



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: June 1, 2011

SUBJECT: Study Session Agenda for June 6, 2011

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

1. 2010 Comprehensive Annual Financial Report and Management Letter
2. Licensing System and Electronic Tax Payment Upgrade

6:30 P.M.

EXECUTIVE SESSION

None at this time.

INFORMATION ONLY ITEMS

1. Meet the Employers Event hosted by Congressman Jared Polis and the City of Westminster
2. Mosquito Program for 2011

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 6, 2011



SUBJECT: 2010 Comprehensive Annual Financial Report and Management Letter

PREPARED BY: Tammy Hitchens, Finance Director

Recommended City Council Action:

Review and discuss the 2010 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 Anna Thigpen, In-charge Auditor, of BKD, LLP, the City's independent audit firm, will present to Council the 2010 CAFR and SAS 114 communications that address the audit scope and results. The CAFR is scheduled for formal acceptance at the Council meeting on June 13, 2011.

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

BKD has prepared a letter to Council and Management communicating information on the scope and results of the City's annual financial audit. The letter discusses any items significant to the audit, such as financial estimates, management assertions, financial statement disclosures, communications, adjustments and audit findings, as well as suggestions for improvements to certain financial and administrative practices of the City.

This Staff Report discusses the financial highlights of the CAFR and Staff's response to BKD's recommendations for improvements to internal controls over financial reporting and compliance, proposed audit adjustments, and suggestions for change to enhance the efficiency and effectiveness of certain systems and processes.

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 2010 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 2010 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 assets of governmental and business-type activities increased \$18.5 million, including a \$14.6 million increase in governmental activities net assets and a \$3.9 million increase in business-type activities net assets.
- General Fund: The fund balance of the General Fund decreased \$1.0 million in 2010. Of the \$18.8 million ending fund balance, \$11.6 million was unreserved and available for future spending.
- Sales & Use Tax Fund: Sales and Use Tax revenues increased by \$7.3 million. Fund Balance increased by \$1.9 million primarily due to the increase in sales and use tax collections.
- General Capital Improvement Fund: Operating revenues increased by \$1.8 million and expenditures were \$11.4 million less than 2009. These changes as well as significant interfund transfer activity resulted in a decrease in Fund Balance of \$15.9 million.
- Westminster Economic Development Authority: Fund balance increased \$24.1 million to \$47.3 million, primarily due to significant interfund transfers from the General and General Capital Improvement Funds to support economic development of the Westminster Urban Renewal and Reinvestment Project.
- Utility Fund: Net Assets increased \$4.2 million from \$382.4 in 2009 to \$386.6 million in 2010. This increase is \$10.6 million more than the \$6.4 million decrease in 2009. The 2010 increase results from a \$1.4 million operating gain made up of a \$5.9 million increase in charges for services revenue and a \$4.2 million decrease in operating expenses over the prior year. Tap fees and developer contributions were up \$0.8 million and investment income was down \$0.5 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 and bond proceeds. Capital spending for all projects included the following:

\$ 13,445,904	General Capital Improvements Fund
969,203	Westminster Economic Development Authority
4,492,544	Parks, Open Space, and Trails Fund
332,771	Community Development Block Grant Fund
491,556	Conservation Trust Fund
32,392,318	Utility Fund
<u>\$ 52,124,296</u>	<u>Total Current Year Capital Project Expenditures/Expenses</u>

Auditor's Communication to City Council and Management

BKD issued a letter to Council and Management identifying certain internal control deficiencies and weaknesses in the City's financial and administrative processes and procedures. Staff worked with BKD throughout the audit to resolve financial reporting exceptions and has evaluated BKD's recommendations as outlined below.

Deficiencies in Internal Controls Over Financial Reporting

A deficiency exists when the design or operation of a control does not allow Staff in the normal course of operation to prevent or detect and correct a misstatement of the City's financial statements on a timely basis. BKD identified four deficiencies as a result of the 2010 financial audit.

Accounts Payable Cutoff

BKD found two Accounts Payable invoices improperly matched to the reporting period and as a result has recommended an extension to the evaluation period after yearend for detecting potential invoices that should be recorded to the prior year and better communication between departments to help assure that accounting receives all invoices for review and proper recording on a timely basis.

Staff agrees with BKD's recommendation and in future years will extend the review of invoices from the beginning of fieldwork through the end of the financial audit. Accounting will also emphasize with Staff the importance of timely communication regarding outstanding invoices for goods and services received through yearend. Staff believes that these measures will improve Accounting's ability to ensure expenses are matched to the proper accounting period.

Utility Rates

BKD has recommended that Staff implement an independent review of billing rates input into the Utility Billing system to ensure that the information being added is accurate.

Staff agrees with this recommendation and will evaluate and implement a procedure to accomplish this objective in 2011.

Proposed Audit Adjustments - Significant and Complex Transactions

BKD noted proposed audit adjustments for significant and complex financial transactions relating to interest capitalization and refunding debt deferrals.

With the issuance of the Utility Fund revenue bonds in 2010, Staff evaluated accounting standards for applicability of capitalizing interest. Staff properly capitalized the current year's interest, and then along with BKD, reevaluated prior year Utility and Golf Course Fund interest expense that should have been capitalized in prior periods. As a result, BKD proposed an audit adjustment for approximately \$1,750,000. Based on the immateriality of the proposed adjustment to the respective funds, Staff chose to not make the adjustment.

From a review of deferral calculations performed by Staff for 2010 refunding debt, BKD noted that funds placed in escrow to pay current period interest were not properly included as an expenditure/expense of the period. Recognizing that the same exception had been made in prior periods, Staff felt compelled to recalculate past deferrals that resulted in an audit adjustment of \$594,000. This adjustment is reflected in the Government-wide Statement of Net Assets.

As a result of these findings, BKD has recommended that policies and procedures be implemented to ensure that unusual, significant, and complex transactions get properly reported in the financial statements.

Staff has worked with prior auditors to record complex transactions including refunding deferral calculations. Staff's previous evaluation of capitalized interest relating to the Utility and Golf Course Funds found the amounts to be immaterial; however, from 2010 forward, Staff will capitalize interest in the Enterprise funds. Staff will continue to work proactively with the City's independent auditors to ensure its treatment of unusual, significant, and complex transactions comply with generally accepted accounting principles.

Accrual of Utility Receivables/Revenue

During testing of utility receivables, BKD found that receivables and corresponding revenues were under reported due to information pulled from a utility billing report that was based on an incorrect date range. Staff corrected the entry in the amount of \$440,000.

BKD has recommended that the City implement a way of confirming the cutoff dates for future yearend adjustments. Staff agrees and will evaluate and implement a procedure to accomplish this objective in 2011.

Material Weakness in Internal Control Over Compliance

A material weakness in internal control over compliance is a deficiency that creates a reasonable possibility that a material exception will not be prevented or detected and corrected on a timely basis. BKD identified one Material Weakness in Internal Control Over Compliance as a result of the 2010 Single Audit.

Through its audit of the ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG), BKD found that Staff was not fully aware of the procurement requirements related to federal awards. Compliance standards preclude a recipient of federal funding from contracting with parties that are suspended or debarred based on the federal excluded party list (EPLS). Staff did not verify its vendors against the EPLS, which posed the risk of the City having engaged in a contract with an ineligible vendor. It should be noted that Staff completed the EPLS check after the fact and all vendors used by the City were eligible.

BKD has recommended that the City establish policies and procedures to ensure that the excluded parties list is reviewed prior to awarding a contract or purchase order and that such review be documented by including supporting documentation in the contract file.

Staff agrees with this recommendation and will ensure proper language is included in any future contracts to ensure that no vendors have been suspended or debarred in violation of federal regulations. Additionally, Staff will update the City's Grant Administration Policy to specifically include reference to Circular A-133 compliance requirements, including proper documentation. Staff will also offer additional training to grant managers specifically related to A-133 compliance. Staff believes updating and implementing changes to the administrative memorandum and additional administrative training will strengthen consistency in managing federal grants and alleviate this problem.

Significant Deficiency in Internal Control Over Compliance

A significant deficiency in internal control over compliance is a deficiency that is less severe than a material weakness, but is important enough to merit attention by those charged with governance. BKD identified one significant deficiency in internal control over compliance as a result of the 2010 Single Audit.

Through its audit of EECBG, BKD found that certain information in the Performance and Accountability for Grants in Energy (PAGE) reports did not agree to supporting documentation or that there was not adequate supporting documentation. Additionally, the required itemized cost report was not submitted for quarters one through three. BKD has recommended that the City implement procedures to ensure the reports submitted are accurate and complete, and that a detailed review of the reports, including supporting documentation, be performed by someone other than the preparer of the reports prior to report submission.

Based on the information provided in this finding, Staff immediately commenced a formal review process of PAGE reporting materials, including documentation, to ensure SF 425A financial reports are submitted accurately and on time. The first quarter 2011 PAGE report prepared by Building Operations & Maintenance staff was reviewed with City Manager's Office staff. Additionally, the outstanding 2010 SF425A reports were subsequently submitted to the Department of Energy in 2011.

Staff has instituted steps to improve documentation of supporting materials for the PAGE, SF425, and SF425A reports as well as a review process prior to submitting these quarterly reports and believes these new protocols will address the concerns noted in this finding.

Other Matters

BKD made comments and suggestions relating to financial and administrative practices as described below.

Property Tax Receivable

BKD noted that the City does not record an allowance for doubtful accounts against its property tax receivable and has recommended performing a look-back analysis to determine the past trends in collectability to determine whether an allowance is necessary. Staff believes that most all property tax receivables are eventually collectible and that any uncollectable amounts are immaterial to the financial statements. Staff will perform the requested evaluation in 2011 to support its assertion.

Capital Assets

BKD noted that the City does not take a physical inventory for assets purchased with federal funds under the Single Audit Act and has recommended that the City implement policies and procedures to ensure capital assets purchased with federal funds are properly identified and inventoried on an annual basis.

Staff agrees with this recommendation and will evaluate and implement a procedure to accomplish this objective in 2011.

BKD also noted that the City does not have a subsidiary ledger to support the fixed assets reported for the Westminster Commons and has recommended that Staff create one.

Staff believes this recommendation to be impractical and without value at this point in time due to the upcoming sale of the Westminster Commons.

Single Audit – Energy Efficiency and Conservation Block Grant Program (EECBG)

BKD has suggested that the City strengthen its knowledge of grant agreement provisions and compliance requirements of U.S Office of Management and Budget Circular A-133, *Audits of States, Local governments, and Non-Profit Organizations*. Additionally, they have suggested that internal controls surrounding these requirements be developed to help ensure compliance is met around federal funding.

As a result of their audit of EECBG, BKD has specifically suggested that Staff:

- increase its monitoring, documentation, and follow-up on State reports submitted to the City regarding administration of energy rebates. Some reports were found to be deficient of required information.
- ensure that federally funded contracts go through the competitive bid process or that sole-source justification gets documented and maintained in the procurement files. Phase II of the Energy Performance contract commenced in 2010 with the same vendor that was utilized for Phase I of the project. Staff did not rebid Phase II.
- develop procedures for monitoring construction contracts and consultants if responsibilities for compliance are contracted out. Staff contracted Davis Bacon requirements to the general contractor for the Energy Performance contract, but did not monitor the performance of the general contractor or obtain supporting documentation to verify Davis Bacon compliance.

Staff agrees with these suggestions and will evaluate ways to strengthen compliance procedures in 2011.

New Accounting Standards

For the year ended December 31, 2011, the City will be required to adopt Governmental Accounting Standards Board Statement No. 54, *The New Fund Balance*. This standard, which applies only to governmental funds, is intended to improve the usefulness and understandability of fund balance information by changing the criteria for categorizing fund balances and clarifying definitions of governmental fund types. Currently, fund balance is used to gauge funds available for appropriation; the new fund balance classifications are intended to more clearly indicate constraints on fund balances and communicate the sources of those constraints. The most significant change to definitions of governmental fund types is for special revenue funds, which beginning in 2011 will only be justifiable for financial reporting purposes if the core resources of a fund are derived from legally restricted revenues committed for expenditure to a specified purpose. Staff is currently evaluating the standard requirements and will be developing this project over the coming months.

Final Comments

The 2010 audit was first year audit with BKD. First year audits always present interesting and new challenges. Many thanks go to accounting manager Cherie Sanchez; accountants Vicki Adams, 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 2010 audit.

Staff and representatives from BKD will attend the June 6, 2011 Study Session to answer City Council's questions. This review of the City's CAFR and the 2010 financial audit scope and

findings supports the City's strategic goal of Financially Sustainable City Government Providing Exceptional Services.

Respectfully submitted,

J. Brent McFall

City Manager

Attachments

CAFR Draft

Auditor's Letter to Council and Management



WESTMINSTER

COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2010

Prepared by:

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

www.ci.westminster.co.us

On the cover:

“Internally Yours” portrays internal City services that support the delivery of exceptional value and quality of life to our Citizens through service, pride, integrity, responsibility, innovation and teamwork—SPIRIT!

The **City Manager’s Office** is responsible for the overall administration of the City in accordance with City Council’s strategic goals and objectives. The Economic Development Division attracts and retains primary jobs and retail, and promotes business development opportunities.

Information Technology supports all areas of technology, including hardware, software, data network services and telecommunications. In 2010, information technology staff handled 22,580 service requests from City employees.

The City’s **Print Shop** prints all of the City’s letterhead, envelopes, business cards, forms and fliers. A recent survey showed that internal print shop services resulted in a 45% savings when compared to outsourcing the same service.

The City’s award-winning **Volunteer Program** places volunteers and interns within city departments and serves as a clearinghouse for 36 community organizations. Annually, volunteers dedicate over 66,086 hours of time valued at roughly \$1.17 million.

Accounting delivers high quality financial and accounting services, exceptional customer support and financial policy compliance to the organization. The City has received the Certificate of Achievement for Excellence in Financial Reporting award for 27 consecutive years from the Government Finance Officers Association of the United States and Canada.

Treasury provides financial analysis support, management of the City’s investment and debt portfolios, administration of citywide banking, central cashiering, and the utility billing function. Treasury refinanced five bond issues in 2010, saving the City \$2.6 million.

Retirement Administration provides employees with the tools to actively participate in achieving their retirement goals. Benefits include pension, deferred compensation, and retirement medical savings plans. Employee committees are responsible for determining each plan’s menu of investment choices and the array of quality education provided to plan members.

The **Purchasing** function ensures integrity and timeliness in the procurement of City goods and services and the efficient use of taxpayer dollars. In recent years, the City has realized an average savings of 21% on goods and services purchased due to Purchasing’s coordinated effort in working with others throughout the organization.

The **City Attorney’s Office** administers the legal affairs of the City, providing legal representation and advice regarding the implications of contemplated policy and administrative decisions. The average cost savings for in-house legal services is 35-40 percent when compared to private municipal legal service contracts.

Fleet Maintenance maintains the City’s diverse fleet of over 500 vehicles and equipment, and administers a proactive preventive maintenance program.

The **City Clerk’s Office** maintains official City records, administers City Council communications, facilitates the issuance of business and liquor licenses, manages City elections, and processes passport applications.

Building Operations & Maintenance protects the integrity of the City’s buildings with quality maintenance to provide a safe and comfortable environment for employees and the public. The division is responsible for maintaining 36 facilities throughout the City.

Risk Management prevents deterioration of City assets by protecting personnel, buildings, automobiles, and equipment through effective safety programs, loss control initiatives, and claims management. While employees drove approximately 4.2 million miles in 2010, only nine accidents were incurred involving third parties due in part to Risk Management’s defensive driving and safety programs.

Human Resources administers the personnel policies and procedures, job classifications and compensation, benefits, employee relations, and recruitment efforts. The belief that good government starts with good employees fuels continual employee development through vital programs like Employee Development and Training and Employee Wellness, both considered best practices in the business world.

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	V
City Organizational Chart	XI
Certificate of Achievement for Excellence in Financial Reporting	XII
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	
A. MANAGEMENT'S DISCUSSION AND ANALYSIS	1
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	17
Statement of Activities	18
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	22
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds Financial Statements	
Statement of Net Assets – Proprietary Funds	27
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Assets – Fiduciary Funds	31
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	32
Notes to Financial Statements	33

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

C. REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule– Major Funds (General and Special Revenue)

General Fund	71
Sales and Use Tax Fund	72
Westminster Economic Development Authority	73

Post Employment Benefits Other than Pension and Pension Schedules

Retiree Health Program	75
Volunteer Firefighter Pension Plan - Schedule of Funding Progress	75

Notes to Required Supplementary Information 76

D. COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Non-Major Governmental Funds

Combining Balance Sheet – Non-Major Governmental Funds	80
--	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	84
---	----

Budgetary Comparison Schedules

Parks, Open Space and Trails Sales and Use Tax Fund	88
Sheridan Crossing General Improvement District Fund	89
Amherst General Improvement District Fund	90
136th Avenue General Improvement District Fund	91
Promenade Parking Garage General Improvement District Fund	92
Mandalay Town Center General Improvement District Fund	93
144 th Avenue General Improvement District Fund	94
Conservation Trust Fund	95
Debt Service Fund	96

Enterprise Funds

Budgetary Comparison Schedules	
Utility Fund	97
Golf Course Fund	98
Westminster Housing Authority Fund	99

Internal Service Funds

Combining Statement of Net Assets – Internal Service Funds	100
--	-----

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	101
---	-----

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

Combining Statement of Cash Flows – Internal Service Funds	102
Budgetary Comparison Schedules General Capital Outlay Replacement Fund	103

STATISTICAL SECTION

Table

Financial Trends Information

Net Assets by Component	1	107
Changes in Net Assets	2	108
Fund Balance of Governmental Funds	3	110
Changes in Fund Balances of Governmental Funds	4	111

Revenue Capacity Information

Sales and Use Tax Revenue	5	112
Direct and Overlapping Sales and Use Tax Rates	6	113
Principal Sales and Use Taxpayers by Industry	7	114

Debt Capacity Information

Ratios of Outstanding Debt by Type	8	115
Direct and Overlapping Governmental Activities Debt	9	116
Legal Debt Margin Information	10	117
Pledged Revenue Coverage	11	118

Demographic and Economic Information

Demographic and Economic Statistics	12	125
Principal Employers	13	126
Full Time Equivalent City Government Employees by Function/Program	14	127

Operating Information

Operating Indicators by Function/Program	15	128
Capital Asset Statistics by Function/Program	16	129

Other Supplementary Information

COMPLIANCE SECTION

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	131
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	133

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs	
Summary of Auditor's Results	136
Financial Statement Findings	137
Federal Award Findings and Questioned Costs	137
Summary Schedule of Prior Audit Findings	141
Schedule of Expenditures of Federal Awards	143
Notes to Schedule of Expenditures of Federal Awards	144
Local Highway Finance Report	145



WESTMINSTER
COLORADO

June 13, 2011

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

It is with great pride that we present to you the 2010 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

Westminster had many successes to celebrate during 2010, as well as some significant challenges. The "Great Recession" required the City to make some difficult choices. The City undertook a core services analysis and identified areas that could be cut in order to make the City sustainable in the long term. As a result, \$4.9 million was cut from the budget, including 72.833 full time equivalent positions. The majority of the positions were vacant due to a selective hiring freeze the City had in place since January 2009.

The City and the Westminster Economic Development Authority (WEDA) continued to make progress in the Westminster Center Urban Reinvestment Project (WURP) area. WEDA acquired a former anchor store in January and another former anchor store in November. In addition, a former restaurant, which was purchased in late 2009, was demolished and recycled in June after being utilized for training exercises by Police and Fire Department personnel. WEDA owned approximately 20% of the WURP area at the end of 2010.

The City Manager's office led the efforts to adopt the 2011 and 2012 budget reflecting the new revenue reality. In addition, a pilot focused work week was implemented for City administrative offices. This new schedule provides expanded customer service hours Monday through Thursday, with administrative offices closed on Friday. Other benefits include reduced City operations' environmental impacts, modest cost savings, productivity gains in certain areas and enhanced employee recruitment and retention ability. A full assessment will commence in 2011 and be presented to City Council for consideration in the summer of 2011.

The City Attorney's office had another year of quality prosecution services with an 80+% conviction rate in domestic violence cases. City Council enacted several significant ordinances which the City Attorney's office was instrumental in writing or revising. These ordinances include the ban on medical marijuana dispensaries, regulation of telecommunication use of City property, residency restrictions on sexually violent predators and an update to Title V; City licenses and procedures.

The Finance Department led the effort for the City to refinance five different bond issues. The four new bond issues were attractive because of the excellent market conditions for borrowing. The refinancings will save the City over \$2.6 million. Audit and enforcement revenue exceeded the budgeted amount by over \$2.7 million dollars. The Department also promoted the emailing of utility

bills to customers providing an alternative, more efficient method for customers to receive their bills, and reduce costs.

In the Community Development Department, staff led the efforts for the City to purchase 80 acres of open space. The total percentage of the City's land area that is now preserved as open space is 13.6%. 309 more acres of land needs to be acquired to reach the 15% preservation goal of City Council. Progress was also made on the South Westminster Transit Oriented Development (TOD); two key parcels were acquired and an intergovernmental agreement with the Regional Transportation District is being negotiated.

The Fire Department completed a community natural hazard mitigation plan which makes the City eligible for Federal grants. The City also adopted the 2009 International Fire Code with important solar installation amendments. These amendments reduce the potential for firefighter injuries when responding to emergency calls.

The community celebrated a re-grand opening of the City Park Recreation Center aquatic center in March after approximately \$6,500,000 of upgrades, remodeling and renovations. The new pool features slides, a water playground, current channel, climbing wall, jumping platform, rope swing and family changing rooms. In addition, award winning Westminster Center Park was opened in May. The Park has surpassed all expectations of usage. Its amenities include an outdoor amphitheater, outdoor performance stage, water feature, playground, picnic shelters and tables, and restrooms. It has been featured on the cover of Landscape Architects magazine. The libraries added downloadable electronic books to the collection in November. The 162 titles were downloaded 388 times by Westminster patrons in the two months they were available.

The Police Department developed and identified a cost effective solution to radio frequency dead spots in the southeast portion of the City. The communications system is also ready for and capable of receiving text, video and pictures once the service provider is capable of delivering it. For the first six months of 2010, as reported in the *2010 Crime in the United States*, there was a decrease of 9% in violent crime and 8% in property crime when compared to the same time period in 2009.

The Public Works and Utilities Department implemented the Thornton/Brighton water exchange, completed over 104 lane miles of pavement rehabilitation on 248 streets and completed the Reclaimed Water Treatment Facility influent storage tank and eliminated the open ponds.

The Information Technology Department completed phase II of the VOIP (voice over IP) phone system project and implemented e-mail archiving. They also collaborated with the Fire Department in the evaluation, selection and negotiation for a new Fire Records Management System.

In the General Services Department, Fleet Maintenance Division staff began providing in-house transmission work on police cars. This provides for quicker turn around, is a less expensive solution for the City and provides a better warranty. In evaluating core services it was determined that emergency lighting is not a core service and emergency lighting installs were sublet to a third party.

The Human Resources Division was instrumental in the Focused Work Week development and implementation including policy modification, employee feedback and communication, and transition support through training and resource provision.

By utilizing EECBG funds, the Building Operations and Maintenance (BO&M) Division was able to hire an employee who is dedicated to energy reduction within City operations. BO&M also led the efforts for phase II of the energy reduction project. The project involved 29 facilities, nine City

parks, and 50+ ancillary areas. The project is estimated to save the City \$300,000 annually in energy costs.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2011.

The number one goal of City Council and staff is to make further progress on the Westminster Center Urban Reinvestment Project. To that end, WEDA purchased the property owned by the Westminster Mall Company and related entities within the 108-Acre Westminster Center Urban Reinvestment Project Area in May, 2011. This acquisition results in WEDA owning approximately 90% (or nearly 94 acres) of the WURP site.

On the transportation front, the City is continuing to plan and implement the South Westminster Rail Station TOD. This includes finishing the South Westminster TOD area design guidelines and new zoning for the area, completing an intergovernmental agreement with the regional transportation district for the commuter rail station and parking structure, funding the City's local match and completing the utility relocation agreements.

The City will be doing further work on expanding the Reclaimed Water Treatment Plant as well as the Northwest Water Treatment Facility. The Swim and Fitness Recreation Center is being renovated. The City is facilitating the sale of the Westminster Commons. The facility will remain a low income, senior housing facility. A new off leash dog park is being constructed in south Westminster. It will be the third dog park in the City.

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.

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 106,114, 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 re-development 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
 - Parking Garage 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 internal audit staff, supervised by the Accounting Manager, reporting directly to the City Manager and Finance Director, with an approved internal audit program for the year.

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, 2009. 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-seven 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

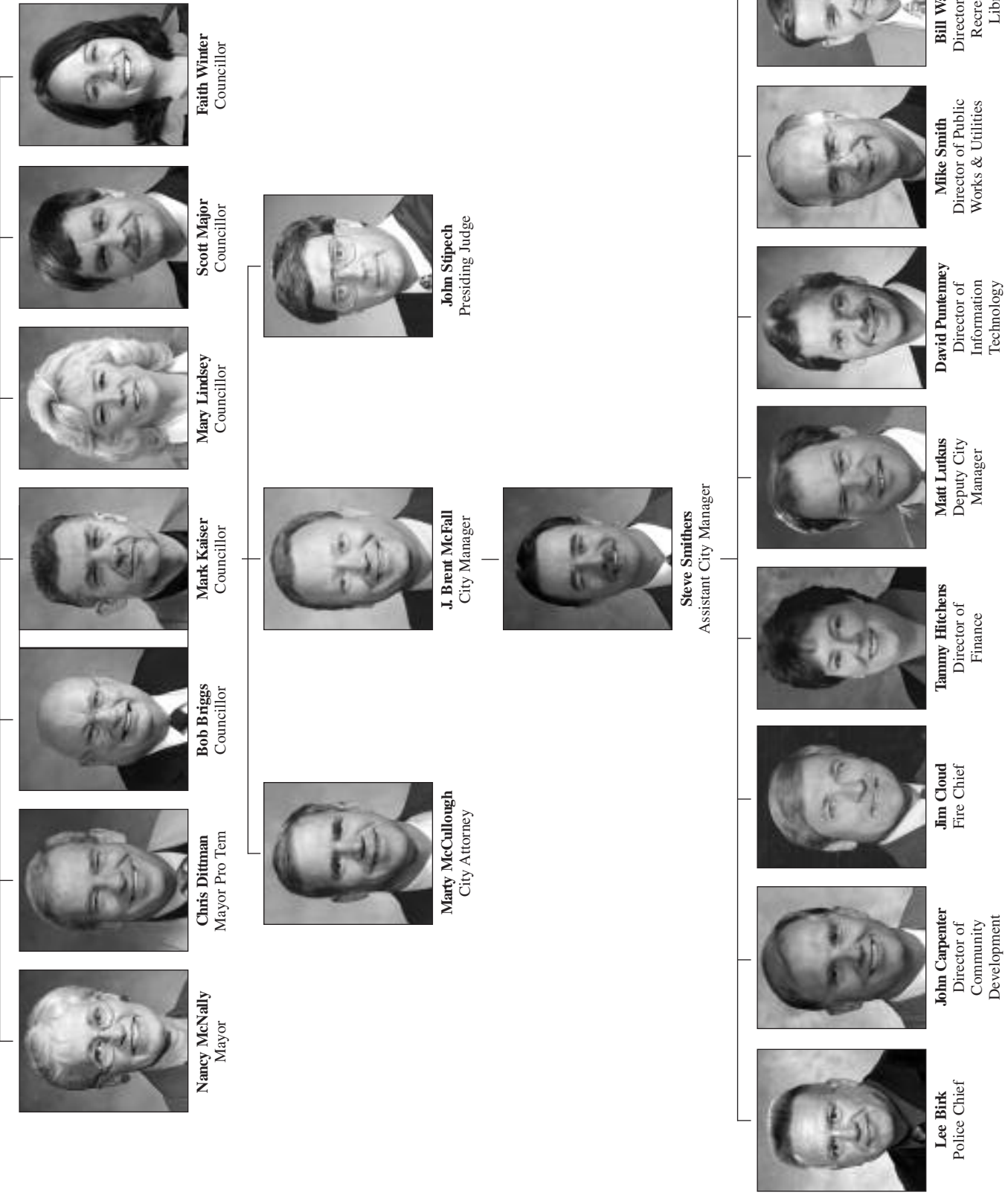
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WESTMINSTER
COLORADO

ORGANIZATIONAL CHART

Citizens



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, 2009

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.



President

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, 2010, 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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2011 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

The accompanying management's discussion and analysis, budgetary, postemployment benefits and pension information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, combining and individual fund statements and schedules supplementary information, statistical section, 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. The combining and individual fund statements and schedules and other supplementary information have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and accordingly, we express no opinion on them.

BKD, LLP

May 25, 2011



WESTMINSTER
COLORADO

City of Westminster, Colorado

Management's Discussion and Analysis

This discussion and analysis of Westminster's financial statements for the year ended December 31, 2010 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 a spirit of pride, quality, and innovation 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 106,114, 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, 52 developed parks and 7 undeveloped parks, 2,848 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 54.4% of the City's governmental activities revenues. Sales tax increment contributes an additional 2.1%. Property taxes comprise approximately 3.3% of the City's governmental activities revenues. Property tax increment contributes an additional 6.4%. 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 2010, the City was able to take advantage of very favorable interest rates and issued three debt instruments which refunded or partially refunded five different debt issues. Please see the debt refinancing note on pages 50-51 for more details. On the flip side, the low interest rates resulted in interest earnings coming in at \$0.7 million less than 2009.

During 2010, the City's sales and use tax increased approximately \$7.5 million. This was partially a result of audit and enforcement efforts that generated \$2.7 million more than was originally budgeted. The City was also able to retain more of the sales tax that was generated in the urban renewal areas as a result of a sliding sales tax pledge for the WEDA bonds that was put into place

in 2009. WEDA received \$2.7 million more property tax increment and roughly \$4.0 million less sales tax increment in 2010 versus what it received in 2009.

The Water and Wastewater Utility Enterprise issued \$29.505 million taxable revenue bonds on May 25, 2010. The bonds were Direct Pay Build America Bonds and were issued to fund the reclaimed water plant expansion and storage, water-line replacements, water pressure zone enhancements, expansion of the Northwest Water Treatment Facility membrane, and water rights. By issuing Build American Bonds, the City expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Bonds. The true interest rate, after taking the subsidy into consideration is 3.46%.

In order to balance the budget and reach a point of sustainability, the City engaged in a core services discussion to determine where cuts should be made. \$4.9 million in cuts were made including 72.833 FTE. The City provided termination benefits to 22 employees due to the reduction in force. For more information please see Note U on page 68.

Progress was made in the South Westminster Transit Oriented Development area. Two key parcels were acquired for \$4.5 million. Contributions were received from Adams County to assist with the purchases.

- The assets of the City exceed its liabilities at the close of 2010 by \$675.5 million (\$277.8 million in governmental activities net assets and \$397.7 million in business-type activities net assets). Of the governmental activities net asset total, \$78.8 million, or 28.4%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$55.9 million, or 14.1%, of business-type activities net assets are unrestricted.
- Total net assets of the City increased \$18.5 million, or 2.8%, compared to 2009. Net assets of the City's governmental activities increased \$14.6 million, which represents an increase of 5.6% from 2009. Net assets of the City's business-type activities increased \$3.9 million, or 1.0%, over 2009.
- The total cost of all the City's programs decreased \$6.7 million, or 3.8%, compared to 2009. The cost of governmental activities program expenses decreased \$2.5 million, or 2.0%, to \$121.7 million, while the cost of business-type activities decreased \$4.2 million, or 7.8%, to \$49.4 million from 2009.
- Total revenues, excluding special items and transfers, increased \$19.3 million, or 11.3%, compared to 2009. Governmental activities revenues increased \$13.0 million, or 10.5%, to \$137.2 million, while revenues of business-type activities increased \$6.3 million, or 13.7%, to \$52.4 million compared to 2009.
- As of December 31, 2010, the City's governmental funds reported a combined ending fund balance of \$101.5 million. Approximately 40.4%, or \$41.0 million, is unreserved 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 \$18.8 million as of December 31, 2010, of which \$11.6 million was unreserved.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

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

The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 Assets 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 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

Governmental and Business-type Funds 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 *balances of spendable resources* available at the end of the fiscal year. Financial information based on spendable 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 16 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sales & Use Tax 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 non-major 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 Enterprise and Westminster Housing Authority are particularly important to the financial statement users, it has reported these funds as major funds.
- **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 59-63. 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 33 of this report.

Other information is presented as required supplementary information. This information includes budgetary comparison schedules for the major governmental funds and the City's progress in funding the volunteer firefighter pension plan and post employment benefits other than pension (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

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

Table 1 presents an analysis of the City's net assets as of December 31. The City's assets exceeded its liabilities by \$675.5 million at December 31, 2010. Governmental activities make up \$277.8 million (41.1%) of these assets, with business-type activities making up the remaining \$397.7 million (58.9%). Total net assets increased by \$18.5 million in 2010. The increase is comprised of the following:

- Total assets increased \$35.8 million, or 3.6%, to \$1,033.2 million. This included an increase in capital assets of \$19.5 million and an increase in current and other assets of \$16.3 million. The increase in current and other assets was primarily due to an increase of \$3.0 million of inventory, which is land purchased for resale in an urban renewal area for WEDA. There was also an increase of \$2.0 million of grants receivable related to Parks, Open Space and Trails grants. The Utility Fund has \$12.4 million of unspent bond proceeds in restricted cash and investments with fiscal agent.
- Total liabilities increased \$17.3 million, or 5.1%, to \$357.7 million. This primarily related to debt service in the Governmental Activities of \$8.8 million. The Business-type Activities issued \$34.8 million in new debt, offset by \$9.4 million of debt service.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 155.5	\$ 150.5	\$ 81.1	\$ 69.8	\$ 236.6	\$ 220.3
Capital assets	398.8	398.4	397.8	378.7	796.6	777.1
Total assets	554.3	548.9	478.9	448.5	1,033.2	997.4
Current and other liabilities	27.7	30.2	5.2	3.9	32.9	34.1
Long-term liabilities	248.8	255.5	76.0	50.8	324.8	306.3
Total liabilities	276.5	285.7	81.2	54.7	357.7	340.4
Net assets:						
Invested in capital assets, net of related debt	166.1	158.9	336.3	329.7	502.4	488.6
Restricted	32.9	36.5	5.5	5.5	38.4	42.0
Unrestricted	78.8	67.8	55.9	58.6	134.7	126.4
Total net assets	\$ 277.8	\$ 263.2	\$ 397.7	\$ 393.8	\$ 675.5	\$ 657.0

By far the largest portion of the City's assets (77.1%) reflects its investment of \$796.6 million in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net capital assets are 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.

An additional portion of the City's net assets, \$38.4 million (5.7%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets, \$134.7 million (19.9%) may be used to meet the City's on-going obligations to the public and creditors. It is important to note that the \$55.9 million in unrestricted net assets of the City's business-type activities may not be used to fund governmental activities.

Analysis of Changes in Net Assets

As can be seen from Table 2, the City's net assets increased \$18.5 million during 2010. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net assets of governmental activities increased by \$14.6 million during 2010. This was \$15.3 million more than the decrease of \$0.7 million in 2009. This difference can be attributed to increases in the amount of revenues from grants and contributions (\$4.6 million); sales tax and use tax, (\$7.4 million); property tax increment (\$2.7 million); and charges for services (\$2.0 million), offset by a decrease in sales tax increment (\$3.9 million) and interest earnings (\$0.7 million).

Governmental expenses decreased \$2.5 million (2.0%) from 2009. Most of the decrease is attributable to reduced expenses in Culture and Recreation and Community Development, offset by an increase in expenses in General Government and Public Works.

Table 2: Changes in Net Assets (in Millions)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Service	\$ 19.1	\$ 17.1	\$ 47.3	\$ 41.4	\$ 66.4	\$ 58.5
Operating Grants and Contributions	4.5	4.3	-	-	4.5	4.3
Capital Grants and Contributions	11.7	7.1	4.2	3.5	15.9	10.6
General Revenues						
Property Taxes	4.6	4.7	-	-	4.6	4.7
Sales Taxes	63.1	56.7	-	-	63.1	56.7
Use Taxes	11.4	10.4	-	-	11.4	10.4
Property Tax Increment	8.8	6.1	-	-	8.8	6.1
Sales Tax Increment	3.0	6.9	-	-	3.0	6.9
Business Fees and Other Taxes	5.1	4.8	-	-	5.1	4.8
Accommodations Taxes	2.2	2.1	-	-	2.2	2.1
Intergovernmental	1.6	1.4	-	-	1.6	1.4
Interest	1.3	2.0	0.7	1.2	2.0	3.2
Other	-	0.6	0.2	-	0.2	0.6
Gain on sale of land	0.8	-	-	-	0.8	-
Total Revenues	137.2	124.2	52.4	46.1	189.6	170.3
Program Expenses						
General Government	37.7	36.9	-	-	37.7	36.9
Public Safety	31.7	31.6	-	-	31.7	31.6
Public Works	14.5	13.9	-	-	14.5	13.9
Community Development	12.0	12.5	-	-	12.0	12.5
Culture and Recreation	17.6	20.4	-	-	17.6	20.4
Utility	-	-	44.7	48.7	44.7	48.7
Golf	-	-	3.5	4.0	3.5	4.0
Housing Authority	-	-	1.2	0.9	1.2	0.9
Interest and Fiscal Charges	7.8	8.4	-	-	7.8	8.4
Unallocated Depreciation	0.4	0.5	-	-	0.4	0.5
Total Expenses	121.7	124.2	49.4	53.6	171.1	177.8
Excess (Deficiency) before Transfers	15.5	-	3.0	(7.5)	18.5	(7.5)
Transfers	(0.9)	(0.7)	0.9	0.7	-	-
Increase (decrease) in Net Assets	\$ 14.6	\$ (0.7)	\$ 3.9	\$ (6.8)	\$ 18.5	\$ (7.5)

Charts 2 and 3 illustrate the City's governmental expenses and revenues by function and its revenues by source. As can be seen in Chart 2, Public Safety expenditures accounted for 26.0% of expenditures. 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 31.0% of the expenditures, and Culture and Recreation accounted for 14.5% of total expenditures.

General Revenues such as sales and use taxes, property and other taxes are not shown in Chart 3 by program. These revenues 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 (54.3%), followed by charges for services (13.9%).

Chart 2: Expenses and Program Revenues - Governmental Activities

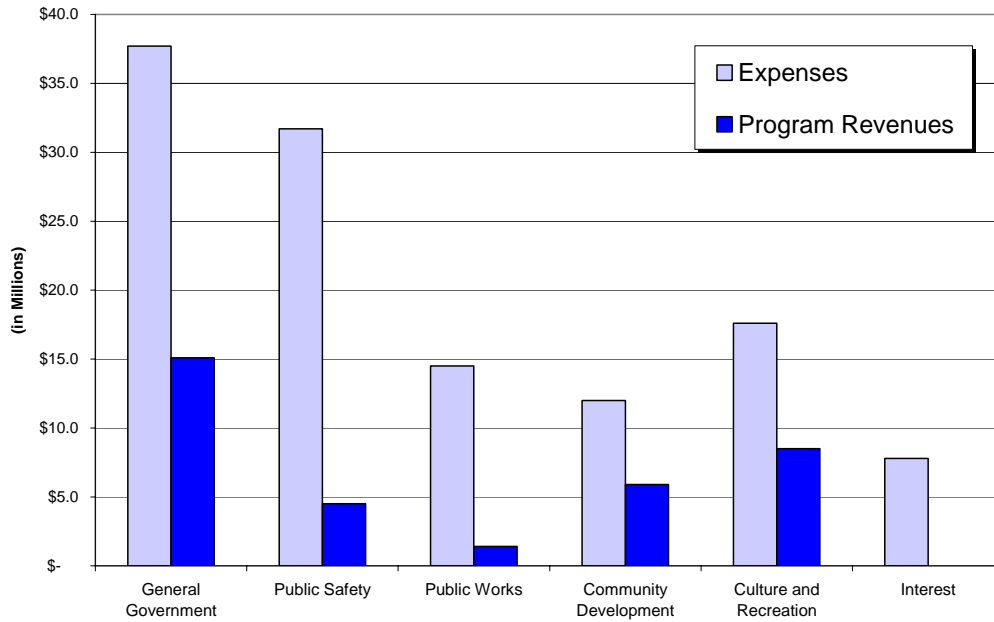
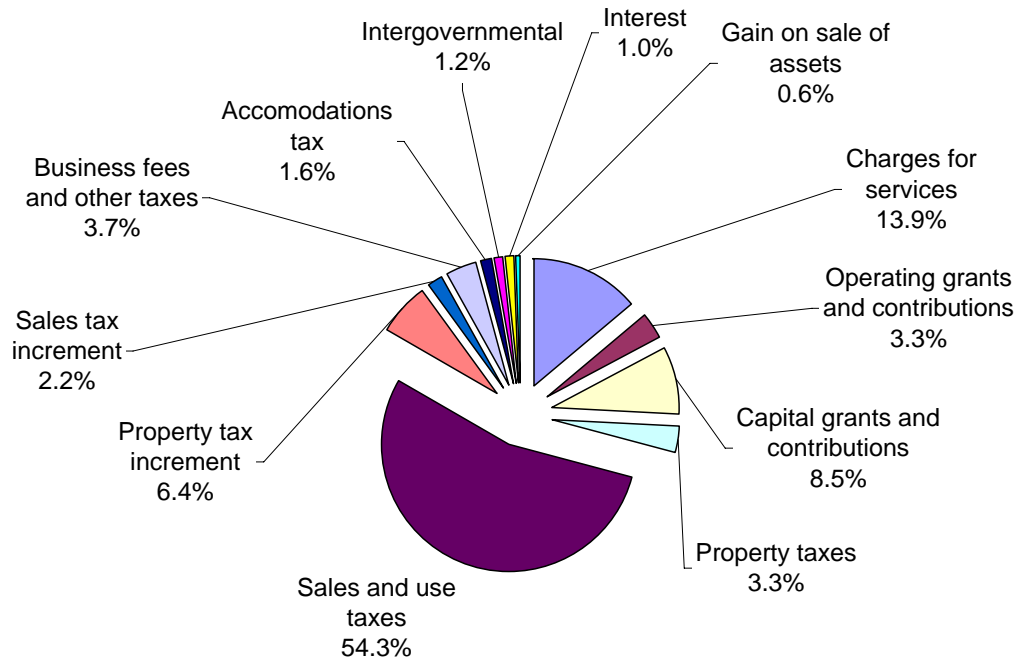


Chart 3: Revenues by Source - Governmental Activities



Business-type Activities

Net assets in business-type activities increased \$3.9 million in 2010. This is \$10.7 million, or 157.3%, more than the decrease of \$6.8 million in 2009. In 2010, the City received \$0.7 million more in tap fees and contributed lines, as well as \$5.9 million more for charges for services.

Chart 4: Expenses and Program Revenues - Business Type Activities

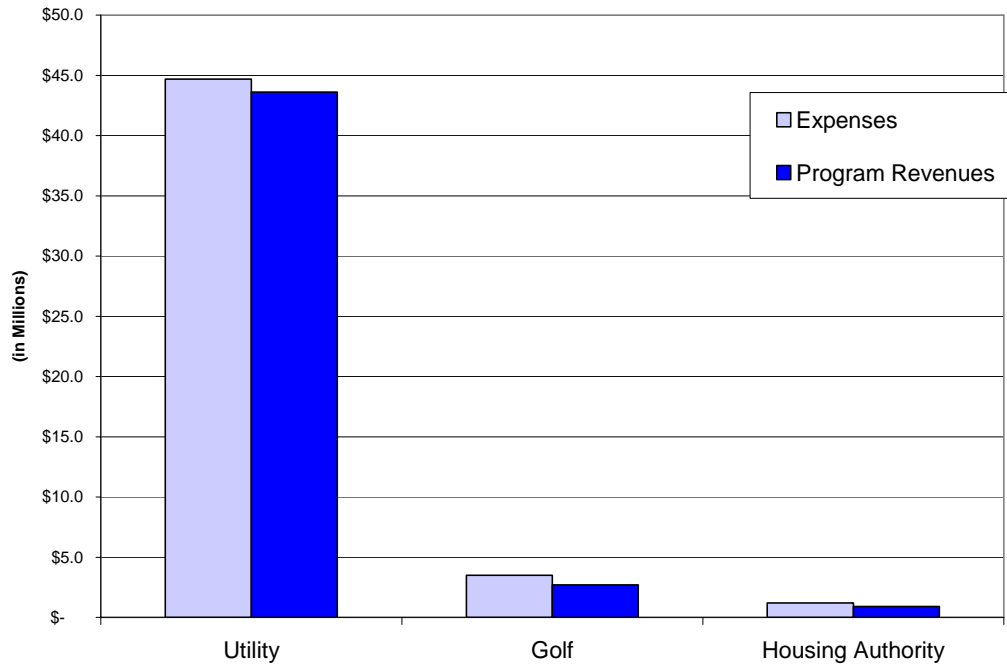
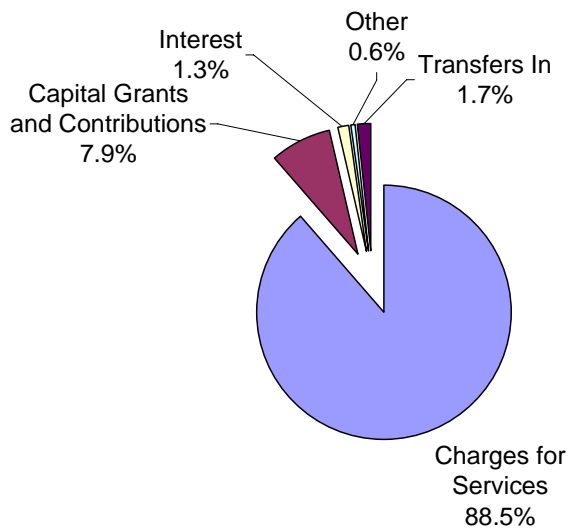


Chart 5: Revenues by Source - Business-type Activities



Total business-type revenues increased \$6.3 million, or 13.7%, compared to 2009. This increase was due primarily to an increase of \$0.7 million, or 20.0%, in Capital Grants and Contributions, a \$5.9 million, or 14.3%, increase in charges for services, and a \$.5 million, or 41.7% loss in interest earnings.

Expenses of business-type activities decreased \$4.2 million, or 7.8%, compared to 2009. The decrease was due primarily to a decrease in costs associated with providing utility services.

As can be seen from Charts 4 and 5, the City's Utility Enterprise accounts for the majority of its business-type activities, representing 90.4% of total business-type expenses. Charges for services provide the largest share of revenues (88.5%), followed by Capital Grants and Contributions (7.9%).

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 in short-term inflows, outflows, and balances of spendable 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, 2010, the City's governmental funds reported a combined ending fund balance of \$101.5 million, an increase of \$4.0 million, or 4.1%, compared to 2009. The reserved fund balance for capital projects increased \$16.3 million which reflects money being accumulated for urban renewal projects in the WURP area.

The unreserved fund balance decreased \$19.0 million, or 31.7%, to \$41.0 million compared to 2009. \$17.5 million of the decrease is in the General Capital Improvement Fund and reflects \$15.5 million that was transferred to WEDA as well as being used for capital projects. Unreserved fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the primary operating fund of the City. At the end of 2010, the unreserved fund balance of the General Fund was \$11.6 million, while total fund balance was \$18.8 million. Total fund balance decreased in the General Fund by \$1.0 million, or 5.0%, compared to 2009. The unreserved fund balance represents 12.0% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance.

The original budget in the General Fund was \$94.2 million and was adopted in late 2008 and adjusted in late 2009. \$7.7 million of carryover from 2009 was utilized in the General Fund. Actual General Fund expenditures and transfers out totaled \$96.6 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

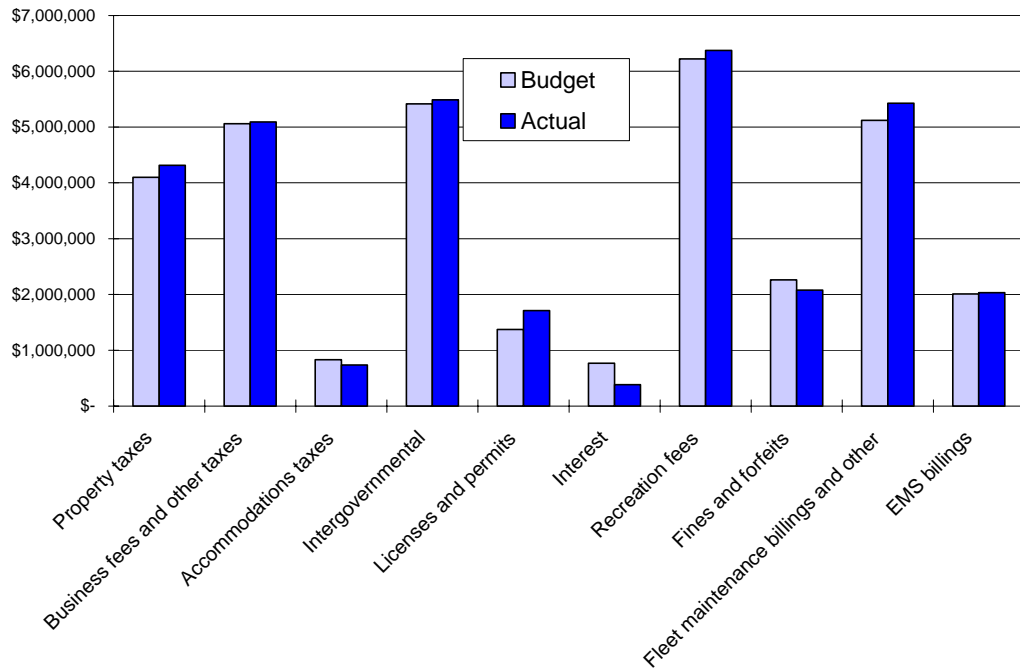
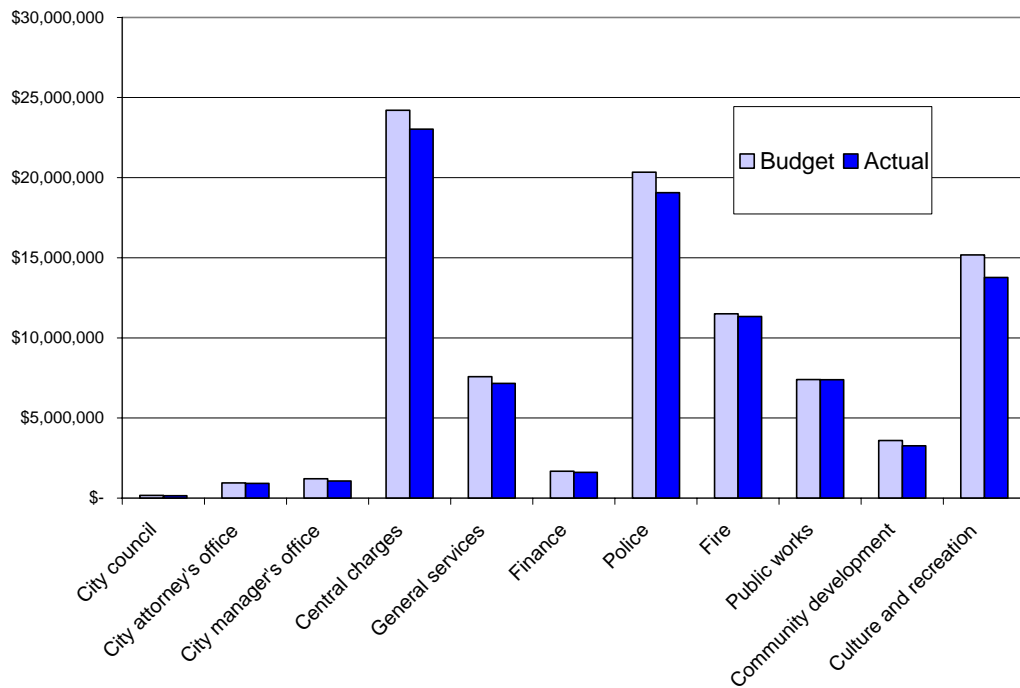


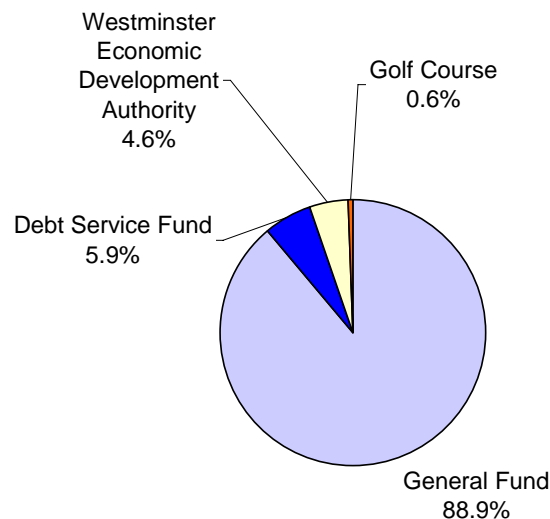
Chart 7: Budget and Actual Expenditures by Department, less Transfers - General Fund



The Sales and Use Tax Fund was established to collect the City's sales and use tax. 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 (88.9%) of the sales and use tax is transferred to the General Fund.

Sales and use tax increased \$7.3 million, or 11.6%, compared to 2009, much of this was as a result of being able to keep revenues generated in Urban Renewal Areas rather than transferring them to WEDA as increment.

Chart 8: Transfers from Sales and Use Tax Fund



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, 2010, the fund had a fund balance of \$21.7 million.

The General Capital Improvement Fund revenues include accommodations taxes, interest, revenues from other governments, and transfers from other funds. The fund's revenues increased by \$1.8 million. Contributions increased \$2.1 million, offset by a \$0.8 million decrease in interest earnings. Expenditures totaling \$13.7 million were \$11.4 million less than 2009.

The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance increased \$24.1 million from 2009. As of December 31, 2010, Fund Balance was \$47.3 million.

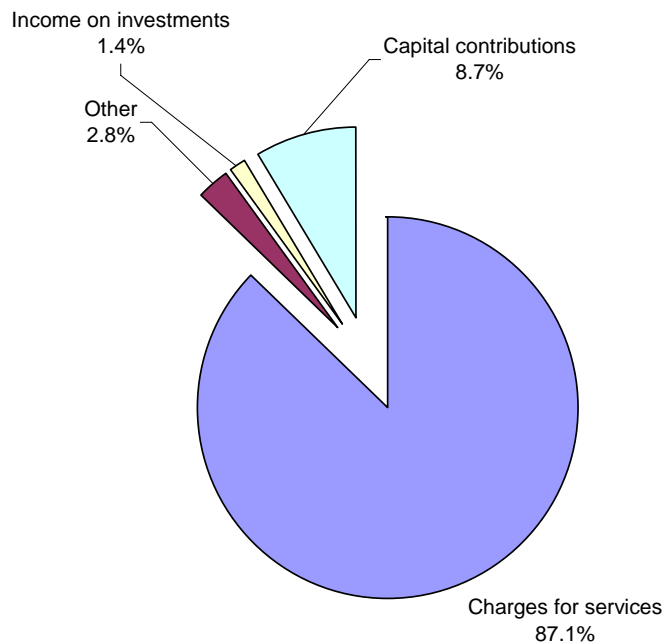
Revenue for the Westminster Economic Development Authority decreased by \$1.0 million, or 7.4%, compared to 2009. This was primarily because of a decrease in sales tax increment of \$4.0 million, offset by an increase in property tax increment of \$2.7 million. Interest earnings increased by \$0.3 million or 142.8%. Most significantly, transfers in increased \$21.2 million as WEDA is accumulating cash for a significant urban renewal project.

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 activity, ended 2010 with net assets equal to \$386.6 million. Of that amount, \$55.4 million is unrestricted. Net assets increased \$4.1 million, or 1.1%, compared to 2009.

Operating revenues increased \$5.9 million, or 15.5%, compared to 2009. Chart 9 illustrates both operating and non-operating revenues by source. The primary reason for the increase in operating revenues is due to a normal year of precipitation versus a wet and rainy year in 2009.

Chart 9: Utility Fund Revenues by Source



Utility Fund operating expenses decreased \$4.2 million, or 9.1%, compared to 2009. The primary reason is a decrease in the expensing of costs associated with capital projects that did not meet the criteria to capitalize and a decrease in the cost of contractual services, as 2009 reflected a large payment to buy out a service agreement.

The Golf Course Fund accounts for the City's two championship golf courses. Operating expenses exceeded operating revenues by \$0.6 million. The Golf Course Fund's net assets 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, 2010, amounts to \$796.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants, improvements, parks, infrastructure, water rights, machinery and equipment, joint venture assets

and construction work in progress. The total increase in the City's investment in capital assets was \$19.5 million, or 2.5%. Net capital assets of governmental activities increased \$0.4 million, or 0.1%, and business-type activities increased \$19.1 million, or 5.0%.

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

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land and property rights	\$ 115.4	\$ 107.3	\$ 109.6	\$ 93.0	\$ 225.0	\$ 200.3
Buildings	46.6	39.7	159.6	154.5	206.2	194.2
Improvements other than buildings	24.7	26.1	117.4	114.5	142.1	140.6
Machinery and equipment	10.5	10.7	6.9	8.1	17.4	18.8
Parks	28.3	27.4	0.7	0.8	29.0	28.2
Ice Center	5.2	5.4	-	-	5.2	5.4
Construction in progress	2.7	9.3	3.6	7.8	6.3	17.1
Infrastructure	165.4	172.5	-	-	165.4	172.5
Totals	<u>\$ 398.8</u>	<u>\$ 398.4</u>	<u>\$ 397.8</u>	<u>\$ 378.7</u>	<u>\$ 796.6</u>	<u>\$ 777.1</u>

Major capital asset activity during 2010 included the following:

Governmental Activities

- \$6.7 million for the renovation and enhancement of City Park aquatic features
- \$7.4 million for open space property
- \$3.0 million for Westminster Center Park
- \$1.1 million for the Shoenberg Farm Historic Preservation
- \$2.5 million towards South Westminster TOD

Business-type activities

- \$16.0 million for water rights
- \$8.4 million for expansion of the Reclaimed Treatment Facility
- \$3.2 million for Zone 1 Transmission Pipeline
- \$1.2 million for Big Dry Creek WW Treatment Plant expansion
- \$1.3 million for Airport Creek Channel Improvements

Additional information on the City's capital assets can be found in Note 2E on page 44-45.

Debt Administration

At December 31, 2010, 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 \$463.0 million state-imposed limit. See page 115 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	
	2010	2009	2010	2009	2010	2009
Revenue Bonds and Interest Coupons (backed by specific tax and fee revenues)	\$ 60.4	\$ 65.0	\$ 37.1	\$ 14.1	\$ 97.5	\$ 79.1
WEDA Tax Increment Revenue Bonds	39.2	40.9	-	-	39.2	40.9
Notes and Mortgages	66.8	69.2	\$ 31.3	33.4	98.1	102.6
Leases	76.7	76.8	\$ 5.4	1.1	82.1	77.9
Total	\$243.1	\$ 251.9	\$ 73.8	\$ 48.6	\$ 316.9	\$ 300.5

Additional information on significant debt activity is disclosed in Management's Discussion and Analysis, Financial Highlights on page 2. Further information on the City's debt can be found in Note 2H on pages 47-51.

NEXT YEAR'S BUDGETS AND RATES

Budgets and Plans for 2011. In April, 2010, 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, 2010-2015.
 1. Financially Sustainable City Government Providing Exceptional Services
 2. Safe and Secure Community
 3. Strong, Balanced Local Economy
 4. Vibrant Neighborhoods in One Livable Community
 5. Beautiful and Environmentally Sensitive City

In addition, City Council met in September, 2010 to review the 2011-2012 biennial budget

presented by staff. The product of the City Council's budget review was the adoption of the 2011-2012 budget on October 25, 2010. Highlights of the 2011 budget include the following:

- The 2011 General Fund operating expenditures are budgeted at \$93.6 million (including contingencies).
- The 2011 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$58.8 million, which is a 2.4% increase over the 2010 transfer payment of \$57.4 million.
- In 2011, the Contingency account is \$1 million in the General Fund. The 2011 General Reserve Fund is projected to be \$9.7 million, the General Fund Stabilization Reserve is projected to be \$3.0 million, the Utility Capital Project Reserve Fund is projected to be \$17.6 million and the Utility Rate Stabilization Reserve is projected to be \$11.7 million.
- The total number of full-time equivalent (FTE) staffing in 2011 is 909.841 FTE, a net decrease of 72.833 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 2011 Budget. The total capital improvements for 2011 are \$9.2 million. 100% of the 2011 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 ASSETS
DECEMBER 31, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 24,012,159	\$ 15,171,678	\$ 39,183,837
Cash and cash equivalents with fiscal agent	139,371	-	139,371
Investments	57,919,344	36,114,247	94,033,591
Receivables:			
Taxes	20,925,683	-	20,925,683
Accounts	2,977,341	4,749,961	7,727,302
Note and leases	5,503,847	-	5,503,847
Grants	3,588,086	-	3,588,086
Interest	394,657	263,234	657,891
Internal balances	(2,425,177)	2,425,177	-
Inventories	5,433,538	1,106,078	6,539,616
Bond costs and other prepaid items	2,858,700	1,461,294	4,319,994
Deferred outflow of resources	2,203,000	-	2,203,000
Restricted assets:			
Cash and cash equivalents	419,396	2,123,144	2,542,540
Cash and cash equivalents with fiscal agent	27,924,146	1,908,190	29,832,336
Investments	1,011,990	3,348,438	4,360,428
Investments with fiscal agent	2,000,773	11,468,828	13,469,601
Capital assets:			
Non-depreciable assets	118,090,781	113,179,472	231,270,253
Depreciable assets, net	280,699,091	284,652,250	565,351,341
Other assets	-	979,106	979,106
Investment in joint venture	600,770	-	600,770
Total assets	<u>554,277,496</u>	<u>478,951,097</u>	<u>1,033,228,593</u>
LIABILITIES			
Accounts payable and other	9,899,753	4,631,719	14,531,472
Accrued liabilities	1,851,073	342,101	2,193,174
Unearned revenue	13,591,159	57,916	13,649,075
Accrued interest	875,335	188,650	1,063,985
Estimated claims	1,504,962	-	1,504,962
Noncurrent liabilities:			
Due within one year	14,522,281	5,072,813	19,595,094
Due in more than one year	234,236,751	70,936,709	305,173,460
Total liabilities	<u>276,481,314</u>	<u>81,229,908</u>	<u>357,711,222</u>
NET ASSETS			
Invested in capital assets, net of related debt	166,119,255	336,344,413	502,463,668
Restricted for:			
Emergencies	4,914,037	-	4,914,037
Capital projects	1,735,638	-	1,735,638
Improvements and open space conservation	2,558,886	-	2,558,886
Debt service	23,557,094	5,216,907	28,774,001
Other purposes	62,741	266,191	328,932
Unrestricted	78,848,531	55,893,678	134,742,209
Total net assets	<u>\$ 277,796,182</u>	<u>\$ 397,721,189</u>	<u>\$ 675,517,371</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Function/Program Activities				
Governmental activities:				
General government	\$ 37,650,090	\$ 6,116,547	\$ 4,165,050	\$ 4,771,580
Public safety	31,705,261	4,160,047	324,740	-
Public works	14,468,243	1,419,414	-	-
Community development	12,014,286	297,219	2,300	5,606,448
Culture and recreation	17,608,348	7,139,822	4,700	1,323,380
Interest and fiscal charges	7,803,465	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	443,359	-	-	-
Total governmental activities	121,693,052	19,133,049	4,496,790	11,701,408
Business-type activities:				
Utility	44,664,016	43,638,168	1,972	4,221,676
Golf	3,526,264	2,682,977	-	-
Westminster Housing Authority	1,243,300	942,564	-	-
Total business-type activities	49,433,580	47,263,709	1,972	4,221,676
Total	\$ 171,126,632	\$ 66,396,758	\$ 4,498,762	\$ 15,923,084

GENERAL REVENUES

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

TRANSFERS

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (22,596,913)	\$ -	\$ (22,596,913)
(27,220,474)	-	(27,220,474)
(13,048,829)	-	(13,048,829)
(6,108,319)	-	(6,108,319)
(9,140,446)	-	(9,140,446)
(7,803,465)	-	(7,803,465)
(443,359)	-	(443,359)
<u>(86,361,805)</u>	<u>-</u>	<u>(86,361,805)</u>
-	3,197,800	3,197,800
-	(843,287)	(843,287)
-	(300,736)	(300,736)
<u>-</u>	<u>2,053,777</u>	<u>2,053,777</u>
<u>(86,361,805)</u>	<u>2,053,777</u>	<u>(84,308,028)</u>
4,547,764	-	4,547,764
63,137,153	-	63,137,153
11,432,450	-	11,432,450
8,778,359	-	8,778,359
2,941,725	-	2,941,725
5,092,047	-	5,092,047
2,231,693	-	2,231,693
1,612,345	-	1,612,345
1,261,427	670,337	1,931,764
-	267,252	267,252
809,511	-	809,511
(856,339)	856,339	-
<u>100,988,135</u>	<u>1,793,928</u>	<u>102,782,063</u>
14,626,330	3,847,705	18,474,035
263,169,852	393,873,484	657,043,336
<u>\$ 277,796,182</u>	<u>\$ 397,721,189</u>	<u>\$ 675,517,371</u>

**CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 6,036,851	\$ 1,357,177	\$ 5,065,367	\$ 6,839,898
Cash and cash equivalents with fiscal agent	5,543	-	-	-
Investments	14,545,477	3,274,826	12,222,574	16,504,465
Receivables:				
Taxes	4,379,815	7,001,399	-	8,777,465
Accounts	2,315,887	-	584,655	16,880
Notes and leases	4,975,000	-	194,847	334,000
Grants	60,903	-	338,952	-
Interest	99,073	21,631	83,781	109,203
Due from other funds	838,170	-	-	-
Inventories	967,015	-	366,000	4,100,523
Prepaid items	26,953	-	20	-
Restricted assets:				
Cash and cash equivalents	-	-	-	71,774
Cash and cash equivalents with fiscal agent	1,209,920	-	2,588,322	23,811,955
Investments	-	-	-	173,188
Investments with fiscal agent	-	-	434,790	-
Loans to other funds	120,000	-	1,125,000	-
Total assets	<u>\$ 35,580,607</u>	<u>\$ 11,655,033</u>	<u>\$ 23,004,308</u>	<u>\$ 60,739,351</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 4,908,950	\$ 2,751,203	\$ 719,790	\$ 1,058,803
Accrued liabilities	1,801,712	-	31,670	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	10,501
Loans from other funds	-	-	-	3,245,000
Deferred revenue	10,020,840	-	533,799	9,111,465
Total liabilities	<u>16,731,502</u>	<u>2,751,203</u>	<u>1,285,259</u>	<u>13,425,769</u>
Fund balances:				
Reserved for:				
Emergencies	4,896,660	-	-	-
Debt service	1,209,920	-	-	22,404,068
Capital projects	-	-	3,023,112	20,632,014
Loans to other funds	120,000	-	1,125,000	-
Inventories and prepaids	993,968	-	366,020	4,100,523
Unreserved, reported in:				
General fund	11,628,557	-	-	-
Special revenue funds	-	8,903,830	-	176,977
Capital projects funds	-	-	17,204,917	-
Total fund balances	<u>18,849,105</u>	<u>8,903,830</u>	<u>21,719,049</u>	<u>47,313,582</u>
Total liabilities and fund balances	<u>\$ 35,580,607</u>	<u>\$ 11,655,033</u>	<u>\$ 23,004,308</u>	<u>\$ 60,739,351</u>

Other Governmental Funds	Total Governmental Funds
\$ 398,935	\$ 19,698,228
1,722	7,265
962,620	47,509,962
767,004	20,925,683
8,263	2,925,685
-	5,503,847
3,188,231	3,588,086
11,958	325,646
-	838,170
-	5,433,538
-	26,973
347,622	419,396
313,949	27,924,146
838,802	1,011,990
1,565,983	2,000,773
-	1,245,000
<u>\$ 8,405,089</u>	<u>\$ 139,384,388</u>

\$ 272,605	\$ 9,711,351
9,739	1,843,121
838,170	838,170
-	10,501
425,177	3,670,177
2,153,179	21,819,283
<u>3,698,870</u>	<u>37,892,603</u>

17,377	4,914,037
223,105	23,837,093
1,762,758	25,417,884
-	1,245,000
-	5,460,511
-	11,628,557
2,621,627	11,702,434
81,352	17,286,269
4,706,219	101,491,785
<u>\$ 8,405,089</u>	<u>\$ 139,384,388</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Fund balances - total government funds \$ 101,491,785

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

Capital assets used in governmental activities excluding internal service fund capital assets of \$6,132,790, are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	655,256,369	
Less accumulated depreciation	<u>(262,599,287)</u>	392,657,082

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

Bond costs	2,808,142	
Investment in joint venture	<u>600,770</u>	3,408,912

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

Accrued interest	(853,459)	
Premiums/Discounts on long-term debt payable	1,335,197	
Governmental long term debt payable	(241,507,874)	
Compensated absences	(4,551,464)	
Postemployment benefits	<u>(235,423)</u>	(245,813,023)

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		8,228,124
------------------	--	-----------

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 assets.

17,823,302

Net assets of governmental activities \$ 277,796,182

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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, 2010

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
REVENUES				
Property taxes	\$ 4,317,203	\$ -	\$ -	\$ -
Sales taxes	-	58,877,679	-	-
Use taxes	-	10,690,422	-	-
Property tax increment	-	-	-	8,778,359
Sales tax increment	-	-	-	2,941,725
Business fees and other taxes	5,092,047	-	-	-
Accommodations taxes	736,444	-	1,495,249	-
Intergovernmental	5,488,407	-	5,991,394	59,000
Assessments	-	-	41,905	-
Licenses and permits	1,708,941	-	-	-
Interest	384,111	95,484	182,753	513,107
Contributions	-	-	2,444,022	-
Recreation fees	6,372,404	-	-	-
Fines and forfeitures	2,076,751	-	-	-
Fleet maintenance billings and other	5,427,769	-	-	-
EMS billings	2,031,040	-	-	-
Other	-	-	103,968	13,634
Total revenues	33,635,117	69,663,585	10,259,291	12,305,825
EXPENDITURES				
Current:				
General government	33,930,994	3,155,891	264,723	1,732,257
Public safety	30,393,893	-	-	-
Public works	7,391,466	-	-	-
Community development	3,271,315	-	-	-
Culture and recreation	13,771,317	-	-	-
Capital projects	-	-	13,445,904	969,203
Debt service:				
Principal	-	-	-	4,065,000
Interest and fiscal charges	-	-	-	3,967,178
Refunding bond issuance costs	370,401	-	-	-
Total expenditures	89,129,386	3,155,891	13,710,627	10,733,638
Excess of revenues over (under) expenditures	(55,494,269)	66,507,694	(3,451,336)	1,572,187
OTHER FINANCING SOURCES (USES)				
Issuance of leases	2,575,190	-	-	-
Issuance of refunding debt	22,775,000	-	-	-
Issuance of registered interest coupons	-	-	-	-
Premium on refunding debt	808,606	-	-	-
Discount on refunding debt	(129,756)	-	-	-
Payment to refunded bond escrow agent	(22,514,897)	-	-	-
Sale of capital asset	70,999	-	1,050,573	-
Transfers in	58,364,101	-	3,508,044	22,569,099
Transfers (out)	(7,450,989)	(64,575,473)	(16,999,524)	-
Total other financing sources (uses):	54,498,254	(64,575,473)	(12,440,907)	22,569,099
Net change in fund balances	(996,015)	1,932,221	(15,892,243)	24,141,286
Fund balances, beginning	19,845,120	6,971,609	37,611,292	23,172,296
Fund balances, ending	\$ 18,849,105	\$ 8,903,830	\$ 21,719,049	\$ 47,313,582

Other Governmental Funds	Total Governmental Funds
\$ 230,561	\$ 4,547,764
4,259,474	63,137,153
742,028	11,432,450
-	8,778,359
-	2,941,725
-	5,092,047
-	2,231,693
2,947,037	14,485,838
-	41,905
-	1,708,941
89,974	1,265,429
-	2,444,022
-	6,372,404
847	2,077,598
-	5,427,769
-	2,031,040
10,854	128,456
<u>8,280,775</u>	<u>134,144,593</u>
460,524	39,544,389
15,110	30,409,003
-	7,391,466
3,819,644	7,090,959
-	13,771,317
5,316,871	19,731,978
4,655,000	8,720,000
3,006,754	6,973,932
112,917	483,318
<u>17,386,820</u>	<u>134,116,362</u>
<u>(9,106,045)</u>	<u>28,231</u>
-	2,575,190
10,545,000	33,320,000
125,000	125,000
1,133,134	1,941,740
(6,881)	(136,637)
(11,600,796)	(34,115,693)
-	1,121,572
7,718,873	92,160,117
(3,990,470)	(93,016,456)
<u>3,923,860</u>	<u>3,974,833</u>
(5,182,185)	4,003,064
9,888,404	97,488,721
<u>\$ 4,706,219</u>	<u>\$ 101,491,785</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, 2010

Net Changes in fund balances - total government funds \$ 4,003,064

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	17,158,198	
Less current year depreciation	<u>(17,167,577)</u>	(9,379)

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	(1,121,572)	
Loss on sale of capital assets	<u>809,511</u>	(312,061)

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 assets. These amounts are the differences in the treatment of long-term debt.

Issuance of leases	(2,575,190)	
Issuance of refunding debt	(33,320,000)	
Issuance of registered interest coupons	(125,000)	
Premium on refunding debt	(1,941,740)	
Discount on refunding debt	136,637	
Payment to refunded bond escrow agent	34,115,693	
Bond issue costs	483,318	
Principal payments	<u>12,889,606</u>	9,663,324

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	(915,585)	
Accrual of interest expense	86,052	
Adjustment to long-term compensated absences liability	(200,792)	
Adjustment to postemployment benefit obligation	<u>90,090</u>	(940,235)

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	884,872	
Fines and forfeitures	(106,173)	
Recreation fees	<u>(2,145)</u>	776,554

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.

1,445,063

Change in net assets of governmental activities \$ 14,626,330

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Utility Enterprise	Golf	Westminster Housing Authority	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 14,778,842	\$ 142,739	\$ 250,097	\$ 15,171,678	\$ 4,313,931
Cash and cash equivalents with fiscal agent	-	-	-	-	132,106
Investments	35,660,891	337,186	116,170	36,114,247	10,409,382
Receivables	5,003,257	4,153	5,785	5,013,195	120,667
Inventories	861,627	244,451	-	1,106,078	-
Bond costs and other prepaid items	1,344,523	105,480	11,291	1,461,294	23,585
Total current assets	<u>57,649,140</u>	<u>834,009</u>	<u>383,343</u>	<u>58,866,492</u>	<u>14,999,671</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	1,856,953	-	266,191	2,123,144	-
Cash and cash equivalents with fiscal agent	1,908,190	-	-	1,908,190	-
Investments	3,348,438	-	-	3,348,438	-
Investments with fiscal agent	11,468,828	-	-	11,468,828	-
Loans to other funds	2,425,177	-	-	2,425,177	-
Capital assets:					
Non-depreciable assets	101,712,766	11,101,327	365,379	113,179,472	-
Depreciable assets, net	277,846,811	4,724,971	2,080,468	284,652,250	6,132,790
Other assets	969,367	-	9,739	979,106	-
Total noncurrent assets	<u>401,536,530</u>	<u>15,826,298</u>	<u>2,721,777</u>	<u>420,084,605</u>	<u>6,132,790</u>
Total assets	<u>459,185,670</u>	<u>16,660,307</u>	<u>3,105,120</u>	<u>478,951,097</u>	<u>21,132,461</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	4,509,349	45,827	76,543	4,631,719	188,402
Accrued liabilities	306,157	35,944	-	342,101	7,952
Unearned revenue	-	57,916	-	57,916	-
Bonds payable, current portion	1,831,553	-	-	1,831,553	-
Notes payable, current portion	2,457,468	-	191,668	2,649,136	-
Lease payable, current portion	1,475	459,898	-	461,373	324,615
Other liabilities, current portion	111,483	19,268	-	130,751	1,623
Accrued interest	158,042	21,124	9,484	188,650	11,375
Estimated claims	-	-	-	-	1,504,962
Total current liabilities	<u>9,375,527</u>	<u>639,977</u>	<u>277,695</u>	<u>10,293,199</u>	<u>2,038,929</u>
Noncurrent liabilities:					
Bonds payable	35,460,361	-	-	35,460,361	-
Notes payable	26,662,407	-	2,481,122	29,143,529	-
Leases payable	-	4,987,228	-	4,987,228	1,249,996
Other liabilities payable	1,122,086	223,505	-	1,345,591	20,234
Total noncurrent liabilities	<u>63,244,854</u>	<u>5,210,733</u>	<u>2,481,122</u>	<u>70,936,709</u>	<u>1,270,230</u>
Total liabilities	<u>72,620,381</u>	<u>5,850,710</u>	<u>2,758,817</u>	<u>81,229,908</u>	<u>3,309,159</u>
NET ASSETS					
Invested in capital assets, net of related debt	325,918,430	10,379,171	46,812	336,344,413	4,558,179
Restricted for:					
Debt service	5,216,907	-	-	5,216,907	-
Other purposes	-	-	266,191	266,191	-
Unrestricted	55,429,952	430,426	33,300	55,893,678	13,265,123
Total net assets	<u>\$ 386,565,289</u>	<u>\$ 10,809,597</u>	<u>\$ 346,303</u>	<u>\$ 397,721,189</u>	<u>\$ 17,823,302</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities Enterprise Funds				Governmental
	Utility Enterprise	Golf	Westminster	Total	Activities
			Housing Authority		Internal Service Funds
Operating revenues					
Charges for services	\$ 42,521,661	\$ 2,682,141	\$ 942,562	\$ 46,146,364	\$ 14,580,868
Rentals	-	-	2	2	-
Other	1,118,479	836	-	1,119,315	140,899
Total operating revenues	43,640,140	2,682,977	942,564	47,265,681	14,721,767
Operating expenses					
Personnel services	15,116,564	1,610,034	160,428	16,887,026	237,445
Contractual services	11,209,454	674,265	269,061	12,152,780	1,625,926
Commodities	1,996,978	457,321	181,060	2,635,359	8,461
Capital expense	2,369,268	11,709	-	2,380,977	173,886
Insurance and other expenses	15,013	-	24,574	39,587	10,397,472
Depreciation expense	11,544,611	540,699	147,280	12,232,590	1,136,498
Total operating expenses	42,251,888	3,294,028	782,403	46,328,319	13,579,688
Operating income (loss)	1,388,252	(611,051)	160,161	937,362	1,142,079
Nonoperating revenues (expenses)					
Income on investments	668,705	(754)	2,386	670,337	210,850
Interest expense	(2,220,248)	(228,236)	(90,991)	(2,539,475)	(45,091)
Loss on disposition of capital assets	(191,880)	(4,000)	-	(195,880)	(52,212)
Other	267,252	-	(369,906)	(102,654)	-
Total nonoperating revenues (expenses)	(1,476,171)	(232,990)	(458,511)	(2,167,672)	113,547
Income (loss) before contributions and transfers	(87,919)	(844,041)	(298,350)	(1,230,310)	1,255,626
Capital contributions	4,221,676	-	-	4,221,676	189,437
Transfers in	-	856,339	-	856,339	-
Change in net assets	4,133,757	12,298	(298,350)	3,847,705	1,445,063
Net assets - beginning	382,431,532	10,797,299	644,653	393,873,484	16,378,239
Net assets - ending	\$ 386,565,289	\$ 10,809,597	\$ 346,303	\$ 397,721,189	\$ 17,823,302

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds	
	Utility Enterprise	Golf	Westminster Housing Authority		Total
Cash flows from operating activities:					
Cash received from customers	\$ 41,262,673	\$ 2,683,335	\$ 944,455	\$ 44,890,463	\$ 12,427,395
Cash payments to employees for services	(12,657,490)	(1,583,876)	-	(14,241,366)	(233,746)
Cash payments to suppliers for goods and services	(13,795,544)	(1,140,998)	(618,239)	(15,554,781)	(12,390,917)
Payments to other funds	(2,703,780)	-	-	(2,703,780)	2,262,060
Other operating revenues (expenses)	1,118,480	-	-	1,118,480	10,821
Net cash provided by (used in) operating activities	<u>13,224,339</u>	<u>(41,539)</u>	<u>326,216</u>	<u>13,509,016</u>	<u>2,075,613</u>
Cash flows from noncapital financing activities:					
Proceeds from note	425,000	-	-	425,000	-
Interfund lending	(225,177)	-	-	(225,177)	-
Interfund borrowing (repayment)	-	(142,372)	-	(142,372)	-
Principal paid on long-term debt	-	-	(20,001)	(20,001)	-
Interest paid on long-term debt	-	-	(7,547)	(7,547)	-
Transfer in	-	856,339	-	856,339	-
Net cash provided by (used in) noncapital financing activities	<u>199,823</u>	<u>713,967</u>	<u>(27,548)</u>	<u>886,242</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	(4,055,665)	(508,573)	(167,737)	(4,731,975)	(304,960)
Interest paid on long term debt	(2,446,814)	(184,651)	(82,209)	(2,713,674)	(43,158)
Acquisition and construction of capital assets	(30,422,696)	(4,000)	-	(30,426,696)	(1,047,462)
Proceeds from sale of capital assets	34,007	-	-	34,007	29,165
Contributions	3,410,270	-	-	3,410,270	-
Proceeds from bonds	29,505,000	-	-	29,505,000	-
Proceeds from capital lease	4,585	-	-	4,585	-
Payments of bond issuance costs	(229,060)	-	-	(229,060)	-
Interest subsidy on capital debt	267,251	-	-	267,251	-
Net cash used in capital and related financing activities	<u>(3,933,122)</u>	<u>(697,224)</u>	<u>(249,946)</u>	<u>(4,880,292)</u>	<u>(1,366,415)</u>
Cash flow from investing activities:					
Sale of investments	2,297,053	119,908	75,721	2,492,682	2,082,353
Interest received on investments	1,469,073	(29)	904	1,469,948	314,058
Net cash provided by investing activities	<u>3,766,126</u>	<u>119,879</u>	<u>76,625</u>	<u>3,962,630</u>	<u>2,396,411</u>
Net increase in cash and cash equivalents	13,257,166	95,083	125,347	13,477,596	3,105,609
Cash and cash equivalents - beginning of year	<u>5,286,819</u>	<u>47,656</u>	<u>390,941</u>	<u>5,725,416</u>	<u>1,340,428</u>
Cash and cash equivalents - end 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>

(Continued)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Utility Enterprise	Golf	Westminster Housing Authority		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 1,388,252	\$ (611,051)	\$ 160,161	\$ 937,362	\$ 1,142,079
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	11,544,611	540,699	147,280	12,232,590	1,136,498
(Increase) decrease in accounts receivable	(1,258,988)	357	1,891	(1,256,740)	(21,491)
(Increase) decrease in inventories	256,709	(13,869)	-	242,840	-
Increase in prepaid items	359	-	588	947	76,415
Increase in deferred revenue	-	187	-	187	-
Increase in accounts payable and other	890,807	15,980	16,296	923,083	(213,558)
Increase in accrued liabilities	402,589	26,158	-	428,747	381
Decrease in estimated claims	-	-	-	-	(44,711)
Total adjustments	<u>11,836,087</u>	<u>569,512</u>	<u>166,055</u>	<u>12,571,654</u>	<u>933,534</u>
Net cash provided by (used in) operating activities	<u>\$ 13,224,339</u>	<u>\$ (41,539)</u>	<u>\$ 326,216</u>	<u>\$ 13,509,016</u>	<u>\$ 2,075,613</u>

2010 Noncash investing, capital, and financing activities:

- Developers contributed capital assets consisting of water and sewer lines of \$360,342.
- A contribution increase of \$63,277 was reported in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority.
- The unrecognized gain (loss) recorded to value the noncash investments of the City's enterprise funds to fair value was \$484,394.
- Two lease payables in amounts totaling \$726,415 were entered into for the purchase of assets. Payments to commence in 2011.
- Amortization of bond premiums, discounts, deferred loss on refunding, and bond issuance costs of the City's enterprise funds totaled \$202,825.
- The City issued Certificates of Participation in the amount of \$4,820,000 in order to refund debt. Net certificate proceeds of \$4,830,936, were deposited immediately into an irrevocable trust for the defeasance and retirement of outstanding bond principal, payment of premium, accrued interest and issuance costs.
- An doubtful account allowance was recorded for a note receivable in the amount of \$369,000 in the Westminster Housing Authority.

CITY OF WESTMINSTER, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2010

	Volunteer Fire Pension <hr style="border: 1px solid black;"/>
ASSETS	
Investments with fiscal agent	<u>\$ 2,554,366</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 2,554,366</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Volunteer Fire Pension
ADDITIONS	
Net investment income	\$ 324,402
Total additions	<u>324,402</u>
DEDUCTIONS	
Benefits	209,790
Administrative expense	18,408
Total deductions	<u>228,198</u>
Change in net assets	96,204
Net assets - beginning	2,458,162
Net assets - ending	<u><u>\$ 2,554,366</u></u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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. 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 Garage 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 assigned its right to receive and enforce payments relating to debt service of these financial benefits to a trustee. WBA is not presented in the financial statements.

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. Both the government-wide and fund 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, 2010

In the government-wide Statement of Net Assets, 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 costs 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; however, transfers between governmental funds and enterprise funds 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 statement emphasis is on the major funds in either the governmental or business-type 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 assets of internal service funds are 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 as either an expense or charge for services of the general government and are therefore not eliminated in the consolidation of interfund services provided and used.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

Sales and Use Tax Special Revenue Fund accounts for revenue from the City’s 3% sales and use tax which was approved by Westminster voters. These funds are the primary funding

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

source for the City's governmental operations and are pledged for various sales and use tax revenue bond issues subject to certain bond covenants. The fund also accounts for the .6% public safety tax, which was approved by Westminster voters in November 2003. Revenues from this tax must be used to improve and enhance the safety and security of Westminster residents.

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.

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—where *net income and capital maintenance are measured*—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 the major proprietary fund 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.

The City reports the following nonmajor proprietary funds as major funds because of their importance to the financial statement users:

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Westminster Housing Authority accounts for the operation of an apartment complex of 130 units, under Section 8 of the National Housing Act, including rental income, operational costs and debt service as well as other various low income housing redevelopment projects.

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.

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.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Assets 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 generally over the following estimated useful lives:

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

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).

Bond 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.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 Assets, Governmental Activities are accounted for in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.

E. Interfund Transactions

In the fund financial statements, interfund transactions are reflected as loans, services provided and used, reimbursements or transfers. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "loans to" and "loans from" other funds. In Governmental Funds, loans to other funds are offset by an equal reservation of 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 Assets, 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, 2010 was \$3,675,362, of which \$750,000 was covered by Federal Deposit Insurance and \$2,925,362 was uninsured but collateralized in accordance with provision of the Colorado Public Deposit Protection Act (PDPA). An additional \$750,000 in Federal Deposit Insurance covers deposits held separately for the Westminster Economic Development Authority. The collateral is pooled and held in trust for all uninsured deposits as a group.

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.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

The City's principal investment objectives are:

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

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

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

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

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

The City's securities at December 31, 2010, are rated AAA by Standard and Poor's and AAA by Moody's Investors Services for its Agency securities. Corporate debt is rated at least AA- by Standard and Poor's and Aa3 by Moody's Investors Services. Commercial Paper is rated at least A-1 + by Standard and Poor's and P1 by Moody's Investors Services.

The City's investment policy follows Colorado Revised Statutes 24-75-602.1(j) and any changes enacted in the statutes relative to repurchase agreements. 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 Pools. At December 31, 2010, the City had invested \$24,398,011 in the Colorado Government Liquid Asset Trust (COLOTRUST) and \$2,166,516 in Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools.

COLOTRUST and CSAFE are 2a7-like investment pools and are not subject to interest rate risk disclosure. They operate 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 pools are 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.

Cash and Investments as reported on the financial statements at December 31, 2010.

Cash and cash equivalents	\$ 39,183,837
Cash and cash equivalents with agent	139,371
Investments	94,033,591
Restricted cash and cash equivalents	2,542,540
Restricted cash with agent	29,832,336
Restricted investments	4,360,428
Restricted investments with agent	13,469,601
Total per Statement of Net Assets:	<u>\$ 183,561,704</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	1.20%
Local Investment - COLOTRUST	AAA	13.49%
Commercial Paper Barton Capital	A-1	1.11%
Commercial Paper Amsterdam Funding	A-1	1.11%
Commercial Paper ING Funding	A-1	1.11%
Corporate GE Capital	AA+	2.13%
Corporate Metropolitan Life Global Funding	AA-	0.90%
Corporate Walmart	AA	1.67%
Corporate Bank of New York	AA-	1.21%
Corporate TIAA Global Markets	AAA	0.89%
Municipal - Westminster EDA	NR	2.49%
US Treasury Securities	N/A	13.65%
Federal Farm Credit Banks	AAA	21.96%
Federal Home Loan Bank System	AAA	9.39%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA	3.04%
Fannie Mae (Federal National Mortgage Association)	AAA	8.11%
First American Money Market Fund	AAAm	16.32%
First American Treasury Obligation	AAAm	0.22%

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>
Colorado Liquid Asset Trust (COLOTRUST)	\$ 24,398,011	-
Colorado Surplus Asset Fund (CSAFE)	2,166,516	-
Repurchase Agreements (FHLMC)	16,982,479	-
Commercial Paper	5,995,916	0.19
US Treasuries	24,680,494	1.21
US Instrumentalities	56,908,651	1.77
Domestic Corporate Securities	12,296,590	2.11
Municipal	4,510,000	6.02
First American Money Market Fund	29,916,029	-
US Instrumentalities with Fiscal Agent	2,968,981	0.26
 Total Investments controlled by City	 <u>\$ 180,823,667</u>	
Portfolio weighted average maturity		1.55

B. Disaggregation of Receivables

Receivables at December 31, 2010, were as follows:

	Taxes	Accounts	Leases and Notes	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 4,379,815	\$ 3,210,257	\$ 4,975,000	\$ 60,903	\$ 99,073	\$ 12,725,048
Sales and Use Tax	7,001,399	-	-	-	21,631	7,023,030
GCIF	-	584,655	194,847	338,952	83,781	1,202,235
WEDA	8,777,465	16,880	334,000	-	109,203	9,237,548
Other Governmental	767,004	8,263	-	3,188,231	11,958	3,975,456
Less: Allowance for Doubtful Accounts	-	(894,370)	-	-	-	(894,370)
Subtotal	<u>20,925,683</u>	<u>2,925,685</u>	<u>5,503,847</u>	<u>3,588,086</u>	<u>325,646</u>	<u>33,268,947</u>
Reconciliation of balances in fund financial statements to government-wide financial statements	-	51,656	-	-	69,011	120,667
Total - Governmental Activities	<u>\$ 20,925,683</u>	<u>\$ 2,977,341</u>	<u>\$ 5,503,847</u>	<u>\$ 3,588,086</u>	<u>\$ 394,657</u>	<u>\$ 33,389,614</u>
Business-type Activities:						
Utilities	\$ -	\$ 4,743,093	\$ -	\$ -	\$ 260,164	\$ 5,003,257
Golf Course	-	1,866	-	-	2,287	4,153
Housing Authority	-	5,002	-	-	783	5,785
Total - Business-type Activities:	<u>\$ -</u>	<u>\$ 4,749,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,234</u>	<u>\$ 5,013,195</u>

C. Leases and Notes Receivable

Notes become receivable as the income is earned. 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 sub-lease 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%.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 2011.

The City considers all 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.

	Purpose of Issue	Amount Issued	Amount Outstanding	Scheduled Payments	Final Payment
PRIMARY GOVERNMENT					
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	4,975,000	semi-annually	Dec-2022
Colorado Rural Housing Development Corporation	Development Corp Building Construction	334,000	334,000	annually	2011
Total Governmental Activities		<u>\$ 5,503,847</u>	<u>\$ 5,503,847</u>		

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

Capital Leases and Notes Receivable Debt Service Requirements

Governmental activities

Year Ending	Colorado			Total
	Catellus	Hyland Hills	Rural Housing	
2011	\$ 194,847	\$ 307,500	\$ 334,000	\$ 836,347
2012	-	327,500	-	327,500
2013	-	335,000	-	335,000
2014	-	342,500	-	342,500
2015	-	352,500	-	352,500
2016-2020	-	1,942,500	-	1,942,500
2021-2022	-	1,367,500	-	1,367,500
	<u>\$ 194,847</u>	<u>\$ 4,975,000</u>	<u>\$ 334,000</u>	<u>\$ 5,503,847</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds:		
General Fund	Parks, Open Space and Trails	\$ 752,276
General Fund	Community Development Block Grant	85,894
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	2,000,000
Utility Fund	Parks, Open Space and Trails	<u>425,177</u>
Total		<u>\$ 4,508,347</u>

At December 31, 2010, the General Fund covered the overdrawn cash balances of the Parks, Open Space and Trails and Community Development Block Grant Funds.

The loans of \$3,245,000 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 subsequent years.

The loan of \$425,117 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, 2010.

	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
General Capital Outlay Replacement	\$ 3,274,968	\$ (554,533)	\$ 2,720,435
General Government	3,104,544	(725,239)	2,379,305
Golf Course Enterprises	1,245,659	(825,327)	420,332
Total	<u>\$ 7,625,171</u>	<u>\$ (2,105,099)</u>	<u>\$ 5,520,072</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Land & Land Rights	\$ 102,032,989	\$ 7,430,925	\$ (408,363)	\$ 109,055,551
Water Rights	-	1,000,000	-	1,000,000
Joint Venture	5,361,000	-	-	5,361,000
Construction in progress	9,261,825	13,973,950	(20,561,545)	2,674,230
Total nondepreciable assets	<u>116,655,814</u>	<u>22,404,875</u>	<u>(20,969,908)</u>	<u>118,090,781</u>
Buildings	75,633,333	9,787,086	-	85,420,419
Machinery and equipment	37,409,167	2,553,374	(1,433,706)	38,528,835
Improvements other than buildings	40,107,226	613,843	-	40,721,069
Parks	51,384,571	3,214,845	-	54,599,416
Ice Center	6,972,384	-	-	6,972,384
Infrastructure	324,099,799	1,277,441	-	325,377,240
Total depreciable assets	<u>535,606,480</u>	<u>17,446,589</u>	<u>(1,433,706)</u>	<u>551,619,363</u>
Less accumulated depreciation for:				
Buildings	(35,911,079)	(2,945,823)	-	(38,856,902)
Machinery and equipment	(26,729,837)	(2,606,295)	1,280,225	(28,055,907)
Improvements other than buildings	(14,040,723)	(1,949,497)	-	(15,990,220)
Parks	(23,989,344)	(2,282,266)	-	(26,271,610)
Ice Center	(1,597,838)	(145,258)	-	(1,743,096)
Infrastructure	(151,627,601)	(8,374,936)	-	(160,002,537)
Total accumulated depreciation	<u>(253,896,422)</u>	<u>(18,304,075)</u>	<u>1,280,225</u>	<u>(270,920,272)</u>
Net total depreciable assets	<u>281,710,058</u>	<u>(857,486)</u>	<u>(153,481)</u>	<u>280,699,091</u>
Governmental activities capital assets, net	<u>\$ 398,365,872</u>	<u>\$ 21,547,389</u>	<u>\$ (21,123,389)</u>	<u>\$ 398,789,872</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,220,172
Public safety	2,001,926
Public works	6,576,743
Community development	2,549,376
Culture and Recreation	5,512,499
Unallocated depreciation-Internal Service Funds	443,359
Total depreciation expense	<u>\$ 18,304,075</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Land & Land Rights	\$ 20,041,766	\$ 502,433	\$ -	\$ 20,544,199
Water rights	73,043,731	15,978,314	(18,750)	89,003,295
Construction in progress	7,809,425	30,144,528	(34,321,975)	3,631,978
Total nondepreciable assets	<u>100,894,922</u>	<u>46,625,275</u>	<u>(34,340,725)</u>	<u>113,179,472</u>
Buildings and plants	227,689,648	9,794,350	-	237,483,998
Improvements other than buildings	169,477,195	8,568,942	(150,000)	177,896,137
Parks	1,551,253	-	-	1,551,253
Machinery and equipment	17,806,445	811,103	(310,523)	18,307,025
Total depreciable assets	<u>416,524,541</u>	<u>19,174,395</u>	<u>(460,523)</u>	<u>435,238,413</u>
Less accumulated depreciation for:				
Buildings and plants	(73,187,994)	(4,653,922)	-	(77,841,916)
Improvements other than buildings	(54,994,305)	(5,519,157)	43,449	(60,470,013)
Parks	(751,295)	(77,562)	-	(828,857)
Machinery and equipment	(9,732,447)	(1,981,949)	269,019	(11,445,377)
Total accumulated depreciation	<u>(138,666,041)</u>	<u>(12,232,590)</u>	<u>312,468</u>	<u>(150,586,163)</u>
Net total depreciable assets	<u>277,858,500</u>	<u>6,941,805</u>	<u>(148,055)</u>	<u>284,652,250</u>
Business-type activities capital assets, net	<u>\$ 378,753,422</u>	<u>\$ 53,567,080</u>	<u>\$ (34,488,780)</u>	<u>\$ 397,831,722</u>

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

Utility	\$ 11,544,611
Golf	540,699
Westminster Housing Authority	147,280
Total depreciation expense	<u>\$ 12,232,590</u>

During the year ended December 31, 2010, the City recorded \$365,953 of capitalized interest. Of this amount \$358,870 is included in fixed assets and \$7,083 is included in construction-in-process at year end.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

F. Disaggregation of Payables

Payables at December 31, 2010, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Funds:					
General	\$ 2,306,393	\$ 2,602,557	\$ 1,801,712	\$ -	\$ 6,710,662
Sales and Use Tax	18	2,751,185	-	-	2,751,203
GCIF	651,208	68,582	31,670	-	751,460
WEDA	484,138	574,665	-	10,501	1,069,304
Other Governmental	262,284	10,321	9,739	-	282,344
Subtotal - Governmental Funds	<u>3,704,041</u>	<u>6,007,310</u>	<u>1,843,121</u>	<u>10,501</u>	<u>11,564,973</u>
Reconciliation of balances in fund financial statements to government wide financial statements					
Internal service funds	188,402	-	7,952	853,459	853,459
Total - Governmental Activities	<u>\$ 3,892,443</u>	<u>\$ 6,007,310</u>	<u>\$ 1,851,073</u>	<u>\$ 875,335</u>	<u>\$ 12,626,161</u>
Business-type Activities:					
Utilities	\$ 4,353,108	\$ 156,241	\$ 306,157	\$ 158,042	\$ 4,973,548
Golf Course	44,154	1,673	35,944	21,124	102,895
Housing Authority	76,543	-	-	9,484	86,027
Total - Business-type Activities	<u>\$ 4,473,805</u>	<u>\$ 157,914</u>	<u>\$ 342,101</u>	<u>\$ 188,650</u>	<u>\$ 5,162,470</u>

G. Interfund Transfers

TRANSFERS FROM OTHER FUNDS	TRANSFERS TO OTHER FUNDS					Totals
	General Fund	General Capital Improvement Fund	Westminster Economic Development Authority	Nonmajor Governmental Funds	Golf Course Fund	
General Fund	\$ -	\$ 3,336,044	\$ 4,114,945	\$ -	\$ -	\$ 7,450,989
Sales Tax Fund	57,364,101	-	3,000,000	3,806,372	405,000	64,575,473
General Capital Improvement Fund	1,000,000	-	15,454,154	371,622	173,748	16,999,524
Nonmajor Governmental Funds	-	172,000	-	3,540,879	277,591	3,990,470
Totals	<u>\$ 58,364,101</u>	<u>\$ 3,508,044</u>	<u>\$ 22,569,099</u>	<u>\$ 7,718,873</u>	<u>\$ 856,339</u>	<u>\$ 93,016,456</u>

The matrix summarizes the City's interfund transfer activity. Most transfers between the General; Sales and Use Tax; General Capital Improvement; Parks, Open Space and Trails; and Nonmajor Governmental Funds are routinely used to reallocate resources to fund City operations, capital construction, land purchases, debt service and governmental subsidies. In 2010, onetime transfers from governmental funds to the Westminster Economic Development Authority totaling \$22,569,099 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 Business-Type Activities:

From the General Capital Improvement Fund to the Golf Course Fund for operating subsidies and interfund loan relief	\$ (173,748)
From the Sales Tax Fund to the Golf Course Fund to assist with debt service obligations	(405,000)
From the Open Space Fund to the Golf Course Fund to assist with debt service obligations	(277,591)
Total transfers between Governmental and Business Type Activities Funds	<u>\$ (856,339)</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

H. Long-Term Debt

Long-term liability activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, loans, leases and other payable:					
Revenue bonds	\$ 64,955,000	\$ 10,545,000	\$ (15,200,000)	\$ 60,300,000	\$ 4,835,000
Tax increment bonds	40,895,000	-	(1,680,000)	39,215,000	1,760,000
Registered interest coupons	-	125,000	-	125,000	-
Loans	69,160,000	-	(2,385,000)	66,775,000	2,490,000
Capital leases	76,825,446	26,076,605	(26,234,566)	76,667,485	5,342,850
	<u>251,835,446</u>	<u>36,746,605</u>	<u>(45,499,566)</u>	<u>243,082,485</u>	<u>14,427,850</u>
Add:					
Bond premium	3,139,543	1,941,741	(768,260)	4,313,024	454,985
Bond discount and deferred amount on refundings	(4,587,830)	(2,207,511)	1,147,120	(5,648,221)	(643,934)
	<u>250,387,159</u>	<u>36,480,835</u>	<u>(45,120,706)</u>	<u>241,747,288</u>	<u>14,238,901</u>
Total bonds and leases payable					
Other liabilities:					
Compensated absences	4,369,625	6,576,841	(6,373,145)	4,573,321	283,380
OPEB	328,851	356,590	(450,018)	235,423	-
Derivative	441,000	1,762,000	-	2,203,000	-
Total other liabilities	<u>5,139,476</u>	<u>8,695,431</u>	<u>(6,823,163)</u>	<u>7,011,744</u>	<u>283,380</u>
Governmental activities long-term liabilities					
	<u>\$ 255,526,635</u>	<u>\$ 45,176,266</u>	<u>\$ (51,943,869)</u>	<u>\$ 248,759,032</u>	<u>\$ 14,522,281</u>
	Ending Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds, notes and leases payable:					
Revenue bonds	\$ 14,075,000	\$ 29,505,000	\$ (6,490,000)	\$ 37,090,000	\$ 1,780,000
Notes	33,366,040	425,000	(2,532,647)	31,258,393	2,614,138
Capital leases	1,075,366	4,824,585	(509,329)	5,390,622	456,546
	<u>48,516,406</u>	<u>34,754,585</u>	<u>(9,531,976)</u>	<u>73,739,015</u>	<u>4,850,684</u>
Add:					
Bond/Notes premium	895,961	149,389	(97,839)	947,511	104,811
Bond discount and deferred amount on refundings	(75,579)	(87,216)	9,449	(153,346)	(13,433)
	<u>49,336,788</u>	<u>34,816,758</u>	<u>(9,620,366)</u>	<u>74,533,180</u>	<u>4,942,062</u>
Total bonds, notes and leases payable					
Other liabilities:					
Compensated absences	951,840	1,382,372	(1,353,508)	980,704	61,251
OPEB	144,245	70,347	(23,671)	190,921	-
Pollution Remediation	408,791	-	(104,074)	304,717	69,500
Total other liabilities	<u>1,504,876</u>	<u>1,452,719</u>	<u>(1,481,253)</u>	<u>1,476,342</u>	<u>130,751</u>
Business-type activities long-term liabilities					
	<u>\$ 50,841,664</u>	<u>\$ 36,269,477</u>	<u>\$ (11,101,619)</u>	<u>\$ 76,009,522</u>	<u>\$ 5,072,813</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Description of Individual Debt Issues Outstanding - Summarized below are the City's debt issues outstanding at December 31, 2010.

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	\$ 1,960,000	4.0% - 5.0%	12/01/21
Sales and Use Tax Revenue Series 2002	136th Avenue & I-25 Interchange	15,090,000	1,460,000	3.75% - 4.0%	12/01/12
Sales and Use Tax Revenue Series 2007A	Refunding/Street Improvements	10,715,000	8,055,000	4.0% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007B	Refunding/Open Space Purchases	13,680,000	9,925,000	4.0% - 5.5%	12/01/16
Sales and Use Tax Refunding Series 2007C	Refunding/Street Improvements	10,910,000	8,355,000	4.0% - 5.25%	12/01/16
Sales and Use Tax POST Series 2007D	Open Space Purchases/Facility Improv	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	<u>10,545,000</u>	2.0% - 5.0%	12/01/22
Total Governmental Activities			<u>60,300,000</u>		
Water/Wastewater Revenue Series 2001	Refunding	20,990,000	7,585,000	4.0% - 5.5%	12/01/14
Water/Wastewater Revenue Series 2010	Build America Bonds	29,505,000	<u>29,505,000</u>	3.23% - 5.82%	12/01/30
Total Business-type Activities			<u>37,090,000</u>		
Total Revenue bonds			<u>\$ 97,390,000</u>		
Registered interest coupons					
Sales and Use Tax Refunding Series 2010	Registered 'B' interest coupons	125,000	<u>\$ 125,000</u>	(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
2011	\$ 4,835,000	\$ 2,737,584	\$ 7,572,584	2011	\$ 1,780,000	\$ 1,835,584	\$ 3,615,584
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
2016-2020	15,425,000	6,244,395	21,669,395	2016-2020	7,925,000	6,533,565	14,458,565
2021-2025	8,905,000	3,438,363	12,343,363	2021-2025	9,195,000	4,593,110	13,788,110
2026-2030	7,880,000	1,581,850	9,461,850	2026-2030	10,910,000	1,950,775	12,860,775
2031-2035	1,805,000	85,738	1,890,738	Total	<u>\$ 37,090,000</u>	<u>\$ 21,430,320</u>	<u>\$ 58,520,320</u>
Total	<u>\$ 60,300,000</u>	<u>\$ 23,166,567</u>	<u>\$ 83,466,567</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	\$ 4,510,000	3.800%	12/01/17
WEDA Revenue Refunding Bonds Series 2009	Mandalay Gardens Urban Renewal	35,830,000	<u>34,705,000</u>	(2)	12/01/28
Total Tax Increment Bonds			<u>39,215,000</u>		
WEDA Revenue Loan Series 2009	North Huron Urban Renewal	62,375,000	59,080,000	4.510%	12/01/16
WEDA Revenue Loan Series 2009	South Sheridan Urban Renewal	8,075,000	<u>7,695,000</u>	4.950%	12/01/28
Total Tax Increment Loans			<u>66,775,000</u>		
Total Governmental Activities			<u>\$ 105,990,000</u>		

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

Year	Governmental Activities		
	Principal	Interest	Total
2011	\$ 4,250,000	\$ 3,355,611	\$ 7,605,611
2012	4,450,000	3,215,512	7,665,512
2013	4,655,000	3,069,140	7,724,140
2014	4,880,000	2,916,306	7,796,306
2015	5,100,000	2,756,519	7,856,519
2016-2020	58,915,000	2,982,456	61,897,456
2021-2025	13,660,000	1,123,335	14,783,335
2026-2030	10,080,000	247,225	10,327,225
Total	<u>\$ 105,990,000</u>	<u>\$ 19,666,104</u>	<u>\$ 125,656,104</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 12/31/10 is 0.40%

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Capital Leases	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
Capital lease	05 Fire truck	\$ 472,039	\$ 125,733	4.27%	10/15/12
Capital lease	05 Energy Saving Equipment	2,262,993	1,323,062	4.029%	10/15/16
Capital lease	07 Fire truck	396,932	189,346	4.10%	01/15/14
Capital lease	08 Fire truck	603,450	382,805	3.52%	01/15/15
Capital lease	08 Pumper Truck	216,475	158,904	3.48%	10/15/15
Capital lease	09 Parks Equipment	527,540	354,205	4.85%	10/15/14
Capital lease	10 Copier Portion of Joint Lease	58,096	48,513	5.00%	04/15/13
Capital lease	10 Energy Saving Equipment	2,517,094	2,517,094	4.100%	04/01/21
Capital lease	10 Heavy Rescue Truck	274,999	266,407	3.89%	01/31/17
Capital lease	10 Pumper Truck	451,416	451,416	3.44%	10/15/17
Capital lease - Certificates of Participation 01	Public Safety Building	18,740,000	830,000	4.38% - 4.5%	12/01/11
Capital lease - Certificates of Participation 05	144th & I-25 interchange	17,130,000	14,530,000	3.38% - 5.0%	12/01/25
Capital lease - Broomfield/Westminster Foundation	Metzger Farm Open Space	4,920,000	2,915,000	4.0% - 5.0%	12/01/16
Capital lease - Certificates of Participation 07	Refunding/Cap Fac & Streets	32,210,000	29,800,000	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	9,950,000	2.0% - 4.5%	12/01/22
Total Governmental Activities			<u>76,667,485</u>		
Golf Course capital lease	06 Maintenance Equipment	582,144	228,261	4.32%	04/15/13
Golf Course capital lease	07 Maintenance Equipment	547,000	294,228	4.85%	04/15/14
Golf Course capital lease	09 Golf Portion of Joint Lease	439,745	304,304	4.85%	04/15/14
PWU capital lease	10 PWU Portion of Joint Copier Lease	4,585	3,829	5.00%	04/15/13
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	4,820,000	4,560,000	3.0% - 4.25%	12/01/22
Total Business-type Activities			<u>5,390,622</u>		
Total Capital Leases			<u>\$ 82,058,107</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
2011	\$ 5,342,850	\$ 3,161,761	\$ 8,504,611	2011	\$ 456,546	\$ 190,573	\$ 647,119
2012	5,703,030	2,901,756	8,604,786	2012	549,802	172,218	722,020
2013	5,836,299	2,688,245	8,524,544	2013	379,128	151,477	530,605
2014	5,991,394	2,469,600	8,460,994	2014	235,146	140,176	375,322
2015	6,189,472	2,236,128	8,425,600	2015	365,000	131,750	496,750
2016-2020	28,932,728	7,559,760	36,492,488	2016-2020	2,020,000	460,300	2,480,300
2021-2025	18,671,712	2,208,924	20,880,636	2021-2025	1,385,000	107,563	1,492,563
Total	<u>\$ 76,667,485</u>	<u>\$ 23,226,174</u>	<u>\$ 99,893,659</u>	Total	<u>\$ 5,390,622</u>	<u>\$ 1,354,057</u>	<u>\$ 6,744,679</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	\$ 5,995,240	4.54%	06/01/17
Colorado Water Power Authority Note 98	Reclamation Facility	4,085,697	1,641,815	3.96%	06/01/17
Colorado Water Power Authority Note 00	Northwest Water Treatment Plant	14,998,357	8,284,988	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Plant	15,440,000	12,037,500	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	2,438,432	(3)	01/09/22
Brownfields Note	Remediation of South Westminster Property	413,000	273,756	2.00%	02/01/16
Rehfeld Note	Purchase of water shares	180,000	161,662	4.00%	03/31/23
Total Business-type Activities			<u>\$ 31,258,393</u>		

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

Year	Business-Type Activities		
	Principal	Interest	Total
2011	\$ 2,614,138	\$ 1,278,388	\$ 3,892,526
2012	2,699,484	1,191,653	3,891,137
2013	2,790,236	1,101,242	3,891,478
2014	2,878,649	1,008,966	3,887,615
2015	2,975,476	909,958	3,885,434
2016-2020	12,515,846	2,603,913	15,119,759
2021-2025	4,784,864	750,911	5,535,775
Total	<u>\$ 31,258,693</u>	<u>\$ 8,845,031</u>	<u>\$ 40,103,724</u>

(3) The Housing Authority Mortgage bears interest at a variable yearly rate based on the Prime Rate. The interest rate as of 12/31/10 is 3.25%.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Debt Issues

On May 25, 2010 the City Water and Wastewater Utility Enterprise issued \$29,505,000 of Taxable Water and Wastewater Revenue Bonds with an arbitrage yield of 3.39%. These bonds were issued as Direct Pay Build America Bonds for purposes of the American Recovery and Reinvestment Act of 2009. The allocation of the gross proceeds to cost of issuance fees and underwriter's discount was \$229,557.97.

On July 27, 2010 the City issued \$10,545,000 of Sales and Use Tax Refunding Bonds, Series 2010 with an arbitrage yield of 2.79% to partially advance refund \$760,000 of \$2,910,000 outstanding Sales and Use Tax Bonds, Series 2001 and to partially advance refund \$9,875,000 of \$11,935,000 outstanding Sales and Use Tax Bonds, Series 2002. The net proceeds of \$11,796,253 were used to cover the cost of issuance fees and underwriter's discount of \$112,917 and to immediately redeem the portion of the Series 2001 and 2002 bonds refunded including accrued interest. The proceeds of the Bonds were deposited in an irrevocable trust with an escrow agent used to purchase U.S. Government Obligations sufficient to provide for all future debt service payments on the portion of the Series 2001 and 2002 bonds refunded. As a result, the portion of the Series 2001 and 2002 bonds refunded are considered to be defeased and the liability for those bonds has been removed from the City's general long-term debt outstanding.

The City advance refunded a portion of the Series 2001 and 2002 bonds to reduce its total debt service payments over the next 11 years by \$662,438 and to obtain the economic gain (difference between the present values of the debt service payments on the old and new debt) of \$627,485. A deferred amount on refunding of \$826,641 was recorded.

On August 10, 2010 the City issued \$17,645,000 of Refunding Certificates of Participation, Series 2010 with an arbitrage yield of 3.18% to current refund \$4,780,000 of the outstanding Golf Course Revenue Bonds, Series 1998 and to partially advance refund \$12,250,000 of \$13,875,000 outstanding Certificates of Participation, Series 2001. The net proceeds of \$18,356,642 were allocated to cover the cost of issuance fees and underwriter's discount of \$206,055 and to immediately redeem the entire refunded amount of the Series 1998 Bonds and a portion of the Series 2001 Certificates of Participation (COPs), plus accrued interest. As a result, the Series 1998 Series bonds are considered to be fully redeemed and the liability for those bonds has been removed from the City's ledgers. The proceeds of the 2010 refunding COPs were deposited in an irrevocable trust with an escrow agent who purchased U.S. Government Obligations sufficient to provide for all future debt service payments on the portion of the Series 2001 bonds refunded. As a result, the portion of the Series 2001 bonds refunded is considered to be defeased and the liability for those bonds has been removed from the City's general long-term debt outstanding.

The City current refunded all of the 1998 Series Bonds and advance refunded a portion of the Series 2001 COPs to reduce its total debt service payments over the next 13 years by \$1,447,705 and to obtain the economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,352,291. A deferred amount on refunding of \$1,023,109 was recorded.

On November 1, 2010 the City issued \$9,950,000 of Refunding Certificates of Participation, Series 2010 with an arbitrage yield of 3.37% to current refund \$9,510,000 of the outstanding Certificates of Participation, Series 1998 (Ice Centre Project). The net proceeds of \$10,036,444 plus an additional \$782,574 of City funds were allocated to cost of issuance fees

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

and underwriter's discount of \$127,313 and to immediately redeem the entire amount of the Series 1998 refunded securities plus accrued interest. As a result, the Series 1998 securities are considered to be fully redeemed and the liability for those bonds has been removed from the City's ledgers.

The City current refunded all of the 1998 Series securities to reduce its total debt service payments over the next 14 years by \$1,070,234 and to obtain the economic gain (difference between the present values of the debt service payments on the old and new debt) of \$829,106. A deferred amount on refunding of \$221,123 was recorded.

I. Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2010 and the changes in fair value of such derivative instrument for the year then ended as reported in the 2010 financial statements are as follows [debit (credit)]:

	Changes in Fair Value		Fair Value at December 31, 2010		Notional
	Classification	Amount	Classification	Amount	
Governmental activities					
Cash flow hedges					
Pay-fixed interest rate swap	Deferred outflow of resources	\$ 1,762,000	Debt	\$ (2,203,000)	\$ 59,080,000

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, 2010 correctly anticipate future spot interest rates. These payments are then discounted using the 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, 2010, 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)	\$ 59,080,000	5/8/2009	6/1/2016	Pay 4.51%; receive 65% of 1-month Libor + 2.30%	AA/Aa

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Throughout the term of the interest rate swap the notional amount of the swap is identical to the outstanding principal balance of the 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 AA/Aa2. 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. The derivative is in a liability position at December 31, 2010.

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 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, 2010, 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 as follows. 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, Net	Total
2011	\$ 2,215,000	\$ 1,479,190	\$ 1,185,318	\$ 4,879,508
2012	2,315,000	1,427,634	1,136,978	4,879,612
2013	2,415,000	1,365,772	1,094,433	4,875,205
2014	2,525,000	1,305,308	1,045,981	4,876,289
2015	2,635,000	1,242,089	995,322	4,872,411
2016	46,975,000	589,669	469,617	48,034,286
Total:	<u>\$ 59,080,000</u>	<u>\$ 7,409,662</u>	<u>\$ 5,927,649</u>	<u>\$ 72,417,311</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

J. Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets, Net of Related Debt is intended to reflect the portion of net assets which are 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 Assets are liquid assets which have third-party limitations on their use. Restricted net assets are reported by major category, which include Emergencies; Capital projects; Open space conservation and improvements; and Debt service. Nonmajor categories have been aggregated as Restricted for Other.

Unrestricted Net Assets represent 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.

Governmental activities:

Capital Assets						\$ 398,789,872
	Amount	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Total Capital	Less	Net Capital	
Issue	Outstanding		Related Debt	Unspent Proceeds	Related Debt	
Related Debt						
2001 sales tax revenue bond	\$ 1,960,000	\$ (4,148)	\$ 1,955,852	\$ -	\$ 1,955,852	
2002 sales tax revenue bond	1,460,000	2,632	1,462,632	-	1,462,632	
2007A sales tax revenue refunding bond	8,055,000	66,182	8,121,182	-	8,121,182	
2007B open space sales tax refunding	9,925,000	122,122	10,047,122	-	10,047,122	
2007C sales tax revenue refunding bond	8,355,000	(27,179)	8,327,821	-	8,327,821	
2007D open space revenue bond	20,000,000	360,909	20,360,909	2,174,500	18,186,409	
2010 sales tax revenue refunding bond	10,545,000	295,307	10,840,307	-	10,840,307	
2010 sales tax revenue refunding "B interest coupons"	125,000	(6,630)	118,370	-	118,370	
2009 WEDA Mandalay Gardens	34,705,000	(628,954)	34,076,046	-	34,076,046	
2009 WEDA North Huron	59,080,000	(359,295)	58,720,705	-	58,720,705	
2009 WEDA South Sheridan	7,695,000	(134,596)	7,560,404	-	7,560,404	
Capital Lease	76,667,485	(912,563)	75,754,922	2,501,155	73,253,767	
Total Governmental Activities	<u>\$ 238,572,485</u>	<u>\$ (1,226,213)</u>	<u>\$ 237,346,272</u>	<u>\$ 4,675,655</u>		232,670,617

Invested in capital assets, net of related debt \$ 166,119,255

Business-type activities:

Capital Assets						\$ 397,831,722
	Amount	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Total Capital	Less	Net Capital	
Issue	Outstanding		Related Debt	Unspent Proceeds	Related Debt	
Related Debt						
2001 Utility Refunding Revenue Bonds	\$ 7,585,000	\$ 201,914	\$ 7,786,914	\$ -	\$ 7,786,914	
2010 Utility Revenue Bonds	29,505,000	(114,662)	29,390,338	12,232,455	17,157,883	
2010 COPS - Golf Course Portion	4,560,000	60,335	4,620,335	-	4,620,335	
Water Notes	28,121,205	571,316	28,692,521	-	28,692,521	
Capital Leases	830,622	-	830,622	-	830,622	
2002 Mortgage Note	2,438,432	(39,398)	2,399,034	-	2,399,034	
Total Business Type Activities	<u>\$ 73,040,259</u>	<u>\$ 679,505</u>	<u>\$ 73,719,764</u>	<u>\$ 12,232,455</u>		61,487,309

Invested in capital assets, net of related debt \$ 336,344,413

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

K. 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 \$7,660,854 were paid from sales and use tax revenue totaling \$58,486,727. Total principal and interest payments remaining on the bonds is \$83,341,567 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 \$8,032,178 were paid with incremental net pledged revenues plus prior

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

year revenues totaling \$10,579,638. Total principal and interest remaining on the bonds is \$125,656,104, payable through December 1, 2018.

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
- \$15,400,000 issued in May 2005 to expand the Big Dry Creek Treatment Facility

Revenue Bonds

- \$20,990,000 issued in December 2001 to refund 1992 general obligation bonds and 1994 revenue 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 net revenues. For the current year, principal and interest payments were \$6,502,479, and total water and waste water pledged net revenues were \$16,131,832. Total principal and interest payments remaining on the bonds and notes is \$95,391,182 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 2009 to 2010. 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.

As of January 1, 2003, the City entered into an Administrative Service Only plan with Great-West Healthcare (GW), whereby the City pays GW 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 in-network unlimited lifetime benefit and an out-of-network \$2,000,000 lifetime maximum. The City has recorded a liability in this fund totaling \$685,496 for open and estimated claims not yet reported at December 31, 2010.

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 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 \$701,952 for open claims and estimated claims not yet reported at December 31, 2010.

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 property losses for the total insured value of all property owned by the City up to a maximum of \$500,500,000 and in-state liability losses of up to \$150,000 per person with a \$600,000 per occurrence limit as set forth by statutory liability limits for public jurisdictions. For losses in excess of program limits, the City carries excess liability coverage that also covers the City for federal acts and out-of-state claims. In addition to property insurance including boiler and machinery, the program covers automobile liability, general liability, police professional, error and omissions, crime, fiduciary liability.

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$117,514 for open claims at December 31, 2010.

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

Year	Beginning Balance Unpaid Claims	Incurred Claims	Cumulative Claim Payments	Ending Balance Unpaid Claims
2009	\$ 1,414,062	\$ 7,813,997	\$ 7,678,386	\$ 1,549,673
2010	1,549,673	7,833,437	7,878,148	1,504,962

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 casualty coverage of the pool and does not participate in the worker's compensation coverage. As of December 31, 2010, there were 201 member municipalities and 28 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 professional, and errors and omissions. The deductible amount paid by the City per each incident in 2010 was \$250,000 for property and \$250,000 for liability. Coverages are as follows:

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

- 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 Government 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, 2010. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the City.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

D. Construction and Other Significant Commitments

At December 31, 2010, 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 12/31/2010	Cumulative Expenditures 12/31/2010	Authorized Available 12/31/2010
Governmental activities:			
General Capital Improvement Fund	\$ 24,036,225	\$ 2,669,278	\$ 21,366,947
Westminster Economic Development Authority	20,633,300	4,952	20,628,348
Nonmajor governmental funds	3,303,436	-	3,303,436
General Capital Outlay Replacement Fund	3,095,621	-	3,095,621
Total Governmental activities	<u>\$ 51,068,582</u>	<u>\$ 2,674,230</u>	<u>\$ 48,394,352</u>
Business-type activities			
Utility Fund	<u>\$ 38,376,333</u>	<u>\$ 3,606,537</u>	<u>\$ 34,769,796</u>

E. Denver Water Board Raw Water Leases

The City has the right, but not the obligation, to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from the Denver Water Board. The fiscal period for each year's water usage runs from July 1 to June 30. Permitted usage varies from month-to-month and peaks during the summer months. The 2010 rate charged per acre-foot by the Denver Water Board is \$250.91. The 2010 annual lease cost based on this rate was \$425,000.

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 provides that Westminster can 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, 2010, was \$3.28 per 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 Westminster, 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.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 Westminster's plans because investments are self-directed; from eligible options, participants choose where to invest contributions to their account. Investment options are selected by the pension boards.

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.

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, 2010, contributions actually made to the two plans equaled required contributions and were as follows:

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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%	\$ 1,191,547	\$ 3,414,452	\$ 4,605,999
Mandatory employee contributions at 10%	1,223,340	3,510,470	4,733,810
Voluntary employee contributions up to 10%	11,639	71,192	82,831
Rollover contributions	-	137,228	137,228

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, 2010, 2009, 2008 were \$1,696,958, \$1,708,355, and \$1,637,615, 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:

Description	2008	2009	2010	Total
Employee Contribution 10%	\$ 606,866	\$ 609,913	\$ 584,127	\$ 1,800,906
Employee Contribution 8%	206,765	234,969	247,530	689,264
Employee Drop Program 10% *	10,353	18,592	33,644	62,589
Employer Contribution 10%	606,866	609,913	584,127	1,800,906
Employer Contribution 8%	206,765	234,968	247,530	689,263
Total	<u>\$ 1,637,615</u>	<u>\$ 1,708,355</u>	<u>\$ 1,696,958</u>	<u>\$ 5,042,928</u>

*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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Statewide Death and Disability Plan. Aggregate contributions totaling 2.6% of payroll were made to the Statewide Death and Disability Plan in 2010 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. 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, 2010, 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, 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, 2009, 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 \$734,385. Therefore, no additional contributions are required at this time by either the Volunteers or the City. State statutes govern contribution requirements. For 2009, the City’s annual pension cost of \$0 for the Volunteer Firefighter

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Pension Plan was equal to the City's required and actual contributions. The required contribution was determined as part of the 2009 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
2005	-	-	100%
2006	-	-	100%
2007	-	-	100%
2008	-	-	100%
2009	-	-	100%
2010	-	-	100%

(Note: From 2005 – 2010, 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.

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.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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>2009 Actuarial Valuation*</u>
Actuarial Value of Assets	\$ 2,710,097
Actuarial Accrued Liability (AAL)	1,975,712
Excess/(Shortfall) of Assets over AAL	734,385
Funded Ratio	137%

*Actuarial Valuation performed every two years. Next valuation is scheduled for 2011.

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 2009 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 moving average of expected and actual market values
- 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. Program claims and fees for the self-funded plan, and expected premiums for the fully funded plan totaled \$687,689 during 2010. Program members receiving benefits contributed \$214,000 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City’s pay-as-you-go program funding totaled \$473,689 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*

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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.

	2010
Annual required contribution	\$ 422,000
Interest on net OPEB obligation	24,838
Annual required contribution adjustment	(19,900)
Annual OPEB cost	426,938
Contributions made	(473,689)
Increase (decrease) in annual OPEB obligation	(46,751)
OPEB obligation - beginning of year	473,095
OPEB obligation - end of year	\$ 426,344

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for years 2008-2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$ 391,882	4.80%	\$ 532,215
12/31/2009	427,554	113.83%	473,095
12/31/2010	426,938	110.95%	426,344

Funded Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$4,000,000. The covered payroll (annual payroll of active employees covered by the Program) was \$52,697,614. The ratio of the UAAL to covered payroll was 7.6 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 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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 2009 valuation, the projected Unit Credit with benefits attribution method was used. The actuarial assumptions included a 5.25 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 11% and 5%, respectively. Select trends are reduced 0.5% each year until reaching the ultimate trend.

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, 2010, amounts required as Emergency Reserves in compliance with the Amendment total \$4,896,661 for the general government and an aggregate of \$17,376 for applicable component units. These amounts are shown as reservations of fund balance in the General and respective non-major funds as well as a restriction of Net Assets on the Statement of Net Assets.

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.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 2010 was \$602,886. At December 31, 2010, the net book value of the Ice Centre joint venture was \$5,229,287 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 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, 2010, the City's fifty percent equity interest in the Foundation is \$600,770.

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

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010, the City's equity interest in the Church Ditch Authority was \$969,367.

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 \$237,860 in 2010. 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, 2010, Industrial Revenue Bonds outstanding aggregated \$14,675,000.

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, 2010, the property was reported as inventories in the financial

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

statements at the fair market value of \$850,000. WEDA has also acquired an abandoned restaurant site and two vacant department stores in the Westminster Center Urban Reinvestment Plan Area as part of the overall reinvestment project. No activities on the site will occur until disposal and use of the properties are determined as part of the final development agreement for the project area. At December 31, 2010, the properties were reported as inventories in the financial statements at the fair market value of \$3,199,805, 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, 2010 the portion of the property held for resale was reported as inventories 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, 2010, the land held for resale was reported as inventories in the financial statements of the General Fund at a cost of \$30,000.

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, 2010, the pollution remediation liability recorded as an "Other" liability in the Utility Fund was \$304,715. 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 Statement No. 51

For the year ended December 31, 2010, the City implemented the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes standards for accounting and financial reporting for intangible assets, The City's intangible assets consist primarily of internally-generated software and water and land rights. The City adopted the provisions of GASB No. 51 prospectively, so there was no effect on beginning net assets.

U. Termination Benefits

In 2010, the City of Westminster provided termination benefits to 22 employees due to a reduction in force. The total cost to the City was \$599,640, of which \$62,361 remains and is recorded as an estimated liability at December 31, 2010. This amount represents payroll continuation and medical/dental benefits and will be extinguished by June 30, 2011.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

V. Subsequent Event

On May 10, 2011, the Westminster Economic Development Authority (WEDA) purchased the majority of the Westminster Mall with a combination of existing funds and a promissory note backed by a deed of trust and assignment of rents for a total purchase price of \$22,000,000. The City of Westminster is guaranteeing WEDA's note obligation under the purchase agreement through an irrevocable pledge of cash reserves to be held for the repayment of the note, as required by TABOR and other legal restrictions applicable to the City. The promissory note in the amount of \$3.5 million requires monthly interest-only payments at a rate of 6% per annum and becomes due and payable on May 10, 2012. WEDA now owns approximately 90% of the approximately 105-acre Westminster Center Urban Reinvestment Project site. The acquisition of this property is an integral part of the urban renewal redevelopment efforts.

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**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 4,100,000	\$ 4,100,000	\$ 4,317,203	\$ 217,203
Business fees and other taxes	5,058,900	5,058,900	5,092,047	33,147
Accommodations taxes	830,000	830,000	736,444	(93,556)
Intergovernmental	5,239,602	5,416,272	5,488,407	72,135
Licenses and permits	1,371,178	1,371,178	1,708,941	337,763
Interest	769,275	769,275	384,111	(385,164)
Recreation fees	6,219,206	6,219,206	6,372,404	153,198
Fines and forfeits	2,262,105	2,262,105	2,076,751	(185,354)
Fleet maintenance billings and other	4,838,893	5,119,494	5,427,769	308,275
EMS billings	2,010,000	2,010,000	2,031,040	21,040
Total revenues	<u>32,699,159</u>	<u>33,156,430</u>	<u>33,635,117</u>	<u>478,687</u>
EXPENDITURES				
Current:				
General government				
City council	169,712	169,712	145,022	24,690
City attorney's office	960,300	960,300	911,557	48,743
City manager's office	1,191,147	1,201,207	1,068,690	132,517
Central charges	25,074,667	24,210,587	23,027,982	1,182,605
General services	7,579,497	7,579,497	7,166,509	412,988
Finance	1,669,363	1,679,592	1,611,234	68,358
Public safety				
Police	20,048,742	20,339,492	19,058,959	1,280,533
Fire	11,437,656	11,506,810	11,334,934	171,876
Public works	7,306,218	7,403,218	7,391,466	11,752
Community development	3,562,979	3,591,579	3,271,315	320,264
Culture and recreation	15,139,704	15,178,710	13,771,317	1,407,393
Debt service:				
Bond issuance costs	-	370,401	370,401	-
Total expenditures	<u>94,139,985</u>	<u>94,191,105</u>	<u>89,129,386</u>	<u>5,061,719</u>
Excess of revenues over (under) expenditures	(61,440,826)	(61,034,675)	(55,494,269)	5,540,406
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	2,575,190	2,575,190	-
Issuance of refunding debt	-	21,769,480	22,775,000	1,005,520
Premium on refunding debt	-	808,606	808,606	-
Discount on refunding debt	-	(129,756)	(129,756)	-
Payment to refunded bond escrow agent	-	(22,556,664)	(22,514,897)	41,767
Sale of capital asset	-	-	70,999	70,999
Transfers in	58,364,101	58,364,101	58,364,101	-
Transfers (out)	(79,000)	(7,450,989)	(7,450,989)	-
Total other financing sources (uses):	<u>58,285,101</u>	<u>53,379,968</u>	<u>54,498,254</u>	<u>1,118,286</u>
Net change in fund balance	(3,155,725)	(7,654,707)	(996,015)	6,658,692
Fund balances, beginning	3,155,725	7,654,707	19,845,120	12,190,413
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,849,105</u>	<u>\$ 18,849,105</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Sales taxes	51,441,778	56,572,534	58,877,679	2,305,145
Use taxes	9,318,695	10,343,830	10,690,422	346,592
Interest	235,000	235,000	95,484	(139,516)
Total revenues	<u>60,995,473</u>	<u>67,151,364</u>	<u>69,663,585</u>	<u>2,512,221</u>
EXPENDITURES				
Current:				
General government	-	3,155,891	3,155,891	-
Total expenditures	<u>-</u>	<u>3,155,891</u>	<u>3,155,891</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>60,995,473</u>	<u>63,995,473</u>	<u>66,507,694</u>	<u>2,512,221</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(61,675,473)	(64,675,473)	(64,575,473)	100,000
Total other financing sources (uses):	<u>(61,675,473)</u>	<u>(64,675,473)</u>	<u>(64,575,473)</u>	<u>100,000</u>
Net change in fund balance	(680,000)	(680,000)	1,932,221	2,612,221
Fund balances, beginning	680,000	680,000	6,971,609	6,291,609
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,903,830</u>	<u>\$ 8,903,830</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property tax increment	9,061,632	9,112,463	8,778,359	(334,104)
Sales tax increment	3,019,375	3,174,375	2,941,725	(232,650)
Intergovernmental	60,000	60,000	59,000	(1,000)
Interest	-	-	513,107	513,107
Other	-	-	13,634	13,634
Total revenues	<u>12,141,007</u>	<u>12,346,838</u>	<u>12,305,825</u>	<u>(41,013)</u>
EXPENDITURES				
Current:				
General government	1,970,248	4,696,313	1,732,257	2,964,056
Capital projects	1,750,552	21,597,553	969,203	20,628,350
Debt service:				
Principal	4,065,000	4,065,000	4,065,000	-
Interest and fiscal charges	5,301,580	5,303,444	3,967,178	1,336,266
Total expenditures	<u>13,087,380</u>	<u>35,662,310</u>	<u>10,733,638</u>	<u>24,928,672</u>
Excess of revenues over (under) expenditures	<u>(946,373)</u>	<u>(23,315,472)</u>	<u>1,572,187</u>	<u>24,887,659</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	22,369,099	22,569,099	200,000
Total other financing sources (uses):	<u>-</u>	<u>22,369,099</u>	<u>22,569,099</u>	<u>200,000</u>
Net change in fund balance	(946,373)	(946,373)	24,141,286	25,087,659
Fund balances, beginning	16,725,531	16,725,531	23,172,296	6,446,765
Fund balances, ending	<u>\$ 15,779,158</u>	<u>\$ 15,779,158</u>	<u>\$ 47,313,582</u>	<u>\$ 31,534,424</u>

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CITY OF WESTMINSTER, COLORADO
Schedules of Funding Progress
December 31, 2010

Retiree Health Program

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost		Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Method	Method				
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%

(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		Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Method	Method				
12/31/2003	\$ 3,012,526	\$	\$ 2,343,745	\$ 668,781	128.50%	(a)	NA
12/31/2005	2,910,768		2,259,116	651,652	128.80%	(a)	NA
12/31/2007	3,213,932		2,100,669	1,113,263	153.00%	(a)	NA
12/31/2009	2,710,097		1,975,712	734,385	137.00%	(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, 2010

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 58 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 greenbelt 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 greenbelts 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 Garage 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; \$2,150,000 remaining after 2010 refunding, due in annual installments through December 1, 2021; interest at 4.0 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; \$2,150,000 remaining after 2010 refunding, due in annual installments through December 1, 2012, interest at 3.75 to 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 5.50 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 \$10,910,000 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, 2010**

	Special Revenue Funds			
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID
ASSETS				
Cash and cash equivalents	\$ -	\$ 251,143	\$ 62,962	\$ 2,930
Cash and cash equivalents with fiscal agent	-	-	-	-
Investments	-	606,002	151,927	7,070
Receivables:				
Taxes	527,972	101,141	61,796	12,315
Accounts	-	500	296	1,150
Grants	2,964,348	-	-	-
Interest	-	3,986	980	65
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Cash and cash equivalents with fiscal agent	313,949	-	-	-
Investments	-	-	-	-
Investments with fiscal agent	1,565,983	-	-	-
Total assets	<u>\$ 5,372,252</u>	<u>\$ 962,772</u>	<u>\$ 277,961</u>	<u>\$ 23,530</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 255,718	\$ 566	\$ 449	\$ -
Accrued liabilities	5,499	-	-	-
Due to other funds	752,276	-	-	-
Loans from other funds	425,177	-	-	-
Deferred revenue	1,875,000	101,141	61,796	12,315
Total liabilities	<u>3,313,670</u>	<u>101,707</u>	<u>62,245</u>	<u>12,315</u>
Fund balances:				
Reserved for:				
Emergencies	-	3,701	2,062	7,501
Debt service	-	-	-	-
Capital projects	1,762,758	-	-	-
Unreserved, reported in:				
Special revenue funds	295,824	857,364	213,654	3,714
Capital projects funds	-	-	-	-
Total fund balances	<u>2,058,582</u>	<u>861,065</u>	<u>215,716</u>	<u>11,215</u>
Total liabilities and fund balances	<u>\$ 5,372,252</u>	<u>\$ 962,772</u>	<u>\$ 277,961</u>	<u>\$ 23,530</u>

Special Revenue Funds

Orchard Park Place GID	Promenade Parking GID	Mandalay Town Center GID	144th Avenue GID	Conservation Trust	Investigation Recovery	Total
\$ -	\$ 128	\$ 1,414	\$ 1,301	\$ -	\$ 13,856	\$ 333,734
-	-	-	-	-	-	-
-	308	3,411	3,140	-	33,434	805,292
-	-	-	-	-	-	-
4,559	157	28,265	30,799	-	-	767,004
-	-	3,578	2,739	-	-	8,263
-	-	-	-	-	-	2,964,348
-	-	-	-	5,620	262	10,913
-	-	-	-	347,622	-	347,622
-	-	-	-	-	-	313,949
-	-	-	-	838,802	-	838,802
-	-	-	-	-	-	1,565,983
<u>\$ 4,559</u>	<u>\$ 593</u>	<u>\$ 36,668</u>	<u>\$ 37,979</u>	<u>\$ 1,192,044</u>	<u>\$ 47,552</u>	<u>\$ 7,955,910</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,733
-	-	-	-	-	-	5,499
-	-	-	-	-	-	752,276
-	-	-	-	-	-	425,177
4,559	157	28,265	30,799	-	-	2,114,032
<u>4,559</u>	<u>157</u>	<u>28,265</u>	<u>30,799</u>	<u>-</u>	<u>-</u>	<u>3,553,717</u>
-	5	2,139	1,969	-	-	17,377
-	431	-	-	-	-	431
-	-	-	-	-	-	1,762,758
-	-	6,264	5,211	1,192,044	47,552	2,621,627
-	-	-	-	-	-	-
-	436	8,403	7,180	1,192,044	47,552	4,402,193
<u>\$ 4,559</u>	<u>\$ 593</u>	<u>\$ 36,668</u>	<u>\$ 37,979</u>	<u>\$ 1,192,044</u>	<u>\$ 47,552</u>	<u>\$ 7,955,910</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

(Continued)

	Debt Service	Capital Project	
	Debt	Community Development Block Grant	Total Other Governmental Funds
	Service	Grant	Funds
ASSETS			
Cash and cash equivalents	\$ 65,201	\$ -	\$ 398,935
Cash and cash equivalents with fiscal agent	1,722	-	1,722
Investments	157,328	-	962,620
Receivables:			
Taxes	-	-	767,004
Accounts	-	-	8,263
Grants	-	223,883	3,188,231
Interest	1,045	-	11,958
Restricted assets:			
Cash and cash equivalents	-	-	347,622
Cash and cash equivalents with fiscal agent	-	-	313,949
Investments	-	-	838,802
Investments with fiscal agent	-	-	1,565,983
Total assets	\$ 225,296	\$ 223,883	\$ 8,405,089
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other	\$ 2,622	\$ 13,250	\$ 272,605
Accrued liabilities	-	4,240	9,739
Due to other funds	-	85,894	838,170
Loans from other funds	-	-	425,177
Deferred revenue	-	39,147	2,153,179
Total liabilities	2,622	142,531	3,698,870
Fund balances:			
Reserved for:			
Emergencies	-	-	17,377
Debt service	222,674	-	223,105
Capital projects	-	-	1,762,758
Unreserved, reported in:			
Special revenue funds	-	-	2,621,627
Capital project funds	-	81,352	81,352
Total fund balances	222,674	81,352	4,706,219
Total liabilities and fund balances	\$ 225,296	\$ 223,883	\$ 8,405,089

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds			
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID
REVENUES				
Property taxes	\$ -	\$ 103,657	\$ 61,318	\$ 10,206
Sales taxes	4,259,474	-	-	-
Use taxes	742,028	-	-	-
Intergovernmental	1,089,348	6,814	4,032	239,720
Interest	10,466	12,899	3,370	93
Fines and forfeits	-	-	-	-
Other	10,854	-	-	-
Total revenues	<u>6,112,170</u>	<u>123,370</u>	<u>68,720</u>	<u>250,019</u>
EXPENDITURES				
Current:				
General government	-	34,113	46,880	247,545
Public safety	-	-	-	-
Community development	3,819,644	-	-	-
Capital projects	4,492,544	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Total expenditures	<u>8,312,188</u>	<u>34,113</u>	<u>46,880</u>	<u>247,545</u>
Excess of revenues over (under) expenditures	<u>(2,200,018)</u>	<u>89,257</u>	<u>21,840</u>	<u>2,474</u>
OTHER FINANCING SOURCES (USES)				
Issuance of refunding debt	-	-	-	-
Issuance of registered interest coupons	-	-	-	-
Premium on refunding debt	-	-	-	-
Discount on refunding debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	371,622	-	-	-
Transfers (out)	(3,990,470)	-	-	-
Total other financing sources (uses):	<u>(3,618,848)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,818,866)	89,257	21,840	2,474
Fund balances - beginning	7,877,448	771,808	193,876	8,741
Fund balances - ending	<u>\$ 2,058,582</u>	<u>\$ 861,065</u>	<u>\$ 215,716</u>	<u>\$ 11,215</u>

Orchard Park Place GID	Promenade Parking GID	Mandalay Town Center GID	144th Ave GID	Conservation Trust	Investigation Recovery	Total
\$ -	\$ 157	\$ 26,995	\$ 28,228	\$ -	\$ -	\$ 230,561
-	-	-	-	-	-	4,259,474
-	-	-	-	-	-	742,028
-	-	44,176	37,284	711,474	-	2,132,848
-	-	115	110	4,002	(1,496)	29,559
-	-	-	-	-	847	847
-	-	-	-	-	-	10,854
-	157	71,286	65,622	715,476	(649)	7,406,171
-	-	-	-	-	-	-
-	157	69,405	62,424	-	-	460,524
-	-	-	-	-	15,110	15,110
-	-	-	-	-	-	3,819,644
-	-	-	-	491,556	-	4,984,100
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	157	69,405	62,424	491,556	15,110	9,279,378
-	-	-	-	-	-	-
-	-	1,881	3,198	223,920	(15,759)	(1,873,207)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	371,622
-	-	-	-	-	-	(3,990,470)
-	-	-	-	-	-	(3,618,848)
-	-	-	-	-	-	-
-	-	1,881	3,198	223,920	(15,759)	(5,492,055)
-	436	6,522	3,982	968,124	63,311	9,894,248
\$ -	\$ 436	\$ 8,403	\$ 7,180	\$ 1,192,044	\$ 47,552	\$ 4,402,193

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Debt Service</u>	<u>Capital Project</u>	
		Community Development	Total Other Governmental
	Debt Service	Block Grant	Funds
REVENUES			
Property taxes	\$ -	\$ -	\$ 230,561
Sales taxes	-	-	4,259,474
Use taxes	-	-	742,028
Intergovernmental	237,392	576,797	2,947,037
Interest	60,415	-	89,974
Fines and forfeits	-	-	847
Other	-	-	10,854
Total revenues	<u>297,807</u>	<u>576,797</u>	<u>8,280,775</u>
EXPENDITURES			
Current:			
General government	-	-	460,524
Public safety	-	-	15,110
Community development	-	-	3,819,644
Capital projects	-	332,771	5,316,871
Debt service:			
Principal	4,655,000	-	4,655,000
Interest and fiscal charges	3,006,754	-	3,006,754
Refunding bond issuance costs	112,917	-	112,917
Total expenditures	<u>7,774,671</u>	<u>332,771</u>	<u>17,386,820</u>
Excess of revenues over (under) expenditures	<u>(7,476,864)</u>	<u>244,026</u>	<u>(9,106,045)</u>
OTHER FINANCING SOURCES AND (USES)			
Proceeds of refunding bonds	10,545,000	-	10,545,000
Issuance of registered interest coupons	125,000	-	125,000
Premium on refunding debt	1,133,134	-	1,133,134
Discount on refunding debt	(6,881)	-	(6,881)
Payment to refunded bond escrow agent	(11,600,796)	-	(11,600,796)
Transfers in	7,347,251	-	7,718,873
Transfers (out)	-	-	(3,990,470)
Total other financing sources (uses):	<u>7,542,708</u>	<u>-</u>	<u>3,923,860</u>
Net change in fund balance	65,844	244,026	(5,182,185)
Fund balances - beginning	156,830	(162,674)	9,888,404
Fund balances - ending	<u>\$ 222,674</u>	<u>\$ 81,352</u>	<u>\$ 4,706,219</u>

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Sales taxes	4,320,507	4,320,507	4,259,474	(61,033)
Use taxes	545,350	547,084	742,028	194,944
Intergovernmental	-	2,425,000	1,089,348	(1,335,652)
Interest	55,000	55,000	10,466	(44,534)
Other	83,977	83,977	10,854	(73,123)
Total revenues	<u>5,004,834</u>	<u>7,431,568</u>	<u>6,112,170</u>	<u>(1,319,398)</u>
EXPENDITURES				
Current:				
Community development	1,223,364	4,331,198	3,819,644	511,554
Capital projects	6,255,302	6,255,302	4,492,544	1,762,758
Total expenditures	<u>7,478,666</u>	<u>10,586,500</u>	<u>8,312,188</u>	<u>2,274,312</u>
Excess of revenues over (under) expenditures	<u>(2,473,832)</u>	<u>(3,154,932)</u>	<u>(2,200,018)</u>	<u>954,914</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	425,000	-	(425,000)
Transfers in	209,000	371,622	371,622	-
Transfers (out)	(3,990,470)	(3,990,470)	(3,990,470)	-
Total other financing sources (uses):	<u>(3,781,470)</u>	<u>(3,193,848)</u>	<u>(3,618,848)</u>	<u>(425,000)</u>
Net change in fund balance	(6,255,302)	(6,348,780)	(5,818,866)	529,914
Fund balances, beginning	6,255,302	6,348,780	7,877,448	1,528,668
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,058,582</u>	<u>\$ 2,058,582</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 103,589	\$ 103,589	\$ 103,657	\$ 68
Intergovernmental	7,300	7,300	6,814	(486)
Interest	23,362	23,362	12,899	(10,463)
Total revenues	<u>134,251</u>	<u>134,251</u>	<u>123,370</u>	<u>(10,881)</u>
EXPENDITURES				
Current:				
General government	<u>63,810</u>	<u>63,810</u>	<u>34,113</u>	<u>29,697</u>
Total expenditures	<u>63,810</u>	<u>63,810</u>	<u>34,113</u>	<u>29,697</u>
Net change in fund balance	70,441	70,441	89,257	18,816
Fund balances, beginning	754,352	754,352	771,808	17,456
Fund balances, ending	<u>\$ 824,793</u>	<u>\$ 824,793</u>	<u>\$ 861,065</u>	<u>\$ 36,272</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 AMHERST GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 61,294	\$ 61,294	\$ 61,318	\$ 24
Intergovernmental	4,600	4,600	4,032	(568)
Interest	5,150	5,150	3,370	(1,780)
Total revenues	<u>71,044</u>	<u>71,044</u>	<u>68,720</u>	<u>(2,324)</u>
EXPENDITURES				
Current:				
General government	63,919	63,919	46,880	17,039
Total expenditures	<u>63,919</u>	<u>63,919</u>	<u>46,880</u>	<u>17,039</u>
Net change in fund balance	7,125	7,125	21,840	14,715
Fund balances, beginning	190,738	190,738	193,876	3,138
Fund balances, ending	<u>\$ 197,863</u>	<u>\$ 197,863</u>	<u>\$ 215,716</u>	<u>\$ 17,853</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
136TH AVENUE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property taxes	\$ 22,125	\$ 22,125	\$ 10,206	\$ (11,919)
Intergovernmental	228,057	228,057	239,720	11,663
Interest	1,985	1,985	93	(1,892)
Total revenues	<u>252,167</u>	<u>252,167</u>	<u>250,019</u>	<u>(2,148)</u>
EXPENDITURES				
Current:				
General government	<u>265,332</u>	<u>265,332</u>	<u>247,545</u>	<u>17,787</u>
Total expenditures	<u>265,332</u>	<u>265,332</u>	<u>247,545</u>	<u>17,787</u>
Net change in fund balance	(13,165)	(13,165)	2,474	15,639
Fund balances, beginning	23,577	23,577	8,741	(14,836)
Fund balances, ending	<u>\$ 10,412</u>	<u>\$ 10,412</u>	<u>\$ 11,215</u>	<u>\$ 803</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PROMENADE PARKING GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 157	\$ 157	\$ 157	\$ -
Total revenues	<u>157</u>	<u>157</u>	<u>157</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	157	157	157	-
Total expenditures	<u>157</u>	<u>157</u>	<u>157</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balances, beginning	430	430	436	6
Fund balances, ending	<u>\$ 430</u>	<u>\$ 430</u>	<u>\$ 436</u>	<u>\$ 6</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 29,682	\$ 29,682	\$ 26,995	\$ (2,687)
Intergovernmental	40,400	40,400	44,176	3,776
Interest	559	559	115	(444)
Total revenues	<u>70,641</u>	<u>70,641</u>	<u>71,286</u>	<u>645</u>
EXPENDITURES				
Current:				
General government	70,445	70,445	69,405	1,040
Total expenditures	<u>70,445</u>	<u>70,445</u>	<u>69,405</u>	<u>1,040</u>
Net change in fund balance	196	196	1,881	1,685
Fund balances, beginning	3,426	3,426	6,522	3,096
Fund balances, ending	<u>\$ 3,622</u>	<u>\$ 3,622</u>	<u>\$ 8,403</u>	<u>\$ 4,781</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 144th AVENUE GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 52,764	\$ 52,764	\$ 28,228	\$ (24,536)
Intergovernmental	24,650	24,650	37,284	12,634
Interest	142	142	110	(32)
Total revenues	<u>77,556</u>	<u>77,556</u>	<u>65,622</u>	<u>(11,934)</u>
EXPENDITURES				
Current:				
General government	<u>72,591</u>	<u>72,591</u>	<u>62,424</u>	<u>10,167</u>
Total expenditures	<u>72,591</u>	<u>72,591</u>	<u>62,424</u>	<u>10,167</u>
Net change in fund balance	4,965	4,965	3,198	(1,767)
Fund balances, beginning	1,789	1,789	3,982	2,193
Fund balances, ending	<u>\$ 6,754</u>	<u>\$ 6,754</u>	<u>\$ 7,180</u>	<u>\$ 426</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	625,000	625,000	711,474	86,474
Interest	-	-	4,002	4,002
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>715,476</u>	<u>90,476</u>
EXPENDITURES				
Current:				
Capital projects	1,135,132	1,550,472	491,556	1,058,916
Total expenditures	<u>1,135,132</u>	<u>1,550,472</u>	<u>491,556</u>	<u>1,058,916</u>
Net change in fund balance	(510,132)	(925,472)	223,920	1,149,392
Fund balances, beginning	510,132	925,472	968,124	42,652
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,044</u>	<u>\$ 1,192,044</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Intergovernmental	255,000	255,000	237,392	(17,608)
Interest	75,000	75,000	60,415	(14,585)
Total revenues	<u>330,000</u>	<u>330,000</u>	<u>297,807</u>	<u>(32,193)</u>
EXPENDITURES				
Debt service:				
Principal	4,655,000	4,655,000	4,655,000	-
Interest and fiscal charges	3,056,905	3,139,445	3,006,754	132,691
Refunding bond issuance costs	-	112,917	112,917	-
Total expenditures	<u>7,711,905</u>	<u>7,907,362</u>	<u>7,774,671</u>	<u>132,691</u>
Excess of revenues over (under) expenditures	<u>(7,381,905)</u>	<u>(7,577,362)</u>	<u>(7,476,864)</u>	<u>100,498</u>
OTHER FINANCING SOURCES (USES)				
Issuance of refunding debt	-	10,545,000	10,545,000	-
Issuance of registered interest coupons	-	125,000	125,000	-
Premium on refunding debt	-	1,133,134	1,133,134	-
Discount on refunding debt	-	(6,881)	(6,881)	-
Payment to refunded bond escrow agent	-	(11,600,796)	(11,600,796)	-
Transfers in	7,447,251	7,447,251	7,347,251	(100,000)
Total other financing sources (uses):	<u>7,447,251</u>	<u>7,642,708</u>	<u>7,542,708</u>	<u>(100,000)</u>
Net change in fund balance	65,346	65,346	65,844	498
Fund balances, beginning	-	-	156,830	156,830
Fund balances, ending	<u>\$ 65,346</u>	<u>\$ 65,346</u>	<u>\$ 222,674</u>	<u>\$ 157,328</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Operating revenues				
Charges for services	\$ 43,600,438	\$ 43,600,438	\$ 42,521,661	\$ (1,078,777)
Other	510,000	557,683	1,118,479	560,796
Total operating revenues	<u>44,110,438</u>	<u>44,158,121</u>	<u>43,640,140</u>	<u>(517,981)</u>
Operating expenses				
Personnel services	15,471,536	15,487,765	15,087,817	399,948
Contractual services	12,249,681	12,334,388	11,209,454	1,124,934
Commodities	2,067,721	1,961,621	2,253,686	(292,065)
Capital expense	77,644,015	69,186,156	32,524,713	36,661,443
Insurance and other expenses	-	-	15,013	(15,013)
Total operating expenses	<u>107,432,953</u>	<u>98,969,930</u>	<u>61,090,683</u>	<u>37,879,247</u>
Operating income (loss)	<u>(63,322,515)</u>	<u>(54,811,809)</u>	<u>(17,450,543)</u>	<u>37,361,266</u>
Nonoperating revenues (expenses)				
Income on investments	1,934,914	1,945,669	668,705	(1,276,964)
Debt service	(6,757,592)	(6,768,347)	(6,139,300)	629,047
Disposition of assets	-	-	73,307	73,307
Other	-	-	267,252	267,252
Issuance of debt	28,300,000	27,915,123	29,934,585	2,019,462
Total nonoperating revenues (expenses)	<u>23,477,322</u>	<u>23,092,445</u>	<u>24,804,549</u>	<u>1,712,104</u>
Income (loss) before contributions and transfers	<u>(39,845,193)</u>	<u>(31,719,364)</u>	<u>7,354,006</u>	<u>39,073,370</u>
Capital contributions	3,193,061	3,193,061	3,412,449	219,388
Transfers in	-	-	11,316,514	11,316,514
Transfers (out)	-	(11,316,514)	(11,316,514)	-
Change in net assets	<u>\$ (36,652,132)</u>	<u>\$ (39,842,817)</u>	<u>10,766,455</u>	<u>\$ 50,609,272</u>
Adjustments to GAAP basis				
Debt				
Principal payments			4,055,665	
Issuance of notes			(425,000)	
Issuance of leases			(4,585)	
Issuance of bonds			(29,505,000)	
Amortization of prepaid bond sale expense			(228,216)	
Amortization of premiums and discounts			90,216	
Accrued interest adjustment			1,387	
Capital assets				
Acquisitions			30,155,445	
Net book value of disposals			(265,187)	
Capital contributions			809,227	
Depreciation			(11,544,611)	
Inventories			256,708	
General leave accrual			(28,747)	
Change in net assets, GAAP basis			<u>\$ 4,133,757</u>	

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 2,970,719	\$ 2,970,719	\$ 2,682,141	\$ (288,578)
Other	-	-	836	836
Total operating revenues	<u>2,970,719</u>	<u>2,970,719</u>	<u>2,682,977</u>	<u>(287,742)</u>
Operating Expenses				
Personnel services	1,645,196	1,645,196	1,601,013	44,183
Contractual services	1,078,355	1,071,655	924,948	146,707
Commodities	538,028	544,528	471,190	73,338
Capital expense	15,641	15,841	11,709	4,132
Total operating expenses	<u>3,277,220</u>	<u>3,277,220</u>	<u>3,008,860</u>	<u>268,360</u>
Operating income (loss)	<u>(306,501)</u>	<u>(306,501)</u>	<u>(325,883)</u>	<u>(19,382)</u>
Nonoperating revenues (expenses)				
Income on investments	-	-	(754)	(754)
Debt service	(498,090)	(5,328,487)	(5,272,938)	55,549
Issuance of debt	-	4,820,000	4,820,000	-
Total nonoperating revenues (expenses)	<u>(498,090)</u>	<u>(508,487)</u>	<u>(453,692)</u>	<u>54,795</u>
Income (loss) before transfers	<u>(804,591)</u>	<u>(814,988)</u>	<u>(779,575)</u>	<u>35,413</u>
Transfers in	804,591	814,988	856,339	41,351
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>76,764</u>	<u>\$ 76,764</u>
Adjustments to GAAP basis				
Debt				
Principal payments			5,288,573	
Issuance of leases			(4,820,000)	
Amortization of prepaid bond sale expense			(5,936)	
Amortization of premiums and discounts			1,839	
Accrued interest adjustment			10,909	
Capital assets				
Net book value of disposals			(4,000)	
Depreciation			(540,699)	
Inventories			13,869	
General leave accrual			(9,021)	
Change in net assets, GAAP basis			<u>\$ 12,298</u>	

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 908,256	\$ 908,256	\$ 942,562	\$ 34,306
Rentals	-	-	2	2
Total operating revenues	<u>908,256</u>	<u>908,256</u>	<u>942,564</u>	<u>34,308</u>
Operating expenses				
Personnel services	156,960	156,960	160,428	(3,468)
Contractual services	306,136	306,136	269,061	37,075
Commodities	159,164	159,164	181,060	(21,896)
Insurance and other expenses	24,012	24,012	24,574	(562)
Total operating expenses	<u>646,272</u>	<u>646,272</u>	<u>635,123</u>	<u>11,149</u>
Operating income (loss)	<u>261,984</u>	<u>261,984</u>	<u>307,441</u>	<u>45,457</u>
Nonoperating revenues (expenses)				
Income on investments	3,096	3,096	2,386	(710)
Debt service	(286,509)	(286,509)	(269,247)	17,262
Other	(906)	(906)	(906)	-
Total nonoperating revenues (expenses)	<u>(284,319)</u>	<u>(284,319)</u>	<u>(267,767)</u>	<u>16,552</u>
Change in net assets	<u>\$ (22,335)</u>	<u>\$ (22,335)</u>	<u>39,674</u>	<u>\$ 62,009</u>
Adjustments to GAAP basis				
Debt				
Principal payments			187,739	
Accrued interest adjustment			(9,483)	
Allowance on note receivable			(369,000)	
Capital assets				
Depreciation			(147,280)	
Change in net assets, GAAP basis			<u>\$ (298,350)</u>	

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2010

	Governmental Activities Internal Service Funds				Total
	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	\$ 1,214,748	\$ 1,162,283	\$ 998,207	\$ 938,693	\$ 4,313,931
Cash and cash equivalents with fiscal agent	132,106	-	-	-	132,106
Investments	2,931,150	2,804,552	2,408,643	2,265,037	10,409,382
Receivables:					
Accounts	-	-	30,814	20,842	51,656
Interest	19,409	18,560	15,946	15,096	69,011
Prepaid items	-	-	23,585	-	23,585
Total current assets	<u>4,297,413</u>	<u>3,985,395</u>	<u>3,477,195</u>	<u>3,239,668</u>	<u>14,999,671</u>
Noncurrent assets:					
Capital assets:					
Depreciable assets, net	-	-	-	6,132,790	6,132,790
Total assets	<u>4,297,413</u>	<u>3,985,395</u>	<u>3,477,195</u>	<u>9,372,458</u>	<u>21,132,461</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	88,390	65,477	34,535	-	188,402
Accrued liabilities	2,950	-	5,002	-	7,952
Lease payable, current portion	-	-	-	324,615	324,615
Other liabilities, current portion	-	-	1,623	-	1,623
Accrued interest	-	-	-	11,375	11,375
Estimated claims	685,496	701,952	117,514	-	1,504,962
Total current liabilities	<u>776,836</u>	<u>767,429</u>	<u>158,674</u>	<u>335,990</u>	<u>2,038,929</u>
Noncurrent liabilities:					
Leases payable	-	-	-	1,249,996	1,249,996
Other liabilities payable	17,786	-	2,448	-	20,234
Total noncurrent liabilities	<u>17,786</u>	<u>-</u>	<u>2,448</u>	<u>1,249,996</u>	<u>1,270,230</u>
Total liabilities	<u>794,622</u>	<u>767,429</u>	<u>161,122</u>	<u>1,585,986</u>	<u>3,309,159</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	4,558,179	4,558,179
Unrestricted	3,502,791	3,217,966	3,316,073	3,228,293	13,265,123
Total net assets	<u>\$ 3,502,791</u>	<u>\$ 3,217,966</u>	<u>\$ 3,316,073</u>	<u>\$ 7,786,472</u>	<u>\$ 17,823,302</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	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	\$ 10,682,842	\$ 1,059,640	\$ 1,364,893	\$ 1,473,493	\$ 14,580,868
Other	128,090	1,988	-	10,821	140,899
Total operating revenues	<u>10,810,932</u>	<u>1,061,628</u>	<u>1,364,893</u>	<u>1,484,314</u>	<u>14,721,767</u>
Operating expenses					
Personnel services	92,269	2,664	142,512	-	237,445
Contractual services	1,041,762	122,312	461,852	-	1,625,926
Commodities	-	5,414	3,047	-	8,461
Capital expense	-	-	-	173,886	173,886
Insurance and other expenses	9,383,297	731,030	283,145	-	10,397,472
Depreciation	-	-	-	1,136,498	1,136,498
Total operating expenses	<u>10,517,328</u>	<u>861,420</u>	<u>890,556</u>	<u>1,310,384</u>	<u>13,579,688</u>
Operating income	<u>293,604</u>	<u>200,208</u>	<u>474,337</u>	<u>173,930</u>	<u>1,142,079</u>
Nonoperating revenues (expenses)					
Income on investments	52,935	57,424	48,462	52,029	210,850
Interest expense	-	-	-	(45,091)	(45,091)
Gain (loss) on disposition of capital assets	-	-	-	(52,212)	(52,212)
Total nonoperating revenues (expenses)	<u>52,935</u>	<u>57,424</u>	<u>48,462</u>	<u>(45,274)</u>	<u>113,547</u>
Income before contributions and transfers	346,539	257,632	522,799	128,656	1,255,626
Capital contributions	-	-	-	189,437	189,437
Change in net assets	346,539	257,632	522,799	318,093	1,445,063
Net assets - beginning	3,156,252	2,960,334	2,793,274	7,468,379	16,378,239
Net assets - ending	<u>\$ 3,502,791</u>	<u>\$ 3,217,966</u>	<u>\$ 3,316,073</u>	<u>\$ 7,786,472</u>	<u>\$ 17,823,302</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	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	\$ 10,810,932	\$ 65,771	\$ 98,041	\$ 1,452,651	\$ 12,427,395
Cash payments to employees for services	(91,799)	(1,284)	(140,663)	-	(233,746)
Cash payments to suppliers for goods and services	(10,730,511)	(658,121)	(914,131)	(88,154)	(12,390,917)
Payments from other funds	-	1,021,555	1,240,505	-	2,262,060
Other operating revenues	-	-	-	10,821	10,821
Net cash provided by (used in) operating activities	<u>(11,378)</u>	<u>427,921</u>	<u>283,752</u>	<u>1,375,318</u>	<u>2,075,613</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(304,960)	(304,960)
Interest paid on long term debt	-	-	-	(43,158)	(43,158)
Acquisition and construction of capital assets	-	-	-	(1,047,462)	(1,047,462)
Proceeds from sale of capital assets	-	-	-	29,165	29,165
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,366,415)</u>	<u>(1,366,415)</u>
Cash flow from investing activities:					
Sale of investments	777,044	329,740	359,337	616,232	2,082,353
Interest received on investments	101,286	95,682	82,286	34,804	314,058
Net cash provided by investing activities	<u>878,330</u>	<u>425,422</u>	<u>441,623</u>	<u>651,036</u>	<u>2,396,411</u>
Net increase in cash and cash equivalents	866,952	853,343	725,375	659,939	3,105,609
Cash and cash equivalents - beginning of year	479,902	308,940	272,832	278,754	1,340,428
Cash and cash equivalents - end 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>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income	<u>\$ 293,604</u>	<u>\$ 200,208</u>	<u>\$ 474,337</u>	<u>\$ 173,930</u>	<u>\$ 1,142,079</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	1,136,498	1,136,498
(Increase) decrease in accounts receivable	-	25,698	(26,347)	(20,842)	(21,491)
(Increase) decrease in inventories	-	-	(23,585)	100,000	76,415
Increase (decrease) in accounts payable and other	(233,125)	52,660	(18,825)	(14,268)	(213,558)
Increase in accrued liabilities	238	-	143	-	381
Increase (decrease) in estimated claims	(72,095)	149,355	(121,971)	-	(44,711)
Total adjustments	<u>(304,982)</u>	<u>227,713</u>	<u>(190,585)</u>	<u>1,201,388</u>	<u>933,534</u>
Net cash provided by (used in) operating activities	<u>\$ (11,378)</u>	<u>\$ 427,921</u>	<u>\$ 283,752</u>	<u>\$ 1,375,318</u>	<u>\$ 2,075,613</u>

2010 Noncash investing, capital, and financing activities:

- The unrecognized gain (loss) recorded to value the noncash investments of the City's internal service funds to fair market value was \$124,374.
- Capital assets contributed from governmental activities to the General Capital Outlay Replacement Internal Service Fund totaled \$189,437.
- Two lease payables in amounts totaling \$726,415 were entered into for the purchase of assets; payments will commence in 2011.

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL OUTLAY REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 1,125,375	\$ 1,125,375	\$ 1,473,493	\$ 348,118
Other	-	-	10,821	10,821
Total operating revenues	<u>1,125,375</u>	<u>1,125,375</u>	<u>1,484,314</u>	<u>358,939</u>
Operating expenses				
Capital expense	4,135,298	4,979,394	1,221,348	3,758,046
Total operating expenses	<u>4,135,298</u>	<u>4,979,394</u>	<u>1,221,348</u>	<u>3,758,046</u>
Operating income (loss)	<u>(3,009,923)</u>	<u>(3,854,019)</u>	<u>262,966</u>	<u>4,116,985</u>
Nonoperating revenues (expenses)				
Income on investments	-	9,803	52,029	42,226
Debt service	-	-	(351,984)	(351,984)
Disposition of assets	-	-	29,164	29,164
Issuance of debt	-	726,415	726,415	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>736,218</u>	<u>455,624</u>	<u>(280,594)</u>
Change in net assets	<u>\$ (3,009,923)</u>	<u>\$ (3,117,801)</u>	<u>718,590</u>	<u>\$ 3,836,391</u>
Adjustments to GAAP basis				
Debt				
Principal payments			304,960	
Issuance of leases			(726,415)	
Accrued interest adjustment			1,933	
Capital assets				
Acquisitions			1,047,462	
Net book value of disposals			(81,376)	
Capital contributions			189,437	
Depreciation			(1,136,498)	
Change in net assets, GAAP basis			<u>\$ 318,093</u>	

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STATISTICAL SECTION

Table

Financial Trends Information

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

Net Assets by Component	1
Changes in Net Assets	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

Net Assets by Component
Last nine fiscal years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities									
Invested in capital assets, net of related debt	\$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	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	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	\$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									
Invested in capital assets, net of related debt	\$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	5,483,098	5,486,422	3,424,753	3,406,636	3,384,483	3,371,769	3,939,139	690,739	854,757
Unrestricted	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	\$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									
Invested in capital assets, net of related debt	\$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	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	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	\$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: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2002.

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

108 **Table 2**
City of Westminster

Changes in Net Assets
Last nine fiscal years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses									
Governmental activities:									
General government	\$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	31,705,261	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	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	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	17,608,348	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	7,761,325	2,556,076	9,017,184
Interest and fiscal charges	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	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	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	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	3,526,264	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	68,559	120,821	149,035	82,313
Westminster Housing Authority	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	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	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	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	4,160,047	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	1,419,414	1,777,317	1,527,937	0	0	0	0	159,478	148,593
Community development	297,219	400,784	246,084	77,884	117,934	178,163	228,753	295,462	203,494
Culture and recreation	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	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	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	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

Business-type activities:

Charges for services:

Utility	43,638,168	37,785,693	41,355,962	37,009,477	37,639,880	34,574,051	29,890,164	31,528,197	33,425,886
Golf	2,682,977	2,730,028	3,137,704	3,197,655	2,993,881	2,932,389	2,825,291	2,925,457	3,172,925
Westminster Building Authority	0	0	0	0	0	15,655	17,020	17,847	464,451
Westminster Housing Authority	942,564	920,327	901,313	902,899	887,721	878,870	835,157	794,098	780,092
Operating grants and contributions	1,972	0	0	0	0	0	0	0	0
Capital grants and contributions	4,221,676	3,534,458	12,590,561	7,809,021	15,704,276	14,934,514	11,002,884	9,305,522	15,459,049
Total business-type activities program revenues	51,487,357	44,970,506	57,985,540	48,919,052	57,225,758	53,335,479	44,570,516	44,571,121	53,302,403
Total revenues	86,818,604	73,534,533	90,653,923	86,247,340	88,855,919	83,780,123	74,169,026	69,489,327	78,876,878

Net (expense)/revenue

Governmental activities	(86,361,805)	(95,558,371)	(94,002,962)	(77,712,360)	(84,961,940)	(76,602,338)	(88,157,083)	(59,009,818)	(57,638,066)
Business-type activities	2,053,777	(8,648,471)	7,317,687	4,183,842	15,136,482	17,833,392	8,250,912	10,271,268	19,871,626
Total primary government net expense	(84,308,028)	(104,206,842)	(86,685,275)	(73,528,518)	(69,825,458)	(58,768,946)	(79,906,171)	(48,738,550)	(37,766,440)

General revenues and other changes in net assets

Governmental activities:

Taxes									
Property taxes	13,326,123	10,737,251	9,020,419	6,348,656	5,272,024	4,600,304	4,331,501	4,185,561	3,957,730
Sales taxes	66,078,878	63,634,222	65,369,753	60,290,173	56,725,466	54,419,354	52,568,207	42,803,354	42,351,380
Use taxes	11,432,450	10,382,385	12,436,326	13,610,159	12,634,095	11,683,748	11,422,307	10,454,839	10,409,135
Business fees and other taxes	5,092,047	4,797,606	5,137,132	4,556,637	4,300,682	4,185,604	3,950,630	3,828,966	3,362,214
Accommodations taxes	2,231,693	2,045,874	2,627,010	1,425,434	1,239,740	1,078,023	945,908	914,662	984,772
Intergovernmental not restricted to a specific purpose	1,612,345	1,360,925	1,079,951	1,052,427	1,060,315	818,642	1,086,271	1,071,316	2,932,758
Interest	1,261,427	1,979,580	6,043,261	6,496,200	5,760,231	3,087,962	1,043,447	1,242,606	1,984,889
Other	0	597,423	1,420,276	1,980,122	2,152,680	991,884	434,985	(11,042,785)	883,813
Gain on Sale of Assets	809,511	0	604,571	0	0	0	0	0	0
Special Item	0	0	(14,825,447)	0	0	0	0	0	0
Transfers	(856,339)	(748,349)	(507,121)	(1,059,672)	(1,035,000)	5,521,091	2,181,901	6,039,079	421,459
Total governmental activities	100,988,135	94,786,917	88,406,131	94,700,136	88,110,233	86,386,612	77,965,157	59,497,598	67,288,150

Business-type activities:

Interest	670,337	1,177,710	3,978,172	5,899,913	4,325,952	1,802,480	822,480	1,597,971	2,278,365
Other	267,252	0	0	0	0	17,546	584,271	0	0
Gain on Sale of Assets	0	1,019	895,150	0	4,093,643	0	0	0	0
Transfers	856,339	748,349	507,121	1,059,672	1,035,000	(5,521,091)	(2,181,901)	(6,039,079)	(421,459)
Total business-type activities	1,793,928	1,927,078	5,380,443	6,959,585	9,454,595	(3,701,065)	(775,150)	(4,441,108)	1,856,906
Total	102,782,063	96,713,995	93,786,574	101,659,721	97,564,828	82,685,547	77,190,007	55,056,490	69,145,056

Change in net assets

Governmental activities	14,626,330	(771,454)	(5,596,831)	16,987,776	3,148,293	9,784,274	(10,191,926)	487,780	9,650,084
Business-type activities	3,847,705	(6,721,393)	12,698,130	11,143,427	24,591,077	14,132,327	7,475,762	5,830,160	21,728,532
Total	\$18,474,035	(\$7,492,847)	\$7,101,299	\$28,131,203	\$27,739,370	\$23,916,601	(\$2,716,164)	\$6,317,940	\$31,378,616

601 Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2002.
Prior period adjustments affecting expenses are noted in Table 1

Table 3
City of Westminster

Fund Balances, Governmental Funds
Last nine fiscal years

	Fiscal Year								
	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
Total general fund	\$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
Total all other governmental funds	\$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: Prior to the implementation of GASB statement 34 in fiscal year 2002, data for this table was categorized in a different format and was reported in thousands. The data to produce compatible statements is not readily available and has been omitted.

Table 4
City of Westminster

Changes in Fund Balance, Governmental Funds
Last nine fiscal years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues									
Taxes and business fees	\$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	14,485,838	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	41,905	46,471	42,886	149,199	160,425	932,647	629,422	807,875	930,306
Licenses and permits	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	1,265,429	2,029,458	6,102,824	6,554,612	5,781,155	3,119,849	1,043,728	1,248,030	1,976,892
Contributions	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	6,372,404	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	2,077,598	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	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	2,031,040	1,858,670	2,026,555	2,020,583	1,937,237	1,814,699	1,492,350	1,435,730	1,357,273
Miscellaneous and other	128,456	336,893	973,939	80,040	10,737	376,850	254,296	382,841	909,050
Total revenues	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	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	30,409,003	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	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	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	13,771,317	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	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	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	7,457,250	8,887,437	7,519,672	8,836,684	8,706,148	7,570,896	4,309,524	3,893,883	4,010,977
Total expenditures	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	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	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	0	0	0	0	0	0	0	260,000	0
Issuance of leases	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	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	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)	(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)	3,974,833	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	\$ 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	13.4%	19.1%	10.5%	13.0%	12.6%	23.5%	9.4%	11.4%	12.1%

Note: Prior to the implementation of GASB statement 34 in fiscal year 2002, data for this table was categorized in a different format and was reported in thousands. The data to produce compatible statements is not readily available and has been omitted.

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
2001	\$ 53,742,758	\$ -	\$ 4,785,062	3.25%
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%

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
2001	3.00%	-	0.25%	3.25%	0.70%	0.50%	0.80%
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%

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 Ten Years Ago

Category	Fiscal Year 2010			Fiscal Year 2001		
	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	\$19,067,593	1	24.6%	\$10,328,742	1	17.6%
Utility	8,785,408	2	11.3%	6,944,706	2	11.9%
Restaurants	7,899,874	3	10.2%	4,957,171	5	8.5%
Automobile Use	4,740,628	4	6.1%	6,004,732	3	10.3%
Grocery Stores	4,668,758	5	6.0%	5,732,033	4	9.8%
Home Improvement/Hardware Stores	2,870,265	6	3.7%	1,392,824	7	2.4%
Clothing, Jewelry	2,308,302	7	3.0%	2,527,698	6	4.3%

Source: City Sales Tax Division

Note: Due to requirements under the City Code, the names of the largest revenue payers are 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 Increment Bonds	Special Assessment Bonds	Capital Leases	Notes	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes			
2001	390,000	68,905,000	6,460,000	995,000	70,932,000	1,096,000	27,907,000	2,771,000	32,350,000	211,806,000	6.1%	2,098	
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	7.4%	2,896	

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

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

Table 9
City of Westminster

Direct and Overlapping Governmental Activities Debt
As of December 31, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Adams County School District # 12	\$346,403,191	27.13%	\$93,979,186
Adams County School District # 50	95,910,000	48.31%	46,334,121
Apex Park & Recreation District	11,970,000	7.10%	849,870
Arvada Fire Protection District	4,955,000	0.02%	991
Bradburn Metro # 2	3,035,000	100.00%	3,035,000
Bradburn Metro # 3	6,630,000	100.00%	6,630,000
Church Ranch Metro District	3,095,000	100.00%	3,095,000
Countrydale Highlands Metro District	1,952,250	100.00%	1,952,250
Country Club Village Metro District	3,000,000	100.00%	3,000,000
Countrydale Metropolitan District	21,500,000	99.71%	21,437,650
Hunnington Trail Metropolitan District	6,395,000	100.00%	6,395,000
Hyland Hills Park & Recreation	13,175,000	56.55%	7,450,463
Jefferson County School District # R-1	502,790,000	7.84%	39,418,736
NBC Metropolitan District	9,140,000	100.00%	9,140,000
North Metro Fire and Rescue	24,050,000	0.22%	52,910
North Metro Fire and Rescue EX 09	143,730	80.64%	115,904
Southwest Adams Fire Protection District	774,970	0.03%	232
Westglenn Metro District	5,650,000	100.00%	5,650,000
Subtotal, overlapping debt			<u>\$248,537,313</u>
City Direct debt			<u>316,696,500</u>
Total direct and overlapping debt			<u><u>\$565,233,813</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 Information
Last ten fiscal years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$227,241,000	\$234,971,185	\$246,800,481	\$281,817,584	\$295,891,298	\$442,722,260	\$465,221,634	\$389,694,751	\$465,566,291	\$462,944,729
Total net debt applicable to limit	70,932,000	69,838,548	68,555,883	68,503,976	85,369,906	86,810,539	83,852,128	85,685,000	77,901,812	82,058,107
Legal debt margin	\$156,309,000	\$165,132,637	\$178,244,598	\$213,313,608	\$210,521,392	\$355,911,721	\$381,369,506	\$304,009,751	\$387,664,479	\$380,886,622
Total net debt applicable to the limit as a percentage of debt limit	31.21%	29.72%	27.78%	24.31%	28.85%	19.61%	18.02%	21.99%	16.73%	17.73%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value - 2009 for 2010 taxes ¹	
Adams County portion of the City	\$651,660,810
Jefferson County portion of the City	576,685,870
Total assessed value	<u>\$1,228,346,680</u>
Debt limit (3% of actual value ²)	\$462,944,729
Debt applicable to limit:	
Bonded debt - general obligation only	\$0
Installment of lease/purchase contracts for purchase of property or equipment ³	<u>82,058,107</u>
	82,058,107
Less deductions allowed by law:	<u>0</u>
Total net debt applicable to limit	<u>82,058,107</u>
Legal debt margin	<u>\$380,886,622</u>

¹ Source Adams County and Jefferson County Abstract of Assessments

²CRS 31-15-302 (3% limit)

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

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Utilities Revenue Bonds						
Fiscal Year	Applicable Revenues	Less:	Net Pledged Revenue	Debt Service		Coverage
		Operating Expenses		Principal	Interest	
2001	\$ 51,304,532	\$ (21,624,093)	\$ 29,680,439	\$ 2,276,642	\$ 2,374,294	6.38
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

Golf Course Enterprise Revenue Bonds						
Fiscal Year	Applicable Revenues	Less:	Net Pledged Revenue	Debt Service		Coverage
		Operating Expenses		Principal	Interest	
2001	\$ 3,160,330	\$ (2,569,223)	\$ 591,107	\$ 50,000	\$ 336,908	1.53
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

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					
	Sales and Use Tax Collections	Less: Operating Expenses	Net Pledged Revenue	Debt Service		Coverage
2001	\$ 53,731,435	\$ (308,218)	\$ 53,423,217	\$ 2,525,000	\$ 2,396,009	10.86
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

Fiscal Year	Parks Open Space Trails Sales and Use Tax Revenue Bonds					
	Sales and Use Tax Collections	Less: Operating Expenses	Net Pledged Revenue	Debt Service		Coverage
2001	\$ 4,812,077	\$ (25,685)	\$ 4,786,392	\$ 1,150,000	\$ 1,218,796	2.02
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

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

1997 Westminster Economic Development Authority (WEDA) Revenue Bonds (Westminster Plaza Urban Reinvestment Project)							
Fiscal Year	Less:		Net Pledged Revenue	Debt Service		Total Debt Service	Coverage
	Gross Pledged Revenues	Operating Expenses		Principal	Interest and Fees		
2001	\$788,684	(\$218,474)	\$570,210	\$0	\$272,835	\$272,835	2.09
2002	885,073	(237,444)	647,629	0	180,178	\$180,178	3.59
2003	753,373	(240,964)	512,409	30,000	157,700	\$187,700	2.73
*2004	636,455	(1,186,496)	(550,041)	120,000	156,451	\$276,451	(1.99)
**2005	4,259,439	(240)	4,259,199	165,000	224,849	\$389,849	10.93
2006	501,933	(3,115)	498,818	215,000	282,392	\$497,392	1.00
2007	516,158	(80,113)	436,045	270,000	313,378	\$583,378	0.75
2008	505,684	(364,424)	141,260	330,000	206,828	\$536,828	0.26
***2009	262,399	(3,254)	259,145	0	33,436	\$33,436	7.75
2010	0	0	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

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2003 (Mandalay Gardens Project)									
	Less:		Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Debt Service			Coverage
	Gross Pledged Revenues	Operating Expenses				Principal	Interest and Fees	Total Debt Service	
2001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2002	0	0	0	0	0	0	0	0	N/A
2003	10,963	0	10,963	195,438	206,401	0	195,438	195,438	1.06
2004	250,881	0	250,881	882,932	1,133,813	0	882,932	882,932	1.28
2005	1,513,135	(2,637)	1,510,498	1,569,189	3,079,687	0	1,569,188	1,569,188	1.96
*2006	356,308	0	356,308	582,016	938,324	70,000	335,245	405,245	2.32
2007	0	0	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	0	0	N/A
2009	0	0	0	0	0	0	0	0	N/A
2010	0	0	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)					Debt Service		Total Debt Service	Coverage
	Gross Pledged Revenues	Less: Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees		
2001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
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	150,255	0	150,255	1,399,574	1,549,829	0	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	1.33
2007	3,469,600	(6,103)	3,463,497	1,439,736	4,903,233	0	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	2.70
*2009	2,245,860	(42,450)	2,203,410	0	2,203,410	5,925,000	792,075	6,717,075	0.33
2010	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)					Debt Service		Total Debt Service	Coverage
	Gross Pledged Revenues	Less: Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees		
2001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
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	2,124,836	(8,130)	2,116,706	640,675	2,757,381	0	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	1.69
2008	3,126,504	(23,084)	3,103,420	0	3,103,420	0	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	0.71
2010	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

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2007 (South Sheridan Project)									
	<u>Less:</u>			<u>Debt Service</u>					
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Coverage
2001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
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	24,974	0	24,974	183,171	208,145	0	183,171	183,171	1.14
2008	722,502	(550,629)	171,873	282,866	454,739	0	282,866	282,866	1.61
*2009	563,172	(401,776)	161,396	156,055	317,451	416,000	128,584	544,584	0.58
2010	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							
	<u>Less:</u>		<u>Debt Service</u>				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees	Total Debt Service	Coverage
2001	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2002	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	N/A
*2009	269,431	(3,341)	266,090	265,000	121,697	386,697	0.69
**2010	379,965	(5,601)	374,364	555,000	192,470	747,470	0.50

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

** Prior year revenues of \$373,106 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	Debt Service			Coverage
		Operating Expenses		Principal	Interest and Fees	Total Debt Service	
2001	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2002	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	N/A
*2009	803,667	(6)	803,661	0	376,662	376,662	2.13
2010	2,681,239	(31,954)	2,649,285	1,125,000	614,960	1,739,960	1.52

*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	Debt Service			Coverage
		Operating Expenses		Principal	Interest and Fees	Total Debt Service	
2001	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2002	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	N/A
*2009	4,529,320	(40,366)	4,488,954	1,170,000	1,911,157	3,081,157	1.46
2010	5,986,722	(81,617)	5,905,105	2,125,000	2,760,466	4,885,466	1.21

*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: Operating Expenses	Net Pledged Revenue	Debt Service		Total Debt Service	
			Principal	Interest and Fees			
2001	\$0	\$0	\$0	\$0	\$0	\$0	N/A
2002	0	0	0	0	0	0	N/A
2003	0	0	0	0	0	0	N/A
2004	0	0	0	0	0	0	N/A
2005	0	0	0	0	0	0	N/A
2006	0	0	0	0	0	0	N/A
2007	0	0	0	0	0	0	N/A
2008	0	0	0	0	0	0	N/A
*2009	1,429,709	(637,131)	792,578	120,000	220,579	340,579	2.33
2010	2,368,657	(1,090,879)	1,277,778	260,000	399,282	659,282	1.94

*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
2001	100,940	3,487,975,928	34,555	3.6%
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	4,180,467,114	39,396	9.0%

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. 2008 and 2009 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
City of Westminster

Principal Employers
Current Year and Ten Years Ago

Employer	Fiscal Year 2010			Fiscal Year 2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total Employment
Avaya (Lucent/Bell Labs)	1,200	1	3.17%	4,200	1	12.27%
Ball Corporation	896	2	2.37%	886	2	2.59%
Centura Health / St. Anthony's North	725	3	1.91%	750	3	2.19%
LPS Asset Management Solutions (F	500	4	1.32%			
McKesson Information Systems	475	5	1.25%			
Alliance Data Systems	422	6	1.11%			
Tri State Generation	400	7	1.06%	300	7	0.88%
Trimble Navigation	350	8	0.92%			
Kaiser Permanente (Huron & Sheridan)	340	9	0.90%	235	10	0.69%
LGS Innovations	250	10	0.66%			
Global Crossing Conferencing				544	4	1.59%
Mobile Tool International				450	5	1.31%
Sun Microsystems				400	6	1.17%
Level 3 Communications				275	8	0.80%
Western Gas Resources				250	9	0.73%

Source: City Economic Development Division

Table 14
City of Westminster

Full-time Equivalent City Employees by Function/Program
Last nine fiscal years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
City Attorney's Office	13.95	13.95	13.95	13.95	12.65	12.65	12.80	12.30	12.30
City Manager's Office	16.90	16.90	11.90	11.90	12.90	12.50	12.90	12.90	12.90
Finance	29.00	29.00	28.00	28.00	27.00	27.00	28.00	26.00	26.00
General Services	78.33	76.33	75.83	75.83	75.83	75.33	77.33	73.83	73.83
Public Safety									
Fire Department	143.50	142.50	142.50	141.50	140.00	140.00	139.50	104.50	101.50
Police Department	274.80	275.30	277.30	276.30	273.30	269.30	269.20	229.20	219.80
Public Works									
Street Maintenance	26.00	26.00	26.00	26.00	25.75	24.75	25.75	25.75	25.75
Infrastructure	0.00	0.00	0.00	0.00	4.00	4.00	4.00	4.00	4.00
Community Development									
Administration	7.60	7.60	7.60	7.60	7.10	7.10	7.10	7.10	7.60
Economic Development	0.00	0.00	4.00	4.00	3.50	2.50	2.50	2.50	2.00
Planning Division	14.20	14.70	14.70	14.70	15.20	15.20	14.20	14.20	14.20
Building Division	16.50	18.50	18.50	18.50	18.50	18.50	18.50	17.50	17.50
Engineering Division	14.50	14.50	14.50	16.00	16.50	16.50	17.00	17.00	16.00
Open Space	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Westminster Housing Authority	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Culture and Recreation									
Administration	16.20	10.20	10.20	10.20	10.20	11.00	11.00	10.00	16.00
Parks Services	42.40	49.40	49.40	49.40	49.40	49.40	52.00	50.00	48.00
Library Services	42.20	42.20	42.20	42.20	42.20	40.73	42.20	42.20	42.20
Recreation Programs	16.50	16.50	15.30	13.80	12.60	11.80	11.80	12.30	16.30
Recreation Facilities	64.05	65.30	65.30	65.80	66.00	63.00	69.50	72.00	68.00
Utilities									
Administration	44.30	46.80	45.70	45.20	40.45	36.85	36.25	33.75	33.75
Water Resources & Treatment	53.75	52.75	51.75	51.75	49.25	50.25	45.60	45.60	41.60
Field Operations	44.50	42.00	42.00	42.00	47.00	47.00	48.00	48.00	51.00
Golf Courses									
Legacy Ridge	10.50	10.50	10.50	10.50	10.50	10.50	11.00	11.00	11.00
The Heritage	10.50	10.50	10.50	10.50	10.50	10.50	11.00	11.00	11.00
Total	982.67	983.92	981.12	979.13	973.82	959.85	970.62	886.12	875.72

Source: City Annual Pay Plan

Note: Data prior to 2002 is not readily available and has been omitted.

Table 15
City of Westminster

Operating Indicators by Function/Program
Last nine fiscal years

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

Source: City's Performance Measures Team

Note: Data prior to 2002 is not readily available and has been omitted.

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 nine fiscal years

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

Source: City's Performance Measures Team

Note: Data prior to 2002 is not readily available and has been omitted.

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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, 2010, which collectively comprise its basic financial statements and have issued our report thereon dated May 25, 2011. 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

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 would not necessarily identify all deficiencies in internal control 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 25, 2011

**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, 2010. 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.

As described in item 2010-01 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding procurement, suspension and debarment that are applicable to its ARRA – Energy Efficiency and Conservation Block Grant (EECBG) Program. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

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

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-02.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness and an other deficiency that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-01 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-02 to be a significant deficiency.

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

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Honorable Mayor and Members of City Council, others within the City, 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 25, 2011

City of Westminster, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

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

Unqualified for all major programs except for ARRA – Energy Efficiency and Conservation Block Grant (EECBG) Program, which was qualified.

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
14.215 and 14.253	CDBG – Entitlement Grants Cluster
14.856	Section 8 Project-Based Cluster
81.128	ARRA – Energy Efficiency and Conservation Block Grant (EECBG) Program

City of Westminster, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2010

8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
9. Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

Reference Number	Finding	Questioned Costs
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No matters were reported.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding	Questioned Costs
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2010-01	Finding: Procurement, Suspension and Debarment	None
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CFDA # 81.128 – ARRA – Energy Efficiency and Conservation Block Grant (EECBG) Program; U.S. Department of Energy, Award DE-SC0002725

Criteria: Per 2 CFR 180, all non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions with parties that are suspended or debarred or whose principals are suspended or debarred.

Condition: Documentation to support compliance with the above requirements was not available in all three vendors tested.

Context: We tested the procurement files noted above to evaluate the City's compliance with the applicable procurement requirements, including the review of the excluded party list (EPLS).

Effect: By not verifying vendors against the excluded party list and including the appropriate language in contracts, the City risks contracting with and making payments to a contractor/vendor that has been suspended or debarred in violation of Federal regulations. The documentation of such review is the control necessary to make sure such risks are properly mitigated.

City of Westminster, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2010

Reference Number	Finding	Questioned Costs
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Cause: The City was not fully aware of the procurement requirements, particularly as they relate to Federal awards; however, it was determined through the use of the EPLS system that no vendors contracted with were suspended or debarred.

Recommendation: We recommend that the City 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.

Views of responsible officials and planned corrective actions:

Three vendors with project budgets at or above \$25,000 were not checked against the Excluded Parties List System (EPLS) to ensure none of the firms have been excluded by federal government agencies from receiving federal contracts or federal funds. These vendors include the Governor’s Energy Office for the residential and small business energy efficiency rebate programs, Siemens Building Technologies for the City facility energy performance contract, and The Street Plans Collaborative for the bicycle master plan.

Staff subsequently checked these vendors in the EPLS and confirmed they have not been suspended or debarred. Documentation has been saved electronically as such.

While future contracts for the EECBG program are highly unlikely due to the funds expiring in September 2012 and the current funding being allocated, staff will ensure proper language is included in any future contracts to ensure that no vendors have been suspended or debarred in violation of federal regulations. Additionally, staff will update the City’s Grant Administration Policy to specifically include reference to Circular A-133 compliance requirements, including proper documentation. Staff will also offer additional training to grant managers specifically related to A-133 compliance. Staff believes updating and implementing changes to the Administrative Memorandum and additional administrative training will strengthen consistency in managing federal grants and alleviate this problem.

Person responsible for implementation: Collaborative effort between the City Manager’s Office and Finance.

Implementation date: December 31, 2011

City of Westminster, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2010

Reference Number	Finding	Questioned Costs
2010-02	<p>Finding: Reporting</p> <p>CFDA # 81.128 – ARRA – Energy Efficiency and Conservation Block Grant (EECBG) Program; U.S. Department of Energy, Award DE-SC0002725</p> <p>Criteria: The program is required to submit certain reports to the federal awarding agency based on requirements specified in the notice of grant award. Reporting requirements are considered conditions of the grant award and shall be submitted timely and accurately according to federal guidelines. Additionally, the notice of grant award contains a special requirement to submit an itemized cost report, by project activity, with submittal of the SF-425 report, Federal Financial Report, and is to address each item of the Budget Category of the SF-424A.</p> <p>Condition: We noted the following issues:</p> <ol style="list-style-type: none"> 1. Certain information in the Performance and Accountability for Grants in Energy (PAGE) reports did not agree to supporting documentation or there was not adequate supporting documentation. Specifically, differences were noted in hours worked on the second quarter Bike Master Plan report and in the attendance information reported in the fourth quarter report for the 2009 Energy Code. Support could not be proved for the fourth quarter reports for the Technical Assistance section of the Hiring Energy Coordinator activity and the work completed section of the 2009 Energy Code reports. 2. The itemized cost report was not submitted with the SF-425, Federal Financial Report for quarters one through three. <p>Context: We tested 100% of the PAGE reports submitted during 2010 and two of the four quarterly SF-425, Federal Financial Reports. Additionally, OMB Circular A-133, <i>Compliance Supplement</i>, requires that the ARRA 1512 report be tested for the calendar quarter preceding the City’s year-end. As such we tested the third quarter ARRA 1512 report submitted by the City.</p> <p>Effect: Inaccurate information was reported to the Federal awarding agency.</p>	None

City of Westminster, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2010

Reference Number	Finding	Questioned Costs
	<p>Cause: Information submitted on the report was not properly reviewed and agreed to supporting documentation prior to submission to ensure it was accurate and complete. Additionally, the City was not made aware of the special requirement until the Federal awarding agency requested it be submitted with the fourth quarter report.</p> <p>Recommendation: 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>Views of responsible officials and planned corrective actions: This finding notes that information provided in the PAGE reports did not agree with supporting documentation or there was inadequate supporting documentation. Additionally, the SF 425A itemized cost report was not submitted for the first through third quarters of 2010.</p> <p>Based on the information provided in this finding, staff immediately commenced a formal review process of PAGE reporting materials, including documentation, as well as to ensure SF 425A financial reports are submitted on time and accurately. The first quarter 2011 PAGE report prepared by Building Operations & Maintenance Staff was reviewed with the City Manager's Office Staff. Additionally, the outstanding 2010 SF 425A reports were subsequently submitted to the Department of Energy in 2011.</p> <p>Staff has instituted steps to improve documentation of supporting materials for the PAGE, SF 425 and SF 425A reports, as well as the review process prior to submitting these quarterly reports. Staff believes these new protocols will address the concerns noted in this finding.</p> <p>Person responsible for implementation: Collaborative effort between the City Manager's Office and Buildings, Operations and Maintenance.</p> <p>Implementation date: May 25, 2011</p>	

City of Westminster, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2010

Reference Number	Summary of Finding	Status
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No matters are reportable.

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CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

<u>Cluster/Grant Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>		
CDBG Entitlement Grants Cluster		
Community Development Block Grants/Entitlement Grants	14.218	\$ 227,726
ARRA Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	105,045
Total CDBG Entitlement Grants Cluster		<u>332,771</u>
Passed through the Colorado Housing and Finance Authority		
Lower Income Housing Assistance Program - Section 8 Moderate Housing Rehabilitation (Section 8 Project-Based Cluster)	14.856	482,114
Subtotal Department of Housing and Urban Development		<u>814,885</u>
<u>Department of Energy</u>		
ARRA - Energy Efficiency and Conservation Block Grant (EECBG) Program	81.128	515,788
Subtotal Department of Energy		<u>515,788</u>
<u>Department of Justice</u>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	41,420
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to Units of Local Government	16.804	103,253
Subtotal Department of Justice		<u>144,673</u>
<u>Executive Office of the President</u>		
Passed through the City of Thornton,		
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	35,649
Subtotal Executive Office of the President		<u>35,649</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	5,810
Emergency Management Performance Grants	97.042	54,800
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	3,620
Subtotal Department of Homeland Security		<u>64,230</u>
<u>Department of Transportation</u>		
Passed through the Colorado Department of Transportation,		
Highway Planning and Construction (Highway Planning and Construction Cluster)	20.205	15,521
Alcohol Impaired Driving Countermeasures Incentive Grants/ (Highway Safety Cluster)	20.601	13,381
Subtotal Department of Transportation		<u>28,902</u>
<u>Environmental Protection Agency</u>		
Passed through Colorado Department of Public Health and Environment		
Capitalization Grants for Clean Water State Revolving Funds	66.458	47,246
Subtotal Environmental Protection Agency		<u>47,246</u>
<u>Institute of Museum and Library Services</u>		
Passed through Colorado Department of Education,		
Grants to States	45.310	13,363
Subtotal Institute of Museum and Library Services		<u>13,363</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 1,664,736</u>

** All grants are direct except for those which are passed through by the State of Colorado.

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

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.

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 2010

This Information From The Records Of (example - City of _ or County of _ City of Westminster	Prepared By: Phone:	Sherri Rickard, Accountant 303-658-2365
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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)	2,360,596
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,799,895
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,477,571
2. General fund appropriations	14,085,162	b. Snow and ice removal	782,381
3. Other local imposts (from page 2)	1,432,942	c. Other	
4. Miscellaneous local receipts (from page 2)	2,912,522	d. Total (a. through c.)	3,259,952
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,227,138
a. Bonds - Original Issues	10,545,000	6. Total (1 through 5)	12,647,581
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	10,545,000	a. Interest	3,184,650
7. Total (1 through 6)	28,975,626	b. Redemption	3,796,620
B. Private Contributions		c. Total (a. + b.)	6,981,270
C. Receipts from State government (from page 2)	3,611,929	2. Notes:	
D. Receipts from Federal Government (from page 2)	211,773	a. Interest	1,298,102
E. Total receipts (A.7 + B + C + D)	32,799,328	b. Redemption	1,562,000
		c. Total (a. + b.)	2,860,102
		3. Total (1.c + 2.c)	9,841,372
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	22,488,953

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	31,675,750	10,545,000	13,023,490	29,197,260
1. Bonds (Refunding Portion)		10,545,000	10,545,000	
B. Notes (Total)	67,811,440	0	2,880,130	64,931,310

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	75,670,274	32,799,328	22,488,953	85,980,649	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2010

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	101,050
b. Other local imposts:		b. Traffic Fines & Penalties	1,875,617
1. Sales Taxes	1,122,505	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	310,437	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,432,942	h. Other	935,855
c. Total (a. + b.)	1,432,942	i. Total (a. through h.)	2,912,522
	(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	3,229,195	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	211,773
c. Motor Vehicle Registrations	342,804	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	39,930	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	382,734	g. Total (a. through f.)	211,773
4. Total (1. + 2. + 3.f)	3,611,929	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	130,409	171,117	301,526
b. Engineering Costs			0
c. Construction:			
(1). New Facilities	98,525	0	98,525
(2). Capacity Improvements	0	1,623,392	1,623,392
(3). System Preservation	0	40,633	40,633
(4). System Enhancement & Operation	0	296,520	296,520
(5). Total Construction (1) + (2) + (3) + (4)	98,525	1,960,545	2,059,070
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	228,934	2,131,662	2,360,596
			(Carry forward to page 1)

Notes and Comments:

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 the City of Westminster, Colorado (the City) as of and for the year ended December 31, 2010, 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
- Liability for termination benefits
- Arbitrage liability
- Pollution remediation obligation
- Liability for claims incurred but not reported
- Allowance for doubtful accounts
- Useful lives of capital assets
- Unbilled utility revenues
- Compensated absences (general leave)

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
- Capital assets
- Derivative instruments
- Termination benefits under Governmental Accounting Standards Board (GASB) Statement No. 47, *Accounting for Termination Benefits*

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

- Period of revenue recognition (cutoff)

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

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

Other Information in Documents Containing Audited Financial Statements

The audited financial statements are included in the City's Comprehensive Annual Financial Report (CAFR). As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

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:

- Proper recognition of capitalized interest in both current and prior periods
- Calculation of deferred amount on current year refundings and adjustments to deferred amounts on prior year refundings
- Recognition and presentation of property held for sale
- Proper presentation of debt with demand features

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)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the City of Westminster, Colorado (the City) as of and for the year ended December 31, 2010, 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*, we considered the City's internal control over financial reporting (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency 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 of the City's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be deficiencies.

DEFICIENCIES

Accounts Payables Cutoff

Finding: Recording expenditures in the proper period is a critical element of reporting complete and accurate information. During testing of accounts payable and capital assets, it was determined that two invoices were not properly accrued. One invoice related to the purchase of a capital asset which should have been accrued in 2009 and another invoice related to capital construction performed before year-end and thus should have been accrued at December 31, 2010.

Recommendation: We recommend management extend the period after year-end for evaluating potentially required accruals and to increase communication between departments to help assure that accounting receives all invoices for review and proper recording.

Utility Rates

Finding: During our audit planning we perform walkthrough procedures over significant transaction cycles. One of the walkthroughs performed was over the utility billing cycle and we noted that there is no independent review performed when changes in billing rates are input into the billing system.

Recommendation: We recommend implementing an independent review of billing rate changes to ensure all rate changes are properly input and are being applied as intended.

Proposed Audit Adjustments

Significant and Complex Transactions

Finding: In accordance with Financial Accounting Standards Board Codification No.835-20-30-10, *Capitalization of Interest*, interest paid on capital construction-related debt in the business-type activities should be capitalized as a cost of the project. In addition, when debt is outstanding during the period of capital construction, even when this debt is unrelated to the construction, interest should be capitalized to account for the “opportunity cost” of the cash outlays. Through discussions with management it was discovered that interest on prior year’s construction projects was not capitalized. Once brought to management’s attention, management worked to determine the amount of prior period net interest that should have been recorded and properly capitalized the current year’s interest. As a result of this issue we proposed an audit adjustment of approximately \$1,750,000 to properly record the calculated net capitalized interest to the prior period. Based on materiality, management chose to not restate prior periods based on this adjustment. We do not take exception with management’s decision to not record this entry in the financial statements.

Finding: Upon the refunding of debt, funds placed in escrow to pay interest incurred on the original debt from the date of the last interest payment until the refunding date, should be recorded as a current period expense/expenditure and not included in the calculation of amount deferred on the refunding. While reviewing the calculation of the current year refundings it was noted that funds placed in escrow under the two advanced refundings to pay current period interest was included in the deferral and not properly included as an expenditure/expense. Upon bringing the issue to management’s attention, the issue was corrected, but an audit adjustment of approximately \$594,000 was proposed for debt refunded in prior years. Management was proactive in determining the amount of the above adjustment and after calculating the adjustment, presented it to us for audit.

Recommendation: We recommend policies and procedures be implemented to ensure that unusual, significant, and complex transactions are properly reported in the financial statements. Such procedures should include an extensive detailed review performed by management.

Accrual of Utility Receivables/Revenue

Finding: During testing of utility receivables, we noted that receivables, and the corresponding revenue, were underaccrued by approximately \$440,000 due to incorrect billing dates within the schedule, therefore improperly calculating the accrual amount. We proposed an adjustment to properly accrue the receivables and corresponding revenue. Management recorded this adjustment.

Recommendation: We recommend the City ensure cutoff of receivables is properly evaluated to include all unbilled accounts receivable at year-end including a secondary review of such information.

INTERNAL CONTROL OVER COMPLIANCE

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 in order to determine our 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 the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness and another deficiency that we consider to be significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be either a significant deficiency or material weakness.

Material Weakness

Refer to *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.*

Significant Deficiency

Refer to *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.*

OTHER MATTERS

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. 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.

Property Tax Receivable

Other Matter: We noted during testing of property tax receivables that an allowance is not recorded. The Finance Department believes that all receivables are collectable.

Recommendation: We recommend performing a look-back analysis to determine the past trends in collectibility of property taxes to determine whether an allowance is necessary.

Capital Assets

Other Matter: During testing of capital assets, it was noted that there is no physical inventory performed for assets that are purchased with federal funds under the Single Audit Act. Additionally, we noted there is no subsidiary ledger for the Westminster Commons' fixed assets.

Recommendation: We recommend implementing policies and procedures to ensure capital assets purchased with federal funds are properly identified and inventoried on an annual basis as well as creating a subsidiary ledger to support the capital assets recorded in Westminster Commons. While we realize that the cost-benefit of implementing such a schedule for Westminster Commons may currently not be practical, we recommend implementing a subsidiary ledger for future instances.

Single Audit - Energy Efficiency and Conservation Block Grant Program (EECBG)

To ensure proper use of Federal funds received, it is critical that management has a strong understanding of the provisions of the individual grant agreement as well as the general compliance requirements of OMB Circular A-133. It is also imperative that strong internal controls surrounding these requirements be developed to help ensure compliance is met. In our review of the EECBG program we determined areas in which management could improve the current processes in place and strengthen internal controls as follows:

- The EECBG program utilizes the State of Colorado's Governor's Energy Office to process rebates under the program. Per the agreement, the State is required to submit monthly reports. The reports reviewed during our testing did not have all the required information submitted to the City as required by the agreements. Management should increase monitoring of the reports and request the required information be provided. Additionally, the review of these monthly reports by management should be formally documented in a consistent manner.

- Awarding of contracts with Federal funds should occur under a competitive bid process or the sole-source justification should be documented and maintained in the contractor's procurement file.
- The City contracted out the responsibility of monitoring Davis Bacon requirements to the general contractor relating to the Energy Performance Contract; however, the City was not provided all the supporting documentation including the signature page of the certified payrolls. Additionally, no monitoring was performed of the general contractor to ensure no violations were occurring. The City should develop formalized procedures for monitoring construction contracts and consultants if responsibilities for compliance are contracted out. This would include a policy for establishing standards of follow-up for consultants responsible for monitoring Davis-Bacon requirements such as spot checks performed on certified payrolls received.

The City's written responses to the deficiencies and other matters identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

* * * * *

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

BKD, LLP

May 25, 2011

Client: City of Westminster

Period Ending: December 31, 2010

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Governmental Activities (Government-Wide Statements)

Description	Type of Adjustment (Known or Likely)	Assets		Liabilities		General Revenues & Transfers		Net Program Revenues/ Expenses		Net Assets (Beg. of year)		Invested in Capital Assets, Net		Restricted Net Assets		Unrestricted Net Assets		Net Effect on Following Year	
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	Change in Net Assets	Net Assets
To record the prior year effect of interest not properly accrued in advanced refundings	Known								(594,054)	594,054									
To record payable from 2010 to State of Colorado that was improperly excluded	Known				(119,865)				119,865								119,865		
To record estimate for capitalization of library books	Likely		1,000,000							(1,000,000)		(1,000,000)							
Total passed adjustments			1,000,000		(119,865)				(474,189)	(405,946)		(1,000,000)					119,865		
Times expansion factor			1.3		1.3			1.3	1.3	1.3		1.3		1.3			1.3		
Expanded impact of passed adjustments			1,300,000		(155,825)				(616,446)	(527,730)		(1,300,000)					155,825		
Impact on Net Assets										(616,446)									

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	554,277,496	1,000,000	555,277,496	0.18%
Total Liabilities	(276,481,314)	(119,865)	(276,601,179)	0.04%
Invest in CA, net of Debt	(166,119,255)	(1,000,000)	(167,119,255)	0.60%
Restricted Net Assets	(32,828,396)		(32,828,396)	
Unrestricted Net Assets	(78,848,531)	119,865	(78,728,666)	-0.15%
Total Net Assets	(277,796,182)	(880,135)	(278,676,317)	0.32%
General Revenues & Transfers	(100,988,135)		(100,988,135)	
Net Program Revenues/ Expenses	86,361,805	(474,189)	85,887,616	-0.55%
Change in Net Assets	(14,626,330)	(474,189)	(15,100,519)	3.24%

Client: City of Westminster
Period Ending: December 31, 2010

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)
Business-Type Activities (Government-Wide Statements)

Description	Type of Adjustment (Known or Likely)	Assets		Liabilities		General Revenues & Transfers		Net Program Revenues/ Expenses		Net Assets (Beg. of year)		Invested in Capital Assets, Restricted Net Assets, Unrestricted Net			Net Effect on Following Year		
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To record the prior year effect of non recognition of capitalized interest	Likely	1,753,939								(1,753,939)		(1,753,939)					
Total passed adjustments		1,753,939								(1,753,939)		(1,753,939)					
Times expansion factor		1.3		1.3		1.3		1.3		1.3		1.3		1.3		1.3	
Expanded impact of passed adjustments		2,280,121								(2,280,121)		(2,280,121)					
						Impact on Change in Net Assets											

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Business-Type Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	478,951,097	1,753,939	480,705,036	0.37%
Total Liabilities	(81,229,908)		(81,229,908)	
Invest in CA, net of Debt	(336,344,413)	(1,753,939)	(338,098,352)	0.52%
Restricted Net Assets	(5,483,098)		(5,483,098)	
Unrestricted Net Assets	(55,893,678)		(55,893,678)	
Total Net Assets	(397,721,189)	(1,753,939)	(399,475,128)	0.44%
General Revenues & Transfers	(1,793,928)		(1,793,928)	
Net Program Revenues/ Expenses	(2,053,777)		(2,053,777)	
Change in Net Assets	(3,847,705)		(3,847,705)	

Client: City of Westminster
Period Ending: December 31, 2010

SCHEDULE OF ADJUSTMENTS PASSED

General Fund

Description	Type of Adjustment (Known or Likely)	Total Assets		Total Liabilities		Revenues		Expenditures		Fund Balance (Beg. of year)	Reserved Fund Balance	Unreserved Fund Balance	Net Effect on Following Year		
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	Change in Fund Balance	Fund Balance
To record an allowance for property taxes at .25%	Likely		(10,950)			10,950						10,950			
PRIOR YEAR															
To record turnaround effect of prior year passed adjustments:															
To reduce Library accounts receivable	Known					(62,565)			62,565						
Total passed adjustments			(10,950)			(51,615)			62,565			10,950			
Impact on Change in Fund Balance										(51,615)					
Impact on Fund Balance										10,950					

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

General Fund

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	35,580,607	(10,950)	35,569,657	-0.03%
Total Liabilities	(16,731,502)		(16,731,502)	
Reserved Fund Balance	(7,220,548)		(7,220,548)	
Unreserved Fund Balance	(11,628,557)	10,950	(11,617,607)	-0.09%
Total Fund Balance	(18,849,105)	10,950	(18,838,155)	-0.06%
Revenues	(33,635,117)	(51,615)	(33,686,732)	0.15%
Expenditures	34,631,132		34,631,132	
Change in Fund Balance	996,015	(51,615)	944,400	-5.18%

Client: City of Westminster
Period Ending: December 31, 2010

SCHEDULE OF ADJUSTMENTS PASSED
Sales and Use Tax

Description	Type of Adjustment (Known or Likely)	Total Assets		Total Liabilities		Revenues		Expenditures		Fund Balance (Beg. of year)		Reserved Fund Balance		Unreserved Fund Balance		Net Effect on Following Year		
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	Change in Fund Balance	Fund Balance	
Prior Year																		
None																		
Current Year																		
None																		
Total passed adjustments																		
Times expansion factor			1.3		1.3			1.3		1.3		1.3			1.3		1.3	
								Impact on Change in Fund Balance										
								Impact on Fund Balance										

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Sales and Use Tax

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	11,655,033		11,655,033	
Total Liabilities	(2,751,203)		(2,751,203)	
Reserved Fund Balance				
Unreserved Fund Balance	(8,903,830)		(8,903,830)	
Total Fund Balance	(8,903,830)		(8,903,830)	
Revenues	(69,663,585)		(69,663,585)	
Expenditures	67,731,364		67,731,364	
Change in Fund Balance	(1,932,221)		(1,932,221)	

Client: City of Westminster
Period Ending: December 31, 2010

SCHEDULE OF ADJUSTMENTS PASSED
General Capital Improvement

Description	Type of Adjustment (Known or Likely)	Total Assets		Total Liabilities		Revenues		Expenditures		Fund Balance (Beg. of year)		Reserved Fund Balance		Unreserved Fund Balance		Net Effect on Following Year			
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To record payable from 2010 to State of Colorado that was improperly excluded	Known				(119,865)				119,865						119,865			(119,865)	119,865
PRIOR YEAR																			
To record the turnaround effect of the prior year passed adjustments																			
To accrue an unrecorded liability	Known								(26,117)		26,117								
To accrue accomodation tax receivable	Known					23,917					(23,917)								
Total passed adjustments																			
				(119,865)		23,917		93,748		2,200				119,865		(119,865)		119,865	
Impact on Change in Fund Balance										117,665									
Impact on Fund Balance										119,865									

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

General Capital Improvement

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	23,004,308		23,004,308	
Total Liabilities	(1,285,259)	(119,865)	(1,405,124)	9.33%
Reserved Fund Balance	(4,514,132)		(4,514,132)	
Unreserved Fund Balance	(17,204,917)	119,865	(17,085,052)	-0.70%
Total Fund Balance	(21,719,049)	119,865	(21,599,184)	-0.55%
Revenues	(10,259,291)	23,917	(10,235,374)	-0.23%
Expenditures	26,151,534	93,748	26,245,282	0.36%
Change in Fund Balance	15,892,243	117,665	16,009,908	0.74%

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Westminster Economic Development Authority

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	60,739,351		60,739,351	
Total Liabilities	(13,425,769)		(13,425,769)	
Reserved Fund Balance	(176,977)		(176,977)	
Unreserved Fund Balance	(47,136,605)		(47,136,605)	
Total Fund Balance	(47,313,582)		(47,313,582)	
Revenues	(12,305,825)		(12,305,825)	
Expenditures	(11,835,461)		(11,835,461)	
Change in Fund Balance	(24,141,286)		(24,141,286)	

Client: City of Westminster
 Period Ending: December 31, 2010

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Utility

Description	Type of Misstatement (Known or Likely)	Assets				Liabilities				Operating Revenues	Operating Expenses	Nonoperating Revenues (Expenses)	Net Assets (Beg. of year)	Invested in			Net Effect on Following Year				
		Current		Non-Current		Current		Non-Current						Capital Assets, Net	Restricted Net Assets	Unrestricted Net Assets	Change in Net Assets	Net Assets			
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)										DR	(CR)	DR
To record the prior year net effect of not capitalizing interest on construction projects	Known			1,279,569								(1,279,569)	(1,279,569)								
PRIOR YEAR																					
To record the turnaround effect of the prior year passed adjustments:																					
To accrue accounts payable at year end	Known									(119,520)		119,520									
Total passed adjustments																					
				1,279,569							(119,520)		(1,160,049)	(1,279,569)							
												Impact on Change in Net Assets									
																				(119,520)	
																				(1,279,569)	

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Utility

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	57,649,140		57,649,140	
Non-Current Assets	401,536,530	1,279,569	402,816,099	0.32%
Current Liabilities	(9,375,527)		(9,375,527)	
Non-Current Liabilities	(63,244,854)		(63,244,854)	
Current Ratio	6.149		6.149	
Total Assets	459,185,670	1,279,569	460,465,239	0.28%
Invest in Capital Assets, net of Debt	(325,918,430)	(1,279,569)	(327,197,999)	0.39%
Restricted Net Assets	(5,216,907)		(5,216,907)	
Unrestricted Net Assets	(55,429,952)		(55,429,952)	
Total Net Assets	(386,565,289)	(1,279,569)	(387,844,858)	0.33%
Operating Revenues	(43,640,140)		(43,640,140)	
Operating Expenses	42,251,888	(119,520)	42,132,368	-0.28%
Nonoperating Revenues (Expenses)	1,476,171		1,476,171	
Change in Net Assets	(4,133,757)	(119,520)	(4,253,277)	2.89%

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Golf

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	834,009		834,009	
Non-Current Assets	15,826,298	474,370	16,300,668	3.00%
Current Liabilities	(639,977)		(639,977)	
Non-Current Liabilities	(5,210,733)		(5,210,733)	
Current Ratio	1.303		1.303	
Total Assets	16,660,307	474,370	17,134,677	2.85%
Invest in Capital Assets, net of Debt	(10,379,171)	(474,370)	(10,853,541)	4.57%
Restricted Net Assets				
Unrestricted Net Assets	(430,426)		(430,426)	
Total Net Assets	(10,809,597)	(474,370)	(11,283,967)	4.39%
Operating Revenues	(2,682,977)		(2,682,977)	
Operating Expenses	3,294,028		3,294,028	
Nonoperating Revenues (Expenses)	232,990		232,990	
Change in Net Assets	(12,298)		(12,298)	

Client: City of Westminster
 Period Ending: December 31, 2010

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Westminster Housing Authority

Description	Type of Misstatement (Known or Likely)	Assets		Liabilities		Operating Revenues (DR (CR))	Operating Expenses (DR (CR))	Nonoperating Revenues (Expenses) (DR (CR))	Net Assets (Beg. of year) (DR (CR))	Invested in			Net Effect on Following Year		
		Current (DR (CR))	Non-Current (DR (CR))	Current (DR (CR))	Non-Current (DR (CR))					Capital Assets, Net (DR (CR))	Restricted Net Assets (DR (CR))	Unrestricted Net Assets (DR (CR))	Change in Net Assets (DR (CR))	Net Assets (DR (CR))	
Prior Year	None														
Current Year	None														
Total passed adjustments															

Impact on Change in Net Assets
 Impact on Net Assets

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Westminster Housing Authority

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	383,343		383,343	
Non-Current Assets	2,721,777		2,721,777	
Current Liabilities	277,695		277,695	
Non-Current Liabilities	(3,036,512)		(3,036,512)	
Current Ratio	-1.380		-1.380	
Total Assets	3,105,120		3,105,120	
Invest in Capital Assets, net of Debt	(46,812)		(46,812)	
Restricted Net Assets	(266,191)		(266,191)	
Unrestricted Net Assets	(33,300)		(33,300)	
Total Net Assets	(346,303)		(346,303)	
Operating Revenues	(942,564)		(942,564)	
Operating Expenses	782,403		782,403	
Nonoperating Revenues (Expenses)	458,511		458,511	
Change in Net Assets	298,350		298,350	

Client: City of Westminster

Period Ending: December 31, 2010

SCHEDULE OF ADJUSTMENTS PASSED

Aggregate Remaining Fund Information

Description	Type of Misstatement (Known or Likely)	Total Assets		Total Liabilities		Revenues		Expenditures		Fund Balance (Beg. of year)		Reserved Fund Balance		Unreserved Fund Balance		Net Effect on Following Year	
		DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To decrease the current year worker's comp accrual to the properly computed amount	Known				77,280				(77,280)						(77,280)		
Total passed adjustments					77,280				(77,280)						(77,280)		
Times expansion factor			1.3		1.3				1.3				1.3		1.3		
Expanded impact of passed adjustments					<u>100,464</u>				<u>(100,464)</u>					<u>(100,464)</u>			
									Impact on Change in Fund Balance						(100,464)		

**City of Westminster
ATTACHMENT**

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Aggregate Remaining Fund Information

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	32,091,916		32,091,916	
Total Liabilities	(7,008,029)	77,280	(6,930,749)	-1.10%
Reserved Fund Balance	(9,115,785)		(9,115,785)	
Unreserved Fund Balance	(15,968,102)	(77,280)	(16,045,382)	0.48%
Total Fund Balance	(25,083,887)	(77,280)	(25,161,167)	0.31%
Revenues	(23,537,794)		(23,537,794)	
Expenditures	27,168,712	(77,280)	27,091,432	-0.28%
Change in Fund Balance	3,630,918	(77,280)	3,553,638	-2.13%



WESTMINSTER

May 25, 2011

BKD, LLP
Certified Public Accountants
1700 Lincoln Street, Suite 1400
Denver, Colorado 80203

City of Westminster
Department of
Finance

4800 West 92nd Avenue
Westminster, Colorado
80031

303-658-2400
FAX 303-706-3923

We are providing this letter in connection with your audit of our financial statements as of and for the year ended December 31, 2010 and your audit of our compliance with requirements applicable to each of our major federal awards programs for the year ended December 31, 2010. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America for each opinion unit included therein.
2. We have made available to you:
 - (a) All financial records and related data.
 - (b) All minutes of meetings of the governing body held through the date of this letter.





- (c) All significant contracts and grants.
3. We have informed you of all current risks that are not adequately prevented or detected by the City's procedures that could cause a material misstatement with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, liabilities or net assets.
 4. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and to each applicable opinion unit.
 5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
 6. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
 7. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, customers, regulators, suppliers or others.
 8. Except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - (d) Events occurring subsequent to the balance sheet/statement of net assets date requiring adjustment or disclosure in the financial statements.



- (e) Agreements to purchase assets previously sold.
 - (f) Violations of laws, regulations, contracts, grants or requirements of regulatory agencies for which losses should be accrued or matters disclosed in the financial statements.
 - (g) Unasserted claims or assessments that our attorneys have advised us are probable of assertion.
 - (h) Restrictions on cash balances or compensating balance agreements.
 - (i) Guarantees, whether written or oral, under which the City is contingently liable.
9. Adequate provisions and allowances have been accrued for any material losses from:
- (a) Uncollectible receivables.
 - (b) Reducing obsolete or excess inventories to estimated net realizable value.
 - (c) Sales commitments, including those unable to be fulfilled.
 - (d) Purchase commitments in excess of normal requirements or above prevailing market prices.
10. Except as disclosed in the financial statements, we have:
- (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
11. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.
12. We have evaluated the effectiveness of our interest rate swap under GASB 53 and believe it to be effective under the professional standard.



13. We have examined all bond and debt agreements and do not believe any possess demand features that would require the debt to be classified as current.
14. With regard to deposit and investment activities:
 - (a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.
 - (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
15. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
16. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
17. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
18. We have a process to track the status of audit findings and recommendations.
19. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
20. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.



21. With regard to federal awards programs:
- (a) We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations or in any other form.
 - (b) We have identified the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; Davis-Bacon Act; eligibility; equipment and real property management; earmarking; period of availability of federal funds; procurement and suspension and debarment; reporting; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
 - (c) We are responsible to understand and comply with the requirements of laws, regulations, contracts and grants applicable to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the City has complied with all applicable compliance requirements.
 - (d) We are responsible for establishing and maintaining effective internal control over compliance to provide reasonable assurance we have administered each of our federal awards programs in compliance with requirements of laws, regulations, contracts and grants applicable to those programs.
 - (e) We have made available to you all contracts and grant agreements, including any amendments, and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.
 - (f) The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.



- (g) Amounts claimed or used for matching were determined in accordance with the applicable OMB Circular regarding cost principles.
 - (h) We have monitored any subrecipients to determine that they have expended federal awards in accordance with applicable laws and regulations and have met the audit and other requirements of OMB Circular A-133.
 - (i) We have taken appropriate corrective action on a timely basis after receipt of any subrecipient's auditor's report that identified findings and questioned costs pertaining to federal awards programs passed through to the subrecipient by us.
 - (j) We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.
 - (k) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.
 - (l) We have identified to you any previous compliance audits, attestation engagements and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other monitoring.
 - (m) Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.
 - (n) We are responsible for taking corrective action on any audit findings.
 - (o) The summary schedule of prior audit findings correctly states the status of all audit findings included in the OMB Circular A-133 section of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.
22. We have evaluated the City's operations under GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* and



do not believe there are matters for which accruals are required under this standard, except as recorded and disclosed in the financial statements.

23. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis and budgetary comparisons, has been prepared and is presented in conformity with the applicable GASB pronouncements. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. There has been no change from the preceding period in the methods of measurement and presentation.
24. Due care has been exercised in the preparation of the Introduction and Statistical Sections of the comprehensive annual financial report and we are unaware of any information in those sections that is materially inconsistent with the information reported in the basic financial statements.



J. Brent McFall,
City Manager



Tammy A. Hitchens,
Finance Director



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 6, 2010



SUBJECT: Licensing System and Electronic Tax Payment Upgrades

PREPARED BY: Barb Dolan, Sales Tax Manager
Josh Pens, Sales Tax Audit Supervisor

Recommended City Council Action:

Receive the Staff presentation about Business Licensing System and Electronic Tax Payment Upgrades, and provide feedback.

Summary Statement:

- In January of this year, a major upgrade to the City's business licensing software was implemented allowing the City to collect additional information from businesses. This upgrade was the result of a two year, multi-departmental project to improve the business registration and licensing process.
- Programming changes are currently being made to offer an additional electronic payment option for taxes. The resulting expansion will allow taxpayers to initiate the transmission of payments to the City in a similar fashion to payments for other taxing authorities.

Expenditure Required: \$0

Source of Funds: N/A



Background Information

Licensing Upgrades

Since 1990, the City has administered tax receipts and business licensing using an internally developed software application. Some of the application's earliest programs relate to business licensing, and have not changed substantially since first implemented 21 years ago. In 2008, Staff from the Sales Tax Division and the City Clerk's Office started evaluating current needs for business information with the goal of making comprehensive revisions to the license application forms and programs.

The process started with a needs assessment. Staff from the Community Development, Fire, Information Technology, and Police Departments met and discussed how business licensing data is used in their areas, and made suggestions for additional data that would be useful to them. In some cases, superfluous data was identified for elimination. Sales Tax Staff studied state business registration forms along with license applications from other metro area cities, and created the new business registration form. Features of the new form include line-by-line instructions and fill-in fields allowing businesses to type in form data with helpful "tooltips" describing the expected input. A copy of the new form is attached.

Businesses started using the new form in March 2010. To date, Staff has received no feedback, either positive or negative, from applicants, and no compliance issues have been experienced. The form was distributed prior to making any programming changes so that Staff could evaluate its usage, address any problems, and change the form without re-writing corresponding programs. Minor changes were made, and Sales Tax Staff worked with Software Engineering to design the new entry and maintenance program. After months of programming and testing, the new program was put into production in January 2011. Currently, Staff is collecting data from existing businesses and updating their records in preparation for making the new program available to users in other departments. Further upgrades to this program are planned, including electronic routing and approval of new license applications.

The registration form and licensing program upgrades predominantly support two of Council's Strategic Plan goals. Having adequate information about City taxpayers is necessary for administering a successful tax collection program, which, in turn, supports a Financially Sustainable City Government Providing Exceptional Service. A robust business registration supports a Safe and Secure Community by furnishing the Police, Fire, and Community Development Departments the data crucial for making decisions about a proposed use. Moreover, accurate address and emergency contact information ensures timely response to emergency calls.

Electronic Payment Expansion

When introduced in 1999, Westminster's online tax return filing program was the first of its kind for sales and use taxes in Colorado. The system is called "F.A.S.T. Filing", which stands for fully automated sales tax filing. At that time, the system allowed taxpayers to transmit sales tax return data to the City, but still required them to mail a payment. Returns filed online are automatically uploaded into the tax system, eliminating paper returns and data entry. In 2004, the system was expanded to accept electronic payments via ACH Debit. Along with their returns, taxpayers input their bank account information on the City's secure site, and the City will withdraw the amount due shortly after the due date.

Since adding ACH debit payment, usage of the system has increased from approximately 375 electronic returns per year to over 4,700. Approximately 16% of returns are now filed online. In 2010, approximately \$8.3 million in sales and use taxes were collected through the F.A.S.T. Filing system.

Some taxpayers have reported that they too would like to file online and pay electronically, but prefer to use the ACH credit method. This method allows taxpayers to initiate payment from their account to a designated City bank account as opposed to the City drawing out the funds. This method is currently allowed by all state revenue departments and the Internal Revenue Service for tax payments making it attractive for multi-state taxpayers trying to streamline tax compliance.

The Sales Tax, Treasury, Accounting, and Software Engineering Divisions have been working together diligently since January to implement programs and procedures necessary to offer this payment method. Staff has worked with the City's bank to learn about the ACH system and establish a method for transmitting payment data to the City. A secure, dedicated bank account has been established to receive these funds. Staff has studied nationwide standards for tax payments, and has developed a format for taxpayers to transmit account, tax type, payment type, and tax period information with their payments.

Software Engineering has developed programs to retrieve daily payment files from the bank and process them in the tax system. Programs have also been written to match returns with payments automatically based upon the data transmitted by the taxpayer. As soon as programs to manually apply exception payments are complete, several taxpayers who have volunteered to be in the test phase will be enrolled to begin sending payments and testing the process. Staff hopes to begin offering the ACH credit payment method to all taxpayers by the end of the year.

Beginning January 1, 2012, the City will no longer be using a contract lockbox to process mailed checks. Elimination of the lockbox was part of the citywide budget reduction measures along with discontinuing the printing of City provided returns and a voluntary reduction in FTE of the Sales Tax Technician. Offering payment by ACH credit is the first phase of a multimodal expansion effort aimed at increasing electronic payment and electronic return filing to accommodate these changes. Staff hopes to make additional system upgrades that will allow ACH credit payers to file online, allow return preparers to transmit return data in a bulk file, and potentially allow admissions and accommodations taxes to be filed and paid online.

This new payment method supports two of City Council's Strategic Plan Goals. Creating efficiencies in collecting the City's primary source of revenue, and offering improved services to the business community, support the goal of a Financially Sustainable City Government Providing Exceptional Services. The ACH credit method will also reduce the resources needed to process mail and check payments, which will be done by City Staff beginning in January 2012. Finally, easing compliance burdens improves the City's ability to attract and retain businesses resulting in a Strong, Balanced Local Economy.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment



Business Registration

WESTMINSTER
COLORADO

City Clerk
4800 West 92nd Avenue
Westminster, CO 80031

(303) 658-2162
FAX (303) 706-3924
www.CityofWestminster.us

In order to ensure legibility, please fill in fields using PDF reader. Incomplete registrations will be returned.

PART A - Registrant Information	1) Legal/True Name of Business (Last, First if Individual). Repeat on Page 2			CITY USE ONLY	
	2) Trade Name (DBA) of Business (if any up to 30 characters)			Acct	LT
	3) Federal Employer ID			I. Class	
	4) Colorado Sales Tax Account		5) Other Westminster Accounts		Area
	6) Reason for Filing (check only one) New Registration (Including registration of new location) Update Information for Account: _____ Business Purchased or Merged Change in Legal Form			7) Legal Form (check only one): Individual/Sole Proprietor (81) (Verification of Lawful Presence required) Corporation (Including PC) (83) Limited Liability Company (LLC) (84) Partnership (General or Limited) (82) Limited Liability Partnership (LLP or LLLP) (89) Non-Profit (85) Trust (87) Government (88) Other Entity Type (80): _____	
	8) Location/Account Type (check only one): Commercial (Including retail, office, and industrial locations) Home Occupation (additional registration form required) Out of City Location(s) (proceed to line 17) Catalogue or Internet Sales Account (proceed to line 17)				
	Location Information Out of City, Catalogue, and Internet accounts proceed to line 17				
	9) Location Manager Name		10) Location ID	11) Location Phone Number	
12) Location Street Address with Suite Number (No PO Boxes)					
13) City	14) State	15) Zip Code	16) Economic Development E-mail Address		
Business Registration and Licensing Information					
17) Send Business Licensing Correspondence Care Of		18) Licensing Phone Number	19) Licensing Fax Number		
20) Check the following if the licensing address is: Same as Location Address (lines 12 - 15 above)		21) Mailing Address for Business Licensing Correspondence			
		22) City	23) State	24) Zip Code	
Tax Compliance Information					
25) Send Tax Correspondence Care Of		26) Tax Phone Number	27) Tax Fax Number		
28) Check one of the following if the tax address is: Same as Location Address (lines 12 - 15 above) Same as Licensing Address (lines 21 - 24 above)		29) Mailing Address for Tax Forms, Notices, and Correspondence			
		30) City	31) State	32) Zip Code	
33) Check one of the following if the records address is: Same as Location Address (lines 12 - 15 above) Same as Licensing Address (lines 21 - 24 above) Same as Tax Address (lines 29 - 32 above)		34) Address where Tax Records may be Inspected (No PO Boxes)			
		35) City	36) State	37) Zip Code	

This form has 2 pages. Both pages must be completed. Incomplete registrations will be returned.

38) Legal/True Name of Business (From Part A, Line 1)	
---	--

PART C - Officers	39) Name of principal officer, owner, partner, member, or manager			40) Title		
	41) Address of principal residence		42) City		43) State	44) Zip Code
	45) Name of other officer, owner, partner, member, or manager			46) Title		
	47) Address of principal residence		48) City		49) State	50) Zip Code
Additional officers, owners, partners, members, or managers may be included on attachments.						

PART D - Business Inception & Operations	51) Legal Name of Prior Registrant (if purchased or merged)				52) Prior FEIN (if available)		53) Purchase/Merge Date		
	54) Start Date in Westminster		Local businesses must file an Initial Use Tax Return by the 20th of the following month. Notify the Sales Tax Division at (303) 658-2065 of changes to this date.						
	55) Hours of Operation (local businesses only)								
			Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	From								
	To								
	56) Internet Address http://				57) Home occupations: Check this box to be listed in the City website Business Directory.		Number of Employees at this Location		
						58) FT	59) PT		
60) Primary Business Type (check only one)									
Retail (10)			Manufacturing or Processing (30)			Financial Institution (45)			
Wholesale (20)			Professional or Service (40)			Leasing (50)			
Hospitality or Entertainment (15)			Construction (35)			Government/Non-Profit (70)			
61) Description of Goods Sold or Services Provided (Up to 30 Characters)				62) Check this box if you intend to sell liquor.		63) State Child Care License Number			
64) Requested Reporting Frequency						65) Check this box if your business will file on approved substitute forms. You will not receive pre-printed forms from the City.			
Monthly (Annual tax liability over \$500) (12 89 FM)									
Quarterly (Annual tax liability from \$150 to \$500) (04 90 FQ)									
Annually (Annual tax liability under \$150) (01 92)									
Every business must file at least annually, even if no tax is due.						66) Check this box if your business will F.A.S.T. File sales/use taxes online. You will not receive pre-printed forms from the City.			
All businesses, including those that do not make taxable sales, will likely have a use tax liability.									

PART E - Emergency Contacts	Local businesses complete this part. Home occupations and out of city businesses need not complete this part.							
	This information is provided to the Westminster Police Communications Center. In case of a police or fire emergency, a local responsible person will be contacted to file a report and take charge of the premises.							
	67) Primary After Hours Emergency Contact Name				68) Title		69) After Hours Phone Number	
	70) Secondary After Hours Emergency Contact Name				71) Title		72) After Hours Phone Number	
73) Third After Hours Emergency Contact Name (optional)				74) Title		75) After Hours Phone Number		

Signature of Registrant or Authorized Agent

Under penalties of perjury, I declare that I have examined this Business Registration and it is true and correct to the best of my knowledge & belief.

Signature

Date

Printed Name

Title

Instructions for Business Registration

General Instructions

Purpose of Form. This form is used for persons engaged in business in the City of Westminster to register with the City and obtain the appropriate licenses.

Every person engaged in business in the City must hold the appropriate licenses. Some businesses are required to register even though they do not maintain a fixed commercial location within the City.

There is no fee for general business licenses, home occupation licenses, and sales & use tax licenses. Certain types of businesses will be required to complete supplemental registrations and pay the appropriate fees.

Submission. Complete all required line items and submit to:

City of Westminster
City Clerk
4800 W 92nd Avenue
Westminster, CO 80031-6387

Completed forms may also be submitted via facsimile to: (303) 706-3924.

Adobe PDF Fill-In. In order to improve legibility, the City has enabled this form to be completed using the Adobe Reader. This product can be downloaded at no charge from the Adobe website (<http://www.adobe.com>).

Registrants choosing not to complete the form using Adobe Reader must typewrite the form. Illegible forms will be returned without processing.



Data entered into form fields using Adobe Reader will not be transmitted to the City and cannot be saved. Once complete, the registration must be printed, signed, and submitted as described above. Retain a photocopy of the completed registration for your records.

Review and Approval. Business registrations are reviewed by a variety of City departments to ensure compliance with building, land use, taxation, and other laws and regulations. This review process takes approximately three to four weeks. It is unlawful for any person to engage in business in the City without first obtaining the appropriate licenses.

It is important to submit the registration allowing sufficient time for review and approval prior to the start of business. Please review the registration for legibility, errors, and omissions which also may delay the time necessary to receive a license.

Additional Reminders & Resources

This is a legal document. Read all instructions carefully to ensure this registration is accurate and complete. Licenses to conduct business in the City may be denied, suspended, or revoked if the information contained in this registration is incomplete or contains false, misleading, or fraudulent statements.

Signature required. The person completing the registration must sign and date the form at the bottom. A printed name is

also required. If the registrant is not a natural person, the title of the officer or agent completing the form on behalf of the registrant must also be printed on the form. Forms without a signature will be returned.

Keep information updated. The information in this Business Registration is used by a variety of City agencies including the City Clerk, Police, Fire, Code Enforcement, Planning, Building, Sales Tax and Economic Development for health, public safety, land use, and other regulatory and informational concerns. It is critical that you report any changes in this information to the office of the City Clerk as soon as practicable. Please reference your assigned Westminster account number on any correspondence.

Westminster taxes. The Sales Tax Division collects Westminster taxes. For forms, *Tax Compliance Guide* publications on a variety of topics, and other resources, visit the [Tax/License Toolbox](#) section of the City website: <http://www.CityofWestminster.us> or call (303) 658-2065.

Trade name registration. An individual or entity transacting business in the state of Colorado under a name other than their legal or true name must register such trade name (also referred to as a “doing business as” or “DBA”) with the Colorado Secretary of State. Additional information is available at <http://www.sos.state.co.us>.

State tax registration. In addition to registering with the City of Westminster, businesses must register with the Colorado Department of Revenue and may be required to register with other home rule cities. Additional information is available on the department’s website: <http://www.taxcolorado.com> or by contacting the Taxpayer Services Division at (303) 238-7378. The department publishes a directory of home rule municipalities (publication number DR 1002) which is also available on their website.

Business signs. Businesses are required to obtain a permit from the City before erecting or maintaining a temporary or permanent sign. Sign regulations are contained in Title XI, Chapter 11 of the [Westminster Municipal Code](#). Contact the Department of Community Development at (303) 658-2114 for additional information.

County taxes and information. Westminster is located within Jefferson county (west of Sheridan Boulevard) and Adams county (east of Sheridan Boulevard). Property taxes are collected by the county in which property is located. For information on county resources and property taxes contact:

Adams County: (303) 659-2120
Jefferson County: (303) 279-6511

Food service businesses. Food service businesses are required to obtain a permit from the health department. For more information contact:

Tri-County Health (Adams): (303) 220-9200
Jefferson County Health: (303) 232-6301

Specific Instructions

Line 1 – Legal/True Name of Business. Enter the legal name of the individual or entity registering exactly as it appears on the registrant’s social security card, charter,

articles of organization, or other legal document. This is not normally the name of the individual completing this form.

Individuals/Sole Proprietors: Enter your last name followed by your first name as it appears on your social security card.

Corporations: Enter the name of the corporation as it appears in the articles of incorporation or corporate charter.

Limited Liability Company: Enter the name of the LLC as it appears in the articles of organization.

Partnerships: Enter the name of the partnership as it appears in the partnership agreement.

Trusts: Enter the name of the trust as it appears in the trust instrument.

Line 2 – Trade Name. Enter the name by which the registrant is known to the public if it is different than the legal name. Trade names are also referred to as “doing-business-as” or “DBA” names and must be registered with the Secretary of State (see above). If the trade name exceeds 30 characters, abbreviate it appropriately.

If the registrant is known by multiple trade names, enter the most common name (i.e. the name which will appear on business invoices and signage) and attach a sheet listing the additional trade names.



It is particularly important that local businesses list the name displayed on premise signage so that police and fire personnel can easily locate the business in case of an emergency.

Line 3 – Federal Employer Identification Number. Enter the registrant’s nine digit Federal Employer Identification Number (EIN).

If the registrant is an individual or a single member disregarded LLC without an EIN, do not enter your social security number (or taxpayer identification number). Leave this line blank.

If the registrant has applied for an EIN, leave this line blank and file an update upon receiving the EIN from the Internal Revenue Service. For additional information on applying for an EIN visit, the IRS website: <http://www.irs.gov>.

Line 4 – Colorado Sales Tax Account. If applicable, enter the retail sales tax or retailers use tax account number issued to the registrant by the Colorado Department of Revenue. If the registrant has applied for a state sales tax account, leave this line blank and file an update upon receiving an account number from the Department of Revenue. For additional information on registering with the Department of Revenue, visit their website: <http://www.taxcolorado.com>.



Do not list an EIN or state sales tax account number on tax returns, forms, and other correspondence with the City. Upon approval of the registration, the City will issue a unique seven digit Westminster tax account number.

Line 5 – Other Westminster Tax Accounts. Each location within the City requires a separate license.

Sales made from locations outside Westminster, catalogue sales, and sales over the internet can be reported under a single account that is separate from accounts for locations in

the City. Taxpayers cannot add these sales to an account for a location in the City.

Provide any account numbers under which this registrant is registered with the City. In general, the first five digits of the new account number will remain the same with a unique number assigned for the last two digits. Do not list account numbers assigned to other individuals or entities related to the registrant even though they may share the same trade name.

Line 6 – Reason for Filing. Check the box which best represents the reason you are submitting this registration. Note that business licenses are generally not transferrable, and that a new registration will be required if the business is sold or merged into another entity.

Line 7 – Legal Form. Check the box next to the appropriate legal form. If the registrant’s legal form is not listed, check the “other entity type” box and provide a description of the organization’s legal form.

Pursuant to C.R.S. § 24-76.5-103, individuals and sole proprietorships are required to submit a [Verification of Lawful Presence](#) form in addition to this business registration. This form is available in the Tax/License Toolbox section of the City website under Licenses. Out of City and catalogue and Internet only accounts do not need to complete this form.



Line 8 – Location/Account Type. Check the box which best describes the location for which a license is sought.

Commercial locations include all premises within the City (except residential dwellings) where any kind of trade, vocation, occupation, profession, enterprise, establishment, or other activity or matter, whether or not for profit, is operated, excluding those activities operated from a residential address. For licensing purposes, commercial locations include licenses for businesses operating and maintaining hotels/motels, multi-family dwellings, and residential care facilities.

Home Occupations include those activities operated in connection with the occupation of a dwelling unit (residence) in accordance with the City zoning code. Special restrictions apply to residential locations and a supplemental [Home Occupation Registration](#) form is required to be submitted with this business registration.

Out of City accounts are for registrants engaged in business in the City who do not maintain a fixed premise in the City. Out of city accounts are also for registrants with one or more locations in the City to report sales of property and services originating from location outside Westminster. Sales from multiple locations outside Westminster may be combined under a single out of city account, however, taxpayers may not report out of city sales using an existing commercial account.

Catalogue and Internet accounts are similar to out of city accounts. They are used for registrants who are required or desire, for the convenience of their customers, to collect tax on sales made through catalogues or via the Internet. Such sales may not be reported using an existing commercial account, however, businesses in the City with an account for out of City locations need not establish a separate catalogue and Internet account. Home occupations are not required to establish separate accounts for Internet sales.

Out of City, catalogue, and Internet accounts do not need to complete lines 9 through 16. Proceed to line 17.

Line 9 – Location Manager Name. Enter the name of the person responsible for the management and supervision of activities carried on in the City.

Line 10 – Location Identification. Businesses with multiple locations often assign each location a unique identification number or code. If you refer to this location by such a code, enter it on this line 10.

Line 11 – Location Phone Number. Enter the local phone number, including area code, of the location for which a license is sought.

Lines 12 through 15 – Location Address. Enter the street address of the location for which a license is sought. Include the suite, space, or unit number if applicable. Do not enter a post office box. Enter the city, state, and zip code. Zip+4 entries are permitted.

Line 16 – Economic Development E-mail Address. Enter a valid e-mail address to receive important news and information on City programs and events from the City's Economic Development office.

Line 17 – Business Licensing Contact. Enter the name of the individual or department to which correspondence regarding business registration and licensing should be directed. Such correspondence includes without limitation, licenses, renewal notices, and notices of adverse action.

Line 18 – Business Licensing Phone Number. Enter the phone number of the individual or department handling business registration and licensing inquiries.

Line 19 – Business Licensing Fax Number. Enter the facsimile number upon which correspondence regarding business registration and licensing is received.

Line 20 – Duplicate Address. If the address for business registration and licensing correspondence is the same as the location address listed on lines 12 through 15, check the box on this line 20 and proceed to line 25. Otherwise, complete lines 21 through 24.

Lines 21 through 24 – Business Licensing Address. Enter the mailing address of the individual or department to which correspondence regarding business registration and licensing should be directed. Post office boxes are permitted on this line. Enter the city, state, and zip code. Zip+4 entries are permitted.

Line 25 – Tax Compliance Contact. Enter the name of the individual or department to which correspondence regarding Westminster taxes should be directed. Such correspondence includes without limitation, tax returns, forms, notices of assessment, and audit notices.

Line 26 – Tax Compliance Phone Number. Enter the phone number of the individual or department handling tax inquiries.

Line 27 – Tax Compliance Fax Number. Enter the facsimile number upon which correspondence regarding taxes is received.

Line 28 – Duplicate Address. If the address for tax correspondence is the same as the location address or the business licensing address, check the appropriate box on this line 28 and proceed to line 34. Otherwise, complete lines 29 through 32.

Lines 29 through 32 – Tax Compliance Address. Enter the mailing address of the individual or department to which correspondence regarding Westminster taxes should be directed. Post office boxes are permitted on this line. Enter the city, state, and zip code. Zip+4 entries are permitted.



The Westminster Municipal Code requires that every person engaged in business in the City keep and preserve records suitable in content and form to allow the City to determine such person's tax liability. Audits are often conducted at the location where books and records are maintained, but may also be conducted at City offices.

Line 33 – Duplicate Address. If the address where tax records are maintained is the same as the location address, the business licensing address, or the tax address, check the appropriate box on this line 33 and proceed to line 38. Otherwise, complete lines 34 through 37.



A street address where tax records are maintained is required. Do not check a duplicate address box if you entered a post office box for the business licensing or tax address. Complete lines 31 through 34.

Lines 34 through 37 – Tax Records Address. Enter the street address where tax records are maintained. Do not enter a post office box. Enter the city, state, and zip code. Zip+4 entries are permitted.

Line 38 – Legal Name of Registrant. In order to prevent the second page from being misplaced, enter the legal name of the registrant as it appears on line 1 of the first page.

Lines 39 through 50 – Owner, Officer, Partner, Manager, or Member Information. Enter the name, title, e-mail address, home street address, city, state and zip code of each owner, officer, partner, LLC manager, or principle LLC member. Do not enter a post office box. Do not enter the principle office or location address unless the registrant is a home occupation.

If there are more than two individuals, attach an additional, typewritten sheet listing the legal name of the registrant (from line 1) and containing all of the required information. Use only white, 8½" x 11" paper. Duplex printing is permitted.

Lines 51 through 53 – Prior Registrant. If this registration was caused by the purchase of an existing business, a merger, or a change in legal form, enter the name and Federal Employer Identification Number (if known) of the previous registrant. Enter the effective date of the purchase, merger, or change on line 53. The account of the previous registrant will be closed and a final tax return will be required.



In certain circumstances, a new owner may be liable for taxes owed by a previous owner. For more information, see Tax Compliance Guide topic 357 regarding business purchases.

Line 54 – Start Date in Westminster. Enter the date business commenced or will commence in the City. All registrants must enter a date. If you are unsure of the exact date, enter a date which best represents your anticipated start date and contact the Sales Tax Division at (303) 658-2065 if this date changes.

This date may be in the past if the registrant has been operating without a license. Prior period tax returns may be required.

New businesses in the City should list the opening date excluding prior construction and setup time. An initial use tax return is due on the 20th of the month following this date.

Out of City businesses should list the date of the first sale or contact within the City.

Line 55 – Hours of Operation. Certain types of businesses are allowed to operate only during specific times. Enter the proposed hours of operation for your business for each day of the week. If your business will not operate on certain days, enter “CLOSED” in the top “From” field under those days. Refer to Title V of the *Westminster Municipal Code* for additional information.

Line 56 – Internet Address. Commercial businesses within the City are listed in the business directory on the City website. The Internet address on this line 56 will be included in this listing if provided. Registrants need not list the “http://” portion of the address, but must include the “www” if applicable.

Line 57 – Home Occupation Business Directory Listing. Home occupations must opt-in to be included in the business directory on the City website. Check the box on this line 57 to opt in. Note that your home address will be included on the listing for your business. If you listed an Internet address on line 56, it will also be included.

Line 58 – Full Time Employees. Local businesses enter the number of employees working 32 or more hours per week at the location listed on lines 12 through 15. Out of City businesses should skip this line.

Line 59 – Part Time Employees. Local businesses enter the number of employees working fewer than 32 hours per week at the location listed on lines 12 through 15. Out of City businesses should skip this line.

Line 60 – Primary Business Type. Check the box which best describes the primary type of business to be conducted under this license. The type selected will be displayed in the business directory on the City website. If multiple types are applicable, choose the type which, in your opinion, best represents the primary business type. Check only one box.

Line 61 – Description of Goods Sold or Services Provided. Enter a brief (up to 30 characters including spaces) description of the goods sold and/or services provided. This description will appear in the business directory on the City website.

Along with the primary business type, this description will be used to evaluate this registrant’s proposed use for public safety and land use compliance. This description will also aid the City Clerk in assigning a class code from the North

American Industry Classification System (NAICS). Be as specific as possible in 30 characters.

Line 62 – Liquor Sales. Check the box on this line 62 if the registrant proposes to sell liquor now or in the future. This line will aid the Planning Division in evaluating the location for zoning and land use restrictions. Contact the City Clerk for additional information on liquor licensing.

Line 63 – State Child Care License Number. Child care providers are required to obtain a license from the Colorado Department of Human Services (CDHS) prior to registering with the City. If the registrant will be providing child care services, enter the State license number on this line 63. For more information, contact CDHS at (303) 866-5958.

Line 64 – Requested Reporting Frequency. Every person engaged in business in the City must file a tax return annually even if no tax is due. Even service businesses that do not make taxable sales will likely have a use tax liability. For additional information on use tax, refer to *Tax Compliance Guide* topic 313.

Professional services and home occupations will usually be assigned an annual frequency. Depending upon the nature of the business and the average tax liability, some businesses will be required to file more frequently. Check the box representing your requested filing frequency.



If your business is occasional, making only one or two sales in the City per year in excess of \$1,000, select an annual filing frequency to avoid filing zero liability returns monthly.

Line 65 – Use of Substitute Forms. Check the box on this line 65 if your business plans to file on substitute forms in accordance with tax regulations. Unless indicated, the City will print and send tax forms for your use. For additional information on substitute forms, visit *Tax Regulations* on the City website.

Line 66 – Online Filing. Check the box on this line 66 if your business plans to file sales and use tax returns online using the City’s F.A.S.T. Filing system. Unless indicated, the City will print and send tax forms for your use. For additional information on F.A.S.T. Filing, refer to *Tax Compliance Guide* topic 340.

Lines 67 through 75 – Emergency Contact Information. Local businesses, enter the name, title, and after hours phone number of up to three local emergency contacts. This information is used by the Westminster Police Communications Center in case of a police or fire emergency.

The persons on this list must be able to report to the business, make police reports, take charge of and/or secure the premises. Given the critical nature of this information, it is important that it is kept current. Report any changes immediately to the City Clerk.

Signature – After reviewing the registration for accuracy and completeness, sign the form on the lower portion of the second page. Print the name and title of the person who completed the return and the date it was completed.



WESTMINSTER

Staff Report

Information Only Staff Report
June 6, 2011



SUBJECT: Meet the Employers Event Hosted by Congressman Jared Polis and the City of Westminster

PREPARED BY: Rachel Harlow-Schalk, Environmental and Administrative Services Officer

Summary Statement

This report is for City Council information only and requires no action by Council.

On Monday, July 18, 2011, Congressman Jared Polis and the City of Westminster will be hosting a Meet the Employers event from 10 a.m. to 11:30 a.m. at City Park Recreation Center (10455 Sheridan Boulevard).

Background Information

During 2011, United States Representative Jared Polis is hosting Meet the Employers events throughout his district. Polis' office and the City of Westminster will be co-hosting this event on July 18, 2011, from 10 a.m. to 11:30 a.m. at the City Park Recreation Center (10455 Sheridan Boulevard). This event is not a job fair, but rather an opportunity for those looking for employment to ask employers specific questions about current job openings.

Attendees at traditional job fairs could expect to have several on-the-spot interviews. Representative Polis' office has found that today most companies use the Internet for hiring and advertising and those who may attend job fairs are now told to visit the companies' websites for the specific job placement information. In comparison, a Meet the Employers event provides attendees with an opportunity to hear about specific job openings and to ask questions of those who are working to fill the positions. Employers who have already indicated that they will participate in this event are JP Morgan/Chase, LGS Innovations, Enterprise Rent-A-Car, Vestas Technology, Jefferson County Government, Mile High Youth Corps and the City of Westminster.

This event will be publicized in City Edition, the Economic Development Newsletter, and in Weekly Edition. The event was initially scheduled for July 26. This date was changed and Staff wants to make sure Council is aware that the confirmed date is July 18.



Information Only Staff Report – Meet the Employers Event Hosted by Congressman Jared Polis and
the City of Westminster

June 6, 2011

Page 2

The Westminster Meet the Employers event supports City Council's Strategic Plan Goal of a Strong,
Balanced Economy by helping residents connect with employers in their community.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

Information Only Staff Report
June 6, 2011



SUBJECT: Mosquito Program for 2011
PREPARED BY: Richard Dahl, Park Services Manager

Summary Statement

The Jefferson County Health Department has ceased mosquito and West Nile virus control operations in 2011 due to budget cutbacks. With this lack of mosquito abatement, Staff is anticipating additional migration of mosquitoes into the western portions of the City for the 2011 season.

Since West Nile Virus was first discovered in Colorado in 2002, the Jefferson County Health Department has partnered with the City to reimburse the Parks, Recreation and Libraries Department for mosquito control within the Jefferson County portion of the City. As of this year, the County will no longer pay for these services. The City was reimbursed \$15,540 in 2009 and \$9,850 in 2010. City Staff, however, intends to continue mosquito control for the entire City and has adequate funds in the 2011/2012 budget to fund the program.

Background Information

In 1987, the Cities of Westminster and Thornton and a private contractor developed the North-Metro Mosquito Management Program with the intent to provide quality mosquito management service at a reasonable cost while adhering to environmentally-safe and effective control measures. A secondary, but no less important, objective was to promote the advantages of the program to surrounding municipalities/agencies and encourage those entities to join. This, in turn, would assist in "buffering" Westminster beyond the City's boundaries and provide a level of service far greater than the cost of belonging to the program. As of 2010, the following 24 agencies participated:

Adams County, Jefferson County, Boulder County, Weld County, Broomfield County, the Cities of Westminster, Thornton, Northglenn, Brighton, Federal Heights, Arvada, Wheat Ridge, Golden, Lakewood, Lafayette, Louisville, Erie, Longmont, Lochbuie, Firestone, Fredrick, Dacono, Commerce City, and the Hyland Hills Park and Recreation District.

In March of 2011, the City was notified that Jefferson County and the City of Arvada will no longer provide mosquito control for their communities. Because both these agencies about the City, it is anticipated there could be additional mosquito issues on the western side of the City.



Information Only Staff Report – Mosquito Program for 2011

June 6, 2011

Page 2

Mosquito control for the City is handled by private contractor, Ottertail Environmental, and they have been contacted to expect additional control issues for the 2011 season. The Ottertail contract for the City's mosquito service is \$39,400 and is fully funded in the 2011 and 2012 budgets.

Respectfully submitted,

J. Brent McFall
City Manager