



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: May 28, 2008

SUBJECT: Study Session Agenda for June 2, 2008

PREPARED BY: J Brent McFall, City Manager

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

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

A light dinner will be served in the Council Family Room 6:00 P.M.

CITY COUNCIL REPORTS

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

PRESENTATIONS

1. CAFR Presentation
2. Website Redesign

6:30 P.M.

EXECUTIVE SESSION

None at this time.

INFORMATION ONLY ITEMS – Does not require action by City Council

1. New Economic Development Materials

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

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 2, 2008



SUBJECT: 2007 Comprehensive Annual Financial Report and Management Letter

PREPARED BY: Tammy Hitchens, Finance Director

Recommended City Council Action:

Review and discuss the 2007 Comprehensive Annual Financial Report (CAFR) and Management letter.

Summary Statement:

Finance Staff along with Wendy Swanhorst, Partner and Kyle Logan, Senior Manager, of Swanhorst & Company, LLC (Swanhorst), the City's independent audit firm, will present the 2007 CAFR and Management Letter to City Council for review. The CAFR is scheduled for formal acceptance at the Council meeting on June 9, 2008.

The City has received an unqualified opinion from Swanhorst & Company, LLC. This means the CAFR represents fairly the financial position of the City. The Management letter includes two comments the auditors would like to bring to the City's attention.

Post-Employment Benefits (OPEB) – Swanhorst noted that the City's OPEB liability of \$159,034 will grow annually if unfunded. Staff commissioned an actuarial valuation for the City's Retiree Health Program in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* and implemented the reporting and disclosure requirements for 2007.

The City allows retirees who meet certain requirements to remain in the City's health plan until they reach age 65. The retiree is required to pay 100% of the premiums. As a result of allowing retirees to stay in the plan, an implicit subsidy is assumed. The theory is that retirees have more medical expenses and cause the City's premiums to be higher than they would be if the retirees were not in the plan.

In 2008, Staff will evaluate the current funding approach, consult with the actuary on liability mitigation strategies and investigate potential funding considerations, as determined necessary.

Grants – Swanhorst noted the need to strengthen the City's internal controls over identification and measurement of federal grant revenues and expenditures. Staff will finalize the City's Grant Policy in 2008 which will be accompanied by formalized administrative procedures to facilitate efficiency and consistency in grant identification and measurement processes. There were no grant related audit exceptions for the City's 2007 financial audit.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue:

Section 9.10 of the City Charter requires that an independent audit be conducted at least annually in accordance with generally accepted accounting principles as they pertain to governments for all funds reported in the Comprehensive Annual Financial Report. The audit is required to be conducted by Certified Public Accountants, experienced in municipal accounting. The 2007 audit was performed by Swanhorst & Company, LLC, Certified Public Accountants.

Alternative:

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

Background Information:

Each year Finance staff prepares a CAFR and contracts with an independent auditor to conduct an audit of the City's financial statements. The 2007 CAFR received an unqualified opinion from Swanhorst & Company, LLC, the City's independent auditors. An unqualified opinion indicates that the financial data of the City is fairly presented according to generally accepted accounting principles. Highlights of the 2007 CAFR are detailed below:

- Government-wide: Combined net assets of governmental and business-type activities increased \$28.1 million, including a \$16.9 million increase in governmental activities net assets and an \$11.2 million increase in business-type activities net assets.
- General Fund: The fund balance of the General Fund decreased \$2.5 million in 2007. Of the \$15.1 million ending fund balance, \$9.9 million was unreserved and available for future spending.
- Sales & Use Tax Fund: Sales and Use Tax revenues decreased by \$1 million. Net assets increased by \$1 million due to overall sales and use tax collections exceeding transfers to other funds.
- General Capital Improvement Fund: Operating revenues increased by \$4.7 million and expenditures were \$8.5 million less than 2006. \$8.2 million in bond financing in addition to these changes resulted in an increase in Fund Balance of \$12 million.
- Westminster Economic Development Authority: Fund balance remained essentially the same as 2006 at \$31.6 million.
- Utility Fund: Net Assets increased \$10.2 million from \$385.6 to \$395.8 million due primarily to tap fees of \$6 million and from income on investments of \$5.8 million.
- Golf Course Fund: Net Assets increased \$1 million from \$10.8 to \$11.8 million due primarily to contributions from the General Fund to help reduce the amount of negative cash.

- During 2007, the City completed three bond refunding issues totaling \$35 million and one Certificate of Participation refunding issue totaling \$32 million. Proceeds were used to refinance the outstanding Sales and Use Tax Series 1997A and 1997B and the Certificate of Participation Series 1999. The refundings were all completed without extending the original maturities, resulting in total principal and interest savings of \$3.6 million and an economic gain of \$3.6 million.

In June of 2007, the Westminster Economic Development Authority (WEDA) issued \$8,320,000 of tax increment adjustable rate revenue bonds for the South Sheridan Urban Renewal Area (URA) project. The proceeds of the issue are being used for street improvements and a masonry wall.

In December, the City issued \$20,000,000 of special purpose sales and use tax revenue bonds for the Parks, Open Space and Trails (POST) projects. The bonds were approved by the voters in November 2006 along with an extension of the POST sales and use tax of .25%.

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

\$ 18,420,620	General Capital Improvements Fund
31,867,354	Utility Fund
<u>10,993,344</u>	Westminster Economic Development Authority
<u>\$ 61,281,318</u>	Total Current Year Capital Expenditures

The specifics of the management letter and staffs' response are outlined below.

Post-Employment Benefits – City of Westminster employees who retire from the City and who meet certain criteria may elect to continue participation in the City's health insurance program until age 65 or until becoming Medicare eligible. The Retiree Health Program is a post employment benefit other than pension, referred to as OPEB.

Even though retirees pay the full cost of their premiums, in theory, their participation drives up the overall cost of the City's health care plan. Because retirees presumably incur more medical costs than people in the workforce, a subsidy is assumed that is ultimately paid by for by the City. The City pays for implicit premium subsidies and retiree claims costs on a pay-as-you-go basis.

GASB 45 establishes uniform accounting and financial reporting standards for state and local governments. As a result, governments are required to recognize OPEB expense over the respective periods it is earned by employees. The City commissioned an actuarial valuation in 2007 to determine its liability related to the Retiree Health Program and implemented the reporting and disclosure requirements with its 2007 CAFR.

The valuation results indicated that a \$3.2 million accrued actuarial liability existed as of January 1, 2007. The accrued actuarial liability represents the present value of post retirement medical payments and administrative costs attributable to past service. The GASB allows allocation of the accrued actuarial liability over a period of up to 30 years. The unfunded government-wide OPEB liability recognized as of December 31 was \$159,035. The City is required to recognize the annual change to the unfunded OPEB obligation annually.

Because the City pays for OPEB on a pay-as-you-go basis, the liability will likely grow each year. Staff will be evaluating the current funding approach, consulting with the actuary on liability mitigation strategies and investigating potential funding considerations, as determined necessary.

Grants – Swanhorst noted issues with and the need to strengthen the City’s internal controls over identification and measurement of federal grant revenues and expenditures. Staff believes the basis for the management letter comment to be a matter of coordination between staff’s procedures, which have been in place for many years, and Swanhorst’s audit approach. All grants were identified and properly reported by staff prior to the end of the financial audit. There were no grant related audit exceptions for 2007.

Staff does agree that a formalized process would support consistency with the timing and coordination of information gathering. The City’s Grant Policy will be finalized in 2008, which will be accompanied by formalized administrative procedures to facilitate procedural efficiency and consistency in grant identification and reporting.

Staff and representatives from Swanhorst will attend the June 2, 2008 Study Session to answer City Council’s questions.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments



WESTMINSTER

COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2007

**Prepared by:
Finance Department
Tammy A. Hitchens, CPA
Finance Director**

www.ci.westminster.co.us

On the Cover:

Majestic Monument

Challenge (1981), by artist Gerald Balciar, standing 14 feet tall, is an artistic focal point at the west entrance to City Hall and the Public Safety Center. The piece is one of many installed throughout the city as part of Westminster's public art program, in following the City's Strategic Plan principle of "Beautiful City".

Bradburn Boulevard

In the last decade of the 1800's about 40 acres of land between Lowell and Federal Blvds, 76th Ave and 80th Ave, were planted in apples. People from the entire Denver metropolitan area came to Westminster in the spring to enjoy the apple trees in blossom, and in the fall to purchase the fruit. The orchards were operated until about 1950, when they were sold for the Denver-Boulder Turnpike, which cut them in half. The trees seen here remain untouched along Bradburn Blvd. today.

Open Space

The year 2005 marked the 20th anniversary of the creation of Westminster's open space program. To date, the city has preserved approximately 2,500 acres (4 square miles) of natural open space, which is approximately 12 percent of the city's land area. If public and private parks and golf courses are included in the total, about one-third of the city is preserved as "green space," which distinguishes Westminster from other metro Denver communities. Many of the open space areas boast a majestic view of the Colorado Rocky Mountains, as seen here.

Bald Eagles

Standley Lake Regional Park has been home to a pair of bald eagles since 1992. When the eagles were first observed building a nest in the northwest portion of the property, Standley Lake officials closed off access to the area so the eagles would be undisturbed in their attempt to nest. Bald eagles usually mate for life and re-use nest sites. Because they are sensitive to human disturbance, it is imperative that the area remains closed to protect the nesting habitat. The eagles at Standley Lake first produced offspring in 1996. They usually lay their eggs in the first weeks of February. The bald eagles at Standley Lake rely primarily on small mammals for food but, fish is an important part of their diet as well.

Standley Lake

At 1,064 acres, Standley Lake is by far the largest lake in Westminster and second largest in the Denver Metro area, and it serves as Westminster's primary drinking water source. The lake is a part of the 2,300-acre, city-owned Standley Lake Regional Park. The state's largest walleye fish, 18 pounds, 13 ounces, was caught there in 1997. Hiking and biking on trails and boating are other popular activities. Of course the park's most famous residents are a pair of bald eagles that maintain the only bald eagle nest within a Colorado city's limits, seen above.

CITY OF WESTMINSTER, COLORADO

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WESTMINSTER
COLORADO

June 9, 2008

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

It is with great pride that we present to you the 2007 Comprehensive Annual Financial Report for the City of Westminster. The report demonstrates the City's effective government operations.

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

The Past Year

Westminster had a productive year in 2007. The local economy continued to fluctuate in irregular and unpredictable ways. Despite modest growth, the City is still behind 2001 collections in base sales tax. City Staff showed true SPIRIT (service, pride, integrity, responsibility, innovation and teamwork) in providing high quality services to its citizens, businesses and visitors. On a positive note, our economic development projects are starting to generate revenue for the City. Two separate projects are now generating over \$1 million per year. These projects are set up to generate replacement revenue for the Westminster Mall as it continues to decline.

The development of the North Huron Urban Renewal Area including The Orchard Town Center continued in 2007. The Orchard Town Center, an open-air, entertainment and lifestyle center, will ultimately include a million square feet of exclusive, outdoor, fashion-oriented retail including big boxes, department stores and smaller, upscale retailers. Located on 215 acres at the northwest corner of I-25 and 144th Avenue, south of the E-470 and Northwest Parkway beltway, The Orchard Town Center is planned to include 500 housing units and office space. The Orchard celebrated its grand opening on April 3, 2008. This development will provide critical resources to the City.

The Westminster Economic Development Authority issued \$8,320,000 of bonds in the 2nd quarter of 2007 in order to pay for infrastructure improvements related to the redevelopment of the South Sheridan Urban Renewal Area. A big box mass merchandiser is the catalyst for redevelopment in the area. In addition, redevelopment is occurring in the South Westminster Urban Renewal Area with the remodeling of a strip mall where a specialty grocery store is the anchor. These projects will also generate replacement revenue for the declining revenue from the Westminster Mall. It is anticipated that the Westminster Mall area will be the next large redevelopment project.

The City refinanced several bond and certificate of participations issue in 2007. The refinancings were all completed with no extension of maturities. On a net present value basis, these refinancings will save the taxpayers over \$3.2 million dollars over the life of the issues.

The City issued \$20,000,000 in Parks, Open Space and Trails bonds in December. These bonds were approved by the citizens in November, 2006 by a margin of 71% - 29%. In addition to maintaining the City's current open space, the City continues to pursue the acquisition of open space in order to meet the goal of 15% open space.

Westminster continues to be recognized as a leader in performance measure reporting. In 2007, the City received ICMA's "Certificate of Distinction" Award for exceptional accomplishments in performance measurement. This is the third time that the City has been recognized with this award. Only 21 local governments were recognized nationwide with this honor in 2007.

For the third time, Westminster Parks, Recreation and Libraries was the winner of the prestigious National Recreation and Parks Association Gold Medal Award for Excellence in Park and Recreation Management. This award honors communities throughout the U.S. that demonstrate excellence in long-range planning, fiscal resource management, citizen support systems, environmental stewardship, preservation, technological integration, program planning and assessment, professional development, and agency recognition. The 2007 award was received in the 100,000 – 250,000 population category.

Technology wise, the City continued to be recognized as a leader receiving its sixth consecutive "Digitally Savvy City" award. Westminster is one of only four cities nationwide in its population category to have maintained a rating in the top ten every year since 2002, and the only Colorado City in its population category with a top ten rating every year since 2002.

The City completed a long-term facility needs assessment in 2007. This assessment is a 20 year program that identifies the needs and financial resources that will be required to maintain City facilities. Funding was increased in 2007 and 2008 to address these long-term facility needs.

The City's employees are its number one asset. The City sponsors a deferred compensation plan where employees are allowed to defer their income on a pre-tax basis. The City converted to a new deferred compensation plan provider in order to enhance the deferred compensation program.

Prior to 2007, Westminster leased the Westminster Sports Center, an indoor soccer facility, to a private company to operate. During 2007, the City renovated the facility and took over the operations. The Sports Center features two state-of-the-art multipurpose sports arenas. The synthetic turf field is 172 by 86 feet with a top-of-the-line soccer dasher board system including tempered glass. The sport court has a multi-use floor surface and is 90 by 70 feet with an indoor soccer dasher board. The Sports Center renovation was accomplished with funding from the voter-approved, 2006 Parks, Open Space and Trails sales tax extension.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2008.

The City is heavily involved in planning for transit oriented development as it is scheduled to have three commuter rail stations as part of the Regional Transportation District's initiative called FasTracks to add and expand commuter rail and bus rapid transit to the Denver metro area.

The U.S. 36 Mayors and Commissioners Coalition, a group of agencies along the US 36 corridor, submitted a request for federal grant money to improve the transportation along the US 36 corridor, a corridor that runs between Denver and Boulder. Initially, the request came in 6th and only the first 5 were funded. When New York couldn't meet the requirements of the grant, the money became available again. The Coalition was quite disappointed when the money was awarded to Los Angeles.

The City is proud to have dedicated the Armed Forces Tribute Garden on May 17th, 2008. The beautiful, contemplative destination garden is dedicated to those who serve our country in the

Army, Navy, Air Force, Marines, Coast Guard and Merchant Marine. The Tribute Garden will be an enduring place of respect and tribute to the commitment and patriotism of members of the armed forces, past, present, and future.

Westminster continues to focus on business development in the northern part of the City. Centura Health Corporation will develop a 40 acre medical complex that will employ up to 800 people at build-out. Centura is anticipating starting construction on their 24,000 square foot emergency care facility, which is the first phase of their facility, this summer.

The City has embarked on a “going green” initiative within our operations. Environmental stewardship is an issue of growing importance within the community and with many organizations across the country. As a City, one example of going green was a reusable grocery bag campaign.

Finally, one of the City’s main goals for 2008 is to continue to work on a redevelopment strategy for the Westminster Mall.

Independent Audit

Pursuant to Section 9.10 of the City Charter, an audit of the accounts and financial statements has been completed by the City’s independent Certified Public Accountants, Swanhorst & Company, LLC. Their report is included.

Government Structure and Types of Services

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

With a population of approximately 110,000, the City is approximately 94% built out, with just over 6% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency service protection, court system, parks, recreation facilities and programs, libraries, planning and development, water and wastewater treatment, street construction and maintenance and a variety of services related to these such as personnel, finance, information technology, building maintenance, etc.

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

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

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

Internal Controls and Limitations

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

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

As with any system, the inherent limitations of the system make it imperative that the City rely on review and revision of programs when weaknesses are discovered; SAS99 reporting by the City's audit firm; and constant diligence on the part of management and employees for preventing and correcting errors or other weaknesses when reviewed.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westminster, Colorado, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the content of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

In particular, our sincere appreciation is due to Cherie Sanchez, Accounting Manager; Sherri Rickard, Accountant; Sam Trevino, Accountant; Karen Creager, Accountant; Gary Newcomb, Accountant; Leslie Krough, Accounting Technician; Karen Elrod, Accounting Technician; Kim McDaniel, Pension Administrator; Bob Byerhof, Sr. Financial Analyst; and Maggie Hunter, Administrative Secretary. Thank you for your dedication, hard work and another excellent annual report.

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

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

Respectfully submitted,

J. Brent McFall
City Manager

Tammy Hitchens
Director of Finance

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Certificate of Achievement here



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements of the City of Westminster, as listed in the table of contents. These financial statements are the responsibility of the City of Westminster's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Volunteer Firefighter Pension Fund, a pension trust fund of the City of Westminster. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to amounts included for the Volunteer Firefighter Pension Fund, are based solely upon the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3.J. to the financial statements, the City of Westminster adopted the standards of Governmental Accounting Standards Board Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2007.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2008, on our consideration of the City of Westminster's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



May 2, 2008



WESTMINSTER
COLORADO

City of Westminster, Colorado

Management's Discussion and Analysis

This discussion and analysis of Westminster's financial statements for the year ended December 31, 2007 provides a narrative overview of the City's financial activities. Please consider the information here in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report and the financial statements and notes to the financial statements, which begin on page 17.

THE CITY

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

Centrally located between Denver and Boulder Colorado, the City of Westminster is known for its exceptional quality of life, and for its innovative and progressive local government services. With a population of approximately 110,000, the City is approximately 94% built out, with just about 6% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical services, 56 developed parks, 2,765 acres of natural open space, two libraries, two golf courses, several recreation centers, water and wastewater treatment, street construction and maintenance, and a variety of other services.

The primary sources of revenues for cities in Colorado are sales and use taxes, comprising approximately 55.5% of the City's governmental activities revenues. Property taxes comprise approximately 4.8% of the City's governmental activities revenues. The primary sources of revenues for the City's enterprise funds including the Utility Enterprise and Golf Course Enterprise are fees and charges.

FINANCIAL HIGHLIGHTS

During 2007, the City completed three bond refunding issues and one Certificate of Participation refunding issue. The refundings were all completed without extending the maturities for total principal and interest savings of \$3.6 million. Please see pages 63-65 for more details.

In June of 2007, the Westminster Economic Development Authority (WEDA) issued \$8,320,000 of tax increment adjustable rate revenue bonds for the South Sheridan Urban Renewal Area (URA) project. The proceeds of the issue are being used for street improvements and a masonry wall.

In December, the City issued \$20,000,000 of special purpose sales and use tax revenue bonds for the Parks, Open Space and Trails (POST) projects. The bonds were approved by the voters in November 2006 along with an extension of the POST sales and use tax of .25%.

- The assets of the City exceed its liabilities at the close of 2007 by \$677.6 million (\$269.5 million in governmental activity net assets and \$408.1 million in business-type activity net assets). Of the governmental activities net asset total, \$62.1 million, or 23%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$83.3 million, or 20%, of business-type activities net assets are unrestricted.
- Total net assets of the City increased \$28.1 million, or 4%, compared to 2006. Net assets of the City's governmental activities increased \$16.9 million, which represents an increase of 7% from 2006. Net assets of the City's business-type activities increased \$11.2 million, or 3%, over 2006.
- The total cost of all the City's programs increased \$1.1 million, or 1%, compared to 2006. The cost of governmental activities program expenses decreased \$1.6 million, or 1%, to \$115.1 million, while the cost of business-type activities increased \$2.7 million, or 6%, to \$44.7 million from 2006.
- Total revenues, excluding special items and transfers, increased \$5.6 million, or 3%, compared to 2006. Governmental activities revenues increased \$12.3 million, or 10%, to \$133.1 million, while revenues of business-type activities decreased \$6.7 million, or 11%, to \$54.8 million compared to 2006.
- As of December 31, 2007, the City's governmental funds reported a combined ending fund balance of \$124.5 million. Approximately 51%, or \$63.7 million, is unreserved fund balance and, therefore, available for spending at the City's discretion within the purposes specified for the City's funds.
- The General Fund reported a fund balance of \$15.1 million as of December 31, 2007, of which \$9.9 million was unreserved.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

FUND FINANCIAL STATEMENTS

Governmental and Business-type Funds Financial Statements

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

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

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

The City maintains 15 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sales Tax Fund, the General Capital Improvement Fund and the Westminster Economic Development Authority (WEDA), the City's urban renewal authority. These funds are considered major funds for the City. Financial information for the other 11 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

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

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

Fiduciary funds are used to account for resources held for the benefit of parties external to the City. The City is the trustee, or fiduciary, for three pension plans: General, Police, and Volunteer Fire. The City's fiduciary activities related to the General and Police pension plan are reported in the notes to the financial statements on pages 55-59. These activities are excluded from the City's other financial statements

because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. The notes to the financial statements can be found beginning on page 33 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

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

Table 1 presents an analysis of the City's net assets as of December 31. The City's assets exceeded its liabilities by \$677.6 million at December 31, 2007. Governmental activities make up \$269.5 million (40%) of these assets, with business-type activities making up the remaining \$408.1 million (60%). Total net assets increased by \$28.1 million in 2007. The increase is comprised of the following:

- Total assets increased \$45.8 million, or 4.5%, to \$1,054.6 million. This included an increase in capital assets of \$26.4 million and an increase in current and other assets of \$19.4 million. The increase in current and other assets was primarily due to an increase of \$2.9 million of taxes receivable mostly related to the increase in taxes in the urban renewal areas (URA) and \$16.6 million in cash and investments primarily related to the proceeds for the South Sheridan URA and the Parks, Open Space and Trails bond issues.
- Total liabilities increased \$17.7 million, or 5%, to \$377.0 million. Debt increased approximately \$15.4 million as a net result of servicing the debt, four refunding issues and the two new debt issues mentioned above. Unearned revenue increased \$1.6 million due primarily to an increase in the property taxes receivable in the URAs.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 171.9	\$ 142.3	\$ 96.8	\$ 107.0	\$ 268.7	\$ 249.3
Capital Assets	402.1	396.5	383.8	363.0	785.9	759.5
Total Assets	574.0	538.8	480.6	470.0	1,054.6	1,008.8
Current and other liabilities	22.2	23.0	6.2	2.7	28.4	25.7
Long-term liabilities	282.3	263.2	66.3	70.4	348.6	333.6
Total liabilities	304.5	286.2	72.5	73.1	377.0	359.3
Net assets:						
Invested in capital assets, net of debt	177.0	174.2	321.3	297.0	498.3	471.2
Restricted	30.4	45.8	3.5	3.3	33.9	49.1
Unrestricted	62.1	32.6	83.3	96.6	145.4	129.2
Total net assets	\$ 269.5	\$ 252.6	\$ 408.1	\$ 396.9	\$ 677.6	\$ 649.5

By far the largest portion of the City's assets (75%) reflects its investment of \$785.9 million in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net Capital assets are reported less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$33.9 million (5%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted assets, \$145.4 million (21.4%) may be used to meet the City's on-going obligations to the public and creditors. It is important to note that the \$83.3 million in unrestricted net assets of the City's business-type activities may not be used to fund governmental activities.

Analysis of Changes in Net Assets

As can be seen from Table 2, the City's net assets increased \$28.1 million during 2007. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net assets of governmental activities increased by \$16.9 million compared to 2006. This was \$13.8 million more than the increase of \$3.1 million in 2006. This difference can be attributed to an increase in the amount of Charges for Services including an increase in boating permits, ambulance charges, street lighting fee and the revenues from the operations of the City's Sports Center. Sales taxes, use taxes and interest earnings, also experienced modest growth. There was also an increase in program expenses related to Culture and Recreation related to the opening of the Sport's Center.

Governmental revenues increased \$12.3 million (10%) compared to 2006. This increase was due primarily to an increase in the sales and use tax and interest earnings.

Governmental expenses decreased \$1.6 million (1%) from 2006. Most of the decrease is attributable to a decrease in expenses in Community Development and interest and fiscal charges offset by an increase in expenses for Culture and Recreation.

Table 2: Changes in Net Assets (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for Service	\$ 17.3	\$ 16.2	\$ 41.1	\$ 41.5	\$ 58.4	\$ 57.7
Operating Grants and Contributions	5.7	5.3	-	-	5.7	5.3
Capital Grants and Contributions	14.3	10.1	7.8	15.7	22.1	25.8
General Revenues						
Property Taxes	6.3	5.3	-	-	6.3	5.3
Sales Taxes	60.4	56.7	-	-	60.4	56.7
Use Taxes	13.6	12.6	-	-	13.6	12.6
Business Fees and Other Taxes	4.6	4.3	-	-	4.6	4.3
Accommodations Taxes	1.4	1.2	-	-	1.4	1.2
Intergovernmental	1.0	1.1	-	-	1.0	1.1
Interest	6.5	5.8	5.9	4.3	12.4	10.1
Other	2.0	2.2	-	-	2.0	2.2
Total Revenues	133.1	120.8	54.8	61.5	187.9	182.3
Program Expenses						
General Government	30.1	26.8	-	-	30.1	26.8
Public Safety	30.1	29.5	-	-	30.1	29.5
Public Works	14.5	14.4	-	-	14.5	14.4
Community Development	14.1	24.3	-	-	14.1	24.3
Culture and Recreation	17.8	11.5	-	-	17.8	11.5
Utility	-	-	40.3	37.8	40.3	37.8
Golf	-	-	3.4	3.3	3.4	3.3
Housing Authority	-	-	1.0	0.9	1.0	0.9
Interest and Fiscal Charges	7.4	9.1	-	-	7.4	9.1
Unallocated Depreciation	1.1	1.1	-	-	1.1	1.1
Total Expenses	115.1	116.7	44.7	42.0	159.8	158.7
Excess (Deficiency) before Special Items and Transfers	18.0	4.1	10.1	19.5	28.1	23.6
Gain (loss on sale of land)	-	-	-	4.1	-	4.1
Transfers	(1.1)	(1.0)	1.1	1.0	-	-
Increase (decrease) in Net Assets	\$ 16.9	\$ 3.1	\$ 11.2	\$ 24.6	\$ 28.1	\$ 27.7

Charts 2 and 3 illustrate the City's governmental expenses and revenues by function and its revenues by source. As can be seen in Chart 2, Public Safety expenditures accounted for 26% of expenditures net of depreciation. General Government, which includes all benefits, insurances and lease payments as well as the City Council and four department's (City Manager's Office, City Attorney's Office, General Services and Finance) also accounted for 26% of the expenditures, and Culture and Recreation accounted for 15.4% of total expenditures.

General Revenues such as sales and use taxes, property and other taxes are not shown in Chart 3 by program. These revenues are used to support City program activities city-wide. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (56%), followed by charges for services (13%).

Chart 2: Expenses and Program Revenues - Governmental Activities

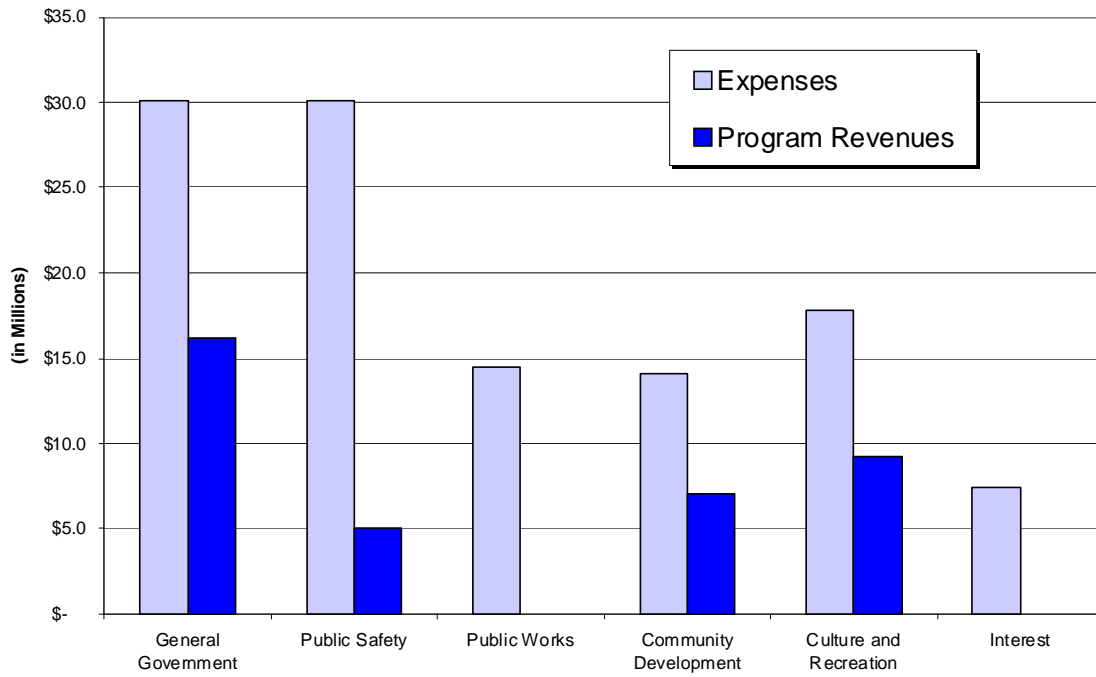
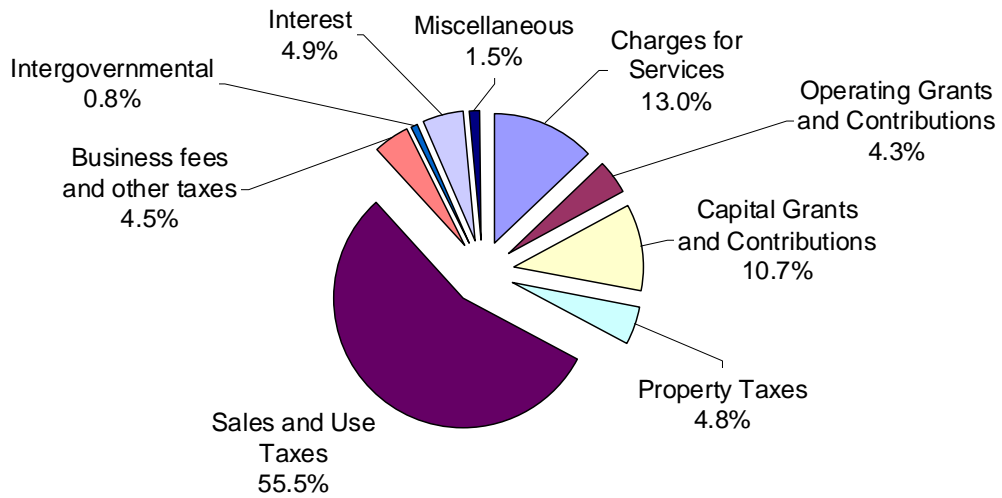


Chart 3: Revenues by Source - Governmental Activities



Business-type Activities

Net assets in business-type activities increased \$11.2 million over 2006. This is \$13.4 million, or 54%, less than the increase of \$24.6 million in 2006. 2006 was an unusually high revenue year as the City received \$7.9 million more in tap fees and also sold rights to receive reclaimed water for \$4.1 million.

Chart 4: Expenses and Program Revenues - Business Type Activities

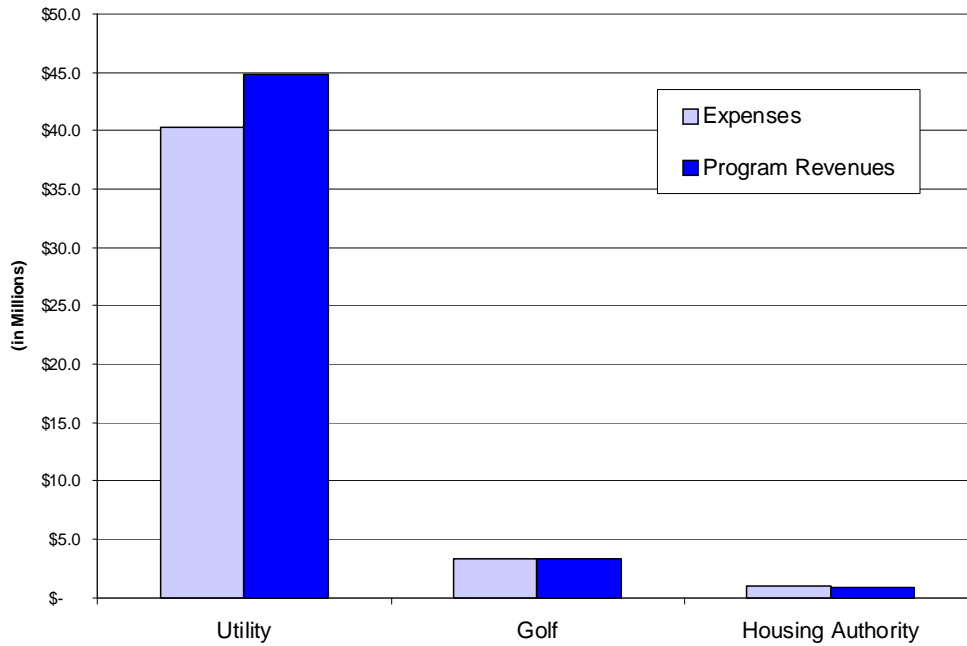
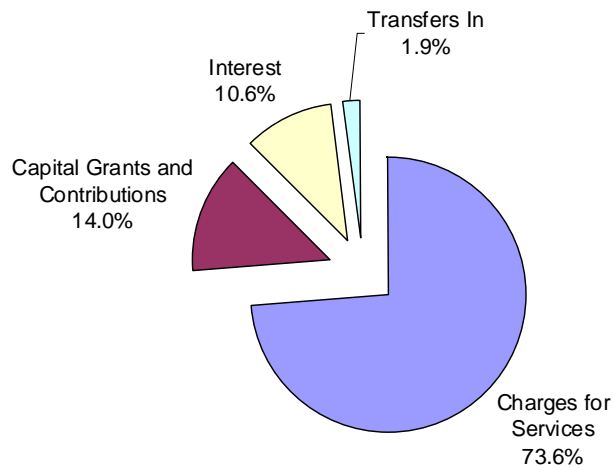


Chart 5: Revenues by Source - Business-type Activities



Total business-type revenues decreased \$6.7 million, or 11%, compared to 2006. This decrease was due primarily to a decrease of \$8.0 million, or 50%, in Capital Grants and Contributions, netted against a \$1.6 million, or 37%, increase in interest earnings.

Expenses of business-type activities increased \$2.7 million, or 6%, compared to 2006. The increase was due primarily to an increase in costs associated with providing utility services.

As can be seen from Charts 4 and 5, the City's Utility Enterprise accounts for the majority of its business-type activities, representing 90% of total business-type expenses. Charges for services provide the largest share of revenues (75%), followed by Capital Grants and Contributions (14%).

THE CITY'S FUNDS (ANALYSIS OF SPECIFIC FUNDS)

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

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

At December 31, 2007, the City's governmental funds reported a combined ending fund balance of \$124.5 million, an increase of \$24.2 million, or 24%, compared to 2006. The primary increase of \$16.9 million in restricted cash and investments was a result of bond proceeds issued for the South Sheridan URA project and the POST projects.

The unreserved fund balance increased \$11.4 million, or 22%, to \$63.7 million compared to 2006. The increase reflects the net of the bond and lease proceeds and the expenditures related to the capital projects those proceeds were obtained for. Unreserved fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the primary operating fund of the City. At the end of 2007, the unreserved fund balance of the General Fund was \$9.9 million, while total fund balance was \$15.1 million. Total fund balance decreased in the General Fund by \$2.5 million, or 14%, compared to 2006. The unreserved fund balance represents 11% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance.

The original budget in the General Fund was \$89.7 million and was adopted in late 2006. Supplemental appropriations of \$42 million, consisting primarily of carryover from 2006 (\$7.9 million) and \$33 million from the issuance of refunding Certificates of Participation were approved to create the final budget of \$131.7 million. Actual General Fund expenditures and transfers out totaled \$124.8 million. There is a \$2.6 million variance in Central Charges. Included in the variance is a \$1.0 million general fund contingency that was not spent. There is a \$2.4 million variance in transfers in. This reflects the accounting treatment for reimbursements of direct and overhead expenses. Interfund reimbursements are budgeted as transfers but are reported as direct adjustments to expenditures of the departments providing and receiving the support services.

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

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

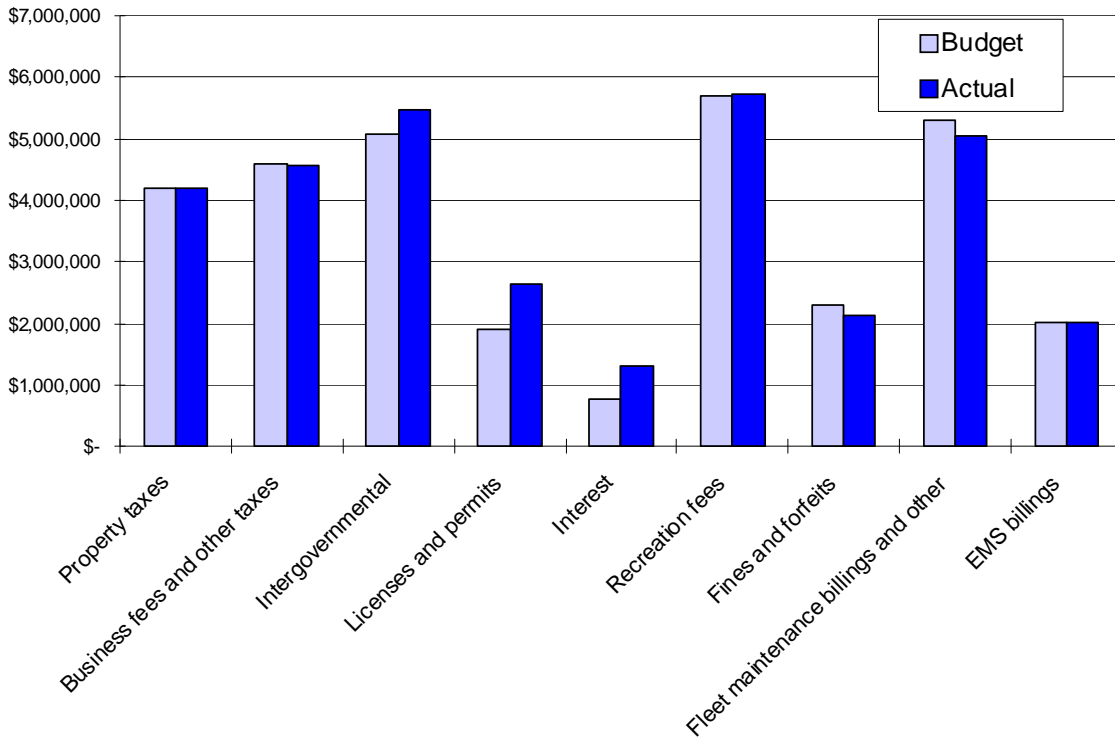
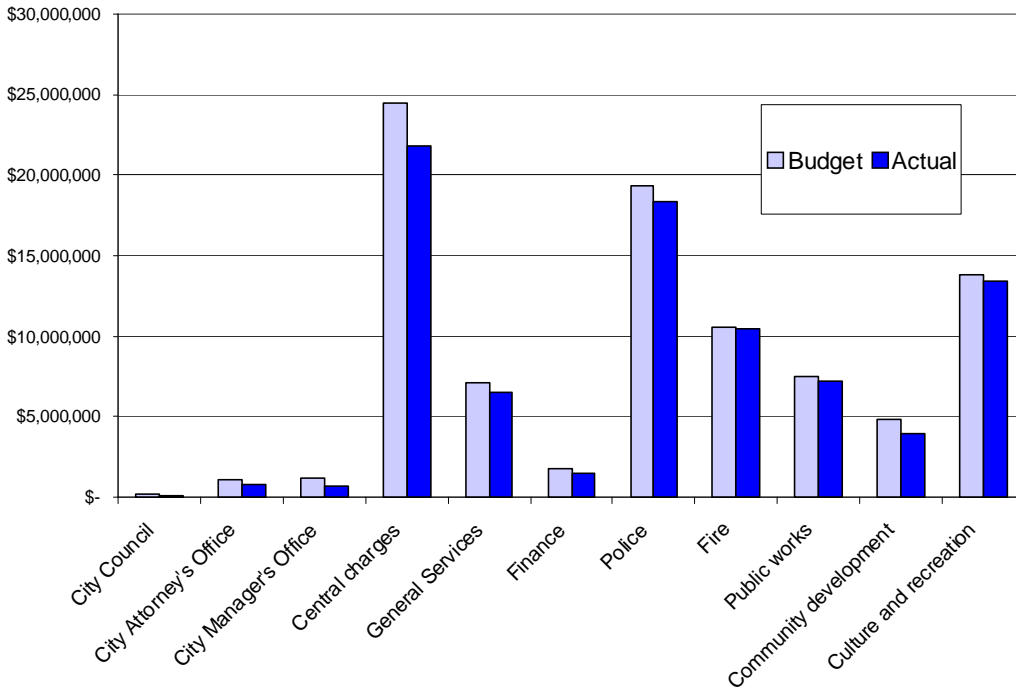


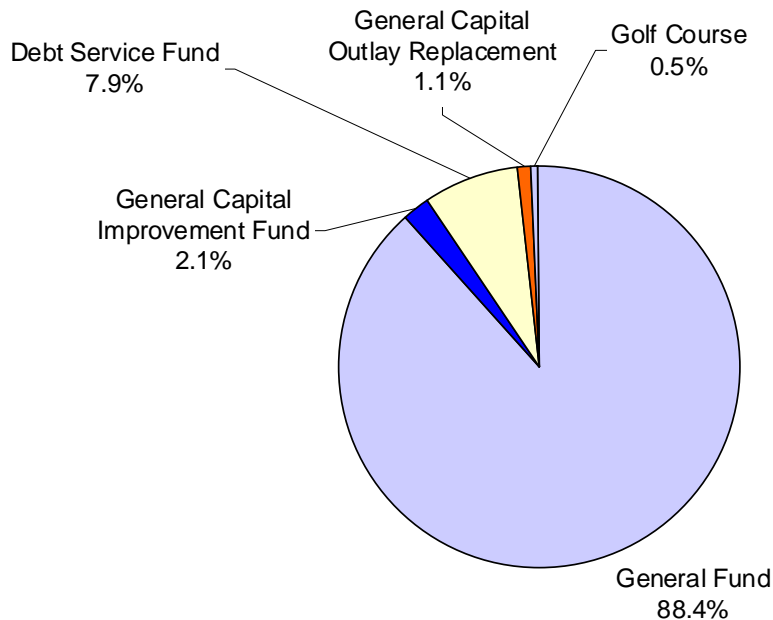
Chart 7: Budget and Actual Expenditures by Department, less Transfers - General Fund



The Sales and Use Tax Fund was established to collect the City's sales and use tax. Sales and use taxes are the primary funding source for the City's governmental funds. Once the sales and use tax is collected it is transferred to other funds. As Chart 8 illustrates, the majority (88.4%) of the sales and use tax is transferred to the General Fund.

Sales and use tax increased \$1.9 million, or 3%, compared to 2006.

Chart 8: Transfers from Sales and Use Tax Fund



The General Capital Improvement Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the City, except those financed by the Enterprise Funds. At December 31, 2007, the fund had a fund balance of \$51.6 million.

The General Capital Improvement Fund revenues include accommodations taxes, interest, revenues from other governments, and transfers from other funds. The fund's revenues increased by \$4.7 million. Interest earnings increased \$0.7 million and as a result of large cash-in-lieu payments by developers, contributions increased by \$2.9 million. Expenditures were \$8.5 million less than 2006. The fund also reflects \$8.0 million as an other financing source, which is bond proceeds related to the POST issue.

The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance was essentially the same as 2006. As of December 31, 2007, Fund Balance was \$31.6 million.

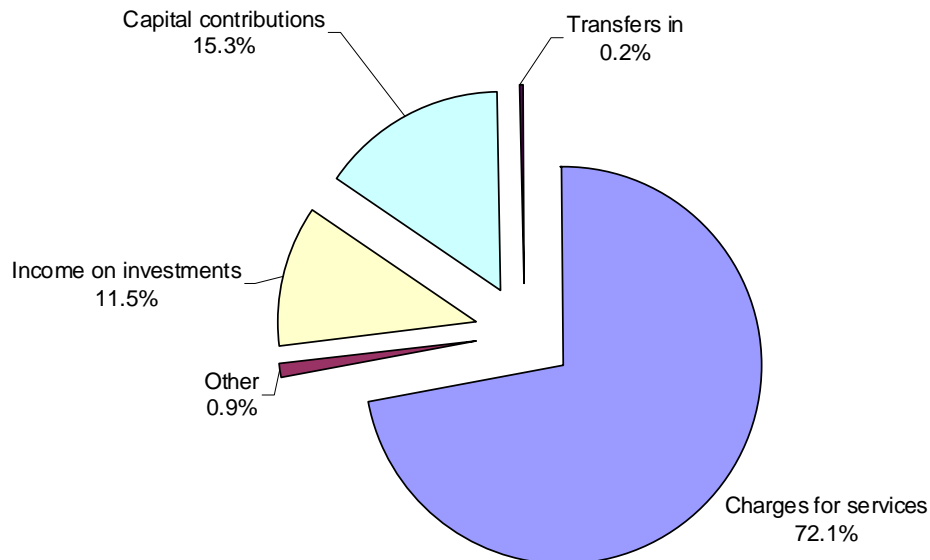
Revenue for the Westminster Economic Development Authority increased by \$2.8 million, or 48%, compared to 2006. This was primarily because of an increase in both property and sales tax increment.

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

The Utility Fund, which accounts for the City's water, wastewater and storm drainage activity, ended 2007 with net assets equal to \$395.8 million. Of that amount, \$83.4 million is unrestricted. Net assets increased \$10.2 million, or 3%, compared to 2006.

Operating revenues decreased \$0.6 million, or 2%, compared to 2006. Chart 9 illustrates both operating and non-operating revenues by source.

Chart 9: Utility Fund Revenues by Source



Utility Fund operating expenses increased \$2.7 million, or 8%, compared to 2006. The primary reason is an increase in the expensing of costs associated with capital projects that did not meet the criteria to capitalize.

The Golf Course Fund accounts for the City's two championship golf courses. Operating revenues barely exceeded operating expenses. The golf courses replaced completely depreciated equipment with new equipment causing an increase in depreciation expense of \$0.1 million. The Golf Course Fund's net assets increased \$1.0 million, or 9%, to \$11.8 million. This was primarily the result of the General Fund contributing \$700,000 to the golf courses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As can be seen from Table 3, the City's investment in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to \$786.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants, improvements, parks, infrastructure, water rights, machinery and equipment, investment in a joint venture and construction work in progress. The total increase in the City's investment in capital assets was \$26.5 million, or 3.5%. Net capital assets of governmental activities increased \$5.7 million, or 1%, and business-type activities increased \$20.8 million, or 6%.

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

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land and Property Rights	\$ 101.1	\$ 99.1	\$ 95.1	\$ 92.4	\$ 196.2	\$ 191.5
Buildings	58.1	61.2	133.1	138.7	191.2	199.9
Improvements Other than Buildings	24.2	22.6	139.3	122.1	163.5	144.7
Machinery	10.6	11.3	6.8	3.7	17.4	15.0
Parks	26.8	28.5	0.9	1.0	27.7	29.5
Ice Center	5.6	5.7	-	-	5.6	5.7
Construction in Progress	14.5	4.8	8.6	5.1	23.1	9.9
Infrastructure	161.3	163.3	-	-	161.3	163.3
Totals	<u>\$ 402.2</u>	<u>\$ 396.5</u>	<u>\$ 383.8</u>	<u>\$ 363.0</u>	<u>\$ 786.0</u>	<u>\$ 759.5</u>

Major capital asset activity during 2007 included the following:

Governmental Activities

- \$1.2 million for 144th & I-25 interchange and bridge
- \$2.3 million for 104th and Church Ranch Boulevard roadway
- \$0.5 for a fire engine
- \$1.6 million for open space acquisition

Business-type activities

- \$2.3 million for England pipeline replacement
- \$1.5 million for water rights
- \$1.3 million for gravel lakes storage improvements
- \$2.7 million for water meter transponder replacement
- \$1.3 million for sanitary sewer line rehabilitation
- \$1.9 million for 76th Avenue and Sheridan water main improvements
- \$12.0 million for Big Dry Creek wastewater plant expansion

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

Debt Administration

The City's bond ratings carry investment grade ratings as follows:

<u>Bond Issue</u>	<u>Standard & Poors</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
Sales Tax Revenue	AA+	AA	Not Requested
Sales Tax Revenue - POST	AA-	A+	Not Requested
General Obligation	AA	AA	Aa3
Utility Enterprise	AA-	AA+	A1
Golf Course Enterprise	BBB	Not Requested	Not Requested
COPs-Ice Centre	AA-	Not Requested	Not Requested
COPs-All Others	AA-	Not Requested	Not Requested

The State of Colorado limits the amount of general obligation debt that cities can issue to 3% of the actual value of all taxable property within the City's corporate limits (CRS 31-15-302). The City's outstanding general obligation debt is significantly below this \$381.4 million state-imposed limit.

Table 4 illustrates the City's total indebtedness:

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

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Revenue Bonds (backed by specific tax and fee revenues)	\$ 74.3	\$ 59.8	\$ 23.9	\$ 25.9	\$ 98.2	\$ 85.7
WEDA Tax Increment Revenue Bonds	120.5	112.7	-	-	120.5	112.7
Leases	83.9	86.8	2.5	2.3	86.4	89.1
Notes and Mortgages	-	-	38.1	40.3	38.1	40.3
Total	<u>\$278.7</u>	<u>\$ 259.3</u>	<u>\$ 64.5</u>	<u>\$ 68.5</u>	<u>\$ 343.2</u>	<u>\$ 327.8</u>

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

NEXT YEAR'S BUDGETS AND RATES

Budgets and Plans for 2008. In April, 2007, the City Council met in its annual 2-day strategic planning retreat, and accomplished the following:

- Affirmation of the City's Strategic Goals for the next five years, 2008-2012.
 1. Safe and Secure Community
 2. Financially Sustainable City Government
 3. Vibrant Neighborhoods and Commercial Areas
 4. Balanced, Sustainable Local Economy
 5. Beautiful City
- Review and revision of the City's workplan for 2006-2007.

In addition, City Council met in September, 2007 to review adjustments to the adopted 2008 budget presented by staff. The product of the City Council's budget review was a modification of the 2008 budget. The budgets for 2007-2008 were adopted by City Council on October 23, 2006. Highlights of the 2008 budget include the following:

- The 2008 General Fund operating expenditures are budgeted at \$93.5 million (including contingencies).
- The 2008 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$57,516,433, which is a 2.8% increase over the 2007 transfer payment of \$55,960,254.
- In 2008, the Contingency account is \$1,000,000 in the General Fund. The 2008 General Reserve Fund is \$9,487,810 and the Utility Reserve Fund is \$41,446,238.
- The total number of full-time equivalent (FTE) staffing in 2008 is 982.124 FTE, a net increase of 3.00 FTE. In 2008, additional full-time equivalent employees (FTE) are in the budget to maintain current service levels.
- In order to ensure reliable infrastructure throughout the City that accommodates continued growth, a proactive Capital Improvement Program (CIP) is recommended as a key component of the 2008 Budget. The total capital improvements for 2008 are \$32,245,000. 100% of the 2008 CIP will be funded on a “pay-as-you-go” basis. City streets and traffic improvements are funded for 2008 at \$3,840,000; facilities and infrastructure improvements at \$1,362,000; public safety capital improvements at \$748,000; park improvements at \$4,221,000; wastewater, water and stormwater improvements at \$22,074,000.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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

City of Westminster
 4800 W. 92nd Ave
 Westminster, CO 80031
 303-430-2400 x2036
thitchens@ci.westminster.co.us

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CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 4,081,473	\$ 4,560,711	\$ 8,642,184
Investments	76,844,263	77,584,268	154,428,531
Receivables:			
Taxes	16,193,458	-	16,193,458
Accounts	4,349,781	3,574,867	7,924,648
Note and leases	5,442,347	412,151	5,854,498
Grants	1,664,264	-	1,664,264
Interest	812,942	836,228	1,649,170
Internal balances	(2,265,770)	2,265,770	-
Inventory	426,328	1,040,826	1,467,154
Bond costs and other prepaid items	3,686,187	2,049,744	5,735,931
Restricted assets:			
Cash and cash equivalents	167,610	375,544	543,154
Cash and cash equivalents with fiscal agent	40,141,300	-	40,141,300
Investments	2,879,851	3,538,180	6,418,031
Investments with fiscal agent	16,875,552	-	16,875,552
Capital assets:			
Non-depreciable assets	115,542,447	103,676,842	219,219,289
Depreciable assets, net	286,583,935	280,131,576	566,715,511
Other assets	-	514,554	514,554
Investment in joint venture	592,889	-	592,889
Total assets	<u>\$ 574,018,857</u>	<u>\$ 480,561,261</u>	<u>\$ 1,054,580,118</u>
LIABILITIES			
Accounts payable and other	\$ 10,953,236	\$ 5,717,237	\$ 16,670,473
Accrued liabilities	1,118,145	211,641	1,329,786
Unearned revenue	8,173,385	77,713	8,251,098
Accrued interest	760,860	210,344	971,204
Estimated claims	1,135,049	-	1,135,049
Non-current liabilities:			
Due within one year:	15,728,001	5,571,011	21,299,012
Due in more than one year:	266,612,044	60,704,022	327,316,066
Total liabilities	<u>304,480,720</u>	<u>72,491,968</u>	<u>376,972,688</u>
NET ASSETS			
Invested in capital assets, net of related debt	177,034,028	321,320,685	498,354,713
Restricted for:			
Emergencies	3,695,515	-	3,695,515
Capital projects	4,260,662	-	4,260,662
Deposits	-	214,514	214,514
Open space conservation and improvements	15,637,466	-	15,637,466
Debt service	6,098,589	3,192,122	9,290,711
Other purposes	695,693	-	695,693
Unrestricted	62,116,184	83,341,972	145,458,156
Total net assets	<u>\$ 269,538,137</u>	<u>\$ 408,069,293</u>	<u>\$ 677,607,430</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Governmental activities:				
General government	\$ 30,083,440	\$ 7,432,044	\$ 3,933,408	\$ 4,803,275
Public safety	30,077,636	4,053,890	897,369	-
Public works	14,501,794	-	-	-
Community development	14,059,071	77,884	436,137	6,529,293
Culture and recreation	17,829,533	5,753,903	481,994	2,929,091
Interest and fiscal charges	7,394,096	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	1,095,078	-	-	-
Total governmental activities	115,040,648	17,317,721	5,748,908	14,261,659
Business-type activities:				
Utility	40,330,686	37,011,121	-	7,765,612
Golf	3,430,412	3,217,505	-	43,409
Westminster Housing Authority	995,606	902,899	-	-
Total business-type activities	44,756,704	41,131,525	-	7,809,021
Total primary government	\$ 159,797,352	\$ 58,449,246	\$ 5,748,908	\$ 22,070,680

GENERAL REVENUES

Property taxes
Sales taxes
Use taxes
Business fees and other taxes
Accommodations taxes
Intergovernmental not restricted to a specific purpose
Interest
Other

TRANSFERS

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (13,914,713)	\$ -	\$ (13,914,713)
(25,126,377)	-	(25,126,377)
(14,501,794)	-	(14,501,794)
(7,015,757)	-	(7,015,757)
(8,664,545)	-	(8,664,545)
(7,394,096)	-	(7,394,096)
<u>(1,095,078)</u>	<u>-</u>	<u>(1,095,078)</u>
<u>(77,712,360)</u>	<u>-</u>	<u>(77,712,360)</u>
-	4,446,047	4,446,047
-	(169,498)	(169,498)
-	(92,707)	(92,707)
<u>-</u>	<u>4,183,842</u>	<u>4,183,842</u>
(77,712,360)	4,183,842	(73,528,518)
6,348,656	-	6,348,656
60,290,173	-	60,290,173
13,610,159	-	13,610,159
4,556,637	-	4,556,637
1,425,434	-	1,425,434
1,052,427	-	1,052,427
6,496,200	5,899,913	12,396,113
1,980,122	-	1,980,122
<u>(1,059,672)</u>	<u>1,059,672</u>	<u>-</u>
<u>94,700,136</u>	<u>6,959,585</u>	<u>101,659,721</u>
16,987,776	11,143,427	28,131,203
<u>252,550,361</u>	<u>396,925,866</u>	<u>649,476,227</u>
<u>\$ 269,538,137</u>	<u>\$ 408,069,293</u>	<u>\$ 677,607,430</u>

CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 482,751	\$ 198,138	\$ 2,329,400	\$ 104,265
Investments	16,184,028	3,404,376	40,023,320	1,791,463
Receivables:				
Taxes	4,442,354	6,915,940	-	4,036,398
Accounts	3,316,881	-	826,576	140,868
Notes and leases	5,247,500	-	194,847	-
Grants	37,000	-	1,627,264	-
Interest	161,374	35,104	424,751	34,297
Due from other funds	334,230	-	-	-
Inventory	426,328	-	-	-
Prepaid items	47,528	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	105,015
Cash and cash equivalents with fiscal agent	913,852	-	1,803,827	35,318,774
Investments	-	-	-	1,804,351
Investments with fiscal agent	-	-	6,926,358	-
Loans to other funds	120,000	-	1,125,000	-
Total assets	<u>\$ 31,713,826</u>	<u>\$ 10,553,558</u>	<u>\$ 55,281,343</u>	<u>\$ 43,335,431</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 4,512,186	\$ 316,797	\$ 1,883,904	\$ 3,865,819
Accrued liabilities	1,090,004	-	17,421	-
Accrued interest	-	-	-	-
Loans from other funds	-	-	-	3,845,000
Deferred revenue	11,049,184	-	1,822,112	4,036,398
Total liabilities	<u>16,651,374</u>	<u>316,797</u>	<u>3,723,437</u>	<u>11,747,217</u>
Fund balances:				
Reserved for:				
Emergencies	3,695,515	-	-	-
Debt service	913,852	-	-	15,039,534
Capital projects	-	-	9,025,847	18,185,748
Loans to other funds	120,000	-	1,125,000	-
Inventory and prepaids	473,856	-	-	-
Unreserved, reported in:				
General fund	9,859,229	-	-	-
Special revenue funds	-	10,236,761	-	(1,637,068)
Capital project funds	-	-	41,407,059	-
Total fund balances	<u>15,062,452</u>	<u>10,236,761</u>	<u>51,557,906</u>	<u>31,588,214</u>
Total liabilities and fund balances	<u>\$ 31,713,826</u>	<u>\$ 10,553,558</u>	<u>\$ 55,281,343</u>	<u>\$ 43,335,431</u>

Other Governmental Funds	Total Governmental Funds
\$ 191,144	\$ 3,305,698
2,111,842	63,515,029
798,766	16,193,458
54,446	4,338,771
-	5,442,347
-	1,664,264
19,938	675,464
-	334,230
-	426,328
-	47,528
62,595	167,610
2,104,847	40,141,300
1,075,500	2,879,851
9,949,194	16,875,552
-	1,245,000
<u>\$ 16,368,272</u>	<u>\$ 157,252,430</u>
\$ 75,814	\$ 10,654,520
5,589	1,113,014
5,989	5,989
-	3,845,000
<u>259,784</u>	<u>17,167,478</u>
<u>347,176</u>	<u>32,786,001</u>
-	3,695,515
224,558	16,177,944
12,024,065	39,235,660
-	1,245,000
-	473,856
-	9,859,229
3,704,525	12,304,218
67,948	41,475,007
<u>16,021,096</u>	<u>124,466,429</u>
<u>\$ 16,368,272</u>	<u>\$ 157,252,430</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2007

Fund balances - total government funds \$ 124,466,429

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

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

Governmental capital assets	615,160,330	
Less accumulated depreciation	<u>(217,308,779)</u>	397,851,551

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

Bond costs	3,638,659	
Investment in joint venture	<u>592,889</u>	4,231,548

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

Governmental long term debt payable	(277,307,309)	
Accrued interest	(747,331)	
Compensated absences	(4,030,523)	
Post employment benefits	<u>(133,693)</u>	(282,218,856)

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

Deferred revenue		8,994,093
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

		<u>16,213,372</u>
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Net assets of governmental activities		<u><u>\$ 269,538,137</u></u>
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CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
REVENUES				
Property taxes	\$ 4,191,093	\$ -	\$ -	\$ 1,877,653
Sales taxes	-	51,296,157	-	4,876,683
Use taxes	-	12,720,888	-	-
Business fees and other taxes	4,556,637	-	-	-
Accommodations taxes	-	-	1,425,434	-
Intergovernmental	5,473,465	-	5,386,844	-
Assessments	-	-	69,199	-
Licenses and permits	2,654,027	-	-	-
Interest	1,307,116	249,715	2,786,707	1,916,809
Contributions	-	-	4,349,528	-
Recreation fees	5,735,111	-	-	-
Fines and forfeitures	2,134,378	-	-	-
Fleet maintenance billings and other	5,058,804	-	-	-
EMS billings	2,020,583	-	-	-
Other	-	-	2,156	-
Total revenues	33,131,214	64,266,760	14,019,868	8,671,145
EXPENDITURES				
Governmental activities:				
General government	31,496,267	-	360	401,854
Public safety	28,781,223	-	-	-
Public works	7,238,076	-	-	-
Community development	3,955,330	-	-	-
Culture and recreation	13,456,076	-	-	-
Capital projects	-	-	18,420,620	10,993,344
Debt service:				
Principal	-	-	-	520,000
Interest and fiscal charges	-	-	-	4,974,925
Bond issuance costs	595,809	-	145,684	160,766
Total expenditures	85,522,781	-	18,566,664	17,050,889
Excess of revenues over (under) expenditures	(52,391,567)	64,266,760	(4,546,796)	(8,379,744)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	40,626	-	-	-
Issuance of bonds	-	-	8,000,000	8,320,000
Issuance of refunding debt	32,210,000	-	-	-
Bond premium	734,900	-	164,987	-
Payment to refunded bond escrow agent	(32,346,736)	-	-	-
Sale of capital asset	-	-	602,109	-
Insurance proceeds	-	-	224,383	-
Transfers in	56,148,782	-	8,094,875	399,500
Transfers (out)	(6,888,784)	(63,290,486)	(706,528)	-
Total other financing sources (uses):	49,898,788	(63,290,486)	16,379,826	8,719,500
Net change in fund balances	(2,492,779)	976,274	11,833,030	339,756
Fund balances, beginning	17,555,231	9,260,487	39,724,876	31,248,458
Fund balances, ending	\$ 15,062,452	\$ 10,236,761	\$ 51,557,906	\$ 31,588,214

Other Governmental Funds	Total Governmental Funds
\$ 279,910	\$ 6,348,656
4,117,333	60,290,173
889,271	13,610,159
-	4,556,637
-	1,425,434
1,766,484	12,626,793
80,000	149,199
-	2,654,027
294,265	6,554,612
-	4,349,528
-	5,735,111
30,166	2,164,544
-	5,058,804
-	2,020,583
77,884	80,040
<u>7,535,313</u>	<u>127,624,300</u>
118,732	32,017,213
12,839	28,794,062
-	7,238,076
2,679,645	6,634,975
-	13,456,076
-	29,413,964
4,960,000	5,480,000
2,303,484	7,278,409
656,016	1,558,275
<u>10,730,716</u>	<u>131,871,050</u>
<u>(3,195,403)</u>	<u>(4,246,750)</u>
-	40,626
12,000,000	28,320,000
35,305,000	67,515,000
2,083,949	2,983,836
(37,210,995)	(69,557,731)
100,000	702,109
-	224,383
8,096,916	72,740,073
<u>(3,603,671)</u>	<u>(74,489,469)</u>
<u>16,771,199</u>	<u>28,478,827</u>
13,575,796	24,232,077
2,445,300	100,234,352
<u>\$ 16,021,096</u>	<u>\$ 124,466,429</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net Changes in fund balances - total government funds \$ 24,232,077

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

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

Expenditures for capital assets	21,749,563	
Less current year depreciation	<u>(15,952,425)</u>	5,797,138

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

Proceeds from sale of capital asset	(702,109)	
Gain on sale of capital assets	<u>280,349</u>	(421,760)

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

Issuance of new bonds	(28,320,000)	
Issuance of refunding bonds	(67,515,000)	
Issuance of lease	(40,626)	
Bond premiums	(2,983,836)	
Payment to refunding bond escrow agent	69,557,731	
Principal payments	9,552,394	
Issuance costs	<u>1,558,275</u>	(18,191,062)

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

Intergovernmental revenue	2,525,664	
Fines and forfeitures	102,868	
Recreation fees	<u>14,686</u>	2,643,218

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

Amortization of bond discount/premium and issuance costs	(326,632)	
Accrual of interest expense	295,228	
Adjustment to long-term compensated absences liability	(192,657)	
Adjustment to post employment benefit obligation	<u>(133,693)</u>	(357,754)

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

3,285,919

Change in net assets of governmental activities \$ 16,987,776

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Utility Enterprise	Golf	Westminster Housing Authority	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,495,522	\$ 3,000	\$ 62,189	\$ 4,560,711	\$ 775,775
Investments	77,241,254	-	343,014	77,584,268	13,329,234
Receivables	4,396,458	7,638	419,150	4,823,246	148,488
Inventory	775,772	265,054	-	1,040,826	-
Bond costs and other prepaid items	1,959,636	68,476	21,632	2,049,744	-
Total current assets	<u>88,868,642</u>	<u>344,168</u>	<u>845,985</u>	<u>90,058,795</u>	<u>14,253,497</u>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	175,567	35,443	164,534	375,544	-
Investments	3,016,555	471,645	49,980	3,538,180	-
Loans to other funds	2,600,000	-	-	2,600,000	-
Capital assets:					
Non-depreciable assets	90,270,136	13,041,327	365,379	103,676,842	-
Depreciable assets, net	271,404,371	6,306,111	2,421,094	280,131,576	4,274,831
Other assets	514,554	-	-	514,554	-
Total non-current assets	<u>367,981,183</u>	<u>19,854,526</u>	<u>3,000,987</u>	<u>390,836,696</u>	<u>4,274,831</u>
Total assets	<u>456,849,825</u>	<u>20,198,694</u>	<u>3,846,972</u>	<u>480,895,491</u>	<u>18,528,328</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	5,589,323	65,072	62,842	5,717,237	298,716
Accrued liabilities	189,519	22,122	-	211,641	5,131
Due to other funds	-	334,230	-	334,230	-
Deferred revenues	-	77,713	-	77,713	-
Bonds payable current portion	1,985,216	215,000	-	2,200,216	-
Notes payable, current portion	2,193,353	-	129,333	2,322,686	-
Lease payable, current portion	-	247,361	-	247,361	171,578
Accrued interest	176,855	33,489	-	210,344	7,540
Compensated absences	630,803	169,945	-	800,748	17,309
Estimated claims	-	-	-	-	1,135,049
Total current liabilities	<u>10,765,069</u>	<u>1,164,932</u>	<u>192,175</u>	<u>12,122,176</u>	<u>1,635,323</u>
Non-current liabilities:					
Bonds payable	17,718,662	5,005,000	-	22,723,662	-
Notes payable	32,554,201	-	3,140,868	35,695,069	-
Leases payable	-	2,260,300	-	2,260,300	679,283
OPEB obligation	21,845	3,146	-	24,991	350
Total non-current liabilities	<u>50,294,708</u>	<u>7,268,446</u>	<u>3,140,868</u>	<u>60,704,022</u>	<u>679,633</u>
Total liabilities	<u>61,059,777</u>	<u>8,433,378</u>	<u>3,333,043</u>	<u>72,826,198</u>	<u>2,314,956</u>
NET ASSETS					
Invested in capital assets, net of related debt	309,182,711	12,195,340	(57,366)	321,320,685	3,423,970
Restricted for:					
Deposits	-	-	214,514	214,514	-
Debt service	3,192,122	-	-	3,192,122	-
Unrestricted	83,415,215	(430,024)	356,781	83,341,972	12,789,402
Total net assets	<u>\$ 395,790,048</u>	<u>\$ 11,765,316</u>	<u>\$ 513,929</u>	<u>\$ 408,069,293</u>	<u>\$ 16,213,372</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities			Governmental Activities	
	Enterprise Funds				Internal Service Funds
	Utility Enterprise	Golf	Westminster Housing Authority		
Operating revenues					
Charges for services	\$ 36,545,958	\$ 3,197,655	\$ 902,899	\$ 40,646,512	\$ 12,832,458
Other	463,519	-	-	463,519	-
Total operating revenues	<u>37,009,477</u>	<u>3,197,655</u>	<u>902,899</u>	<u>41,110,031</u>	<u>12,832,458</u>
Operating expenses					
Personnel services	13,517,427	1,478,877	128,578	15,124,882	217,630
Contractual services	9,646,062	577,221	270,604	10,493,887	1,641,800
Commodities	1,566,162	556,748	180,999	2,303,909	3,400
Depreciation expense	9,440,444	506,107	198,052	10,144,603	1,004,156
Insurance and other expenses	3,880,079	12,424	52,601	3,945,104	8,408,760
Total operating expenses	<u>38,050,174</u>	<u>3,131,377</u>	<u>830,834</u>	<u>42,012,385</u>	<u>11,275,746</u>
Operating income (loss)	<u>(1,040,697)</u>	<u>66,278</u>	<u>72,065</u>	<u>(902,354)</u>	<u>1,556,712</u>
Non-operating revenues (expenses)					
Income on investments	5,849,198	22,634	28,081	5,899,913	849,824
Interest expense	(2,047,246)	(299,035)	(148,885)	(2,495,166)	(35,223)
Gain (loss) on disposition of capital assets	1,644	19,850	(14,981)	6,513	19,074
Other	(233,266)	-	(906)	(234,172)	-
Total non-operating revenues (expenses)	<u>3,570,330</u>	<u>(256,551)</u>	<u>(136,691)</u>	<u>3,177,088</u>	<u>833,675</u>
Income (loss) before contributions and transfers	2,529,633	(190,273)	(64,626)	2,274,734	2,390,388
Capital contributions	7,765,612	43,409	-	7,809,021	205,807
Transfers in	100,000	1,148,200	-	1,248,200	689,724
Transfers (out)	(188,528)	-	-	(188,528)	-
Change in net assets	10,206,717	1,001,336	(64,626)	11,143,427	3,285,919
Net assets - beginning	385,583,331	10,763,980	578,555	396,925,866	12,927,453
Net assets - ending	<u>\$ 395,790,048</u>	<u>\$ 11,765,316</u>	<u>\$ 513,929</u>	<u>\$ 408,069,293</u>	<u>\$ 16,213,372</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities			Governmental Activities Internal Service Funds	
	Enterprise Funds				
	Utility Fund	Golf Course	Westminster Housing Authority		Total
Cash flows from operating activities:					
Cash received from customers	\$ 36,955,169	\$ 3,197,218	\$ 902,570	\$ 41,054,957	\$ 12,924,165
Cash payments to employees for services	(13,602,054)	(1,472,317)	-	(15,074,371)	(206,673)
Cash payments to suppliers for goods and services	(11,444,206)	(1,127,467)	(619,416)	(13,191,089)	(10,663,903)
Other operating revenues (expenses)	463,519	-	-	463,519	-
Net cash provided by (used in) operating activities	<u>12,372,428</u>	<u>597,434</u>	<u>283,154</u>	<u>13,253,016</u>	<u>2,053,589</u>
Cash flows from noncapital financing activities:					
Payment on interfund loans	-	(921,236)	-	(921,236)	-
Transfer in	100,000	1,148,200	-	1,248,200	689,724
Transfer out	(188,528)	-	-	(188,528)	-
Net cash provided by (used in) noncapital financing activities	<u>(88,528)</u>	<u>226,964</u>	<u>-</u>	<u>138,436</u>	<u>689,724</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	(3,947,987)	(495,120)	(126,182)	(4,569,289)	(314,351)
Interest paid on long term debt	(2,148,085)	(291,539)	(145,220)	(2,584,844)	(33,116)
Acquisition and construction of capital assets	(29,113,366)	(616,397)	(16,975)	(29,746,738)	(1,235,129)
Proceeds from sale of capital assets	42,249	19,850	165,000	227,099	19,075
Contributions	6,228,940	-	-	6,228,940	205,807
Proceeds from lease	-	547,000	-	547,000	377,703
Net cash provided by (used in) capital and related financing	<u>(28,938,249)</u>	<u>(836,206)</u>	<u>(123,377)</u>	<u>(29,897,832)</u>	<u>(980,011)</u>
Cash flow from investing activities:					
(Purchase) sale of investments	10,981,738	10,035	(133,409)	10,858,364	(2,276,556)
Interest received on investments	6,226,604	17,146	26,478	6,270,228	828,501
Net cash provided by (used in) investing activities	<u>17,208,342</u>	<u>27,181</u>	<u>(106,931)</u>	<u>17,128,592</u>	<u>(1,448,055)</u>
Net increase (decrease) in cash and cash equivalents	553,993	15,373	52,846	622,212	315,247
Cash and cash equivalents - beginning of year	<u>4,117,096</u>	<u>23,070</u>	<u>173,877</u>	<u>4,314,043</u>	<u>460,528</u>
Cash and cash equivalents - end of year	<u>\$ 4,671,089</u>	<u>\$ 38,443</u>	<u>\$ 226,723</u>	<u>\$ 4,936,255</u>	<u>\$ 775,775</u>

(Continued)

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Utility Fund	Golf Course	Westminster	Total	
			Housing Authority		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (1,040,697)	\$ 66,278	\$ 72,065	\$ (902,354)	\$ 1,556,712
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	9,440,444	506,107	198,052	10,144,603	1,004,156
(Increase) decrease in accounts receivable	409,211	(438)	(329)	408,444	91,705
(Increase) decrease in inventory	32,841	(14,146)	-	18,695	-
(Increase) decrease in prepaid items	1,224	18,750	7,983	27,957	-
Increase (decrease) in deferred revenue	-	22,455	(862)	21,593	-
Increase (decrease) in accounts payable and other	3,614,032	6,560	6,245	3,626,837	(4,226)
Increase (decrease) in accrued liabilities	(84,627)	(8,132)	-	(92,759)	1,678
Increase (decrease) in estimated claims	-	-	-	-	(596,436)
Total adjustments	13,413,125	531,156	211,089	14,155,370	496,877
Net cash provided by (used in) operating activities	<u>\$ 12,372,428</u>	<u>\$ 597,434</u>	<u>\$ 283,154</u>	<u>\$ 13,253,016</u>	<u>\$ 2,053,589</u>

Non-cash investing, capital, and financing activities:

- Developers contributed capital assets consisting of water and sewer lines of \$1,363,960
- A contribution of \$172,712 was reported in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority
- Capital assets contributed from governmental activities to the Golf Course Enterprise Fund totaled \$43,409
- The unrecognized gain (loss) recorded to value the non-cash investments of the City's enterprise funds to fair value was \$1,278,950

CITY OF WESTMINSTER, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2007

	Volunteer Fire <u>Pension</u>
ASSETS	
Investments with fiscal agent	<u>\$ 3,437,831</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 3,437,831</u>

CITY OF WESTMINSTER, COLORADO
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Volunteer Fire Pension
ADDITIONS	
Net investment income (loss)	\$ 321,017
Total additions	321,017
DEDUCTIONS	
Benefits	217,140
Administrative expense	23,907
Total deductions	241,047
Change in net assets	79,970
Net assets - beginning	3,357,861
Net assets - ending	\$ 3,437,831

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City (primary government) is a municipality governed by an elected mayor and six additional members of Council. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 14 are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units are, in substance, part of the City's operations, therefore data from these units are combined with the data of the City. The City's component units are all blended. All component units have a December 31 year-end.

Blended Component Units

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

Westminster Building Authority (WBA)

The City created the Westminster Building Authority as a non-profit corporation under State law (Articles 20 through 29, inclusive of Title 7 of the Colorado Revised Statutes). The Building Authority is intended to be the City's financing arm and, as such, allows the City to avoid paying fees to an outside third party financing corporation. WBA assigned its right to receive and enforce payments relating to debt service of these financial benefits to a trustee. WBA is not presented in the financial statements because it had no activity for the year ended December 31, 2007.

B. Basic Financial Statements

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

The fund financial statement emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column.

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

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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Reporting of Internal Service and Fiduciary Funds

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

The Volunteer Firefighter Pension Fund is presented in the Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets. Since these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, it is not incorporated into the government-wide statements.

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

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

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

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

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

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

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

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

The City reports the following major governmental funds:

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

Sales and Use Tax Special Revenue Fund accounts for revenue from the City's 3% sales and use tax which was approved by Westminster voters. These funds are pledged for various sales and use tax revenue bond issues and are subject to certain bond covenants. The fund also accounts for the .6% public safety tax, which was approved by Westminster voters in November 2003. Revenues from this tax must be used to improve and enhance the safety and security of Westminster residents.

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

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

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

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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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

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

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

The City reports the following non-major proprietary fund:

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

The City additionally reports the following Fund types:

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

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

D. Assets and Liabilities

Deposits and Investments

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

Investments are reported at fair value. For cash and cash equivalents, the fair value approximates the carrying value. For long-term investments, fair value is determined via dealer quotes.

Receivables and Payables

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

Assessments are also enforceable liens on property. They are certified to the counties when liabilities for special improvement districts are established. Payments, billings, and

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

collections are handled by the counties in the same manner as property taxes, or the City collects the assessments directly.

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

<u>Asset</u>	<u>Months</u>	<u>Asset</u>	<u>Months</u>
Buildings	360-480	Plants & improvements	240-600
Infrastructure	120-600	Land	0
Lines	480	Machinery and equipment	36-240
Meters	240	Parks	240
Pumps	480	Wells	480
Water rights	0	Water storage	600

Compensated Absences

In governmental funds, compensated absences are considered long-term and therefore, not accrued as fund liabilities. In proprietary funds and in the government-wide statements, a liability for compensated absences accrues when incurred. This

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

difference in treatment is included in the reconciliation between the governmental fund statements and government-wide presentation of governmental activities.

Compensated absence liabilities are liquidated by the fund in which an employee works. Governmental Funds that have typically been used to liquidate the liability for compensated absences in prior years include the General; Parks, Open Space & Trails; General Capital Improvement; Community Development Block Grant; Medical Dental Self Insurance; and Property & Liability Self Insurance Funds.

Bond Premiums and Discounts/Issuance Costs

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

E. Interfund Transactions

Interfund transactions are reflected as loans, services provided and used, reimbursements or transfers.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "loans to" and "loans from" other funds." In Governmental Funds, loans to other funds are offset by an equal reservation of fund balance to indicate that resources are not available for appropriation. Short term advances between funds are reported as "due to" and "due from" other funds.

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

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

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The bank balance of the City's cash deposits at December 31, 2007 was \$1,526,244, of which \$300,000 was covered by federal deposit insurance and \$1,226,244 was uninsured but collateralized in accordance with provision of the Colorado Public Deposit Protection Act (PDPA). The collateral is pooled and held in trust for all uninsured deposits as a group.

Investments

The City as a home rule municipality operating under its City Charter is allowed under Colorado State Statutes to promulgate and implement local standards for cash and investment management operations.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

The adopted Investment Policy for the City authorizes all investments to be made in accordance with Colorado Revised Statutes. The provision of the City's Investment Policy apply to all investable funds of the City to include trust funds, bond ordinance accounts and reserve accounts. The reserve and trust accounts are further defined with additional investment guidelines.

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

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

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

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

The City's securities at December 31, 2007, are rated AAA by Standard and Poor's and AAA by Moody's Investors Services for its Agency securities. Corporate debt is rated at least AA- by Standard and Poor's, Aa3 by Moody's Investors Services, and AA- by Fitch. Commercial Paper is rated A-1 by Standard and Poor's, P1 by Moody's Investors Services and F-1 by Fitch.

The City's investment policy follows Colorado Revised Statutes 24-75-602.1(j) and any changes enacted in the statutes relative to repurchase agreements. Collateral must have an original minimum market value (including accrued interest) of 102% of the dollar value of the transaction; if the collateralized value drops below 101%, it is immediately restored to 102%. Collateral is held by the City's custodian bank as the safekeeping agent and marked to market daily.

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

Local Government Investment Pools. At December 31, 2007, the City had invested \$1,307,043 in the Colorado Government Liquid Asset Trust (COLOTRUST) and \$1,107,554 in Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools.

COLOTRUST and CSAFE operate similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pooled shares. The pools are rated AAA by Standard and Poor's.

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes.

Cash and Investments as reported on the financial statements at December 31, 2007.

Cash and cash equivalents	\$ 8,642,184
Investments	154,428,531
Restricted cash and cash equivalents	543,154
Restricted cash with agent	40,141,300
Restricted investments	6,418,031
Restricted investments with agent	16,875,552
Total per Statement of Net Assets:	<u><u>\$ 227,048,752</u></u>

Credit Quality Distribution for Securities as a Percentage of Total Investments

<u>Investment Type</u>	<u>S & P Rating</u>	<u>% of Total</u>
Local Investment - CSAFE	AAA	0.49%
Local Investment - COLOTRUST	AAA	0.58%
Commercial Paper	A-1+	5.82%
Corporate US Central Credit Union	AAA	1.31%
Corporate GE Capital	AAA	2.46%
Corporate Wells Fargo	AA+	0.87%
Corporate Citigroup	AA	0.65%
Corporate Metropolitan Life Global Funding	AA	1.32%
Corporate Walmart	AA	0.46%
US Treasury Securities	N/A	12.83%
Federal Farm Credit Banks	AAA	14.85%
Federal Home Loan Bank System	AAA	15.64%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA	15.63%
Fannie Mae (Federal National Mortgage Association)	AAA	9.36%
First American Money Market Fund	AAA	16.23%
First American Treasury Obligation	N/A	1.50%

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (Years)</u>
Colorado Liquid Asset Trust (COLOTRUST)	\$ 1,307,043.00	-
Colorado Surplus Asset Fund (CSAFE)	1,107,554	-
Repurchase Agreements (FHLB)	6,580,810	-
Commercial Paper	13,195,703	0.11
US Treasuries	29,071,900	0.36
US Instrumentalities	111,202,360	1.59
Domestic Corporate Securities	16,035,067	1.01
First American	40,186,302	-
US Instrumentalities with Fiscal Agent	7,966,000	0.76
Total Investments controlled by City	<u><u>\$ 226,652,739</u></u>	
Portfolio weighted average maturity		1.75

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

Receivables at December 31, 2007, were as follows:

	Taxes	Accounts	Leases and Notes	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 4,442,354	\$ 4,126,988	\$ 5,247,500	\$ 37,000	\$ 161,374	\$ 14,015,216
Sales and Use Tax	6,915,940	-	-	-	35,104	6,951,044
GCIF	-	826,576	194,847	1,627,264	424,751	3,073,438
WEDA	4,036,398	140,868	-	-	34,297	4,211,563
Other Governmental	798,766	54,446	-	-	19,938	873,150
Less: Allowance for Doubtful Accounts	-	(810,107)	-	-	-	(810,107)
Subtotal	16,193,458	4,338,771	5,442,347	1,664,264	675,464	28,314,304
Reconciliation of balances in fund financial statements to government wide financial statements						
	-	11,010	-	-	137,478	148,488
Total - Governmental Activities	\$ 16,193,458	\$ 4,349,781	\$ 5,442,347	\$ 1,664,264	\$ 812,942	\$ 28,462,792
Business-type Activities:						
Utilities	\$ -	\$ 3,569,516	\$ -	\$ -	\$ 826,942	\$ 4,396,458
Golf Course	-	-	2,151	-	5,487	7,638
Housing Authority	-	5,351	410,000	-	3,799	419,150
Total - Business-type Activities:	\$ -	\$ 3,574,867	\$ 412,151	\$ -	\$ 836,228	\$ 4,823,246

C.

Leases and Notes Receivable

Description of notes and leases receivable

	Purpose of Issue	Amount Issued	Amount Outstanding	Scheduled Payments	Final Payment
PRIMARY GOVERNMENT					
Government Activities					
Catellus Development Corporation					
	Land SID assessment	\$ 194,847	\$ 194,847	one-time pymt	2008
Inland Pacific Corporation	Westminster Conference Center	39,600,000	34,800,000	quarterly	Mar-2026
Inland Pacific Corporation	Lakeview Pavilion	4,375,000	3,018,750	quarterly	Mar-2025
Hyland Hills Park and Recreation District	Ice Centre	6,997,500	5,247,500	semi-annually	Dec-2022
Total Governmental Activities		\$ 51,167,347	\$ 43,261,097		

Annual Leases and Notes Payment Schedule

Year Ending	Capital Leases and Notes Receivable			Operating Leases		
	Catellus	Hyland Hills	Total	Conference	Pavilion	Total
2008	\$ 194,847	\$ 240,000	\$ 434,847	\$ 1,250,000	\$ 175,000	\$ 1,425,000
2009	-	252,500	252,500	1,350,000	175,000	1,525,000
2010	-	265,000	265,000	1,450,000	175,000	1,625,000
2011	-	277,500	277,500	1,550,000	175,000	1,725,000
2012	-	292,500	292,500	1,650,000	175,000	1,825,000
2013-2017	-	1,705,000	1,705,000	9,700,000	875,000	10,575,000
2018-2022	-	2,215,000	2,215,000	10,500,000	875,000	11,375,000
2023-2026	-	-	-	7,350,000	393,750	7,743,750
	\$ 194,847	\$ 5,247,500	\$ 5,442,347	\$ 34,800,000	\$ 3,018,750	\$ 37,818,750

**CITY OF WESTMINSTER
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Notes become receivable as the income is earned. Operating lease revenue is reported as income as it is earned. The net investment in a capital lease becomes receivable when benefits and risks associated with ownership of the property transfer to the lessee, typically at inception of the lease agreement.

The operating leases with Inland Pacific Corporation are for use of the Westminster Conference Center and Lakeview Pavilion. In the event of default, the City has the right to take possession of the facilities.

The capital lease with Hyland Hills Parks and Recreation District represents a sub-lease for an undivided fifty percent interest in the Ice Arena to be paid over 25 years. In the event of default, Hyland Hills' interest would be reduced by two percent for each year the lease obligation was not met. The net interest rate on the lease is 5.247%.

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

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds:		
General Fund	Golf Course	\$ 334,230
Loans from/to other funds:		
General Fund	Westminster Economic Development Authority	120,000
General Capital Improvement	Westminster Economic Development Authority	1,125,000
Utility Fund	Westminster Economic Development Authority	<u>2,600,000</u>
	Total	<u>\$ 4,179,230</u>

At December 31, 2007, the General Fund covered the overdrawn cash balance of the Golf Course Fund.

The loans to the WEDA Fund of \$3,845,000 were used to 1) pay for the redevelopment and revitalization of the Westminster Plaza Shopping Center and 2) pay for expenses associated with the redevelopment of an abandoned residential project within the Holly Park Urban Renewal Area. These interfund loans are expected to be repaid in the subsequent years.

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

CITY OF WESTMINSTER, COLORADO
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E. Capital Assets

	Primary Government			Ending Balance
	Beginning Balance	Additions	Deletions	
Governmental Activities				
Land	\$ 93,687,758	\$ 2,199,358	\$ (214,711)	\$ 95,672,405
Joint Venture	5,361,000	-	-	5,361,000
Construction in progress	4,801,376	19,607,548	(9,899,881)	14,509,042
Total non-depreciable assets	<u>103,850,134</u>	<u>21,806,906</u>	<u>(10,114,592)</u>	<u>115,542,447</u>
Buildings	92,997,480	-	-	92,997,480
Machinery and equipment	32,043,826	2,066,163	(373,044)	33,736,945
Improvements other than buildings	31,319,333	3,210,042	(17,459)	34,511,916
Parks	46,203,055	284,659	-	46,487,714
Ice Center	6,972,384	-	-	6,972,384
Infrastructure	291,766,243	5,369,839	-	297,136,082
Total depreciable assets	<u>501,302,321</u>	<u>10,930,703</u>	<u>(390,503)</u>	<u>511,842,521</u>
Less accumulated depreciation for:				
Buildings	(31,769,508)	(3,095,024)	-	(34,864,532)
Machinery and equipment	(20,760,580)	(2,717,345)	330,419	(23,147,506)
Improvements other than buildings	(8,707,484)	(1,602,492)	-	(10,309,976)
Parks	(17,693,793)	(1,996,137)	-	(19,689,930)
Ice Center	(1,236,343)	(516,002)	370,743	(1,381,602)
Infrastructure	(128,464,715)	(7,400,325)	-	(135,865,040)
Total accumulated depreciation	<u>(208,632,423)</u>	<u>(17,327,325)</u>	<u>701,162</u>	<u>(225,258,586)</u>
Net total depreciable assets	<u>292,669,898</u>	<u>(6,396,622)</u>	<u>310,659</u>	<u>286,583,935</u>
Governmental activities capital assets, net	<u>\$ 396,520,032</u>	<u>\$ 15,410,284</u>	<u>\$ (9,803,933)</u>	<u>\$ 402,126,382</u>
Business-type activities:				
Land	\$ 21,928,291	\$ 1,266,693	\$ (25,719)	\$ 23,169,266
Water rights	70,463,947	1,448,076	-	71,912,023
Construction in progress	5,059,099	3,536,454	-	8,595,553
Total non-depreciable assets	<u>97,451,337</u>	<u>6,251,223</u>	<u>(25,719)</u>	<u>103,676,842</u>
Buildings and plants	191,858,509	5,054	(159,642)	191,703,921
Improvements other than buildings	171,082,214	20,774,833	-	191,857,047
Parks	1,503,253	-	-	1,503,253
Machinery and equipment	10,225,203	4,122,997	(413,244)	13,934,956
Total depreciable assets	<u>374,669,179</u>	<u>24,902,884</u>	<u>(572,885)</u>	<u>398,999,177</u>
Less accumulated depreciation for:				
Buildings and plants	(53,129,771)	(5,454,609)	5,379	(58,579,001)
Improvements other than buildings	(48,942,558)	(3,569,824)	-	(52,512,382)
Parks	(522,200)	(75,163)	-	(597,363)
Machinery and equipment	(6,506,487)	(1,045,007)	372,639	(7,178,856)
Total accumulated depreciation	<u>(109,101,016)</u>	<u>(10,144,603)</u>	<u>378,018</u>	<u>(118,867,601)</u>
Net total depreciable assets	<u>265,568,163</u>	<u>14,758,281</u>	<u>(194,868)</u>	<u>280,131,576</u>
Business-type activities capital assets, net	<u>\$ 363,019,500</u>	<u>\$ 21,009,504</u>	<u>\$ (220,586)</u>	<u>\$ 383,808,418</u>
Depreciation expense was charged to governmental functions as follows:				
General government				\$ 1,201,839
Public safety				2,148,236
Public works				6,574,656
Community development				1,303,831
Culture and Recreation				5,003,686
Unallocated depreciation-Internal Service Funds				1,095,078
Total Depreciation expense				<u>\$ 17,327,325</u>
Depreciation expense was charged to business-type functions as follows:				
Utility				\$ 9,440,444
Golf				506,107
Westminster Housing Authority				198,052
Total Depreciation expense				<u>\$ 10,144,603</u>

**CITY OF WESTMINSTER
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The following is a summary of the machinery and equipment purchased by capital lease with a liability outstanding as of December 31, 2007.

	Cost	Accumulated Depreciation	Net Carrying Value
General Government	\$ 2,941,253	\$ (412,961)	\$ 2,528,292
General Capital Outlay Replacement	1,667,300	(307,114)	1,360,186
Golf Course Enterprise	3,159,438	(244,113)	2,915,325
Utility Enterprise	4,920,000	-	4,920,000
Total	\$ 12,687,991	\$ (964,188)	\$ 11,723,803

F. Disaggregation of Payables

Payables at December 31, 2007, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Activities:					
General	\$ 4,465,093	\$ 47,093	\$ 1,090,004	\$ -	\$ 5,602,190
Sales and Use Tax	7,281	309,516	-	-	316,797
GCIF	1,763,784	120,120	17,421	-	1,901,325
WEDA	2,282,370	1,583,449	-	-	3,865,819
Other Governmental	75,370	444	5,589	5,989	87,392
Subtotal	8,593,898	2,060,622	1,113,014	5,989	11,773,523
Reconciliation of balances in fund financial statements to government wide financial statements					
	298,716	-	5,131	754,871	1,058,718
Total - Governmental Activities	\$ 8,892,614	\$ 2,060,622	\$ 1,118,145	\$ 760,860	\$ 12,832,241
Business-type Activities:					
Utilities	\$ 5,589,323	\$ -	\$ 189,519	\$ 176,855	\$ 5,955,697
Golf Course	64,690	382	22,122	33,489	120,683
Housing Authority	62,842	-	-	-	62,842
Total - Business-type Activities	\$ 5,716,855	\$ 382	\$ 211,641	\$ 210,344	\$ 6,139,222

**CITY OF WESTMINSTER, COLORADO
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G. Long Term Debt

Long-term liability activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Additions	Accretion	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:						
Bonds and leases payable:						
Revenue bonds	\$ 59,775,000	\$ 55,305,000	\$ -	\$ (40,750,000)	\$ 74,330,000	\$ 4,590,000
Tax increment bonds	112,685,000	8,320,000	-	(520,000)	120,485,000	3,165,000
Capital leases	86,810,539	32,628,329	84,283	(35,671,023)	83,852,128	4,004,285
	<u>259,270,539</u>	<u>96,253,329</u>	<u>84,283</u>	<u>(76,941,023)</u>	<u>278,667,128</u>	<u>11,759,285</u>
Add:						
Bond premium	1,026,770	2,983,836	-	(213,465)	3,797,141	328,799
Bond discount and deferred amount on refundings	(940,917)	(3,952,739)	-	587,557	(4,306,099)	(407,915)
	<u>259,356,392</u>	<u>95,284,426</u>	<u>84,283</u>	<u>(76,566,931)</u>	<u>278,158,170</u>	<u>11,680,169</u>
Other liabilities:						
Compensated absences	3,854,392	6,069,865	-	(5,876,425)	4,047,832	4,047,832
OPEB	-	134,043	-	-	134,043	-
Total other liabilities	<u>3,854,392</u>	<u>6,203,908</u>	<u>-</u>	<u>(5,876,425)</u>	<u>4,181,875</u>	<u>4,047,832</u>
Governmental activities long-term liabilities	<u>\$ 263,210,784</u>	<u>\$ 101,488,334</u>	<u>\$ 84,283</u>	<u>\$ (82,443,356)</u>	<u>\$ 282,340,045</u>	<u>\$ 15,728,001</u>
	Beginning Balance	Additions	Accretion	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:						
Bonds, notes and leases payable:						
Revenue bonds	\$ 25,900,000	\$ -	\$ -	\$ (2,020,000)	\$ 23,880,000	\$ 2,110,000
Capital leases	2,250,782	547,000	-	(290,120)	2,507,662	247,361
Notes	40,327,316	-	-	(2,259,169)	38,068,147	2,326,351
	<u>68,478,098</u>	<u>547,000</u>	<u>-</u>	<u>(4,569,289)</u>	<u>64,455,809</u>	<u>4,683,712</u>
Add:						
Bond/Notes premium	1,175,647	-	-	(93,228)	1,082,419	93,228
Bond discount and deferred amount on refundings	(95,611)	-	-	6,677	(88,934)	(6,677)
	<u>69,558,134</u>	<u>547,000</u>	<u>-</u>	<u>(4,655,840)</u>	<u>65,449,294</u>	<u>4,770,263</u>
Other liabilities:						
Compensated absences	782,687	1,160,286	-	(1,142,225)	800,748	800,748
OPEB	-	24,991	-	-	24,991	-
Total other liabilities	<u>782,687</u>	<u>1,185,277</u>	<u>-</u>	<u>(1,142,225)</u>	<u>825,739</u>	<u>800,748</u>
Business-type activities long-term liabilities	<u>\$ 70,340,821</u>	<u>\$ 1,732,277</u>	<u>\$ -</u>	<u>\$ (5,798,065)</u>	<u>\$ 66,275,033</u>	<u>\$ 5,571,011</u>

CITY OF WESTMINSTER
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Description of Individual Debt Issues Outstanding - Summarized below are the City's debt issues outstanding at December 31, 2007.

Revenue Bonds	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Sales and Use Tax Refunding Series 2001	Refunding/112th Ave Improvements	\$ 13,275,000	\$ 5,770,000	4.0% - 5.0%	12/01/21
Sales and Use Tax Revenue Series 2002	136th Avenue & I-25 Interchange	15,090,000	13,255,000	3.25% - 5.25%	12/01/22
Sales and Use Tax Revenue Series 2007A	Refunding/Street Improvements	10,715,000	10,715,000	4.0% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007B	Refunding/Open Space Purchases	13,680,000	13,680,000	4.0% - 5.5%	12/01/16
Sales and Use Tax Refunding Series 2007C	Refunding/Street Improvements	10,910,000	10,910,000	4.0% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007D	Open Space Purchases/Facility Improv	20,000,000	20,000,000	4.0% - 5.0%	12/01/31
Total Governmental Activities			<u>74,330,000</u>		
Wastewater Revenue Bonds Series 2002	Northwest Water Treatment Plant	7,490,000	6,130,000	(2)	12/01/22
Water/Wastewater Revenue Series 2001	Refunding	20,990,000	12,530,000	3.6% - 5.5%	12/01/14
Golf Course Revenue Bonds Series 1998	Heritage Golf Course Construction	6,300,000	5,220,000	5.0% - 5.55%	12/01/23
Total Business Type Activities			<u>23,880,000</u>		
Total Revenue bonds			<u>\$ 98,210,000</u>		

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

Year	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 4,590,000	\$ 3,410,189	\$ 8,000,189	\$ 2,110,000	\$ 1,045,790	\$ 3,155,790
2009	4,785,000	3,241,959	8,026,959	2,190,000	967,277	3,157,277
2010	4,655,000	3,050,404	7,705,404	2,275,000	878,963	3,153,963
2011	4,835,000	2,862,929	7,697,929	2,375,000	786,488	3,161,488
2012	5,040,000	2,666,221	7,706,221	2,475,000	689,885	3,164,885
2013-2017	24,730,000	9,545,688	34,275,688	7,510,000	1,909,958	9,419,958
2018-2022	12,100,000	5,064,175	17,164,175	4,470,000	740,265	5,210,265
2023-2027	6,850,000	2,618,288	9,468,288	475,000	26,362	501,362
2028-2032	6,745,000	819,613	7,564,613			-
Total	<u>\$ 74,330,000</u>	<u>\$ 33,279,466</u>	<u>\$ 107,609,466</u>	<u>\$ 23,880,000</u>	<u>\$ 7,044,988</u>	<u>\$ 30,924,988</u>

Tax Increment Bonds	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
WEDA Revenue Bonds Series 1997	Westminster Plaza Redevelopment	\$ 6,460,000	\$ 5,660,000	(1)	12/01/17
WEDA Revenue Bonds Series 2005	North Huron Urban Renewal	68,300,000	68,300,000	(5)	12/01/28
WEDA Revenue Refunding Bonds Series 2006	Mandalay Gardens Urban Renewal	38,455,000	38,205,000	(4)	12/01/28
WEDA Revenue Bonds Series 2007	South Sheridan Urban Renewal	8,320,000	8,320,000	(3)	12/01/28
Total Governmental Activities			<u>\$ 120,485,000</u>		

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

Year	Governmental Activities		
	Principal	Interest	Total
2008	\$ 3,165,000	\$ 4,176,705	\$ 7,341,705
2009	4,160,000	4,066,734	8,226,734
2010	4,385,000	3,922,252	8,307,252
2011	4,610,000	3,769,887	8,379,887
2012	4,855,000	3,609,632	8,464,632
2013-2017	27,135,000	15,421,772	42,556,772
2018-2022	28,865,000	10,565,283	39,430,283
2023-2027	35,020,000	5,162,839	40,182,839
2028-2032	8,290,000	286,834	8,576,834
Total	<u>\$ 120,485,000</u>	<u>\$ 50,981,938</u>	<u>\$ 171,466,938</u>

- (1) The Series 1997 WEDA bonds bear interest at a variable weekly rate based on the BMA Index. The interest rate as of 12/31/07 is 3.6%.
- (2) The Series 2002 Wastewater Revenue bonds bear interest at a variable weekly rate based on the J.J. Kenney Index. The interest rate as of 12/31/07 is 3.45%.
- (3) The Series 2007 WEDA bonds bear interest at a variable weekly rate based on the one month J.J. Kenney Index. The interest rate as of 12/31/07 is 3.46%.
- (4) The Series 2006 WEDA bonds bear interest at a variable weekly rate based on the one month J.J. Kenney Index. The interest rate as of 12/31/07 is 3.46%.
- (5) The Series 2005 WEDA Refunding bonds bear interest at a variable weekly rate based on the one month J.J. Kenney Index. The interest rate as of 12/31/07 is 3.46%.

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Capital Leases	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Capital lease	05 computer replacement	\$ 270,000	\$ 23,584	3.47%	01/15/08
Capital lease	05 CAD/RMS	451,425	39,431	3.47%	01/15/08
Capital lease	05 Energy Saving Equipment	2,262,993	1,912,440	4.029%	10/15/16
Capital lease	03 Fire truck	288,476	215,288	3.20%	10/15/10
Capital lease	05 Fire truck	472,039	295,333	4.27%	10/15/12
Capital lease	07 Fire truck	396,932	340,241	4.10%	01/15/14
Capital lease	07 Bobcat	40,626	35,811	4.64%	04/15/11
Capital lease - Certificates of Participation 99	Various Street Improvements	19,720,000	1,250,000	5.0% - 5.625%	08/15/09
Capital lease - Certificates of Participation 98	Ice Centre	13,995,000	10,495,000	4.65% - 5.4%	01/15/23
Capital lease - Certificates of Participation 98	Various Capital Facilities	25,715,000	1,045,000	4.45% - 5.4%	11/15/08
Capital lease - Certificates of Participation 01	Public Safety Building	18,740,000	15,365,000	4.15% - 5.25%	11/15/22
Capital lease - Certificates of Participation 05	144th & I-25 interchange	17,130,000	16,510,000	3.25% - 5.0%	11/15/25
Capital lease - Broomfield/Westminster Foundation	Metzger Farm Open Space	4,920,000	4,115,000	4.0% - 5.0%	11/15/16
Capital lease - Certificates of Participation 07	Refunding/Cap Fac & Streets	32,210,000	<u>32,210,000</u>	4.0% - 5.0%	11/15/25
Total Government			<u>83,852,128</u>		
Golf Course capital lease	04 Golf carts	399,642	26,317	2.95%	01/15/08
Golf Course capital lease	Airport land lease	1,940,000	1,500,000	0%	12/01/27
Golf Course capital lease	06 Maintenance Equipment	582,144	471,699	4.32%	04/15/13
Golf Course capital lease	07 Maintenance Equipment	547,000	<u>509,646</u>	4.85%	04/15/14
Total Business Type			<u>2,507,662</u>		
Total Capital Leases			<u>\$ 86,359,790</u>		

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

Year	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 4,004,285	\$ 3,805,253	\$ 7,809,538	\$ 247,361	\$ 42,907	\$ 290,268
2009	4,101,012	3,638,928	7,739,940	227,846	35,911	263,757
2010	4,771,363	3,463,580	8,234,943	234,965	28,792	263,757
2011	4,880,272	3,261,392	8,141,664	242,416	21,341	263,757
2012	5,088,433	3,055,371	8,143,804	250,217	13,541	263,758
2013-2017	27,516,763	11,797,106	39,313,869	554,857	6,464	561,321
2018-2022	25,350,000	5,502,525	30,852,525	375,000	-	375,000
2023-2027	8,140,000	764,363	8,904,363	375,000	-	375,000
2028-2032	-	-	-	-	-	-
Total	<u>\$ 83,852,128</u>	<u>\$ 35,288,518</u>	<u>\$ 119,140,646</u>	<u>\$ 2,507,662</u>	<u>\$ 148,956</u>	<u>\$ 2,656,618</u>

Notes	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Colorado Water Power Authority Note 97	Reclamation Facility	\$ 13,246,525	\$ 8,090,407	4.54%	06/01/17
Colorado Water Power Authority Note 98	Reclamation Facility	4,085,697	2,295,850	3.96%	06/01/17
Colorado Water Power Authority Note 00	Northwest Water Treatment Plant	14,998,357	10,411,296	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Pl	15,440,000	13,950,000	3.32%	06/01/25
Housing Authority Mortgage	Refinance/Capital Projects	3,600,000	2,907,594	(6)	01/09/22
Brownfields Note	Remediation of South Westminster Prope	413,000	413,000	(7)	02/01/16
Total Business Type			<u>\$ 38,068,147</u>		

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

Year	Business-Type Activities		
	Principal	Interest	Total
2008	\$ 2,326,343	\$ 1,545,278	\$ 3,871,621
2009	2,418,686	1,475,750	3,894,436
2010	2,503,245	1,394,328	3,897,573
2011	2,585,296	1,305,235	3,890,531
2012	2,673,081	1,215,996	3,889,077
2013-2017	15,015,253	4,507,710	19,522,963
2018-2022	8,038,743	1,702,517	9,741,260
2023-2027	2,507,500	298,494	2,805,994
2028-2032	-	-	-
Total	<u>\$ 38,068,147</u>	<u>\$ 13,445,308</u>	<u>\$ 51,513,455</u>

(6) The Housing Authority Mortgage bears interest at a variable yearly rate based on the Prime Rate. The interest rate as of 12/31/07 is 5.363%.

(7) Interest is 0% through 1/31/08, 2% beginning 2/1/08.

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H. Net Assets

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

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

Restricted Net Assets are liquid assets which have third party limitations on their use. Restricted net assets are reported by major category, which include Emergencies; Capital projects; Open space conservation and improvements; and Debt service. Non major categories have been aggregated as Restricted for Other.

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

Analysis of Invested in Capital Assets, Net of Debt

Issue	Amount Outstanding	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Exclude			Net Capital Related Debt
			Unamortized Issuance Costs	Reserve	Unspent Proceeds	
Governmental Activities:						
2001 sales tax revenue bond	\$ 5,770,000	\$ 155,445	\$ 130,775	\$ -	\$ -	\$ 5,794,670
2002 sales tax revenue bond	13,255,000	316,275	201,582	-	-	13,369,693
2007A sales tax revenue refunding bond	10,715,000	(43,356)	126,843	-	-	10,544,801
2007B open space sales tax refunding	13,680,000	10,856	152,013	-	-	13,538,843
2007C sales tax revenue refunding bond	10,910,000	(115,273)	132,935	-	-	10,661,792
2007D open space revenue bond	20,000,000	412,468	364,209	-	19,747,803	300,456
2005 WEDA	68,300,000	-	419,501	5,101,200	12,470,188	50,309,111
2006 WEDA refunding bond	38,205,000	(440,955)	294,161	3,160,000	-	34,309,884
2007 WEDA	8,320,000	-	157,029	634,411	2,280,791	5,247,769
2005 Energy Audit Equip	1,912,440	-	-	-	-	1,912,440
Capital Lease	81,939,688	(804,418)	1,501,109	-	531,266	79,102,895
Total Governmental Activities	<u>\$ 273,007,128</u>	<u>\$ (508,958)</u>	<u>\$ 3,480,157</u>	<u>\$ 8,895,611</u>	<u>\$ 35,030,048</u>	<u>\$ 225,092,354</u>
Capital Assets						402,126,382
Invested in Capital Assets, net of related debt						<u>\$ 177,034,028</u>
Business Type Activities:						
2002 Water Wastewater Revenue Bonds	\$ 6,130,000	-	\$ 172,561	-	-	\$ 5,957,439
2001 Water Wasterwater Refunding Revenue Bonds	12,530,000	356,572	1,240,454	-	-	11,646,118
1998 Golf Course Revenue Bonds	5,220,000	-	68,476	501,750	-	4,649,774
Water Notes	34,747,553	687,306	546,621	-	-	34,888,238
Capital Leases	2,507,662	-	-	-	-	2,507,662
2002 Mortgage Note	2,907,594	(50,393)	13,362	-	-	2,843,839
Total Business Type Activities	<u>\$ 64,042,809</u>	<u>\$ 993,485</u>	<u>\$ 2,041,474</u>	<u>\$ 501,750</u>	<u>\$ -</u>	<u>\$ 62,493,070</u>
Capital Assets						383,808,418
Invested in Capital Assets, net of related debt						<u>\$ 321,315,348</u>

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I. Interfund Transfers

Transfers are indicative of funding for capital projects, debt service, or subsidies of various City operations. The following schedule briefly summarizes the City's transfer activity:

TRANSFERS FROM OTHER FUNDS	TRANSFERS TO OTHER FUNDS							Totals
	General Fund	General Capital Improvement Fund	Westminster Economic Development Authority	Non-Major Governmental Funds	Utility Fund	Golf Course Fund	Internal Service Funds	
General Fund	\$ -	\$ 6,088,784	\$ -	\$ -	\$ 100,000	\$ 700,000	\$ -	\$ 6,888,784
Sales Tax Fund	55,960,254	1,351,976	-	5,003,532	-	285,000	689,724	63,290,486
General Capital Improvement Fund	-	-	285,500	421,028	-	-	-	706,528
Non-Major Governmental Funds	-	654,115	114,000	2,672,356	-	163,200	-	3,603,671
Utility Fund	188,528	-	-	-	-	-	-	188,528
Totals	<u>\$ 56,148,782</u>	<u>\$ 8,094,875</u>	<u>\$ 399,500</u>	<u>\$ 8,096,916</u>	<u>\$ 100,000</u>	<u>\$ 1,148,200</u>	<u>\$ 689,724</u>	<u>\$ 74,677,997</u>

Reconciliation of Transfers between Governmental and Business-Type Activities:

To the General Fund from the Utility Enterprise Fund for prior year reimbursement of street cut impact fees	\$ 188,529
From the General Fund to the Utility Fund to allocate an award from Kaiser Hill for water quality monitoring purposes within and around the Rocky Flats Wildlife Refuge	(100,000)
From the General Fund to the Golf Course Fund for relief of interfund loans	(700,000)
From the Sales Tax Fund to the Golf Course Fund to assist with debt service obligations	(285,000)
From the Open Space Fund to the Golf Course Fund to assist with debt service obligations	(163,200)
Total transfers between Governmental and Business Type Activities Funds	<u>\$ (1,059,672)</u>

Reconciliation of Transfers between Governmental Funds and Internal Service Funds

From the Sales and Use Tax Special Revenue Fund to the General Capital Outlay Replacement Internal Service Fund to provide for future replacement of vehicles and computer equipment.	<u>\$ 689,724</u>
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J. Pledged Revenues

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

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

These bonds are payable solely from sales and use tax revenue collections. Current year, principal and interest of \$7,260,436 were paid from sales and use tax revenue

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totaling \$69,023,649. Total principal and interest payments remaining on the bonds is \$107,609,464 payable through December 2031.

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

- \$6,460,000 issued in 1997 to finance the redevelopment in the South Westminster Urban Renewal Area.
- \$38,455,000 originally issued in 2003 to finance redevelopment in the Mandalay Gardens Urban Renewal Area. The bonds were refunded in 2006 to tax-exempt tax increment revenue bonds.
- \$68,300,000 issued in 2005 to finance new development in the North Huron Urban Renewal Area.
- \$8,320,000 issued in 2007 to finance the redevelopment in the South Sheridan Urban Renewal Area

Tax increment variable rate revenue bonds are payable from incremental sales taxes and property taxes generated by increases above the base value of retail sales and assessed valuation in the urban renewal area plus interest earnings. Current year, principal, interest and fees of \$5,494,925 were paid with incremental net pledged revenues totaling \$6,938,165. Total principal and interest remaining on the bonds is \$171,466,938 payable through December 1, 2028.

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

Colorado Water Resource and Power Development Authority Notes:

- \$13,246,525 issued in May 1997 to construct a Reclamation Facility
- \$4,085,697 issued in April 1998 to construct a reclamation facility
- \$14,998,357 issued in April 2000 to construct the NW Water Treatment Facility
- \$15,400,000 issued in May 2005 to expand the Big Dry Creek Treatment Facility

Revenue Bonds

- \$20,990,000 issued in December 2001 to refund 1992 and 1994 General Obligation bonds
- \$7,490,000 issued in September 2002 to expand the NW Water Treatment Facility

The notes and bonds are payable solely from water and waste water net revenues. For the current year, principal and interest paid and total water and waste water net revenues were \$6,096,072 and \$17,438,531, respectively. Total principal and interest payments remaining on the bonds and notes is \$70,038,598 payable through December 2025.

The Golf Course Enterprise has pledged future golf course facilities revenues, net of specified operating expenses, as follows:

- \$6,300,000 issued in July 1998. Proceeds from the bonds provided financing for the acquisition, construction, and purchase of equipment for Legacy Ridge Golf Course, the Heritage at Westmoor Golf Course, and any subsequent golf course facilities acquired by the City after the issuance of the bonds.

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These bonds are payable solely from golf course facilities net revenues. For the current year, principal and interest paid and total net golf course facilities revenues were \$500,313 and \$572,385, respectively. Total principal and interest payments remaining on the bonds is \$7,988,475, payable through December 2023.

NOTE 3 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; employee injury on the job; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the City carries excess insurance. The City self-funds the deductible portion of all claims. There were no reductions in insurance coverage from 2006 to 2007. The City has never had any settlements that exceeded insurance coverage.

Medical and Dental Self-Insurance Internal Service Fund

The City established a dental program effective January 1, 1984. The purpose of this program is to pay the dental claims of eligible City employees and their covered dependents. As of January 1, 2003, the City entered into an Administrative Service Only (ASO) with Great West Healthcare ("GW"), whereby the City pays GW a separate amount for administrative costs, insurance taxes, and claim servicing fees. The City agrees to provide monthly funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The program covers individual losses up to \$2,000,000 lifetime benefit for the PPO and for out-of-network POS plan services. The lifetime benefit for POS in-network services is unlimited. The program provides a specific stop loss of \$110,000 per individual per year. The City has recorded a liability in this fund totaling \$367,000 for open and estimated claims not yet reported at December 31, 2007.

Workers' Compensation Self-Insurance Internal Service Fund

The City established a self-insured program for workers' compensation claims effective January 1, 1986. The purpose of this program is to pay workers' compensation claims of City employees and to reduce total annual workers' compensation costs to the City. The program covers individual losses up to \$350,000 per claim plus \$100,000 corridor deductible. Greater individual losses are covered by an excess insurance policy with statutory limits per occurrence purchased from an outside company. The City has recorded a liability totaling \$357,400 for open claims and estimated claims not yet reported at December 31, 2007.

Property and Liability Self-Insurance Internal Service Fund

The City established a program for property and liability claims effective January 1, 1988. The purpose of this program is to pay property and liability claims against the City and to reduce total annual insurance coverage cost to the City. The program covers property losses for the total insured value of all property owned by the City up to a maximum of \$501,000,000 and in-state liability losses of up to \$150,000 per person with a \$600,000 per occurrence limit as set forth by statutory liability limits for public jurisdictions. For losses in excess of program limits, the City carries excess liability coverage that also covers the City for federal acts and out-of-state claims. In addition to property insurance, the program

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covers: automobile liability, general liability, police professional, error and omissions, crime, fiduciary liability, property loss and boiler and machinery liabilities.

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$410,648 for open claims at December 31, 2007.

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

Year	Beginning Balance Unpaid Claims	Incurred Claims	Cumulative Claim Payments	Ending Balance Unpaid Claims
2006	\$ 1,137,207	\$ 10,014,858	\$ 9,420,581	\$ 1,731,484
2007	1,731,484	11,179,512	11,775,947	1,135,049

B. Public Entity Risk Pools

The Colorado Intergovernmental Risk Sharing Agency ("CIRSA") was formed by an intergovernmental agreement by member municipalities pursuant to the provisions of regulation 24-10-115.5, C.R.S. (1982 Repl. Vol.), as amended, 29-1-201 et seq., C.R.S. (1977 Repl. Vol.), as amended, 29-13-102, C.R.S. (1977 Repl. Vol.), as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities, which are members of the Colorado Municipal League. The City only participates in the property and casualty coverage of the pool and does not participate in the worker's compensation coverage. As of December 31, 2007, there were 194 member municipalities and 25 special districts, including the City of Westminster, in the property and casualty pool.

The purpose of CIRSA is to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. CIRSA provides insurance coverage for property, liability, fiduciary, crime, police professional, and errors and omissions. The deductible amount paid by the City per each incident in 2007 was \$250,000 for property and \$250,000 for liability. Coverages are as follows.

- 1) Property/excess property: total insured value for City property up to the \$501,000,000 pool limit.
- 2) General liability (claims subject to the Governmental Immunity Act): to \$150,000 per person and \$600,000 per occurrence. (Claims not subject to \$501,000,000 limit)
- 3) Auto liability (claims not subject to the Governmental Immunity Act): to \$1,500,000 per occurrence.
- 4) Excess law enforcement liability and public officials' errors and omissions liability coverage: to \$5,000,000.
- 5) Crime: to \$150,000 any one claim and annual aggregate.
- 6) Supplemental defense costs (claims subject to the Governmental Immunity Act): to \$50,000 per claim/occurrence.
- 7) Excess crime to \$2,000,000 any one claim and annual aggregate.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available from insurance providers and under excess specific and

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aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs although it is not legally required to do so.

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

C. Contingent Liabilities

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

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

Various suits and claims are pending against the City as of December 31, 2007. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the City.

D. Construction and Other Significant Commitments

At December 31, 2007, the City had commitments for the acquisition and construction of various major capital projects and facilities in the capital projects and enterprise funds as shown below.

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

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

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	Appropriation 12/31/2007	Cumulative Expenditures 12/31/2007	Authorized Available 12/31/2007
Governmental activities:			
General Capital Improvement Fund	\$ 55,134,278	\$ 9,482,623	\$ 45,651,655
Westminster Economic Development Authority	23,599,601	4,953,499	18,646,102
Parks, Open Space, and Trails	12,024,064	-	12,024,064
General Capital Outlay Replacement Fund	3,546,674	-	3,546,674
Non-major governmental	658,245	72,920	585,325
Total Governmental activities	\$ 94,962,862	\$ 14,509,042	\$ 80,453,820
Business-type activities			
Utility Fund	\$ 37,826,801	\$ 8,595,553	\$ 29,231,248
Total Business-type activities	\$ 37,826,801	\$ 8,595,553	\$ 29,231,248

E. Denver Water Board Raw Water Leases

The City has the right to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from the Denver Water Board. The fiscal period for each year's water usage runs from July 1 to June 30. Permitted usage varies from month-to-month and peaks during the summer months. The rate charged per acre-foot by the Denver Water Board is \$218.32. The 2007 annual lease cost based on this rate was \$232,292.

F. Perpetual Agreement

In December 2003, the City amended its perpetual water rights lease exchange contract dated January 7, 1982 with the City of Thornton. The amended contract provides that Westminster can perpetually lease from Thornton 2.0 million gallons per day of treated water with the option to increase or decrease this amount by 10%. Westminster has the option to purchase up to 2.7 millions gallons per day. The agreement stipulates that Westminster shall pay for treated water delivered to it at a rate equal to the lowest rate charged by Thornton for treated water to any water utility customer within the City of Thornton. The rate at December 31, 2007, was \$3.18 per thousand gallons for an annual cost of \$2,090,694.

G. Employee Retirement Plans

Plan Description

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

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

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

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

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

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

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

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

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

Summary of Contributions

For the year ended December 31, 2007, contributions actually made to the two plans equaled required contributions and were as follows:

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

	Police Pension Plan	General Employee Pension Plan	Total
City contributions at 10.25%	\$ 1,056,104	\$ 2,925,067	\$ 3,981,171
Mandatory employee contributions at 10%	1,124,943	3,250,060	4,375,003
Voluntary employee contributions up to 10%	8,972	89,366	98,338
Rollover contributions	34,781	161,538	196,319

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

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

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

State Fire and Police Pension Plan Contribution Summary				
Description	2005	2006	2007	Total
Employee Contribution 10%	\$ 606,577	\$ 606,809	\$ 588,171	\$ 1,801,557
Employee Contribution 8%	112,236	148,400	178,893	439,529
Employee Drop Program 10% *	-	3,569	13,865	17,434
Employer Contribution 10%	606,577	606,809	588,171	1,801,557
Employer Contribution 8%	112,236	148,400	178,893	439,529
Total	\$ 1,437,626	\$ 1,513,987	\$ 1,547,993	\$ 4,499,606

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

I. Volunteer Firefighter Pension Fund

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

Summary of Significant Accounting Policies

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

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

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Plan Description and Contribution Information

At December 31, 2007, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	34
Terminated volunteers entitled to benefits but not receiving them	0
Active plan members	<u>0</u>
Total	<u>34</u>

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

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

Contributions. An actuarial study performed on January 1, 2007, states that the current level of assets in the fund are in excess of the amount needed to pay the capped maximum of \$700 per month and all prorated amounts by \$1,113,263. Therefore, no additional contributions are required at this time by either the Volunteers or the City. State statutes govern contribution requirements. Funding for the plan was provided through a property tax levy prior to 1987. The levy was eliminated in 1987 because the plan was over-funded. No annual employer contributions have been required. Therefore, the pension liability for the plan, determined in accordance with Statement No. 27 of the Government Accounting Standards Board (GASB), "Accounting for Pensions by State and Local Government Employer," is zero, as it was previously reported prior to implementation of GASB Statement 27. Since Volunteers do not contribute to the plan, no plan assets are distributed if a volunteer is terminated prior to vesting.

The actuarial calculations were completed using the entry age actuarial cost method since the plan has been dissolved and benefits capped. The actuarial assumption included:

- a) A 5.5% investment rate of return
- b) No payment increases
- c) No cost of living increases

Current Status of the Plan. All volunteer firefighters have retired. After the last volunteer firefighter retired, the volunteer firefighter program was dissolved by the City Council as required by state law. As required by Colorado State Law, Council prior to dissolving the plan established the final benefit. The maximum benefit for a volunteer beneficiary has been permanently capped. With the approval of the Volunteer Fire Pension Board and the City Council of Westminster, the assets of the plan were transferred to the Fire and Police Pension Association of Colorado (FPPA) as allowed by

**CITY OF WESTMINSTER
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C.R.S., 31-31-705. This statute allows FPPA to manage the funds of the plan and pay beneficiaries. Administrative costs and fees of the plan are netted against investment earnings on a prorated basis. The City of Westminster retains responsibility for administration and the liability of the plan. Investments of the funds are invested under the concept of an agent multiple-employer plan. When the last participant of the plan passes away, the residual assets will transfer to the City and can only be used for fire related purposes.

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

Schedule of Funding Progress-Volunteer Firefighter Pension Plan

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

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

Trend information of the plan follows:

<u>Year Ended</u> <u>December 31</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2002	\$0	100%
2003	0	100%
2004	0	100%
2005	0	100%
2006	0	100%
2007	0	100%

J. Retiree Health Program

Program Description. The Retiree Health Program (Program) is a single-employer defined benefit healthcare plan administered by the City of Westminster. The Program provides medical, dental, and vision insurance benefits to eligible retirees and their dependents until age 65 or upon becoming Medicare eligible. Benefits are provided for active employees and retirees under the same health care plan.

The Program offers self funded PPO and POS programs as well as a fully funded HMO. The dental benefit component is self funded and the vision benefit is paid solely by the participants in the Program.

Funding Policy. The Program provisions and requirements are established and may be amended by Council policy. The City funds OPEB expense on a pay-as-you-go basis. Program claims and fees for the self funded plan, and expected premiums for the fully funded plan totaled \$411,937 during 2007. Program members receiving benefits contributed \$210,972 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City's pay-as-you-go program funding totaled \$200,965 during the year.

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

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

Annual Required Contribution	\$ 360,000
Contributions made	<u>(200,965)</u>
Increase in net OPEB obligation	159,035
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 159,035</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for 2007 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2007	\$ 360,000	44.20%	\$ 159,034

Funded Status and Funding Progress. As of January 1, 2007, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$3,198,000. The covered payroll (annual payroll of active employees covered by the Program) was \$48,655,115. The ratio of the UAAL to covered payroll was 6.6 percent.

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

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the City and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the City and Program members to that point. The

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actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long term perspective of the calculations.

In the January 1, 2007 valuation, the Unit Credit attribution method was used. The actuarial assumptions included a 5 percent investment rate of return to calculate the ARC on a pay-as-you-go basis, which is the rate expected on short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years. It is calculated assuming a level percentage of projected payroll on an open basis. Payroll is assumed to increase at 4% per year. The annual trend rates for health care costs applied on a select and ultimate basis are 11% and 6%, respectively. Select trends are reduced 0.5% each year until reaching the ultimate trend.

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

K. Tax Spending and Debt Limitations

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

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

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2007, the amount required as Emergency Reserves in compliance with the Amendment is \$3,695,515. This is shown as a reservation of fund balance in the General Fund and a restriction of Net Assets on the Statement of Net Assets.

L. Jointly Governed Organization

The Woman Creek Reservoir Authority was formed in 1996 to oversee facilities constructed to protect the City's main drinking water supply from hazards flowing from the former nuclear weapons manufacturing facility at Rocky Flats. Rocky Flats is located west of the City of Westminster between the Cities of Golden and Boulder. The U.S. Department of Energy funded this water protection project through a grant. The purpose of the grant is to provide a sufficient investment pool to generate investment earnings to cover the annual operating expenses of the Authority and cover any large rehabilitation costs which may arise. Funding is anticipated to be sufficient through the year 2036 or longer if the environmental clean up of Rocky Flats is not completed in the next forty years. The Cities of Northglenn, Westminster, and Thornton participate equally in the administration and operation of the Authority. Each City appoints one member of the three-member board of directors for the Authority. The Authority has no employees.

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

M. Joint Ventures

Hyland Hills Park and Recreation District-City of Westminster Ice Centre Intergovernmental Agreement

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

Broomfield-Westminster Open Space Foundation

The City entered into an intergovernmental agreement with The City and County of Broomfield on December 12, 2005, to create the Broomfield-Westminster Open Space Foundation (Foundation), a nonprofit corporation qualifying under section 501 (c) (3) of the Internal Revenue Code, to function as a public foundation. The sole purpose of the nonprofit corporation is to acquire, finance, own, and operate approximately 150 acres of undeveloped land known as the Metzger Property. The board of directors for the Foundation is comprised of an equal number of directors appointed by each City, and one additional impartial director selected by Broomfield and Westminster. Acquisition of the property was financed in 2006 from grants, donations, gifts, contributions from public and private entities, and issuance of financial obligations by the Foundation. The cities agree to their share of payments as set forth in the By-Laws of the Foundation. The City accrues one-half ownership interest in the property based on annual lease rental payments set forth in the financing document. The City records its interest in the Metzger Farm as a capital lease payable and as Joint Venture Land valued at \$4,920,000. At December 31, 2007, the City's fifty percent equity interest in the Foundation is \$592,889.

Financial statements for the Broomfield-Westminster Open Space Foundation may be obtained by contacting the City of Westminster Finance Department, 303-430-2400, extension 2040.

N. Component Unit of another Government with Joint Venture Characteristics

The City of Westminster entered into an intergovernmental agreement with the City of Northglenn to establish the Church Ditch Water Authority (the Authority) on October 29, 2004. The Authority is responsible for the operation, maintenance, and continued development of Church Ditch. The effects of water resource development by the Authority benefit both cities and other contractual users of the Church Ditch. The Authority (a governmental entity), which replaced the Church Ditch Company (a private carrier ditch company), was created to maximize operating efficiencies, streamline the rate setting process, and provide for management of easement and property ownership issues. The Authority is governed by a Board of Directors consisting of two directors appointed by the City of Northglenn, and one director appointed by the City of Westminster. The City owns one-third of the Church Ditch while Northglenn owns the

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other two-thirds. The City of Northglenn reports the Church Ditch Authority as a discretely presented component unit; the City of Westminster, as the minority participant in the Authority, reports an equity interest of one-third of the Authority's net assets as "Other Assets" in the Utility Fund.

O. Intergovernmental Agreement

In September 1995, the City entered into an intergovernmental agreement with the State of Colorado, Department of Higher Education for the construction and operation of the College Hill Library at Front Range Community College. This agreement called for the City and Front Range College to jointly build, furnish, equip, staff, operate and maintain the College Hill Library. The library has been fully operational since April 7, 1998. The intergovernmental agreement calls for the City to pay Front Range Community College its proportionate share of operating expenses. This agreement allows the City to occupy space in the facility for up to 50 years. After 33 years, either party may terminate this agreement by giving 2 years' written notice to the other party. Thus, the City would enjoy a minimum of 35 years.

P. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2007, Industrial Revenue Bonds outstanding aggregated \$14,675,000.

Q. Arbitrage Compliance

All bond issues for the City of Westminster have been evaluated to determine arbitrage compliance and liability position. For issues where all proceeds have been spent, the City has no liability. For recent issues where proceeds have not been fully spent, a potential liability of \$147,299 exists.

R. Debt Refundings

On March 6, 2007 the City issued \$10,715,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2007A with an average yield of 3.81% to partially advance refund \$10,860,000 of \$23,445,000 outstanding Sales and Use Tax Revenue Bonds, Series 1997A with an average coupon rate of 5.33%. The net proceeds of \$11,356,182 plus an additional \$148,009 of City funds were used to pay costs of issuance fees of \$151,609 and immediately redeem the portion of the 1997A bonds refunded plus accrued interest. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the 1997A Series bonds refunded. As a result, the portion of the 1997A Series bonds refunded are considered to be defeased and the liability for those bonds has been removed from the City's general long-term debt outstanding.

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The City advance refunded a portion of the 1997A Series bonds to reduce its total debt service payments over the next 10 years by \$712,947 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$679,989. Additionally, a deferred amount on refunding of \$688,151 was recorded.

On March 6, 2007 the City issued \$13,680,000 of Special Purpose Sales and Use Tax Revenue Refunding Bonds, Series 2007B with an average yield of 3.80% to partially advance refund \$13,865,000 of \$14,920,000 outstanding Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1997B with an average coupon rate of 5.33%. The net proceeds of \$14,319,695 plus an additional \$178,827 of City funds were used to pay costs of issuance fees of \$177,458 and immediately redeem the portion of the 1997B bonds refunded plus accrued interest. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the 1997B Series bonds refunded. As a result, the portion of the 1997B Series bonds refunded are considered to be defeased and the liability for those bonds has been removed from the City's general long-term debt outstanding.

The City advance refunded a portion of the 1997B Series bonds to reduce its total debt service payments over the next 10 years by \$788,608 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$752,063. Additionally, a deferred amount on refunding of \$627,934 was recorded.

On October 16, 2007 the City issued \$10,910,000 of Sales and Use Tax Refunding Bonds, Series 2007C with an average yield of 3.69% to partially refund \$11,065,000 of \$12,585,000 outstanding Sales and Use Tax Revenue Bonds, Series 1997A with an average coupon rate of 4.67%. The net proceeds of \$11,465,591 plus an additional \$226,500 of City funds were used to pay costs of issuance of \$154,744 and immediately redeem the portion of the 1997A bonds refunded plus accrued interest. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the 1997A Series bonds refunded. As a result, the portion of the 1997A Series bonds refunded are considered to be defeased and the liability for those bonds has been removed from the City's general long-term debt outstanding.

The City refunded a portion of the 1997A Series bonds to reduce its total debt service payments over the next 10 years by \$655,709 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$621,195. Additionally, a deferred amount on refunding of \$672,999 was recorded.

On March 27, 2007 the City issued \$32,210,000 of Refunding Certificates of Participation, Series 2007 with an average coupon rate of 4.11% to partially advance refund \$17,214,995 of \$19,259,995 outstanding Certificates of Participation (COPS), Series 1999 with an average yield of 5.56% and to partially advance refund \$13,985,000 of \$15,580,000 Certificates of Participation, Series 1998 with an average yield of 5.16%. The net proceeds of \$32,944,900 plus an additional \$6,008 of City funds were used to pay costs of issuance fees of \$604,172 and immediately redeem the portion of the 1999 and 1998 COPS refunded plus accrued interest. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the 1999 and 1998 COPS refunded. As a result, the portion of the 1999

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NOTES TO FINANCIAL STATEMENTS
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and 1998 COPS refunded in the amount of \$2,295,000 are defeasible through September 1, 2009 and the liability for those COPS has been removed from the City's general long-term debt outstanding.

The City advance refunded a portion of the 1999 and 1998 COPS to reduce its total debt service payments over the next 19 years by \$1,460,567 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,507,222. Additionally, a deferred amount on refunding of \$1,963,654 was recorded.

S. Subsequent Event

On February 15, 2008 the City added \$603,450 to its master lease agreement for a fire truck. Lease payments will be made through January 15, 2015 at an interest rate of 3.52%.

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 4,204,787	\$ 4,204,787	\$ 4,191,093	\$ (13,694)
Business fees and other taxes	4,596,654	4,596,654	4,556,637	(40,017)
Intergovernmental	4,721,000	5,076,113	5,473,465	397,352
Licenses and permits	1,675,000	1,902,580	2,654,027	751,447
Interest	730,847	766,429	1,307,116	540,687
Recreation fees	5,611,336	5,703,871	5,735,111	31,240
Fines and forfeits	2,311,250	2,311,250	2,134,378	(176,872)
Fleet maintenance billings and other	5,972,883	5,301,973	5,058,804	(243,169)
EMS billings	2,028,214	2,028,214	2,020,583	(7,631)
Total revenues	<u>31,851,971</u>	<u>31,891,871</u>	<u>33,131,214</u>	<u>1,239,343</u>
EXPENDITURES				
Governmental activities:				
General government				
City Council	205,023	205,023	136,897	68,126
City Attorney's Office	1,060,710	1,060,710	849,281	211,429
City Manager's Office	1,111,916	1,161,916	737,569	424,347
Central charges	23,672,551	24,418,162	21,809,158	2,609,004
General Services	7,108,110	7,162,114	6,496,763	665,351
Finance	1,802,594	1,810,844	1,466,599	344,245
Public safety				
Police	18,966,520	19,334,699	18,358,477	976,222
Fire	10,356,260	10,546,437	10,422,746	123,691
Public works	7,131,165	7,507,935	7,238,076	269,859
Community development	4,555,121	4,880,073	3,955,330	924,743
Culture and recreation	13,641,622	13,785,560	13,456,076	329,484
Debt service:				
Bond issuance costs	-	604,172	595,809	8,363
Total governmental activities	<u>89,611,592</u>	<u>92,477,645</u>	<u>85,522,781</u>	<u>6,954,864</u>
Excess of revenues over (under) expenditures	<u>(57,759,621)</u>	<u>(60,585,774)</u>	<u>(52,391,567)</u>	<u>8,194,207</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	40,626	40,626	-
Issuance of refunding debt	-	32,210,000	32,210,000	-
Bond premium	-	740,908	734,900	(6,008)
Payment to refunded bond escrow agent	-	(32,346,736)	(32,346,736)	-
Transfers in	58,249,468	58,637,996	56,148,782	(2,489,214)
Transfers (out)	(119,000)	(6,888,784)	(6,888,784)	-
Total other financing sources (uses):	<u>58,130,468</u>	<u>52,394,010</u>	<u>49,898,788</u>	<u>(2,495,222)</u>
Net change in fund balance	370,847	(8,191,764)	(2,492,779)	5,698,985
Fund balances, beginning	(370,847)	8,191,764	17,555,231	9,363,467
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,062,452</u>	<u>\$ 15,062,452</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SALES AND USE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 50,220,928	\$ 50,220,928	\$ 51,296,157	\$ 1,075,229
Use taxes	11,329,326	11,329,326	12,720,888	1,391,562
Interest	95,000	95,000	249,715	154,715
Total revenues	<u>61,645,254</u>	<u>61,645,254</u>	<u>64,266,760</u>	<u>2,621,506</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(61,645,254)</u>	<u>(63,386,954)</u>	<u>(63,290,486)</u>	<u>96,468</u>
Total other financing sources (uses):	<u>(61,645,254)</u>	<u>(63,386,954)</u>	<u>(63,290,486)</u>	<u>96,468</u>
Net change in fund balance	-	(1,741,700)	976,274	2,717,974
Fund balances, beginning	-	1,741,700	9,260,487	7,518,787
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,236,761</u>	<u>\$ 10,236,761</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property taxes	\$ 1,841,483	\$ 1,841,483	\$ 1,877,653	\$ 36,170
Sales taxes	6,672,779	5,658,562	4,876,683	(781,879)
Interest	77,395	1,456,963	1,916,809	459,846
Total revenues	<u>8,591,657</u>	<u>8,957,008</u>	<u>8,671,145</u>	<u>(285,863)</u>
EXPENDITURES				
Governmental activities:				
General government	3,078,177	2,106,729	401,854	1,704,875
Capital projects	24,998,244	33,435,277	10,993,344	22,441,933
Debt service:				
Principal	520,000	520,000	520,000	-
Interest and fiscal charges	5,081,408	6,117,279	4,974,925	1,142,354
Total expenditures	<u>33,677,829</u>	<u>42,179,285</u>	<u>17,050,889</u>	<u>25,128,396</u>
Excess of revenues over (under) expenditures	<u>(25,086,172)</u>	<u>(33,222,277)</u>	<u>(8,379,744)</u>	<u>24,842,533</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	7,685,588	8,320,000	634,412
Transfers in	-	399,500	399,500	-
Total other financing sources (uses):	<u>-</u>	<u>8,085,088</u>	<u>8,719,500</u>	<u>634,412</u>
Net change in fund balance	(25,086,172)	(25,137,189)	339,756	25,476,945
Fund balances, beginning	25,086,172	25,137,189	31,248,458	6,111,269
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,588,214</u>	<u>\$ 31,588,214</u>

This budgetary comparison includes current year and continuing appropriations from prior year project length budgets. Continuing appropriations are disclosed in the Notes to the Financial Statements.

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CITY OF WESTMINSTER, COLORADO
Schedules of Funding Progress

Retiree Health Program

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Method	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2007 (a, b)	\$ -	\$ 3,198,000	\$ 3,198,000	0%	\$ 48,655,116	6.6%

(a) Next actuarial study to be completed as of January 1, 2009 and should be available in June 2009

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

Volunteer Firefighter Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2002	\$3,150,229	\$2,354,238	\$795,991	133.80%	(a)	NA
12/31/2003	3,012,526	2,343,745	668,781	128.50%	(a)	NA
12/31/2004	3,012,526	2,343,745	668,781	128.50%	(a)	NA
12/31/2005	2,910,768	2,259,116	651,652	128.80%	(a)	NA
12/31/2006	2,910,768	2,259,116	651,652	128.80%	(a)	NA
12/31/2007 (b)	3,213,932	2,100,669	1,113,263	153.00%	(a)	NA

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

(b) Next actuarial study to be completed as of January 1, 2009 and should be available in June 2009.

CITY OF WESTMINSTER, COLORADO
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2007

Budgetary Information

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

Project-length budgets are adopted for all capital projects. At year end, appropriations for incomplete capital projects are carried forward to the following year. The General Capital Improvements Capital Projects Fund, Westminster Economic Development Authority Fund, Community Development Block Grant Fund, and the Utility Enterprise Fund, budget for capital projects. The General Capital Outlay Replacement Fund uses project length budgeting for capital outlay replacements of fleet vehicles and other equipment. Like capital project budgets, unspent appropriations are carried forward to the following year. See the disclosure on Construction and Other Significant Commitments, page 54, for detail on the continuing appropriations for capital projects.

The appropriated budget is prepared by fund, department, division, and object. The City's Department Heads may make transfers of appropriations within a department. Transfers of appropriations between departments and/or funds require the approval of the City Council. The legal level of budgetary control is the department level. The City Council approved several supplementary budgetary appropriations throughout the year, which are detailed in the operating budgets summary schedule below:

Fund	1/1/07 Original Budget	Budget Revisions	12/31/07 Final Budget
General Fund	\$ 89,730,592	\$ 41,982,573	\$ 131,713,165
Special Revenue Funds:			
Sales and Use Tax	61,645,254	1,741,700	63,386,954
Open Space Sales and Use Tax	4,958,780	14,084,165	19,042,945
Conservation Trust	625,000	363,198	988,198
Sheridan Crossing General Improvement District	49,389	-	49,389
136th Ave General Improvement District	33,060	6,173	39,233
Amherst General Improvement District	56,965	-	56,965
Mandalay Gardens General Improvement District	64,236	80,444	144,680
Promenade Parking Garage General Improvement District	175	-	175
Westminster Economic Development Authority	8,679,585	8,501,456	17,181,041
Debt Service Funds:			
General Debt Service	8,223,735	37,149,620	45,373,355
Enterprise Funds:			
Utility	53,367,713	13,941,149	67,308,862
Golf Course	3,637,034	550,450	4,187,484
Westminster Housing Authority	79,532	41,473	121,005
Internal Service Fund:			
Capital Replacement	1,045,872	3,835,484	4,881,356
Totals	<u>\$ 232,196,922</u>	<u>\$ 122,277,885</u>	<u>\$ 354,474,807</u>

Market values for the 144th Avenue GID resulted in an assessed valuation that would produce less than \$1 in revenue for 2007. The Board determined that it was not cost effective administratively to produce a budget for such a low dollar amount. The assessed valuation used to calculate 2008 revenue increased; therefore, a budget was prepared for 2008.

NON-MAJOR FUNDS

Governmental Activities Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

- a) 2001 Sales and Use Tax Revenue Refunding Bonds of \$13,275,000 due in annual installments through December 1, 2021; interest at 4.0 to 5.0 percent. Financing is provided by the City's 3 percent sales and use tax.
- b) 2002 Sales and Use Tax Revenue Bonds of \$15,090,000 due in annual installments through December 1, 2022, interest at 3.00 to 5.25 percent. Financing is provided by the City's 3 percent sales and use tax.
- c) 2007A Sales and Use Tax Revenue Refunding Bonds of \$10,715,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.50 percent. Financing is provided by the City's 3 percent sales and use tax.
- d) 2007B Special Purpose Sales and Use Tax Revenue Refunding Bonds of \$13,680,000 due in annual installments through December 1, 2016, interest at 4.0 to 5.5 percent. Financing is provided by the City's .25 percent open space sales and use tax.
- e) 2007C Sales and Use Tax Revenue Refunding Bonds of \$10,910,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.5 percent. Financing is provided by the City's 3 percent sales and use tax.
- f) 2007D Special Purpose Sales and Use Tax Revenue Bonds of \$20,000,000 due in annual installments through December 1, 2031, interest at 4.0 to 5.0 percent. Financing is provided by the City's .25% percent open space sales and use tax.

Capital Projects Funds

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

Internal Service Funds

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

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

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

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

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**CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

Special Revenue Funds

	Parks Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave Interchange GID
ASSETS				
Cash and cash equivalents	\$ 67,736	\$ 30,464	\$ 6,997	\$ 2,730
Investments	1,163,831	523,433	120,224	46,904
Receivables:				
Taxes	538,982	99,928	62,795	27,038
Accounts	51,008	699	449	502
Interest	-	5,399	1,239	485
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Cash and cash equivalents with fiscal agent	2,104,847	-	-	-
Investments	-	-	-	-
Investments with fiscal agent	9,949,194	-	-	-
Total assets	<u>\$ 13,875,598</u>	<u>\$ 659,923</u>	<u>\$ 191,704</u>	<u>\$ 77,659</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 21,360	\$ 4,000	\$ 10,000	\$ -
Accrued liabilities	2,911	-	-	-
Accrued interest	5,989	-	-	-
Deferred revenue	-	99,928	62,795	27,038
Total liabilities	<u>30,260</u>	<u>103,928</u>	<u>72,795</u>	<u>27,038</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	43,229
Capital projects	12,024,065	-	-	-
Unreserved, reported in:				
Special revenue funds	1,821,273	555,995	118,909	7,392
Capital project funds	-	-	-	-
Total fund balances	<u>13,845,338</u>	<u>555,995</u>	<u>118,909</u>	<u>50,621</u>
Total liabilities and fund balances	<u>\$ 13,875,598</u>	<u>\$ 659,923</u>	<u>\$ 191,704</u>	<u>\$ 77,659</u>

Special Revenue Funds

Promenade Parking Garage GID	Mandalay Town Center GID	144th Avenue GID	Conservation Trust	Investigation Recovery	Total
\$ 23	\$ 108	\$ 1	\$ -	\$ 2,614	\$ 110,673
398	1,861	-	-	44,906	1,901,557
168	47,051	22,804	-	-	798,766
-	1,788	-	-	-	54,446
4	17	-	11,104	463	18,711
-	-	-	62,595	-	62,595
-	-	-	-	-	2,104,847
-	-	-	1,075,500	-	1,075,500
-	-	-	-	-	9,949,194
<u>\$ 593</u>	<u>\$ 50,825</u>	<u>\$ 22,805</u>	<u>\$ 1,149,199</u>	<u>\$ 47,983</u>	<u>\$ 16,076,289</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,360
-	-	-	-	-	2,911
-	-	-	-	-	5,989
168	47,051	22,804	-	-	259,784
<u>168</u>	<u>47,051</u>	<u>22,804</u>	<u>-</u>	<u>-</u>	<u>304,044</u>
425	-	1	-	-	43,655
-	-	-	-	-	12,024,065
-	3,774	-	1,149,199	47,983	3,704,525
-	-	-	-	-	-
425	3,774	1	1,149,199	47,983	15,772,245
<u>\$ 593</u>	<u>\$ 50,825</u>	<u>\$ 22,805</u>	<u>\$ 1,149,199</u>	<u>\$ 47,983</u>	<u>\$ 16,076,289</u>

(Continued)

**CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

(Continued)

	<u>Debt Service</u>	<u>Capital Project</u>	
		Community Development Block Grant	Total Other Governmental Funds
	Debt Service		
ASSETS			
Cash and cash equivalents	\$ 75,111	\$ 5,360	\$ 191,144
Investments	118,925	91,360	2,111,842
Receivables:			
Taxes	-	-	798,766
Accounts	-	-	54,446
Interest	1,227	-	19,938
Restricted assets:			
Cash and cash equivalents	-	-	62,595
Cash and cash equivalents with fiscal agent	-	-	2,104,847
Investments	-	-	1,075,500
Investments with fiscal agent	-	-	9,949,194
Total assets	<u>\$ 195,263</u>	<u>\$ 96,720</u>	<u>\$ 16,368,272</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other	\$ 14,360	\$ 26,094	\$ 75,814
Accrued liabilities	-	2,678	5,589
Accrued interest	-	-	5,989
Deferred revenue	-	-	259,784
Total liabilities	<u>14,360</u>	<u>28,772</u>	<u>347,176</u>
Fund balances:			
Reserved for:			
Debt service	180,903	-	224,558
Capital projects	-	-	12,024,065
Unreserved, reported in:			
Special revenue funds	-	-	3,704,525
Capital project funds	-	67,948	67,948
Total fund balances	<u>180,903</u>	<u>67,948</u>	<u>16,021,096</u>
Total liabilities and fund balances	<u>\$ 195,263</u>	<u>\$ 96,720</u>	<u>\$ 16,368,272</u>

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Special Revenue Funds			
	Parks Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave Interchange GID
REVENUES				
Property taxes	\$ -	\$ 98,174	\$ 64,329	\$ 71,891
Sales taxes	4,117,333	-	-	-
Use taxes	889,271	-	-	-
Intergovernmental	749,307	9,098	5,944	6,643
Assessments	-	-	-	-
Interest	35,501	34,373	7,593	3,279
Fines and forfeits	-	-	-	-
Other	77,884	-	-	-
Total revenues	<u>5,869,296</u>	<u>141,645</u>	<u>77,866</u>	<u>81,813</u>
EXPENDITURES				
Governmental activities:				
General government	-	32,650	44,760	10,467
Public safety	-	-	-	-
Community development	2,450,637	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	218,525	-	-	-
Total expenditures	<u>2,669,162</u>	<u>32,650</u>	<u>44,760</u>	<u>10,467</u>
Excess of revenues over (under) expenditures	<u>3,200,134</u>	<u>108,995</u>	<u>33,106</u>	<u>71,346</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	12,000,000	-	-	-
Issuance of refunding debt	-	-	-	-
Bond premium	247,480	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital asset	100,000	-	-	-
Transfers in	344,847	-	-	-
Transfers (out)	(3,287,834)	-	-	(28,766)
Total other financing sources (uses):	<u>9,404,493</u>	<u>-</u>	<u>-</u>	<u>(28,766)</u>
Net change in fund balance	12,604,627	108,995	33,106	42,580
Fund balances - beginning	1,240,711	447,000	85,803	8,041
Fund balances - ending	<u>\$ 13,845,338</u>	<u>\$ 555,995</u>	<u>\$ 118,909</u>	<u>\$ 50,621</u>

Special Revenue Funds

Promenade Parking Garage GID	Mandalay Town Center GID	144th Ave GID	Conservation Trust	Investigation Recovery	Total
\$ 185	\$ 45,331	\$ -	\$ -	\$ -	\$ 279,910
-	-	-	-	-	4,117,333
-	-	-	-	-	889,271
-	28,855	-	810,550	-	1,610,397
-	-	-	-	-	-
8	5,246	-	58,412	3,201	147,613
-	-	-	-	30,166	30,166
-	-	-	-	-	77,884
<u>193</u>	<u>79,432</u>	<u>-</u>	<u>868,962</u>	<u>33,367</u>	<u>7,152,574</u>
175	30,680	-	-	-	118,732
-	-	-	-	12,839	12,839
-	-	-	-	-	2,450,637
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	218,525
<u>175</u>	<u>30,680</u>	<u>-</u>	<u>-</u>	<u>12,839</u>	<u>2,800,733</u>
18	48,752	-	868,962	20,528	4,351,841
-	-	-	-	-	12,000,000
-	-	-	-	-	-
-	-	-	-	-	247,480
-	-	-	-	-	-
-	-	-	-	-	100,000
-	-	-	-	-	344,847
-	(114,000)	-	(173,071)	-	(3,603,671)
<u>-</u>	<u>(114,000)</u>	<u>-</u>	<u>(173,071)</u>	<u>-</u>	<u>9,088,656</u>
18	(65,248)	-	695,891	20,528	13,440,497
407	69,022	1	453,308	27,455	2,331,748
<u>\$ 425</u>	<u>\$ 3,774</u>	<u>\$ 1</u>	<u>\$ 1,149,199</u>	<u>\$ 47,983</u>	<u>\$ 15,772,245</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

(Continued)

	<u>Debt Service</u>	<u>Capital Project</u>	
		Community Development	Total Other Governmental
	Debt Service	Block Grant	Funds
REVENUES			
Property taxes	\$ -	\$ -	\$ 279,910
Sales taxes	-	-	4,117,333
Use taxes	-	-	889,271
Intergovernmental	-	156,087	1,766,484
Assessments	80,000	-	80,000
Interest	146,652	-	294,265
Fines and forfeits	-	-	30,166
Other	-	-	77,884
Total revenues	<u>226,652</u>	<u>156,087</u>	<u>7,535,313</u>
EXPENDITURES			
Governmental activities:			
General government	-	-	118,732
Public safety	-	-	12,839
Community development	-	229,008	2,679,645
Debt service:			
Principal	4,960,000	-	4,960,000
Interest and fiscal charges	2,303,484	-	2,303,484
Refunding bond issuance costs	437,491	-	656,016
Total expenditures	<u>7,700,975</u>	<u>229,008</u>	<u>10,730,716</u>
Excess of revenues over (under) expenditures	<u>(7,474,323)</u>	<u>(72,921)</u>	<u>(3,195,403)</u>
OTHER FINANCING SOURCES AND (USES)			
Issuance of bonds	-	-	12,000,000
Proceeds of refunding bonds	35,305,000	-	35,305,000
Bond premium	1,836,469	-	2,083,949
Payment to refunded bond escrow agent	(37,210,995)	-	(37,210,995)
Sale of asset	-	-	100,000
Transfers in	7,679,148	72,921	8,096,916
Transfers (out)	-	-	(3,603,671)
Total other financing sources (uses):	<u>7,609,622</u>	<u>72,921</u>	<u>16,771,199</u>
Net change in fund balance	135,299	-	13,575,796
Fund balances - beginning	45,604	67,948	2,445,300
Fund balances - ending	<u>\$ 180,903</u>	<u>\$ 67,948</u>	<u>\$ 16,021,096</u>

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CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 3,914,287	\$ 3,914,287	\$ 4,117,333	\$ 203,046
Use taxes	810,660	810,660	889,271	78,611
Intergovernmental	-	749,307	749,307	-
Interest	45,000	45,000	35,501	(9,499)
Other	88,832	88,832	77,884	(10,948)
Total revenues	<u>4,858,779</u>	<u>5,608,086</u>	<u>5,869,296</u>	<u>261,210</u>
EXPENDITURES				
Governmental activities:				
Community development	1,346,306	15,211,946	2,450,637	12,761,309
Interest and fiscal charges	-	218,525	218,525	-
Total expenditures	<u>1,346,306</u>	<u>15,430,471</u>	<u>2,669,162</u>	<u>12,761,309</u>
Excess of revenues over (under) expenditures	<u>3,512,473</u>	<u>(9,822,385)</u>	<u>3,200,134</u>	<u>13,022,519</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	12,247,480	12,000,000	(247,480)
Bond premium	-	-	247,480	247,480
Sale of capital asset	100,000	100,000	100,000	-
Transfers in	-	344,847	344,847	-
Transfers (out)	(3,612,473)	(3,617,365)	(3,287,834)	329,531
Total other financing sources (uses):	<u>(3,512,473)</u>	<u>9,074,962</u>	<u>9,404,493</u>	<u>329,531</u>
Net change in fund balance	-	(747,423)	12,604,627	13,352,050
Fund balances, beginning	-	747,423	1,240,711	493,288
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,845,338</u>	<u>\$ 13,845,338</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 98,058	\$ 98,058	\$ 98,174	\$ 116
Intergovernmental	9,500	9,500	9,098	(402)
Interest	11,838	11,838	34,373	22,535
Total revenues	<u>119,396</u>	<u>119,396</u>	<u>141,645</u>	<u>22,249</u>
EXPENDITURES				
Governmental activities:				
General government	49,389	49,389	32,650	16,739
Total expenditures	<u>49,389</u>	<u>49,389</u>	<u>32,650</u>	<u>16,739</u>
Net change in fund balance	70,007	70,007	108,995	38,988
Fund balances, beginning	(70,007)	(70,007)	447,000	517,007
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,995</u>	<u>\$ 555,995</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMHERST GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 64,319	\$ 64,319	\$ 64,329	\$ 10
Intergovernmental	6,240	6,240	5,944	(296)
Interest	1,695	1,695	7,593	5,898
Total revenues	<u>72,254</u>	<u>72,254</u>	<u>77,866</u>	<u>5,612</u>
EXPENDITURES				
Governmental activities:				
General government	56,965	56,965	44,760	12,205
Total expenditures	<u>56,965</u>	<u>56,965</u>	<u>44,760</u>	<u>12,205</u>
Net change in fund balance	15,289	15,289	33,106	17,817
Fund balances, beginning	(15,289)	(15,289)	85,803	101,092
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,909</u>	<u>\$ 118,909</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
136TH AVENUE INTERCHANGE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 31,151	\$ 31,151	\$ 71,891	\$ 40,740
Intergovernmental	1,609	6,082	6,643	561
Interest	300	2,000	3,279	1,279
Total revenues	<u>33,060</u>	<u>39,233</u>	<u>81,813</u>	<u>42,580</u>
EXPENDITURES				
Governmental activities:				
General government	4,294	10,467	10,467	-
Total expenditures	<u>4,294</u>	<u>10,467</u>	<u>10,467</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>28,766</u>	<u>28,766</u>	<u>71,346</u>	<u>42,580</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(28,766)	(28,766)	(28,766)	-
Total other financing sources (uses):	<u>(28,766)</u>	<u>(28,766)</u>	<u>(28,766)</u>	<u>-</u>
Net change in fund balance	-	-	42,580	42,580
Fund balances, beginning	-	-	8,041	8,041
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,621</u>	<u>\$ 50,621</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PROMENADE PARKING GARAGE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 175	\$ 175	\$ 185	\$ 10
Interest	-	-	8	8
Total revenues	<u>175</u>	<u>175</u>	<u>193</u>	<u>18</u>
EXPENDITURES				
Governmental activities:				
General government	175	175	175	-
Total expenditures	<u>175</u>	<u>175</u>	<u>175</u>	<u>-</u>
Net change in fund balance	-	-	18	18
Fund balances, beginning	-	-	407	407
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425</u>	<u>\$ 425</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 45,324	\$ 45,324	\$ 45,331	\$ 7
Intergovernmental	17,000	26,244	28,855	2,611
Interest	1,912	4,112	5,246	1,134
Total revenues	<u>64,236</u>	<u>75,680</u>	<u>79,432</u>	<u>3,752</u>
EXPENDITURES				
Governmental activities:				
General government	10,680	30,680	30,680	-
Total expenditures	<u>10,680</u>	<u>30,680</u>	<u>30,680</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>53,556</u>	<u>45,000</u>	<u>48,752</u>	<u>3,752</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(53,556)	(114,000)	(114,000)	-
Total other financing sources (uses):	<u>(53,556)</u>	<u>(114,000)</u>	<u>(114,000)</u>	<u>-</u>
Net change in fund balance	-	(69,000)	(65,248)	3,752
Fund balances, beginning	-	69,000	69,022	22
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,774</u>	<u>\$ 3,774</u>

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 625,000	\$ 810,550	\$ 185,550
Interest	-	-	58,412	58,412
Total revenues	<u>-</u>	<u>625,000</u>	<u>868,962</u>	<u>243,962</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(988,198)	(173,071)	815,127
Net change in fund balance	-	(363,198)	695,891	1,059,089
Fund balances, beginning	-	-	453,308	453,308
Fund balances, ending	<u>\$ -</u>	<u>\$ (363,198)</u>	<u>\$ 1,149,199</u>	<u>\$ 1,512,397</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 59,563	\$ 59,563	\$ 80,000	\$ 20,437
Interest	75,000	75,000	146,652	71,652
Total revenues	<u>134,563</u>	<u>134,563</u>	<u>226,652</u>	<u>92,089</u>
EXPENDITURES				
Debt service:				
Principal	5,200,000	5,200,000	4,960,000	240,000
Interest and fiscal charges	3,023,735	2,470,399	2,303,484	166,915
Bond issuance costs	-	491,961	437,491	54,470
Total expenditures	<u>8,223,735</u>	<u>8,162,360</u>	<u>7,700,975</u>	<u>461,385</u>
Excess of revenues over (under) expenditures	<u>(8,089,172)</u>	<u>(8,027,797)</u>	<u>(7,474,323)</u>	<u>553,474</u>
OTHER FINANCING SOURCES (USES)				
Issuance of refunding debt	-	35,305,000	35,305,000	-
Bond premium	-	1,836,469	1,836,469	-
Payment to refunded bond escrow agent	-	(37,210,995)	(37,210,995)	-
Transfers in	8,068,230	8,076,381	7,679,148	(397,233)
Total other financing sources (uses):	<u>8,068,230</u>	<u>8,006,855</u>	<u>7,609,622</u>	<u>(397,233)</u>
Net change in fund balance	(20,942)	(20,942)	135,299	156,241
Fund balances, beginning	20,942	20,942	45,604	24,662
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,903</u>	<u>\$ 180,903</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2007

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 261,543	\$ 148,827	\$ 154,801	\$ 210,604	\$ 775,775
Investments	4,493,784	2,557,125	2,659,765	3,618,560	13,329,234
Receivables:					
Accounts	-	2,073	8,937	-	11,010
Interest	46,331	26,377	27,437	37,333	137,478
Total current assets	<u>4,801,658</u>	<u>2,734,402</u>	<u>2,850,940</u>	<u>3,866,497</u>	<u>14,253,497</u>
Non-current assets:					
Capital assets:					
Depreciable assets, net	-	-	-	4,274,831	4,274,831
Total assets	<u>\$ 4,801,658</u>	<u>\$ 2,734,402</u>	<u>\$ 2,850,940</u>	<u>\$ 8,141,328</u>	<u>\$ 18,528,328</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	\$ 181,520	\$ 22,001	\$ 95,195	\$ -	\$ 298,716
Accrued liabilities	2,316	-	2,815	-	5,131
Lease payable, current portion	-	-	-	171,578	171,578
Accrued interest	-	-	-	7,540	7,540
Compensated absences	15,014	-	2,295	-	17,309
Estimated claims	367,000	357,400	410,649	-	1,135,049
Total current liabilities	<u>565,850</u>	<u>379,401</u>	<u>510,954</u>	<u>179,118</u>	<u>1,635,323</u>
Non-current liabilities:					
Leases payable	-	-	-	679,283	679,283
OPEB obligation	175	-	175	-	350
Total non-current liabilities	<u>175</u>	<u>-</u>	<u>175</u>	<u>679,283</u>	<u>679,633</u>
Total liabilities	<u>566,025</u>	<u>379,401</u>	<u>511,129</u>	<u>858,401</u>	<u>2,314,956</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	3,423,970	3,423,970
Unrestricted	4,235,633	2,355,001	2,339,811	3,858,957	12,789,402
Total net assets	<u>\$ 4,235,633</u>	<u>\$ 2,355,001</u>	<u>\$ 2,339,811</u>	<u>\$ 7,282,927</u>	<u>\$ 16,213,372</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Governmental Activities				Total
	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Operating revenues					
Charges for services	\$ 8,761,992	\$ 1,077,433	\$ 1,634,127	\$ 1,358,906	\$ 12,832,458
Total operating revenues	<u>8,761,992</u>	<u>1,077,433</u>	<u>1,634,127</u>	<u>1,358,906</u>	<u>12,832,458</u>
Operating expenses					
Personnel services	86,549	4,450	126,631	-	217,630
Contractual services	953,869	147,860	540,071	-	1,641,800
Commodities	-	2,992	408	-	3,400
Depreciation	-	-	-	1,004,156	1,004,156
Insurance and other expenses	7,548,086	480,296	117,691	262,687	8,408,760
Total operating expenses	<u>8,588,504</u>	<u>635,598</u>	<u>784,801</u>	<u>1,266,843</u>	<u>11,275,746</u>
Operating income (loss)	<u>173,488</u>	<u>441,835</u>	<u>849,326</u>	<u>92,063</u>	<u>1,556,712</u>
Non-operating revenues (expenses)					
Income on investments	297,850	159,882	169,639	222,453	849,824
Interest expense	-	-	-	(35,223)	(35,223)
Gain (loss) on disposition of capital assets	-	-	-	19,074	19,074
Total non-operating revenues (expenses)	<u>297,850</u>	<u>159,882</u>	<u>169,639</u>	<u>206,304</u>	<u>833,675</u>
Income (loss) before contributions and transfers	<u>471,338</u>	<u>601,718</u>	<u>1,018,965</u>	<u>298,367</u>	<u>2,390,388</u>
Capital contributions	-	-	-	205,807	205,807
Transfers in	-	-	-	689,724	689,724
Change in net assets	471,338	601,718	1,018,965	1,193,898	3,285,919
Net assets - beginning	3,764,295	1,753,283	1,320,846	6,089,029	12,927,453
Net assets - ending	<u>\$ 4,235,633</u>	<u>\$ 2,355,001</u>	<u>\$ 2,339,811</u>	<u>\$ 7,282,927</u>	<u>\$ 16,213,372</u>

**CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental Activities

Internal Service Funds

	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	Total
Cash flows from operating activities:					
Cash received from customers	\$ 8,761,993	\$ 1,075,360	\$ 1,667,847	\$ 1,418,965	\$ 12,924,165
Cash payments to employees for services	(82,148)	-	(124,525)	-	(206,673)
Cash payments to suppliers for goods and services	(8,532,451)	(563,331)	(1,305,434)	(262,687)	(10,663,903)
Net cash provided by (used in) operating activities	<u>147,394</u>	<u>512,029</u>	<u>237,888</u>	<u>1,156,278</u>	<u>2,053,589</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(314,351)	(314,351)
Interest paid on long term debt	-	-	-	(33,116)	(33,116)
Acquisition and construction of capital assets	-	-	-	(1,235,129)	(1,235,129)
Proceeds from sale of capital assets	-	-	-	19,075	19,075
Contributions	-	-	-	205,807	205,807
Proceeds from lease	-	-	-	377,703	377,703
Net cash (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(980,011)</u>	<u>(980,011)</u>
Cash flow from investing activities:					
(Purchase) sale of investments	(353,286)	(599,162)	(345,892)	(978,216)	(2,276,556)
Interest received on investments	294,914	154,378	166,394	212,815	828,501
Net cash provided by (used in) investing activities	<u>(58,372)</u>	<u>(444,784)</u>	<u>(179,498)</u>	<u>(765,401)</u>	<u>(1,448,055)</u>
Net increase (decrease) in cash and cash equivalents	89,022	67,245	58,390	100,590	315,247
Cash and cash equivalents - beginning of year	<u>172,521</u>	<u>81,582</u>	<u>96,411</u>	<u>110,014</u>	<u>460,528</u>
Cash and cash equivalents - end of year	<u>\$ 261,543</u>	<u>\$ 148,827</u>	<u>\$ 154,801</u>	<u>\$ 210,604</u>	<u>\$ 775,775</u>

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

Operating income (loss)	<u>\$ 173,488</u>	<u>\$ 441,835</u>	<u>\$ 849,326</u>	<u>\$ 92,063</u>	<u>\$ 1,556,712</u>
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Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:

Depreciation	-	-	-	1,004,156	1,004,156
(Increase) decrease in accounts receivable	-	(2,073)	33,719	60,059	91,705
Increase (decrease) in accounts payable and other	25,810	(4,494)	(25,542)	-	(4,226)
Increase (decrease) in accrued liabilities	2,096	-	(418)	-	1,678
Increase (decrease) in estimated claims	(54,000)	76,761	(619,197)	-	(596,436)
Total adjustments	<u>(26,094)</u>	<u>70,194</u>	<u>(611,438)</u>	<u>1,064,215</u>	<u>496,877</u>
Net cash provided by (used in) operating activities	<u>\$ 147,394</u>	<u>\$ 512,029</u>	<u>\$ 237,888</u>	<u>\$ 1,156,278</u>	<u>\$ 2,053,589</u>

Non-cash investing, capital, and financing activities:

- The unrecognized gain (loss) recorded to value the non-cash investments of the City's internal service funds to fair market value was \$139,403
- Capital assets contributed from governmental activities to the General Capital Outlay Replacement Internal Service Fund totaled \$163,640

STATISTICAL SECTION

Table

Financial Trends Information

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

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

Revenue Capacity Information

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

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

Debt Capacity Information

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

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

Demographic and Economic Information

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

Demographic and Economic Statistics	12
Principal Employers	13

Operating Information

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

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

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Table 1
City of Westminster
Net Assets by Component
Last six fiscal years

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Governmental activities						
Invested in capital assets, net of related debt	\$177,034,028	\$174,180,185	\$198,949,426	\$182,883,693	\$188,252,570	\$194,284,140
Restricted	30,387,925	45,756,100	3,978,822	3,275,792	4,427,178	4,588,769
Unrestricted	62,116,184	32,614,076	53,798,749	60,247,261	65,813,768	63,022,215
Total governmental activities net assets	\$269,538,137	\$252,550,361	\$256,726,997	\$246,406,746	\$258,493,516	\$261,895,124
Business-type activities						
Invested in capital assets, net of related debt	\$321,320,685	\$296,968,005	\$288,116,734	\$280,402,901	\$276,220,697	\$265,141,364
Restricted	3,406,636	3,384,483	3,371,769	3,939,139	690,739	854,757
Unrestricted	83,341,972	96,573,378	81,944,889	74,959,025	74,913,867	79,999,022
Total business-type activities net assets	\$408,069,293	\$396,925,866	\$373,433,392	\$359,301,065	\$351,825,303	\$345,995,143
Primary government						
Invested in capital assets, net of related debt	\$498,354,713	\$471,148,190	\$487,066,160	\$463,286,594	\$464,473,267	\$459,425,504
Restricted	33,794,561	49,140,583	7,350,591	7,214,931	5,117,917	5,443,526
Unrestricted	145,458,156	129,187,454	135,743,638	135,206,286	140,727,635	143,021,237
Total primary government net assets	\$677,607,430	\$649,476,227	\$630,160,389	\$605,707,811	\$610,318,819	\$607,890,267

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2002.

Note: Prior year transactions affecting the beginning Net Assets were restated in the reporting year as follows:

- 2006: \$401,667 decrease GCORF depreciation expense, \$1,098,603 Utility Fund increase construction expense, \$1,132,332 Governmental Activities decrease depreciation expense, \$8,889,537 increase construction expense, \$692,455 decrease loss on disposal of assets
- 2005: \$535,927 Government Activities accreted interest subtracted from capital lease payable
- 2004: \$839,626 WEDA decrease interest expense, \$839,626 General Fund increase interest expense, \$1,894,844 Governmental Activities accreted interest added to capital lease payable
- 2003: \$2,971,160 Governmental Activities decrease in capital assets, \$918,228 Governmental Activities decrease in bond premium/discount

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Expenses						
Governmental activities:						
General government	\$30,083,440	\$26,755,382	\$28,375,433	\$27,373,824	\$23,149,819	\$16,535,561
Public safety	30,077,636	29,526,569	28,211,005	25,188,099	21,748,704	20,257,253
Public works	14,501,794	14,385,925	7,793,659	6,669,236	6,259,809	6,434,332
Community development	14,059,071	24,290,269	14,849,423	20,668,261	3,492,112	3,853,280
Culture and recreation	17,829,533	11,481,246	13,498,043	13,487,779	12,773,283	13,462,288
Capital projects	0	0	0	7,761,325	2,556,076	9,017,184
Interest and fiscal charges	7,394,096	9,052,813	2,964,876	4,721,589	3,621,023	4,149,821
Unallocated depreciation	1,095,078	1,099,897	11,354,543	11,885,480	10,327,198	9,502,822
Total governmental activities expenses	115,040,648	116,592,101	107,046,982	117,755,593	83,928,024	83,212,541
Business-type activities:						
Utility	40,330,686	37,840,442	30,937,189	31,668,693	30,161,907	29,375,900
Golf	3,430,412	3,301,699	3,171,327	3,534,028	3,170,192	3,181,173
Westminster Building Authority	0	0	68,559	120,821	149,035	82,313
Westminster Housing Authority	995,606	947,135	1,325,012	996,062	818,719	791,391
Total business-type activities expenses	44,756,704	42,089,276	35,502,087	36,319,604	34,299,853	33,430,777
Total primary government expenses	\$159,797,352	\$158,681,377	\$142,549,069	\$154,075,197	\$118,227,877	\$116,643,318
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$7,432,044	\$5,319,186	\$5,591,578	\$6,297,375	\$2,821,007	\$1,881,594
Public safety	4,053,890	4,498,935	4,195,334	3,692,640	3,223,216	3,381,639
Public works	0	0	0	0	159,478	148,593
Community development	77,884	117,934	178,163	228,753	295,462	203,494
Culture and recreation	5,753,903	6,297,123	5,913,673	5,649,992	5,873,713	5,951,419
Operating grants and contributions	5,748,908	5,329,834	4,165,796	4,716,909	5,210,404	4,847,307
Capital grants and contributions	14,261,659	10,067,149	10,400,100	9,012,841	7,334,926	9,160,429
Total governmental activities revenues	37,328,288	31,630,161	30,444,644	29,598,510	24,918,206	25,574,475

Business-type activities:									
Charges for services:									
Utility	37,011,121	37,639,880	34,574,051	29,890,164	31,528,197	33,425,886			
Golf	3,217,505	2,993,881	2,932,389	2,825,291	2,925,457	3,172,925			
Westminster Building Authority	0	0	15,655	17,020	17,847	464,451			
Westminster Housing Authority	902,899	887,721	878,870	835,157	794,098	780,092			
Operating grants and contributions	0	0	0	0	0	0			
Capital grants and contributions	7,809,021	15,704,276	14,934,514	11,002,884	9,305,522	15,459,049			
Total business-type activities revenues	48,940,546	57,225,758	53,335,479	44,570,516	44,571,121	53,302,403			
Total primary government revenues	\$86,268,834	\$88,855,919	\$83,780,123	\$74,169,026	\$69,489,327	\$78,876,878			
Net (expense)/revenue									
Governmental activities	(\$77,712,360)	(\$84,961,940)	(\$76,602,338)	(\$88,157,083)	(\$59,009,818)	(\$57,638,066)			
Business-type activities	4,183,842	15,136,482	17,833,392	8,250,912	10,271,268	19,871,626			
Total primary government net expense	(\$73,528,518)	(\$69,825,458)	(\$58,768,946)	(\$79,906,171)	(\$48,738,550)	(\$37,766,440)			
General revenues and other changes in net assets									
Governmental activities:									
Taxes									
Property taxes	\$6,348,656	\$5,272,024	\$4,600,304	\$4,331,501	\$4,185,561	\$3,957,730			
Sales taxes	60,290,173	56,725,466	54,419,354	52,568,207	42,803,354	42,351,380			
Use taxes	13,610,159	12,634,095	11,683,748	11,422,307	10,454,839	10,409,135			
Business fees and other taxes	4,556,637	4,300,682	4,185,604	3,950,630	3,828,966	3,362,214			
Accommodations taxes	1,425,434	1,239,740	1,078,023	945,908	914,662	984,772			
Intergovernmental not restricted to a specific purpose	1,052,427	1,060,315	818,642	1,086,271	1,071,316	2,932,758			
Interest	6,496,200	5,760,231	3,087,962	1,043,447	1,242,606	1,984,889			
Other	1,980,122	2,152,680	991,884	434,985	(11,042,785)	883,813			
Transfers	(1,059,672)	(1,035,000)	5,521,091	2,181,901	6,039,079	421,459			
Total governmental activities	94,700,136	88,110,233	86,386,612	77,965,157	59,497,598	67,288,150			
Business-type activities:									
Interest	5,899,913	4,325,952	1,802,480	822,480	1,597,971	2,278,365			
Other	0	0	17,546	584,271	0	0			
Gain on Sale of Assets	0	4,093,643	0	0	0	0			
Transfers	1,059,672	1,035,000	(5,521,091)	(2,181,901)	(6,039,079)	(421,459)			
Total business-type activities	6,959,585	9,454,595	(3,701,065)	(775,150)	(4,441,108)	1,856,906			
Total primary government	\$101,659,721	\$97,564,828	\$82,685,547	\$77,190,007	\$55,056,490	\$69,145,056			
Change in net assets									
Governmental activities	\$16,987,776	\$3,148,293	\$9,784,274	(\$10,191,926)	\$487,780	\$9,650,084			
Business-type activities	11,143,427	24,591,077	14,132,327	7,475,762	5,830,160	21,728,532			
Total primary government	\$28,131,203	\$27,739,370	\$23,916,601	(\$2,716,164)	\$6,317,940	\$31,378,616			

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2002.

Note: Prior year transactions affecting the prior years expenses are noted in Table 1

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
General fund						
Reserved	\$5,203,223	\$6,539,253	\$7,623,125	\$7,387,538	\$5,277,981	\$4,544,041
Unreserved	9,859,229	11,015,978	10,172,500	11,058,947	10,154,348	8,928,901
Total general fund	\$15,062,452	\$17,555,231	\$17,795,625	\$18,446,485	\$15,432,329	\$13,472,942
All other governmental funds						
Reserved	\$55,624,752	\$41,493,854	\$51,749,047	\$13,894,852	\$32,396,047	\$16,042,228
Unreserved, reported in:						
Special revenue funds	12,304,218	7,472,186	14,949,783	3,161,386	4,821,194	5,388,104
Capital project funds	41,475,007	33,713,081	47,985,815	40,797,055	42,654,999	47,822,846
Total all other governmental funds	\$109,403,977	\$82,679,121	\$114,684,645	\$57,853,293	\$79,872,240	\$69,253,178

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Revenues						
Taxes and business fees	\$86,231,059	\$80,172,007	\$76,079,765	\$73,218,549	\$61,979,807	\$60,886,283
Intergovernmental	12,626,793	14,815,789	9,821,702	9,891,407	10,262,233	12,453,039
Assessments	149,199	160,425	932,647	629,422	807,875	930,306
Licenses and permits	2,654,027	2,616,662	2,101,468	2,321,833	2,293,599	1,971,068
Interest	6,554,612	5,781,155	3,119,849	1,043,728	1,248,030	1,976,892
Contributions	4,349,528	1,460,160	4,850,163	3,128,934	1,320,656	2,596,908
Recreation fees	5,735,111	5,867,809	5,311,991	5,072,051	5,352,397	5,360,607
Fines and forfeits	2,164,544	2,512,044	2,222,848	1,991,265	1,634,836	1,727,538
Fleet maintenance billings and other	5,058,804	3,699,601	3,425,398	2,988,540	2,330,473	2,185,566
EMS billings	2,020,583	1,937,237	1,814,699	1,492,350	1,435,730	1,357,273
Miscellaneous and other	80,040	10,737	376,850	254,296	382,841	909,050
Total revenues	127,624,300	119,033,626	110,057,380	102,032,375	89,048,477	92,354,530
Expenditures						
Current:						
General government	32,017,213	29,101,545	29,270,288	29,781,843	23,558,895	20,005,285
Public safety	28,794,062	28,183,148	27,315,730	24,067,713	20,913,186	21,176,733
Public works	7,238,076	7,071,716	6,506,687	6,635,754	6,208,225	6,418,668
Community development	6,634,975	15,393,627	6,608,216	8,168,892	6,157,124	7,479,348
Culture and recreation	13,456,076	12,868,421	12,407,022	11,683,528	11,417,127	11,843,837
Capital projects	29,413,964	49,866,552	45,506,648	51,364,097	42,732,128	33,809,251
Debt service:						
Principal	5,480,000	5,240,000	14,411,670	4,910,000	4,960,000	5,840,000
Interest and fiscal charges	8,836,684	8,706,148	7,570,896	4,309,524	3,893,883	4,010,977
Total expenditures	131,871,050	156,431,157	149,597,157	140,921,351	119,840,568	110,584,099
Excess of revenues over (under) expenditures	(\$4,246,750)	(\$7,397,531)	(\$9,539,777)	(\$8,888,976)	(\$30,792,091)	(\$18,229,569)
Other financing Sources (Uses)						
Issuance of bonds	29,485,488	0	68,300,000	9,000,000	38,525,000	15,513,231
Issuance of notes	0	0	0	0	260,000	0
Issuance of leases	40,626	5,045,733	20,651,235	488,414	250,523	354,785
Sale of capital asset	702,109	1,140,880	5,484,526	8,213,870	1,739,299	0
Transfers in	72,740,073	71,995,567	85,070,154	67,737,574	59,112,666	60,553,119
Transfers (out)	(74,489,469)	(73,030,567)	(83,785,646)	(65,555,673)	(53,073,587)	(61,118,141)
Total other financing sources (uses)	28,478,827	5,151,613	95,720,269	19,884,185	46,813,901	15,302,994
Special item: Write-off of note receivable					(3,443,361)	
Net change in fund balances	24,232,077	(32,245,918)	56,180,492	(19,004,791)	12,578,449	(2,926,575)
Debt Service as a percentage of noncapital expenditures	14.0%	13.1%	21.1%	10.3%	11.5%	12.8%

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

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

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate
1998	\$ 55,804,159	\$ -	\$ 3,988,065	3.25%
1999	49,610,875	-	4,303,187	3.25%
2000	52,976,028	-	4,640,778	3.25%
2001	53,742,758	-	4,785,062	3.25%
2002	48,502,461	-	4,258,055	3.25%
2003	49,042,179	-	4,216,011	3.25%
2004	49,700,220	10,025,888	4,264,405	3.85%
2005	51,359,026	10,353,701	4,390,375	3.85%
2006	53,640,060	11,040,410	4,679,093	3.85%
2007	56,966,361	11,927,367	5,006,604	3.85%

Source: City Sales Tax Division

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

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

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

Fiscal Year	City Direct Rates					Overlapping Rates ³		
	City Sales and Use Tax	Public Safety Sales and Use Tax ¹		Open Space Sales and Use Tax ²		Adams County Sales Tax	Jefferson County Sales Tax	RTD/CD/FD Sales Tax
1998	3.00%	-	0.25%	0.25%	3.25%	0.50%	0.50%	0.80%
1999	3.00%	-	0.25%	0.25%	3.25%	0.50%	0.50%	0.80%
2000	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2001	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2002	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2003	3.00%	-	0.25%	0.25%	3.25%	0.70%	0.50%	0.80%
2004	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	0.80%
2005	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	1.20%
2006	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	1.20%
2007	3.00%	0.60%	0.25%	0.25%	3.85%	0.70%	0.50%	1.20%

Source: City Sales Tax Division

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

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

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

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

Category	Fiscal Year 2007			Fiscal Year 1998		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Department and Discount Stores	\$17,686,006	1	23.9%	\$10,397,024	1	18.6%
Utility	7,882,135	2	10.7%	4,745,289	2	8.5%
Restaurants	7,877,510	3	10.7%	3,790,074	5	6.8%
Automobile Use	5,783,264	4	7.8%	4,456,456	4	8.0%
Grocery Stores	4,563,658	5	6.2%	4,530,123	3	8.1%
Building Use	3,493,295	6	4.7%	2,571,067	6	4.6%
Home Improvement/Hardware Stores	3,154,421	7	4.3%	1,018,031	7	1.8%

Source: City Sales Tax Division

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

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

Fiscal Year	Governmental Activities						Business-Type Activities						Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Revenue Bonds	Tax Incremental Bonds	Special Assessment Bonds	Capital Leases	Notes	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes					
1998	\$630,000	\$69,023,000	\$6,460,000	\$1,340,000	\$34,114,000	\$1,611,000	\$3,318,000	\$31,160,000	\$537,000	\$22,074,000	\$170,267,000	11.0%	\$1,836		
1999	555,000	68,289,000	6,460,000	1,235,000	53,328,000	1,557,000	3,159,000	30,034,000	3,161,000	19,829,000	187,607,000	11.2%	1,954		
2000	475,000	64,403,000	6,460,000	1,120,000	54,092,000	1,147,000	2,990,000	28,848,000	3,263,000	33,374,000	196,172,000	10.5%	1,943		
2001	390,000	68,906,000	6,460,000	996,000	70,932,000	1,096,000		27,907,000	2,771,000	32,350,000	211,806,000	10.9%	2,098		
2002		78,680,000	6,460,000	860,000	69,838,548	1,042,500		33,330,000	2,797,763	32,123,610	225,132,421	10.2%	2,145		
2003		73,895,000	44,955,000	715,000	68,555,883	260,000		31,575,000	2,532,048	30,484,150	252,982,081	11.9%	2,498		
2004		69,525,000	44,835,000	555,000	68,503,976	9,000,000		29,720,000	2,656,970	28,845,784	253,641,730	11.2%	2,386		
2005		64,730,000	112,970,000		86,369,906			27,850,000	1,939,127	42,281,591	335,140,624	14.3%	3,093		
2006		59,775,000	112,685,000		86,810,539			25,900,000	2,250,782	40,327,316	327,748,637	11.7%	2,988		
2007		74,330,000	120,485,000		83,852,128			23,880,000	2,507,662	38,068,147	343,122,937	12.2%	3,669		

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

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

**Table 9
City of Westminster**

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2007**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Adams County School District # 12	\$421,415,610	26.37%	\$111,127,296
Adams County School District # 50	104,535,000	47.38%	49,528,683
Apex Park & Recreation District	16,235,000	6.65%	1,079,628
Arvada Fire Protection District	5,797,918	0.01%	580
Bradburn Metro # 2	5,292,000	100.00%	5,292,000
Bradburn Metro # 3	6,670,000	100.00%	6,670,000
Church Ranch Metro District	3,295,000	99.99%	3,294,671
Countryside Metropolitan District	2,695,000	100.00%	2,695,000
Hunnington Trail Metropolitan District	3,000,000	100.00%	3,000,000
Hyland Hills Park & Recreation	14,910,000	55.00%	8,200,500
Jefferson County School District # R-1	651,955,000	7.94%	51,765,227
NBC Metropolitan District	9,140,000	100.00%	9,140,000
North Metro Fire and Rescue	24,850,000	1.78%	442,330
Southwest Adams Fire Protection District	1,545,570	0.06%	927
Westglenn Metro District	2,545,000	99.51%	2,532,530
Subtotal, overlapping debt			<u>\$254,769,372</u>
City Direct debt			<u>343,122,937</u>
Total direct and overlapping debt			<u><u>\$597,892,309</u></u>

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

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

Table 10
City of Westminster

Legal Debt Margin Information
Last ten fiscal years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$147,707,000	\$171,978,000	\$178,511,000	\$227,241,000	\$234,971,185	\$246,800,481	\$281,817,584	\$295,891,298	\$442,722,260	\$465,221,634
Total net debt applicable to limit	34,114,000	53,328,000	54,092,000	70,932,000	69,838,548	68,555,883	68,503,976	85,369,906	86,810,539	83,852,128
Legal debt margin	\$113,593,000	\$118,650,000	\$124,419,000	\$156,309,000	\$165,132,637	\$178,244,598	\$213,313,608	\$210,521,392	\$355,911,721	\$381,369,506
Total net debt applicable to the limit		31.01%	30.30%	31.21%	29.72%	27.78%	24.31%	28.85%	19.61%	18.02%
as a percentage of debt limit	23.10%									

Legal Debt Margin Calculation for Fiscal Year 2007	
Assessed value - 2006 for 2007 taxes ¹	
Adams County portion of the City	\$655,299,410
Jefferson County portion of the City	579,088,660
Total assessed value	<u>\$1,234,388,070</u>
Debt limit (3% of actual value ²)	\$465,221,634
Debt applicable to limit:	
Bonded debt - general obligation only	\$0
Installment of lease/purchase contracts for purchase of property or equipment ³	<u>83,852,128</u>
	<u>83,852,128</u>
Less deductions allowed by law:	<u>0</u>
Total net debt applicable to limit	<u>83,852,128</u>
Legal debt margin	<u>\$381,369,506</u>

¹ Source Adams County and Jefferson County Abstract of Assessments

²CRS 31-15-302 (3% limit)

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

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	1997 Westminster Economic Development Authority (WEDA) Revenue Bonds														
	Utilities Revenue Bonds					Debt Service									
	Applicable Revenues	Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Applicable Revenues	Capitalized Interest	Total Pledged Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Fees	Coverage
1998	\$37,279,276	(\$17,813,282)	\$19,465,994	\$941,128	\$1,743,633	7.25	\$620,794	\$0	\$620,794	(\$252,000)	\$368,794	\$0	\$256,694	\$0	1.44
1999	35,941,790	(17,970,429)	17,971,361	1,581,588	2,041,353	4.96	690,745	0	690,745	(682,000)	8,745	0	296,836	0	0.03
2000	39,474,222	(20,251,468)	19,222,754	1,925,175	1,570,119	5.50	681,469	0	681,469	(382,565)	298,904	0	344,236	0	0.87
2001	51,304,532	(21,624,093)	29,680,439	2,276,642	2,374,294	6.38	788,684	0	788,684	(218,474)	570,210	0	270,863	0	2.11
2002	46,755,525	(21,221,685)	25,533,840	2,624,450	2,174,864	5.32	885,073	0	885,073	(237,444)	647,629	0	173,178	0	3.74
2003	39,875,011	(20,835,380)	19,039,631	2,947,007	2,078,044	3.79	753,373	0	753,373	(240,964)	512,409	30,000	143,800	0	2.95
2004	38,998,008	(24,955,155)	14,042,853	3,060,531	1,621,526	3.00	636,455	0	636,455	(1,186,496)	(550,041)	120,000	150,101	0	(2.04)
2005	46,724,597	(23,011,461)	23,713,136	3,400,839	1,931,352	4.45	4,259,439	0	4,259,439	(240)	4,259,199	165,000	217,849	0	11.13
2006	51,879,413	(29,305,618)	22,573,795	3,832,679	2,393,501	3.63	501,933	0	501,933	(3,115)	498,818	215,000	277,392	0	1.01
2007	47,716,690	(30,278,159)	17,438,531	3,947,987	2,148,085	2.86	520,430	0	520,430	(80,113)	440,317	270,000	313,378	0	0.75

*Record interfund loan

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

Fiscal Year	2006 Westminster Economic Development Authority (WEDA) Revenue Bonds														
	Golf Course Enterprise Revenue Bonds					Debt Service									
	Applicable Revenues	Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Applicable Revenues	Capitalized Interest	Total Pledged Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Fees	Coverage
1998	\$1,752,279	(\$1,068,303)	\$683,976	\$0	\$127,276	5.37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
1999	2,096,492	(1,511,477)	585,015	0	336,908	1.74	0	0	0	0	0	0	0	0	N/A
2000	2,958,351	(2,127,655)	830,696	0	336,908	2.47	0	0	0	0	0	0	0	0	N/A
2001	3,160,330	(2,569,223)	591,107	50,000	336,908	1.53	0	0	0	0	0	0	0	0	N/A
2002	3,172,925	(2,324,672)	848,253	100,000	334,658	1.95	0	0	0	0	0	0	0	0	N/A
2003	2,925,457	(2,328,521)	596,936	170,000	330,058	1.19	0	0	0	0	0	0	0	0	N/A
2004	2,825,291	(2,711,319)	113,972	175,000	322,153	0.23	0	0	0	0	0	0	0	0	N/A
2005	2,932,389	(2,461,158)	471,231	185,000	313,840	0.94	0	0	0	0	0	0	0	0	N/A
2006	2,993,881	(2,587,855)	406,026	195,000	304,868	0.81	2,222,894	640,675	2,863,569	(8,130)	2,855,439	0	1,130,559	0	2.53
2007	3,197,655	(2,625,270)	572,385	205,000	295,313	1.14	3,204,647	0	3,204,647	(14,067)	3,190,580	250,000	1,609,735	0	1.72

2003 Westminster Economic Development Authority (WEDA) Revenue Bonds													
Fiscal Year	Sales and Use Tax Revenue Bonds			Debt Service			Less:	Net Available Revenue			Coverage		
	Tax Collections	Operating Expenses	Pledged Revenue	Principal	Interest	Coverage		Operating Expenses	Capitalized Interest	Total Pledged Revenues		Net Available Revenue	
													Principal
1998	\$45,260,354	(\$265,766)	\$44,994,588	\$2,785,000	\$3,102,720	7.64	\$0	\$0	\$0	\$0	\$0	N/A	
1999	48,453,394	(288,537)	48,164,857	2,995,000	2,953,868	8.10	0	0	0	0	0	N/A	
2000	52,764,730	(299,043)	52,465,687	3,225,000	2,791,093	8.72	0	0	0	0	0	N/A	
2001	53,731,435	(308,218)	53,423,217	2,525,000	2,396,009	10.86	0	0	0	0	0	N/A	
2002	47,863,679	(335,176)	47,528,503	4,110,000	2,325,018	7.39	0	0	0	0	0	N/A	
2003	48,562,246	(342,094)	48,220,152	3,525,000	2,810,913	7.61	10,963	195,438	206,401	206,401	0	1.06	
2004	49,306,412	(289,190)	49,017,222	3,055,000	2,648,318	8.59	250,881	882,932	1,133,813	1,133,813	0	1.28	
2005	49,659,495	(279,048)	49,380,447	3,395,000	2,524,233	8.34	1,513,135	1,569,189	3,082,324	(2,637)	3,079,687	0	1.96
2006	51,643,775	(315,515)	51,328,260	3,470,000	2,386,885	8.76	258,223	582,016	840,239	(8,130)	832,109	70,000	1.43
2007	51,799,803	(393,333)	51,406,470	1,985,000	1,394,198	15.21	0	0	0	0	0	0	N/A

2005 Westminster Economic Development Authority (WEDA) Revenue Bonds													
Fiscal Year	Sales and Use Tax Revenue Bonds			Debt Service			Less:	Net Available Revenue			Coverage		
	Tax Collections	Operating Expenses	Pledged Revenue	Principal	Interest	Coverage		Operating Expenses	Capitalized Interest	Total Pledged Revenues		Net Available Revenue	
													Principal
1998	\$3,956,056	(\$22,140)	\$3,933,916	\$760,000	\$1,185,294	2.02	\$0	\$0	\$0	\$0	\$0	N/A	
1999	4,226,613	(24,045)	4,202,568	790,000	1,156,414	2.16	0	0	0	0	0	0	N/A
2000	4,652,437	(24,920)	4,627,517	1,085,000	1,280,799	1.96	0	0	0	0	0	0	N/A
2001	4,812,077	(25,685)	4,786,392	1,150,000	1,218,796	2.02	0	0	0	0	0	0	N/A
2002	4,272,085	(27,931)	4,244,154	1,205,000	1,166,411	1.79	0	0	0	0	0	0	N/A
2003	4,224,170	(28,508)	4,195,662	1,260,000	1,109,861	1.77	0	0	0	0	0	0	N/A
2004	4,259,760	(24,084)	4,235,676	1,315,000	1,049,626	1.79	0	0	0	0	0	0	N/A
2005	4,372,363	(23,239)	4,349,124	1,400,000	970,116	1.83	150,255	1,146,467	1,296,722	0	1,296,722	0	1.13
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496	1.97	898,979	2,685,796	3,584,775	0	3,584,775	0	1.33
2007	4,963,410	(32,757)	4,930,653	0	448,126	11.00	3,288,397	1,728,394	5,016,791	(6,103)	5,010,688	0	1.75

2003 Westminster Economic Development Authority (WEDA) Revenue Bonds													
Fiscal Year	Sales and Use Tax Revenue Bonds			Debt Service			Less:	Net Available Revenue			Coverage		
	Tax Collections	Operating Expenses	Pledged Revenue	Principal	Interest	Coverage		Operating Expenses	Capitalized Interest	Total Pledged Revenues		Net Available Revenue	
													Principal
1998	\$3,956,056	(\$22,140)	\$3,933,916	\$760,000	\$1,185,294	2.02	\$0	\$0	\$0	\$0	\$0	N/A	
1999	4,226,613	(24,045)	4,202,568	790,000	1,156,414	2.16	0	0	0	0	0	0	N/A
2000	4,652,437	(24,920)	4,627,517	1,085,000	1,280,799	1.96	0	0	0	0	0	0	N/A
2001	4,812,077	(25,685)	4,786,392	1,150,000	1,218,796	2.02	0	0	0	0	0	0	N/A
2002	4,272,085	(27,931)	4,244,154	1,205,000	1,166,411	1.79	0	0	0	0	0	0	N/A
2003	4,224,170	(28,508)	4,195,662	1,260,000	1,109,861	1.77	0	0	0	0	0	0	N/A
2004	4,259,760	(24,084)	4,235,676	1,315,000	1,049,626	1.79	0	0	0	0	0	0	N/A
2005	4,372,363	(23,239)	4,349,124	1,400,000	970,116	1.83	150,255	1,146,467	1,296,722	0	1,296,722	0	1.13
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496	1.97	898,979	2,685,796	3,584,775	0	3,584,775	0	1.33
2007	4,963,410	(32,757)	4,930,653	0	448,126	11.00	3,288,397	1,728,394	5,016,791	(6,103)	5,010,688	0	1.75

2005 Westminster Economic Development Authority (WEDA) Revenue Bonds													
Fiscal Year	Sales and Use Tax Revenue Bonds			Debt Service			Less:	Net Available Revenue			Coverage		
	Tax Collections	Operating Expenses	Pledged Revenue	Principal	Interest	Coverage		Operating Expenses	Capitalized Interest	Total Pledged Revenues		Net Available Revenue	
													Principal
1998	\$3,956,056	(\$22,140)	\$3,933,916	\$760,000	\$1,185,294	2.02	\$0	\$0	\$0	\$0	\$0	N/A	
1999	4,226,613	(24,045)	4,202,568	790,000	1,156,414	2.16	0	0	0	0	0	0	N/A
2000	4,652,437	(24,920)	4,627,517	1,085,000	1,280,799	1.96	0	0	0	0	0	0	N/A
2001	4,812,077	(25,685)	4,786,392	1,150,000	1,218,796	2.02	0	0	0	0	0	0	N/A
2002	4,272,085	(27,931)	4,244,154	1,205,000	1,166,411	1.79	0	0	0	0	0	0	N/A
2003	4,224,170	(28,508)	4,195,662	1,260,000	1,109,861	1.77	0	0	0	0	0	0	N/A
2004	4,259,760	(24,084)	4,235,676	1,315,000	1,049,626	1.79	0	0	0	0	0	0	N/A
2005	4,372,363	(23,239)	4,349,124	1,400,000	970,116	1.83	150,255	1,146,467	1,296,722	0	1,296,722	0	1.13
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496	1.97	898,979	2,685,796	3,584,775	0	3,584,775	0	1.33
2007	4,963,410	(32,757)	4,930,653	0	448,126	11.00	3,288,397	1,728,394	5,016,791	(6,103)	5,010,688	0	1.75

Table 11 Continued
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

	2007 Westminster Economic Development Authority (WEDA) Revenue Bonds									
	Applicable Revenues	Capitalized Interest	Total Pledged Revenues	Operating Expenses	Net Available Revenue	Debt Service			Coverage	
						Principal	Interest	Fees		
1998	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	
1999	0	0	0	0	0	0	0	0	N/A	
2000	0	0	0	0	0	0	0	0	N/A	
2001	0	0	0	0	0	0	0	0	N/A	
2002	0	0	0	0	0	0	0	0	N/A	
2003	0	0	0	0	0	0	0	0	N/A	
2004	0	0	0	0	0	0	0	0	N/A	
2005	0	0	0	0	0	0	0	0	N/A	
2006	0	0	0	0	0	0	0	0	N/A	
2007	24,974	183,171	208,145	0	208,145	0	183,171	0	1.14	

Source: City's Treasury Division

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

Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

2003 WEDA Revenue Bonds refunded with the 2006 WEDA Revenue Bonds

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

Fiscal Year	Population ¹	Personal Income (in 000's) ¹	Per Capita Personal Income ²	Unemployment Rate ³
1998	92,713	\$ 1,548,863	\$ 16,706	2.8%
1999	96,000	1,680,864	17,509	3.0%
2000	100,940	1,860,324	18,430	4.0%
2001	100,940	1,948,546	19,304	3.6%
2002	104,948	2,217,866	21,133	5.8%
2003	101,278	2,131,497	21,046	4.7%
2004	106,312	2,261,150	21,269	4.4%
2005	108,351	2,344,391	21,637	4.7%
2006	109,671	2,794,636	25,482	4.0%
2007	109,724	2,803,119	25,547	3.9%

Source:

- ¹ Population and Personal Income obtained from the City Economic Development Division
- ² Per Capita Personal Income obtained from Metro Denver Economic Development Corporation and averaged for Adams County, Colorado and Jefferson County, Colorado
- ³ Unemployment Rate obtained from the U.S. Department of Labor - Bureau of Labor Statistics

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

Employer	Fiscal Year 2007			Fiscal Year 1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total Employment
Avaya (Lucent/Bell Labs)	1,303	1	2.92%	4,000	1	12.47%
Ball Corporation	659	2	1.48%	750	2	2.34%
Centura Health / St. Anthony's North	655	3	1.47%	700	3	2.18%
Access Distribution Systems (GE)	390	4	0.88%	—	—	—
Alliance Data Systems	323	5	0.72%	—	—	—
Kaiser Permanente	340	6	0.76%	300	8	0.94%
Tri State Generation	355	7	0.80%	117	12	0
LaFarge North America	190	8	0.43%	—	—	—
Global Health Care Exchange	150	9	0.34%	—	—	—
Trimble Navigation	132	10	0.30%	—	—	—
Mobile Tool International, Inc.	—	—	—	450	5	1.40%
Level 3 Communications	—	—	—	350	6	1.09%
Respironics Inc.	—	—	—	309	7	0.96%
ConferTech International	—	—	—	544	4	1.70%
Cleo Wallace Center	—	—	—	300	9	0.94%
Western Gas Resources	—	—	—	289	10	0.90%
Match Logic	—	—	—	200	11	0.62%

Source: City Economic Development Division

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

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

Source: City Annual Pay Plan
 Note: Data prior to 2002 is not readily available and has been omitted.

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Public Safety						
Total Fire/EMS Incidents	8,147	8,277	7,883	7,312	7,514	7,448
EMS Transports by fire department	4,687	4,661	4,486	3,921	3,926	3,873
Police emergency responses	2,827	3,082	2,878	2,791	3,084	3,194
Traffic Citations (municipal)	11,897	15,666	16,684	14,843	12,538	15,681
Public Works						
Curb miles swept	6,166	7,306	7,634	7,379	7,379	7,282
Lane miles rehabilitated	77	160	112	103	98	85
Community Development						
Official Development Plans processed	242	191	186	150	153	117
Building Permits issued	3,986	3,992	3,908	4,239	4,535	4,491
Culture and Recreation						
Library circulation	1,435,330	1,464,817	1,472,460	1,399,389	1,249,686	1,207,707
Facility participants	811,064	805,880	698,826	671,037	733,565	619,579
Program registrants	90,652	80,972	78,160	66,237	76,779	87,918
Utilities						
Water gallons treated (in millions)	5,795	6,628	6,533	5,917	6,180	6,724
Water customers	31,519	31,245	31,127	31,484	31,272	29,927
Wastewater gallons treated (in millions)	2,552	2,359	2,417	2,251	2,252	2,256
Wastewater customers	30,145	29,992	29,806	30,113	29,929	28,651
Golf Courses						
Paid golf rounds played	58,678	55,220	50,210	49,498	49,997	51,285
Golf course acres maintained	414	414	414	414	414	414

Source: City's Performance Measures Team
 Note: Data prior to 2002 is not readily available and has been omitted.

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

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

Source: City's Performance Measures Team
 Note: Data prior to 2002 is not readily available and has been omitted.

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements of the City of Westminster, and have issued our report thereon dated May 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Westminster's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Westminster's financial statements that is more than inconsequential will not be prevented or detected by the City of Westminster's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Westminster's internal control.

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

Compliance and Other Matters

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

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

Swanberg & Company LLC

May 2, 2008



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the City of Westminster with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The City of Westminster's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Westminster's management. Our responsibility is to express an opinion on the City of Westminster's compliance based on our audit.

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

In our opinion, the City of Westminster complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

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

A control deficiency in the City of Westminster's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Westminster's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City of Westminster's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City of Westminster's internal control.

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

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

Swanlund & Company LLC

May 2, 2008

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ yes x no

Identification of major program:

20.205 Highway Planning and Construction

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

Auditee qualified as low-risk auditee? _____ yes x no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.

CITY OF WESTMINSTER, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2007

2006-1 Construction in Progress Internal Controls

Corrective action was taken regarding this prior audit finding.

2006-2 Davis-Bacon Act Compliance

Corrective action was taken regarding this prior audit finding.

2006-3 Schedule of Expenditures of Federal Awards

Corrective action was taken regarding this prior audit finding.



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

**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements of the City of Westminster, and have issued our report thereon dated May 2, 2008. These financial statements are the responsibility of the City of Westminster's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

May 2, 2008

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CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007

<u>Grant Program</u>	<u>Federal CFDA Number</u>	<u>Identification Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>			
Community Development Block Grant	14.218	B-06-MC-08-0010	\$ 229,008
Lower Income Housing Assistance Program	14.856		474,134
Subtotal			<u>703,142</u>
<u>Department of the Interior</u>			
Passed through the Colorado Department of Natural Resources, Division Wildlife-Sport fish Restoration Program	15.605	F-447-D-1	73,000
Subtotal			<u>73,000</u>
<u>Department of Justice</u>			
Missing Children's Assistance	16.543	1998-MC-CX-K013	3,622
Edward Byrne Memorial Justice Assistance Grant Program	16.738		67,705
Passed through the City of Thornton Local Law Enforcement Block Grants Program	16.592	2002-LB-BX-2924	29,498
Subtotal			<u>100,825</u>
<u>Department of Homeland Security</u>			
Passed through Colorado Department of Local Affairs, National Urban Search and Rescue (US&R) Response System	97.025	70-0711-0-1-999	6,232
Passed through Colorado Department of Local Affairs Urban Areas Security Initiative	97.008	70-0560-0-1-547	7,037
Passed through the Colorado Department of Local Affairs, Division of Emergency Management-Disaster Grants	97.036	70-0702-0-1-453	140,806
Passed through Colorado Department of Local Affairs, Division of Emergency Management	97.042	70-0519-0-1-999	25,000
Assistance to Firefighters	97.044	EMW-2006-FP-01440	8,812
Staffing for Adequate Fire and Emergency Response	97.083	70-0561-0-1-999	42,950
Subtotal			<u>230,837</u>
<u>Department of Transportation</u>			
Passed through the Colorado Department of Transportation Highway Planning and Construction	20.205	STU M356-021	1,478,875
Passed through the Colorado Department of Transportation Recreational Trails Program	20.219	STE 356-020	223,683
Subtotal			<u>1,702,558</u>
<u>Department of Agriculture</u>			
Passed through Colorado Department of Natural Resources, Division of Forest Service	10.664	12-1105-0-1-302	117,356
Subtotal			<u>117,356</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 2,927,718</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUBRECIPIENTS

\$40,450 of federal awards relating to the Department of Housing and Urban Development Community Development Block Grant, Federal CFDA 14.218, was passed through to sub-recipients during 2007.



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

INDEPENDENT AUDITORS' REPORT ON LOCAL HIGHWAY FINANCE REPORT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, as of and for the year ended December 31, 2007, which collectively comprise the City of Westminster's basic financial statements, and have issued our report thereon dated May 2, 2008. These financial statements are the responsibility of the City of Westminster's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster's basic financial statements. The accompanying local highway finance report is presented for purposes of additional analysis as required by State of Colorado statutes and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

May 2, 2008

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Westminster
This Information From The Records Of (example - City of _____ or County of _____) City of Westminster	YEAR ENDING : December 2007
Prepared By: Phone:	Sherri Rickard 303-430-2400 extension 2365

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	11,591,803
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,901,197
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,893,193
2. General fund appropriations	12,866,111	b. Snow and ice removal	875,365
3. Other local imposts (from page 2)	3,502,549	c. Other	0
4. Miscellaneous local receipts (from page 2)	4,458,391	d. Total (a. through c.)	2,768,558
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,062,044
a. Bonds - Original Issues	6,140,160	6. Total (1 through 5)	21,323,601
b. Bonds - Refunding Issues	13,212,875	B. Debt service on local obligations:	
c. Notes	14,494,500	1. Bonds:	
d. Total (a. + b. + c.)	33,847,535	a. Interest	3,745,840
7. Total (1 through 6)	54,674,585	b. Redemption	3,542,500
B. Private Contributions	155,191	c. Total (a. + b.)	7,288,340
C. Receipts from State government (from page 2)	3,166,641	2. Notes:	
D. Receipts from Federal Government (from page 2)	72,920	a. Interest	1,161,232
E. Total receipts (A.7 + B + C + D)	58,069,337	b. Redemption	833,900
		c. Total (a. + b.)	1,995,132
		3. Total (1.c + 2.c)	9,283,473
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	30,607,073

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	86,423,250	19,353,035	25,467,500	80,308,785
1. Bonds (Refunding Portion)		13,212,875	0	
B. Notes (Total)	26,789,600	14,494,500	9,504,600	31,779,500

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	55,350,001	58,069,337	30,607,073	82,812,266	0

Notes and Comments:
\$17,130,000 was incorrectly classified as bonds in prior years and was correctly classified as notes in 2007.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2007

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	1,459,361
b. Other local imposts:		b. Traffic Fines & Penalties	1,931,703
1. Sales Taxes	3,110,105	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	392,444	g. Other Misc. Receipts	
6. Total (1. through 5.)	3,502,549	h. Other	1,067,327
c. Total (a. + b.)	3,502,549	i. Total (a. through h.)	4,458,391
	(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	2,808,501	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	72,920
c. Motor Vehicle Registrations	340,562	d. Federal Transit Admin	
d. Other Traffic Signal	17,578	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	358,140	g. Total (a. through f.)	72,920
4. Total (1. + 2. + 3.f)	3,166,641	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	87,515	133,392	220,907
b. Engineering Costs	395,761	1,089,729	1,485,490
c. Construction:			
(1). New Facilities	1,916,510		1,916,510
(2). Capacity Improvements		7,629,353	7,629,353
(3). System Preservation			0
(4). System Enhancement & Operation		339,543	339,543
(5). Total Construction (1) + (2) + (3) + (4)	1,916,510	7,968,896	9,885,406
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,399,786	9,192,017	11,591,803
			(Carry forward to page 1)

Notes and Comments:

New Facilities, ROW and Engineering Costs on National Highway System are for the new 144th and I25 Interchange as well as some costs also related to the I25 at 136th interchange.

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WESTMINSTER

Staff Report

City Council Study Session Meeting
June 2, 2008



SUBJECT: City website redesign

PREPARED BY: Katie Harberg, Public Information Officer
Joe Reid, Senior Public Information Specialist
David Puntenny, Information Technology Director
Art Rea, Software Engineering Manager

Recommended City Council Action

Review proposed redesign for the City of Westminster website.

Summary Statement

Staff members from Public Information and Information Technology have been working for the past year on a redesign for the city website. The new site is designed to be a vibrant, dynamic information source that promotes online services, transparency in government and the quality of life in our community.

Although launch of the new site is still several weeks away, enough work has been completed to provide a good sense of how the new site will look and operate. Staff will be present at Monday's study session meeting to provide an overview of the process to date and a preview of the new design and enhanced functionality for Westminster citizens, businesses and other web users.

Background Information

Since its debut in 1996, the city website has played a key role in communication, citizenship and customer service. But in the past several years, with the explosion of the internet, that role has been exponentially increasing in importance. Website usage has skyrocketed, online services have become commonplace and residents have come to rely upon the web to connect with their local government. In many ways the website has become a virtual “front door” for the City of Westminster. Today, the city website serves an average of 50,000 visitors per month. Overall website usage has been increasing steadily (more than 10 percent annually) since the city began measuring usage in 2000.

A simple illustration of the growth on our site:

- Usage of the online utility billing service in April 2008 increased 25 percent over the same period in 2007.

Results from our biennial citizen survey confirm the important role played by the city website, especially those that measure the sources residents rely upon for city information:

- In the 2006 Citizen Survey, the information source that showed the largest growth was the city website (18 percent in 2006 vs. 11 percent in 2004).
- Preliminary results from the 2008 survey indicate that rate of growth is continuing.
- Since 2000, when the city began surveying website usage, those who say they have used the city website in the past year have grown from 12 percent to nearly 40 percent.

PIO staff has responded to these trends by revising and refocusing its overall communication strategy, targeting web communications as the centerpiece of the public information program.

The last major overhaul of the website was done in 2002. Since then, usage patterns have changed, capabilities have expanded (mainly broadband) and most importantly, expectations have risen. The need to incorporate many of the current best practices for websites necessitated a comprehensive overhaul.

In anticipation of the redesign, PIO staff revised the website’s mission statement to reflect the strategic positioning for web communications as we move to in the future. The key goal was developing a website that is focused on the user and oriented toward service. The new mission statement:

- “Westminster’s website is a progressive, customer-oriented site providing quick and easy access to the information and services that our users need, 24 hours a day, 7 days a week.”

A team consisting of staff from Information Technology and Public Information has been working for the past year to facilitate the redesign process. Team members consist of David Puntenny, Art Rea, Dannie Moore and Dan Stadler from IT and Katie Harberg, Carol Jones and Joe Reid from PIO.

In May 2007, the city sent requests for proposals to 11 U.S. and Canadian companies carefully selected for their expertise and innovation in municipal website design. A total of seven companies responded, with proposals ranging from \$18,500 to more than \$76,000.

The team selected the low bidder, ccintellect, to evaluate the city website, recommend technology enhancements and create a fresh design. ccintellect is a Denver-based firm that focuses primarily on an economic development clientele, but has major clients on the government side — including the

state of Colorado and the San Francisco mayor's office. The company principal, Ben Wright, is a Westminster resident.

Working closely with the web development team, ccintellect facilitated a series of meetings surrounding branding and the website. Workshops and brainstorming sessions involved key content contributors from various departments, including Community Development, Public Works and Utilities, Finance, General Services, and Parks, Recreation and Libraries. In addition, website usage data was analyzed for important trends and clear indications of user behavior. The process resulted in several key objectives for the redesign. These objectives formed the framework for the revision of the navigation scheme and have been the basis for the new design.

The objectives of the web development effort fall into three main categories:

1. Providing valuable information and services to all users.
2. Enhancing citizenship and creating a more transparent sense of local government.
3. Showcasing the natural beauty and sense of place for our community, with an emphasis on the city's environmental stewardship.

The new design addresses these categories in a variety of ways:

- Revised content categories, oriented toward identified user goals, make site navigation easier.
- Links on the home page provide one-click access to the most popular services on the site.
- New search capabilities bring the best technology available to website users.
- A new calendar, now available right from the homepage, promotes the importance of events and citizen involvement.
- Enhanced photography and a new color palette emphasize the natural beauty and quality of life enjoyed by Westminster residents.

Currently, the new design is being incorporated into the system the city uses to manage content on the website. Because all the content must be moved to the new design, city staff is essentially building the new website from scratch, repurposing more than 5,000 existing pages. This effort has been ongoing for several months, and in a few weeks staff will begin intense testing of all the new applications and rebuilt pages to ensure the site is functioning properly at launch. A firm launch date will be set once testing is complete.

A marketing program to promote the new design and features is being developed to coordinate with the launch of the revamped site. In addition, a sneak peak at the new design will be available to website users in the coming weeks so they can see the new features and functionality in store for them.

Respectfully submitted,

J. Brent McFall
City Manager



W E S T M I N S T E R

Staff Report

Information Only Staff Report
June 2, 2008



SUBJECT: New Economic Development Materials
PREPARED BY: Susan Grafton, Economic Development Manager

Summary Statement:

The Economic Development Staff is in the process of updating its marketing pieces.

Background Information:

Attached are five marketing pieces that were recently completed. They are:

New Cover Sheet – Used primarily for binder covers.

City Profile – Available to all users to give a synopsis of the City's business environment. Also available on the website.

Retail Map – Used when working with retail prospects. A similar map is in development for office properties. Available on the website.

Retail Properties Summary – Also used with retail prospects. Great to use to find lease rates and space available. Available on the website.

Current Commercial Activity – This is one of the most requested pieces. We will be updating this piece twice a year. It is also posted on the website.

If you would like additional copies of any of these items, please feel free to contact Susan Grafton in Economic Development.

Respectfully submitted,

J. Brent McFall
City Manager

Attachments: New Cover Sheet
City Profile
Retail Map
Retail Properties Summary
Current Commercial Activity