

CITY OF Northglenn COLORADO

50 YEARS • 1969-2019

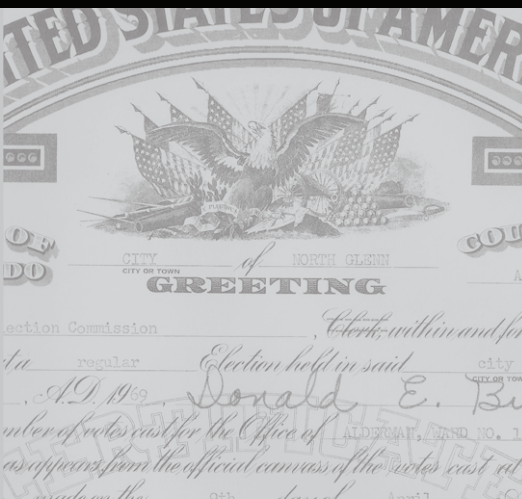
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2019CAFR COMPREHENSIVE ANNUAL Year Ended
FINANCIAL REPORT December 31, 2019





CITY OF NORTHGLENN, COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2019

**Prepared by:
Finance Department**

CITY OF NORTHGLENN, COLORADO

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Introductory Section

June 8, 2020

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

We are pleased to submit this Comprehensive Annual Financial Report of the City of Northglenn, Colorado (the City) for the fiscal year ended December 31, 2019 as required by local ordinance, City Charter and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

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

The City's financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

Local Economy

Approximately 950 businesses operate in the City offering a wide variety of goods and services. A 125-acre industrial park located on the east side of the City and comprised of roughly 129 businesses involved in manufacturing, transportation, warehousing, automotive, and other services provides many of the primary jobs within the community. The City is also home to a number of "big box" commercial retail establishments including Lowes, Best Buy and Bed, Bath & Beyond. The Northglenn Marketplace located at US Interstate 25 and 104th Avenue is the primary retail center within the City and is made up of approximately 71 establishments and representing over 650,000 square feet of retail space.

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

The Consumer Price Index for the Denver metropolitan area increased 3.8% comparable with the increase in the national index of 2.1% for all urban consumers for the twelve months ending December 31, 2019. Adams County, Colorado reported an unemployment rate of 2.5% in December 2019 compared to 4.0% reported in 2018. Local area unemployment is below that of the nation as a whole, which reported an ending 2019 unemployment rate of 4.4%.

Long-Term Financial Planning

With the City being surrounded and almost fully developed, growth is limited. The City is currently working with a private developer on a mixed-use plan for the largest remaining area of vacant land, located north of 120th Ave. between Race St. and Irma Dr., formerly Karl's Farm Dairy. The development of the approximately 64 acres will complete the infill.

The location of the City remains a strong advantage for retail and commercial businesses, and provides residents ample commuting opportunities. The Regional Transportation District's (RTD) mass-transit light rail system, FasTracks, routed through Northglenn, provides a station within the City limits at 112th Ave. between Irma Dr. and York St., and one just north of the City limits at 124th Ave and Claude Ct. The City has also been awarded a \$6.997 million grant from the Colorado Department of Transportation (CDOT) through the Federal Highway Administration's (FHWA) Fixing America's Surface Transportation (FAST) Act, to widen 120th Ave. between Washington St. and Claude Ct. to alleviate congestion caused by the bottle-neck created along this section of major arterial roadway.

The lack of growth opportunity gives rise to the importance of redevelopment. During 2019, the City partnered with NURA to begin the redevelopment of the Civic Center Campus, which will include infrastructure improvements, a new recreation center with a theatre complex and mixed-use private development. The City is also working with a private developer to bring a Harkins 12-screen luxury movie theater to the Northglenn Marketplace at 104th Ave. and US Interstate 25.

The City remains committed to reinvesting in public infrastructure as part of the long-range plan. Aging equipment and infrastructure, increased traffic from surrounding cities and environmentally sustainable initiatives are being evaluated and prioritized on an ongoing basis. To moderate the financial impact, the City identified funding sources for future capital and infrastructure needs. In 2013, voters approved the continuation of a one-half percent sales tax through December 31, 2025, dedicated for the procurement of water rights. The voters removed a sunset provision of a 4.000 mill property tax for the exclusive purposes of reconstructing streets and roadways in 2017. In 2015, voters approved the extension of a one-half percent sales tax with a spending restriction for purposes of funding capital improvement projects that does not sunset. As part of the ongoing long-range planning, the City continues to evaluate the need for increases to the water, wastewater and stormwater user rates to support the ongoing operations and

maintenance of the City's treatment plants and infrastructure. In 2017 the City Council approved a five-year plan for annual water and wastewater rate increases that began in 2018 and will continue through 2022.

Debt Administration. As of December 31, 2019, the City has no general obligation bonded debt outstanding. Under state statute, general obligation bonded debt issuances are subject to a legal limitation based on 3 percent of total assessed value of real and personal property.

In December 2019, the City issued Certificates of Participation in the amount of \$38,530,000 for the construction of the recreation center and theatre complex portion of the Civic Center Campus redevelopment project. The required annual lease payments are approximately \$2,650,000 scheduled to begin in 2020 and will continue through 2039.

In October 2019, NURA issued Tax Increment Revenue Bonds in the amount of \$11,210,000 to fund the infrastructure and site improvements of the Civic Center Campus redevelopment project. The required annual bond payments are approximately \$860,000 scheduled to begin in 2020 and continue through 2038.

In April 2017, the City issued Certificates of Participation in the amount of \$19,325,000. At December of 2019, the 2017 Certificates of Participation were outstanding in the amount of \$17,365,000. The required annual lease payments are approximately \$1,470,000 and are scheduled to continue through 2036. The issuance was used to fund construction costs related to the Justice Center Project, which was completed in 2018.

In January 2013, the Northglenn Capital Leasing Corporation (NCLC), a blended component unit of the City, completed an advanced refunding of its Series 2002A Certificates of Participation (Certificates) in the amount of \$8,795,000. At December of 2019, the 2013 Lease Purchase Agreement was outstanding in the amount of \$2,815,001. Water rates are set each year to cover the required lease payments and projected operating costs. The required annual lease payments are approximately \$980,000 and are scheduled to continue through 2022. The lease is the long-term obligation of NCLC and does not constitute a general obligation or other indebtedness to the City. The lease was used to fund construction costs related to the Standley Lake Dam Improvement Project.

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

Major Initiatives

As confirmation of the City's reinvestment in public infrastructure and the community, several major projects were initiated and/or completed during 2019 as highlighted below:

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

Northwest Open Space Facilities Improvements – The City is near completion of modifications to the open space located at 112th Ave. and Ranch Dr. The installation of a concession stand, permanent restrooms and the expansion of parking lots were added to enhance the ever increasing utilization of the facility. The expanded improvements were made possible by \$2.16 million of grant funding provided by Adams County Open Space. Full benefit of the new facilities will be available in the spring of 2020.

Kiwanis Pool – With the assistance of \$800,000 of grant funding from Adams County Open Space, the City is renovating the Kiwanis Pool facility with a new splash pad and pool house. Construction is anticipated to be completed in the late spring of 2020, in time for the regular season opening.

Terminal Reservoir – The City completed the replacement of 800 feet of deteriorating reinforced concrete pipe with ductile iron pipe from the bypass vault to the reservoir and chemical feed buildings to ensure no interruption of water supply to the treatment process.

WWTP Maintenance & Operations Building – This building was the final stage of the wastewater treatment plant headworks and clarifier project that was completed in 2018, and houses the administrative offices and the laboratory for the treatment plant.

WWTP UV Upgrades – To meet discharge permit requirements at peak hydraulic flows, the City added an additional ultraviolet (UV) disinfection bank at the wastewater treatment plant.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2018 using Governmental Accounting Standards Board Statement 34 presentation of financial statements. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



Heather Geyer
City Manager



Jason Loveland
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Northglenn
Colorado**

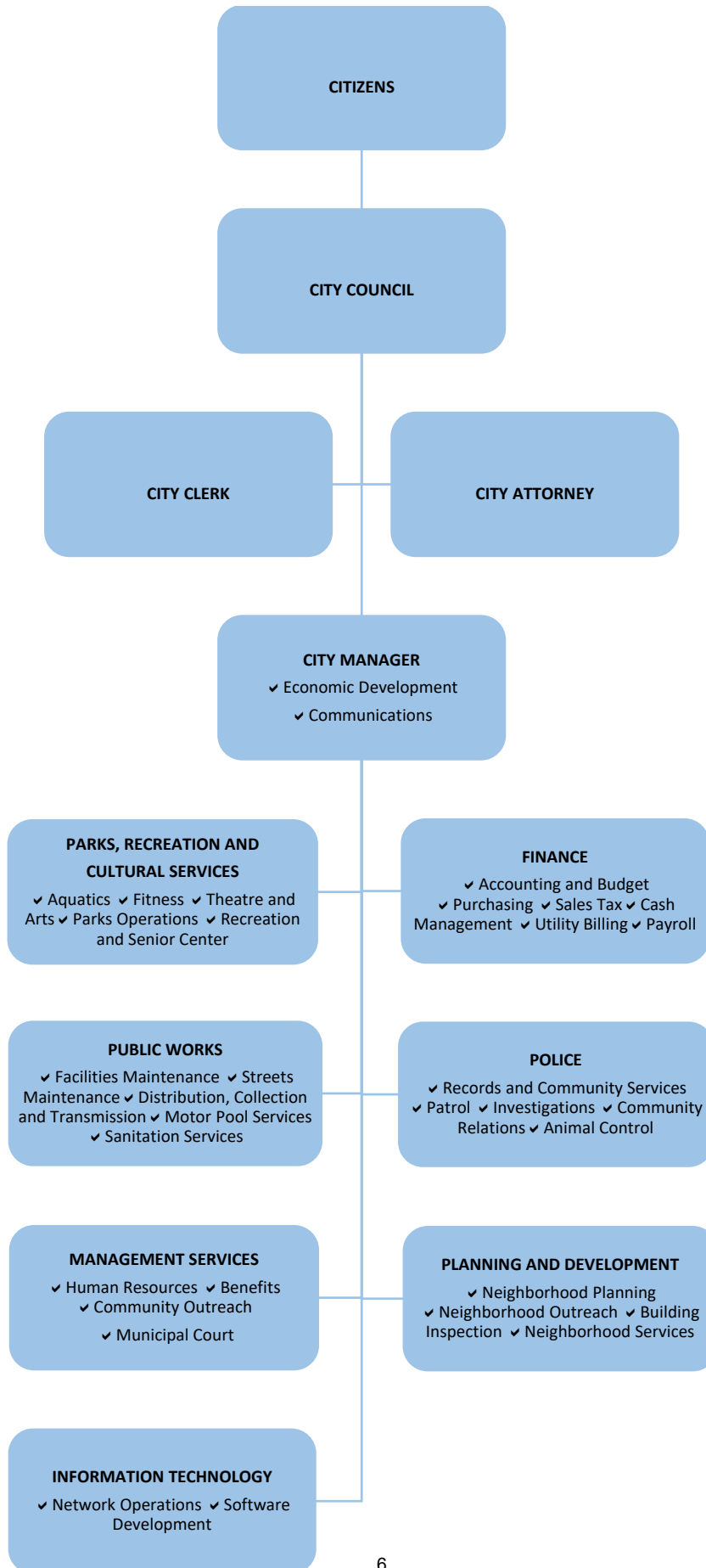
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF NORTHGLENN - ORGANIZATIONAL STRUCTURE





CITY OF NORTHGLENN, COLORADO

CITY COUNCIL

Meredith Leighty, Mayor
Randall Peterson, Ward 1
Ashley Witkovich, Ward 1
Becky Brown, Ward 2
Joyce Downing, Ward 2
Katherine E. Goff, Ward 3
Julie Duran Mullica, Ward 3
Antonio B. Esquibel, Ward 4
Jenny Willford, Mayor Pro Tem

ADMINISTRATIVE OFFICIALS

Heather Geyer, City Manager
Corey Hoffmann, City Attorney
Johanna Small, City Clerk
Paula Jensen, Director of Management Services
Kent Kisselman, Director of Public Works and Utilities
Bob Lehr, Director of Information Technology
Jason Loveland, Director of Finance
James May, Chief of Police
Amanda Peterson, Director of Parks & Recreation
Brook Svoboda, Director of Planning and Development



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Financial Section

Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Northglenn, Colorado (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2020 on our consideration of the City of Northglenn, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northglenn, Colorado's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
May 18, 2020

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

This section of the City of Northglenn's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on December 31, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the City of Northglenn exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$287,282,608 (net position). Of this amount, \$40,331,192 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$11,265,959 over the prior year.
- At the end of the current fiscal year, fund balance within the governmental funds was \$92,420,222, which represents an increase of \$42,878,408 when compared to 2018. Approximately 29% of the fund balance, or \$26,900,643 is unrestricted.

Overview of the Financial Statements

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

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

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

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

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

Figure A-1

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

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The City has two kinds of funds:

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

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Financial Analysis of the City

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Northglenn, assets exceeded liabilities by \$287,282,608 at the close of the most recent fiscal year.

The largest portion of the City of Northglenn's net position (74.1%) reflects its net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt to acquire those assets that is still outstanding. The City of Northglenn uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Northglenn's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position is designed to reflect net positions that are subject to restriction beyond the City's control. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Northglenn is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

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

	Governmental		Business-type		Total	
	2018	2019	2018	2019	2018	2019
Current and Other Assets	\$ 57,607	\$ 104,853	\$ 21,757	\$ 25,434	\$ 79,364	\$ 130,287
Capital Assets	102,483	106,273	128,764	129,092	231,247	235,365
Total Assets	160,090	211,126	150,521	154,526	310,611	365,652
Deferred Outflow of Resources	-	16	188	155	188	171
Long-term Debt	22,344	64,315	4,375	3,527	26,719	67,842
Other Liabilities	3,181	4,564	884	1,047	4,065	5,611
Total Liabilities	25,525	68,879	5,259	4,574	30,784	73,453
Deferred Inflow of Resources	3,994	5,062	5	25	3,999	5,087
Net Investment in						
Capital Assets	82,451	86,399	125,236	126,428	207,687	212,827
Restricted	2,363	23,224	8,354	10,901	10,717	34,125
Unrestricted	45,757	27,578	11,855	12,753	57,612	40,331
Total Net Position	\$ 130,571	\$ 137,201	\$ 145,445	\$ 150,082	\$ 276,016	\$ 287,283

Changes in Net Position

The government's net position increased by \$11,265,969 during the current fiscal year. This increase is primarily due to revenues exceeding expenditures in both governmental and business-type activities, as explained below.

Governmental Activities. Governmental activities increased the City of Northglenn's net position by \$6,629,608. Governmental revenues increased by \$3,184,181 or 8.4% over 2018, mainly due to an increase in grants and contributions of \$2.2 million, other taxes of \$.6 million and investment earnings of \$.6 million over the prior year.

Business-type Activities. Business-type activities increased the City's net position by \$4,636,351. Business-type revenues increased \$734,087 or 4.0% in 2019 compared to 2018. The largest increases were attributed to an increase in investment earnings of \$.3 million and other revenue (grants, contributions and miscellaneous) of \$.3 million.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Changes in net position (in thousands):

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 4,423	\$ 4,057	\$ 14,318	\$ 14,237	\$ 18,741	\$ 18,294
Operating Grants and Contributions	810	750	-	20	810	770
Capital Grants and Contributions	6,215	8,427	-	-	6,215	8,427
General Revenues:						
Property Taxes	3,969	3,979	-	-	3,969	3,979
Other Taxes	21,397	22,043	3,863	3,967	25,260	26,010
Franchise Fees	36	17	-	-	36	17
Grants and Contributions Not Unrestricted to Specific Programs	142	163	-	-	142	163
Investment Earnings	867	1,484	283	630	1,150	2,114
Other	103	195	27	342	130	537
Gain on Sale of Assets	-	31	-	30	-	61
Total Revenues	37,962	41,146	18,491	19,226	56,453	60,372
Expenses						
General Government	7,944	8,070	-	-	7,944	8,070
Recreation and Culture	5,410	5,222	-	-	5,410	5,222
Public Safety	10,517	11,160	-	-	10,517	11,160
Public Works	8,823	8,593	13,268	14,589	22,091	23,182
Interest on Long-Term Debt	735	1,471	-	-	735	1,471
Total Expenses	33,429	34,516	13,268	14,589	46,697	49,105
Change in Net Position	4,533	6,630	5,223	4,637	9,756	11,267
Net Position, Jan 1	126,038	130,571	140,222	145,445	266,260	276,016
Net Position Dec 31	<u>\$130,571</u>	<u>\$137,201</u>	<u>\$145,445</u>	<u>\$150,082</u>	<u>\$276,016</u>	<u>\$287,283</u>

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Northglenn's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Northglenn's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the year, the City's governmental funds reported a combined fund balance of \$92,420,222. Of that fund balance, \$18,191,521 constitutes unrestricted fund balance, which is available for spending at the government's discretion. Of the total fund balance, \$8,709,122 has been committed by Council for an operating reserve of \$6,060,094, a Victims Assistance fund in the amount of \$87,620 and \$2,561,408 for capital projects. Restricted fund balance is comprised of \$77,153 of forfeitures for law enforcement use, \$826,376 for a state constitution mandated emergency reserve, \$926,961 for parks and open space purposes, and an additional \$63,456,110 has been restricted for capital projects. The remainder of fund balance is not available for new spending because it has already been restricted for inventories and prepaid items in the amount of \$232,979.

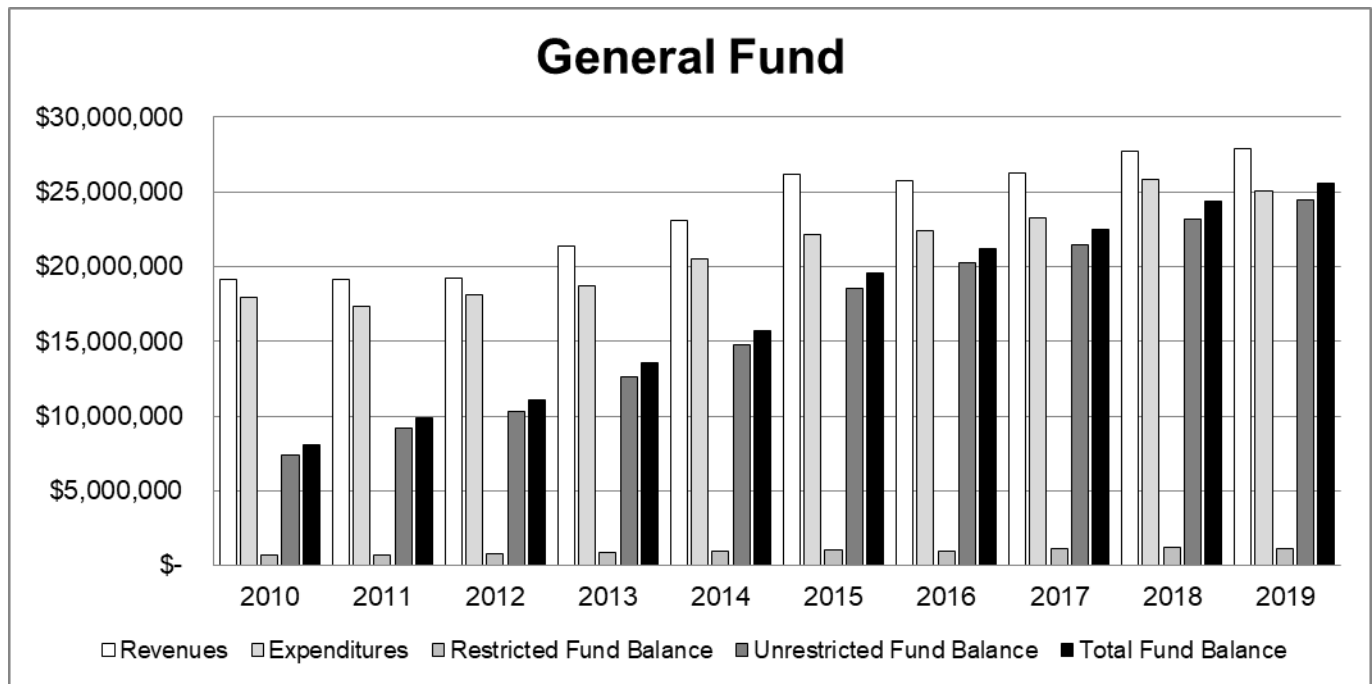
The General Fund is the chief operating fund of the City of Northglenn. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$18,276,559 while total fund balance reached \$25,560,781. The fund balance represents an increase of approximately 4.8% or \$1,162,693 when compared to the prior year. The

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

increase in fund balance is attributable to an increase in revenue over budget estimates (sales tax, intergovernmental and investment earnings) and expenditure savings from personnel. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents approximately 72.9% of total 2019 General Fund expenditures, which includes capital outlay, while total fund balance represents approximately 101.9% of that same amount.



The Capital Projects Fund accounts for all governmental capital improvement projects of the City. As of 2019, total fund balance in the Capital Projects Fund was \$66,826,864. Of the total fund balance \$64,265,456 is restricted for specific capital-related uses (e.g. streets, recreation, etc.) while \$2,561,408 remains committed for general capital-related uses. The total fund balance represents an increase of approximately 182.3% or \$43,155,503 when compared to the prior year. The increase in fund balance is mostly attributable to the issuance of Certificates of Participation during the year for the construction of the recreation center and theatre complex, and the inability to complete all projects budgeted during the year.

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

Net position of the Water and Wastewater Funds at the end of the year amounted to \$103,801,849 and \$38,837,952, respectively. Net position for the Stormwater and Sanitation Funds amounted to \$3,984,101 and \$3,457,761, respectively. Total change in net position for all four funds was \$4,636,351, an increase over the prior year by approximately 3.2%. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's Business-type activities.

General Fund Budgetary Highlights

During the year, amendments to the 2019 original budget appropriation were in the form of grant acceptances where revenue equaled expenditures, and the addition of appropriations for the City's 50th Anniversary celebration, City Council projects, a legal pilot program and contract carry-over. These items were not budgeted during the budget process and added by the legislative body to the budget throughout the year.

Revenues of \$27,858,236 were within 3.0% of budget. Increases realized through sales/use tax, intergovernmental and investment earnings were offset by continued declines in charges for services and fines and forfeitures.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Actual expenditures of \$25,076,674 fell below budget appropriations by \$768,855 or approximately 2.9%. A large portion of this is due to salary savings for unanticipated position vacancies during the year.

Capital Asset and Debt Administration

Capital Assets. The City of Northglenn's investment in capital assets for its governmental and business type activities as of December 31, 2019 amounted to \$235,365,218 (net of accumulated depreciation). This investment in capital assets includes land, art, buildings and system improvements, machinery and equipment, park and recreation facilities, roads, highways, and bridges. The total net increase in the City of Northglenn's investment in capital assets for the current fiscal year was \$4,118,525.

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

- \$1,565,418 for a new administrative building and laboratory at the Wastewater Treatment Plant
- \$773,410 for the replacement of pipeline at Terminal Reservoir
- \$598,182 to install a new ultraviolet disinfection bank at the Wastewater Treatment Plant
- \$445,651 for the purchase of a new loader and dump truck for the Water Treatment Plant

Capital Assets (In Thousands):

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Water Rights	\$ -	\$ -	\$ 60,114	\$ 60,184	\$ 60,114	\$ 60,184
Land and Improvements	4,440	4,440	808	808	5,248	5,248
Construction in Progress	2,162	11,761	1,244	435	3,406	12,196
Works of Art	485	497	-	-	485	497
Infrastructure and Improvements	121,713	122,064	130,435	131,431	252,148	253,495
Buildings and Improvements	35,931	35,760	21,159	22,688	57,090	58,448
Machinery and Equipment	7,316	7,198	9,378	10,774	16,694	17,972
Accumulated Depreciation	(69,564)	(75,447)	(94,374)	(97,228)	(163,938)	(172,675)
Total Capital Assets	<u>\$102,483</u>	<u>\$106,273</u>	<u>\$128,764</u>	<u>\$129,092</u>	<u>\$231,247</u>	<u>\$235,365</u>

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

Long-Term Debt. As of December 31, 2019, the City has no general obligation bonded debt outstanding.

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

At the end of the current fiscal year, the City had total debt outstanding of \$58,980,001 comprised of Certificates of Participation, Series 2017 and Series 2019 in the amount of \$17,635,000 and \$38,530,000, respectively, and the 2013 Lease Purchase debt of \$2,815,001. The issuance of the Series 2019 Certificates of Participation was to construct a new recreation center and theatre complex on existing City property.

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

Economic Factors and Next Year's Budgets and Rates

The factors below were considered in preparing the City of Northglenn's budget for the 2020 fiscal year.

- The unemployment rate for Adams County as of December 31, 2019 was 2.5%. City unemployment was at 2.5%.
- In 2019, sales and use tax collections had moderate increases of 3.0% when compared to the prior year. For the 2020 budget, an inflationary factor was given to revenue growth of approximately 3.0%.

CITY OF NORTHGLENN, COLORADO

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

- In 2011, City Council formally adopted comprehensive financial policies which include a requirement that the City maintain a minimum unassigned fund balance of at least 25% of the current year's General Fund appropriations. The budget did not contemplate using unassigned reserves as the City continues to evaluate the best investment of the excess reserves.
- In November 2015, voters approved the extension of a one-half percent city sales tax, to be used for the exclusive purpose of funding capital improvement projects through the Capital Projects Fund. This tax does not have a sunset provision. The tax raised approximately \$2.85 million in 2019. Plans for this tax include an investment to the redevelopment of the Civic Center campus, which includes the construction of a new recreation center and theatre. Funds will also be used to pay for the debt related to the construction of the Justice Center and Recreation Center and Theatre Complex.
- In November 2017, voters approved the extension of a 4.000 mill levy, to be used for the exclusive purpose of funding road reconstruction projects. This tax does not have a sunset provision. The tax generated approximately \$1.37 million in 2019.
- In 2017, a 5-year water and wastewater rate increase plan was implemented to raise funds to complete capital projects over the next decade. The rate increases began in 2018, and were increased again in 2019 by 4.6% and 9.7% respectively.

Requests for Information

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



Basic Financial Statements

CITY OF NORTHGLENN, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Urban Renewal Authority	Church Ditch Water Authority
ASSETS					
Cash & Investments	\$ 49,274,973	\$ 12,398,074	\$ 61,673,047	\$ 9,037,777	\$ 1,434,576
Receivables, Net of Allowances	13,283,258	2,080,907	15,364,165	1,963,095	15,266
Inventories	32,425	225,303	257,728	-	-
Deposits and Prepaids	200,554	70,351	270,905	-	83,948
Cash & Investments, restricted	42,062,528	10,658,288	52,720,816	10,762,291	-
Capital Assets, Non Depreciable	16,698,243	61,427,362	78,125,605	-	2,102,141
Capital Assets, Net	89,574,454	67,665,159	157,239,613	-	3,280,665
Total Assets	211,126,435	154,525,444	365,651,879	21,763,163	6,916,596
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	-	150,000	150,000	-	-
OPEB Related Items	16,003	4,779	20,782	-	-
	16,003	154,779	170,782	-	-
LIABILITIES					
Accounts Payable	3,414,720	757,479	4,172,199	1,613,403	-
Retainages Payable	229,893	-	229,893	-	-
Accrued Liabilities	452,368	149,394	601,762	-	-
Unearned Revenue	190,764	-	190,764	-	45,825
Deposits Payable	107,722	134,399	242,121	-	76,488
Accrued Interest Payable	169,298	4,730	174,028	47,168	-
Noncurrent Liabilities:					
Due Within One Year	3,260,000	1,372,000	4,632,000	345,000	-
Due After One Year	61,054,837	2,155,209	63,210,046	11,718,628	2,089,943
Total Liabilities	68,879,602	4,573,211	73,452,813	13,724,199	2,212,256
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	4,977,025	-	4,977,025	1,963,085	-
OPEB Related Items	84,866	25,349	110,215	-	-
	5,061,891	25,349	5,087,240	1,963,085	-
NET POSITION					
Net Investment in Capital Assets	86,398,461	126,427,520	212,825,981	-	1,646,432
Net Investment in Capital Assets - Minority Equity Interest, nonexpendable	-	-	-	-	1,646,432
Restricted for:					
Emergency-Tabor	826,376	243,075	1,069,451	-	-
Water Rights	-	10,552,624	10,552,624	-	-
Capital Improvements	21,393,582	-	21,393,582	10,762,291	-
Debt	-	105,664	105,664	-	-
Parks & Open Space	926,961	-	926,961	-	-
Public Safety	77,153	-	77,153	-	-
Minority Equity Interest, nonexpendable	-	-	-	-	705,738
Unrestricted	27,578,412	12,752,780	40,331,192	(4,686,412)	705,738
Total Net Position	\$ 137,200,945	\$ 150,081,663	\$ 287,282,608	\$ 6,075,879	\$ 4,704,340

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

CITY OF NORTHGLENN, COLORADO

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 8,070,146	\$ 1,650,799	\$ 319,293	\$ 39,681
Recreation and Culture	5,222,053	1,185,881	7,751	5,400,973
Public Safety	11,160,163	1,220,404	203,540	-
Public Works	8,593,103	-	218,978	2,986,346
Interest on Long-Term Debt	1,470,844	-	-	-
Total Governmental Activities:	34,516,309	4,057,084	749,562	8,427,000
Business-type Activities:				
Water	8,245,729	7,522,831	-	-
Wastewater	4,321,012	4,364,579	-	-
Stormwater	279,196	448,147	-	-
Sanitation	1,743,037	1,901,864	19,903	-
Total Business-Type Activities:	14,588,974	14,237,421	19,903	-
Total Primary Government	\$ 49,105,283	\$ 18,294,505	\$ 769,465	\$ 8,427,000
Component Units:				
Urban Renewal Authority	4,001,221	-	-	-
Church Ditch Water Authority	851,291	967,033	-	-
Total Component Units	\$ 4,852,512	\$ 967,033	\$ -	\$ -

General Revenues:

Taxes:

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

Change in Net Position

Net Position-Beginning

Net Position-Ending

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

Net (Expenses) Revenue and Changes in Net Position				
Primary Government			Urban Renewal Authority	Church Ditch Water Authority
Governmental Activities	Business-type Activities	Total		
\$ (6,060,373)	\$ -	\$ (6,060,373)	\$ -	\$ -
1,372,552	-	1,372,552	-	-
(9,736,219)	-	(9,736,219)	-	-
(5,387,779)	-	(5,387,779)	-	-
(1,470,844)	-	(1,470,844)	-	-
(21,282,663)	-	(21,282,663)	-	-
-	(722,898)	(722,898)	-	-
-	43,567	43,567	-	-
-	168,951	168,951	-	-
-	178,730	178,730	-	-
-	(331,650)	(331,650)	-	-
(21,282,663)	(331,650)	(21,614,313)	-	-
-	-	-	(4,001,221)	-
-	-	-	-	115,742
-	-	-	(4,001,221)	115,742
2,607,484	-	2,607,484	1,541,523	-
1,371,237	-	1,371,237	-	-
22,042,951	-	22,042,951	-	-
-	2,891,499	2,891,499	-	-
-	1,075,760	1,075,760	-	-
16,618	-	16,618	-	-
163,434	-	163,434	-	-
1,483,712	629,527	2,113,239	222,994	745
195,388	341,492	536,880	543	252,757
31,447	29,723	61,170	-	-
27,912,271	4,968,001	32,880,272	1,765,060	253,502
6,629,608	4,636,351	11,265,959	(2,236,161)	369,244
130,571,337	145,445,312	276,016,649	8,312,040	4,335,096
\$ 137,200,945	\$ 150,081,663	\$ 287,282,608	\$ 6,075,879	\$ 4,704,340

CITY OF NORTHGLENN, COLORADO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2019

	General	Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash & Investments	\$ 24,232,835	\$ 24,804,875	\$ 237,263	\$ 49,274,973
Receivables, Net of Allowances	5,857,501	7,032,220	393,537	13,283,258
Inventories	32,425	-	-	32,425
Deposits and Prepaids	200,554	-	-	200,554
Cash & Investments, restricted	-	42,062,528	-	42,062,528
Due From Other Funds	67,566	-	-	67,566
Total Assets	<u>\$ 30,390,881</u>	<u>\$ 73,899,623</u>	<u>\$ 630,800</u>	<u>\$ 104,921,304</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 818,880	\$ 2,450,221	\$ 145,619	\$ 3,414,720
Retainages Payable	-	229,893	-	229,893
Accrued Liabilities	452,368	-	-	452,368
Unearned Revenue	190,764	-	-	190,764
Deposits Payable	107,722	-	-	107,722
Due To Other Funds	-	-	67,566	67,566
Total Liabilities	<u>1,569,734</u>	<u>2,680,114</u>	<u>213,185</u>	<u>4,463,033</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	3,260,366	1,716,659	-	4,977,025
Unavailable Revenue - Intergovernmental	-	2,675,986	385,038	3,061,024
Total Deferred Inflows of Resources	<u>3,260,366</u>	<u>4,392,645</u>	<u>385,038</u>	<u>8,038,049</u>
FUND BALANCES				
Nonspendable:				
Inventories	32,425	-	-	32,425
Deposits and Prepaids	200,554	-	-	200,554
Restricted:				
Emergency	826,376	-	-	826,376
Forfeiture Funds	77,153	-	-	77,153
Capital Improvements	-	63,456,110	-	63,456,110
Parks & Recreation	-	809,346	117,615	926,961
Committed:				
Emergency Reserve	6,060,094	-	-	6,060,094
VALE Funds	87,620	-	-	87,620
Capital Improvements	-	2,561,408	-	2,561,408
Unassigned	18,276,559	-	(85,038)	18,191,521
Total Fund Balances	<u>25,560,781</u>	<u>66,826,864</u>	<u>32,577</u>	<u>92,420,222</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,390,881</u>	<u>\$ 73,899,623</u>	<u>\$ 630,800</u>	

Amounts reported for governmental activities in the statement

of net position are different because:

Capital assets used in governmental activities are not financial resources therefore are not reported in the funds.	106,272,697
Other long-term assets are not available to pay for current period expenditures, and therefore are a deferred inflow of resources in the fund.	3,061,024
Long-term liabilities, including pension, OPEB and compensated absences, certificates of participation, net of unamortized premium, and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds.	(64,484,135)
Deferred outflows and deferred inflows related to OPEB are not applicable to the current period, and therefore are not included in the funds.	(68,863)
Net position of governmental activities	<u>\$ 137,200,945</u>

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

CITY OF NORTHGLENN, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
Taxes-Property, Sales, Use & Other	\$ 20,582,700	\$ 5,455,590	\$ -	\$ 26,038,290
Intergovernmental	2,297,387	1,706,779	443,232	4,447,398
Licenses and Permits	815,204	-	-	815,204
Charges for Services	2,620,893	-	-	2,620,893
Fines and Forfeitures	620,987	-	-	620,987
Contributions	-	2,764,553	-	2,764,553
Investment Earnings	725,677	739,195	18,840	1,483,712
Miscellaneous	195,388	-	-	195,388
Total Revenues	27,858,236	10,666,117	462,072	38,986,425
EXPENDITURES				
Current:				
General Government	7,434,162	-	-	7,434,162
Recreation and Culture	4,273,674	-	-	4,273,674
Public Safety	10,087,643	-	-	10,087,643
Public Works	2,935,668	-	-	2,935,668
Capital Outlay	345,527	9,747,846	1,901,860	11,995,233
Debt Service:				
Principal Payments	-	660,000	-	660,000
Debt Issuance Costs	-	660,738	-	660,738
Interest Expense	-	803,519	-	803,519
Total Expenditures	25,076,674	11,872,103	1,901,860	38,850,637
Excess (Deficiency) of Revenues Over Expenditures	2,781,562	(1,205,986)	(1,439,788)	135,788
OTHER FINANCING SOURCES(USES)				
Transfers Out	(1,700,000)	-	-	(1,700,000)
Transfers In	-	1,700,000	-	1,700,000
Issuance of Debt	-	38,530,000	-	38,530,000
Premium on Debt Issuance	-	4,131,489	-	4,131,489
Sales of Capital Assets	81,131	-	-	81,131
Total Other Financing Sources and (Uses)	(1,618,869)	44,361,489	-	42,742,620
Net Change in Fund Balance	1,162,693	43,155,503	(1,439,788)	42,878,408
Fund Balance-Beginning	24,398,088	23,671,361	1,472,365	49,541,814
Fund Balance-Ending	<u>\$ 25,560,781</u>	<u>\$ 66,826,864</u>	<u>\$ 32,577</u>	<u>\$ 92,420,222</u>
Reconciliation to statement of activities, change in net position:				
Net Change in Fund Balance				42,878,408
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of assets is allocated over time as depreciation expense. This is the amount by which capital outlays exceeded depreciation.				3,800,052
The net effect of miscellaneous transactions involving capital assets (i.e. sales, disposals and contributions).				(10,003)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.				2,088,364
The issuance of long-term debt, including capital leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.				(41,905,002)
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.				(222,211)
Change in Net Position of Governmental Activities				<u>\$ 6,629,608</u>

CITY OF NORTHGLENN, COLORADO

PROPRIETARY FUNDS STATEMENT OF NET POSITION DECEMBER 31, 2019

	Business-Type Activities Enterprise Funds			Nonmajor Enterprise Funds	Total
	Water	Wastewater			
ASSETS					
Current assets:					
Cash & Investments	\$ 5,506,583	\$ 3,782,963	\$ 3,108,528	\$ 12,398,074	
Receivables, Net of Allowances	1,217,476	586,106	277,325	2,080,907	
Inventories	180,523	18,365	26,415	225,303	
Deposits and Prepaids	37,549	18,743	14,059	70,351	
Total Current Assets	6,942,131	4,406,177	3,426,327	14,774,635	
Noncurrent Assets:					
Cash & Investments, restricted	10,658,288	-	-	10,658,288	
Capital Assets, Non Depreciable:					
Water Rights	60,183,713	-	-	60,183,713	
Land and Improvements	273,231	534,584	-	807,815	
Construction In Progress	29,116	406,718	-	435,834	
Capital Assets, Depreciable:					
Infrastructure and Improvements	64,177,638	63,156,077	4,097,699	131,431,414	
Buildings and Improvements	8,508,892	14,118,459	60,179	22,687,530	
Machinery and Equipment	4,236,184	3,702,279	2,835,937	10,774,400	
Less Accumulated Depreciation	(47,615,644)	(46,888,524)	(2,724,017)	(97,228,185)	
Total Noncurrent Assets	100,451,418	35,029,593	4,269,798	139,750,809	
Total Assets	107,393,549	39,435,770	7,696,125	154,525,444	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	150,000	-	-	150,000	
OPEB Related Items	2,286	1,662	831	4,779	
	152,286	1,662	831	154,779	
Current Liabilities:					
Accounts Payable	421,189	287,002	49,288	757,479	
Accrued Liabilities	87,466	40,266	21,662	149,394	
Deposits Payable	13,000	88,370	33,029	134,399	
Accrued Interest Payable	4,730	-	-	4,730	
Long-Term Liabilities, Due					
Within One Year	1,170,000	100,000	102,000	1,372,000	
Total Current Liabilities	1,696,385	515,638	205,979	2,418,002	
Noncurrent Liabilities:					
Long-term Liabilities	2,035,478	75,025	44,706	2,155,209	
Total Noncurrent Liabilities	2,035,478	75,025	44,706	2,155,209	
Total Liabilities	3,731,863	590,663	250,685	4,573,211	
DEFERRED INFLOWS OF RESOURCES					
OPEB Related Items	12,123	8,817	4,409	25,349	
NET POSITION					
Net Investment in Capital Assets	87,128,129	35,029,593	4,269,798	126,427,520	
Restricted for Emergency-Tabor	243,075	-	-	243,075	
Restricted for Water Rights	10,552,624	-	-	10,552,624	
Restricted for Debt	105,664	-	-	105,664	
Unrestricted	5,772,357	3,808,359	3,172,064	12,752,780	
Total Net Position	\$ 103,801,849	\$ 38,837,952	\$ 7,441,862	\$ 150,081,663	

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

CITY OF NORTHGLENN, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities			
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	Total
Operating Revenues:				
Charges for Services	\$ 7,522,831	\$ 4,364,579	\$ 2,350,011	\$ 14,237,421
Other Operating Revenue	6,359	-	45,721	52,080
Total Operating Revenues	<u>7,529,190</u>	<u>4,364,579</u>	<u>2,395,732</u>	<u>14,289,501</u>
Operating Expenses:				
Administration	1,415,565	76,693	47,370	1,539,628
Facilities	201,548	-	-	201,548
Fleet	23,837	4,328	70,152	98,317
Streets	-	-	10,729	10,729
Engineering	405,370	303,175	-	708,545
Water Operations	1,939,770	-	-	1,939,770
Lab Operations	556,528	-	-	556,528
Electrical and Mechanical	334,911	262,156	-	597,067
Distribution and Collection	894,195	456,981	-	1,351,176
Water Resources Operations	1,096,514	-	-	1,096,514
Wastewater Operations	-	1,658,350	-	1,658,350
Industrial Pre-Treatment	-	67,889	-	67,889
Stormwater Operations	-	-	130,815	130,815
Sanitation Operations	-	-	1,238,573	1,238,573
Depreciation	1,265,380	1,491,440	524,594	3,281,414
Total Operating Expenses	<u>8,133,618</u>	<u>4,321,012</u>	<u>2,022,233</u>	<u>14,476,863</u>
Operating Income (Loss)	<u>(604,428)</u>	<u>43,567</u>	<u>373,499</u>	<u>(187,362)</u>
Nonoperating Revenues(Expenses):				
Investment Earnings	436,409	108,372	84,746	629,527
Taxes-Sales/Use	3,967,259	-	-	3,967,259
Gain on Sale of Capital Assets	17,303	-	12,420	29,723
Miscellaneous Revenue	119,596	189,719	-	309,315
Interest and Amortization Expense	(112,111)	-	-	(112,111)
Total Nonoperating Revenues (Expenses)	<u>4,428,456</u>	<u>298,091</u>	<u>97,166</u>	<u>4,823,713</u>
Change In Net Position	3,824,028	341,658	470,665	4,636,351
Total Net Position-Beginning	99,977,821	38,496,294	6,971,197	145,445,312
Total Net Position-Ending	<u>\$ 103,801,849</u>	<u>\$ 38,837,952</u>	<u>\$ 7,441,862</u>	<u>\$ 150,081,663</u>

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

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities Enterprise Funds			Total
	Water	Wastewater	Nonmajor Enterprise Funds	
Cash Flows From Operating Activities				
Cash Received From Customers	\$ 7,636,724	\$ 4,340,687	\$ 2,395,031	\$ 14,372,442
Cash Payments to Suppliers for Goods and Services	(3,449,325)	(1,221,408)	(627,082)	(5,297,815)
Cash Payments to Employees for Services	(3,161,759)	(1,465,010)	(887,342)	(5,514,111)
Net Cash Provided by Operating Activities	<u>1,025,640</u>	<u>1,654,269</u>	<u>880,607</u>	<u>3,560,516</u>
Cash Flows From Noncapital Financing Activities				
Cash Received from Miscellaneous Non-Operating Activities	119,596	189,719	-	309,315
Net Cash Provided by Noncapital Financing Activities	<u>119,596</u>	<u>189,719</u>	<u>-</u>	<u>309,315</u>
Cash Flows From Capital and Related Financing Activities				
Tax Receipts Restricted for Capital and Debt	3,967,259	-	-	3,967,259
Acquisition and Construction of Capital Assets	(1,664,884)	(1,833,793)	(297,253)	(3,795,930)
Proceeds from Sales of Capital Assets	20,200	-	12,420	32,620
Principal Paid on Leases	(900,000)	-	-	(900,000)
Interest Paid on Leases	(113,656)	-	-	(113,656)
Net Cash (Used) In Capital and Related Financing Activities	<u>1,308,919</u>	<u>(1,833,793)</u>	<u>(284,833)</u>	<u>(809,707)</u>
Cash Flows From Investing Activities				
Earnings on Investments	436,409	108,372	84,746	629,527
Net Cash Provided by Investing Activities	<u>436,409</u>	<u>108,372</u>	<u>84,746</u>	<u>629,527</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,890,564	118,567	680,520	3,689,651
Cash and Cash Equivalents, Beginning of Year	<u>13,274,307</u>	<u>3,664,396</u>	<u>2,428,008</u>	<u>19,366,711</u>
Cash and Cash Equivalents, End of Year	<u>\$ 16,164,871</u>	<u>\$ 3,782,963</u>	<u>\$ 3,108,528</u>	<u>\$ 23,056,362</u>

(Continued)

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) COMBINING PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Business-type Activities			
	Enterprise Funds			
	Water	Wastewater	Nonmajor Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (604,428)	\$ 43,567	\$ 373,499	\$ (187,362)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,265,380	1,491,440	524,594	3,281,414
Amortization	37,500	-	-	37,500
(Increase) Decrease in Accounts Receivable	107,534	(23,892)	(701)	82,941
(Increase) Decrease in Inventory	(10,102)	12,843	(2,681)	60
(Increase) Decrease in Prepaid Expense	(36,976)	(18,658)	(13,221)	(68,855)
Increase (Decrease) in Accounts and Retainage Payable	257,099	61,755	3,423	322,277
Increase (Decrease) in Accrued Liabilities	(11,261)	(26,919)	(7,002)	(45,182)
Increase (Decrease) in OPEB Related Items	1,921	1,397	698	4,016
Increase (Decrease) in Compensated Absences Payable	37,609	24,366	1,998	63,973
Increase (Decrease) in Deposits Payable	(18,636)	88,370	-	69,734
Total Adjustments	1,630,068	1,610,702	507,108	3,747,878
Net Cash Provided by Operating Activities	\$ 1,025,640	\$ 1,654,269	\$ 880,607	\$ 3,560,516
Schedule of noncash capital activities:				
Acquisition of capital assets through construction payables	(35,800)	(147,343)	-	(183,143)

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



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Notes to the Financial Statements

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

Individual Component Unit Disclosures:

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

D. Assets, Liabilities and Net Position or Fund Balance

1. Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments. As of December 31, 2019, the City's investments include money market funds and investment in a local government investment pool - Colorado Surplus Asset Fund Trust (CSAFE). The money market funds are reported at amortized cost. The external investment pool, CSAFE, is not SEC registered and is regulated by the State of Colorado and is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79.

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

2. Receivables and Payables

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

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

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

3. Inventories and Prepaid Items

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

4. Restricted Assets

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

The Capital Projects Fund includes restricted assets for unspent bond proceeds held by the Trustee.

5. Capital Assets

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

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

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

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

6. Compensated Absences

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

7. Long-term Obligations

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

8. Fund Balance

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

Fund balance may be categorized into the following:

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

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

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

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

9. Net Position

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

A portion of the net position in the Water Fund is restricted for water rights and debt service, for the unspent portion of funds acquired through the designated taxes approved by the voters.

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

10. Statements of Cash Flows

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

11. Contraband Forfeitures

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

12. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

13. Implementation of New GASB Statements

Beginning in fiscal year 2019, the City implemented the following statements issued by the Governmental accounting Standards Board (GASB):

GASB Statement No. 83, Certain Asset Retirement Obligations. Statement No. 83 establishes accounting and financial reporting for legally enforceable liabilities associated with certain tangible asset retirement obligations (AROs). The City currently has no asset retirements subject to this Statement.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement. Statement No. 88 defines debt, and clarifies essential information governments should include in their note disclosures related to debt, including direct borrowings and direct placements. As a result of implementation, the additional required disclosures are included in Note E Long-term Debt.

GASB Statement No. 90, Majority Equity Interests. Statement No. 90 is an amendment of GASB Statements No. 14 and No. 61, and defines whether a government's majority equity interest in a legally separate organization should be reported as an investment or as a component unit. This Statement did not change the current reporting of the City's existing component units.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. The principal element of that difference is the capital assets of \$181,719,425, less depreciation of \$75,446,728 for a net adjustment of \$106,272,697, which are not reported in the funds. Other Long-term assets that are not available to pay for current-period expenditures are presented as a deferred inflow of resources in the fund of \$3,061,024. The last element explains that long-term liabilities are not due and payable in current period and therefore are not reported in funds.

The details of this \$64,484,135 difference are as follows:

Compensated Absences	\$ 1,767,976
Total OPEB Liability	571,329
Police Disability Benefits	38,768
Unamortized Premium	5,771,764
Accrued Interest on Certificates of Participation	169,298
Certificates of Participation	56,165,000
Net Adjustment to Fund Balance	<u>\$ 64,484,135</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

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

Capitalized Asset Expenditures	\$ 10,695,616
Construction in Progress Deletions	(393,481)
Depreciation Expense	(6,502,083)
	<u>\$ 3,800,052</u>
Contributed Capital	\$ 39,681
Proceeds from sale of capital assets	(81,131)
Gain on disposal of capital assets	31,447
	<u>\$ (10,003)</u>

The next element relates to the recognition of deferred inflows from grant revenues in the amount of \$2,088,364.

Following this is an element relating to the issuance and re-payment of long-term debt, in the amount of (\$41,905,002) is comprised of the following:

Proceeds from Debt Issuance	\$ (38,530,000)
Premium on Long-term Debt	(4,131,489)
Principal Repayment on Long-term Debt	660,000
Amortization of Premium on Long-term Debt	96,487
	<u>\$ (41,905,002)</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

The final element applies to expenses that do not require current financial resources, in the amount of (\$222,211), includes the following:

Change in OPEB related items	\$ (13,445)
Adjustment in Police Disability Benefits Payable	1,044
Change in Compensated Absences	(106,736)
Accrued Interest on Bonds	(103,074)
	<u>\$ (222,211)</u>

Note 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

	Primary Government	Component Units
Cash on Hand	\$ 3,282	\$ -
Cash Deposits	43,426,370	1,469,252
Investments	70,964,211	19,765,392
Total	<u>\$ 114,393,863</u>	<u>\$ 21,234,644</u>
Cash and Investments	\$ 61,673,047	\$ 10,472,353
Restricted Cash and Investments	52,720,816	10,762,291
Total	<u>\$ 114,393,863</u>	<u>\$ 21,234,644</u>

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

	Primary Government	Component Units
Bond Proceeds for Construction	\$ 42,062,528	\$ 10,762,291
Water Rights Acquisition	10,552,624	-
Debt Service	105,664	-
Total	<u>\$ 52,720,816</u>	<u>\$ 10,762,291</u>

Deposits. At year-end, the carrying amount of the City and component units reporting entities cash deposits were \$44,895,622.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2019 were in eligible public depositories, as defined by the Public Deposit protection Act of 1989.

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

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

Local Government Investment Pool. The City and component units invested \$27,746,847 in the Colorado Surplus Asset Fund Trust (CSAFE). These are investment vehicles established by local government entities in Colorado to pool surplus funds for investment purposes by state statute. They are overseen by the state Securities Commissioner. CSAFE operates similarly to money market funds and each share is equal in value to \$1.00. CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by government pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools consist of U.S. Treasuries, agencies, repurchase agreements, bank deposits, 'AAAM' rated SEC registered money-market funds and highly-rated commercial paper.

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

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

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

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

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

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

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

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

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

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

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity in years for each investment type as required by the City's investment policy as of December 31, 2019.

Investment Type	Balance	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity	Fair Value Measure- ment
Investments measured at fair value:							
Federal Farm Credit Banks (FFCB)	\$ 9,882,926	N/A	AA+	Aaa	14%	2.04	Level 2
Federal Home Loan Banks (FHLB)	10,939,196	N/A	AA+	Aaa	15%	2.31	Level 2
Federal Home Loan Mortgage Corporation (FHLMC)	3,049,562	N/A	AA+	Aaa	4%	2.32	Level 2
Federal National Mortgage Association (FNMA)	7,223,468	N/A	AA+	Aaa	10%	2.80	Level 2
U.S. Treasury Notes	20,765,498	N/A	AA+	Aaa	29%	1.93	Level 2
Corporate Bonds	11,055,233	AA-	AA- to AAA	A to Aaa	16%	1.37	Level 2
Investments measured at amortized cost:							
CSAFE	7,981,455	N/A	AAAm	NR	11%	-	N/A
UMB Money Market	66,873	AAA	AAAm	Aaa	0%	-	N/A
	<u>\$ 70,964,211</u>				<u>100%</u>	<u>2.13</u>	

Presented below are the minimum rating, actual rating, investment portfolio percentage and weighted average maturity for each investment type held by the City's component unit, Northglenn Urban Renewal Authority, as of December 31, 2019.

Investment Type	Balance	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio Percentage	Weighted Average Maturity
CSAFE	19,765,392	N/A	AAAm	NR	100%	-
	<u>\$ 19,765,392</u>				<u>100%</u>	<u>-</u>

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

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

B. Receivables

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

Primary Government:

	General	Capital Projects	Other Govern- mental	Water	Wastewater	Other Enterprise	Primary Government Total
Receivables:							
Taxes	\$5,281,948	\$2,139,902	\$ -	\$ 413,999	\$ -	\$ -	\$ 7,835,849
Accounts	332,616	1,602,136	-	42,228	-	-	1,976,980
Interest and Other	242,937	3,290,182	393,537	761,249	586,106	277,325	5,551,336
Total	<u>\$5,857,501</u>	<u>\$7,032,220</u>	<u>\$ 393,537</u>	<u>\$1,217,476</u>	<u>\$ 586,106</u>	<u>\$ 277,325</u>	<u>\$ 15,364,165</u>

Component Units:

	Urban Renewal Authority	Church Ditch Water Authority
Receivables:		
Taxes	\$1,963,095	\$ -
Accounts	-	15,266
Total	<u>\$1,963,095</u>	<u>\$ 15,266</u>

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 4,439,783	\$ -	\$ -	\$ 4,439,783
Construction in Progress	2,161,635	9,992,564	393,481	11,760,718
Works of Art	484,942	29,600	16,800	497,742
Total Capital Assets Not Being Depreciated	7,086,360	10,022,164	410,281	16,698,243
Other Capital Assets:				
Infrastructure and Improvements	121,713,292	388,203	37,449	122,064,046
Buildings and Improvements	35,930,958	-	171,580	35,759,378
Machinery and Equipment	7,316,368	324,930	443,540	7,197,758
Total Other Capital Assets at Historical Cost	164,960,618	713,133	652,569	165,021,182
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(58,507,243)	(5,117,340)	37,449	(63,587,134)
Buildings and Improvements	(6,057,538)	(824,038)	138,696	(6,742,880)
Machinery and Equipment	(4,999,549)	(560,705)	443,540	(5,116,714)
Total Accumulated Depreciation	(69,564,330)	(6,502,083)	619,685	(75,446,728)
Other Capital Assets, Net	95,396,288	(5,788,950)	(32,884)	89,574,454
Governmental Activities Capital Assets, Net	\$ 102,482,648	\$ 4,233,214	\$ (443,165)	\$ 106,272,697
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 60,113,713	\$ 70,000	\$ -	\$ 60,183,713
Land and Improvements	807,815	-	-	807,815
Construction in Progress	1,243,745	3,433,665	4,241,576	435,834
Total Capital Assets Not Being Depreciated	62,165,273	3,503,665	4,241,576	61,427,362
Other Capital Assets:				
Infrastructure and Improvements	130,435,558	995,856	-	131,431,414
Buildings and Improvements	21,159,553	1,527,977	-	22,687,530
Machinery and Equipment	9,377,700	1,826,865	430,165	10,774,400
Total Other Capital Assets at Historical Cost	160,972,811	4,350,698	430,165	164,893,344
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(80,307,066)	(2,061,981)	-	(82,369,047)
Buildings and Improvements	(9,427,778)	(427,430)	-	(9,855,208)
Machinery and Equipment	(4,639,195)	(792,003)	427,268	(5,003,930)
Total Accumulated Depreciation	(94,374,039)	(3,281,414)	427,268	(97,228,185)
Other Capital Assets, Net	66,598,772	1,069,284	(2,897)	67,665,159
Business -type Activities Capital Assets, Net	\$ 128,764,045	\$ 4,572,949	\$ (4,244,473)	\$ 129,092,521

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
Capital Assets Not Being Depreciated:				
Water Rights	\$ 500,000	\$ -	\$ -	\$ 500,000
Land and Improvements	165,000	-	-	165,000
Construction in Progress	102,957	1,531,273	197,089	1,437,141
Total Capital Assets Not Being Depreciated	767,957	1,531,273	197,089	2,102,141
Other Capital Assets:				
Infrastructure and Improvements	3,623,681	171,729	-	3,795,410
Buildings and Improvements	681,084	-	-	681,084
Machinery and Equipment	670,992	25,724	-	696,716
Total Other Capital Assets at Historical Cost	4,975,757	197,453	-	5,173,210
Less Accumulated Depreciation for:				
Infrastructure and Improvements	(1,058,744)	(247,847)	-	(1,306,591)
Buildings and Improvements	(127,568)	(22,695)	-	(150,263)
Machinery and Equipment	(318,915)	(116,776)	-	(435,691)
Total Accumulated Depreciation	(1,505,227)	(387,318)	-	(1,892,545)
Other Capital Assets, Net	3,470,530	(189,865)	-	3,280,665
Governmental Activities Capital Assets, Net	\$ 4,238,487	\$ 1,341,408	\$ (197,089)	\$ 5,382,806

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 340,159
Public Safety	753,814
Public Works	4,539,824
Recreation & Culture	868,286
Total Governmental Activities Depreciation Expense	<u>\$ 6,502,083</u>
Business-type Activities:	
Water	\$ 1,265,380
Wastewater	1,491,440
Stormwater	137,652
Sanitation	386,942
Total Business-type Activities Depreciation Expense	<u>\$ 3,281,414</u>
Component Units:	
Church Ditch Water Authority	387,318
Total Component Units Depreciation Expense	<u>\$ 387,318</u>

D. Interfund Transactions

Due From/To Other funds consist of the following at December 31, 2019:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Block Grant Fund	\$67,566

The City operates under a pooled cash and investment environment. At December 31, 2019, the negative cash balance of \$67,566 in the Community Development Block Grant Fund was re-classified to a Due To the General Fund.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

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

E. Long-term Debt

Primary Government

In 2017, the City entered into a Lease Purchase Agreement with UMB Bank, N.A. as Trustee, for the Certificates of Participation, Series 2017 in the amount of \$19,325,000, the proceeds of which were used for the purpose of financing the construction of the City's new Justice Center. The annual base rentals are scheduled for a 20-year period that began on December 1, 2017 and are payable through December 1, 2036, in amounts of \$695,000 to \$1,415,000, with semi-annual interest payments from 3.375% to 5.00%. As of December 31, 2019 the outstanding base rentals and unamortized premium were \$17,635,000 and \$1,640,275, respectively.

During 2019, the City entered into a second Lease Purchase Agreement with UMB Bank, N.A. as Trustee, for the Certificates of Participation, Series 2019 in the amount of \$38,530,000. The proceeds of the issuance are being used for the purpose reimbursing the City for the design and financing the construction of a new Recreation Center and Theatre Complex located on the existing Civic Campus. The base rentals are due in annual installments for twenty (20) years beginning on December 1, 2020 through December 1, 2039 in amounts from \$1,165,000 to \$2,595,000, with semi-annual interest payments from 2.625% to 5.0%. The Bonds were rated AA by Standard & Poor's upon issuance. The outstanding base rentals and unamortized premium were \$38,530,000 and \$4,131,489 respectively, at December 31, 2019.

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

Year Ending 31-Dec	Governmental Funds		
	Principal	Interest	Total
2020	\$ 1,860,000	\$ 2,137,379	\$ 3,997,379
2021	2,015,000	2,116,319	4,131,319
2022	2,115,000	2,015,569	4,130,569
2023	2,220,000	1,909,819	4,129,819
2024	2,335,000	1,798,819	4,133,819
2025-2029	13,530,000	7,123,093	20,653,093
2030-2034	16,955,000	3,699,981	20,654,981
2035-2039	15,135,000	1,117,569	16,252,569
	<u>\$ 56,165,000</u>	<u>\$ 21,918,548</u>	<u>\$ 78,083,548</u>

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

The 2013 Lease Purchase Agreement is subject to annual appropriation between the City and NCLC and has been reported in the financial statements as a capital lease of the City. Principal payments are due annually and interest payments are due semiannually through December 1, 2022. These payments are payable from the Water Fund. Annual debt service requirements to maturity for certificates outstanding at December 31, 2019 are as follows:

Year Ending 31-Dec	Business-type Funds		
	Principal	Interest	Total
2020	\$ 920,000	\$ 57,707	\$ 977,707
2021	940,000	38,848	978,848
2022	955,001	19,578	974,579
Total	<u>\$ 2,815,001</u>	<u>\$ 116,133</u>	<u>\$ 2,931,134</u>

Component Units

In 2019, the Northglenn Urban Renewal Authority (NURA) partnered with the City in the renovation of the Civic Center Campus, to provide public infrastructure improvements to foster redevelopment. NURA issued \$11,210,000 of Tax Increment Revenue Bonds, Series 2019 (Urban Renewal Plan 2) with the proceeds being contributed towards the redevelopment of the site. The City will own and maintain all of the infrastructure generated. The Bonds are structured with annual principal installments for nineteen (19) years beginning on December 1, 2020 through December 1, 2038, in increments from \$345,000 to \$825,000, with interest between 1.96% and 3.32% due semi-annually. The Bonds were rated BBB- by Standard & Poor's upon issuance.

The bonds are payable from an irrevocable pledge of net income and revenue derived from incremental increases in property tax revenues collected within the Urban Renewal Plan 2 area. The bonds maturing on December 1, 2030 and beyond may be redeemed on December 1, 2029 or any date thereafter, in whole or part, at the option of NURA. At December 31, 2019, the outstanding principal and unamortized premium were \$11,210,000 and \$853,628 respectively. Annual debt service requirements to maturity of the Bonds are as follows:

Year Ending 31-Dec	NURA		
	Principal	Interest	Total
2020	\$ 345,000	\$ 511,923	\$ 856,923
2021	425,000	434,600	859,600
2022	440,000	417,600	857,600
2023	460,000	400,000	860,000
2024	475,000	381,600	856,600
2025-2029	2,680,000	1,607,000	4,287,000
2030-2034	3,265,000	1,026,000	4,291,000
2035-2038	3,120,000	318,000	3,438,000
Total	<u>\$ 11,210,000</u>	<u>\$ 5,096,723</u>	<u>\$ 16,306,723</u>

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

In November 2013, the Church Ditch Water Authority entered into a Promissory Note Agreement (Note) in the amount of \$606,000 to be retired over a 30-year period at a net effective interest rate of 2.85%, for the Emergency Leyden Creek Crossing Repair to repair damages to the crossing structure, caused by the 2013 flood event. The Note was amended in 2015 to reflect a final balance due of \$591,179. Due to a one-time advanced principal payment of \$66,072 in 2018, the Note was modified in August 2018, decreasing the retirement schedule by nine years, with principal and interest payments due annually through December 1, 2032. During 2019, the Authority repaid the entire outstanding principal of \$138,460, and interest of \$3,287.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

In September 2017, the Church Ditch Water Authority entered into a reimbursement based loan for the construction of 5 ditch improvement projects. The project is to be completed no later than September 2020, with a loan amount not to exceed \$3,615,800, at an interest rate of 3.0%. As of December 31, 2019, the Authority had received disbursements from the loan in the amount of \$2,089,943. The terms of the principal and interest repayment terms will be finalized when the project is complete and actual construction cost is known.

The Church Ditch Water Authority has pledged future special assessments revenue, as well as 100% interest in the Ford Street Siphon property, for the future repayment of the loan. For the year ended December 31, 2019, assessment revenue totaled \$889,447, and no debt service payments were required to be made as loan disbursements are not yet complete.

Long-term obligation activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2017 Certificates of Participation	\$ 18,295,000	\$ -	\$ (660,000)	\$ 17,635,000	\$ 695,000
Premium on Debt Issuance, S2017 COPs	1,736,762	-	(96,487)	1,640,275	-
2019 Certificates of Participation	-	38,530,000	-	38,530,000	1,165,000
Premium on Debt Issuance, S2019 COPs	-	4,131,489	-	4,131,489	-
Pension Benefits Payable	39,812	-	(1,044)	38,768	-
Total OPEB Liability	610,986	-	(39,657)	571,329	-
Compensated Absences	1,661,240	1,473,682	(1,366,946)	1,767,976	1,400,000
Total Governmental Activities	22,343,800	44,135,171	(2,164,134)	64,314,837	3,260,000
Business-Type activities:					
2013 Lease Purchase	3,715,001	-	(900,000)	2,815,001	920,000
Total OPEB Liability	182,503	-	(11,847)	170,656	-
Compensated Absences	477,579	481,552	(417,579)	541,552	452,000
Total Business-Type Activities	4,375,083	481,552	(1,329,426)	3,527,209	1,372,000
Total Long-term Liabilities	\$ 26,718,883	\$ 44,616,723	\$ (3,493,560)	\$ 67,842,046	\$ 4,632,000
Component Unit:					
2019 Tax Increment Revenue Bonds (NURA)	\$ -	\$ 11,210,000	\$ -	\$ 11,210,000	\$ 345,000
Premium on Debt Issuance (NURA)	-	853,628	-	853,628	-
Promissory Notes Payable (CDWA)	995,026	1,233,377	(138,460)	2,089,943	-
	\$ 995,026	\$ 13,297,005	\$ (138,460)	\$ 14,153,571	\$ 345,000

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

Note 4. OTHER INFORMATION

A. Risk Management

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

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

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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

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

B. Joint Venture

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

C. Cost Sharing Agreement

The City entered into a cost sharing agreement with the City of Thornton in 1994 for the joint construction of a pipeline to convey water from Standley Lake to the respective cities. The City of Northglenn has legal ownership of the pipeline and has recorded the pipeline as a capital asset in the Water Fund. Each entity remits sufficient funds to cover costs each year to an escrow account. Major construction was completed in 2000. Each City contributes an equal share of the costs except Thornton is responsible for funding the additional cost of the larger pipe they require. Both cities must approve any expenditure from the escrow. The City's contribution to the escrow account for the year ending December 31, 2019 was \$225,000. Contributions to the escrow account are an expense of the Water Fund at the time of transfer to the escrow account.

D. Enhanced Sales Tax Incentive Program Agreement

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

In October 2006, an agreement was made with the redeveloper of the former Mervyn's building in the Northglenn Marketplace in which the redeveloper receives fifty percent of the general sales tax (excluding the one-half percent sales tax devoted to water acquisition) generated by the new retail space for meeting the project commitment of redeveloping the shopping center. The reimbursement is scheduled to commence with sales tax generated on or after January 1, 2010. The reimbursement will not exceed \$2,905,098 nor extend beyond December 31, 2019. In 2019, the redeveloper received \$56,106 and has received a total of \$462,582 since the reimbursement began in 2010, with no further obligation due to the expiration. Reimbursements are an expense of the General Fund.

In August 2013, an agreement was made with the redeveloper of the Webster Lake Promenade in which the redeveloper receives fifty percent of the general sales tax (excluding the one-half percent sales tax devoted to water acquisition) generated by the new retail space for meeting the commitment of developing the shopping center. The

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

reimbursement commenced with the sales tax generated on or after January 1, 2015. The reimbursement will not exceed \$1,400,000 nor extend beyond December 31, 2021. In 2019, the redeveloper received \$8,613, and has received the full eligible incentive of \$1,400,000 since the reimbursement began in 2015. Reimbursements are an expense of the General Fund.

E. Contingent Liabilities

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

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

F. Other Post-Employment Benefits

Retiree Health Program

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

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

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

Contributions. During the year, the City paid \$20,878 in stipend and \$4,022 in benefits, with program members receiving benefits paying \$3,355 towards premiums equal to 50% of the equivalent single premium recognized for active employees, plus 100% of the premium for spouse or family member coverage.

Employees Covered by Benefit Terms. As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits, grandfathered plan	1
inactive employees currently receiving benefits, current plan	5
Active employees	229
	<u>235</u>

Total OPEB Liability. The City's total OPEB liability of \$741,985 was measured as of December 31, 2019, and was determined by a full actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2019.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

Actuarial Methods and Assumptions. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%
Discount Rate	3.00% - measurement date; 3.68% - year preceding measurement date
Health Care Cost Trend Rates	6.5% in 2019 decreasing 0.5% the first year, and 0.25% per year to an ultimate rate of 4.5% for 2027 and later years.
Mortality Rates	Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with Scale MP-2019 Full Generational Improvement.

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

Change in OPEB Liability

	Total OPEB Liability
Balance as of December 31, 2019	\$ 793,489
Changes for the year:	
Service cost	23,228
Interest	29,534
Changes in benefit terms	-
Differences between expected and actual experience	(98,347)
Changes in assumptions and inputs	22,381
Benefits Payments	(28,300)
Net changes	(51,504)
Balance as of December 31, 2019	\$ 741,985

Changes of Assumptions. The discount rate was changed from 3.68% at the beginning of the year to 3.00% at the end of the year.

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

	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
Total OPEB liability	\$ 794,742	\$ 741,985	\$ 693,041

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

	1% Decrease 5.5%	Trend Rate 6.5%	1% Increase 7.5%
Total OPEB liability	\$ 739,264	\$ 741,985	\$ 744,819

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

OPEB Expense and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2019, the City recognized OPEB expense of \$45,761. At December 31, 2019 the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (91,322)
Changes in assumptions and inputs	20,782	(18,893)
Total	<u>\$ 20,782</u>	<u>\$ (110,215)</u>

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

Years ending December 31:	
2020	\$ (7,001)
2021	(7,001)
2022	(7,001)
2023	(7,001)
2024	(7,001)
Thereafter	(54,428)
	<u>\$ (89,433)</u>

G. Employee Retirement Plans

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

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

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

General Employees' Pension Plan (GEPP)

The City made the required contribution of \$980,961. The employees' contribution to the Plan was \$1,287,329. There were no employer liabilities outstanding as of December 31, 2019.

The City provides pension benefits for all of its full-time employees, excluding police officers that are covered by the City's Police Money Purchase Pension Plan, through the General Employees' Pension Plan. Eligible employees must participate from the date of full-time employment. Each participant is required to make a mandatory contribution of 12% of compensation. For 2019, the City's contribution level was 8%, then upon the completion of five years of eligible service 9%, and 10% upon the completion of ten years of eligible service.

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

A participant's interest in the contributions made by the City, and the related investment earnings, become vested to the extent of percentages based on number of years of service as set forth in the GEPP. Participants are fully vested after six years of continuous service. In addition, if an employee reaches normal retirement age, dies or becomes totally and permanently disabled, his account becomes fully vested regardless of length of service. If an employee leaves covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings remain with the employee. Forfeitures by employees who leave employment before six years of service are used to pay Plan administrative expenses and may be used at the Board's discretion to reduce City contributions. During 2019, the City received \$61,902 from forfeitures to pay for administrative expenses.

Police Money Purchase Pension Plan (PMPPP)

The City made the required contribution of \$461,645. The covered employees made a contribution of \$613,035. There were no employer liabilities outstanding as of December 31, 2019.

The City provides pension benefits for its commissioned police officers through the City's Police Money Purchase Pension Plan. Eligible employees must participate from the date of full-time employment. Each participant is required to make a mandatory contribution of 12% of compensation. For 2019 the City's contribution level was 8%, then upon the completion of five years of eligible service 9%, and 10% upon completion of ten years of eligible service.

A participant's interest in the contributions made by the City, and related investment earnings, become vested to the extent of percentages based on number of years of service as set forth in the PMPPP. Participants are fully vested after seven years of continuous service. In addition, if an employee reaches normal retirement age, dies or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. If an employee leaves covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings remain with the employee. Forfeitures by employees who leave before seven years of service are used to pay the Plan's administrative expenses and may be used at the Board's discretion to reduce City contributions. During 2019, the City received \$33,030 from forfeitures to pay for administrative expenses.

H. Tax, Spending, and Debt Limitations

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

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$1,069,451 was reported as a restriction of fund balance of \$826,376 in the General Fund, and as restricted net position of \$243,075 in the Water Fund.

I. Commitments/Contingencies

Construction Commitments. The City had commitments of \$10,284,144 for capital projects in the governmental fund types and \$1,500,867 in the proprietary fund types at December 31, 2019. Future expenditures related to these commitments are expected to be financed through available resources and future sales tax revenue.

NOTE 5. PENDING GASB PRONOUNCEMENTS

As of December 31, 2019, The GASB had issued several statements not yet required to be implemented by the City. The Statements which might impact the City is as follows:

GASB Statement No. 84, Fiduciary Activities, issued February 2017, will be effective for the City beginning with

CITY OF NORTHGLENN, COLORADO

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

its fiscal year ending December 31, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 91, Conduit Debt Obligations, issued May 2019, will be effective for the City beginning with its fiscal year ending December 31, 2022, with earlier adoption encouraged. Statement No. 91 provides a single method of reporting conduit debt by issuers and eliminates diversity in practice. The Statement clarifies the existing definition, establishes that a conduit debt obligation is not a liability of the issuer, and establishes standards for accounting and financial reporting, and improving note disclosure.

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

NOTE 6. SUBSEQUENT EVENTS

In the spring of 2020, the City experienced the effect of and responded to the world-wide Coronavirus (COVID-19) pandemic. At the time of this publication, the true economic impact to the City's governmental revenue base is unknown. It is anticipated that the business-type funds will experience minimal fluctuations in revenue, but may encounter potential delays in collections of fees charged. The City is committed to monitoring the situation on a continuous basis, and will make changes to budgets and forecasts as needed. It is not anticipated that there will be a need to draw on restricted emergency or Council committed operating fund balance reserves.



Required Supplementary Information

CITY OF NORTHGLENN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
Total OPEB liability		
Service cost	\$ 23,228	\$ 24,465
Interest cost	29,534	26,036
Changes in benefit terms	-	-
Differences between expected and actual experience	(98,347)	-
Changes in assumptions and inputs	22,381	(22,043)
Benefit payments	(28,300)	(28,140)
Net change in total OPEB liability	(51,504)	318
Total OPEB liability—beginning	793,489	793,171
Total OPEB liability—ending	<u>\$ 741,985</u>	<u>\$ 793,489</u>
Covered payroll	\$ 15,288,183	\$ 15,158,598
Total OPEB liability as a percentage of covered payroll	4.85%	5.23%

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

2019	3.00%
2018	3.68%
2017	3.24%

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

CITY OF NORTHGLENN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Taxes-Property	\$ 2,610,573	\$ 2,610,573	\$ 2,607,484	\$ (3,089)
Taxes-Sales/Use	17,565,253	17,565,253	17,958,598	393,345
Occupational Tax	62,160	62,160	16,618	(45,542)
Intergovernmental	2,042,476	2,047,476	2,297,387	249,911
Licenses and Permits	718,240	718,240	815,204	96,964
Charges for Services	2,703,327	2,703,327	2,620,893	(82,434)
Fines and Forfeitures	994,555	994,555	620,987	(373,568)
Investment Earnings	212,000	212,000	725,677	513,677
Miscellaneous	128,000	128,000	195,388	67,388
Total Revenues	27,036,584	27,041,584	27,858,236	816,652
EXPENDITURES				
General Government:				
Legislative	696,772	713,019	740,839	(27,820)
City Manager	1,473,258	1,549,168	1,331,608	217,560
City Clerk	376,261	376,261	355,385	20,876
Management Services	2,011,750	2,011,750	1,872,679	139,071
Technology	907,425	907,425	925,857	(18,432)
Finance	464,758	464,758	497,185	(32,427)
Planning & Development	1,670,982	1,713,638	1,445,445	268,193
Non-Departmental	190,000	190,000	265,164	(75,164)
Recreation and Culture	4,241,605	4,251,605	4,273,674	(22,069)
Public Safety	10,624,257	10,618,347	10,087,643	530,704
Public Works	2,734,162	2,560,162	2,935,668	(375,506)
Capital Outlay	439,396	439,396	345,527	93,869
Contingency	50,000	50,000	-	50,000
Total Expenditures	25,880,626	25,845,529	25,076,674	768,855
Excess (Deficiency) of Revenues Over Expenditures	1,155,958	1,196,055	2,781,562	1,585,507
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,700,000)	(1,700,000)	(1,700,000)	-
Sales of Capital Assets	-	-	81,131	81,131
Total Other Financing Sources and (Uses)	(1,700,000)	(1,700,000)	(1,618,869)	81,131
Net Change In Fund Balance	(544,042)	(503,945)	1,162,693	1,666,638
Fund Balance-Beginning	23,061,927	24,398,088	24,398,088	-
Fund Balance-Ending	\$ 22,517,885	\$ 23,894,143	\$ 25,560,781	\$ 1,666,638

See Note to Required Supplementary Information

CITY OF NORTHGLENN, COLORADO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2019

NOTE 1. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

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



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Capital Projects Fund

CITY OF NORTHGLENN,COLORADO

CAPITAL PROJECTS FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Taxes-Property	\$ 1,372,949	\$ 1,372,949	\$ 1,371,237	\$ (1,712)
Taxes-Sales/Use	3,451,988	3,451,988	4,084,353	632,365
Intergovernmental	1,338,300	1,338,300	1,706,779	368,479
Contributions	-	-	2,764,553	2,764,553
Investment Earnings	221,000	221,000	739,195	518,195
Total Revenues	<u>6,384,237</u>	<u>6,384,237</u>	<u>10,666,117</u>	<u>4,281,880</u>
EXPENDITURES				
Capital Outlay	18,031,898	20,089,351	9,747,846	10,341,505
Debt Service:				
Principal Payments	660,000	660,000	660,000	-
Debt Issuance Costs	-	-	660,738	(660,738)
Interest Expense	806,019	806,019	803,519	2,500
Total Expenditures	<u>19,497,917</u>	<u>21,555,370</u>	<u>11,872,103</u>	<u>9,683,267</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,113,680)</u>	<u>(15,171,133)</u>	<u>(1,205,986)</u>	<u>13,965,147</u>
OTHER FINANCING SOURCES				
Transfers In	1,700,000	1,700,000	1,700,000	-
Issuance of Debt	-	-	38,530,000	38,530,000
Premium on Debt Issuance	-	-	4,131,489	4,131,489
Total Other Financing Sources	<u>1,700,000</u>	<u>1,700,000</u>	<u>44,361,489</u>	<u>42,661,489</u>
Net Change In Fund Balance	<u>(11,413,680)</u>	<u>(13,471,133)</u>	<u>43,155,503</u>	<u>56,626,636</u>
Fund Balance-Beginning	18,069,581	23,671,361	23,671,361	-
Fund Balance-Ending	<u>\$ 6,655,901</u>	<u>\$ 10,200,228</u>	<u>\$ 66,826,864</u>	<u>\$ 56,626,636</u>



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Nonmajor Governmental Funds

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2019

	Special Revenue Funds		
	Conservation		
	Trust Fund	CDBG Fund	Total
ASSETS			
Cash & Investments	\$ 237,263	\$ -	\$ 237,263
Receivables, Net of Allowances	308,499	85,038	393,537
Total Assets	<u>\$ 545,762</u>	<u>\$ 85,038</u>	<u>\$ 630,800</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 128,147	\$ 17,472	\$ 145,619
Due To Other Funds	-	67,566	67,566
Total Liabilities	<u>128,147</u>	<u>85,038</u>	<u>213,185</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Intergovernmental	300,000	85,038	385,038
Total Deferred Inflows of Resources	<u>300,000</u>	<u>85,038</u>	<u>385,038</u>
FUND BALANCES			
Restricted for:			
Parks and Recreation	117,615	-	117,615
Unassigned	-	(85,038)	(85,038)
Total Fund Balances	<u>117,615</u>	<u>(85,038)</u>	<u>32,577</u>
Total Liabilities and Fund Balances	<u>\$ 545,762</u>	<u>\$ 85,038</u>	<u>\$ 630,800</u>

CITY OF NORTHGLENN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds		
	Conservation		
	Trust	CDBG	
	Fund	Fund	Total
REVENUES			
Intergovernmental	\$ 443,232	\$ -	\$ 443,232
Investment Earnings	18,840	-	18,840
Total Revenues	<u>462,072</u>	<u>-</u>	<u>462,072</u>
EXPENDITURES			
Capital Outlay	1,816,822	85,038	1,901,860
Total Expenditures	<u>1,816,822</u>	<u>85,038</u>	<u>1,901,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,354,750)</u>	<u>(85,038)</u>	<u>(1,439,788)</u>
Net Change In Fund Balance	(1,354,750)	(85,038)	(1,439,788)
Fund Balance-Beginning	1,472,365	-	1,472,365
Fund Balance-Ending	<u>\$ 117,615</u>	<u>\$ (85,038)</u>	<u>\$ 32,577</u>

CITY OF NORTHGLENN,COLORADO

SPECIAL REVENUE FUND - CONSERVATION TRUST FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ 471,007	\$ 471,007	\$ 443,232	\$ (27,775)
Investment Earnings	5,000	5,000	18,840	13,840
Total Revenues	<u>476,007</u>	<u>476,007</u>	<u>462,072</u>	<u>(13,935)</u>
EXPENDITURES				
Capital Outlay	1,566,814	2,072,577	1,816,822	255,755
Total Expenditures	<u>1,566,814</u>	<u>2,072,577</u>	<u>1,816,822</u>	<u>255,755</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,090,807)</u>	<u>(1,596,570)</u>	<u>(1,354,750)</u>	<u>241,820</u>
Net Change In Fund Balance	(1,090,807)	(1,596,570)	(1,354,750)	241,820
Fund Balance-Beginning	1,168,573	1,472,365	1,472,365	-
Fund Balance-Ending	<u>\$ 77,766</u>	<u>\$ (124,205)</u>	<u>\$ 117,615</u>	<u>\$ 241,820</u>

CITY OF NORTHGLENN,COLORADO

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 224,091	\$ -	\$ (224,091)
Total Revenues	-	224,091	-	(224,091)
EXPENDITURES				
Capital Outlay	-	224,091	85,038	139,053
Total Expenditures	-	224,091	85,038	139,053
Excess (Deficiency) of Revenues Over Expenditures	-	-	(85,038)	(85,038)
Net Change In Fund Balance	-	-	(85,038)	(85,038)
Fund Balance-Beginning	-	-	-	-
Fund Balance-Ending	\$ -	\$ -	\$ (85,038)	\$ (85,038)



Enterprise Funds

CITY OF NORTHGLENN, COLORADO

WATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Taxes-Sales/Use	\$ 3,823,016	\$ 3,823,016	\$ 3,967,259	\$ 144,243
Intergovernmental	3,500	3,500	6,359	2,859
Charges for Services	7,785,150	7,785,150	7,522,831	(262,319)
Investment Earnings	71,000	71,000	436,409	365,409
Miscellaneous	-	-	119,596	119,596
Total Revenues	<u>11,682,666</u>	<u>11,682,666</u>	<u>12,052,454</u>	<u>369,788</u>
EXPENDITURES				
Administration	1,559,343	1,559,343	1,415,565	143,778
Facilities	198,371	198,371	201,548	(3,177)
Fleet	-	60,000	23,837	36,163
Engineering	458,969	458,969	405,370	53,599
Water Operations	1,181,359	1,181,359	1,900,240	(718,881)
Lab Operations	563,676	563,676	556,528	7,148
Electrical and Mechanical	382,100	382,100	334,911	47,189
Distribution and Collection	802,451	802,451	894,195	(91,744)
Water Resources Operations	832,100	832,100	1,096,514	(264,414)
Capital Outlay	1,775,000	3,457,711	1,559,084	1,898,627
Acquisition of Water Rights	1,000,000	1,000,000	70,000	930,000
Debt Service:				
Principal Payments	900,000	900,000	900,000	-
Interest and Fiscal Charges	76,158	76,158	112,111	(35,953)
Total Expenditures	<u>9,729,527</u>	<u>11,472,238</u>	<u>9,469,903</u>	<u>2,002,335</u>
Net Change	<u>\$ 1,953,139</u>	<u>\$ 210,428</u>	<u>2,582,551</u>	<u>\$ 2,372,123</u>

Adjustments to reconcile budgetary basis to GAAP basis Adjustment for

Gain on Sale of Capital Assets	17,303
Principal Paid on Bonds and Notes Payable	900,000
Miscellaneous Non-Cash Adjustments	(39,530)
Capitalization of Capital Assets	1,629,084
Depreciation	(1,265,380)
Total Adjustments to Basis	<u>1,241,477</u>
Change in Net Position	<u>3,824,028</u>
Total Net Position-Beginning	<u>99,977,821</u>
Total Net Position-Ending	<u>\$ 103,801,849</u>

CITY OF NORTHGLENN, COLORADO

WASTEWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Charges for Services	\$ 4,326,586	\$ 4,326,586	\$ 4,364,579	\$ 37,993
Investment Earnings	22,000	22,000	108,372	86,372
Miscellaneous	1,600,000	1,600,000	189,719	(1,410,281)
Total Revenues	<u>5,948,586</u>	<u>5,948,586</u>	<u>4,662,670</u>	<u>(1,285,916)</u>
EXPENDITURES				
Administration	81,212	81,212	76,693	4,519
Fleet	-	4,000	4,328	(328)
Engineering	360,485	360,485	303,175	57,310
Electrical and Mechanical	271,138	271,138	262,156	8,982
Distribution and Collection	517,351	517,351	456,981	60,370
Wastewater Operations	1,944,638	1,894,638	1,632,587	262,051
Industrial Pre-Treatment	91,624	91,624	67,889	23,735
Capital Outlay	2,990,000	4,095,572	1,686,450	2,409,122
Total Expenditures	<u>6,256,448</u>	<u>7,316,020</u>	<u>4,490,259</u>	<u>2,825,761</u>
Net Change	<u>\$ (307,862)</u>	<u>\$ (1,367,434)</u>	172,411	<u>\$ 1,539,845</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			(25,763)	
Capitalization of Capital Assets			1,686,450	
Depreciation			(1,491,440)	
Total Adjustments to Basis			<u>169,247</u>	
Change in Net Position			<u>341,658</u>	
Total Net Position-Beginning			<u>38,496,294</u>	
Total Net Position-Ending			<u>\$ 38,837,952</u>	

CITY OF NORTHGLENN, COLORADO

NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2019

	Business-Type Activities Enterprise Funds		Total Nonmajor Enterprise Funds
	Stormwater	Sanitation	
ASSETS			
Current assets:			
Cash & Investments	\$ 784,915	\$ 2,323,613	\$ 3,108,528
Receivables, Net of Allowances	25,656	251,669	277,325
Inventories	-	26,415	26,415
Deposits and Prepaids	626	13,433	14,059
Total Current Assets	811,197	2,615,130	3,426,327
Noncurrent Assets:			
Capital Assets:			
Infrastructure and Improvements	4,097,699	-	4,097,699
Buildings and Improvements	37,792	22,387	60,179
Machinery and Equipment	-	2,835,937	2,835,937
Less Accumulated Depreciation	(910,101)	(1,813,916)	(2,724,017)
Total Noncurrent Assets	3,225,390	1,044,408	4,269,798
Total Assets	4,036,587	3,659,538	7,696,125
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Items	-	831	831
Current Liabilities:			
Accounts Payable	13,995	35,293	49,288
Accrued Liabilities	2,337	19,325	21,662
Deposits Payable	33,029	-	33,029
Long-Term Liabilities, Due Within One Year	2,000	100,000	102,000
Total Current Liabilities	51,361	154,618	205,979
Noncurrent Liabilities:			
Long-Term Liabilities	1,125	43,581	44,706
Total Noncurrent Liabilities	1,125	43,581	44,706
Total Liabilities	52,486	198,199	250,685
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Items	-	4,409	4,409
NET POSITION			
Net Investment in Capital Assets	3,225,390	1,044,408	4,269,798
Unrestricted	758,711	2,413,353	3,172,064
Total Net Position	\$ 3,984,101	\$ 3,457,761	\$ 7,441,862

CITY OF NORTHGLENN, COLORADO

NONMAJOR PROPRIETARY FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2019

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$ 448,147	\$ 1,901,864	\$ 2,350,011
Other Operating Revenue	2,018	43,703	45,721
Total Operating Revenues	<u>450,165</u>	<u>1,945,567</u>	<u>2,395,732</u>
Operating Expenses:			
Administration	-	47,370	47,370
Fleet	-	70,152	70,152
Streets	10,729	-	10,729
Stormwater Operations	130,815	-	130,815
Sanitation Operations	-	1,238,573	1,238,573
Depreciation	137,652	386,942	524,594
Total Operating Expenses	<u>279,196</u>	<u>1,743,037</u>	<u>2,022,233</u>
Operating Income	<u>170,969</u>	<u>202,530</u>	<u>373,499</u>
Nonoperating Revenues:			
Investment Earnings	20,280	64,466	84,746
Gain on Sale of Capital Assets	-	12,420	12,420
Total Nonoperating Revenues	<u>20,280</u>	<u>76,886</u>	<u>97,166</u>
Change In Net Position	191,249	279,416	470,665
Total Net Position-Beginning	3,792,852	3,178,345	6,971,197
Total Net Position-Ending	<u>\$ 3,984,101</u>	<u>\$ 3,457,761</u>	<u>\$ 7,441,862</u>



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CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash Received From Customers	\$ 454,189	\$ 1,940,842	\$ 2,395,031
Cash Payments to Suppliers for Goods and Services	(45,810)	(581,272)	(627,082)
Cash Payments to Employees for Services	(86,363)	(800,979)	(887,342)
Net Cash Provided by Operating Activities	322,016	558,591	880,607
Cash Flows From Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	-	(297,253)	(297,253)
Proceeds from Sales of Capital Assets	-	12,420	12,420
Net Cash (Used) In Capital and Related Financing Activities	-	(284,833)	(284,833)
Cash Flows From Investing Activities			
Earnings on Investments	20,280	64,466	84,746
Net Cash Provided by Investing Activities	20,280	64,466	84,746
Net Increase in Cash and Cash Equivalents	342,296	338,224	680,520
Cash and Cash Equivalents, Beginning of Year	442,619	1,985,389	2,428,008
Cash and Cash Equivalents, End of Year	\$ 784,915	\$ 2,323,613	\$ 3,108,528

(Continued)

CITY OF NORTHGLENN, COLORADO

STATEMENT OF CASH FLOWS (Continued) COMBINING NONMAJOR PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019

	Stormwater	Sanitation	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 170,969	\$ 202,530	\$ 373,499
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	137,652	386,942	524,594
(Increase) Decrease in Accounts Receivable	4,024	(4,725)	(701)
(Increase) Decrease in Inventory	-	(2,681)	(2,681)
(Increase) Decrease in Prepaid Expense	38	(13,259)	(13,221)
Increase (Decrease) in Accounts and Retainage Payable	9,109	(5,686)	3,423
Increase (Decrease) in Accrued Liabilities	(1,412)	(5,590)	(7,002)
Increase (Decrease) in OPEB Related Amounts	-	698	698
Increase (Decrease) in Compensated Absences Payable	1,636	362	1,998
Total Adjustments	151,047	356,061	507,108
Net Cash Provided by Operating Activities	\$ 322,016	\$ 558,591	\$ 880,607

CITY OF NORTHGLENN, COLORADO

STORMWATER FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Charges for Services	\$ 432,567	\$ 432,567	\$ 448,147	\$ 15,580
Investment Earnings	2,000	2,000	20,280	18,280
Miscellaneous	-	-	2,018	2,018
Total Revenues	<u>434,567</u>	<u>434,567</u>	<u>470,445</u>	<u>35,878</u>
EXPENDITURES				
Streets	15,000	15,000	10,729	4,271
Stormwater Operations	123,259	123,259	129,179	(5,920)
Capital Outlay	265,000	265,000	-	265,000
Total Expenditures	<u>403,259</u>	<u>403,259</u>	<u>139,908</u>	<u>263,351</u>
Net Change	<u>\$ 31,308</u>	<u>\$ 31,308</u>	<u>330,537</u>	<u>\$ 299,229</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Miscellaneous Non-Cash Adjustments			(1,636)	
Depreciation			(137,652)	
Total Adjustments to Basis			<u>(139,288)</u>	
Change in Net Position			191,249	
Total Net Position-Beginning			3,792,852	
Total Net Position-Ending			<u>\$ 3,984,101</u>	

CITY OF NORTHGLENN, COLORADO

SANITATION FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 19,987	\$ 19,903	\$ (84)
Charges for Services	1,910,137	1,910,137	1,901,864	(8,273)
Investment Earnings	9,000	9,000	64,466	55,466
Miscellaneous	-	-	23,800	23,800
Total Revenues	<u>1,919,137</u>	<u>1,939,124</u>	<u>2,010,033</u>	<u>70,909</u>
EXPENDITURES				
Administration	80,729	80,729	47,370	33,359
Fleet	-	110,000	70,152	39,848
Sanitation Operations	1,136,549	1,156,536	1,237,513	(80,977)
Capital Outlay	613,000	613,000	297,253	315,747
Total Expenditures	<u>1,830,278</u>	<u>1,960,265</u>	<u>1,652,288</u>	<u>307,977</u>
Net Change	<u>\$ 88,859</u>	<u>\$ (21,141)</u>	<u>357,745</u>	<u>\$ 378,886</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Gain on Disposal of Capital Assets			12,420	
Miscellaneous Non-Cash Adjustments			(1,060)	
Capitalization of Capital Assets			297,253	
Depreciation			(386,942)	
Total Adjustments to Basis			<u>(78,329)</u>	
Change in Net Position			<u>279,416</u>	
Total Net Position-Beginning			<u>3,178,345</u>	
Total Net Position-Ending			<u>\$ 3,457,761</u>	



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Component Units

CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY

BALANCE SHEET

DECEMBER 31, 2019

ASSETS

Cash & Investments	\$ 9,037,777
Cash & Investments, restricted	10,762,291
Receivables, Net of Allowances	1,963,095
Total Assets	\$ 21,763,163

LIABILITIES

Accounts Payable	\$ 1,613,403
Total Liabilities	1,613,403

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Taxes	1,963,085
Total Deferred Inflows of Resources	1,963,085

FUND BALANCES

Restricted for:	
Capital Outlay	10,762,291
Fund Balance-Unassigned	7,424,384
Total Fund Balance	18,186,675

Amounts reported for governmental activities in the statement

of net position are different because:

Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities, but are recognized on the statement of net position.	(12,063,628)
Accrued interest payable	(47,168)
Net position of Governmental Activities	\$ 6,075,879

CITY OF NORTHGLENN, COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES

Taxes-Property	\$ 1,541,523
Investment Earnings	222,994
Miscellaneous	543
Total Revenues	<u>1,765,060</u>

EXPENDITURES

General Government:	
Non-Departmental	3,756,378
Debt Service:	
Debt Issuance Costs	197,675
Total Expenditures	<u>3,954,053</u>

(Deficiency) of Revenues Over Expenditures

(2,188,993)

OTHER FINANCING SOURCES (USES)

Issuance of Debt	11,210,000
Premium on Debt Issuance	853,628
Total Other Financing Sources and (Uses)	<u>12,063,628</u>

Net Change In Fund Balance	9,874,635
Fund Balance-Beginning	8,312,040
Fund Balance-Ending	<u>\$ 18,186,675</u>

Reconciliation to statement of activities, change in net position:

Net Change in Fund Balance	9,874,635
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The issuance of long-term debt, including leases, provides current financial resources, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position.

(12,110,796)

Change in Net Position	<u>\$ (2,236,161)</u>
------------------------	-----------------------

CITY OF NORTHGLENN,COLORADO

NORTHGLENN URBAN RENEWAL AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Taxes-Property	\$ 1,401,332	\$ 1,401,332	\$ 1,541,523	\$ 140,191
Investment Earnings	15,000	15,000	222,994	207,994
Miscellaneous	450	450	543	93
Total Revenues	<u>1,416,782</u>	<u>1,416,782</u>	<u>1,765,060</u>	<u>348,278</u>
EXPENDITURES				
General Government	3,374,955	14,374,955	3,756,378	10,618,577
Debt Service:				
Debt Issuance Costs	-	-	197,675	(197,675)
Interest and Fiscal Charges	-	-	47,168	(47,168)
Total Expenditures	<u>3,374,955</u>	<u>14,374,955</u>	<u>4,001,221</u>	<u>10,373,734</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,958,173)</u>	<u>(12,958,173)</u>	<u>(2,236,161)</u>	<u>(10,025,456)</u>
OTHER FINANCING RESOURCES				
Issuance of Debt	-	11,000,000	11,210,000	210,000
Premium on Debt Issuance	-	-	853,628	853,628
Total Other Financing Sources and (Uses)	<u>-</u>	<u>11,000,000</u>	<u>12,063,628</u>	<u>1,063,628</u>
Net Change in Fund Balance	(1,958,173)	(1,958,173)	9,827,467	(8,961,828)
Fund Balance-Beginning of Year	4,925,026	8,312,040	8,312,040	-
Fund Balance-End of Year	<u>\$ 2,966,853</u>	<u>\$ 6,353,867</u>	<u>\$ 18,139,507</u>	<u>\$ (8,961,828)</u>

CITY OF NORTHGLENN, COLORADO

CHURCH DITCH WATER AUTHORITY BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budget Basis	Final Budget
REVENUES				
Intergovernmental	\$ 1,300,000	\$ 1,480,588	\$ -	\$ (1,480,588)
Charges for Services	974,817	966,002	967,033	1,031
Investment Earnings	175	700	745	45
Miscellaneous	-	5,546	252,757	247,211
Total Revenues	<u>2,274,992</u>	<u>2,452,836</u>	<u>1,220,535</u>	<u>(1,232,301)</u>
EXPENSES				
General Operations	554,967	539,511	460,686	78,825
Capital Outlay	1,741,553	1,590,257	399,926	1,190,331
Debt Service:				
Principal Payments	33,000	141,747	138,460	3,287
Interest and Fiscal Charges	-	-	3,287	(3,287)
Total Expenses	<u>2,329,520</u>	<u>2,271,515</u>	<u>1,002,359</u>	<u>1,269,156</u>
Net Change	<u>\$ (54,528)</u>	<u>\$ 181,321</u>	218,176	<u>\$ 36,855</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Loan	-	-	1,233,377	1,233,377
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,233,377</u>	<u>1,233,377</u>
Net Change	<u>\$ (54,528)</u>	<u>\$ 181,321</u>	\$ 1,451,553	<u>\$ 1,270,232</u>
Adjustments to reconcile budgetary basis to GAAP basis Adjustment for				
Principal Paid on Bonds and Notes Payable			138,460	
Capitalization of Capital Assets			399,926	
Proceeds from Loan			(1,233,377)	
Depreciation			(387,318)	
Total Adjustments to Basis			<u>(1,082,309)</u>	
Change in Net Position			369,244	
Total Net Position-Beginning			4,335,096	
Total Net Position-Ending			<u>\$ 4,704,340</u>	



Statistical Section

CITY OF NORTHGLENN, COLORADO

STATISTICAL SECTION FOR THE YEAR ENDED DECEMBER 31, 2019

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

<u>Schedule Number</u>		<u>Page Number</u>
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	Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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CITY OF NORTHGLENN, COLORADO

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

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 93,828,783	\$ 94,144,049	\$ 94,336,345	\$ 88,116,480
Restricted	1,890,967	1,721,075	918,293	1,270,523
Unrestricted	8,234,241	11,306,483	14,850,635	20,151,373
Total governmental activities net position	\$ 103,953,991	\$ 107,171,607	\$ 110,105,273	\$ 109,538,376
Business-type activities				
Net investment in capital assets	\$ 102,070,013	102,582,246	104,060,888	106,585,633
Restricted	3,239,578	2,822,811	2,510,692	2,445,420
Unrestricted	11,215,299	13,565,635	14,880,701	15,451,522
Total business-type activities net position	\$ 116,524,890	\$ 118,970,692	\$ 121,452,281	\$ 124,482,575
Primary government				
Net investment in capital assets	\$ 195,898,796	\$ 196,726,295	\$ 198,397,233	\$ 194,702,113
Restricted	5,130,545	4,543,886	3,428,985	3,715,943
Unrestricted	19,449,540	24,872,118	29,731,336	35,602,895
Total primary government net position	\$ 220,478,881	\$ 226,142,299	\$ 231,557,554	\$ 234,020,951

Schedule 1

2014	2015	2016	2017 - Restated	2018	2019
\$ 84,558,882	\$ 86,060,540	\$ 85,788,225	\$ 85,803,214	\$ 82,450,886	\$ 86,398,461
1,513,032	1,510,920	1,860,471	2,214,978	2,362,997	23,224,072
26,125,685	29,509,620	35,605,528	38,020,149	45,757,454	27,578,412
<u>\$ 112,197,599</u>	<u>\$ 117,081,080</u>	<u>\$ 123,254,224</u>	<u>\$ 126,038,341</u>	<u>\$ 130,571,337</u>	<u>\$ 137,200,945</u>
107,983,338	112,221,616	118,485,887	125,715,017	125,236,544	126,427,520
2,741,089	1,738,070	4,157,767	5,812,428	8,353,832	10,901,363
17,453,085	17,612,902	13,040,254	8,695,199	11,854,936	12,752,780
<u>\$ 128,177,512</u>	<u>\$ 131,572,588</u>	<u>\$ 135,683,908</u>	<u>\$ 140,222,644</u>	<u>\$ 145,445,312</u>	<u>\$ 150,081,663</u>
\$ 192,542,220	\$ 198,282,156	\$ 204,274,112	\$ 211,518,231	\$ 207,687,430	\$ 212,825,981
4,254,121	3,248,990	6,018,238	8,027,406	10,716,829	34,125,435
43,578,770	47,122,522	48,645,782	46,715,348	57,612,390	40,331,192
<u>\$ 240,375,111</u>	<u>\$ 248,653,668</u>	<u>\$ 258,938,132</u>	<u>\$ 266,260,985</u>	<u>\$ 276,016,649</u>	<u>\$ 287,282,608</u>

CITY OF NORTHGLENN, COLORADO

CHANGES IN NET POSITION

LAST TEN YEARS

(Accrual basis of accounting)

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 5,532,381	\$ 4,872,394	\$ 5,188,006	\$ 5,642,648
Recreation and Culture	3,436,481	3,669,958	3,738,984	3,925,859
Public safety	7,072,212	7,076,547	7,518,748	7,919,263
Public Works	5,521,558	5,503,927	5,905,627	6,086,819
Interest on Long-Term Debt	20,146	9,313	-	-
Total governmental activities expenses	<u>21,582,778</u>	<u>21,132,139</u>	<u>22,351,365</u>	<u>23,574,589</u>
Business-type activities:				
Water and Wastewater	10,273,230	9,788,526	10,576,724	10,198,187
Water (1)	-	-	-	-
Wastewater (1)	-	-	-	-
Stormwater	347,466	162,823	156,019	139,504
Sanitation	1,398,860	1,453,394	1,581,239	1,488,962
Total business-type activities expenses	<u>12,019,556</u>	<u>11,404,743</u>	<u>12,313,982</u>	<u>11,826,653</u>
Total primary government expenses	<u>\$ 33,602,334</u>	<u>\$ 32,536,882</u>	<u>\$ 34,665,347</u>	<u>\$ 35,401,242</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 517,172	\$ 525,992	\$ 1,356,943	\$ 1,557,560
Public safety	2,297,090	1,584,137	1,261,165	1,987,633
Recreation and Culture	908,161	941,371	959,609	935,981
Operating grants and contributions	461,110	814,282	1,071,658	658,937
Capital grants and contributions	6,177,450	3,271,786	3,795,542	2,719,205
Total governmental activities program revenues	<u>10,360,983</u>	<u>7,137,568</u>	<u>8,444,917</u>	<u>7,859,316</u>
Business-type activities:				
Charges for services:				
Water and Wastewater	8,676,473	9,296,698	10,227,963	10,084,324
Water (1)	-	-	-	-
Wastewater (1)	-	-	-	-
Stormwater	419,799	417,656	413,801	506,339
Sanitation	1,508,397	1,479,488	1,487,633	1,461,574
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>10,604,669</u>	<u>11,193,842</u>	<u>12,129,397</u>	<u>12,052,237</u>
Total primary government program revenues	<u>\$ 20,965,652</u>	<u>\$ 18,331,410</u>	<u>\$ 20,574,314</u>	<u>\$ 19,911,553</u>
Net (Expense) Revenue				
Governmental activities	\$ (11,221,795)	\$ (13,994,571)	\$ (13,906,448)	\$ (15,715,273)
Business-type activities	(1,414,887)	(210,901)	(184,585)	225,584
Total primary government net expense	<u>\$ (12,636,682)</u>	<u>\$ (14,205,472)</u>	<u>\$ (14,091,033)</u>	<u>\$ (15,489,689)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 2,951,290	\$ 2,972,443	\$ 2,973,213	\$ 3,006,351
Sales Taxes	10,610,255	13,023,411	13,561,188	14,733,641
Franchise Fees	893,087	881,196	66,367	62,910
Unrestricted grants and contributions	96,538	111,118	135,854	135,876
Investment earnings	57,354	78,796	50,565	(54,921)
Miscellaneous	201,996	122,063	52,927	112,350
Gain (loss) on sale of assets	15,114	23,158	-	(2,847,831)
Transfers	-	-	-	-
Total governmental activities	<u>14,825,634</u>	<u>17,212,185</u>	<u>16,840,114</u>	<u>15,148,376</u>
Business-type activities:				
Sales Taxes	4,090,837	2,411,051	2,481,927	2,685,471
Investment earnings	105,322	99,486	56,212	(34,663)
Miscellaneous	149,029	136,046	125,553	159,144
Gain (loss) on sale of assets	395,743	10,120	2,484	(5,242)
Transfers	-	-	-	-
Total business-type activities	<u>4,740,931</u>	<u>2,656,703</u>	<u>2,666,176</u>	<u>2,804,710</u>
Total primary government	<u>\$ 19,566,565</u>	<u>\$ 19,868,888</u>	<u>\$ 19,506,290</u>	<u>\$ 17,953,086</u>
Change in Net Position				
Governmental activities	\$ 3,603,839	\$ 3,217,614	\$ 2,933,666	\$ (566,897)
Business-type activities	3,326,044	2,445,802	2,481,591	3,030,294
Total primary government net expense	<u>\$ 6,929,883</u>	<u>\$ 5,663,416</u>	<u>\$ 5,415,257</u>	<u>\$ 2,463,397</u>

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

Schedule 2

2014	2015	2016	2017 - Restated	2018	2019
\$ 7,026,920	\$ 6,874,866	\$ 7,014,984	\$ 7,565,557	\$ 7,944,112	\$ 8,070,146
4,378,446	4,548,921	4,690,956	4,960,869	5,409,662	5,222,053
8,252,498	8,687,337	9,007,976	9,654,773	10,516,907	11,160,163
6,332,372	6,634,423	6,671,524	7,147,581	8,823,220	8,593,103
-	-	-	740,892	734,839	1,470,844
<u>25,990,236</u>	<u>26,745,547</u>	<u>27,385,440</u>	<u>30,069,672</u>	<u>33,428,740</u>	<u>34,516,309</u>
10,113,527	10,972,042	11,225,967	11,014,972	-	-
-	-	-	-	7,132,136	8,245,729
-	-	-	-	4,111,886	4,321,012
168,053	253,738	196,710	255,971	337,338	279,196
1,646,175	1,510,257	1,477,851	1,588,499	1,687,210	1,743,037
<u>11,927,755</u>	<u>12,736,037</u>	<u>12,900,528</u>	<u>12,859,442</u>	<u>13,268,570</u>	<u>14,588,974</u>
<u>\$ 37,917,991</u>	<u>\$ 39,481,584</u>	<u>\$ 40,285,968</u>	<u>\$ 42,929,114</u>	<u>\$ 46,697,310</u>	<u>\$ 49,105,283</u>
\$ 1,505,853	\$ 1,624,266	\$ 1,594,496	\$ 1,656,232	\$ 1,714,176	\$ 1,650,799
2,038,382	1,766,656	1,484,133	1,486,893	1,543,550	1,220,404
984,188	1,074,442	1,180,494	1,232,504	1,164,951	1,185,881
629,722	512,031	573,753	1,005,881	809,884	749,562
3,250,625	3,643,999	4,805,431	3,231,517	6,214,875	8,427,000
<u>8,408,770</u>	<u>8,621,394</u>	<u>9,638,307</u>	<u>8,613,027</u>	<u>11,447,436</u>	<u>13,233,646</u>
9,477,142	10,402,537	11,206,334	10,882,424	-	-
-	-	-	-	7,884,457	7,522,831
-	-	-	-	4,097,369	4,364,579
409,566	415,007	476,152	438,994	449,900	448,147
1,487,065	1,453,662	1,460,563	1,914,730	1,886,792	1,901,864
-	-	-	-	-	19,903
<u>11,373,773</u>	<u>12,271,206</u>	<u>13,143,049</u>	<u>13,236,148</u>	<u>14,318,518</u>	<u>14,257,324</u>
<u>\$ 19,782,543</u>	<u>\$ 20,892,600</u>	<u>\$ 22,781,356</u>	<u>\$ 21,849,175</u>	<u>\$ 25,765,954</u>	<u>\$ 27,490,970</u>
\$ (17,581,466)	\$ (18,124,153)	\$ (17,747,133)	\$ (21,456,645)	\$ (21,981,304)	\$ (21,282,663)
(553,982)	(464,831)	242,521	376,706	1,049,948	(331,650)
<u>\$ (18,135,448)</u>	<u>\$ (18,588,984)</u>	<u>\$ (17,504,612)</u>	<u>\$ (21,079,939)</u>	<u>\$ (20,931,356)</u>	<u>\$ (21,614,313)</u>
\$ 3,023,073	\$ 2,748,798	\$ 3,125,606	\$ 3,099,837	\$ 3,968,647	\$ 3,978,721
16,669,901	19,233,873	19,882,073	20,563,896	21,397,376	22,042,951
62,886	62,622	63,840	63,554	36,232	16,618
210,143	234,835	151,044	117,737	142,305	163,434
144,245	137,528	189,370	410,019	866,820	1,483,712
120,903	100,135	190,374	185,719	102,920	195,388
9,538	489,843	317,970	-	-	31,447
-	-	-	(200,000)	-	-
<u>20,240,689</u>	<u>23,007,634</u>	<u>23,920,277</u>	<u>24,240,762</u>	<u>26,514,300</u>	<u>27,912,271</u>
3,098,715	3,561,700	3,656,420	3,778,572	3,863,406	3,967,259
106,351	88,134	106,701	124,357	282,784	629,527
873,193	142,073	17,745	44,841	26,530	341,492
170,660	68,000	87,933	14,260	-	29,723
-	-	-	200,000	-	-
<u>4,248,919</u>	<u>3,859,907</u>	<u>3,868,799</u>	<u>4,162,030</u>	<u>4,172,720</u>	<u>4,968,001</u>
<u>\$ 24,489,608</u>	<u>\$ 26,867,541</u>	<u>\$ 27,789,076</u>	<u>\$ 28,402,792</u>	<u>\$ 30,687,020</u>	<u>\$ 32,880,272</u>
\$ 2,659,223	\$ 4,883,481	\$ 6,173,144	\$ 2,784,117	\$ 4,532,996	\$ 6,629,608
3,694,937	3,395,076	4,111,320	4,538,736	5,222,668	4,636,351
<u>\$ 6,354,160</u>	<u>\$ 8,278,557</u>	<u>\$ 10,284,464</u>	<u>\$ 7,322,853</u>	<u>\$ 9,755,664</u>	<u>\$ 11,265,959</u>

CITY OF NORTHGLENN, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified accrual basis of accounting)

	2010	2011 (1)	2012	2013
General Fund				
Reserved	\$ 684,172	N/A	N/A	N/A
Unreserved	7,361,071	N/A	N/A	N/A
Nonspendable	N/A	\$ 100,357	\$ 60,854	\$ 44,236
Restricted	N/A	630,324	631,157	678,400
Committed	N/A	102,784	79,109	167,694
Unassigned	N/A	9,053,818	10,307,279	12,635,270
Total general fund	\$ 8,045,243	\$ 9,887,283	\$ 11,078,399	\$ 13,525,600
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	\$ 1,325,586	N/A	N/A	N/A
Restricted:				
Capital Improvements	N/A	\$ 3,288,913	\$ 4,436,891	\$ 6,409,837
Parks & Recreation	N/A	1,150,014	34,568	639,048
Committed:				
Capital Improvements	N/A	547,861	632,969	2,550,678
Unassigned	-	-	-	-
Total all other governmental funds	\$ 1,325,586	\$ 4,986,788	\$ 5,104,428	\$ 9,599,563

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

Schedule 3

2014	2015	2016	2017	2018	2019
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 59,273	\$ 73,405	\$ 63,740	\$ 148,432	\$ 197,327	\$ 232,979
728,385	777,823	759,328	783,815	890,632	903,529
166,131	165,118	164,210	163,436	100,512	6,147,714
14,789,657	18,563,358	20,251,190	21,424,107	23,209,617	18,276,559
<u>\$ 15,743,446</u>	<u>\$ 19,579,704</u>	<u>\$ 21,238,468</u>	<u>\$ 22,519,790</u>	<u>\$ 24,398,088</u>	<u>\$ 25,560,781</u>
N/A	N/A	N/A	N/A	N/A	N/A
\$ 9,817,782	\$ 10,927,281	\$ 13,697,714	\$ 25,913,798	\$ 20,509,663	\$ 63,456,110
831,572	780,022	1,148,068	1,478,731	1,472,365	926,961
3,214,989	1,410,538	3,396,553	5,344,870	3,161,698	2,561,408
-	-	-	-	-	(85,038)
<u>\$ 13,864,343</u>	<u>\$ 13,117,841</u>	<u>\$ 18,242,335</u>	<u>\$ 32,737,399</u>	<u>\$ 25,143,726</u>	<u>\$ 66,859,441</u>

CITY OF NORTHGLENN, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

(Modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues				
Taxes	\$ 14,454,632	\$ 16,877,050	\$ 16,600,768	\$ 17,802,902
Licenses and permits	475,652	446,766	484,191	691,200
Intergovernmental	6,713,795	4,271,170	3,471,227	4,697,234
Charges for services	1,281,364	1,320,072	2,141,212	2,309,074
Fines and forfeitures	1,965,407	1,284,662	952,314	1,480,900
Contributions	-	-	-	-
Investment earnings	57,354	78,796	50,565	(54,921)
Miscellaneous	201,996	122,063	52,927	112,350
Total revenues	25,150,200	24,400,579	23,753,204	27,038,739
Expenditures				
Current:				
General government	5,288,399	4,566,704	4,854,056	5,276,777
Recreation and Culture	2,889,045	3,109,907	3,159,763	3,259,841
Public Safety	7,007,715	6,947,691	7,355,358	7,712,736
Public Works	1,900,952	1,881,271	2,085,972	2,053,943
Capital outlay	5,486,729	4,338,874	4,989,302	1,874,805
Debt service				
Principal	287,765	177,389	-	-
Interest and fiscal charges	20,146	9,313	-	-
Total expenditures	22,880,751	21,031,149	22,444,451	20,178,102
Excess of revenues over (under) expenditures	2,269,449	3,369,430	1,308,753	6,860,637
Other Finances Sources (Uses)				
Transfers In	296,000	100,000	200,000	200,000
Transfers Out	(296,000)	(100,000)	(200,000)	(200,000)
Proceeds from Debt Issuance	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Proceeds from sale of asset	15,114	23,158	-	81,699
Total other financing sources (uses)	15,114	23,158	-	81,699
Net change in fund balances	\$ 2,284,563	\$ 3,392,588	\$ 1,308,753	\$ 6,942,336
Debt service as a percentage of noncapital expenditures	1.8%	1.1%	0.0%	0.0%

Schedule 4

2014	2015	2016	2017	2018	2019
\$ 19,755,860	\$ 22,045,293	\$ 23,071,519	\$ 23,727,287	\$ 25,402,255	\$ 26,038,290
642,525	824,611	697,955	700,943	998,100	815,204
4,210,827	4,068,717	4,207,082	4,183,643	4,388,066	4,447,398
2,332,248	2,496,462	2,580,488	2,704,426	2,651,742	2,620,893
1,553,650	1,144,572	980,680	970,260	772,835	620,987
-	-	-	-	1,907,600	2,764,553
144,245	137,528	189,370	410,019	866,820	1,483,712
120,903	100,135	190,374	185,719	102,920	195,388
<u>28,760,258</u>	<u>30,817,318</u>	<u>31,917,468</u>	<u>32,882,297</u>	<u>37,090,338</u>	<u>38,986,425</u>
6,322,735	6,376,869	6,685,674	7,156,756	7,198,920	7,434,162
3,577,881	3,733,782	3,757,864	3,922,289	4,133,131	4,273,674
7,991,053	8,480,024	8,762,452	9,276,436	9,468,010	10,087,643
2,254,693	2,400,902	2,387,284	2,597,686	2,710,504	2,935,668
2,140,808	8,361,820	3,868,490	14,056,419	17,836,535	11,995,233
-	-	-	395,000	635,000	660,000
-	-	-	769,062	833,419	1,464,257
<u>22,287,170</u>	<u>29,353,397</u>	<u>25,461,764</u>	<u>38,173,648</u>	<u>42,815,519</u>	<u>38,850,637</u>
6,473,088	1,463,921	6,455,704	(5,291,351)	(5,725,181)	135,788
400,000	200,000	1,700,000	1,700,000	1,700,000	1,700,000
(400,000)	(200,000)	(1,700,000)	(1,900,000)	(1,700,000)	(1,700,000)
-	-	-	19,325,000	-	38,530,000
-	-	-	1,929,736	-	4,131,489
9,538	1,625,835	327,554	13,001	9,806	81,131
<u>9,538</u>	<u>1,625,835</u>	<u>327,554</u>	<u>21,067,737</u>	<u>9,806</u>	<u>42,742,620</u>
<u>\$ 6,482,626</u>	<u>\$ 3,089,756</u>	<u>\$ 6,783,258</u>	<u>\$ 15,776,386</u>	<u>\$ (5,715,375)</u>	<u>\$ 42,878,408</u>
0.0%	0.0%	0.0%	3.8%	5.3%	7.5%

CITY OF NORTHGLENN, COLORADO

CHANGES IN NET POSITION, WATER AND WASTEWATER FUNDS

LAST TEN YEARS

(Accrual basis of accounting)

	2010	2011	2012	2013
Operating Revenues				
Charges for services	\$ 8,676,473	\$ 9,296,698	\$ 10,227,963	\$ 10,084,324
Other Operating Revenues	149,029	136,046	125,553	159,144
Total Operating Revenues	8,825,502	9,432,744	10,353,516	10,243,468
Operating Expenses				
Administration	1,284,971	1,231,504	1,217,943	1,183,385
Facilities	187,669	146,643	149,425	149,307
Fleet	111,462	61,338	77,613	67,685
Engineering	305,069	276,917	301,868	305,081
Water Operations	779,948	856,192	925,756	1,251,945
Lab Operations	352,727	384,274	383,140	390,253
Electrical and Mechanical	591,433	614,800	592,165	584,580
Distribution and Collection	658,778	744,843	1,814,630	1,083,932
Water Resources Operations	757,877	916,499	865,323	853,219
Wastewater Operations	1,433,687	1,233,791	857,399	1,379,579
Industrial Pre-Treatment	63,519	86,153	72,498	70,764
Depreciation	3,125,059	2,375,946	2,378,146	2,413,840
Amortization of Bond Costs	31,993	30,475	192,896	-
Total Operating Expenses	9,684,192	8,959,375	9,828,802	9,733,570
Net Operating Income	(858,690)	473,369	524,714	509,898
Nonoperating Revenues (Expenses)	3,596,333	1,664,661	1,783,986	2,185,990
Change in Net Position	2,737,643	2,138,030	2,308,700	2,695,888
Total Net Position-Beginning	109,458,867	112,196,510	114,334,538	116,643,238
Total Net Position-Ending	<u>\$ 112,196,510</u>	<u>\$ 114,334,540</u>	<u>\$ 116,643,238</u>	<u>\$ 119,339,126</u>

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

Schedule 5

2014	2015	2016	2017 - Restated	2018	2019
\$ 9,477,142	\$ 10,402,537	\$ 11,206,334	\$ 10,882,424	\$ 11,981,826	\$ 11,887,410
171,962	142,073	17,745	44,841	-	6,359
9,649,104	10,544,610	11,224,079	10,927,265	11,981,826	11,893,769
1,266,235	1,484,033	1,480,587	1,416,459	1,439,854	1,492,258
183,411	189,891	192,367	219,770	203,608	201,548
81,361	84,883	79,398	42,326	36,616	28,165
285,754	485,839	662,612	661,093	743,997	708,545
928,361	1,003,930	1,123,400	1,236,237	1,164,874	1,939,770
417,239	498,409	507,654	547,597	555,883	556,528
583,784	523,305	472,371	533,386	547,109	597,067
1,195,375	1,499,666	1,362,025	1,092,036	1,415,340	1,351,176
966,461	828,739	1,056,749	1,039,124	858,094	1,096,514
1,429,958	1,553,157	1,801,951	1,713,025	1,762,360	1,658,350
74,792	71,970	73,604	91,312	98,537	67,889
2,389,599	2,510,512	2,247,724	2,274,559	2,287,445	2,756,820
-	-	-	-	-	-
9,802,330	10,734,334	11,060,442	10,866,924	11,113,717	12,454,630
(153,226)	(189,724)	163,637	60,341	868,109	(560,861)
3,586,808	3,468,892	3,584,612	3,739,223	4,006,317	4,726,547
3,433,582	3,279,168	3,748,249	3,799,564	4,874,426	4,165,686
119,339,126	122,772,708	126,051,876	129,800,125	133,599,689	138,474,115
\$ 122,772,708	\$ 126,051,876	\$ 129,800,125	\$ 133,599,689	\$ 138,474,115	\$ 142,639,801

CITY OF NORTHGLENN, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN YEARS

Schedule 6

Year	Property Tax		Sales and Use Taxes (2)	Occupational Tax	Total
	General (1)	Specific Ownership			
2010	\$ 4,197,591	\$ 191,761	\$ 10,610,255	\$ 893,087	\$ 15,892,694
2011	4,088,194	186,395	13,023,411	881,196	18,179,196
2012	4,051,116	198,343	13,561,188	66,367	17,877,014
2013	3,994,463	212,096	14,733,641	62,910	19,003,110
2014	6,711,993	221,128	16,669,901	62,886	23,665,908
2015	4,738,947	251,151	19,233,873	62,622	24,286,593
2016	5,474,110	275,735	19,882,073	63,840	25,695,758
2017	5,656,376	322,415	20,563,896	63,554	26,606,241
2018	5,187,543	356,124	21,397,376	36,232	26,977,275
2019	5,520,244	333,754	22,042,951	16,618	27,913,567

Source: City of Northglenn Finance Department

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

Year	Sales and Use Tax Collections	Percent Increase
2010	10,610,255	2.71%
2011	13,023,411	22.74%
2012	13,561,188	4.13%
2013	14,733,641	8.65%
2014	16,669,901	13.14%
2015	19,233,873	15.38%
2016	19,882,073	3.37%
2017	20,563,896	3.43%
2018	21,397,376	4.05%
2019	22,042,951	3.02%



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CITY OF NORTHGLENN, COLORADO

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

Year	Commercial	Residential	Vacant Land	Industrial	Agriculture	Other Natural Resources	Oil & Gas
2010	61,125,780	156,921,400	1,721,670	4,036,580	23,090	150	-
2011	59,002,460	155,323,970	1,660,070	3,943,050	25,280	150	-
2012	58,936,040	156,198,870	1,724,320	4,123,180	25,280	150	-
2013	58,582,220	151,933,750	2,167,600	3,937,680	26,900	150	-
2014	53,341,300	151,205,720	2,390,870	4,249,990	26,900	150	-
2015	56,793,760	182,440,830	1,978,350	4,293,940	27,980	150	-
2016	56,389,140	182,727,960	1,862,830	4,293,940	27,890	150	-
2017	79,875,660	229,626,210	2,776,280	4,689,810	27,350	150	-
2018	81,730,360	229,220,150	2,529,960	4,678,890	27,350	150	-
2019	101,629,800	289,481,040	3,816,010	7,603,630	24,800	150	-

Source: Adams and Weld County Assessors

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

Year	Residential Rate
2010	7.96%
2011	7.96%
2012	7.96%
2013	7.96%
2014	7.96%
2015	7.96%
2016	7.96%
2017	7.96%
2018	7.20%
2019	7.20%

Schedule 7

State Assessed	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a % of Estimated Actual Value
133,350	15,867,890	239,829,910	11.597	2,299,232,194	10.43%
288,910	15,451,950	235,695,840	11.597	2,591,781,486	9.09%
247,380	15,563,030	236,818,250	11.597	2,265,564,967	10.45%
137,620	17,655,690	234,441,610	11.597	2,431,042,872	9.64%
162,940	17,358,170	244,450,580	11.597	2,377,871,036	10.28%
170,910	19,582,190	265,288,020	11.597	2,378,939,110	11.15%
161,970	20,871,130	266,335,010	11.597	2,425,558,180	10.98%
215,490	23,917,840	341,128,790	11.597	3,037,487,550	11.23%
192,210	23,752,200	342,134,270	11.597	3,115,891,580	10.98%
204,820	25,338,410	428,098,660	11.597	3,867,401,370	11.07%

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS

Schedule 8

Year	City of Northglenn			Overlapping Rates (1)						
	Operating Millage	Road Reconstruction Millage	Total City Millage	Adams County School District	Adams County	Rangeview Library District	North Metro Fire District	Urban Drainage Flood Control District	Total Overlapping Rates	Total Direct & Overlapping Rates
2010	7.597	4.000	11.597	70.179	26.824	3.659	13.207	0.508	114.377	125.974
2011	7.597	4.000	11.597	70.276	26.806	3.659	11.176	0.566	112.483	124.080
2012	7.597	4.000	11.597	70.602	26.903	3.659	11.375	0.599	113.138	124.735
2013	7.597	4.000	11.597	68.605	26.815	3.659	11.246	0.608	110.933	122.530
2014	7.597	4.000	11.597	68.781	27.042	3.659	14.903	0.632	115.017	126.614
2015	7.597	4.000	11.597	66.017	26.817	3.659	14.713	0.553	111.759	123.356
2016	7.597	4.000	11.597	65.922	27.055	3.659	14.810	0.559	112.005	123.602
2017	7.597	4.000	11.597	63.259	26.929	3.669	14.710	0.500	109.067	120.664
2018	7.597	4.000	11.597	73.510	26.864	3.666	14.730	0.820	119.590	131.187
2019	7.597	4.000	11.597	69.984	26.917	3.677	14.674	0.997	116.249	127.846

Source: Adams County abstract of assessments and tax levies

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

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

CITY OF NORTHGLENN, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND TEN YEARS AGO

Schedule 9

Taxpayer(1)	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Retail	\$ 14,917,340	1	6.36%	\$ 2,237,700	6	
Public Utility	11,420,630	2	4.87%	5,262,790	2	2.17%
Apartments	10,462,930	3	4.46%	10,120,060	1	4.17%
Apartments	6,756,530	4	2.88%	4,573,820	3	
Hospital	5,800,000	5	2.47%			0.00%
Apartments	5,362,500	6	2.29%	2,565,860	4	1.06%
Apartments	4,682,200	7	2.29%	2,460,070	5	1.01%
Apartments	3,785,400	8	1.55%	1,957,690	7	0.81%
Apartments	3,632,280	9	1.54%	1,886,450	9	0.78%
Hospital	3,614,830	10	1.54%			0.00%
Commercial	-		-	1,905,620	8	0.79%
Commercial	-		-	1,798,000	10	0.74%
Apartments	-		-			0.00%
Total	<u>\$ 70,434,640</u>		<u>30.04%</u>	<u>\$ 34,768,060</u>		<u>14.34%</u>

Source: Adams and Weld County Assessors

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

CITY OF NORTHGLENN, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Schedule 10

Levy Year	Tax Collection Year	Taxes Levied for the Year (1)	Collections (2)	Percentage of Levy (3)
2009	2010	2,781,307	2,759,529	99.22%
2010	2011	2,789,189	2,972,443	106.57% (4)
2011	2012	2,771,330	2,973,213	107.28% (4)
2012	2013	2,809,715	3,006,351	107.00% (4)
2013	2014	2,808,108	3,023,073	107.66% (4)
2014	2015	2,749,205	2,748,798	99.99%
2015	2016	3,133,582	3,125,606	99.75%
2016	2017	3,104,737	3,099,837	99.84%
2017	2018	3,971,258	3,968,647	99.93%
2018	2019	3,977,926	3,972,989	99.88%

Source: Adams and Weld County Assessors

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



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CITY OF NORTHGLENN, COLORADO

SALES TAX COLLECTIONS BY CATEGORY (1) LAST TEN YEARS

Category	2010	2011	2012	2013
Automotive Sales/Supplies/Rentals	\$ 996,803	\$ 873,739	\$ 1,017,472	\$ 1,218,585
Finance/Insurance/Real Estate/Rental/Leasing	152,608	157,224	163,758	201,250
Food and Beverage Stores (2)	806,014	781,939	810,630	393,708
Retail Stores	5,777,124	6,233,696	6,083,040	5,993,120
Arts, Entertainment, and Recreation	190,798	198,676	262,228	277,369
Eating and Drinking Establishments	1,838,558	1,959,685	2,031,747	2,154,024
Lodging (3)	135,757	152,430	151,729	164,488
Manufacturing	94,997	75,931	83,052	99,041
Service Providers and Transportation	1,603,336	1,565,425	1,783,006	1,887,538
Construction and Contractors	66,064	67,200	93,318	102,364
Utilities	1,093,927	1,090,808	1,042,736	1,105,393
Wholesale	112,913	144,706	144,805	162,493
Total	<u>\$ 12,868,899</u>	<u>\$ 13,301,458</u>	<u>\$ 13,301,458</u>	<u>\$ 13,759,372</u>
City Direct Sales Tax Rate	4.00%	4.00%	4.00%	4.00%

Source: City of Northglenn Finance Department

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

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

(3) Lodging is taxed at 5.0%.

Schedule 11

2014	2015	2016	2017	2018	2019
\$ 1,237,885	\$ 1,554,178	\$ 1,586,320	\$ 1,650,406	\$ 1,593,968	\$ 1,625,087
190,062	313,728	387,128	490,882	528,320	494,383
1,001,952	646,940	1,481,906	1,578,068	1,612,254	1,876,260
5,668,197	6,607,015	6,814,539	7,009,480	7,194,652	7,117,875
313,922	314,364	330,990	335,307	333,810	280,109
2,447,832	3,102,060	3,394,196	3,651,690	3,738,574	3,850,116
194,746	221,625	226,904	241,401	237,609	266,796
114,419	122,624	115,839	96,205	79,819	93,937
2,455,393	3,017,540	3,531,981	3,512,585	3,840,291	4,307,692
157,807	162,640	187,582	183,531	270,997	258,260
1,088,352	1,104,150	1,055,994	1,127,770	1,062,295	1,086,136
157,355	208,844	221,341	256,589	274,962	349,838
<u>\$ 15,027,922</u>	<u>\$ 17,375,708</u>	<u>\$ 19,334,718</u>	<u>\$ 20,133,914</u>	<u>\$ 20,767,551</u>	<u>\$ 21,606,489</u>
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

CITY OF NORTHGLENN, COLORADO

LARGEST SALES TAX GENERATORS CURRENT YEAR

Schedule 12

Type of Business(1)	2019 Sales Tax Collected	% of Total City Sales Tax(2)
Auto Use Tax	\$ 2,799,103	10.58%
Retail	1,344,381	5.08%
Public Utility	1,090,185	4.12%
Retail	828,059	3.13%
Retail	789,015	2.98%
Grocery Store	690,602	2.61%
Retail	595,613	2.25%
Retail	416,274	1.57%
Grocery Store	372,416	1.41%
Retail	354,497	1.34%
	<u>\$ 9,280,145</u>	<u>35.07%</u>

Source: City of Northglenn Finance Department

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

(2) Based upon 2019 Sales and Use Tax Collections of \$26,451,909.

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN YEARS

Schedule 13

Year	City Direct Rate (1)	State of Colorado	Adams County	RTD / CD (2)	Total Sales Tax Rate
2010	4.00%	2.90%	0.75%	1.20%	8.85%
2011	4.00%	2.90%	0.75%	1.20%	8.85%
2012	4.00%	2.90%	0.75%	1.10%	8.75%
2013	4.00%	2.90%	0.75%	1.10%	8.75%
2014	4.00%	2.90%	0.75%	1.10%	8.75%
2015	4.00%	2.90%	0.75%	1.10%	8.75%
2016	4.00%	2.90%	0.75%	1.10%	8.75%
2017	4.00%	2.90%	0.75%	1.10%	8.75%
2018	4.00%	2.90%	0.75%	1.10%	8.75%
2019	4.00%	2.90%	0.75%	1.10%	8.75%

Source: City of Northglenn Finance Department

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

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

CITY OF NORTHGLENN, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities		Total Primary Government
	Notes Payable	Capital Lease	Certificates Of Participation	Certificates Of Participation	Capital Lease	
2010	177,389	-	-	9,625,000	7,590,000	17,392,389
2011	-	-	-	9,035,000	6,163,339	15,198,339
2012	-	-	-	8,420,000	4,705,649	13,125,649
2013	-	-	-	-	11,163,879	11,163,879
2014	-	-	-	-	8,776,023	8,776,023
2015	-	-	-	-	6,315,000	6,315,000
2016	-	-	-	-	5,465,000	5,465,000
2017	-	-	20,763,249	-	4,600,000	25,363,249
2018	-	-	20,031,762	-	3,715,001	23,746,763
2019	-	-	61,936,764	-	2,815,001	64,751,765

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

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

Schedule 14

Percentage Of Personal Income	Population	Debt Per Capita
1.633%	33,563	518
1.348%	33,563	453
0.930%	35,789	367
0.767%	36,891	303
0.593%	37,499	234
0.432%	37,075	170
0.358%	38,648	141
1.651%	38,928	652
1.546%	38,905	610
6.055%	38,900	1,665

CITY OF NORTHGLENN, COLORADO

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

	2010	2011	2012	2013
Debt Applicable to Limitation:				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Percentage to estimated actual property value (1)	0.00%	0.00%	0.00%	0.00%
Per capita (2)	-	-	-	-
Total net debt applicable to limit	-	-	-	-
Legal debt limit (3)	68,976,966	77,753,445	67,966,949	72,931,286
Legal debt margin	\$ 68,976,966	\$ 77,753,445	\$ 67,966,949	\$ 72,931,286
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

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

(2) Population data can be found in Schedule 17

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

Schedule 15

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-
-	-	-	-	-	-
71,336,131	71,368,173	72,766,745	91,124,627	93,476,747	116,022,041
<u>\$ 71,336,131</u>	<u>\$ 71,368,173</u>	<u>\$ 72,766,745</u>	<u>\$ 91,124,627</u>	<u>\$ 93,476,747</u>	<u>\$ 116,022,041</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF NORTHGLENN, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2019

Schedule 16

Name of Governmental Entity (1)	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (2)
Direct:			
City of Northglenn	\$ 61,936,764	100%	\$ 61,936,764
Overlapping:			
Adams County School District No. 12	503,130,000	11.16%	56,134,424
North Metro Fire Rescue Authority	13,720,000	18.86%	2,587,921
Rangeview Library District	<u>25,920,000</u>	5.81%	<u>1,506,342</u>
	<u>\$ 604,706,764</u>		<u>\$ 122,165,451</u>

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

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

CITY OF NORTHGLENN, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Schedule 17

Year	(1) Population	Personal Income	(2) Adams County Per Capita Income	(1) Adams County Median Age	(3) Adams County School Enrollment	(4) Unemployment Rate	(4) Denver Boulder Consumer Price Index
2010	33,563	1,064,853,301	31,727	32.0	82,252	8.1%	212.4
2011	35,528	1,127,196,856	31,727	32.3	85,951	10.0%	220.3
2012	35,789	1,412,054,995	39,455	32.4	87,096	8.9%	221.5
2013	36,891	1,455,534,405	39,455	33.1	87,120	8.4%	229.1
2014	37,499	1,479,523,045	39,455	32.4	84,340	9.0%	232.4
2015	37,075	1,462,794,125	39,455	32.4	84,284	3.8%	240.0
2016	38,648	1,524,856,840	39,455	32.4	82,921	3.6%	246.6
2017	38,928	1,535,904,240	39,455	32.8	83,999	4.3%	253.2
2018	38,905	1,069,381,735	27,487	33.5	84,676	4.1%	251.4
2019	38,700	1,109,258,100	28,663	33.5	85,001	3.5%	260.9

Sources:

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

Notes:

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

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



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CITY OF NORTHGLENN, COLORADO

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

Schedule 18

Function / Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Manager	4.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
City Clerk	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Management Services	13.75	13.65	13.65	13.65	14.65	15.65	15.65	15.65	15.80	14.80
Information Technology	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Finance	13.60	13.60	12.60	11.60	11.60	11.60	11.60	11.60	11.60	11.60
Planning & Development	11.01	10.01	10.00	9.00	11.00	12.00	12.00	12.00	12.00	12.00
Parks, Recreation & Culture	44.65	45.72	46.11	47.67	47.07	48.19	48.69	49.69	49.69	50.09
Public Safety	79.00	82.00	82.50	75.00	82.50	84.50	84.50	87.50	88.50	89.50
Public Works	12.50	15.00	15.00	15.00	37.00	40.00	40.00	40.00	40.00	21.00
Water and Environmental Services										
Water/Wastewater	41.70	43.80	43.80	42.00	22.00	22.00	22.00	22.00	24.00	41.00
Stormwater	5.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	12.20	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	11.00
Total	<u>246.91</u>	<u>247.28</u>	<u>247.16</u>	<u>238.42</u>	<u>250.32</u>	<u>258.44</u>	<u>258.94</u>	<u>262.94</u>	<u>268.09</u>	<u>268.49</u>

Source: City of Northglenn Human Resources Department

Notes:

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

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

CITY OF NORTHGLENN, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	2010	2011	2012	2013
Police				
Physical Arrests	1,752	1,494	1,457	1,578
Traffic Violations	12,929	7,226	5,916	10,693
Parking Violations	1,159	555	349	530
Fire (1)				
Number of Fire Personnel & Officers	108	108	108	108
Building Division				
Building Permits Value	11,681,311	10,740,103	40,711,538	13,234,974
Building Permits Issued	2,016	1,657	1,373	1,483
Refuse Collection				
Refuse collected (tons)	15,250	15,011	14,498	13,848
Recyclables collected				
Commingled (tons)	149	295	481	521
Newspaper (tons)	273	541	892	967
Steel (tons)	22	27	22	27
Other Public Works				
Minor Street Repair Materials (tons)	974	1,144	349	386
Street Sweeping (miles)	3,700	2,354	2,134	3,205
Parks and Recreation				
Athletic Field Rentals (2)	43	38	40	40
Recreation Center Memberships (3)	4,016	4,026	4,041	4,123
Theatre Admissions	6,150	6,463	9,620	9,564
Park Shelter Rentals	450	461	627	543
Water				
Number of Service Connections	10,331	10,331	10,304	10,223
Water main breaks	6	2	5	7
Average daily consumption (millions of gallons)	4.386	4.341	4.621	4.037
Peak daily consumption (millions of gallons)	9.027	9.178	10.902	9.081
Wastewater				
Average daily treatment (millions of gallons)	3.910	3.700	3.030	3.165

Sources: Various city departments, unless otherwise noted

- (1) North Metro Fire Rescue Authority
- (2) Beginning in 2018, reporting criteria has changed from the number of individuals renting the fields, to the number of times it was rented during the year. Due to a software conversion, the City is unable to report this retroactively.
- (3) Beginning in 2018, the reporting criteria has been updated to show the number of active memberships versus all types. Due to a software conversion, the City is unable to report this retroactively.

Schedule 19

2014	2015	2016	2017	2018	2019
2,143	2,094	1,712	1,344	539	649
9,141	6,388	5,263	6,178	3,875	2,036
537	530	517	522	287	299
108	108	108	108	108	108
22,421,849	32,085,372	32,446,029	44,720,122	36,475,903	38,539,383
1,681	1,561	1,705	1,595	2,453	1,942
14,402	14,823	14,877	14,675	15,265	14,915
555	516	532	229	294	290
1,032	1,259	1,817	1,833	1,728	1,419
36	21	23	23	73	40
1,313	246	363	243	251	156
3,744	3,547	3,547	3,057	3,057	3,057
35	34	46	57	3,258	2,965
3,972	4,021	4,129	4,125	1,291	1,691
9,567	9,974	10,630	13,654	13,629	13,731
509	537	503	531	826	865
10,240	10,245	10,251	10,257	10,277	10,295
12	4	4	4	3	6
3.795	3.780	3.925	3.837	3.976	3.820
8.221	7.669	8.607	8.479	8.721	8.229
3.280	3.424	3.563	3.713	3.130	3.080

CITY OF NORTHGLENN, COLORADO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

	2010	2011	2012	2013
Police				
Stations	1	1	1	1
Patrol Units	25	25	26	24
Fire Stations (1)	2	2	2	2
Refuse Collection				
Collection Trucks (Trash & Roll Off)	7	7	8	8
Recycling Collection Stations	2	2	2	2
Other Public Works				
Streets (miles) (2)	104.92	104.92	104.92	104.92
Street Lights	2,012	2,012	2,012	2,012
Parks and Recreation				
Community Centers	1	1	1	1
Parks	25	25	25	25
Developed Acreage	182	183	183	183
Undeveloped Acreage	312	311	311	311
Swimming Pools	2	2	2	2
Tennis Courts	5	5	5	5
Water				
Water Mains (miles)	182.00	182.00	182.00	182.00
Fire Hydrants	999	999	999	999
Storage Capacity (millions of gallons)	7,725,000	7,725,000	7,725,000	7,725,000
Daily Plant Capacity (millions of gallons)	16.00	16.00	16.00	16.00
Wastewater				
Treatment Plants	1	1	1	1
Sanitary Sewer (miles)	138.20	138.20	138.20	138.20
Storm Sewer (miles)	23.00	23.00	23.00	23.00
Treatment Capacity (millions of gallons)	6.50	6.50	6.50	6.50

Sources: Various city departments, unless otherwise noted

(1) North Metro Fire Rescue Authority

(2) CDOT Annual Certification Report

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

Schedule 20

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
24	22	21	22	29	29
2	2	2	2	2	2
9	10	11	11	2	3
2	2	2	2	2	2
104.92	104.92	104.92	104.92	104.92	104.92
2,012	2,012	2,012	2,012	2,012	2,012
1	1	1	1	1	1
25	25	25	25	25	25
183	183	183	183	183	183
311	311	311	311	311	311
2	2	2	2	2	2
5	5	5	5	5	5
182.00	182.00	182.00	182.00	182.00	182.00
999	999	999	999	999	999
7,725,000	7,725,000	7,725,000	7,725,000	7,725,000	7,725,000
16.00	16.00	16.00	16.00	16.00	16.00
1	1	1	1	1	1
138.20	138.20	138.20	138.20	138.20	138.20
23.00	23.00	23.00	23.00	23.00	23.00
6.50	6.50	6.50	6.50	6.50	6.50



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Other Schedules

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

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**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)	3,087,365
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,155,509
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	29,628
2. General fund appropriations	2,580,758	b. Snow and ice removal	233,036
3. Other local imposts (from page 2)	2,607,143	c. Other	
4. Miscellaneous local receipts (from page 2)	466,364	d. Total (a. through c.)	262,664
5. Transfers from toll facilities		4. General administration & miscellaneous	271,055
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,846,190
a. Bonds - Original Issues		6. Total (1 through 5)	7,622,783
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	5,654,265	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,383,870	2. Notes:	
D. Receipts from Federal Government (from page 2)	584,648	a. Interest	
E. Total receipts (A.7 + B + C + D)	7,622,783	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	7,622,783

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		7,622,783	7,622,783		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,371,237	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	460,834
1. Sales Taxes	1,017,307	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	5,530
5. Specific Ownership &/or Other	218,599	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,235,906	h. Other	
c. Total (a. + b.)	2,607,143	i. Total (a. through h.)	466,364
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,250,830	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	85,038
c. Motor Vehicle Registrations	128,410	d. Federal Transit Admin	
d. Other (Grant)	4,630	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	499,610
f. Total (a. through e.)	133,040	g. Total (a. through f.)	584,648
4. Total (1. + 2. + 3.f)	1,383,870	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		562,978	562,978
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		747,962	747,962
(3). System Preservation		1,292,789	1,292,789
(4). System Enhancement & Operation		483,636	483,636
(5). Total Construction (1) + (2) + (3) + (4)	0	2,524,387	2,524,387
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,087,365	3,087,365
			(Carry forward to page 1)

Notes and Comments: