes and business fees	\$97,403,409	\$98,161,191	\$91,597,338	\$94,590,640	\$86,231,059	\$80,172,007	\$76,079,765	\$73,218,549	\$61,979,807	\$60,886,283
Intergovernmental	14,690,316	14,485,838	13,354,111	14,316,029	12,626,793	14,815,789	9,821,702	9,891,407	10,262,233	12,453,039
Assessments	43,361	41,905	46,471	42,886	149,199	160,425	932,647	629,422	807,875	930,306
Licenses and permits	1,824,264	1,708,941	1,127,900	2,133,832	2,654,027	2,616,662	2,101,468	2,321,833	2,293,599	1,971,068
Interest	937,931	1,265,429	2,029,458	6,102,824	6,554,612	5,781,155	3,119,849	1,043,728	2,248,030	1,976,899
Rentals	569,867	0	0	0	0	0	0	0	0	0
Contributions	2,893,030	2,444,022	341,739	771,595	4,349,528	1,460,160	4,850,163	3,128,934	1,320,656	2,596,908
Recreation fees	6,443,748	6,372,404	5,766,441	6,379,855	5,735,111	5,867,809	5,311,991	5,072,051	5,352,397	5,360,607
Fines and forfeits	2,251,882	2,077,598	2,066,013	1,977,465	2,164,544	2,512,044	2,222,848	1,991,265	1,634,836	1,727,538
Fleet maintenance billings and other	4,442,594	5,427,769	6,544,888	6,886,037	5,058,804	3,699,601	3,425,398	2,988,540	2,330,473	2,185,566
EMS billings	2,016,677	2,031,040	1,868,670	2,026,555	2,020,583	1,937,237	1,814,699	1,492,350	1,435,730	1,357,273
Miscellaneous and other	317,947	128,456	336,893	973,939	80,040	10,737	376,850	254,296	382,841	909,050
Total revenues	133,835,026	134,144,593	125,069,922	136,201,657	127,624,300	119,033,626	110,057,380	102,032,375	89,048,477	92,354,530
Expenditures										
Current:										
General government	40,160,148	39,544,389	38,893,287	38,981,777	32,017,213	29,101,545	29,270,288	29,781,843	23,558,895	20,005,285
Public safety	30,521,418	30,409,003	30,241,887	30,411,901	28,794,062	28,183,148	27,315,730	24,067,713	20,913,186	21,176,733
Public works	3,280,134	7,391,466	6,754,884	6,753,727	7,238,076	7,071,716	6,506,687	6,635,754	6,208,225	6,418,668
Community development	8,948,499	7,090,959	4,647,250	9,807,146	6,634,975	15,393,627	6,608,216	8,168,892	6,157,124	7,479,348
Culture and recreation	13,047,644	13,771,317	14,036,487	14,009,673	13,456,076	12,868,421	12,407,022	11,683,528	11,417,127	11,843,837
Capital projects	13,070,798	19,731,978	32,958,628	26,018,509	29,413,964	49,866,552	45,506,648	51,364,097	42,732,128	33,809,251
Debt service:										
Principal	12,585,000	8,720,000	15,538,875	4,920,000	5,480,000	5,240,000	14,411,670	4,910,000	4,960,000	5,840,000
Interest and fiscal charges	6,584,681	6,973,932	7,883,680	7,519,672	7,278,409	8,706,148	7,570,896	4,309,524	3,893,883	4,010,977
Issuance costs	0	483,318	1,003,757	0	1,558,275	0	0	0	0	0
Total expenditures	128,198,322	134,116,362	151,958,735	138,422,405	131,871,050	156,431,157	149,597,157	140,921,351	119,840,568	110,584,099
Excess of revenues over (under) expenditures	5,636,704	28,231	(26,888,813)	(2,220,748)	(4,246,750)	(37,397,531)	(39,539,777)	(38,888,976)	(30,792,091)	(18,229,569)
Other financing Sources (Uses)										
Issuance of bonds	0	1,134,410	535,337	0	29,485,488	0	68,300,000	9,000,000	38,525,000	15,513,231
Issuance of notes	3,500,000	0	0	0	0	0	0	0	260,000	0
Issuance of leases	0	2,575,190	562,530	32,792	40,626	5,045,733	20,651,235	488,414	250,523	354,785
Sale of capital asset	50,770	1,121,572	169,464	1,071,525	702,109	1,140,880	5,484,526	8,213,870	1,739,299	0
Transfers in	21,348,099	92,160,117	67,485,765	75,333,568	72,740,073	71,995,567	85,070,154	67,737,574	59,112,666	60,553,119
Transfers (out)	(21,615,893)	(93,016,456)	(68,234,114)	(75,840,689)	(74,489,469)	(73,030,567)	(83,785,646)	(65,555,673)	(53,073,587)	(61,118,141)
Total other financing sources (uses)	3,282,976	3,974,833	518,982	597,196	28,478,827	5,151,613	95,720,269	19,884,185	46,813,901	15,302,994
Special item: Write-off of note receivable									(3,443,361)	
Net change in fund balances	\$ 8,919,680	\$ 4,003,064	\$(26,369,831)	\$(1,623,552)	\$ 24,232,077	\$(32,245,918)	\$ 56,180,492	\$(19,004,791)	\$ 12,578,449	\$(2,926,575)
Debt Service as a percentage of noncapital expenditures	16.4%	13.4%	19.1%	10.5%	13.0%	12.6%	23.5%	9.4%	11.4%	12.1%

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

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate
2002	\$ 48,502,461	\$ -	4,258,055	3.25%
2003	49,042,179	-	4,216,011	3.25%
2004	49,700,220	10,025,888	4,264,405	3.85%
2005	51,359,026	10,353,701	4,390,375	3.85%
2006	53,640,060	11,040,410	4,679,093	3.85%
2007	56,966,362	11,927,367	5,006,603	3.85%
2008	60,528,509	12,196,830	5,080,740	3.85%
2009	57,689,144	11,526,169	4,801,294	3.85%
2010	60,677,400	11,832,426	5,001,503	3.85%
2011	59,520,797	11,887,799	4,951,978	3.85%

Source: City Sales Tax Division

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

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

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

Fiscal Year	City Direct Rates				Overlapping Rates ³		
	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate	Adams County Sales Tax	Jefferson County Sales Tax	RTD/CD/FD Sales Tax
2002	3.00%	-	0.25%	3.25%	0.70%	0.50%	0.80%
2003	3.00%	-	0.25%	3.25%	0.70%	0.50%	0.80%
2004	3.00%	0.60%	0.25%	3.85%	0.70%	0.50%	0.80%
2005	3.00%	0.60%	0.25%	3.85%	0.70%	0.50%	1.20%
2006	3.00%	0.60%	0.25%	3.85%	0.70%	0.50%	1.20%
2007	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2008	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2009	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2010	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2011	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%

Source: City Sales Tax Division

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

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

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

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

Category	Fiscal Year 2011			Fiscal Year 2002		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Department and Discount Stores	\$18,626,160	1	24.4%	\$9,364,882	1	17.7%
Utility	8,990,349	2	11.8%	5,410,862	2	10.3%
Restaurants	8,334,289	3	10.9%	5,091,105	5	9.6%
Automobile Use	5,059,529	4	6.6%	5,770,004	3	10.9%
Grocery Stores	4,659,149	5	6.1%	5,541,935	4	10.5%
Home Improvement/Hardware Stores	2,820,295	6	3.7%	1,433,988	7	2.7%
Clothing, Jewelry	2,433,961	7	3.2%	2,349,484	6	4.5%

Source: City Sales Tax Division

Note: Due to requirements under the City Code, the names of the largest revenue payers are held as confidential. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Table 8
City of Westminster

Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government		Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Revenue Bonds	Tax Incremental Bonds	Special Assessment Bonds	Capital Leases	Notes	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes				
2002		78,680,000	6,460,000	860,000	69,838,548	1,042,500		33,330,000	2,797,763	32,123,610	225,132,421	6.3%	2,145	
2003		73,895,000	44,955,000	715,000	68,555,883	260,000		31,575,000	2,532,048	30,494,150	252,982,081	7.4%	2,498	
2004		69,525,000	44,835,000	555,000	68,503,976	9,000,000		29,720,000	2,656,970	28,845,784	253,641,730	6.7%	2,386	
2005		64,730,000	112,970,000		85,369,906			27,850,000	1,939,127	42,281,591	335,140,624	8.4%	3,093	
2006		59,775,000	112,685,000		86,810,539			25,900,000	2,250,782	40,327,316	327,748,637	7.8%	2,988	
2007		74,330,000	120,485,000		83,852,128			23,880,000	2,507,662	38,068,147	343,122,937	7.9%	3,127	
2008		69,740,000	120,155,000		80,627,717			15,945,000	835,300	35,915,842	323,218,859	7.2%	2,905	
2009		64,955,000	110,055,000		76,826,446			14,075,000	1,075,366	33,366,040	300,352,852	7.0%	2,747	
2010		60,300,000	105,990,000		76,667,485			37,090,000	5,390,622	31,258,393	316,696,500	6.9%	2,727	
2011		55,465,000	101,740,000		72,008,017			35,310,000	4,994,076	28,644,252	298,101,345	6.7%	2,719	

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

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

**Table 9
City of Westminster**

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2011**

Governmental Unit	Debt Outstanding	Estimated Percentage		Estimated Share of Overlapping Debt
		Applicable	Overlapping Debt	
Adams County School District # 12	\$ 326,924,373	27.11%	\$ 88,629,198	
Adams County School District # 50	92,910,000	48.61%	45,163,551	
Apex Park & Recreation District	10,360,000	6.38%	660,968	
Arvada Fire Protection District	6,029,560	0.01%	603	
Bradburn Metro # 2	5,157,000	100.00%	5,157,000	
Bradburn Metro # 3	7,260,000	100.00%	7,260,000	
Church Ranch Metro District	3,025,000	99.94%	3,023,185	
Countrydale Highlands Metro District	1,952,250	100.00%	1,952,250	
Country Club Village Metro District	2,960,000	100.00%	2,960,000	
Countrydale Metropolitan District	26,490,000	98.13%	25,994,637	
Hunnington Trail Metropolitan District	6,380,000	100.00%	6,380,000	
Hyland Hills Park & Recreation	12,280,000	56.72%	6,965,216	
Jefferson County School District # R-1	452,710,000	8.24%	37,303,304	
NBC Metropolitan District	9,140,000	99.38%	9,083,332	
North Metro Fire and Rescue	23,400,000	0.14%	32,760	
North Metro Fire and Rescue EX 09	23,880,000	100.00%	23,880,000	
Southwest Adams Fire Protection District	700,000	0.03%	210	
Westglenn Metro District	5,476,228	98.09%	5,371,632	
Subtotal, overlapping debt			<u>\$269,817,846</u>	
City Direct debt			<u>229,213,017</u>	
Total direct and overlapping debt			<u><u>\$499,030,863</u></u>	

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

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

Table 10
City of Westminster

Legal Debt Margin Calculation for Fiscal Year 2011

Actual value of taxable property ¹	\$5,741,478,992
Adams County portion of the City	4,131,764,362
Jefferson County portion of the City	<u>\$9,873,243,354</u>
Total actual value	
Debt limit (3% of actual value ²)	\$296,197,301
Debt applicable to limit:	
Bonded debt - general obligation only	\$0
Instalment of lease/purchase contracts for purchase of property or equipment ³	<u>76,942,093</u>
	<u>76,942,093</u>
Less deductions allowed by law:	<u>0</u>
Total net debt applicable to limit	<u>76,942,093</u>
Legal debt margin	<u>\$219,255,208</u>

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$296,197,301	\$305,686,451	\$306,001,998	\$315,072,736	\$311,178,234	\$300,968,004	\$295,891,298	\$281,817,584	\$246,800,481	\$234,971,185
Total net debt applicable to limit	<u>76,942,093</u>	<u>82,058,107</u>	<u>77,901,812</u>	<u>85,685,000</u>	<u>83,852,128</u>	<u>86,810,539</u>	<u>85,369,906</u>	<u>68,503,976</u>	<u>68,555,883</u>	<u>69,838,548</u>
Legal debt margin	<u>\$219,255,208</u>	<u>\$223,628,344</u>	<u>\$228,100,186</u>	<u>\$229,387,736</u>	<u>\$227,326,106</u>	<u>\$214,157,465</u>	<u>\$210,521,392</u>	<u>\$213,313,608</u>	<u>\$178,244,598</u>	<u>\$165,132,637</u>
Total net debt applicable to the limit as a percentage of debt limit	25.98%	26.84%	25.46%	27.20%	26.95%	28.84%	28.85%	24.31%	27.78%	29.72%

¹ Source Adams County and Jefferson County Assessors' Offices

²CRS 31-15-302 (3% limit)

³Included in general obligation indebtedness per Section 11.1 of City Charter

Table 11
City of Westminster

Fiscal Year	Utilities Revenue Bonds						
	Applicable Revenues	Less:		Net Pledged Revenue	Debt Service		Coverage
		Operating Expenses			Principal	Interest	
2002	\$ 46,755,525	\$ (21,221,685)	\$ 25,533,840	\$ 2,624,450	\$ 2,174,864	5.32	
2003	39,875,011	(20,835,380)	19,039,631	2,947,007	2,078,044	3.79	
2004	38,998,008	(24,955,155)	14,042,853	3,060,531	1,621,526	3.00	
2005	46,724,597	(23,011,461)	23,713,136	3,400,839	1,931,352	4.45	
2006	51,879,413	(29,305,618)	22,573,795	3,832,679	2,393,501	3.63	
2007	47,716,690	(30,278,159)	17,438,531	3,947,987	2,148,085	2.86	
2008	52,890,292	(34,178,877)	18,711,415	9,913,352	2,159,562	1.55	
2009	38,962,225	(34,914,945)	4,047,280	3,913,088	1,821,361	0.71	
2010	45,945,519	(29,813,687)	16,131,832	4,055,665	2,446,814	2.48	
2011	50,529,479	(27,931,057)	22,598,422	4,190,557	3,006,017	3.14	

Fiscal Year	Golf Course Enterprise Revenue Bonds						
	Applicable Revenues	Less:		Net Pledged Revenue	Debt Service		Coverage
		Operating Expenses			Principal	Interest	
2002	\$ 3,172,925	\$ (2,324,672)	\$ 848,253	\$ 100,000	\$ 334,658	1.95	
2003	2,925,457	(2,328,521)	596,936	170,000	330,058	1.19	
2004	2,825,291	(2,711,319)	113,972	175,000	322,153	0.23	
2005	2,932,389	(2,461,158)	471,231	185,000	313,840	0.94	
2006	2,993,881	(2,587,855)	406,026	195,000	304,868	0.81	
2007	3,197,655	(2,625,270)	572,385	205,000	295,313	1.14	
2008	3,137,704	(2,848,731)	288,973	215,000	285,165	0.58	
*2009	2,730,028	(3,174,737)	(444,709)	225,000	274,415	(0.89)	
2010	0	0	0	0	0	0.00	
2011	0	0	0	0	0	0.00	

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

Source: City's Treasury Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	Sales and Use Tax Revenue Bonds					Coverage
	Sales and Use Tax Collections	Operating Expenses	Net Pledged Revenue	Debt Service		
				Principal	Interest	
2002	\$ 47,863,679	\$ (335,176)	\$ 47,528,503	\$ 4,110,000	\$ 2,325,018	7.39
2003	48,562,246	(342,094)	48,220,152	3,525,000	2,810,913	7.61
2004	49,306,412	(289,190)	49,017,222	3,055,000	2,648,318	8.59
2005	49,659,495	(279,048)	49,380,447	3,395,000	2,524,233	8.34
2006	51,643,775	(315,515)	51,328,260	3,470,000	2,386,885	8.76
2007	51,799,803	(393,333)	51,406,470	1,985,000	1,394,198	15.21
2008	51,438,718	(410,638)	51,028,080	3,450,000	1,896,409	9.54
2009	47,712,522	(434,255)	47,278,267	3,605,000	1,747,921	8.83
2010	53,964,035	(439,522)	53,524,513	3,220,000	2,347,240	9.61
2011	54,419,273	(434,196)	53,985,077	3,345,000	1,348,146	11.50

Fiscal Year	Parks Open Space Trails Sales and Use Tax Revenue Bonds					Coverage
	Sales and Use Tax Collections	Operating Expenses	Net Pledged Revenue	Debt Service		
				Principal	Interest	
2002	\$ 4,272,085	\$ (27,931)	\$ 4,244,154	\$ 1,205,000	\$ 1,166,411	1.79
2003	4,224,170	(28,508)	4,195,662	1,260,000	1,109,861	1.77
2004	4,259,760	(24,084)	4,235,676	1,315,000	1,049,626	1.79
2005	4,372,363	(23,239)	4,349,124	1,400,000	970,116	1.83
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496	1.97
2007	4,963,410	(32,757)	4,930,653	0	448,126	11.00
2008	5,068,261	(34,198)	5,034,063	1,140,000	1,513,780	1.90
2009	4,823,367	(36,165)	4,787,202	1,180,000	1,494,038	1.79
2010	4,998,817	(36,603)	4,962,214	1,435,000	658,614	2.37
2011	4,930,898	(36,160)	4,894,738	1,490,000	1,389,438	1.70

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

Source: City's Treasury Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	1997 Westminster Economic Development Authority (WEDA) Revenue Bonds (Westminster Plaza Urban Reinvestment Project)				Coverage
	Gross Pledged Revenues	Less: Operating Expenses	Net Pledged Revenue	Total Debt Service	
2002	\$885,073	(\$237,444)	\$647,629	\$180,178	3.59
2003	753,373	(240,964)	512,409	\$187,700	2.73
*2004	636,455	(1,186,496)	(550,041)	\$276,451	(1.99)
**2005	4,259,439	(240)	4,259,199	\$389,849	10.93
2006	501,933	(3,115)	498,818	\$497,392	1.00
2007	516,158	(80,113)	436,045	\$583,378	0.75
2008	505,684	(364,424)	141,260	\$536,828	0.26
***2009	262,399	(3,254)	259,145	\$33,436	7.75
2010	0	0	0	\$0	N/A
2011	0	0	0	\$0	N/A

*Record interfund loan

**Record write-off of portion of interfund loan and interest

***Refunded in June 2009 as WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009

Fiscal Year	WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2003 (Mandalay Gardens Project)						Coverage
	Gross Pledged Revenues	Less: Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Total Debt Service	
2002	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2003	10,963	0	10,963	195,438	206,401	195,438	1.06
2004	250,881	0	250,881	882,932	1,133,813	882,932	1.28
2005	1,513,135	(2,637)	1,510,498	1,569,189	3,079,687	1,569,188	1.96
*2006	356,308	0	356,308	582,016	938,324	405,245	2.32
2007	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	N/A
2009	0	0	0	0	0	0	N/A
2010	0	0	0	0	0	0	N/A
2011	0	0	0	0	0	0	N/A

*Refunded in March 2006 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006

Source: City's Sales Tax Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

	WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2005 (North Huron Project)									
	Less:					Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Coverage	
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2003	0	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	0	N/A
2005	150,255	0	150,255	1,399,574	1,549,829	0	1,399,574	1,399,574	1,399,574	1.11
2006	898,979	0	898,979	2,721,347	3,620,326	0	2,721,347	2,721,347	2,721,347	1.33
2007	3,469,600	(6,103)	3,463,497	1,439,736	4,903,233	0	2,868,641	2,868,641	2,868,641	1.71
2008	6,369,646	(116,079)	6,253,567	0	6,253,567	0	2,316,866	2,316,866	2,316,866	2.70
*2009	2,245,860	(42,450)	2,203,410	0	2,203,410	5,925,000	792,075	6,717,075	6,717,075	0.33
2010	0	0	0	0	0	0	0	0	0	N/A
2011	0	0	0	0	0	0	0	0	0	N/A

*Refunded in May 2009 with WEDA Tax Increment Loan Series 2009 (North Huron Project)

	WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006 (Mandalay Gardens Project)									
	Less:					Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Coverage	
2003	0	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	0	0	N/A
2006	2,124,836	(8,130)	2,116,706	640,675	2,757,381	0	1,336,471	1,336,471	1,336,471	2.06
2007	3,154,147	(14,067)	3,140,080	0	3,140,080	250,000	1,609,735	1,859,735	1,859,735	1.69
2008	3,126,504	(23,084)	3,103,420	0	3,103,420	0	1,298,745	1,298,745	1,298,745	2.39
*2009	2,798,958	(27,004)	2,771,954	0	2,771,954	2,857,875	1,056,631	3,914,506	3,914,506	0.71
2010	0	0	0	0	0	0	0	0	0	N/A
2011	0	0	0	0	0	0	0	0	0	N/A

*Refunded in September 2009 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009

Source: City's Sales Tax Division

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2007 (South Sheridan Project)											
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Debt Service		Interest and Fees	Total Debt Service	Coverage	
						Principal	Debt Service				
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	
2003	0	0	0	0	0	0	0	0	0	N/A	
2004	0	0	0	0	0	0	0	0	0	N/A	
2005	0	0	0	0	0	0	0	0	0	N/A	
2006	0	0	0	0	0	0	0	0	0	N/A	
2007	24,974	0	24,974	183,171	208,145	0	183,171	183,171	183,171	1.14	
2008	722,502	(550,629)	171,873	282,866	454,739	0	282,866	282,866	282,866	1.61	
*2009	563,172	(401,776)	161,396	156,055	317,451	416,000	128,584	544,584	544,584	0.58	
2010	0	0	0	0	0	0	0	0	0	N/A	
2011	0	0	0	0	0	0	0	0	0	N/A	

*Refunded in June 2009 with WEDA Tax Increment Loan Series 2009 (South Sheridan Project).

WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009											
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Debt Service Interest and Fees	Debt Service		Total Debt Service	Coverage		
						Principal	Debt Service				
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A		
2003	0	0	0	0	0	0	0	0	N/A		
2004	0	0	0	0	0	0	0	0	N/A		
2005	0	0	0	0	0	0	0	0	N/A		
2006	0	0	0	0	0	0	0	0	N/A		
2007	0	0	0	0	0	0	0	0	N/A		
2008	0	0	0	0	0	0	0	0	N/A		
*/**2009	269,431	(3,341)	266,090	265,000	121,697	386,697	386,697	386,697	0.69		
**2010	379,965	(5,601)	374,364	555,000	192,470	747,470	747,470	747,470	0.50		
**2011	408,035	(5,948)	402,087	575,000	171,380	746,380	746,380	746,380	0.54		

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

** Prior year revenues of \$97,929, \$373,106 and \$339,410 were added to current year pledged revenues to meet debt service

Source: City's Sales Tax Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009 (Mandalay Gardens Project)										
	Gross Pledged Revenues	Less:			Net Pledged Revenue	Principal	Debt Service		Total Debt Service	Coverage
		Operating Expenses					Interest and Fees			
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2003	0	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	0	0	N/A
*2009	803,667	(6)	803,661	0	803,662	0	376,662	376,662	376,662	2.13
2010	2,697,327	(31,954)	2,665,373	1,125,000	1,739,960	1,125,000	614,960	1,739,960	1,739,960	1.53
2011	2,175,755	(31,752)	2,144,003	1,185,000	1,774,869	1,185,000	589,869	1,774,869	1,774,869	1.21

*Bonds issued in September 2009 to refund the WEDA Series 2006 Revenue Refunding Bonds

WEDA Tax Increment Loan Series 2009 (North Huron Project)										
	Gross Pledged Revenues	Less:			Net Pledged Revenue	Principal	Debt Service		Total Debt Service	Coverage
		Operating Expenses					Interest and Fees			
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2003	0	0	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	0	0	N/A
*2009	4,529,320	(40,366)	4,488,954	1,170,000	3,081,157	1,170,000	1,911,157	3,081,157	3,081,157	1.46
2010	5,993,927	(81,617)	5,912,310	2,125,000	4,885,466	2,125,000	2,760,466	4,885,466	4,885,466	1.21
2011	5,352,616	(82,240)	5,270,376	2,215,000	4,879,608	2,215,000	2,664,608	4,879,608	4,879,608	1.08

*Loan entered into May 2009 to refund the WEDA Series 2005 Revenue Refunding Bonds

Source: City's Sales Tax Division

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

	WEDA Tax Increment Loan Series 2009 (South Sheridan Project)							Coverage
	Gross Pledged Revenues	Less:		Net Pledged Revenue	Principal	Debt Service Interest and Fees	Total Debt Service	
		Operating Expenses						
2002	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2003	0	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	N/A
*2009	1,429,709	(637,131)	792,578	120,000	220,579	340,579	340,579	2.33
2010	2,368,657	(1,090,879)	1,277,778	260,000	399,282	659,282	659,282	1.94
2011	2,087,819	(1,204,614)	883,205	275,000	386,265	661,265	661,265	1.34

*Loan entered into June 2009 to refund the WEDA Series 2007 Revenue Refunding Bonds

Source: City's Sales Tax Division

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

Fiscal Year	Population ¹	Total Personal Income ²	Per Capita Personal Income (Weighted Avg.) ³	Unemployment Rate ⁴
2002	104,948	3,548,890,279	33,816	5.8%
2003	101,278	3,421,865,455	33,787	4.7%
2004	106,312	3,772,383,228	35,484	4.4%
2005	108,351	3,988,361,227	36,810	4.7%
2006	109,671	4,205,211,476	38,344	4.0%
2007	109,724	4,328,502,076	39,449	3.9%
2008	111,257	4,327,786,043	38,899	5.6%
2009	109,353	4,238,522,280	38,760	7.7%
2010	106,114	4,574,427,144	43,109	9.0%
2011	109,652	4,475,336,728	40,814	8.9%

Source:

¹ Population - City of Westminster Planning Dept. (prior years data revised when updated data available)

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

³ Per Capita Personal Income - US Bureau of Economic Analysis 2000 -2007 weighted average for Adams and Jefferson Counties 2009, 2010 and 2011 estimated using CPI-U for all urban consumers.

⁴ Unemployment Rate obtained from the Colorado Department of Labor and calculated as a weighted average based on rates for Adams and Jefferson Counties

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

Employer	Fiscal Year 2011			Fiscal Year 2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total Employment
Avaya	1,200	1	2.72%	1,800	1	5.13%
Ball Corporation	896	2	2.03%	600	4	1.71%
St. Anthony's North Hospital	725	3	1.65%	690	3	1.97%
LPS Asset Management Solutions	500	4	1.13%			
McKesson Information Solutions	475	5	1.08%			
Alliance Data Systems	422	6	0.96%			
Tri-State Generation	400	7	0.91%	347	5	0.99%
Trimble Navigation	350	8	0.79%			
Kaiser Permanente	340	9	0.77%	340	6	0.97%
LGS Innovations	255	10	0.58%			
Celestica Services, Inc.				890	2	2.54%
Global Crossing Conferencing				300	7	0.85%
Wal-Mart, 9499 Sheridan Blvd.				275	8	0.78%
Western Gas Resources				260	9	0.74%
Westin Westminster Hotel				248	10	0.71%

Source: City Economic Development Division

Table 14
City of Westminster
Full-time Equivalent City Employees by Function/Program
Last ten fiscal years

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
City Attorney's Office	13,700	13,950	13,950	13,950	13,950	12,650	12,650	12,800	12,300	12,300
City Manager's Office	14,800	16,900	16,900	11,900	11,900	12,900	12,500	12,900	12,900	12,900
Finance	26,750	29,000	29,000	28,000	28,000	27,000	27,000	28,000	26,000	26,000
General Services	71,766	78,326	76,326	75,826	75,826	75,826	75,326	77,326	73,826	73,826
Public Safety										
Fire Department	135,300	143,500	142,500	142,500	141,500	140,000	140,000	139,500	104,500	101,500
Police Department	262,600	274,800	275,300	277,300	276,300	273,300	269,300	269,200	229,200	219,800
Public Works										
Street Maintenance	24,000	26,000	26,000	26,000	26,000	25,750	24,750	25,750	25,750	25,750
Infrastructure	0,000	0,000	0,000	0,000	0,000	4,000	4,000	4,000	4,000	4,000
Community Development										
Administration	6,100	7,600	7,600	7,600	7,600	7,100	7,100	7,100	7,100	7,600
Economic Development	0,000	0,000	0,000	4,000	4,000	3,500	2,500	2,500	2,500	2,000
Planning Division	14,200	14,200	14,700	14,700	14,700	15,200	15,200	14,200	14,200	14,200
Building Division	16,000	16,500	18,500	18,500	18,500	18,500	18,500	18,500	17,500	17,500
Engineering Division	13,000	14,500	14,500	14,500	16,000	16,500	16,500	17,000	17,000	16,000
Open Space	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Westminster Housing Authority	0,000	0,000	0,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Culture and Recreation										
Administration	15,200	16,200	10,200	10,200	10,200	10,200	11,000	11,000	10,000	16,000
Parks Services	35,800	42,400	49,400	49,400	49,400	49,400	49,400	52,000	50,000	48,000
Library Services	40,275	42,200	42,200	42,200	42,200	42,200	40,725	42,200	42,200	42,200
Recreation Programs	15,000	16,500	16,500	15,300	13,800	12,600	11,800	11,800	12,300	16,300
Recreation Facilities	50,300	64,048	65,298	65,298	65,800	65,998	62,998	69,498	71,998	67,998
Utilities										
Administration	42,300	44,300	46,800	45,700	45,200	40,450	36,850	36,250	33,750	33,750
Water Resources & Treatment	52,750	53,750	52,750	51,750	51,750	49,250	50,250	45,600	45,600	41,600
Field Operations	38,500	44,500	42,000	42,000	42,000	47,000	47,000	48,000	48,000	51,000
Golf Courses										
Legacy Ridge	9,000	10,500	10,500	10,500	10,500	10,500	10,500	11,000	11,000	11,000
The Heritage	10,000	10,500	10,500	10,500	10,500	10,500	10,500	11,000	11,000	11,000
Total	909,841	982,674	983,924	981,124	979,126	973,824	959,849	970,624	886,124	875,724

Source: City Annual Pay Plan

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Safety										
Total Fire/EMS Incidents	8,834	8,288	7,980	8,058	8,147	8,277	7,883	7,312	7,514	7,448
EMS Transports by fire department	4,804	4,710	4,493	4,622	4,687	4,661	4,486	3,921	3,926	3,873
Police emergency responses	964	1,142	1,361	1,858	2,827	3,082	2,878	2,791	3,084	3,194
Traffic Citations (municipal)	11,528	11,739	10,536	9,771	11,897	15,666	16,684	14,843	12,538	15,681
Public Works										
Curb miles swept	3,112	4,001	8,004	7,361	6,166	7,306	7,634	7,379	7,379	7,282
Lane miles rehabilitated	103	104	98	133	77	160	112	103	98	85
Community Development										
Official Development Plans processed	92	137	123	176	242	191	186	150	153	117
Building Permits issued	5,079	6,007	5,978	4,244	3,986	3,992	3,908	4,239	4,535	4,491
Culture and Recreation										
Library circulation	1,183,780	1,403,597	1,533,879	1,475,611	1,435,330	1,464,817	1,472,460	1,399,389	1,249,686	1,207,707
Facility participants	918,842	918,842	675,855	924,843	811,064	805,880	698,826	671,037	733,565	619,579
Program registrants	97,447	97,447	91,640	88,483	90,652	80,972	78,160	66,237	76,779	87,918
Utilities										
Water gallons treated (in millions)	6,244	6,298	5,825	6,241	5,795	6,628	6,533	5,917	6,180	6,724
Water customers	31,938	31,815	31,659	31,730	31,519	31,245	31,127	31,484	31,272	29,927
Wastewater gallons treated (in millions)	3,681	2,746	2,470	2,345	2,552	2,359	2,417	2,251	2,252	2,256
Wastewater customers	30,526	30,042	30,299	30,296	30,145	29,992	29,806	30,113	29,929	28,651
Golf Courses										
Paid golf rounds played	58,382	54,792	51,825	58,300	58,678	55,220	50,210	49,498	49,997	51,285
Golf course acres maintained	414	414	414	414	414	414	414	414	414	414

Source: City's Performance Measures Team

Note: Police Emergency Response number decreases beginning in 2008 due to new data extracting and cleaning process.

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Safety										
Fire stations	6	6	6	6	6	6	6	6	6	6
Patrol Units	71	70	62	59	56	53	52	52	45	45
Public Works										
Total Lane Miles	1,099	1,106	1,061	1,057	1,054	1,053	1,025	1,021	1,013	988
Community Development										
Traffic Signals	111	110	109	105	103	102	92	90	87	84
Culture and Recreation										
Libraries	2	2	2	2	2	2	2	2	2	2
Open Space sites	196	194	188	157	153	132	126	125	119	106
Neighborhood, community & citywide parks	53	53	52	52	51	50	50	48	45	45
Utilities										
Water mains	509	509	508	504	509	492	481	478	492	449
Treatment plants (water & wastewater)	4	4	4	4	4	4	4	4	4	4
Golf Courses										
Golf Courses	2	2	2	2	2	2	2	2	2	2

Source: City's Performance Measures Team

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, Colorado (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 23, 2012, which contained an explanatory paragraph regarding a change in accounting principle. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Honorable Mayor and Members of City Council, management and others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

May 23, 2012

**Independent Accountants' Report on Compliance With
Requirements That Could Have a Direct and Material
Effect on Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

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

Compliance

We have audited the City of Westminster, Colorado's (the City) compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

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

Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of the Honorable Mayor and Members of City Council, management, others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

May 23, 2012

City of Westminster, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2011

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued:
 Unqualified Qualified Adverse Disclaimer
2. Internal control over financial reporting:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None Reported
3. Noncompliance material to financial statements noted? Yes No

Federal Awards

4. Internal control over major programs:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None Reported
5. Types of auditor's report issued on compliance for major programs:
 Unqualified Qualified Adverse Disclaimer
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes No

7. Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218	CDBG – Entitlement Grants Cluster
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)

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

City of Westminster, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2011

9. Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

Reference Number	Finding	Questioned Costs
-----------------------------	----------------	-----------------------------

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding	Questioned Costs
-----------------------------	----------------	-----------------------------

No matters were reported.

City of Westminster, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2011

Reference Number	Summary of Finding	Status
2010-01	<p>CFDA #81.128- ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG); U.S. Department of Energy, Award DE-SC0002725</p> <p><i>Procurement</i> – The City should establish policies and procedures to ensure that the “Excluded Parties List” is reviewed on an annual basis or at a minimum prior to awarding a contract or purchase order and that such review should be documented by including supporting documentation in the contract file.</p>	<p>Finding is no longer valid as no new contracts were entered into in 2011. The City did review EPLS and maintain documentation after finding determined in previous audit.</p>
2010-02	<p>CFDA #81.128 -ARRA – Energy Efficiency and Conservation Block Grant (EECBG) Program; U.S. Department of Energy, Award DE-SC0002725</p> <p><i>Reporting</i> – The City should implement procedures to ensure the reports submitted are accurate and complete. A detailed review of the report, including supporting documentation, should be performed by someone other than the preparer of the report prior to report submission. Supporting detail should be maintained with the reviewed report.</p>	<p>Implemented</p>

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CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Cluster/Grant Program	Federal CFDA Number	Federal Expenditures
<u>Department of Housing and Urban Development</u>		
Community Development Block Grants/Entitlement Grants (CDBG Entitlement Grant Cluster) Passed through the Colorado Housing and Finance Authority	14.218	\$ 588,582
Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation(Section 8 Project- Based Cluster)	14.856	<u>497,503</u>
Subtotal		<u>1,086,085</u>
<u>Department of Energy</u>		
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	<u>285,423</u>
<u>Department of Justice</u>		
Missing Children's Assistance	16.543	7,447
Bulletproof Vest Partnership Program	16.607	11,358
JAG Program Cluster		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	31,889
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government	16.804	<u>63,598</u>
Total JAG Program Cluster		<u>95,487</u>
Subtotal		<u>114,292</u>
<u>Department of Homeland Security</u>		
Passed through Colorado Department of Local Affairs		
National Urban Search and Rescue (US&R) Response System	97.025	5,135
Emergency Management Performance Grants	97.042	<u>63,700</u>
Subtotal		<u>68,835</u>
<u>Department of Transportation</u>		
Passed through the Colorado Department of Transportation		
Highway Safety Cluster		
State and Community Highway Safety	20.600	4,921
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	<u>19,280</u>
Subtotal		<u>24,201</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 1,578,836</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2: SUBRECIPIENTS

In relation to the federal expenditures presented in this schedule, \$2,891 in federal awards was passed through to subrecipients during 2011.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Westminster
	YEAR ENDING : December 2011

This Information From The Records Of (example - City of _ or County of _ City of Westminster	Prepared By: Phone:	Sherrri Rickard, Accountant 303-658-2365
---	------------------------	---

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,483,792
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,318,108
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,188,944
2. General fund appropriations	13,110,405	b. Snow and ice removal	923,739
3. Other local imposts (from page 2)	1,843,742	c. Other	
4. Miscellaneous local receipts (from page 2)	3,001,588	d. Total (a. through c.)	3,112,683
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,255,293
a. Bonds - Original Issues		6. Total (1 through 5)	12,169,876
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	3,022,562
7. Total (1 through 6)	17,955,735	b. Redemption	3,952,435
B. Private Contributions		c. Total (a. + b.)	6,974,997
C. Receipts from State government (from page 2)	3,624,569	2. Notes:	
D. Receipts from Federal Government (from page 2)	511,399	a. Interest	1,232,222
E. Total receipts (A.7 + B + C + D)	22,091,703	b. Redemption	1,626,250
		c. Total (a. + b.)	2,858,472
		3. Total (1.c + 2.c)	9,833,469
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	22,003,345

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	29,197,260		2,575,535	26,621,725
1. Bonds (Refunding Portion)				
B. Notes (Total)	64,931,310		3,003,150	61,928,160

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	85,980,649	22,091,703	22,003,345	86,069,007	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	89,328
b. Other local imposts:		b. Traffic Fines & Penalties	2,087,894
1. Sales Taxes	1,544,548	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	299,194	g. Other Misc. Receipts	824,366
6. Total (1. through 5.)	1,843,742	h. Other	
c. Total (a. + b.)	1,843,742	i. Total (a. through h.)	3,001,588
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,231,892	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	511,399
c. Motor Vehicle Registrations	345,487	d. Federal Transit Admin	
d. Other (Specify)	47,190	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	392,677	g. Total (a. through f.)	511,399
4. Total (1. + 2. + 3.f)	3,624,569	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	427,385	286,889	714,274
b. Engineering Costs			0
c. Construction:			
(1). New Facilities	71,199		71,199
(2). Capacity Improvements	153,284		153,284
(3). System Preservation	1,320,623		1,320,623
(4). System Enhancement & Operation	224,412		224,412
(5). Total Construction (1) + (2) + (3) + (4)	1,769,518	0	1,769,518
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,196,903	286,889	2,483,792
			(Carry forward to page 1)

Notes and Comments:
 II.C.3.d represents funds received from CDOT for traffic signal maintenance.

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

As part of our audits of the financial statements and compliance of City of Westminster, Colorado (the City) as of and for the year ended December 31, 2011, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under 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 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

An audit performed 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 and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in OMB Circular A-133 that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The City's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Liability for other postemployment benefits
- Pollution remediation obligations
- Liability for claims incurred but not reported
- Allowance for doubtful accounts
- Useful lives of capital assets
- Unbilled utility revenues
- Compensated absences (general leave)
- Fair value of derivative instruments

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Derivative instruments
- Subsequent events
- Adoption of new accounting standards
- Bonds with demand features

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- No matters are reportable

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole and each opinion unit

Auditor's Judgments About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the City's application of accounting principles:

- No matters are reportable

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Other Accountants

During our audit we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Accounting for the purchase of the mall and presentation of property held for sale
- Look-back adjustment for internal service funds required by GASB 34
- Recording of library books

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter (attached)

OTHER MATTERS

Our audit procedures are designed primarily to enable us to form opinions on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements if you require.

Proposed Changes in Accounting for Pensions

In June 2011, the Governmental Accounting Standards Board (GASB) issued an exposure draft entitled, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. The proposed statement would amend the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governmental employers that account for pensions provided through trusts, or equivalent arrangements, that meet certain criteria. The proposed statement includes guidance for accounting for participating employers in single-employer and multiple-employer defined benefit pension plans, cost-sharing plans, defined contribution plans and plans with insured benefits. The note disclosure and required supplementary information requirements for employers whose employees are provided with defined benefit pensions through qualified trusts also are addressed. Finally, the proposed statement includes guidance on accounting for special funding situations where an entity other than the employer government is legally responsible for plan contributions.

The proposed statement would require employers participating in cost-sharing multiple-employer plans to recognize their proportional share of the plan's *collective* net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources in the employer's financial statements. The pension expense would no longer be based on the contractual required contribution or contributions actually made, but would be actuarially determined. This would result in the pension expense and liability being recognized as benefits are earned by employees, and is expected to increase current pension expense along with the recognition of the proportional share of the net pension liability.

Additionally, for employers participating in single-employer and agent multiple-employer plans, the proposed statement would require a single actuarial method be used and change certain inputs used to calculate the actuarial valuation. These changes to the actuarial valuation would lead to changes in the pension expense and net pension liability recognized in the employer's financial statements. The combination of these changes is expected to result in an earlier recognition of pension expense and potentially a greater net pension liability.

The proposed statement would also expand the note disclosures and required supplementary information for employers participating in both of the cost-sharing multiple-employer and single-employer and agent multiple-employer plans.

As the changes will likely require retroactive restatement of all prior periods presented, we recommend the City begin reviewing these proposed changes immediately in order to evaluate the potential impact on the financial statements.

* * * * *

This communication is intended solely for the information and use of management, members of City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

May 23, 2012



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 4, 2012



SUBJECT: Recommendations from the Environmental Advisory Board to Improve Recycling in the Community

PREPARED BY: Lisa Bressler, Environmental Advisory Board Chairperson
Nick Pizzuti, Environmental Advisory Board Vice Chairperson
Rachel Harlow-Schalk, Senior Projects Officer

Recommended City Council Action:

Receive the report and recommendations of the Environmental Advisory Board (EAB) to improve recycling in the community and direct Staff to implement the EAB's recommendations as outlined in this Report.

Summary Statement

Since 2009, the Environmental Advisory Board and the Green Team have worked on recommendations to improve recycling in the Westminster community. Work has included economic research and a robust public education and engagement process. City Council is requested to review the recommendations from the EAB and direct Staff to implement recommendations accordingly.

Expenditure Required: One-Time Improvements: Between \$37,000 and \$213,000
Annual Investment: Between \$57,300 and \$60,200

Source of Funds: General Fund
Stormwater Fund
Study of Nominal Fee Needed to Cover Remaining Non-curbside Recycling Program Elements Not Currently Funded

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Policy Issue

Should Council make changes to the community recycling program?

Alternatives

Reject the recommendations of the Environmental Advisory Board (EAB) and direct the EAB to further study alternatives to improving community recycling. This alternative is not recommended as the investment of the EAB, businesses, trash collectors, volunteer residents and Staff has been significant so that these recommendations are well informed.

Direct the Environmental Advisory Board (EAB) to seek additional input from the community on their recommendations. Initially, the EAB had anticipated returning their recommendations to the residents through large community meetings and then bringing the recommendation to City Council for finalizing. The EAB no longer believes this step is necessary based on the myriad of public education and engagement tools utilized to help inform their recommendations.

Background Information

In 2008, City Council established in their Strategic Plan the objective of a convenient recycling program for residents and businesses with a high level of participation. In January of 2009, the Green Team presented recommendations to Council including the need to improve recycling in the community and the Green Team's desire to work in partnership with the Environmental Advisory Board (EAB) to make improvement recommendations.

Through 2010, the Green Team and the EAB conducted a thorough review of recycling and trash collection in the community and identified potential improvements. As a result of this research, a robust community education and engagement process was utilized to identify improvements that Staff believes reflect the needs of the community and key stakeholders. The following meetings and public engagement tools were essential to making informed improvement recommendations:

- March 1, 2010 – Licensed trash collectors reviewed potential opportunities to improve recycling in the community and worked with the EAB to identify nine potential improvements that collectors could complete.
- October 2010 – Licensed trash collectors were individually interviewed by the Green Team and asked to participate in a subcommittee of the EAB to review four of the nine improvements selected to improve community recycling.
- November 2010 – Two public meetings were held to discuss community recycling research results, including nine potential opportunities for recycling improvement and the four specific opportunities being studied by a proposed subcommittee of the EAB. Residents in attendance were asked to participate in the proposed subcommittee; on a focus group if they could not come to monthly subcommittee meetings; or submit their comments via email, telephone or through Facebook.
- November 2010 to today – Residents submitted comments, questions or concerns through a dedicated email or telephone account and all comments are kept on the Green Team's Facebook account. Residents also submitted comments directly through the Facebook account. Residents did not need to be members of Facebook to review information submitted by fellow residents. Additionally, the Green Team has maintained a City webpage of all documentation and audio recordings from meetings on this project for residents to remain informed even when they could not make meetings.
- December 6, 2010 through June 16, 2011 – The Community Recycling Subcommittee of the EAB reviewed options to improve recycling and identified draft recommendations. The Subcommittee spent the first half of every meeting learning about recycling in Westminster and the second half identifying what additional information they would need to make a recommendation on improvements to community recycling. Subcommittee membership

included all licensed trash collectors (12), two EAB members, a homeowners association President, a homeowners association management company representative, a resident not interested in changes to the current program, three residents not within a homeowners association neighborhood, a resident within a multi-family unit, a business owner, a strip mall/business owner, and technical support including a Staff Liaison, a Green Team project manager, a staff member from the City Attorney's Office, two moderators and an expert in the economics of trash collection and recycling—nearly 30 members overall.

- January 12, 2012 – A focus group was held with 11 residents to react to the draft recommended improvements from the Subcommittee. Since the beginning of November 2010, residents had been asked to participate in this focus group. Many of the participants had requested to be part of the group in November 2010 and had waited until January 2012 to give their opinion.
- March 8, 2012 – The last meeting of the Study Subcommittee was held to finalize recommendations to the EAB based on the reaction of the focus group and draft costs of the Subcommittee's recommendations supplied by the Green Team.
- April 26, 2012 – The final recommendations from the Subcommittee were presented to the EAB and all Subcommittee members were invited to the meeting to share any additional comments they had from their involvement on the Subcommittee.
- May 17, 2012 – The final recommendations from the EAB to City Council on improvements to recycling were completed based on the recommendation of the Subcommittee and new developments in recycling identified between the April and May 2012 meetings of the EAB.

Current Community Recycling Program

The recommendations crafted by the Environmental Advisory Board (EAB) on recycling in the community are well informed. A synopsis of information used by the Study Subcommittee and EAB to formulate their recommendations includes:

- In general, residents are satisfied with their trash service, but not with recycling services.
- There are currently 14 trash collectors of which 11 collect curbside residential trash. All collectors charge different rates for trash and recycling services to customers. All recyclables collected at the curb are standardized and mirror those collected at the four community drop-off locations. At the time this project began, not all trash collectors were offering recycling and were collecting different materials from customers.
- Westminster has no recycling/trash diversion rate goal and provides no incentive for diverting materials from reaching the landfill especially in the multi-family, commercial and construction/demolition sectors.
- In Westminster, approximately 11% of waste is diverted from reaching the landfill—approximately 7% at the curb and 3-4% at City drop-off locations. In comparison, the State of Colorado estimates the general population is diverting 19.5% and nationally, 33.4% of trash is diverted from reaching the landfill. Based on information from the U.S. Environmental Protection Agency, trash in the United States is composed of 28.5% paper; 13.9% food scraps; 13.4% yard trimmings; 12.4% plastics; 9% metals; 8.4% rubber, leather & textiles; 6.4% wood; and 4.6% glass. All of the remaining trash (3.4%) is a mix of appliances and oddities like animal waste and diapers. Based on this information, conceivably 96.6% of trash could be recycled, reused or composted.
- Residences signed-up to recycle with their trash collection company are recycling on a level similar to those in other Colorado communities. However, most recycling containers utilized by Westminster residents are too small to accommodate significant recycling (15 gallons, compared to 96 gallons for single stream in surrounding communities).
- All solid waste collection companies in Westminster charge extra to provide recycling. Citizens are offered a base service trash pickup rate and then an additional rate to recycle. From the residential survey portion of the Board's research, residents noted they are willing to

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pay on average \$7.87 more in their trash rate for recycling service. Also on average, the survey found households currently subscribing to recycling pay \$3.00 extra on top of an average \$16.50 monthly trash bill. Trash collectors reported trash fees for residential customers ranged from \$12 to \$21 per month, and recycling charges ranged from \$2.25 to \$5 per month. Some homeowner associations (HOAs) provide recycling at no additional fee, that is, the cost to recycle is combined in the service price. It is not known how many neighborhoods are in this situation.

- For administration of the trash collector licenses, each collector is required to pay \$250 to operate in the City plus \$250 per trash truck and \$10 per recycling vehicle running within City limits. In 2010, the City collected \$29,520, in 2011 \$29,890 and in 2012 \$34,270. Trash collectors are paying \$34,270 to operate in Westminster and collecting trash every week and recyclables every other week from approximately 40,000 households. No portion of monthly fees charged to residents by collectors is returned to the City.
- Roughly 2/3 to 3/4 of residents said they had high volumes of compostables in their trash (organics like grass and food scraps).
- Residents want to recycle when visiting public areas like parks, want more recycling education done by the City and support curbside recycling costs combined with trash fees.
- City drop-off locations are not convenient and cost the City thousands of dollars every year to maintain--\$35,400 spent in 2011 including cleaning up sites and handling citizen calls--\$24,600 in collections and \$10,800 in staff time. Staff cleaning up locations includes firefighters, recreation aides, municipal court clerks, and maintenance workers—all staff paid at higher rates than if the City were to utilize temporary staff during high volume months. In 2011, only \$11,500 was budgeted for the program offset by a rebate the City received for \$7,665 from the State of Colorado for offering the program. Together, these funds did not fully cover recycling and trash collection at the locations or the unfunded staff time. It is also known that six months out of the year, volume increases at drop-off locations: immediately following the Christmas holiday, through January and during Spring and Fall cleaning times.
- Residents receive the greatest convenience to recycle by doing so at the curb.

Evaluation of services provided by other cities compared to Westminster:

- Research included surveying 18 communities in the Front Range to compare trash and recycling services. Of these communities, over half had recycling services that collected the conventional materials (glass, aluminum, plastics 1-7, paperboard, office paper, magazines, tin/steel, and junk mail). The remaining cities reported that materials collected were dependent upon the trash collection company.
- Recycling services provided in cities vary based upon the community need. For more detailed results from the community comparison survey, please see Section 2 and Appendix 3 from the Skumatz Economic Research Associates Report presented to Council on September 13, 2010.

Homeowner Associations (HOAs):

- Administratively, homeowners' associations that contract for trash collection on behalf of HOA homes are considered commercial customers. In the City Code, trash collectors are not required to offer recycling to commercial customers. Therefore, solid waste collections companies are not required to offer recycling to these neighborhoods. Staff completed additional research and estimates that only 18% of the residential population of the City lives outside of a homeowner association. That is, trash collection companies are not required to provide recycling to nearly 85% of the population (see attached maps). Thankfully, survey work found that most HOAs offer recycling; however, only 50% of the population within them actually recycles—many citizens in association areas pay for the service, but are not using it.

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Businesses and Multi-family Developments:

- Businesses are generally satisfied with their trash service, but not with recycling.
- Many business and multifamily living locations do not have room for recycling collection.
- The City's Solid Waste Collection Code does not require trash collectors to offer recycling to these customers.
- Only an estimated 25% of businesses said they contracted for recycling service, another 20% said they had an "informal" program (usually employees collecting and bringing materials to a drop-off locations or home programs), and half are not recycling. "Upscale" or office-type buildings were the most likely to recycle.
- Food waste and organics are generally not recycled/composted: less than 10% of businesses reported generating a significant amount of food waste (half generate none) and 80% generate no yard waste. Most communities that address food waste do so through programs targeted at specific sectors, not across all businesses.
- Materials most commonly recycled by businesses in Westminster are paper and cardboard.

Trash and Recycling Collection

There is an economic incentive for trash collectors to recycle materials—all companies are paying to take their materials to recycling facilities at a lower rate per ton compared to taking the same materials to the landfill. Depending upon the commodities market, if there is any material within the recyclables that yields a profit, a rebate is then deducted from the per ton fee the company would have to pay to the recycler.

Additionally:

- Materials that go to recycling facilities are recycled. When asked if materials are landfilled when pricing markets down turn on certain products, recycling facilities stated they would hold (stockpile) material until markets yielded profits. None would place materials in the landfill.
- One of the largest issues discovered is the need for consistent, on-going education from the City, not just the trash collectors, on curbside recycling services. Currently, the City only educates on programs that it runs like the recycling drop-off locations. Any changes to the trash collection system will require that the City educate in partnership with trash collectors on what services they provide.

Environmental Advisory Board Recommendations:

The engagement of residents, businesses and trash collectors has resulted in the following recommendations from the Board to City Council:

Community Recycling Drop-off Locations

Only 3-4% of Westminster's trash is diverted from reaching the landfill through the four community recycling drop-off locations. In 2011, 1,764 tons was collected from these locations. The current program being run by the City is not a quality program and does not meet Council's Strategic Plan recycling objective. The EAB requests Council identify which of the following viable options to improving the drop-off location recycling program best fits Council objective for community recycling and then Council is requested to direct Staff to identify funds for implementation.

Option 1: Maintain a quality community recycling drop-off program that includes staffing support six months of the year during high volume months to clean the four drop-off locations.

Additionally, improve the collection frequency at locations from one time per day to twice per day, improve signage including pictures and Spanish, and investigate cost sharing with neighboring cities known to have residents utilizing Westminster drop-off locations. The City also needs to be a good neighbor and fence, on three sides, the locations to keep material from blowing through the community. As with the current program, it is not anticipated that the sites will yield a profit for the

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City because materials are not sorted and often trash is left at the sites. Staff estimates this option to cost **\$71,900**; only \$11,500 is available within the current operating budget for community recycling. An additional \$60,400 is needed that could be generated through a fee added to trash collection licenses or utility bills to pay for non-curb-side recycling services including the drop-off locations. Without a fee to cover these costs, the funding would need to be taken out of the General Fund, which would require tradeoffs with other funding priorities. Through the community recycling study, it was learned that Westminster’s trash collection license is one of the highest in the Front Range and the focus group who heard the draft recommendations from the Subcommittee were not interested in new fees. However, the Subcommittee and the EAB believes a fee should be collected to cover non-curb-side services so long as the fee does not result in a profit to the City. An additional option is to pursue corporate sponsorship from the largest businesses in Westminster.

Recommendation Impact Summary	
Estimated One Time Costs:	\$34,000 capital (fence)
Funding Needed:	One Time \$34,000
Estimated Annual Costs:	\$37,900 operating
Additional Funding Needed	Annually \$26,400
Potential Tons of Material Collected:	1,750
Potential Funds from Recovered Materials:	\$0
Potential New Waste Diverted from Landfill:	0.5%

Option 2: Maintain the current drop-off program. Improvements must be made to ensure at least temporary staff time is made available to cleanup locations instead of the higher wage paid staff. The difference between this option and Option 1 above is a lack of capital improvements to the drop off sites. The current program does not yield a profit for the City because materials are not sorted and often non recyclable trash is left at sites. The City also needs to be a good neighbor and this option does not put the City in that position. Complaints from businesses and residents will continue from this program because materials will blow through neighborhoods and locations will continue to stockpile material until temporary staff can travel to the location for cleanup. Staff estimates this option to cost **\$27,300**; only \$11,500 is available from within the current operating budget for community recycling, an additional \$15,800 is needed that could be generated through a fee added to the trash collection license or to utility bills to pay for non-curb-side recycling services including the drop-off locations. Through the community recycling study, Staff has learned that Westminster’s trash collection license is one of the highest in the Front Range and the focus group who heard the draft recommendations from the Subcommittee was not interested in new fees. However, the Subcommittee and the EAB believes a fee should be collected to cover non-curb-side services as long as the fee does not result in a profit to the City. An additional option is to pursue corporate sponsorship from the largest businesses in Westminster.

Recommendation Impact Summary	
Estimated One Time Costs:	\$0 capital
Additional Funding Needed:	One Time \$0
Estimated Annual Costs:	\$37,900 operating
Funding Needed	Annually \$26,400
Potential Tons of Material Collected:	1,750
Potential Funds from Recovered Materials:	\$0
Potential New Waste Diverted from Landfill:	0.5%

Option 3: Create one Drop-off Location with Improvements. The Environmental Advisory Board (EAB) recently learned of the City of Lakewood’s community drop-off location that opened in December 2011. The information on this program was not available to the Study Subcommittee, but the model this site creates is significant enough for the EAB to recommend Council consider a one recycling site option. The City of Lakewood is currently providing a staffed location, with daily operating hours, that is fenced and covering the costs of the operation. The location offers collection of not only commingled, but also segregated materials. The segregated materials are yielding a monetary return. Based on the current estimations, Lakewood anticipates breaking even with their operating costs after having made a \$150,000 in capital improvement investment. Staff estimates this option would require an upfront investment by Westminster of **\$245,000**; \$11,500 is available from the current operating budget. An additional \$233,500 would be needed; \$150,000 to fence and make improvements to a site, yet to be determined, plus \$60,000 for a large compactor and a bailer for materials collected as well as \$35,000 annually in staff time. The opportunity may exist for the compactor and bailer to be purchased through a grant from the State of Colorado and the remaining staff time would be afforded through temporary staff offset by recycling funds yielded through clean segregated recyclables collection. Lakewood anticipates collecting 1,500 tons of materials from their roughly 150,000 population this year at this one location. Lakewood’s model shows a diversion amount nearly the same as the four locations Westminster operates. Additionally, the Lakewood site has seen no dumping and the site is clean because there is staff on site actively supporting the program.

Recommendation Impact Summary	
Estimated One Time Costs:	\$150,000 capital
Grant:	\$60,000 (equipment)
Funding Needed:	One Time \$210,000
Estimated Annual Costs:	\$35,000 operating
Funding Needed	Annually \$23,500
Potential Tons of Material Collected:	1,750
Potential Funds from Recovered Materials:	\$35,000
Potential New Waste Diverted from Landfill:	0.5%

Option 4: Create one Drop-off Location with Improvements at Current City Operating Facility. This option would be the same as option 3 above, except it would utilize an existing City facility. Option 4 would eliminate a significant amount of the upfront capital improvement funding needed. Staff estimates this option to cost **\$110,000**; \$11,500 is available from the current operating budget for community recycling. An additional \$15,000 would be needed to make improvements to a site, yet to be determined, plus \$60,000 for a large compactor and a bailer for materials collected as well as \$35,000 annually in staff time. As with option 3 the opportunity may exist for the compactor and bailer to be purchased through a grant from the State of Colorado and the remaining staff time would be afforded through temporary staff offset through recycling funds yielded through clean segregated recyclables collection.

Recommendation Impact Summary	
Estimated One Time Costs:	\$15,000 capital (site)
Grant:	\$60,000 (equipment)
Additional Funding Needed:	One Time \$75,000
Estimated Annual Costs:	\$35,000 operating
Funding Needed	Annually \$23,500
Potential Tons of Material Collected:	1,750
Potential Funds from Recovered Materials:	\$35,000
Potential New Waste Diverted from Landfill:	0.5%

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Staff would recommend doing additional feasibility work on option 4, but believes this is probably the best approach to continue drop off recycling service in the City.

Education

The EAB requests Council direct Staff to implement a comprehensive outreach and education program on recycling. The EAB believes this is one of the most important components of an effective recycling program. Improvements in this area include:

- Developing partnerships with schools. Initially, the targeted schools might be located in areas of Westminster that may not have as much awareness or access to curbside recycling.
- Targeting HOAs to implement recycling programs.
- Ongoing efforts to inform residents of what materials are currently recyclable, how to recycle, and other recycling services, like tree limbs and household hazardous waste that are currently offered by the City.
- Partnering with trash collectors to inform customers about recycling. Trash collectors are committed to including information in their communications with customers at least on an annual basis.
- Targeting educational efforts about drop-off location recycling opportunities in neighborhoods known not to have available curbside recycling.
- Establishing a “GREEN” designation for businesses who partner with the City to recycle or who currently recycle.

Staff has identified that a quality education campaign needs to be established which can be done for a one-time start-up cost of \$15,000 and an additional \$5,000 annually. Funds are already available within operating budgets to not only address these one-time costs, but also the annual education funding.

<u>Recommendation Impact Summary</u>	
Estimated One Time Costs:	\$15,000 initial
Additional Funding Needed:	\$0
Estimated Annual Costs:	\$5,000 operating
Additional Funding Needed	\$0
Potential Tons of Material Collected:	Potentially significant
Potential Funds from Recovered Materials:	\$0
Potential New Waste Diverted from Landfill:	Potentially significant

Modifications to the City Code, Annual Recycling Report or Trash Collector License

There are several changes to the City Code that need to be made to accommodate an improved recycling program in Westminster. The EAB requests Council direct staff to:

Set a diversion goal. The EAB believes a generic recommendation is not sufficient and was conscious of the fact that the City can set a goal if the City does not also commit to measuring progress towards that goal over time. Measuring progress involves analysis and therefore expense; however, this could be done only every few years to minimize the expense. A measurement goal will likely involve collecting data from trash collectors. In order to alleviate trash collector concerns that this data remain proprietary, when needed, protective language should be added to the City Code allowing proprietary information to be held in confidence. Currently, there is no way to measure diversion from the landfill without hiring a contractor to measure diversion rates. Staff estimates an annual cost of **\$5,000** to have a contractor measure diversion from the landfill by not only residents, but also businesses. There is currently no funding for this evaluation.

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Modify the trash collector annual recycling report. The annual trash collector report that is already required will be modified to ask collectors to provide total tons taken to the landfill, total tons recycled, and total tons diverted (tons recycling, tons composted, etc.). Reporting of collector data to the community would be aggregated and data noted as proprietary will be held in confidence. Because these modifications are administrative and the annual reports are already being reviewed, Staff does not estimate an additional cost to the City to administer this change.

Define Single-Family Home Owners Associations (HOAs) neighborhoods as residential units in the City Code. Because HOAs are currently considered business units, trash collectors are not required to offer recycling to them. HOAs would need to be notified of the clarification in Code and given an opportunity to respond to the change. Because these modifications are administrative and the annual reports are already being reviewed, Staff does not estimate an additional cost to the City to administer this change.

Require trash collectors to offer recycling opportunities to all residential units and businesses. This will ensure that multi-family units and businesses will be offered recycling. Because these modifications are administrative and the annual reports are already being reviewed, Staff does not estimate an additional cost to the City to administer this change.

Remove the Days of the Week Collection Requirement from the Solid Waste Collection License. Once HOAs are no longer considered businesses, trash collectors noted the impact the three day of the week restriction will have on their routing and ultimately, increased cost and inconvenience to residents. Because this is an administrative requirement within the Collection License, Staff recommends trying the removal of day designations for one year under a pilot program to review the impact on the community. Staff does not believe this change will have a significant impact on current operations and studying can be funded within current Staff projects.

<u>Recommendation Impact Summary</u>	
Estimated One Time Costs:	\$0
Funding Needed:	One Time \$0
Estimated Annual Costs:	\$5,000
Additional Funding Needed	Annually \$5,000
Potential Tons of Material Collected:	Unknown
Potential Funds from Recovered Materials:	\$0
Potential New Waste Diverted from Landfill:	Unknown

Organics

The EAB has learned that the tree limb program could potentially be scaled back to only four collection events per year instead of the eight currently offered. Funds for these programs would be reallocated to maintenance activities within the Open Space Program. Additionally, Staff has noted there are other options for residents, for a fee, to address their organic recycling needs. The Study Subcommittee did not make suggestions on yard waste collection program improvements because the limb program was in existence. The EAB has learned that there are several recycling companies that are working on compost programs that will collect yard waste, but there are none located near Westminster and collectors will not pick-up materials at the curb unless it is to take the material to the landfill. Until there are viable options for residents to recycle yard waste locally or at the curb, the EAB recommends the City maintain the current tree limb program.

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<u>Recommendation Impact Summary</u>	
Estimated One Time Costs:	\$0
Funding Needed:	One Time \$0
Estimated Annual Costs:	\$12,300 operating
Additional Funding Needed	\$12,300 is currently budgeted
Potential Tons of Material Collected:	60
Potential Funds from Recovered Materials:	\$0
Potential New Waste Diverted from Landfill:	0.1%

Funding

The Subcommittee and the EAB believe every business and household in Westminster should be assessed a nominal fee to pay a portion of the cost of non-curbside recycling programs. The amount must be identified through financial analysis. The EAB and Subcommittee members are cognizant that during these hard economic times, the fee must be minimal in order to be palatable to the community. The recycling program should not generate a profit, but simply be self-sustained. The most fair and efficient way to collect the fee must be studied. Voluntary donations were discussed as an opportunity within utility bills but the EAB and Subcommittee felt it would be very difficult to recuperate donations because they would have to be collected either by trash collectors or by another non-profit entity. Collecting and taking care of IRS tax reporting requirements for the fee would place additional administrative burden on Staff. The EAB requests Council direct Staff to fund and study ways to implement a fee that will cover non-curbside recycling opportunities.

<u>Recommendation Impact Summary</u>	
Estimated One Time Costs:	\$0
Funding Needed:	\$0
Estimated Annual Costs:	Unknown
Funding Needed	Annual Administration Costs Not Identified
Potential Tons of Material Collected:	0
Potential Funds from Recovered Materials:	\$0
Potential New Waste Diverted from Landfill:	0%

Most of the recommendations contained in this Staff Report have a fiscal impact and while the total amount of the reduction in waste gain to the landfill is unknown, Staff believes it will be significant enough to warrant additional investment by the City. Also, two of the recommendations within the community drop-off program will yield a return of funds to the City on clean, sorted recyclables collected that could potentially offset the cost of the drop-off program and maintain the volume of materials collected.

Both the Chair and Vice-Chair of the Environmental Advisory Board and Staff will be in attendance at the Study Session to answer any questions that Council may have on these recommendations.

The EAB's recommendations support the City's Strategic Plan goal of a Beautiful and Environmentally Sensitive City by pursuing the objective of a convenient recycling program for businesses and residents with a high level of participation.

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the Community

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Respectfully submitted,

J. Brent McFall
City Manager

Attachment

Recycling in HOAs Westminster, Colorado

2010 Census Population Total: 106,313

Estimated Populations in HOAs:

Total: 86,307 (125 Communities)

Total in Recycling Areas: 38,430 (60 Communities)

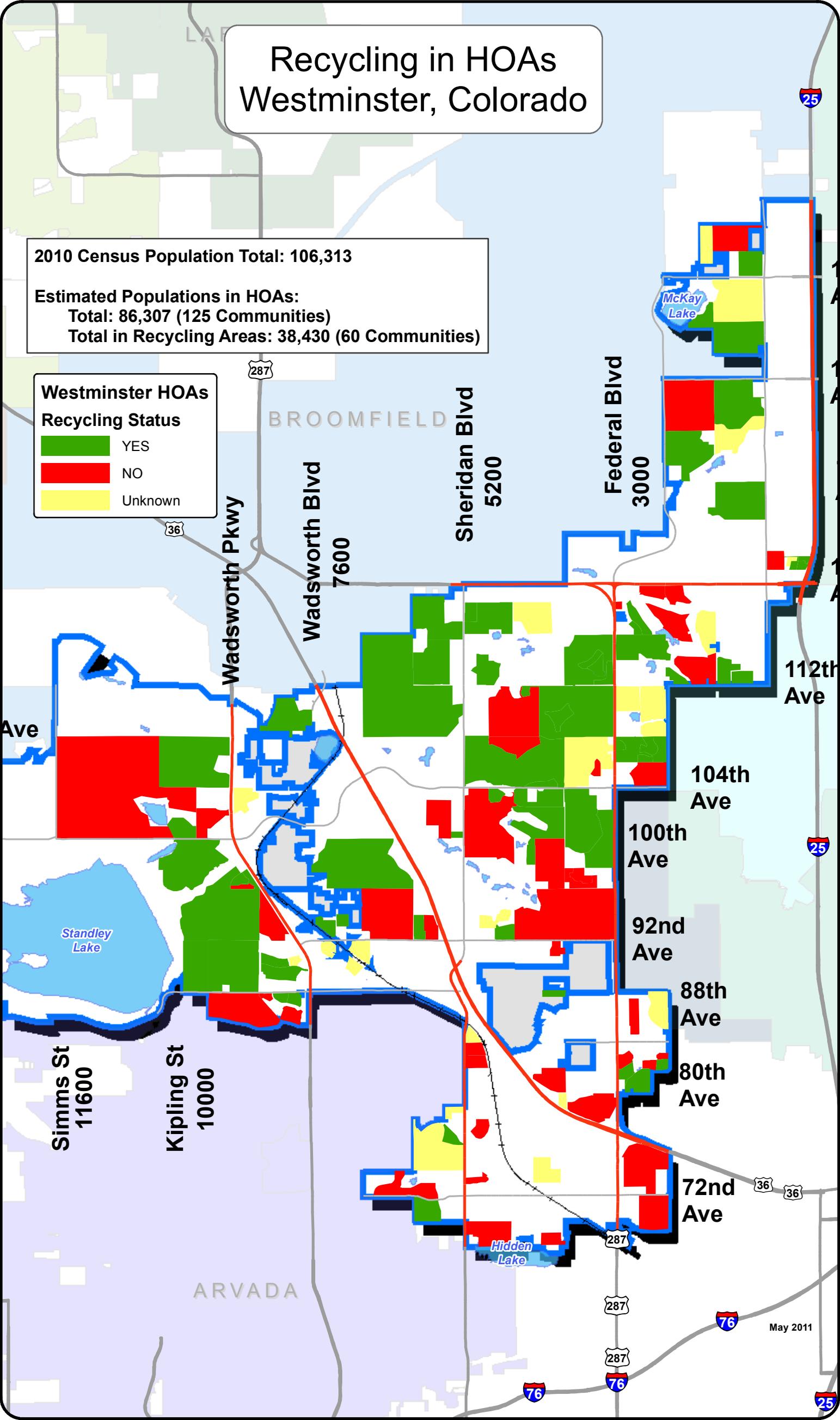
Westminster HOAs

Recycling Status

■ YES

■ NO

■ Unknown





WESTMINSTER
Staff Report

City Council Study Session Meeting
June 4, 2012



SUBJECT: Annual Updates to the Westminster Municipal Code

Prepared By: Walter Patrick, Planner II

Recommended City Council Action

Provide input to staff on proposed Zoning Code updates. Direct staff to prepare an ordinance for adoption by City Council regarding the proposed Code revisions for 2012.

Summary Statement

Each year staff proposes updates to the Westminster Municipal Code to remain current with development trends and 'stay ahead of the curve' with regard to zoning regulations and requirements. A detailed list of items is outlined in the background section of this staff report.

Expenditure Required: \$ 0

Source of Funds: N/A

Policy Issue

Should the City revise Title XI of the Westminster Municipal Code?

Alternative

Do not support the proposed Code changes for 2012. This action is not recommended as staff would like to remain current with development trends and continually improve the City's land development regulations to reflect the City's vision for future development.

Background Information

Staff is proposing a number of Zoning Code amendments this year; some that are "housekeeping" in nature and some that are more substantive. Each of the proposed amendments is listed below, with an explanation of the current Code (if any) and the rationale for the proposed change.

Summary of Proposed Revisions for the Year 2012

City Exemption from Compliance

Many of the recent and upcoming open space land acquisitions require subdivision of larger lots in order to preserve unused portions of properties. The current Zoning Code requires the preparation of a final plat or Preliminary Development Plan (PDP) in order to subdivide a property to facilitate these acquisitions. Additionally, prior to approval of a final plat, an Official Development Plan (ODP) (or ODP waiver) must be approved for the subject property. An ODP waiver cannot be used for these situations because they may only be granted for the purpose of approving minor site improvements, or for the purpose of combining non-conforming lots.

Creating or amending an ODP for the purposes of acquiring a portion of undeveloped property is time consuming and costly. It also forces the landowner to make decisions on future land use plans for their remaining property that they may not be in a position to make. Therefore, staff proposes amending the "City Exemption from Compliance" section of the Code to include exemption from compliance for City land acquisitions. By amending this section of Code, the City could subdivide and acquire property using a legal description or plat that is common practice in other communities, City land acquisitions could be completed in a more time and cost efficient manner.

Variance Requests for Individual Lots in Planned Unit Development (PUD) Zoned Areas

Currently, variance requests for changes including setbacks, building height, accessory building regulations, and fences, for single family detached lots in PUD zoned areas, are handled through the ODP Amendment process. An ODP Amendment requires review of 17 different criteria when considering a variance request. However, variance requests for straight zoned (non PUD) properties must satisfy 6 requirements as listed in the Variance Procedures and Standards section of the City Code. Staff proposes requiring variance requests for single family lots in PUD zoned areas to meet the same 6 findings as required for straight zoned single family residential lots.

The 17 criteria considered for PUD variance requests are very open ended and generally apply to more substantial changes to an overall ODP instead of a single lot. The 6 criteria considered for straight zoned properties, however, are specifically written to consider changes on individual parcels and require the applicant to prove a hardship. The hardship requirement is not currently required for PUD zoned properties. The proposal to use the 6 variance criteria as listed in the Variance Procedures and Standards section of the City Code, for all single family lots regardless of zoning designation, will allow staff to be consistent in the review of all single family variance requests.

Building Permit Fees in Urban Renewal Areas

Current Code allows a 20% reduction in the fees charged for building permits issued within the urban renewal area of the City. This reduced fee allowance should be removed from the City Code. Historically, this reduction has not been applied, as other incentives, such as a refund of certain fees, have been utilized. Also, current economic development practices do not include across the board fee reductions and this provision is outdated in its approach.

Clarify Build-Out Development in Growth Management Definitions

The City's growth management program allows service commitments for build-out developments to be included as part of the Active Residential Development category provided the development can meet the 4 requirements listed in the build-out definition. One of these requirements states that the project shall be 'located on land within a PUD which is at least 50% developed.' Staff proposes clarifying that '50% developed' could refer to either actual completed housing units or to 50% of the infrastructure (water lines, sewer lines, streets, etc...), which is consistent with how staff has interpreted '50% developed' in practice.

Maximum Height of Buildings

In the Special Regulations section of the Zoning Code, the maximum height of buildings is listed as being determined by Section 409 of the Uniform Building Code (UBC). This section is unclear if the 'height of buildings' is referencing the maximum height a building can be built or the method of measuring the maximum height of buildings. Further, the Building Division no longer uses the UBC but currently references the International Building Code. This section should be revised to clarify that the 'maximum height of buildings' is actually referring to how to measure the height of a building as determined by the currently adopted building code.

Antennas, Towers and Telecommunications Facilities

This section of Code is proposed to be amended to acknowledge new federal legislation that requires the City to approve requests to modify existing wireless towers or existing base stations by co-location of new transmission equipment, removal of transmission equipment, or replacement of transmission equipment when the modification will not substantially change the physical dimensions of the tower or base station. Several new updates and definitions are proposed that will bring the Code into compliance with the federal law while maintaining as much local control as possible. The updates include adding the term 'Base Station' to the Telecommunications Facility definition, adding a new Code subsection regarding the review and approval process, and new definitions as follows:

SUBSTANTIALLY CHANGE shall mean any of the following, and refers to a single change, or a series of changes over time (whether made by the same or different entities) viewed against the initial approval for the tower or base station that individually or cumulatively produces:

- Any increase in the height of any component.
- More than a 10% increase in the width or depth of any equipment, pad, or component.
- A change in the color of any visible component or equipment that causes it to appear larger or more visible.
- A change in the physical dimension of a camouflaged wireless facility, where the changes would be inconsistent with the design of the camouflaged wireless facility, or make the wireless towers more visible.
- A change in the physical dimensions that requires work that would intrude upon the Public Right-of-Way, or any environmentally-sensitive area.
- An increase in radio frequency emissions that causes the site to exceed federal radio frequency emissions standards.

- A change in the mounting of new or replacement transmission equipment that will involve installing new equipment cabinet(s) not permitted under the initial approval and that will not fit within the existing enclosure for the wireless tower or base station or that will require installation of a new cabinet or enclosure, excluding new equipment and cabinets that will be installed underground.

ELIGIBLE FACILITIES REQUEST means a request for modification of an existing wireless tower or existing base station that involves co-location of new transmission equipment, removal of transmission equipment, or replacement of transmission equipment.

Accessory Building Regulation Changes

As part of last year's annual Code revisions, staff revised the section of Code regarding accessory structures to allow an additional accessory structure for those lots already having a detached garage. Some Council members had questions and expressed concerns that the revisions, as written, may not go far enough in allowing citizens to have adequate storage. Staff was directed to reevaluate this Code revision and provide new options to Council at a later date and to provide an updated definition for accessory buildings.

While formulating a recommendation to Council, staff researched how accessory buildings are regulated in various communities throughout the metro area (see attachments). The information gained from this research shows the City of Westminster to be more restrictive than neighboring communities in our regulations concerning accessory buildings. Staff is proposing a Code revision that will be less restrictive in the City's straight-zoned (non PUD) areas. The staff recommendation is listed below:

Recommendations:

- Allow straight zoned areas to have up to 3 accessory buildings per lot.
- Keep all other regulations in place, including size requirements. Currently, accessory buildings are limited to 5% of the building lot area or 600 square feet, whichever is greater, up to a maximum of 2000 square feet. Some PUD zoned areas may have more restrictive regulations listed in their ODPs.
- No change is proposed for lots in PUD zoned areas. PUDs will still be limited to 1 accessory structure unless otherwise noted in the ODP. It should be noted that HOA covenants may further limit or restrict accessory buildings in some subdivisions.

Staff also proposes a revised Accessory Building definition. This definition is tentative and may be revised pending discussion at the Council study session.

Accessory Building

Accessory Building shall mean any detached building, structure, or portion thereof, which is not habitable, located on the same principal lot as a habitable structure that is clearly incidental to the principal structure, such as a garage, storage shed, gazebo, pergola, dog run or similar structure. An accessory building shall not mean outdoor fireplaces, fire-pits, cooking grills, trellises, arbors or similar structures not intended for use as a shade or storage structure. An accessory building shall not mean play equipment or mini structures such as fountains, play houses, doll houses, dog houses that are less than five feet in height.

This effort meets the City Council goals of Safe and Secure Community, Vibrant Neighborhoods and Livable Communities, and Beautiful and Environmentally Sensitive City, by creating more organized, thoughtful community development. This will lead to better land use, zoning, and design decision making.

Staff Report –Annual Updates to the Westminster Municipal Code
June 4, 2012
Page 5

Respectfully submitted,

J. Brent McFall
City Manager

Attachment A – Accessory Building Research Results

Accessory Building Research Results							
	Arvada	Aurora	Boulder	Brighton	Broomfield	Greeley	Westminster
Max. No. of Structures Allowed	3 structures	No Limit	No Limit	No Limit	No Limit	No Limit	1 structure
Are there Lot Coverage Provisions?	A detached garage <75% of living space. Floor area of all accessory structures must be less than the gfa of the principal structure.	<50% of rear yard area AND <50% of primary structure.	500sf if located between rear yard setback and property line. Can not be larger than principal building if within building envelope.	900 sf total for all accessory structures combined. This requirement changes for 'estate' and other rural lots.	No, but possible in PUDs	Yes, <60% footprint of primary, this may be exceeded for garage but cannot be larger than 660sf. All structures can't be more than sf of primary.	5% of lot or 600sf, whichever is larger. Cannot be larger than 2000sf.
Are Access. Bldgs. Differentiated based on how they are used?	Yes, there are 'mini-structures'. 2 allowed per lot and count toward the 3 permitted. Total area < 220sf for minis.	Detached garage or carport must meet primary structure setbacks. No unpainted or galvanized metal.	?	No	No	Yes, detached garages.	No
Are there Architectural Requirements?	Yes, must be compatible to primary.	Yes, if > 120sf must be compatible with the primary structure.	?	Yes, subject to residential design standards	No, but possible in PUDs	Yes, >120sf must be similar material and design to primary.	Yes, must maintain character of neighborhood and similar materials to primary structure
PUDs in City? Are regs different in PUDS? % of Jurisdiction zoned PUD?	Regs may be diff in PUD. Uncertain but maybe 50% of City is PUD.	Regs. May be different in PUDs. Uncertain but maybe 40-50% of City zoned PUD.	Can be different.	Regulations may be different in PUDs. City is about 70% PUD.	Regs could be different in PUDs. Approx 60% PUD. Example would be requiring 40% of lot to be open w/out structure or driveway.	PUDs would generally follow code. Maybe 10-15% of City PUD.	Yes, often
Permits Required?	Yes >120 sf	Yes >120 sf	Yes, if > 80sf or 10' in height	Site improvement permit required for all sizes.	Yes, for all structures.	Yes > 120sf.	Yes > 120sf
Setbacks Required?	Same as primary structure unless a 'mini'. Minis can be in setbacks.	If <6' in height min. 3' from prop line. Add'l 1' for each 1' above 6' height. <120sf may be in setback if in rear half of rear yard. 6' separation.	typically 3'	Height = 16', Front = 60', Side = 5', Rear = 10', Corner = 20'.	Side and rear =5'. At least 7.5' between structures. Not allowed in side yard adjacent to streets.	6' from primary. Rear = 5'. If < 120sf can be in side and rear setback.	<120sf = 3' side and rear. >120sf = 5' side and rear.

Accessory Building Research Results							
	Golden	Lakewood	Northglenn	Thornton	Adams Co.	Jefferson Co.	Westminster
Max. No. of Structures Allowed	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Can have mult. bldgs but cant be more than sf of primary living space or limit of zoning (900sf for R1)	1 structure
Are there Lot Coverage Provisions?	10% of lot area	10% of lot area with max.1800 sf Total primary and accessory no more than 35% of lot.	Shed max = 200sf No more than 30% of the yard at the rear of primary structure	Max 25% of lot area for non residential structures including garages, gazebos etc..	900sf including detached garages	900sf for R-1 12.5% of lot for R-E	5% of lot or 600sf, whichever is larger. Cannot be larger than 2000sf.
Are Access. Bldgs. Differentiated based on how they are used?	No	No	Sheds are treated differently. Only have to meet architectural requirements if over 120sf	No		No, anything with roof.	No
Are there Architectural Requirements?	No design regulations	No, but currently working on this.	Yes-must complement primary structure including roofing. If abutting a public street or greenway must have 30% masonry if masonry is used on primary.	Yes, compatible or complimentary to Primary	No	No	Yes, must maintain character of neighborhood and similar materials to primary structure
PUDs in City? Are regs different in PUDS? % of Jurisdiction zoned PUD?	Not likely to be different in PUD. PUD percentage unknown.	May be different in PUDs but not always. PUD percentage unknown.		Generally PUDs follow code. About 30% of City is zoned PUD	May be different regs in PUD	Generally are the same	Yes, often
Permits Required?	> 120sf	>120sf of 10ft in height.	If larger than 144sf. Also must have a foundation.	> 120sf	> 120sf	<200sf need Misc. Permit from P&Z. >200sf need building permit.	Yes > 120sf
Setbacks Required?	Side and Rear = 5'. Front = same as primary. Front for garage = 20' Max. height = 15'	Side and Rear = 5' Max. height = 20' < 120sf then exempt from setback requirement.	Front = same as primary Max. Height = 16' or 9' for shed. 5' from any other structure.	Side = 10' Rear = 20' Prior to 1996= 5' side and rear	Yes	<200sf no setback req. except front. >200sf usually 5' side and rear but may vary between zones.	<120sf = 3' side and rear. >120sf = 5' side and rear.



WESTMINSTER

Staff Report

Information Only Staff Report
June 4, 2012



SUBJECT: 2012 1st Quarter City Council Expenditure Report

PREPARED BY: Ben Goldstein, Management Analyst
Lynn Voorhees, Administrative Secretary

Summary Statement:

- This report is for City Council information only and requires no action by City Council.
- The attached document is a listing of all 2012 City Council posted expenditures from January 1 through March 31, 2012.

Background Information:

The following report is a listing of City Council expenditures by each account for January 1 through March 31, 2012, as posted by May 1, 2012. As of March 31, 2012, 24.86% of the year elapsed and Council spent 20.69%, or \$49,680 of its revised 2012 budget. The delay in reporting resulted from some account expenditures that had to be reconciled before the quarter could be finalized.

City Council's revised 2012 budget totals \$240,119. Council remains on track to finish the year under its overall budget.

The budget is a planning tool and represents a best estimate regarding actual expenditures. If you have any questions about items included in this report, please contact Ben Goldstein at 303-658-2007 or at bgoldstein@cityofwestminster.us.

The Quarterly Expenditure Report for City Council ties to the Strategic Plan Goal of a “Financially Sustainable City Government Providing Exceptional Services,” as Staff and Council work together to continually find greater efficiency in City operations.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment



WESTMINSTER

Staff Report

Information Only Staff Report
June 4, 2012



SUBJECT: 2012 State Legislative Session Wrap Up

PREPARED BY: Ben Goldstein, Management Analyst

Summary Statement:

This report is for City Council information only and requires no action.

- The City of Westminster had a productive and successful 2012 State legislative session and again worked closely with our Lobbyist Danny Tomlinson and the Colorado Municipal League (CML) to educate legislators about the impacts that unfunded mandates, and attacks on home rule authority have on Westminster and other cities throughout the State.
- City Council took official positions on six pieces of legislation ranging from vehicle registration late fees to the reduction of Great Outdoor Colorado (GOCO) funds from the creation of a new scratch lottery ticket. The City had a 100% success rate on the legislation upon which we took official positions, on, meaning that all bills the City opposed failed and all bills the city supported passed.
- The City was also successful in working with other cities on preventing or amending legislation before it was introduced, resulting in a reduced number of official positions taken by the City.

Background Information:

In an effort to protect the interests of the City of Westminster and its residents, the City actively participates in the State legislative process. Prior to the start of the legislative session, City Council adopted the 2012 Legislative Policy Statement that allows for a nimble response to the sometimes fast pace of the legislature. City Council also provided Staff with the ability to utilize a summary Legislative Issue Guides as a quick reference tool to educate legislators on the issues that matter most to the City of Westminster.

In addition to the Legislative Policy Statement and Legislative Issue Guide, the City was able to benefit throughout the legislative session from several subject matter experts that work for the City. City Staff reviewed in detail 138 pieces of legislation and took official position on six of them. With over 650 pieces of legislation introduced between the House and Senate this session, Staff relied on additional resources such as the City's contract lobbyist Danny Tomlinson and the Colorado Municipal League (CML) to help keep focus on the bills that would have the greatest impact on the City and its residents. In addition to the hundreds of bills that were introduced, the City had some of its greatest accomplishments in working to prevent damaging legislation from being introduced and amending other legislation before it was introduced. This included a significant proposed bill that would have negatively impacted the City's ability to use tax increment financing in its urban renewal areas.

The City had a 100% success rate with the six official positions that City Council took; in all cases, the official position was in opposition to legislation that would have negatively impacted the City. Staff worked to only recommend official positions on legislation that would be impacted by City Council's action. In many cases throughout the session, legislation was introduced that had no realistic chance of passing through the split houses, with Republicans in the majority in the House and Democrats in the majority in the Senate.

Below is the list of legislation that City Council took an official position on; in all cases, the official positions were in opposition to the proposed legislation:

- HB 12-1014: (Baumgardner) Concerning vehicle registration late fees;
- HB12-1062: (Baker) Concerning Minimum Employment Protections for Colorado Peace Officers;
- HB12-1352 (Sonnenberg and Brophy) Concerning a Prohibition on a Local Government that Impacts Oil and Gas Extraction from Receiving Any Moneys from the Local Government Severance Tax Fund;
- SB12-081: (Grantham) Concerning a Prohibition on a Local Government Requiring the Installation of Sprinklers in a Single Family Dwelling;
- SCR12-002 (Ramirez and Todd) Concerning the creation of a scratch lottery ticket to provide funds for Veterans affairs; and
- SCR12-003 (Lundberg, Lambert, Neville) Concerning the diversion of current lottery funds from Great Outdoors Colorado to education for a 4 year period.

The official City position on each bill was communicated directly to our legislators, distributed to the City lobbyist, CML, and committee members who would be hearing the legislation in their respective committees. In addition, positions were posted on the City's website and distributed through the Weekly Edition publication.

The 2012 session also provided a couple of surprises; for the first time since 2006, the legislative session was extended past its normal length of 120 days with Governor Hickenlooper calling a special session to address several pieces of legislation that were held up at the end of the regular

session in the House of Representatives. The three day special session resulted in the passage of two out of the seven pieces of legislation that were introduced. One of the pieces of legislation that was not passed would have resulted in the establishment of better defined standards for the amount of Tetrahydrocannabinol (THC - the psychoactive in marijuana) in a driver's system that would result in a DUI; although Staff did not recommend an official position of support for this legislation, they remained supportive of the concept and may pursue a similar piece of legislation next session.

Danny Tomlinson, the City's contract lobbyist, will provide an additional legislative wrap up at the Post City Council Meeting on June 11. He and Staff will be available at that point to answer any specific questions about the 2012 State legislative session and provide thoughts on potential hot topics for next year's session. In the meantime, if you have any questions about items included in this report or other pieces of legislation from the 2012 legislative session, please contact Ben Goldstein at 303-658-2007 or at bgoldstein@cityofwestminster.us.

As State legislation can have a significant impact on the City of Westminster and its citizens, the City of Westminster 2012 State legislative program and session wrap up supports all five of City Council's Strategic Plan Goals.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

Information Only Staff Report
June 4, 2012



SUBJECT: Sustainable Communities Initiative – Denver Regional Council of Governments

PREPARED BY: Mac Cummins, Planning Manager
Aric Otzelberger, Assistant to the City Manager

Summary Statement

This report is for City Council information only and no action is required by City Council.

Late last year, the Denver Regional Council of Governments (DRCOG) was awarded a \$4.5 million “Sustainable Communities Initiative” (SCI) grant from U.S. Department of Housing and Urban Development (HUD). A portion of this grant will go to fund corridor planning activities and a “catalytic project” in the Northwest Rail Corridor. In order to participate as a partner in this grant program per HUD, the City is required to sign a “Consortium Agreement” with DRCOG. A copy of the agreement is attached.

Unless City Council has concerns, the City Manager will sign this agreement on behalf of the City of Westminster. The agreement does not create any legal or financial obligations for the City of Westminster.

Background Information

Late last year, HUD awarded a \$4.5 million SCI grant to the Denver Region. Overall, the grant's purpose is to support multijurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation and infrastructure investments. The grant will fund regional planning efforts, corridor planning efforts for the East, Gold and Northwest Rail Corridors (FasTracks) and predevelopment planning at specific sites in these corridors. A portion of this grant will fund planning efforts related to a "catalytic project" in the Northwest Rail Corridor. According to DRCOG Staff, roughly \$200,000 will be available for corridor planning activities and \$300,000 will be available for the "catalytic project" in the Northwest Rail corridor. Efforts related to Northwest Rail will not fully commence until 2013.

In order to participate as a partner in this effort, the City of Westminster will be required to sign a Consortium Agreement. City Staff participated in the effort with DRCOG to obtain the SCI grant and wrote a letter of support for the grant application and will play an active role in this project. City Staff attended the "kick off" event for the SCI grant on May 14. Unless City Council has concerns, the City Manager will sign this agreement on behalf of the City of Westminster. The agreement does not create any legal or financial obligations for the City of Westminster. The Consortium Agreement is a requirement of HUD and its purpose is to confirm governance structure and general roles of partners. Partners must sign and return the Consortium Agreement to DRCOG no later than June 15, 2012.

City Staff is planning to participate in the "Corridor Planning Working Group" for the Northwest Rail Corridor, along with "catalytic project" activities as appropriate. Planning Manager Mac Cummins will serve as the City's primary point of contact for the SCI effort. The City's participation in the SCI project helps support the City's Strategic Plan Goals of "Vibrant Neighborhoods in One Livable Community" and a "Strong, Balanced Local Economy."

Respectfully submitted,

J. Brent McFall
City Manager

Attachment



Denver Region Sustainable Communities Initiative



Consortium Agreement

May 16, 2012

Background

The Denver region enjoys a storied history of collaboration, anchored by the Denver Regional Council of Governments (DRCOG), its 56 member governments and more than 50 years of weaving land use, transportation and environmental concerns into a fully integrated regional plan. *Metro Vision*, most recently updated in February 2011, provides the framework that will guide this region into a future of expanded opportunities for people of all ages, incomes and abilities, supporting vibrant communities and a robust regional economy.

In November 2011 the Sustainable Communities Partnership, a federal collaboration of the U.S. Department of Housing and Urban Development (HUD), Department of Transportation (DOT), and Environmental Protection Agency (EPA), awarded the Denver region a \$4.5 million Regional Planning Grant. With this grant funding, a Consortium of municipalities, counties, state agencies, housing authorities, nonprofits, corporate interests, philanthropic and academic organizations will work together to further enhance and implement *Metro Vision*, while addressing one of our region's most pressing and exciting challenges: leveraging the planned \$6.7 billion expansion of the FasTracks transit system.

This document establishes the goals of the Consortium and the conditions under which Consortium members shall participate in the planning and related activities funded by the Sustainable Communities Regional Planning Grant, sometimes referred to herein as the Initiative.

Goals

The Consortium's overarching goal is to align investments, programs and policies to maximize the benefits that result from the region's investment in transit. We anticipate a region with greater access to job opportunities across the entire income spectrum, lower combined transportation and housing costs, reduced consumption of fossil fuels, reduced strain on our air and water resources, and ultimately the development of concentrated, mixed-use, pedestrian- and bicycle-friendly "urban centers" along transit lines that allow residents to easily access their daily needs without having to get into a car.

Grant-Funded Activities

The planning process is divided into five main categories. The first three represent distinct but interrelated planning levels – regional, corridor and site-specific (Catalytic Projects). The remaining two – Stakeholder Engagement and Outcomes Assessment and Knowledge Sharing (OAKS) – cut across and



support planning efforts at all three levels. Regional planning activities will focus on further refinements to *Metro Vision*, particularly the issues of access to housing choices and economic opportunity. Detailed execution planning at the corridor level will bring *Metro Vision* closer to implementation, and will focus on the three transit corridors currently under construction as part of the innovative EAGLE P3 public-private partnership (Gold, East, and Northwest rail/US36 BRT). Corridor-level planning will in turn lead to the identification and selection of three Catalytic Projects (one on each corridor) at specific sites that offer the potential for transformational changes. The West Line, which recently completed corridor-wide planning, has also identified a fourth Catalytic Project at the Sheridan Station. Pre-development planning, environmental review and policy changes that catalyze redevelopment at these sites will in turn provide valuable lessons for other transit station areas throughout the region.

Benefits to Consortium Members

Participate in regional and corridor planning

Metro Vision and the corridor planning provides a framework where Consortium members can find common ground on shared goals the region can collectively work toward. Consortium members can play a role ensuring *Metro Vision* and corridor planning activities reflect and advance the mission of their local government, organization or constituency.

Recognize the value of communities within the regional context

The physical and cultural diversity of the many communities that comprise the Denver region creates the opportunity for a wide variety of economic development initiatives and living styles. Through participation in *Metro Vision* and corridor planning activities, Consortium members can raise awareness of the unique contribution that each individual community makes toward regional goals. In turn, a stronger, more livable region will serve to strengthen and sustain its individual communities.

Gain access to tools, data and best practices

A considerable amount of data will be collected and disseminated as part of the *Metro Vision* and corridor planning process. Grant resources will also fund the development of decision-support tools, case studies of best practices, and training opportunities for Consortium members. These resources will increase Consortium members' understanding of the livability principles and capacity to enhance livability within their own communities.

Foster new partnerships and increased collaboration among entities in the region

The *Metro Vision* and corridor planning process will bring together stakeholders from a wide variety of sectors and disciplines, some of whom may not have worked together previously, and highlight opportunities for Consortium members with similar goals to coordinate efforts and align resources. These relationships will live beyond the grant-funding period and support ongoing collaboration.



Access funding opportunities

In recognition of the Denver region's ongoing commitment to advancing sustainability, HUD has awarded the region Preferred Sustainability Status. Consortium members may therefore be able to claim additional points or receive special consideration when applying for funding through HUD and other agencies affiliated with the Federal Partnership for Sustainability.

Responsibilities of Consortium Members

Actively collaborate on regional, corridor, and site-level planning activities

Consortium members will work together through the *Metro Vision* and corridor planning activities to identify shared goals, values and interests, and to develop consensus on policies and strategies for implementation. Active engagement may include participation in the Corridor Working Groups, stakeholder committees, advisory committees, workshops and trainings, case studies, and other opportunities that arise throughout the planning process to contribute to the overall effort. In contributing to the effort, Consortium members will make good on any commitments of matching resources.

Share information and ensure broad participation

The full Consortium will convene at least twice annually to share information on their collective efforts and address any key issues that arise during the planning process. Consortium members will also serve as ambassadors for the Sustainable Communities Initiative, assisting with outreach both to members of the public and to members of their organization or local government. By raising awareness of the planning activities and identifying potential new partners, Consortium members will help ensure the Initiative is comprehensive in scope and includes a broad diversity of perspectives, particularly from communities that are traditionally underrepresented in the planning process. Consortium members will designate a point person within their organization who will serve as the primary contact for the Initiative and who will be responsible for communicating the activities of the Consortium to their organization and constituents. If the point of contact changes, the Consortium member must provide DRCOG staff with contact information for the new designated contact person.

Assist with plan implementation

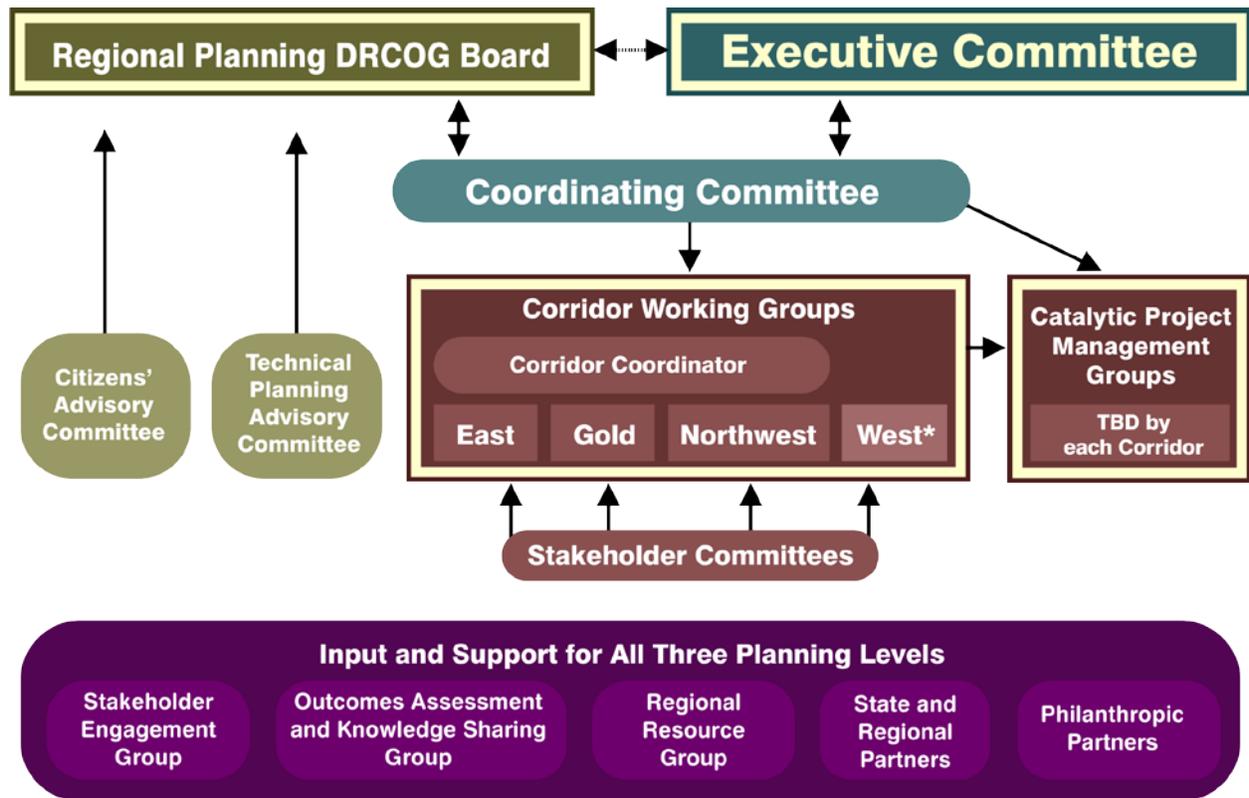
Consortium members will help identify opportunities to implement the projects and strategies identified in *Metro Vision* and the corridor plans. Consortium members will also facilitate any needed revisions to existing plans to ensure consistency with common regional or corridor-level goals.



Governance Structure

Figure 1. Consortium Governance Structure

The Consortium is comprised of the groups below involved in each of the three levels of planning and implementation: regional, corridor, and site (catalytic projects). Rectangles with thick white borders represent decision-making bodies.



*West Corridor to receive grant funding for catalytic project only; all other corridors to receive funding for both planning and catalytic projects.

The roles, purposes and responsibilities of the various committees and groups are as generally described below. The Executive Committee is authorized to promulgate written guidelines governing the size, membership, removal of members, and procedures of that committee, provided the guidelines are consistent with the provisions below. Each Corridor Working Group is authorized to promulgate such guidelines for their own group, and the Executive Director of DRCOG is authorized to promulgate such guidelines for all other committees and groups.

The **Executive Committee**, comprised of leaders from the public, private, and non-profit sectors, will provide project oversight to ensure the proposed planning efforts meet the objectives set forth in this Agreement and result in implementable strategies that equitably benefit the Denver region. The Committee will work toward consensus when making decisions, but upon the affirmative vote of the majority of members present and voting, the Committee may decide any questions that cannot be resolved by consensus. The Committee will meet quarterly and have the following responsibilities:

- Serve as champions for the Initiative, setting the tone for regional collaboration and advocating for the planning process
- If necessary, resolve conflicts or disputes and redirect any activities not aligned with the Consortium's objectives
- Approve the initial work plan and any subsequent modifications
- Receive quarterly updates and provide feedback on grant-funded activities, grant fund expenditures and allocation of matching resources
- Educate and inform others about the Initiative
- Provide direction to the Coordinating Committee on how grant-funded activities could be coordinated with and amplify other allied efforts
- Each Executive Committee member will represent the perspective of their particular interest group, while seeking common ground with other interest groups
- As described below, the Executive Committee will provide input to DRCOG throughout the regional planning process, and the DRCOG Board of Directors is the final decision maker on any proposed updates to the *Metro Vision* plan. The Executive Committee may also make recommendations to DRCOG regarding changes to the grant budget.

The ***Coordinating Committee***, comprised of staff from DRCOG and members of Mile High Connects, will provide logistical support and day-to-day project direction, and support the Executive Committee in providing project oversight. Its key functions are ensuring integration of regional, corridor and catalytic project planning efforts, and keeping the Executive Committee informed of grant activities and any related issues. The Committee will make decisions by consensus. Any issues that cannot be resolved by consensus will be elevated to the Executive Committee. Specific responsibilities of the Committee include:

- Ensure coordination among Consortium members and among grant-funded activities
- Develop detailed scopes of work for sub-recipients and contractors as needed
- Attend to HUD requirements for reporting on and managing the grant-funded activities

The ***Denver Regional Council of Governments (DRCOG)***, as the Regional Planning Commission and Metropolitan Planning Organization (MPO) for the Denver region, will lead and coordinate all regional planning efforts, including the potential expansion of regional goals and policies within *Metro Vision*. The DRCOG Board of Directors, comprised of elected officials from each of the member governments, will make all policy-related decisions regarding the update of *Metro Vision*. DRCOG's Articles of Association detail the Board's decision-making procedures.

To ensure participation of key stakeholders in regional planning, DRCOG intends to establish the two committees described below. The Executive Committee will also provide input to the DRCOG Board throughout the regional planning process. The DRCOG Board is the final decision maker on any proposed updates to the *Metro Vision* plan.

- The ***Citizens' Advisory Committee***, comprised of resident leaders from throughout the region, including individuals representing the interests of low-income households, minorities, the elderly



and people with disabilities, will provide recommendations to the DRCOG Board on *Metro Vision* policies and the engagement of community members in the regional planning process, particularly the direct involvement of those typically underrepresented.

- The **Technical Planning Advisory Committee**, comprised of local planning staff and subject-matter experts, will provide technical recommendations to the DRCOG Board on efforts to improve *Metro Vision*.

DRCOG is also serving as fiscal and administrative agent for the grant and will allocate resources to sub-recipients and award consultant contracts as needed. Through its annual budgeting process, the DRCOG Board will approve the grant budget and any subsequent changes. The DRCOG Administrative Committee will approve contracts with sub-recipients and consultants.

The **Corridor Working Groups**, comprised of city and county officials, housing authorities, and subject-matter experts, will direct corridor-level planning activities and establish a vision and goals unique to their corridor. Each Corridor Working Group will either manage its catalytic project directly or delegate that task to another entity. The existing West Line Working Group, having successfully carried out corridor level planning over the past year, will focus primarily on catalytic project planning activities. The other three corridors (East, Gold and Northwest rail/US36 BRT) will establish new Working Groups and create their own governance structures, using the West Line Working Group as a model.

- Reconnecting America will serve as the **Corridor Coordinator** across these new Working Groups to assure alignment with SCRPG objectives, provide training and capacity building, and share best practices among Working Groups.
- Each Working Group will receive direct input from larger corridor-wide **Stakeholder Committees**, which will include local residents. Corridor Working Groups will make all policy-related decisions regarding corridor and catalytic project planning efforts.

The **Regional Resource Group** includes organizations with demonstrated subject-matter expertise in housing, transportation, community and economic development, education, creative businesses and the arts, public health, environmental issues, urban agriculture, issues relevant to older adults, promoting equitable outcomes for low-income populations, and stakeholder engagement. Members of this group are committed and available to provide input and assistance at the behest of regional, corridor and catalytic project leadership needs. Many have committed matching resources and/or offered services at a discounted rate. Each member of the regional resource group will provide information on the types of assistance and services they can offer, which DRCOG will distribute to the full Consortium.

The **Outcomes Assessment and Knowledge Sharing (OAKS) Group** will help evaluate the outcomes of current and previous planning efforts, provide opportunities to share lessons learned and best practices, and ensure these lessons are integrated into ongoing planning efforts through the development of performance measures and decision support tools. The OAKS group includes University of Colorado-Denver, the Colorado Department of Public Health and the Environment, PlaceMatters and Reconnecting America. Activities of this group will support the collection and dissemination of information among participating agencies to ensure that decisions are well-informed and communicated



across jurisdictions. Case study reports will evaluate the existing light rail corridors in the Denver region (Southeast and Southwest lines) as well as the corridor nearing completion (West Line) in terms of their contribution to regional targets. Lessons learned both locally and nationally will be integrated into regional, corridor, and catalytic project planning efforts through the use of cutting-edge decision support tools. DRCOG's online regional data catalog will also make data and information associated with the proposed planning activities widely available.

The **Stakeholder Engagement Group** includes FRESC, The Denver Foundation, Transit Alliance and PlaceMatters. This group will ensure stakeholders have meaningful opportunities to provide input and feedback throughout the proposed planning and implementation activities at the regional, corridor and catalytic project levels, as well as the skills and knowledge required to participate effectively. Activities of this group will include capacity building and stakeholder engagement among traditionally disadvantaged communities; Citizens' Academies that engage a broad range of constituents; and large-scale, interactive meetings. These efforts will help populate the regional Citizens' Advisory Committee and Corridor Stakeholder Committees, particularly with people typically underrepresented in the planning process.

State and Regional Partners include the Colorado departments of local affairs, public health and environment, and transportation; the Regional Transportation District; and the Regional Air Quality Council. These partners have committed staff time and technical expertise, and will ensure state and regional efforts are coordinated with and enhance the proposed activities. **Philanthropic Partners** have also committed funding and technical expertise to directly support the proposed activities, as well as funding for a variety of related initiatives that will ensure the benefits gained are widespread and realized for generations to come.

Accountability Measures

DRCOG is serving as fiscal and administrative agent for the grant and will act in a representative capacity with HUD on behalf of all members of the Consortium with respect to reporting to HUD and ensuring compliance with the requirements of the grant program. In this capacity, DRCOG will administer grant funding, budgeting and accounting, and will be the contracting agent to award and administer sub-recipient contracts and other contracts as needed. DRCOG may establish rules and policies governing the process for award of contracts, including without limitation rules prohibiting actual or potential conflicts of interest.

All Consortium members that have pledged in-kind support or other match requirements will work with DRCOG to document the number of hours spent on the project and the allocation of other matching resources, and will enter into an agreement governing their pledge if required by DRCOG. All Consortium members that will be receiving grant funds (sub-recipients) will enter into a formal contract with DRCOG that outlines the work to be performed and deliverables, and provide progress reports to DRCOG on a regular basis. DRCOG will use these reports to share information on the status of grant-funded activities with the larger Consortium.



Expansion of Consortium Membership

Any entity supportive of the Consortium's goals may join at any time by becoming a signatory to this Agreement. The Executive Committee, Coordinating Committee, Corridor Working Groups and DRCOG Board may undertake special outreach to engage new partners and underrepresented constituencies as needed.

Duration of Consortium Agreement

This Agreement shall remain in force for the duration of the Sustainable Communities Regional Planning Grant funding period, which is expected to conclude on February 15, 2015. This Agreement and the Consortium may be continued beyond the grant conclusion date through a writing signed by those members wishing to continue this Agreement beyond the grant conclusion date.

Withdrawal From Consortium Agreement

Any member may, at any time, provide written notice to DRCOG of their intent to leave the Consortium, which notice shall state the effective date of withdrawal. Upon withdrawal, the member shall no longer be a party to this Agreement and shall no longer receive any benefits of Consortium membership, unless there is a specific written agreement to the contrary. However, a withdrawing member shall remain obligated to satisfy any pledge of in kind support or match requirement that is outstanding at the time of withdrawal. If approved by DRCOG, the member's obligation may be satisfied by working with DRCOG to secure equivalent resources from an alternative source.

Changes to Terms of Agreement

The Executive Committee may, after consultation with the Consortium members, elect to change the terms of this Agreement at any time and will provide written notification of any changes to the entire Consortium membership.

Signatures

An entity becomes a member of the Consortium by signing this Agreement and returning its signature page to DRCOG. This Agreement may be signed in any number of copies or counterparts, each of which shall constitute an original and all of which shall constitute one and same document. Signature submitted by facsimile or electronic transmission shall be sufficient and binding.

Signature Page Follows



Member Signature Page

Instruction: This Agreement is to be signed by a representative of each Consortium member who has the authority to enter into an agreement on behalf of that entity. Please return your entity's signed original of this Signature Page to Jill Locantore at DRCOG, 1290 Broadway, Suite 700, Denver, CO 80203. Please keep a signed copy of this Agreement for your records.

By signing this Consortium Agreement, the undersigned party hereby agrees to join the Denver Region Sustainable Communities Consortium effective as of the date of signing and agrees to the provisions of the Consortium Agreement.

EXECUTED this ____ day of _____, 2012

Signature

Name (please print)

Title

Organization

Primary Point of Contact:

Name

Title

Phone

E-mail

Mailing address



OPTIONAL Additional Information

Areas of the Sustainable Communities Initiative your organization will participate in:

Check all that apply

- | | |
|--|---|
| <input type="checkbox"/> Metro Vision Plan Update | <input type="checkbox"/> Regional Resource Group |
| <input type="checkbox"/> Boomer Bond | <input type="checkbox"/> Executive Committee |
| <input type="checkbox"/> Regional Equity Atlas | <input type="checkbox"/> Coordinating Committee |
| <input type="checkbox"/> Stakeholder Engagement | <input type="checkbox"/> Corridor Planning |
| <input type="checkbox"/> Citizens' Academies | <input type="checkbox"/> East |
| <input type="checkbox"/> Outreach to traditionally disadvantaged communities | <input type="checkbox"/> Gold |
| <input type="checkbox"/> Outcomes Assessment and Knowledge Sharing | <input type="checkbox"/> Northwest Rail/US 36 BRT |
| <input type="checkbox"/> Case Studies (Existing Transit Lines) | <input type="checkbox"/> Catalytic Projects |
| <input type="checkbox"/> Workshops and Trainings | <input type="checkbox"/> West |
| | <input type="checkbox"/> East |
| | <input type="checkbox"/> Gold |
| | <input type="checkbox"/> Northwest Rail/US 36 BRT |

Details of how your organization anticipates participating in the areas checked above:

Matching resources your organization will commit to the Sustainable Communities Initiative:

- Cash In-Kind Other

Value:

Description:

