



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: June 10, 2009

SUBJECT: Study Session Agenda for June 15, 2009

PREPARED BY: J. Brent McFall, City Manager

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

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

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

CITY COUNCIL REPORTS

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

PRESENTATIONS

6:30 P.M.

1. End of Session Legislative Update (*Verbal*)
2. 2008 Comprehensive Annual Financial Report and Management Letter (Attachment)
3. Westminster Library Meeting Room Fees (Attachment)
4. HOME Funding Allocation for the Panorama Pointe Senior Housing Project (Attachment)
5. City Council Technology Q&A Session

EXECUTIVE SESSION

None at this time

INFORMATION ONLY ITEMS – Does not require action by City Council

1. Proposed Name Change for the Table Mountain Animal Center
2. Monthly Residential Development Report (Attachment)

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 15, 2009



SUBJECT: 2008 Comprehensive Annual Financial Report and Management Letter

PREPARED BY: Tammy Hitchens, Finance Director

Recommended City Council Action:

Review and discuss the 2008 Comprehensive Annual Financial Report (CAFR) and Management letter.

Summary Statement:

Finance Staff along with Kyle Logan, Senior Manager of Swanhorst & Company, LLC (Swanhorst), the City's independent audit firm, will present the 2008 CAFR and Management Letter to City Council for review. The CAFR is scheduled for formal acceptance at the Council meeting on June 22, 2009.

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.

Grants – Swanhorst noted the need to strengthen the City's internal controls over identification and measurement of federal grant revenues and expenditures. Staff finalized the City's Grant Policy in late 2008 accompanied by formalized administrative procedures to facilitate efficiency and consistency in grant identification and measurement processes.

Prior Period Adjustments – Swanhorst noted the need for improved internal controls over communication between departments because of prior year transactions that were effected in the 2008 financial statements. One of these transactions required a restatement to the beginning fund balance of the Westminster Economic Development Authority Fund.

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 2008 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 2008 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 2008 CAFR are detailed below:

- Government-wide: Combined net assets of governmental and business-type activities increased \$7.1 million, including a \$5.6 million decrease in governmental activities net assets and a \$12.7 million increase in business-type activities net assets.
- General Fund: The fund balance of the General Fund increased \$2.3 million in 2008. Of the \$17.3 million ending fund balance, \$12.0 million was unreserved and available for future spending.
- Sales & Use Tax Fund: Sales and Use Tax revenues decreased by \$0.6 million. Fund Balance decreased by \$0.8 million primarily due to the decreased sales and use tax collections.
- General Capital Improvement Fund: Operating revenues decreased by \$0.1 million and expenditures were \$0.5 million less than 2007. These changes as well as interfund transfers totaling \$6.8 million resulted in an increase in Fund Balance of \$2.69 million.
- Westminster Economic Development Authority: Fund balance decreased \$2.5 million to \$30.1 million, primarily due to ongoing obligations related to economic development agreements.
- Utility Fund: Net Assets increased \$13.3 million from \$395.2 to \$408.5 million due primarily to tap fees of \$9.6 million and from income on investments of \$4.1 million.
- Golf Course Fund: Net Assets decreased \$0.6 million from \$11.8 to \$11.2 million due primarily to the reclassification of the airport land lease from a capital to an operating lease.

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

\$ 16,994,324	General Capital Improvements Fund
9,024,185	Westminster Economic Development Authority
2,807,999	Parks, Open Space, and Trails Fund
1,113,083	Community Development Block Grant Fund
<u>25,871,127</u>	Utility Fund
<u>\$ 55,810,718</u>	Total Current Year Capital Expenditures

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

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. The City implemented internal controls around grant administration in December 2008 to address known and potential control deficiencies.

Policy and procedural directives were put in place to address organizational expectations for grant administration and to provide explicit procedures on internal compliance. A formalized authorization and acceptance processes, as well as enhanced communications throughout the organization, will improve the efficiency and effectiveness of data collection and compliance reporting for the Schedule of Expenditures of Federal Awards.

Staff believes the measures put in place at the end of 2008 will produce the necessary results in 2009 to address this comment.

Prior Period Adjustments – Swanhorst noted that certain prior period transactions were reported in the current accounting period. Two prior period adjustments were made; only one was the result of a misstatement.

In 2006, land purchased by the Westminster Economic Development Authority was reported as a capital asset in the Statement of Net Assets, Governmental Activities. In 2008, Staff noted GAAP requirements to report assets as inventory if being held for resale versus as capital assets being utilized to conduct governmental operations. The 2006 land purchase was always intended to be sold to an outside developer for redevelopment; therefore, the land was reclassified to inventory and the Westminster Economic Development Authority Fund net assets were restated by \$1,015,675.

The other prior period adjustment resulted from the implementation of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The standard establishes uniform reporting guidelines for state and local governments and is intended to enhance the usefulness and comparability of financial statement information. Statement No. 49 calls for governments to measure pollution remediation liabilities at the beginning of the implementation period so that beginning net assets can be restated.

Since 1986, the City has been remediating a gas leak that occurred at the Municipal Service Center. A feasibility study performed by CH2MHill dated February 2008 estimates the current value of recovery costs at \$550,000. As directed by GASB Statement No. 49, Utility Fund net assets were restated and disclosure was included in the notes to the financial statements.

There were also a couple of smaller transactions that were initially recorded one way and then subsequent events exposed that Finance Staff had not clearly understood and properly recorded all the pieces of the transactions in the periods in which they had originally occurred. Adjustments were made to the 2008 financial statements to properly account for these transactions in whole.

Staff recognizes the importance of effective communication and will evaluate the process in place for communicating information between departments relative to significant accounting transactions to ensure accurate and timely financial information.

Staff and representatives from Swanhorst will attend the June 15, 2008 Study Session to answer City Council's questions.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

June 5, 2009

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

We have audited the financial statements of the City of Westminster (the "City") as of and for the year ended December 31, 2008, and have issued our report thereon dated June 5, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or regulations that do not have a direct and material effect on the financial statements.

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

Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City's compliance with the requirements applicable to its major programs for the purpose of expressing an opinion on compliance with those requirements. The results of this portion of the audit are reported in the Compliance Section of the City's Comprehensive Annual Financial Report (CAFR) and identified a deficiency in internal control related to the identification of federal awards.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. We noted no transactions entered into by the City during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus, except as follows and as discussed below.

The City revised its accounting for economic incentive payments to report these as expenditures. In the past, these payments were recorded as a reduction of revenues. We believe this accounting change more accurately reflects generally accepted accounting principles (GAAP) and provides better information to management.

The City was required to adopt the new accounting standards relating to pollution remediation obligations. At December 31, 2008, a liability of \$495,362 was reported in the financial statements to comply with these standards. The liability will continue to decrease each year as the City completes the pollution remediation.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. We provided management with a schedule of audit adjustments. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, either individually or in the aggregate, indicate matters that could have a significant effect on the City's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are not aware of any disagreements that arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

Internal Control Weaknesses

We identified the following deficiencies in internal control that we consider to be material weaknesses. 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's internal control.

Federal Grant Identification

Similar to past years, the City had difficulties with the identification and measurement of federal grant revenues and expenditures. This significantly increases the risk of noncompliance with federal regulations and grant agreements. We continue to recommend that the City establish improved procedures to identify federal grants and report the related revenues and expenditures.

Prior Period Adjustments

The City identified certain transactions that occurred in prior years but were incorrectly reported in the accounting records. One of these transactions involved a significant amount and has been reported as an adjustment to prior period financial statements. While it is commendable that management identifies and corrects the recording of these transactions, to establish confidence in the City's financial reporting, it is important for the City to implement ongoing internal controls to properly report these types of transactions at the time they occur. We recommend that the City continue to increase communication between departments to achieve this goal.

Conclusion

We would like to thank Tammy Hitchens, Cherie Sanchez, and the Department of Finance staff for their assistance during the audit process. Everyone at the City was helpful and cooperative.

This report is intended solely for the information and use of the City Council and management of the City of Westminster and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Swanhorst & Company LLC



WESTMINSTER

COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

www.ci.westminster.co.us

On the front cover:

"Grieving Friends", sculpted by Bill Hueg, Elliot Summons, and Dave Parvin, depicts male and female United States Army soldiers, just after the ceremony of a fallen comrade. In his grief, the male soldier has lowered himself to one knee. The two grieve for their friend just as we, a nation, grieve for and honor those who have paid the ultimate price while serving the United States of America.

A highly visible location within Westminster's City Park was selected as an enduring place of respect to pay tribute to the commitment and patriotism of members of the armed forces, past, present, and future. This beautiful, contemplative destination garden is located east of US 36 on 104th Avenue between Christopher Fields and Big Dry Creek.

The Tribute Garden includes seating areas for rest and contemplation, granite pillars honoring those who serve or have served in the Army, Navy, Air Force, Marines, Coast Guard and Merchant Marine, extraordinary walkways with engraved pavers, beautiful landscaping, and a dramatic central water feature.

On the back cover:

Armed Forces Tribute Garden dedication ceremony, May 17, 2008: bagpipes and white dove release, the attending crowd, the central fountain, a visiting serviceman, and Mayor Nancy McNally with the Boy Scouts of America.

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

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

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

C. REQUIRED SUPPLEMENTAL INFORMATION

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

General Fund	67
Sales and Use Tax Fund	68
Westminster Economic Development Authority	69

Post Employment Benefits Other than Pension and Pension Schedules

Retiree Health Program	71
Volunteer Firefighter Pension Plan - Schedule of Funding Progress	71

Notes to Required Supplemental Information 72

D. COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Non-Major Governmental Funds

Combining Balance Sheet – Non-Major Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	80
Budgetary Comparison Schedules	
Open Space Sales and Use Tax Fund	84
Sheridan Crossing General Improvement District Fund	85
Amherst General Improvement District Fund	86
136th Avenue General Improvement District Fund	87
Promenade Parking Garage General Improvement District Fund	88
Mandalay Town Center General Improvement District Fund	89
144 th Avenue General Improvement District Fund	90
Conservation Trust Fund	91
Debt Service Fund	92

Enterprise Funds

Budgetary Comparison Schedules	
Utility Enterprise	93
Golf Enterprise	94
Westminster Housing Authority	95

Internal Service Funds

Combining Statement of Net Assets – Internal Service Funds	96
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	97

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

Combining Statement of Cash Flows – Internal Service Funds	98
Budgetary Comparison Schedules	
General Capital Outlay Replacement Fund	99

STATISTICAL SECTION

Table

Financial Trends Information

Net Assets by Component	1	102
Changes in Net Assets	2	103
Fund Balance of Governmental Funds	3	105
Changes in Fund Balances of Governmental Funds	4	106

Revenue Capacity Information

Sales and Use Tax Revenue	5	107
Direct and Overlapping Sales and Use Tax Rates	6	108
Principal Sales and Use Taxpayers by Industry	7	109

Debt Capacity Information

Ratios of Outstanding Debt by Type	8	110
Direct and Overlapping Governmental Activities Debt	9	111
Legal Debt Margin Information	10	112
Pledged Revenue Coverage	11	113

Demographic and Economic Information

Demographic and Economic Statistics	12	116
Principal Employers	13	117
Full Time Equivalent City Government Employees by Function/Program	14	118

Operating Information

Operating Indicators by Function/Program	15	119
Capital Asset Statistics by Function/Program	16	120

COMPLIANCE SECTION

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	123
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	125

CITY OF WESTMINSTER, COLORADO

TABLE OF CONTENTS

Schedule of Findings and Questioned Costs	127
Independent Auditors' Report on Schedule of Expenditures of Federal Awards	131
Schedule of Expenditures of Federal Awards	133
Notes to schedule of Expenditures of Federal Awards	134
Management's Response to Findings and Questioned Costs	135
Independent Auditors' Report on Local Highway Finance Report	137
Local Highway Finance Report	138

DRAFT



WESTMINSTER
COLORADO

June 22, 2009

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

It is with great pride that we present to you the 2008 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

2008 started off with a bang. The Orchard Town Center celebrated its grand opening on April 3, 2008. The Orchard Town Center is an open-air, entertainment and lifestyle center, which will ultimately include one million square feet of exclusive, outdoor, fashion-oriented retail including big boxes, department stores and smaller, upscale retailers. It is 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 will also include 500 housing units and office space. This development is providing critical resources to the City.

Infrastructure improvements related to the redevelopment of the South Sheridan Urban Renewal Area were completed and a Walmart Super Store opened in May. Infrastructure improvements included an architectural brick wall, widening of Sheridan Boulevard and improved landscaping.

Westminster tackled some big challenges in 2008. With the introduction of zebra and quagga mussels into the State of Colorado, Westminster staff was challenged with finding a way to protect our drinking water supply while still allowing recreational activities in Standley Lake Regional Park. Public Works and Utilities staff worked together with Parks, Recreation and Libraries staff to develop a plan that became the prototype for many other entities in the State.

The City is proud to have dedicated the Armed Forces Tribute Garden (shown on cover) on May 17th, 2008. Over 1,200 people showed up on Armed Forces Day to honor veterans. A second event on Veterans' day attracted another 800 people. The beautiful, contemplative destination garden is dedicated to those who have served 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.

Big Dry Creek Park was dedicated in September in conjunction with a Denver Broncos Fan Appreciation Event. The event featured the presentation of a Broncos Country flag to Mayor Nancy McNally. The new 18 acre park is a great addition to the City's park system. The playground, soccer fields, ball fields and off leash dog park are unbelievably popular. This is a great example of partnering with others as financial assistance was received from both Hyland Hills Park and Recreation District and Adams County.

In October, the City celebrated the re-grand opening of the Big Dry Creek Wastewater Treatment Plant after completion of an expansion and upgrade project. The project began in 2005 to allow the plant to address growth in the Big Dry Creek service area. The facility was expanded from an annual average daily flow of 7.5 million gallons per day to 9.8 million gallons per day. The cost of the project was approximately \$44.5 million dollars, making it the most expensive capital improvement project in city history.

A ceremony marking the completion of renovations to the City's Municipal Service Center was held in December. The Westminster Municipal Service Center was initially constructed in the mid-1970s and last renovated in 1984. It is the staging facility for the Fleet Maintenance, Street Operations and Utilities Operations divisions and now home to the Building Operations and Maintenance division. The facility now features a remodeled administration/operations building and annex building. The complex has been outfitted with a sand and salt storage facility, redesigned maintenance material storage yard, improved traffic flow, storm drainage control, and general landscaping. There is also a new heated storage building for fully equipped tandem axle trucks.

The Police Department participated in security for the Democratic National Convention. Westminster Police personnel were singled out by the Secret Service and the Denver Police Department for their professionalism and execution of mission. As a by-product, personnel received specialized training and are equipped and trained to deal with large scale crowd disturbances.

From the internal services perspective, the Human Resources division implemented a supervisor/management certification program which increases ownership and participation in championing the City's mission and values; broadens perspectives on citywide initiatives, improves collaboration and builds stronger partnerships across the city while improving supervisory and management skills and increasing consistency.

The Information Technology department reduced the number of computer servers from 82 to 52 through virtualization technology. Further virtualization in 2009 will reduce the number of servers to 32. The impact of this change in technology is reduced costs in server replacement, power consumption, computer room cooling and maintenance. It also provides for high availability and enhanced disaster recovery.

While 2008 started off with a bang, it ended with a thud. The economic crisis that hit late in 2008, had staff working to refinance variable rate bonds, re-evaluate the 2009/2010 budget and proactively identifying options to help the City weather a two year economic downturn.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2009.

One of the City's main goals for 2009 is to continue to work on a redevelopment strategy for the Westminster Mall site. The City has created a concept plan for the area and is working with the current owner on redevelopment plans. The Westminster Center Urban Reinvestment Project was established as an Urban Renewal Project on April 13, 2009.

The City is actively pursuing federal stimulus money for many projects. The City was awarded approximately \$300,000 for the completion of a bicycle trail along US 36.

Staff will continue to pro-actively manage the current economic recession. Other top priorities include securing additional water, developing an environmental sustainability plan, and continued efforts related to US 36 and FasTrack funding and implementation.

Bond funds that were borrowed in late 2007 are being utilized to acquire additional open space, as well as upgrade and remodel the City Park Recreation Center and build Westminster Center Park, a new park across the street from City Hall. Improvements are also being made at the City golf courses, which include installing restrooms on both the front and back nine and purchasing new golf carts.

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

With a population of approximately 111,000, 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 human resources, finance, information technology, building maintenance, etc.

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

- Westminster Housing Authority (WHA), the owner and manager of the City's senior housing project named Westminster Commons and other housing initiatives,
- The Westminster Economic Development Authority (WEDA), the City's Urban Renewal Authority, enables the City to employ eminent domain and tax increment financing for needed re-development in the City's blighted sections,
- 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, 2007. 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-five 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, Senior 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

DRAFT

DRAFT

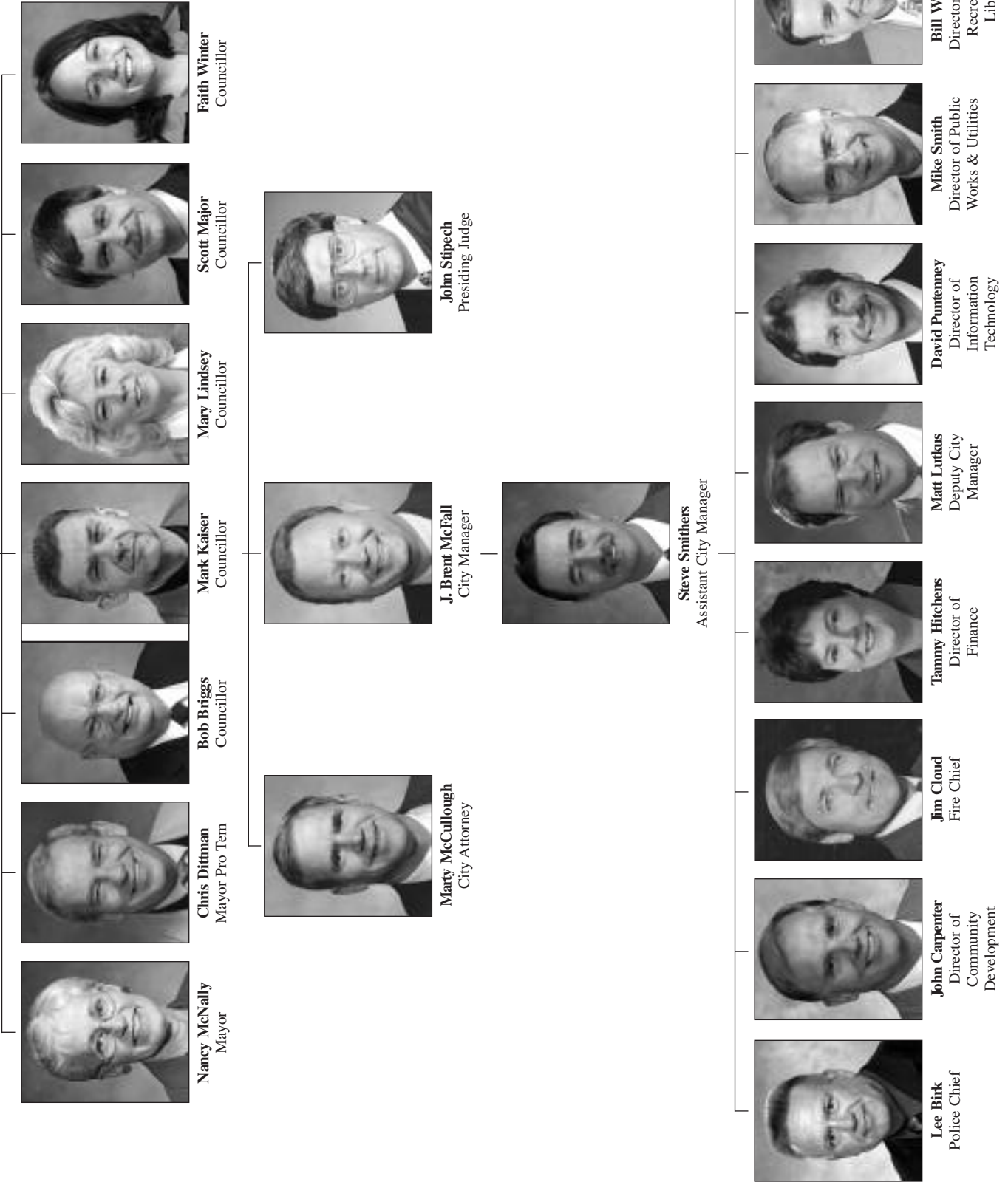
This Page Intentionally Blank



WESTMINSTER
COLORADO

ORGANIZATIONAL CHART

Citizens



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westminster
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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, 2008, 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 and the report of the other auditors provide 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, 2008, 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 on Note 3.S to the financial statements, the City of Westminster adopted certain provision of Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, for the year ended December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2009, 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.

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.

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.

June 5, 2009

DRAFT



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, 2008 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 111,300, the City is approximately 94% built out, with just about 6% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical services, 52 developed parks and 7 undeveloped parks, 2,765 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 52.7% of the City's governmental activities revenues. Sales tax increment contributes an additional 4.6%. Property taxes comprise approximately 3.4% of the City's governmental activities revenues. Property tax increment contributes an additional 3.2%. 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 2008, as a result of the economic and banking crisis, two of the City's letter of credit (LOC) providers were downgraded. Although there was no change in the underlying credits, the downgrades of the LOC providers had a negative impact on the City's variable interest rate debt. This required the City to look for different alternatives for the variable rate debt. The City chose to redeem the outstanding 2002 Water/Wastewater variable interest rate bonds rather than risk the uncertainty of significant interest rate costs, which could escalate to a maximum rate of 15%. In addition, prior to the issuance of this report, the 2005 WEDA bonds were refinanced. Please see the subsequent event note on page 66 for more details.

The City sold its conference center and accompanying Lakeview Pavilion in 2008. These two assets were built as a component of the Westminster Promenade and were integral in attracting the Westin to build a hotel at the Promenade. The Westin had been making lease payments to the City for the use of the assets. The assets were sold to the Westin in exchange for the cancellation of an economic development agreement that provided the Westin future cash flows. This transaction resulted in a \$14.8 million book loss and is reflected as a special item.

The Orchard Town Center celebrated its grand opening in early April and Walmart celebrated its grand opening in early May. Each of these grand openings signaled the beginning of substantial revenues flowing into the Westminster Economic Development Authority.

The City made two prior period adjustments as identified in the notes on page 66. All analysis is made utilizing the restated numbers for 2007.

- The assets of the City exceed its liabilities at the close of 2008 by \$684.1 million (\$263.9 million in governmental activity net assets and \$420.2 million in business-type activity net assets). Of the governmental activities net asset total, \$73.0 million, or 27.7%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$73.2 million, or 17.4%, of business-type activities net assets are unrestricted.
- Total net assets of the City increased \$7.1 million, or 1%, compared to 2007. Net assets of the City's governmental activities decreased \$5.6 million, which represents a decrease of 2.1% from 2007. Net assets of the City's business-type activities increased \$12.7 million, or 3.1%, over 2007.
- The total cost of all the City's programs increased \$17 million, or 10.6%, compared to 2007. The cost of governmental activities program expenses increased \$11.6 million, or 10.1%, to \$126.7 million, while the cost of business-type activities increased \$5.4 million, or 11.9%, to \$50.7 million from 2007.
- Total revenues, excluding special items and transfers, increased \$9.9 million, or 5.3%, compared to 2007. Governmental activities revenues increased \$2.7 million, or 2%, to \$135.8 million, while revenues of business-type activities increased \$7.2 million, or 13.1%, to \$62.0 million compared to 2007.
- As of December 31, 2008, the City's governmental funds reported a combined ending fund balance of \$123.9 million. Approximately 56.5%, or \$70.0 million, is unreserved fund balance and, therefore, available for spending at the City's discretion within the purposes specified for the City's funds.
- The General Fund reported a fund balance of \$17.3 million as of December 31, 2008, of which \$12.0 million was unreserved.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

FUND FINANCIAL STATEMENTS

Governmental and Business-type Funds Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the City-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the City-wide statements. Readers may

then better understand the long-term impact of the City's short-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City maintains 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, Police and Volunteer Fire pension plans are reported in the notes to the financial statements on pages 56-60. 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 \$684.1 million at December 31, 2008. Governmental activities make up \$263.9 million (38.6%) of these assets, with business-type activities making up the remaining \$420.2 million (61.4%). Total net assets increased by \$7.1 million in 2008. The increase is comprised of the following:

- Total assets decreased \$9.3 million, or .9%, to \$1,045.3 million. This included an increase in capital assets of \$.9 million and a decrease in current and other assets of \$10.2 million. The decrease in current and other assets was primarily due to a decrease of \$10.6 million of restricted cash and investments related to the use of proceeds for the South Sheridan URA and the Parks, Open Space and Trails bond issues.
- Total liabilities decreased \$16.4 million, or 4.3%, to \$361.2 million. Debt decreased approximately \$18.1 million as a result of servicing the debt and redeeming the 2002 water and wastewater bond issue mentioned above. Unearned revenue increased \$3.0 million due primarily to an increase in the property taxes receivable in the urban renewal areas.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 174.9	\$ 172.9	\$ 84.6	\$ 96.8	\$ 259.5	\$ 269.7
Capital Assets	391.1	401.1	394.7	383.8	785.8	784.9
Total Assets	566.0	574.0	479.3	480.6	1,045.3	1,054.6
Current and other liabilities	27.3	22.2	4.0	6.2	31.3	28.4
Long-term liabilities	274.8	282.3	55.1	66.9	329.9	349.2
Total liabilities	302.1	304.5	59.1	73.1	361.2	377.6
Net assets:						
Invested in capital assets, net of debt	161.0	177.0	343.6	321.3	504.6	498.3
Restricted	29.9	30.4	3.4	3.5	33.3	33.9
Unrestricted	73.0	62.1	73.2	82.7	146.2	144.8
Total net assets	\$ 263.9	\$ 269.5	\$ 420.2	\$ 407.5	\$ 684.1	\$ 677.0

By far the largest portion of the City's assets (75%) reflects its investment of \$785.8 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, \$33.3 million (4.9%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted assets, \$146.2 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 \$73.2 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 \$7.1 million during 2008. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net assets of governmental activities decreased by \$5.6 million compared to 2007. This was \$22.5 million less than the increase of \$16.9 million in 2007. This difference can be attributed to a decrease in the amount of Capital Grants & Contributions as the City did not receive as many Open Space grants or cash-in-lieu payments as it did in 2007. Economic Development Agreements (EDA) and Intergovernmental Agreements (IGA) and the corresponding revenues from which they are paid are now being shown at gross values. Property tax and sales tax increment are now shown separately from the property tax and sales tax.

Governmental revenues increased \$2.7 million (2%) compared to 2007. This increase was due primarily to an increase in the property tax increment and sales and use tax increment.

Governmental expenses increased \$11.6 million (10%) from 2007. Most of the increase is attributable to the change in the EDA and IGA representation reflected in General Government and an increase in expenses in Community Development.

Table 2: Changes in Net Assets (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Service	\$ 18.5	\$ 17.3	\$ 45.4	\$ 41.1	\$ 63.9	\$ 58.4
Operating Grants and Contributions	5.5	5.7	-	-	5.5	5.7
Capital Grants and Contributions	8.7	14.3	12.6	7.8	21.3	22.1
General Revenues						
Property Taxes	4.6	6.3	-	-	4.6	6.3
Sales Taxes	59.1	60.4	-	-	59.1	60.4
Use Taxes	12.4	13.6	-	-	12.4	13.6
Property Tax Increment	4.4	-	-	-	4.4	-
Sales Tax Increment	6.3	-	-	-	6.3	-
Business Fees and Other Taxes	5.1	4.6	-	-	5.1	4.6
Accommodations Taxes	2.6	1.4	-	-	2.6	1.4
Intergovernmental	1.1	1.0	-	-	1.1	1.0
Interest	6.1	6.5	4.0	5.9	10.1	12.4
Other	1.4	2.0	-	-	1.4	2.0
Total Revenues	135.8	133.1	62.0	54.8	197.8	187.9
Program Expenses						
General Government	37.8	30.1	-	-	37.8	30.1
Public Safety	31.8	30.1	-	-	31.8	30.1
Public Works	13.7	14.5	-	-	13.7	14.5
Community Development	17.7	14.1	-	-	17.7	14.1
Culture and Recreation	17.3	17.8	-	-	17.3	17.8
Utility	-	-	45.6	40.9	45.6	40.9
Golf	-	-	4.1	3.4	4.1	3.4
Housing Authority	-	-	1.0	1.0	1.0	1.0
Interest and Fiscal Charges	7.9	7.4	-	-	7.9	7.4
Unallocated Depreciation	0.5	1.1	-	-	0.5	1.1
Total Expenses	126.7	115.1	50.7	45.3	177.4	160.4
Excess (Deficiency) before Special Items and Transfers						
Special Items and Transfers	9.1	18.0	11.3	9.5	20.4	27.5
Gain (loss on sale of land)	0.6	-	0.9	-	1.5	-
Special Items	(14.8)	-	-	-	(14.8)	-
Transfers	(0.5)	(1.1)	0.5	1.1	-	-
Increase (decrease) in Net Assets	\$ (5.6)	\$ 16.9	\$ 12.7	\$ 10.6	\$ 7.1	\$ 27.5

Charts 2 and 3 illustrate the City's governmental expenses and revenues by function and its revenues by source. As can be seen in Chart 2, Public Safety expenditures accounted for 25.1% 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 29.8% of the expenditures, and Culture and Recreation accounted for 13.7% 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 (53%), followed by charges for services (14%).

Chart 2: Expenses and Program Revenues - Governmental Activities

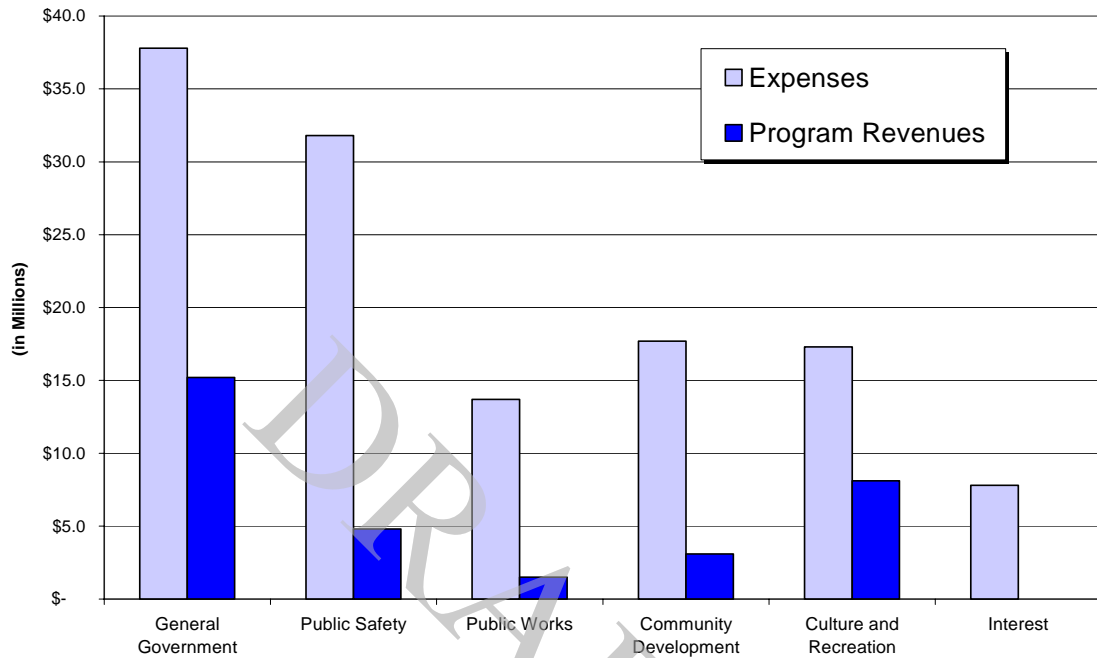
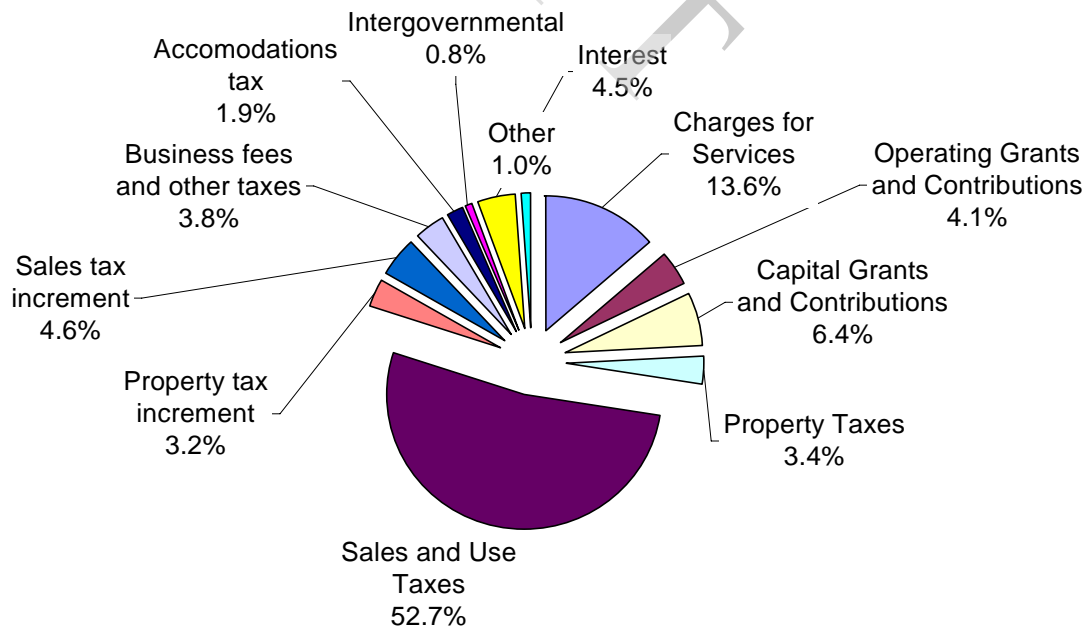


Chart 3: Revenues by Source - Governmental Activities



Business-type Activities

Net assets in business-type activities increased \$12.7 million over 2007. This is \$2.1 million, or 19.8%, more than the increase of \$10.6 million in 2007. In 2008, the City received \$4.7 million more in tap fees and lines, as well as, for \$4.3 million more for charges for services.

Chart 4: Expenses and Program Revenues - Business Type Activities

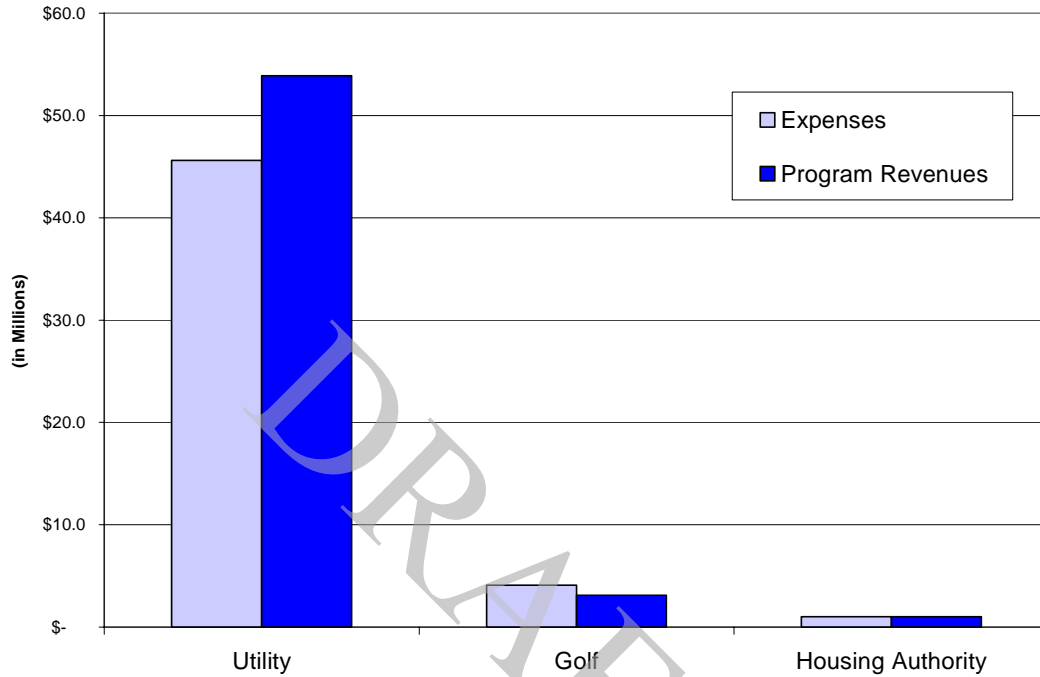
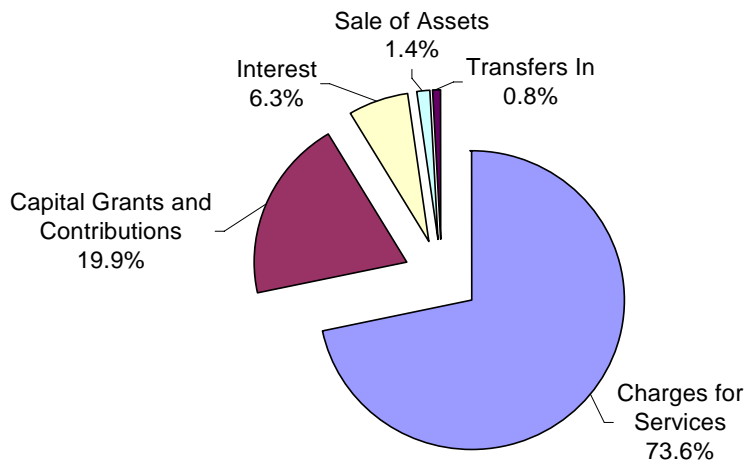


Chart 5: Revenues by Source - Business-type Activities



Total business-type revenues increased \$7.2 million, or 13.1%, compared to 2007. This increase was due primarily to an increase of \$4.8 million, or 61.5%, in Capital Grants and Contributions, and a \$4.3 million, or 10.5%, increase in charges for services, netted against a \$1.9 million, or 32.2% loss in interest earnings.

Expenses of business-type activities increased \$5.4 million, or 11.9%, compared to 2007. 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 89.9% of total business-type expenses. Charges for services provide the largest share of revenues (71.6%), followed by Capital Grants and Contributions (19.9%).

THE CITY'S FUNDS (ANALYSIS OF SPECIFIC FUNDS)

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

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

At December 31, 2008, the City's governmental funds reported a combined ending fund balance of \$123.9 million, a decrease of \$1.6 million, or 1.3%, compared to 2007. The reserved fund balance for capital projects decreased \$13.4 million which reflects the spend down of bond proceeds. The fund balances reserved for debt service increased \$6.4 million from pledged revenues primarily collected to pay back debt issued for urban renewal projects.

The unreserved fund balance increased \$6.3 million, or 9.9%, to \$70.0 million compared to 2007. The increase is predominately in the General Capital Improvement Fund and reflects the pay-as-you-go money that is being used for capital projects. Unreserved fund balance is available for spending at the City's discretion within the purposes specified for the City's funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the primary operating fund of the City. At the end of 2008, the unreserved fund balance of the General Fund was \$12.0 million, while total fund balance was \$17.3 million. Total fund balance increased in the General Fund by \$2.3 million, or 15.1%, compared to 2007. The unreserved fund balance represents 13.0% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance.

The original budget in the General Fund was \$91.5 million and was adopted in late 2006, with modifications in late 2007. Supplemental appropriations of \$4.9 million, consisting primarily of carryover from 2007 (\$2.9 million) and \$0.8 million from project savings that were transferred to the General Fund were approved to create the final budget of \$96.4 million. Actual General Fund expenditures and transfers out totaled \$92.6 million. There is a \$1.1 million variance in Central Charges. Included in the variance is a \$0.8 million savings on a debt service payment as project savings were used to make the payment.

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

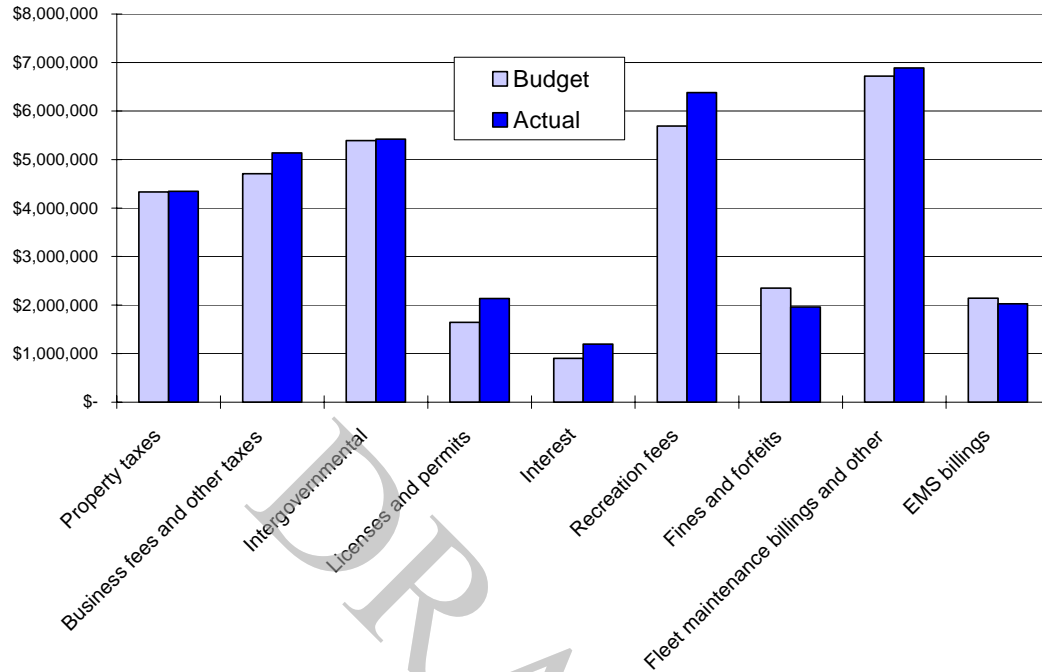
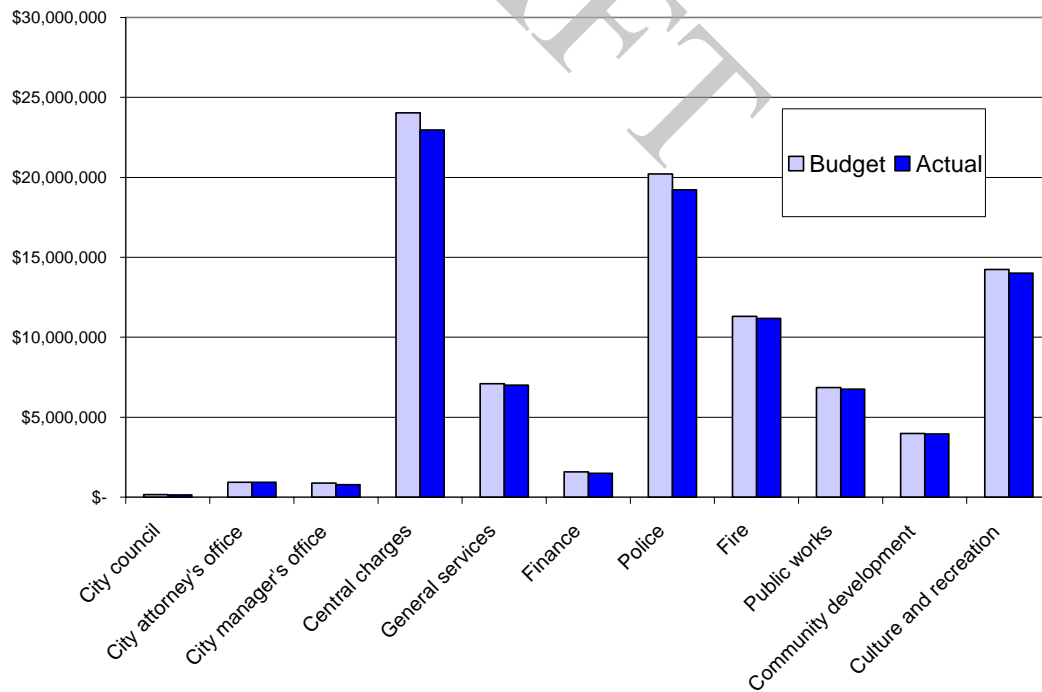


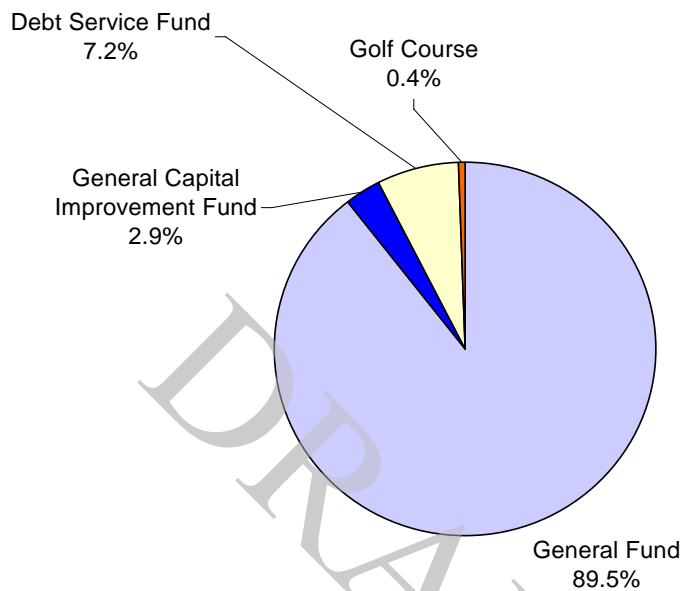
Chart 7: Budget and Actual Expenditures by Department, less Transfers - General Fund



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 (89.5%) of the sales and use tax is transferred to the General Fund.

Sales and use tax decreased \$.6 million, or 1%, compared to 2007.

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, 2008, the fund had a fund balance of \$54.2 million.

The General Capital Improvement Fund revenues include accommodations taxes, interest, revenues from other governments, and transfers from other funds. The fund's revenues decreased by \$0.1 million. Intergovernmental revenues increased \$1.5 million, primarily from grants, and accommodation taxes increased \$1.2 million due to a change in Accounting procedure for recording EDA transactions. These increases helped offset a decrease of \$3.6 million in contributions. Expenditures totaling \$18 million were \$0.5 million less than 2007.

The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance decreased 2.5 million from 2007. As of December 31, 2008, Fund Balance was \$30.1 million.

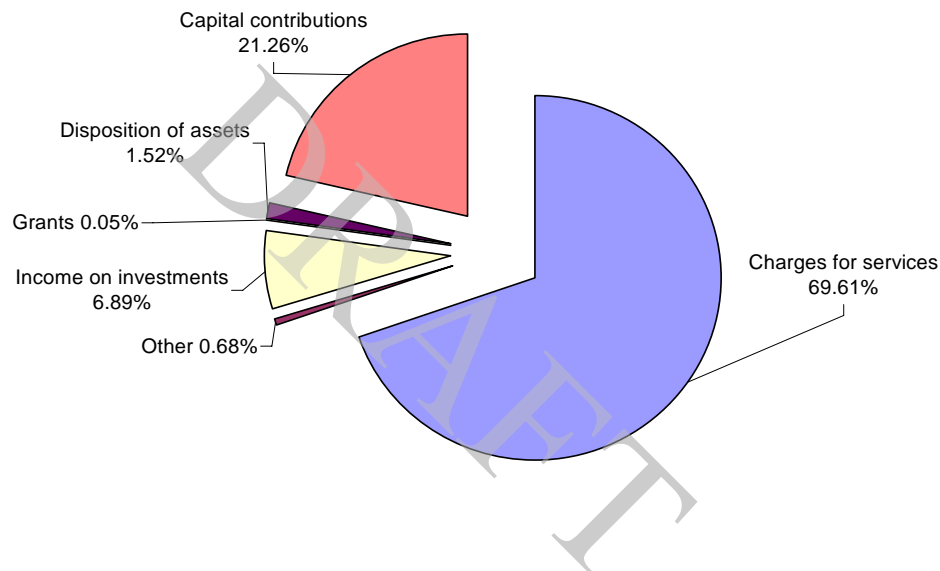
Revenue for the Westminster Economic Development Authority increased by \$3.3 million, or 37.8%, compared to 2007. This was primarily because of an increase in both property and sales tax increment.

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 2008 with net assets equal to \$408.5 million. Of that amount, \$73.2 million is unrestricted. Net assets increased \$13.3 million, or 3.4%, compared to 2007.

Operating revenues increased \$4.3 million, or 11.7%, compared to 2007. Chart 9 illustrates both operating and non-operating revenues by source.

Chart 9: Utility Fund Revenues by Source



Utility Fund operating expenses increased \$4.5 million, or 11.7%, compared to 2007. The primary reason is an increase in the expensing of costs associated with capital projects that did not meet the criteria to capitalize and the increase in the cost of contractual services.

The Golf Course Fund accounts for the City's two championship golf courses. Operating expenses exceeded operating revenues by \$.3 million. The Golf Course Fund's net assets decreased \$.6 million, or 4.9%, to \$11.2 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As can be seen from Table 3, the City's investment in capital assets for its governmental and business-type activities as of December 31, 2008, amounts to \$785.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants, improvements, parks, infrastructure, water rights, machinery and equipment, investment in a joint venture and construction work in progress. The total increase in the City's investment in capital assets was \$0.8 million, or .1%. Net capital assets of governmental activities decreased \$10.1 million, or 2.5%, and business-type activities increased \$10.9 million, or 2.8%.

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

	Governmental Activities		Business-type Activities		Totals	
	2008	Restated	2008	2007	2008	Restated
		2007				2007
Land and Property Rights	\$ 104.1	\$ 100.0	\$ 93.8	\$ 95.1	\$ 197.9	\$ 195.1
Buildings	40.9	58.1	138.5	133.1	179.4	191.2
Improvements Other than Buildings	27.0	24.2	146.8	139.3	173.8	163.5
Machinery	11.2	10.6	7.0	6.8	18.2	17.4
Parks	29.6	26.8	0.9	0.9	30.5	27.7
Ice Center	5.5	5.6	-	-	5.5	5.6
Construction in Progress	5.0	14.5	7.7	8.6	12.7	23.1
Infrastructure	167.7	161.3	-	-	167.7	161.3
Totals	\$ 391.0	\$ 401.1	\$ 394.7	\$ 383.8	\$ 785.7	\$ 784.9

Major capital asset activity during 2008 included the following:

Governmental Activities

- \$6.6 million for improvements at 72nd Avenue and Sheridan Boulevard
- \$3.0 million for improvements at 104th Avenue and Sheridan Boulevard
- \$2.5 for the renovation of the Municipal Service Center
- \$1.9 million for the Big Dry Creek Park at 128th and Huron
- \$1.8 million for the architectural brick wall at 72nd and Sheridan
- \$(14.8) million for the sale of the Conference Center & Lakeview Pavilion
- \$1.4 million for the Armed Forces Tribute Garden

Business-type activities

- \$9.6 million for Big Dry Creek wastewater plant expansion
- \$7.8 million for the Expansion of the Municipal Service Center
- \$1.3 million for water meter transponder replacement

Additional information on the City's capital assets can be found in Note 2E on page 45-46.

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	Not Requested	Not Requested	Not Requested
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 \$389.7 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	
	2008	2007	2008	2007	2008	2007
Revenue Bonds (backed by specific tax and fee revenues)	\$ 69.7	\$ 74.3	\$ 16.0	\$ 23.9	\$ 85.7	\$ 98.2
WEDA Tax Increment Revenue Bonds	120.2	120.5	-	-	120.2	120.5
Leases	80.6	83.9	0.8	2.5	81.4	86.4
Notes and Mortgages	-	-	35.9	38.1	35.9	38.1
Total	\$270.5	\$ 278.7	\$ 52.7	\$ 64.5	\$ 323.2	\$ 343.2

Additional information on the City's debt can be found in Note 2G on pages 47-49.

NEXT YEAR'S BUDGETS AND RATES

Budgets and Plans for 2009. In April, 2008, 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, 2009-2013.
 1. Safe and Secure Community
 2. Financially Sustainable City Government Providing Exceptional Services
 3. Vibrant Neighborhoods and Commercial Areas
 4. Strong, Balanced Local Economy
 5. Beautiful and Environmentally Sensitive City

In addition, City Council met in September, 2008 to review adjustments to the 2009-2010 budget presented by staff. The product of the City Council's budget review was adoption of the 2009 and 2010 budgets on October 27, 2008. Highlights of the 2009 budget include the following:

- The 2009 General Fund operating expenditures are budgeted at \$97.4 million (including contingencies).
- The 2009 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$59.7 million, which is a 3.6% increase over the 2008 transfer payment of \$57.6 million.
- In 2009, the Contingency account is \$1 million in the General Fund. The 2009 General Reserve Fund is projected to reach \$9,8 million and the Utility Reserve Fund is projected to reach \$39,3 million by the end of 2009.
- The total number of full-time equivalent (FTE) staffing in 2009 is 983.924 FTE, a net increase of 1.6 FTE.
- In order to ensure reliable infrastructure throughout the City that accommodates continued growth, a proactive Capital Improvement Program (CIP) is recommended as a key component of the 2009 Budget. The total capital improvements for 2009 are \$34.4 million. 94% of the 2009 CIP will be funded on a “pay-as-you-go” basis. City streets and traffic improvements are funded for 2009 at \$1.6 million; facilities and infrastructure improvements at \$2.3 million; public safety capital improvements at \$.7 million; park improvements at \$4.2; wastewater, water and stormwater improvements at \$25.6 million, with \$1.9 million being debt financed.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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

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

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,291,020	\$ 7,284,506	\$ 16,575,526
Investments	80,958,222	63,194,437	144,152,659
Receivables:			
Taxes	18,148,496	-	18,148,496
Accounts	5,303,010	3,540,182	8,843,192
Note and leases	5,202,347	411,894	5,614,241
Grants	1,699,858	-	1,699,858
Interest	874,138	716,997	1,591,135
Internal balances	(2,082,653)	2,082,653	-
Inventory	1,438,020	951,380	2,389,400
Bond costs and other prepaid items	3,361,453	1,660,898	5,022,351
Restricted assets:			
Cash and cash equivalents	229,357	613,100	842,457
Cash and cash equivalents with fiscal agent	33,616,642	-	33,616,642
Investments	1,997,403	3,313,403	5,310,806
Investments with fiscal agent	14,299,125	-	14,299,125
Capital assets:			
Non-depreciable assets	109,094,244	101,483,542	210,577,786
Depreciable assets, net	281,972,561	293,190,638	575,163,199
Other assets	-	884,562	884,562
Investment in joint venture	590,410	-	590,410
Total assets	<u>\$ 565,993,653</u>	<u>\$ 479,328,192</u>	<u>\$ 1,045,321,845</u>
LIABILITIES			
Accounts payable and other	\$ 12,278,967	\$ 3,452,364	\$ 15,731,331
Accrued liabilities	1,654,204	293,689	1,947,893
Unearned revenue	11,147,770	66,089	11,213,859
Accrued interest	710,490	211,510	922,000
Estimated claims	1,414,062	-	1,414,062
Non-current liabilities:			
Due within one year:	20,847,424	4,673,650	25,521,074
Due in more than one year:	253,999,430	50,413,467	304,412,897
Total liabilities	<u>302,052,347</u>	<u>59,110,769</u>	<u>361,163,116</u>
NET ASSETS			
Invested in capital assets, net of related debt	160,998,545	343,624,080	504,622,625
Restricted for:			
Emergencies	3,671,500	-	3,671,500
Capital projects	2,032,909	-	2,032,909
Open space conservation and improvements	11,432,564	-	11,432,564
Debt service	12,640,216	3,192,122	15,832,338
Other purposes	183,379	232,631	416,010
Unrestricted	72,982,193	73,168,590	146,150,783
Total net assets	<u>\$ 263,941,306</u>	<u>\$ 420,217,423</u>	<u>\$ 684,158,729</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Governmental activities:				
General government	\$ 37,827,492	\$ 5,666,074	\$ 3,759,643	\$ 5,761,911
Public safety	31,797,184	4,096,692	654,088	-
Public works	13,748,911	1,527,937	-	-
Community development	17,656,461	246,084	1,072,751	1,803,619
Culture and recreation	17,307,667	6,908,729	-	1,170,855
Interest and fiscal charges	7,845,618	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	488,012	-	-	-
Total governmental activities	126,671,345	18,445,516	5,486,482	8,736,385
Business-type activities:				
Utility	45,569,405	41,355,962	-	12,534,524
Golf	4,128,726	3,137,704	-	-
Westminster Housing Authority	969,722	901,313	-	56,037
Total business-type activities	50,667,853	45,394,979	-	12,590,561
Total primary government	\$ 177,339,198	\$ 63,840,495	\$ 5,486,482	\$ 21,326,946

GENERAL REVENUES

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

SPECIAL ITEM

TRANSFERS

Total general revenues and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (22,639,864)	\$ -	\$ (22,639,864)
(27,046,404)	-	(27,046,404)
(12,220,974)	-	(12,220,974)
(14,534,007)	-	(14,534,007)
(9,228,083)	-	(9,228,083)
(7,845,618)	-	(7,845,618)
(488,012)	-	(488,012)
(94,002,962)	-	(94,002,962)
-	8,321,081	8,321,081
-	(991,022)	(991,022)
-	(12,372)	(12,372)
-	7,317,687	7,317,687
(94,002,962)	7,317,687	(86,685,275)
4,602,735	-	4,602,735
59,053,019	-	59,053,019
12,436,326	-	12,436,326
4,417,684	-	4,417,684
6,316,734	-	6,316,734
5,137,132	-	5,137,132
2,627,010	-	2,627,010
1,079,951	-	1,079,951
6,043,261	3,978,172	10,021,433
1,420,276	-	1,420,276
604,571	895,150	1,499,721
(14,825,447)	-	(14,825,447)
(507,121)	507,121	-
88,406,131	5,380,443	93,786,574
(5,596,831)	12,698,130	7,101,299
269,538,137	407,519,293	677,057,430
\$ 263,941,306	\$ 420,217,423	\$ 684,158,729

CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 2,039,865	\$ 505,280	\$ 4,770,627	\$ 212,003
Investments	17,540,295	4,400,352	41,546,141	2,115,779
Receivables:				
Taxes	4,480,846	6,648,395	-	6,209,288
Accounts	3,161,761	-	1,394,766	1,130
Notes and leases	5,007,500	-	194,847	-
Grants	-	-	749,858	-
Interest	169,438	27,824	456,699	50,320
Due from other funds	709,994	-	-	-
Inventory	588,020	-	-	850,000
Prepaid items	20,842	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	86,266
Cash and cash equivalents with fiscal agent	915,810	-	424,473	31,956,507
Investments	-	-	-	751,265
Investments with fiscal agent	-	-	6,622,680	-
Loans to other funds	120,000	-	1,125,000	-
Total assets	<u>\$ 34,754,371</u>	<u>\$ 11,581,851</u>	<u>\$ 57,285,091</u>	<u>\$ 42,232,558</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 5,098,970	\$ 2,170,908	\$ 2,070,547	\$ 2,225,545
Accrued liabilities	1,553,098	-	24,760	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	6,156
Loans from other funds	-	-	-	3,645,000
Deferred revenue	10,758,000	-	939,101	6,209,288
Total liabilities	<u>17,410,068</u>	<u>2,170,908</u>	<u>3,034,408</u>	<u>12,085,989</u>
Fund balances:				
Reserved for:				
Emergencies	3,654,390	-	-	-
Debt service	915,810	-	-	21,241,116
Capital projects	-	-	7,046,585	9,548,449
Loans to other funds	120,000	-	1,125,000	-
Inventory and prepaids	608,862	-	-	-
Unreserved, reported in:				
General fund	12,045,241	-	-	-
Special revenue funds	-	9,410,943	-	(642,996)
Capital project funds	-	-	46,079,098	-
Total fund balances	<u>17,344,303</u>	<u>9,410,943</u>	<u>54,250,683</u>	<u>30,146,569</u>
Total liabilities and fund balances	<u>\$ 34,754,371</u>	<u>\$ 11,581,851</u>	<u>\$ 57,285,091</u>	<u>\$ 42,232,558</u>

Other Governmental Funds	Total Governmental Funds
\$ 283,368	\$ 7,811,143
2,467,785	68,070,352
809,967	18,148,496
727,443	5,285,100
-	5,202,347
950,000	1,699,858
32,772	737,053
-	709,994
-	1,438,020
-	20,842
143,091	229,357
319,852	33,616,642
1,246,138	1,997,403
7,676,445	14,299,125
-	1,245,000
<u>\$ 14,656,861</u>	<u>\$ 160,510,732</u>
\$ 293,399	\$ 11,859,369
8,060	1,585,918
392,647	392,647
-	6,156
-	3,645,000
<u>1,256,701</u>	<u>19,163,090</u>
<u>1,950,807</u>	<u>36,652,180</u>
17,110	3,671,500
389,782	22,546,708
9,216,065	25,811,099
-	1,245,000
-	608,862
-	12,045,241
3,057,481	11,825,428
25,616	46,104,714
<u>12,706,054</u>	<u>123,858,552</u>
<u>\$ 14,656,861</u>	<u>\$ 160,510,732</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Fund balances - total government funds \$ 123,858,552

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	\$ 614,710,381	
Less accumulated depreciation	<u>(229,245,892)</u>	385,464,489

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

Bond costs	3,337,911	
Investment in joint venture	<u>590,410</u>	3,928,321

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

Accrued interest	(693,719)	
Compensation time	(59,510)	
Premiums/Discounts on long term debt payable	430,148	
Governmental long term debt payable	(269,062,894)	
Compensated absences	(4,287,468)	
Post employment benefits	<u>(447,411)</u>	(274,120,854)

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		8,015,320
------------------	--	-----------

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.

16,795,478

Net assets of governmental activities \$ 263,941,306

This Page Intentionally Blank

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Sales and Use Tax	General Capital Improvement	Westminster Economic Development Authority
REVENUES				
Property taxes	\$ 4,342,974	\$ -	\$ -	\$ -
Sales taxes	-	54,778,736	-	-
Use taxes	-	11,629,869	-	-
Property tax increment	-	-	-	4,417,684
Sales tax increment	-	-	-	6,316,734
Business fees and other taxes	5,137,132	-	-	-
Accommodations taxes	-	-	2,627,010	-
Intergovernmental	5,418,351	-	6,930,258	-
Assessments	-	-	40,886	-
Licenses and permits	2,133,832	-	-	-
Interest	1,196,165	212,158	2,649,817	1,210,756
Contributions	-	-	771,595	-
Recreation fees	6,379,855	-	-	-
Fines and forfeitures	1,960,602	-	-	-
Fleet maintenance billings and other	6,886,037	-	-	-
EMS billings	2,026,555	-	-	-
Other	-	-	877,903	41
Total revenues	35,481,503	66,620,763	13,897,469	11,945,215
EXPENDITURES				
Governmental activities:				
General government	33,310,456	3,027,064	1,021,024	1,524,702
Public safety	30,409,137	-	-	-
Public works	6,753,727	-	-	-
Community development	3,953,471	-	-	-
Culture and recreation	14,009,673	-	-	-
Capital projects	-	-	16,994,324	9,024,185
Debt service:				
Principal	-	-	-	330,000
Interest and fiscal charges	-	-	-	4,105,305
Total expenditures	88,436,464	3,027,064	18,015,348	14,984,192
Excess of revenues over (under) expenditures	(52,954,961)	63,593,699	(4,117,879)	(3,038,977)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	32,792	-	-	-
Sale of capital asset	972,230	-	-	-
Transfers in	58,428,272	-	7,800,627	755,544
Transfers (out)	(4,196,482)	(64,419,517)	(989,971)	(173,887)
Total other financing sources (uses):	55,236,812	(64,419,517)	6,810,656	581,657
Net change in fund balances	2,281,851	(825,818)	2,692,777	(2,457,320)
Fund balances, beginning, as restated	15,062,452	10,236,761	51,557,906	32,603,889
Fund balances, ending	\$ 17,344,303	\$ 9,410,943	\$ 54,250,683	\$ 30,146,569

Other Governmental Funds	Total Governmental Funds
\$ 259,761	\$ 4,602,735
4,274,283	59,053,019
806,457	12,436,326
-	4,417,684
-	6,316,734
-	5,137,132
-	2,627,010
1,967,420	14,316,029
2,000	42,886
-	2,133,832
833,928	6,102,824
-	771,595
-	6,379,855
16,863	1,977,465
-	6,886,037
-	2,026,555
95,995	973,939
<u>8,256,707</u>	<u>136,201,657</u>
98,531	38,981,777
2,764	30,411,901
-	6,753,727
5,853,675	9,807,146
-	14,009,673
-	26,018,509
4,590,000	4,920,000
3,414,367	7,519,672
<u>13,959,337</u>	<u>138,422,405</u>
<u>(5,702,630)</u>	<u>(2,220,748)</u>
-	32,792
99,295	1,071,525
8,349,125	75,333,568
<u>(6,060,832)</u>	<u>(75,840,689)</u>
<u>2,387,588</u>	<u>597,196</u>
(3,315,042)	(1,623,552)
16,021,096	125,482,104
<u>\$ 12,706,054</u>	<u>\$ 123,858,552</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, 2008

Changes in fund balances - total government funds \$ (1,623,552)

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	\$ 19,648,849	
Less current year depreciation	<u>(15,727,834)</u>	3,921,015

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	(1,071,525)	
Loss on sale of capital assets	<u>(14,220,876)</u>	(15,292,401)

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 lease	(32,792)	
Principal payments	<u>8,786,164</u>	8,753,372

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	(995,158)	
Fines and forfeitures	12,617	
Recreation fees	<u>1,289</u>	(981,252)

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	(379,558)	
Accrual of interest expense	53,612	
Adjustment to long-term compensated absences liability	(316,455)	
Adjustment to post employment benefit obligation	<u>(313,718)</u>	(956,119)

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.

582,106

Change in net assets of governmental activities \$ (5,596,831)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Utility Enterprise	Golf	Westminster Housing Authority	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,219,458	\$ 3,000	\$ 62,048	\$ 7,284,506	\$ 1,479,877
Investments	62,872,375	-	322,062	63,194,437	12,887,870
Receivables	4,240,753	9,874	418,446	4,669,073	154,995
Inventory	680,282	271,098	-	951,380	-
Bond costs and other prepaid items	1,566,735	64,058	30,105	1,660,898	2,700
Total current assets	<u>76,579,603</u>	<u>348,030</u>	<u>832,661</u>	<u>77,760,294</u>	<u>14,525,442</u>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	328,789	51,680	232,631	613,100	-
Investments	2,863,333	450,070	-	3,313,403	-
Loans to other funds	2,400,000	-	-	2,400,000	-
Capital assets:					
Non-depreciable assets	90,016,836	11,101,327	365,379	101,483,542	-
Depreciable assets, net	285,145,813	5,760,801	2,284,024	293,190,638	5,602,316
Other assets	873,012	-	11,550	884,562	-
Total non-current assets	<u>381,627,783</u>	<u>17,363,878</u>	<u>2,893,584</u>	<u>401,885,245</u>	<u>5,602,316</u>
Total assets	<u>\$ 458,207,386</u>	<u>\$ 17,711,908</u>	<u>\$ 3,726,245</u>	<u>\$ 479,645,539</u>	<u>\$ 20,127,758</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	\$ 3,361,572	\$ 36,121	\$ 54,671	\$ 3,452,364	\$ 419,598
Accrued liabilities	367,266	40,923	-	408,189	8,776
Due to other funds	-	317,347	-	317,347	-
Deferred revenues	-	66,089	-	66,089	-
Bonds payable current portion	1,696,553	225,000	-	1,921,553	-
Notes payable, current portion	2,306,751	-	178,000	2,484,751	-
Lease payable, current portion	-	152,846	-	152,846	306,667
Accrued interest	167,607	31,014	12,889	211,510	10,615
Estimated claims	-	-	-	-	1,414,062
Total current liabilities	<u>7,899,749</u>	<u>869,340</u>	<u>245,560</u>	<u>9,014,649</u>	<u>2,159,718</u>
Non-current liabilities:					
Bonds payable	9,548,466	4,780,000	-	14,328,466	-
Notes payable	31,076,093	-	2,956,913	34,033,006	-
Leases payable	-	682,454	-	682,454	1,153,156
Other liabilities	1,174,515	195,026	-	1,369,541	19,406
Total non-current liabilities	<u>41,799,074</u>	<u>5,657,480</u>	<u>2,956,913</u>	<u>50,413,467</u>	<u>1,172,562</u>
Total liabilities	<u>49,698,823</u>	<u>6,526,820</u>	<u>3,202,473</u>	<u>59,428,116</u>	<u>3,332,280</u>
NET ASSETS					
Invested in capital assets, net of related debt	332,100,163	11,587,636	(63,719)	343,624,080	4,142,493
Restricted for:					
Debt service	3,192,122	-	-	3,192,122	-
Other purposes	-	-	232,631	232,631	-
Unrestricted	73,216,278	(402,548)	354,860	73,168,590	12,652,985
Total net assets	<u>\$ 408,508,563</u>	<u>\$ 11,185,088</u>	<u>\$ 523,772</u>	<u>\$ 420,217,423</u>	<u>\$ 16,795,478</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Utility Enterprise	Golf	Westminster Housing Authority	Total	
Operating revenues					
Charges for services	\$ 40,954,349	\$ 3,137,419	\$ 901,313	\$ 44,993,081	\$ 13,012,742
Other	401,613	285	-	401,898	-
Total operating revenues	<u>41,355,962</u>	<u>3,137,704</u>	<u>901,313</u>	<u>45,394,979</u>	<u>13,012,742</u>
Operating expenses					
Personnel services	14,175,426	1,574,576	146,810	15,896,812	227,362
Contractual services	11,254,070	713,932	267,398	12,235,400	1,744,677
Commodities	1,854,139	550,941	180,944	2,586,024	4,513
Capital Outlay	5,218,838	9,282	-	5,228,120	226,803
Insurance and other expenses	16,670	-	35,731	52,401	10,237,199
Depreciation expense	10,595,905	551,158	193,107	11,340,170	1,012,405
Total operating expenses	<u>43,115,048</u>	<u>3,399,889</u>	<u>823,990</u>	<u>47,338,927</u>	<u>13,452,959</u>
Operating income (loss)	<u>(1,759,086)</u>	<u>(262,185)</u>	<u>77,323</u>	<u>(1,943,948)</u>	<u>(440,217)</u>
Non-operating revenues (expenses)					
Income on investments	4,052,284	(96,327)	22,215	3,978,172	751,688
Interest expense	(2,060,098)	(288,837)	(144,826)	(2,493,761)	(49,858)
Grants	28,035	-	-	28,035	-
Gain (loss) on disposition of capital assets	895,150	-	-	895,150	31,123
Other	(394,259)	(440,000)	(906)	(835,165)	-
Total non-operating revenues (expenses)	<u>2,521,112</u>	<u>(825,164)</u>	<u>(123,517)</u>	<u>1,572,431</u>	<u>732,953</u>
Income (loss) before contributions and transfers	762,026	(1,087,349)	(46,194)	(371,517)	292,736
Capital contributions	12,506,489	-	56,037	12,562,526	289,370
Transfers in	-	507,121	-	507,121	-
Change in net assets	13,268,515	(580,228)	9,843	12,698,130	582,106
Net assets - beginning , as restated	395,240,048	11,765,316	513,929	407,519,293	16,213,372
Net assets - ending	<u>\$ 408,508,563</u>	<u>\$ 11,185,088</u>	<u>\$ 523,772</u>	<u>\$ 420,217,423</u>	<u>\$ 16,795,478</u>

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Utility Fund	Golf Course	Westminster Housing Authority		
Cash flows from operating activities:					
Cash received from customers	\$ 40,988,682	\$ 3,137,961	\$ 901,666	\$ 45,028,309	\$ 13,005,843
Cash payments to employees for services	(14,312,800)	(1,533,840)	-	(15,846,640)	(215,610)
Cash payments to suppliers for goods and services	(20,189,781)	(1,320,775)	(650,463)	(22,161,019)	(11,822,357)
Other operating revenues (expenses)	401,614	-	-	401,614	-
Net cash provided by (used in) operating activities	<u>6,887,715</u>	<u>283,346</u>	<u>251,203</u>	<u>7,422,264</u>	<u>967,876</u>
Cash flows from noncapital financing activities:					
Payment on interfund loans	-	(16,883)	-	(16,883)	-
Transfer in	-	507,121	-	507,121	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>490,238</u>	<u>-</u>	<u>490,238</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	(9,913,353)	(387,361)	(138,953)	(10,439,667)	(230,954)
Interest paid on long term debt	(2,160,131)	(286,894)	(137,794)	(2,584,819)	(46,783)
Acquisition and construction of capital assets	(21,582,307)	(5,848)	-	(21,588,155)	(2,319,898)
Proceeds from sale of capital assets	-	-	-	-	31,123
Contributions	9,563,540	-	-	9,563,540	289,370
Proceeds from sale of water rights	1,157,902	-	-	1,157,902	-
Proceeds from grant/notes	28,035	-	-	28,035	-
Proceeds from lease	-	-	-	-	819,925
Net cash provided by (used in) capital and related financing	<u>(22,906,314)</u>	<u>(680,103)</u>	<u>(276,747)</u>	<u>(23,863,164)</u>	<u>(1,457,217)</u>
Cash flow from investing activities:					
(Purchase) sale of investments	14,554,204	21,575	70,933	14,646,712	441,363
Interest received on investments	4,341,553	(98,819)	22,567	4,265,301	752,080
Net cash provided by (used in) investing activities	<u>18,895,757</u>	<u>(77,244)</u>	<u>93,500</u>	<u>18,912,013</u>	<u>1,193,443</u>
Net increase (decrease) in cash and cash equivalents	2,877,158	16,237	67,956	2,961,351	704,102
Cash and cash equivalents - beginning of year	<u>4,671,089</u>	<u>38,443</u>	<u>226,723</u>	<u>4,936,255</u>	<u>775,775</u>
Cash and cash equivalents - end of year	<u>\$ 7,548,247</u>	<u>\$ 54,680</u>	<u>\$ 294,679</u>	<u>\$ 7,897,606</u>	<u>\$ 1,479,877</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Utility Fund	Golf Course	Westminster Housing Authority		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (1,759,086)	\$ (262,185)	\$ 77,323	\$ (1,943,948)	\$ (440,217)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	10,595,905	551,158	193,107	11,340,170	1,012,405
(Increase) decrease in accounts receivable	34,333	257	353	34,943	(6,901)
(Increase) decrease in inventory	95,490	(6,044)	-	89,446	-
(Increase) decrease in prepaid items	(790)	-	(20,930)	(21,720)	(2,700)
Increase (decrease) in deferred revenue	-	(11,624)	-	(11,624)	-
Increase (decrease) in accounts payable and other	(1,886,126)	(28,952)	1,350	(1,913,728)	120,883
Increase (decrease) in accrued liabilities	(192,011)	40,736	-	(151,275)	5,392
Increase (decrease) in estimated claims	-	-	-	-	279,014
Total adjustments	<u>8,646,801</u>	<u>545,531</u>	<u>173,880</u>	<u>9,366,212</u>	<u>1,408,093</u>
Net cash provided by (used in) operating activities	<u>\$ 6,887,715</u>	<u>\$ 283,346</u>	<u>\$ 251,203</u>	<u>\$ 7,422,264</u>	<u>\$ 967,876</u>

Non-cash investing, capital, and financing activities:

- Developers contributed capital assets consisting of water and sewer lines of \$2,584,491
- A contribution of \$88,773 was reported in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority
- The unrecognized gain (loss) recorded to value the non-cash investments of the City's enterprise funds to fair value was \$1,979,924
- A note payable in the amount of \$180,000 was entered into for the purchase of an asset; payments will commence in 2009
- A capital lease in the amount of \$1,500,000 was reclassified to an operating lease
- A capital contribution of \$56,037 was received by the Westminster Housing Authority from the General Government

**CITY OF WESTMINSTER, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2008**

	Volunteer Fire Pension
ASSETS	
Investments with fiscal agent	<u>\$ 2,314,264</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 2,314,264</u>

DRAFT

CITY OF WESTMINSTER, COLORADO
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

		Volunteer Fire Pension
ADDITIONS		
Net investment income (loss)	\$	(886,930)
Total additions		<u>(886,930)</u>
DEDUCTIONS		
Benefits		212,940
Administrative expense		23,697
Total deductions		<u>236,637</u>
Change in net assets		(1,123,567)
Net assets - beginning		3,437,831
Net assets - ending	\$	<u><u>2,314,264</u></u>

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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 Avenue 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, 2008.

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, 2008**

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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

statements into the governmental activities column of the government-wide presentation.

Reporting of Internal Service and Fiduciary Funds

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

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.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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

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

The City reports the following major governmental funds:

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

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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

of the committee on accounting procedures issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The following is a description of the major proprietary 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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

collection in the following year. The respective counties bill and collect the City's property taxes.

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

Inventories and Prepaid Items

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

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

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net 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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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.

Other Long Term Liabilities

Compensated Absences, Post Employment Benefits Other than Pension (OPEB), and Pollution Remediation make up "Other Long Term Liabilities" in the fund financial statements.

In governmental funds, compensated absences and OPEB are considered long-term and therefore, not accrued fund liabilities. In proprietary funds and in the government-wide statements, these liabilities accrue when incurred. This difference in treatment is included in the reconciliation between the governmental fund statements and government-wide presentation of governmental activities.

In governmental funds, pollution remediation obligations are accrued as a liability when extinguishable with current financial resources; otherwise, they are not accrued. In proprietary funds and in the government-wide statements, pollution remediation obligations are accrued when incurred. Any difference in treatment between governmental and proprietary funds or the government-wide statements is included in the reconciliation between governmental fund statements and the government-wide presentation of governmental activities.

Compensated absences 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.

OPEB liabilities are liquidated by the Medical Dental Self Insurance Fund. Pollution remediation obligations are liquidated by the fund responsible for the clean-up.

The Utility Enterprise Fund is currently the only fund liquidating a pollution remediation obligation at December 31, 2008.

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 "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.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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, 2008 was \$3,540,170, of which \$750,000 was covered by Federal Deposit Insurance and \$2,790,170 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.

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, 2008, 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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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, 2008, the City had invested \$1,230,377 in the Colorado Government Liquid Asset Trust (COLOTRUST) and \$1,159,394 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.

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

The custodian's internal records identify the investments owned by the pool. Investments of the pool comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits, and Money Market Funds.

Cash and Investments as reported on the financial statements at December 31, 2008.

Cash and cash equivalents	\$ 16,575,526
Investments	144,152,659
Restricted cash and cash equivalents	842,457
Restricted cash with agent	33,616,642
Restricted investments	5,310,806
Restricted investments with agent	14,299,125
Total per Statement of Net Assets:	<u><u>\$ 214,797,215</u></u>

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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	0.55%
Local Investment - COLOTRUST	AAA	0.58%
Commercial Paper	A-1+	1.74%
Corporate GE Capital	AAA	2.67%
Corporate Citigroup	A	0.70%
Corporate Metropolitan Life Global Funding	AA	2.29%
Corporate Walmart	AA	0.49%
Corporate John Hancock GLOB FDG II	AAA	1.22%
US Treasury Securities	N/A	12.09%
Federal Farm Credit Banks	AAA	17.19%
Federal Home Loan Bank System	AAA	23.27%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AAA	8.84%
Fannie Mae (Federal National Mortgage Association)	AAA	12.53%
First American Money Market Fund	AAA	15.56%
First American Treasury Obligation	AAA	0.28%

<u>Investment Type</u>	<u>Fair Value</u>	<u>* WAM</u>
Colorado Liquid Asset Trust (COLOTRUST)	\$ 1,230,377	-
Colorado Surplus Asset Fund (CSAFE)	1,159,394	-
Repurchase Agreements (FHLB)	12,556,514	-
Commercial Paper	3,702,154	0.05
US Treasuries	25,654,138	2.02
US Instrumentalities	106,596,479	1.32
Domestic Corporate Securities	15,636,568	0.76
First American	33,622,785	-
US Instrumentalities with Fiscal Agent	12,090,568	0.50
Total Investments controlled by City	<u>\$ 212,248,977</u>	
Portfolio weighted average maturity		1.60

B. Disaggregation of Receivables

Receivables at December 31, 2008, were as follows:

	Taxes	Accounts	Leases and Notes	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 4,480,846	\$ 3,989,782	\$ 5,007,500	\$ -	\$ 169,438	\$ 13,647,566
Sales and Use Tax	6,648,395	-	-	-	27,824	6,676,219
GCIF	-	1,394,766	194,847	749,858	456,699	2,796,170
WEDA	6,209,288	1,130	-	-	50,320	6,260,738
Other Governmental	809,967	727,443	-	950,000	32,772	2,520,182
Less: Allowance for Doubtful Accounts	-	(828,021)	-	-	-	(828,021)
Subtotal	<u>18,148,496</u>	<u>5,285,100</u>	<u>5,202,347</u>	<u>1,699,858</u>	<u>737,053</u>	<u>31,072,854</u>
Reconciliation of balances in fund financial statements to government wide financial statements						
	-	17,910	-	-	137,085	154,995
Total - Governmental Activities	<u>\$ 18,148,496</u>	<u>\$ 5,303,010</u>	<u>\$ 5,202,347</u>	<u>\$ 1,699,858</u>	<u>\$ 874,138</u>	<u>\$ 31,227,849</u>
Business-type Activities:						
Utilities	\$ -	\$ 3,535,184	\$ -	\$ -	\$ 705,569	\$ 4,240,753
Golf Course	-	-	1,894	-	7,980	9,874
Housing Authority	-	4,998	410,000	-	3,448	418,446
Total - Business-type Activities:	<u>\$ -</u>	<u>\$ 3,540,182</u>	<u>\$ 411,894</u>	<u>\$ -</u>	<u>\$ 716,997</u>	<u>\$ 4,669,073</u>

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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	2009
Hyland Hills Park and Recreation District	Ice Centre	6,997,500	5,007,500	semi-annually	Dec-2022
Total Governmental Activities		<u>\$ 7,192,347</u>	<u>\$ 5,202,347</u>		

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

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

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

Annual Leases and Notes Payment Schedule

Capital Leases and Notes Receivable			
Year Ending	Catellus	Hyland Hills	Total
2009	\$ 194,847	\$ 252,500	\$ 447,347
2010	-	265,000	265,000
2011	-	277,500	277,500
2012	-	292,500	292,500
2013	-	307,500	307,500
2014-2018	-	1,795,000	1,795,000
2019-2022	-	1,817,500	1,817,500
	<u>\$ 194,847</u>	<u>\$ 5,007,500</u>	<u>\$ 5,202,347</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds:		
General Fund	Golf Course	\$ 317,347
General Fund	CDBG	392,647
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>2,400,000</u>
Total		<u>\$ 4,354,994</u>

At December 31, 2008, the General Fund covered the overdrawn cash balance of the Golf Course Fund.

At December 31, 2008, the General Fund covered the overdrawn cash balance of the Community Development Block Grant Fund.

The loans to the WEDA Fund of \$3,645,000 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

E. Capital Assets

	Primary Government			Ending Balance
	Restated Beginning Balance	Additions	Deletions	
Governmental Activities				
Land	\$ 94,656,730	\$ 4,891,116	\$ (862,624)	\$ 98,685,222
Joint Venture	5,361,000	-	-	5,361,000
Construction in progress	14,509,042	15,161,086	(24,622,106)	5,048,022
Total non-depreciable assets	<u>114,526,772</u>	<u>20,052,202</u>	<u>(25,484,730)</u>	<u>109,094,244</u>
Buildings	92,997,480	-	(18,565,005)	74,432,475
Machinery and equipment	33,736,945	3,464,834	(1,349,635)	35,852,144
Improvements other than buildings	34,511,916	4,642,439	-	39,154,355
Parks	46,487,714	4,896,857	-	51,384,571
Ice Center	6,972,384	-	-	6,972,384
Infrastructure	297,136,082	14,439,509	(420,000)	311,155,591
Total depreciable assets	<u>511,842,521</u>	<u>27,443,639</u>	<u>(20,334,640)</u>	<u>518,951,520</u>
Less accumulated depreciation for:				
Buildings	(34,864,532)	(2,399,536)	3,739,548	(33,524,520)
Machinery and equipment	(23,147,506)	(2,712,472)	1,250,207	(24,609,771)
Improvements other than buildings	(10,309,976)	(1,798,561)	-	(12,108,537)
Parks	(19,689,930)	(2,092,487)	-	(21,782,417)
Ice Center	(1,381,602)	(70,978)	-	(1,452,580)
Infrastructure	(135,865,040)	(7,666,205)	30,111	(143,501,134)
Total accumulated depreciation	<u>(225,258,586)</u>	<u>(16,740,239)</u>	<u>5,019,866</u>	<u>(236,978,959)</u>
Net total depreciable assets	<u>286,583,935</u>	<u>10,703,400</u>	<u>(15,314,774)</u>	<u>281,972,561</u>
Governmental activities capital assets, net	<u>\$ 401,110,707</u>	<u>\$ 30,755,602</u>	<u>\$ (40,799,504)</u>	<u>\$ 391,066,805</u>
Business-type activities:				
Land	\$ 23,169,266	\$ -	\$ (1,940,000)	\$ 21,229,266
Water rights	71,912,023	874,500	(261,126)	72,525,397
Construction in progress	8,595,553	20,904,556	(21,771,230)	7,728,879
Total non-depreciable assets	<u>103,676,842</u>	<u>21,779,056</u>	<u>(23,972,356)</u>	<u>101,483,542</u>
Buildings and plants	191,703,921	8,154,252	-	199,858,173
Improvements other than buildings	191,857,047	14,430,990	-	206,288,037
Parks	1,503,253	48,000	-	1,551,253
Machinery and equipment	13,934,956	1,801,174	(197,853)	15,538,277
Total depreciable assets	<u>398,999,177</u>	<u>24,434,416</u>	<u>(197,853)</u>	<u>423,235,740</u>
Less accumulated depreciation for:				
Buildings and plants	(58,579,000)	(2,781,137)	-	(61,360,137)
Improvements other than buildings	(52,512,382)	(6,999,212)	-	(59,511,594)
Parks	(597,363)	(76,370)	-	(673,733)
Machinery and equipment	(7,178,855)	(1,483,451)	162,668	(8,499,638)
Total accumulated depreciation	<u>(118,867,600)</u>	<u>(11,340,170)</u>	<u>162,668</u>	<u>(130,045,102)</u>
Net total depreciable assets	<u>280,131,577</u>	<u>13,094,246</u>	<u>(35,185)</u>	<u>293,190,638</u>
Business-type activities capital assets, net	<u>\$ 383,808,419</u>	<u>\$ 34,873,302</u>	<u>\$ (24,007,541)</u>	<u>\$ 394,674,180</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,262,519
Public safety	2,120,097
Public works	6,578,511
Community development	1,655,927
Culture and Recreation	4,635,173
Unallocated depreciation-Internal Service Funds	488,012
Total Depreciation expense	<u>\$ 16,740,239</u>

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

Utility	\$ 10,595,905
Golf	551,158
Westminster Housing Authority	193,107
Total Depreciation expense	<u>\$ 11,340,170</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

The following is a summary of the machinery and equipment purchased by capital lease with a liability outstanding as of December 31, 2008.

	Cost	Accumulated Depreciation	Net Carrying Value
General Government	\$ 2,895,789	\$ (459,595)	\$ 2,436,194
General Capital Outlay Replacement	2,530,454	(321,924)	2,208,530
Golf Course Enterprise	1,180,933	(415,395)	765,538
Utility Enterprise	4,920,000	-	4,920,000
Total	\$ 11,527,176	\$ (1,196,914)	\$ 10,330,262

F. Disaggregation of Payables

Payables at December 31, 2008, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Activities:					
General	\$ 2,803,115	\$ 2,295,855	\$ 1,553,098	\$ -	\$ 6,652,068
Sales and Use Tax	-	2,170,908	24,760	-	2,195,668
GCIF	1,910,558	159,989	-	-	2,070,547
WEDA	1,561,163	664,382	-	6,156	2,231,701
Other Governmental	293,399	-	8,060	-	301,459
Subtotal	6,568,235	5,291,134	1,585,918	6,156	13,451,443
Reconciliation of balances in fund financial statements to government wide financial statements					
Internal service funds	419,598	-	8,776	704,334	1,132,708
Other accrued liabilities	-	-	59,510	-	59,510
Total - Governmental Activities	\$ 6,987,833	\$ 5,291,134	\$ 1,654,204	\$ 710,490	\$ 14,643,661
Business-type Activities:					
Utilities	\$ 3,205,331	\$ 156,241	\$ 367,266	\$ 167,607	\$ 3,896,445
Golf Course	32,535	3,586	40,923	31,014	108,058
Housing Authority	54,671	-	-	12,889	67,560
Total - Business-type Activities	3,292,537	159,827	408,189	211,510	4,072,063
Reconciliation of balances in fund financial statements to government wide financial statements					
Other accrued liabilities	-	-	(114,500)	-	(114,500)
Total - Business-type Activities	\$ 3,292,537	\$ 159,827	\$ 293,689	\$ 211,510	\$ 4,072,063

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

G. Long Term Debt

Long-term liability activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and leases payable:					
Revenue bonds	\$ 74,330,000	\$ -	\$ (4,590,000)	\$ 69,740,000	\$ 4,785,000
Tax increment bonds	120,485,000	-	(330,000)	120,155,000	11,862,500
Capital leases	83,852,128	872,707	(4,097,118)	80,627,717	4,259,244
	<u>278,667,128</u>	<u>872,707</u>	<u>(9,017,118)</u>	<u>270,522,717</u>	<u>20,906,744</u>
Add:					
Bond premium	3,797,141	-	(328,799)	3,468,342	300,082
Bond discount and deferred amount on refundings	(4,306,099)	-	407,609	(3,898,490)	(359,402)
	<u>278,158,170</u>	<u>872,707</u>	<u>(8,938,308)</u>	<u>270,092,569</u>	<u>20,847,424</u>
Other liabilities:					
Compensated absences	4,047,832	6,455,741	(6,197,869)	4,305,704	-
OPEB	134,043	314,538	-	448,581	-
Total other liabilities	<u>4,181,875</u>	<u>6,770,279</u>	<u>(6,197,869)</u>	<u>4,754,285</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 282,340,045</u>	<u>\$ 7,642,986</u>	<u>\$ (15,136,177)</u>	<u>\$ 274,846,854</u>	<u>\$ 20,847,424</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds, notes and leases payable:					
Revenue bonds	\$ 23,880,000	\$ -	\$ (7,935,000)	\$ 15,945,000	\$ 1,870,000
Capital leases	2,507,662	-	(1,672,362)	835,300	152,846
Notes	38,068,147	180,000	(2,332,305)	35,915,842	2,449,754
	<u>64,455,809</u>	<u>180,000</u>	<u>(11,939,667)</u>	<u>52,696,142</u>	<u>4,472,600</u>
Add:					
Bond/Notes premium	1,082,419	-	(93,229)	989,190	93,228
Bond discount and deferred amount on refundings	(88,934)	-	6,678	(82,256)	(6,678)
	<u>65,449,294</u>	<u>180,000</u>	<u>(12,026,218)</u>	<u>53,603,076</u>	<u>4,559,150</u>
Other liabilities:					
Compensated absences	800,748	1,266,045	(1,161,748)	905,045	-
OPEB	24,991	58,643	-	83,634	-
Pollution Remediation	-	495,362	-	495,362	114,500
Total other liabilities	<u>825,739</u>	<u>1,820,050</u>	<u>(1,161,748)</u>	<u>1,484,041</u>	<u>114,500</u>
Business-type activities long-term liabilities	<u>\$ 66,275,033</u>	<u>\$ 2,000,050</u>	<u>\$ (13,187,966)</u>	<u>\$ 55,087,117</u>	<u>\$ 4,673,650</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Description of Individual Debt Issues Outstanding - Summarized below are the City's debt issues outstanding at December 31, 2008.

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	\$ 4,095,000	4.0% - 5.0%	12/01/21
Sales and Use Tax Revenue Series 2002	136th Avenue & I-25 Interchange	15,090,000	12,605,000	3.25% - 5.25%	12/01/22
Sales and Use Tax Revenue Series 2007A	Refunding/Street Improvements	10,715,000	10,110,000	4.0% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007B	Refunding/Open Space Purchases	13,680,000	12,540,000	4.0% - 5.5%	12/01/16
Sales and Use Tax Refunding Series 2007C	Refunding/Street Improvements	10,910,000	10,390,000	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>69,740,000</u>		
Water/Wastewater Revenue Series 2001	Refunding	20,990,000	10,940,000	3.6% - 5.5%	12/01/14
Golf Course Revenue Bonds Series 1998	Heritage Golf Course Construction	6,300,000	5,005,000	5.0% - 5.55%	12/01/23
Total Business-type Activities			<u>15,945,000</u>		
Total Revenue bonds			<u>\$ 85,685,000</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
2009	\$ 4,785,000	\$ 3,241,959	\$ 8,026,959	\$ 1,870,000	\$ 766,315	\$ 2,636,315
2010	4,655,000	3,050,404	7,705,404	1,945,000	689,040	2,634,040
2011	4,835,000	2,862,929	7,697,929	2,030,000	607,950	2,637,950
2012	5,040,000	2,666,221	7,706,221	2,115,000	523,250	2,638,250
2013	5,260,000	2,438,659	7,698,659	2,205,000	430,315	2,635,315
2014-2018	21,735,000	8,346,004	30,081,004	3,650,000	979,925	4,629,925
2019-2023	11,075,000	4,477,300	15,552,300	2,130,000	367,965	2,497,965
2024-2028	7,180,000	2,286,575	9,466,575	-	-	-
2029-2033	5,175,000	499,225	5,674,225	-	-	-
Total	<u>\$ 69,740,000</u>	<u>\$ 29,869,276</u>	<u>\$ 99,609,276</u>	<u>\$ 15,945,000</u>	<u>\$ 4,364,760</u>	<u>\$ 20,309,760</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	\$ 5,330,000	(1)	12/01/17
WEDA Revenue Bonds Series 2005	North Huron Urban Renewal	68,300,000	68,300,000	(2)	12/01/18
WEDA Revenue Refunding Bonds Series 2006	Mandalay Gardens Urban Renewal	38,455,000	38,205,000	(3)	12/01/18
WEDA Revenue Bonds Series 2007	South Sheridan Urban Renewal	8,320,000	8,320,000	(2)	12/01/18
Total Governmental Activities			<u>\$ 120,155,000</u>		

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

Year	Governmental Activities		
	Principal	Interest	Total
2009	\$ 11,862,500	\$ 4,421,741	\$ 16,284,241
2010	11,932,500	4,779,180	16,711,680
2011	12,007,500	4,226,876	16,234,376
2012	12,087,500	3,673,373	15,760,873
2013	12,172,500	3,118,589	15,291,089
2014-2018	60,092,500	7,257,150	67,349,650
Total	<u>\$ 120,155,000</u>	<u>\$ 27,476,909</u>	<u>\$ 147,631,909</u>

(1) The Series 1997 WEDA bonds bear interest at a variable weekly rate based on the BMA Index. The interest rate as of 12/31/08 is 1.6%.

(2) The Series 2005 and 2007 WEDA bonds became bank bonds in October, 2008. The variable interest rate is based on DEPFA Bank prime. The interest rate as of 12/31/08 is 4.75%

(3) The Series 2006 WEDA refunding bonds became bank bonds in October, 2008. The variable interest rate is based on DEPFA Bank prime. The interest rate as of 12/31/08 is 4.75%

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Capital Leases	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Capital lease	05 Energy Saving Equipment	\$ 2,262,993	\$ 1,698,938	4.029%	10/15/16
Capital lease	03 Fire truck	288,476	145,806	3.20%	10/15/10
Capital lease	05 Fire truck	472,039	241,191	4.27%	10/15/12
Capital lease	07 Fire truck	396,932	292,286	4.10%	01/15/14
Capital lease	07 Bobcat	40,626	26,165	4.64%	04/15/11
Capital lease	08 Fire truck	603,450	544,074	3.52%	01/15/15
Capital lease	08 Pumper Truck	216,475	216,475	3.48%	10/15/15
Capital lease	Asphalt paver	52,782	52,782	0.00%	02/28/09
Capital lease - Certificates of Participation 99	Various Street Improvements	19,720,000	950,000	5.0% - 5.625%	08/15/09
Capital lease - Certificates of Participation 98	Ice Centre	13,995,000	10,015,000	4.65% - 5.4%	01/15/23
Capital lease - Certificates of Participation 01	Public Safety Building	18,740,000	14,635,000	4.15% - 5.25%	11/15/22
Capital lease - Certificates of Participation 05	144th & I-25 interchange	17,130,000	15,870,000	3.25% - 5.0%	11/15/25
Capital lease - Broomfield/Westminster Foundation	Metzger Farm Open Space	4,920,000	3,730,000	4.0% - 5.0%	11/15/16
Capital lease - Certificates of Participation 07	Refunding/Cap Fac & Streets	32,210,000	32,210,000	4.0% - 5.0%	11/15/25
Total Governmental Activities			<u>80,627,717</u>		
Golf Course capital lease	06 Maintenance Equipment	582,144	394,014	4.32%	04/15/13
Golf Course capital lease	07 Maintenance Equipment	547,000	441,286	4.85%	04/15/14
Total Business-type Activities			<u>835,300</u>		
Total Capital Leases			<u>\$ 81,463,017</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
2009	\$ 4,259,244	\$ 3,662,915	\$ 7,922,159	\$ 152,846	\$ 35,911	\$ 188,757
2010	4,878,145	3,485,084	8,363,229	159,965	28,793	188,758
2011	4,990,841	3,278,953	8,269,794	167,416	21,341	188,757
2012	5,202,926	3,068,840	8,271,766	175,216	13,541	188,757
2013	5,354,211	2,840,206	8,194,417	134,712	5,638	140,350
2014-2018	28,017,350	10,594,185	38,611,535	45,145	826	45,971
2019-2023	22,375,000	4,257,886	26,632,886	-	-	-
2024-2028	5,550,000	385,125	5,935,125	-	-	-
Total	<u>\$ 80,627,717</u>	<u>\$ 31,573,194</u>	<u>\$ 112,200,911</u>	<u>\$ 835,300</u>	<u>\$ 106,050</u>	<u>\$ 941,350</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	\$ 7,414,888	4.54%	06/01/17
Colorado Water Power Authority Note 98	Reclamation Facility	4,085,697	2,083,221	3.96%	06/01/17
Colorado Water Power Authority Note 00	Northwest Water Treatment Plant	14,998,357	9,726,092	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Plant	15,440,000	13,330,000	3.32%	06/01/25
Housing Authority Mortgage	Refinance/Capital Projects	3,600,000	2,768,641	(1)	01/09/22
Brownfields Note	Remediation of South Westminster Property	413,000	413,000	2%	02/01/16
Rehfeld Note	Purchase of water shares	180,000	180,000	4%	03/31/23
Total Business-type Activities			<u>\$ 35,915,842</u>		

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

Year	Business-Type Activities		
	Principal	Interest	Total
2009	\$ 2,449,754	\$ 1,425,147	\$ 3,874,901
2010	2,532,316	1,345,722	3,878,038
2011	2,612,140	1,258,856	3,870,996
2012	2,697,446	1,172,095	3,869,541
2013	2,788,157	1,081,783	3,869,940
2014-2018	14,308,189	3,748,432	18,056,621
2019-2023	6,980,340	1,309,442	8,289,782
2024-2028	1,547,500	136,151	1,683,651
Total	<u>\$ 35,915,842</u>	<u>\$ 11,477,628</u>	<u>\$ 47,393,470</u>

(1) The Housing Authority Mortgage bears interest at a variable yearly rate based on the Prime Rate. The interest rate as of 12/31/08 is 5.363%.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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.

Governmental activities:

Capital Assets \$ 391,066,805

Issue	Amount Outstanding	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Unamortized Issuance Costs	Exclude Reserve	Unspent Proceeds	Net Capital Related Debt
Related Debt						
2001 sales tax revenue bond	\$ 4,095,000	\$ 144,301	\$ 103,481	\$ -	\$ -	\$ 4,135,820
2002 sales tax revenue bond	12,605,000	295,113	188,099	-	-	12,712,014
2007A sales tax revenue refunding bond	10,110,000	(38,539)	112,750	-	-	9,958,711
2007B open space sales tax refunding	12,540,000	9,650	135,123	-	-	12,414,527
2007C sales tax revenue refunding bond	10,390,000	(102,465)	118,164	-	-	10,169,371
2007D open space revenue bond	20,000,000	395,282	349,033	-	14,894,284	5,151,965
2005 WEDA	68,300,000	-	399,413	5,101,200	7,584,876	55,214,511
2006 WEDA refunding bond	38,205,000	(419,924)	280,080	3,160,000	-	34,344,996
2007 WEDA	8,320,000	-	149,551	634,411	-	7,536,038
2005 Energy Audit Equip	1,698,938	-	-	-	-	1,698,938
Capital Lease	78,928,779	(713,568)	1,360,215	-	123,627	76,731,369
Total Governmental Activities	<u>\$ 265,192,717</u>	<u>\$ (430,150)</u>	<u>\$ 3,195,909</u>	<u>\$ 8,895,611</u>	<u>\$ 22,602,787</u>	230,068,260

Invested in capital assets, net of related debt

\$ 160,998,545

Business-type activities:

Capital Assets \$ 394,674,180

Issue	Amount Outstanding	Premiums/ (Discounts)/ (Deferred Loss on Refunding)	Unamortized Issuance Costs	Exclude Reserve	Unspent Proceeds	Net Capital Related Debt
Related Debt						
2001 Utility Refunding Revenue Bonds	10,940,000	305,019	1,061,111	\$ -	\$ -	\$ 10,183,908
1998 Golf Course Revenue Bonds	5,005,000	-	64,058	501,750	-	4,439,192
Water Notes	32,734,201	648,643	504,266	-	-	32,878,578
Capital Leases	835,300	-	-	-	-	835,300
2002 Mortgage Note	2,768,641	(43,063)	12,456	-	-	2,713,122
Total Business Type Activities	<u>\$ 52,283,142</u>	<u>\$ 910,599</u>	<u>\$ 1,641,891</u>	<u>\$ 501,750</u>	<u>\$ -</u>	51,050,100

Invested in capital assets, net of related debt

\$ 343,624,080

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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	Golf Course Fund	
General Fund	\$ -	\$ 3,996,482	\$ 200,000	\$ -	\$ -	\$ 4,196,482
Sales Tax Fund	57,626,572	1,878,778	-	4,629,167	285,000	64,419,517
General Capital Improvement Fund	800,000	-	-	150,000	39,971	989,971
Westminster Economic Development Authority	-	-	-	173,887	-	173,887
Non-Major Governmental Funds	1,700	1,925,367	555,544	3,396,071	182,150	6,060,832
Totals	\$ 58,428,272	\$ 7,800,627	\$ 755,544	\$ 8,349,125	\$ 507,121	\$ 75,840,689

Reconciliation of Transfers between Governmental and Business-Type Activities:

From the General Fund to the Golf Course Fund for relief of interfund loans	\$ (39,971)
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	(182,150)
Total transfers between Governmental and Business Type Activities Funds	<u>\$ (507,121)</u>

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 \$8,000,189 were paid from sales and use tax revenue totaling \$56,062,143. Total principal and interest payments remaining on the bonds is \$99,609,276 payable through December 2031.

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 \$4,435,305 were paid with incremental net pledged revenues totaling \$9,382,972. Total principal and interest remaining on the bonds is \$147,631,909 payable through December 1, 2018.

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

Colorado Water Resource and Power Development Authority Notes:

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

Revenue Bonds

- \$20,990,000 issued in December 2001 to refund 1992 and 1994 General Obligation bonds

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 \$12,072,914 and \$18,711,415, respectively. Total principal and interest payments remaining on the bonds and notes is \$56,043,316 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.

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

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

were \$500,165 and \$288,973, respectively. Total principal and interest payments remaining on the bonds is \$7,488,310, 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 2007 to 2008. 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 \$150,000 per individual per year. The City has recorded a liability in this fund totaling \$458,000 for open and estimated claims not yet reported at December 31, 2008.

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 \$671,823 for open claims and estimated claims not yet reported at December 31, 2008.

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 including boiler and machinery, the program covers automobile liability, general liability, police professional, error and omissions, crime, fiduciary liability.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$284,239 for open claims at December 31, 2008.

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

<u>Year</u>	<u>Beginning Balance</u> Unpaid Claims	<u>Incurring</u>	<u>Incurred Claims</u>	<u>Cumulative</u>	<u>Claim Payments</u>	<u>Ending Balance</u> Unpaid Claims
2007	\$ 1,731,484	\$	6,551,659	\$	7,148,094	\$ 1,135,049
2008	1,135,049		8,144,334		7,865,321	1,414,062

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, 2008, there were 196 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 2008 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 Government Immunity Act up to \$500,000,000 limit)
- 3) Auto liability (claims not subject to the Governmental Immunity Act): to \$1,500,000 per occurrence.
- 4) Excess law enforcement liability and public officials’ errors and omissions liability coverage: to \$5,000,000.
- 5) Crime: to \$150,000 any one claim and annual aggregate.
- 6) Supplemental defense costs (claims subject to the Governmental Immunity Act): to \$50,000 per claim/occurrence.
- 7) Excess crime to \$2,000,000 any one claim and annual aggregate.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available from insurance providers and under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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

Various suits and claims are pending against the City as of December 31, 2008. 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, 2008, the City had commitments for the acquisition and construction of various major capital projects and facilities in the capital projects and enterprise funds as shown below.

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

	Appropriation 12/31/2008	Cumulative Expenditures 12/31/2008	Authorized Available 12/31/2008
Governmental activities:			
General Capital Improvement Fund	\$ 52,746,880	\$ 5,048,022	\$ 47,698,858
Westminster Economic Development Authority	9,734,325	-	9,734,325
Non-major governmental funds	13,382,404	3,921,082	9,461,322
General Capital Outlay Replacement Fund	3,497,682	-	3,497,682
Total Governmental activities	<u>\$ 79,361,291</u>	<u>\$ 8,969,104</u>	<u>\$ 70,392,187</u>
Business-type activities			
Utility Fund	<u>\$ 33,618,180</u>	<u>\$ 7,728,879</u>	<u>\$ 25,889,301</u>

E. Denver Water Board Raw Water Leases

The City has the right to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from the Denver Water Board. 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 2008 annual lease cost based on this rate was \$425,202.

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, 2008, was \$3.18 per thousand gallons for an annual cost of \$2,100,000.

G. Employee Retirement Plans

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

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

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

The Plan provisions and requirements are established by Municipal Ordinance and determined to be a qualified Pension Plan by the Internal Revenue Service. The Plan Ordinance grants the Pension Board members and Trustee the authority to administer,

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

interpret, and apply the requirements of the Plan document. Any changes to the Plan Document are subject to City Council approval and require Internal Revenue Service determination of qualification.

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

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

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

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

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

Summary of Contributions For the year ended December 31, 2008, contributions actually made to the two plans equaled required contributions and were as follows:

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

	Police Pension Plan	General Employee Pension Plan	Total
City contributions at 10.25%	\$ 1,083,739	\$ 3,082,921	\$ 4,166,660
Mandatory employee contributions at 10%	1,141,551	3,405,995	4,547,546
Voluntary employee contributions up to 10%	10,015	88,980	98,995
Rollover contributions	20,214	114,231	134,445

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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	2006	2007	2008	Total
Employee Contribution 10%	\$ 606,809	\$ 588,171	\$ 606,866	\$ 1,801,846
Employee Contribution 8%	148,400	178,893	206,765	534,058
Employee Drop Program 10% *	3,569	13,865	10,353	27,787
Employer Contribution 10%	606,809	588,171	606,866	1,801,846
Employer Contribution 8%	148,400	178,893	206,765	534,058
Total	\$ 1,513,987	\$ 1,547,993	\$ 1,637,615	\$ 4,699,595

*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.

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Plan Description and Contribution Information

At December 31, 2008, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	33
Terminated volunteers entitled to benefits but not receiving them	0
Active plan members	<u>0</u>
Total	<u><u>33</u></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 8% investment rate of return
- b) No payment increases
- c) No cost of living increases
- d) Inflation rate 3.5%

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

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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

The 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.

Funded Status and Funding Progress-Volunteer Firefighter Pension Plan

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

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

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

	2007	2005	2003
Actuarial Value of Assets	\$3,213,932	\$2,910,768	\$3,012,526
Actuarial Accrued Liability (AAL)	2,100,669	2,259,116	2,343,745
Excess/(Shortfall) of Assets over AAL	1,113,263	651,652	668,781
Funded Ratio	153%	129%	129%

The following exhibit shows a history of Annual Required Contributions (ARC) and Actual Contributions made to the plan:

Year Ended 31-Dec	Required Contribution	Actual Contribution	Percentage Contributed
2003	\$ -	\$ -	100%
2004	-	-	100%
2005	-	-	100%
2006	-	-	100%
2007	-	-	100%
2008	-	-	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.

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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 \$235,233 during 2008. Program members receiving benefits contributed \$216,531 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City's pay-as-you-go program funding totaled \$18,702 during the year.

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

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

Annual Required Contribution	\$ 391,882
Contributions made	<u>(18,702)</u>
Increase in net OPEB obligation	373,180
Net OPEB obligation - beginning of year	<u>159,035</u>
Net OPEB obligation - end of year	<u><u>\$ 532,215</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for 2008 is 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>
12/31/2008	\$ 391,882	4.80%	\$ 532,215

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

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 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, 2008, amounts required as Emergency Reserves in compliance with the Amendment total \$3,654,390 for the general government and an aggregate of \$17,110 for applicable component units. These amounts are shown as reservations of fund balance in the General and respective non-major funds as well as a restriction of Net Assets on the Statement of Net Assets.

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

L. Jointly Governed Organization

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

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

M. Joint Ventures

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

The City entered into an intergovernmental agreement (IGA) with Hyland Hills Park and Recreation District on January 29, 1998. The City agreed to finance (through the Westminster Building Authority) and construct a three sheet Ice Centre and Hyland Hills agreed to operate the Ice Centre pursuant to a 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, 2008, the City's fifty percent equity interest in the Foundation is \$590,410.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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 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, 2008, Industrial Revenue Bonds outstanding aggregated \$14,675,000.

**CITY OF WESTMINSTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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 \$150,244 exists.

R. Property Held for Resale

In 2006, WEDA acquired the abandoned portions of a townhome project within the Holly Park urban renewal area with the intention to clean-up the abandoned areas and ready the land for sale. The demolition of the uncompleted buildings and re-grading as well as improving the landscaping, restoring the irrigation system and general maintenance and upkeep of the property has yielded a redevelopment site of approximately 5.7 acres. At December 31, 2008, the property was reported in the financial statements at the fair market value of \$850,000.

S. Pollution Remediation

The State of Colorado, Department of Labor and Employment, Division of Oil and Public Safety recognizes the City of Westminster as the sole responsible party for pollution remediation for a leak from underground gas storage tanks at the Municipal Service Center. A feasibility study performed by a consultant estimates the current value of recovery costs at \$550,000 for the remediation method, Mobil Enhanced Fluid Recovery (EFR), selected by the City.

The consultant provided cost estimates based on well readings and current costs for monitoring, operations and maintenance, and site closure over a 13-15 year period. Changes in the cost elements are likely to occur as a result of new information and data collected. The cost estimation is between -30% and +50%.

T. Special Item

On October 27, 2008, City Council authorized a purchase and sale agreement for the Westminster Conference Center and Lakeview Pavilion Banquet facility. The agreement, providing for termination of facility operating leases in exchange for the sale of the Conference Center and Pavilion to hotel owner Westminster Boulevard LLC, was executed later that month.

A loss of \$14,825,447 resulting from the transaction was recognized as a Special Item in the Government-wide Statement of Activities. Various economic development concessions included in the purchase and sale agreement are expected to provide a \$1.9 million advantage to the City over the remaining terms of the former agreements.

U. Subsequent Event

On June 8, 2009 the Westminster Economic Development Authority (WEDA) entered into a loan with a bank, the proceeds of which in part were used to refund all of the outstanding WEDA Series 2005 bonds. The provisions of this loan call for WEDA to

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

pay a variable rate of interest calculated as 65% of the one month London Interbank Borrowing Rate plus a margin of 2.30%. WEDA then entered into a rate exchange agreement (“interest rate swap”) to convert the variable interest rate paid under the loan agreement into a fixed rate of 4.51%.

V. Restatements

Beginning Fund Balance for the Westminster Economic Development Authority Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds has been restated for adjustments relating to prior year transactions as follows:

Fund Balance – Westminster Economic Development Authority December 31, 2007, as originally stated	\$ 31,588,214
Decrease construction expense	<u>1,015,675</u>
Fund Balance – Westminster Economic Development Authority December 31, 2007, as restated	<u>\$ 32,603,889</u>

Beginning Net Assets for the Utility Enterprise, Statement of Revenues, Expenses, and Changes in Net Assets, Proprietary Funds has been restated for adjustments relating to prior year transactions as follows:

Net Assets – Utility Enterprise December 31, 2007, as originally stated	\$ 395,790,048
Addition of pollution remediation liability	<u>(550,000)</u>
Net Assets – Utility Enterprise December 31, 2007, as restated	<u>\$ 395,240,048</u>

Beginning Net Assets for the Government-wide, Statement of Activities, Business-type activities has been restated for adjustments relating to prior year transactions as follows:

Net Assets – Business-type activities December 31, 2007, as originally stated	\$ 408,069,293
Addition of pollution remediation liability	<u>(550,000)</u>
Net Assets – Business-type activities December 31, 2007, as restated	<u>\$ 407,519,293</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 4,330,710	\$ 4,330,710	\$ 4,342,974	\$ 12,264
Business fees and other taxes	4,707,489	4,707,489	5,137,132	429,643
Intergovernmental	4,840,000	5,392,328	5,418,351	26,023
Licenses and permits	1,575,000	1,644,582	2,133,832	489,250
Interest	891,156	898,671	1,196,165	297,494
Recreation fees	5,689,173	5,689,173	6,379,855	690,682
Fines and forfeits	2,353,275	2,353,275	1,960,602	(392,673)
Fleet maintenance billings and other	6,288,219	6,718,829	6,886,037	167,208
EMS billings	2,143,693	2,143,693	2,026,555	(117,138)
Total revenues	<u>32,818,715</u>	<u>33,878,750</u>	<u>35,481,503</u>	<u>1,602,753</u>
EXPENDITURES				
Governmental activities:				
General government				
City council	155,896	158,320	134,333	23,987
City attorney's office	921,639	936,639	935,720	919
City manager's office	850,403	882,403	781,369	101,034
Central charges	22,750,900	24,032,667	22,965,122	1,067,545
General services	6,962,381	7,095,106	7,003,840	91,266
Finance	1,569,778	1,578,089	1,490,072	88,017
Public safety				
Police	19,814,832	20,210,083	19,229,981	980,102
Fire	10,961,056	11,312,686	11,179,156	133,530
Public works	6,719,073	6,859,865	6,753,727	106,138
Community development	3,895,000	3,986,775	3,953,471	33,304
Culture and recreation	14,218,034	14,236,457	14,009,673	226,784
Total governmental activities	<u>88,818,992</u>	<u>91,289,090</u>	<u>88,436,464</u>	<u>2,852,626</u>
Excess of revenues over (under) expenditures	<u>(56,000,277)</u>	<u>(57,410,340)</u>	<u>(52,954,961)</u>	<u>4,455,379</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	32,792	32,792	-
Sale of capital asset	30,000	36,000	972,230	936,230
Transfers in	57,516,433	58,426,572	58,428,272	1,700
Transfers (out)	(2,655,000)	(5,114,482)	(4,196,482)	918,000
Total other financing sources (uses):	<u>54,891,433</u>	<u>53,380,882</u>	<u>55,236,812</u>	<u>1,855,930</u>
Net change in fund balance	(1,108,844)	(4,029,458)	2,281,851	6,311,309
Fund balances, beginning	1,108,844	4,029,458	15,062,452	11,032,994
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,344,303</u>	<u>\$ 17,344,303</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SALES AND USE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 52,012,942	\$ 54,935,060	\$ 54,778,736	\$ (156,324)
Use taxes	11,438,491	11,543,437	11,629,869	86,432
Interest	150,000	150,000	212,158	62,158
Total revenues	<u>63,601,433</u>	<u>66,628,497</u>	<u>66,620,763</u>	<u>(7,734)</u>
EXPENDITURES				
Governmental activities:				
General government	-	3,027,064	3,027,064	-
Total Expenditures	<u>-</u>	<u>3,027,064</u>	<u>3,027,064</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(63,601,433)	(64,840,350)	(64,419,517)	420,833
Total other financing sources (uses):	<u>(63,601,433)</u>	<u>(64,840,350)</u>	<u>(64,419,517)</u>	<u>420,833</u>
Net change in fund balance	-	(1,238,917)	(825,818)	413,099
Fund balances, beginning	-	1,238,917	10,236,761	8,997,844
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,410,943</u>	<u>\$ 9,410,943</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property tax increment	\$ 4,036,398	\$ 4,317,141	\$ 4,417,684	\$ 100,543
Sales tax increment	6,441,253	6,939,809	6,316,734	(623,075)
Interest	48,813	643,230	1,210,756	567,526
Other	-	-	41	41
Total revenues	<u>10,526,464</u>	<u>11,900,180</u>	<u>11,945,215</u>	<u>45,035</u>
EXPENDITURES				
Governmental activities:				
General government	2,692,865	3,833,977	1,524,702	2,309,275
Capital projects	18,159,478	18,571,698	9,024,185	9,547,513
Debt service:				
Principal	3,165,000	3,165,000	330,000	2,835,000
Interest and fiscal charges	5,403,834	5,584,332	4,105,305	1,479,027
Total expenditures	<u>29,421,177</u>	<u>31,155,007</u>	<u>14,984,192</u>	<u>16,170,815</u>
	-	-	-	-
Excess of revenues over (under) expenditures	<u>(18,894,713)</u>	<u>(19,254,827)</u>	<u>(3,038,977)</u>	<u>16,215,850</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	184,466	-	-	-
Transfers in	64,145	448,611	755,544	306,933
Transfers (out)	-	(173,887)	(173,887)	-
Total other financing sources (uses):	<u>248,611</u>	<u>274,724</u>	<u>581,657</u>	<u>306,933</u>
Net change in fund balance	(18,646,102)	(18,980,103)	(2,457,320)	16,522,783
Fund balances, beginning	18,646,102	18,980,103	32,603,889	13,623,786
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,146,569</u>	<u>\$ 30,146,569</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.

This Page Intentionally Blank

**CITY OF WESTMINSTER, COLORADO
Schedules of Funding Progress**

Retiree Health Program

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2007 (a, 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) - Entry Age Actuarial Cost Method	Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2003	\$ 3,012,526	\$ 2,343,745	\$ 668,781	128.50%	(a)	NA
12/31/2005	2,910,768	2,259,116	651,652	128.80%	(a)	NA
12/31/2007 (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, 2008**

Budgetary Information

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

Project-length budgets are adopted for all capital projects. At year end, appropriations for incomplete capital projects are carried forward to the following year. The General Capital Improvements Capital Projects Fund, Westminster Economic Development Authority Fund, Community Development Block Grant Fund, Parks, Open Space and Trails Fund, Conservation Trust Fund, and the Utility Enterprise Fund, budget for capital projects. The General Capital Outlay Replacement Fund uses project length budgeting for capital outlay replacements of fleet vehicles and other equipment. Like capital project budgets, unspent appropriations are carried forward to the following year. See the disclosure on Construction and Other Significant Commitments, page 55, 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 budget summary schedule below:

Fund	1/1/08 Original Budget	Budget Revisions	12/31/08 Final Budget
General Fund	\$ 91,473,992	\$ 4,929,580	\$ 96,403,572
Special Revenue Funds:			
Sales and Use Tax	63,601,433	4,265,981	67,867,414
Open Space Sales and Use Tax	5,196,022	2,617,314	7,813,336
Conservation Trust	625,000	-	625,000
Sheridan Crossing General Improvement District	47,141	-	47,141
136th Ave General Improvement District	210,057	-	210,057
Amherst General Improvement District	61,842	-	61,842
Mandalay Town Center General Improvement District	73,151	-	73,151
Promenade Parking Garage General Improvement District	168	-	168
144th Ave General Improvement District	22,480	-	22,480
Westminster Economic Development Authority	10,775,075	1,733,829	12,508,904
Debt Service Funds:			
General Debt Service	8,300,354	-	8,300,354
Enterprise Funds:			
Utility	64,050,772	23,387,671	87,438,443
Golf Course	3,693,251	-	3,693,251
Westminster Housing Authority	885,160	8,000	893,160
Internal Service Fund:			
General Capital Outlay Replacement	1,120,878	1,103,646	2,224,524
Totals	<u>\$ 250,136,776</u>	<u>\$ 38,046,021</u>	<u>\$ 288,182,797</u>

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 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.

Enterprise Funds

Utility Enterprise 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 Enterprise Fund – accounts for all activities necessary to operate and maintain two championship golf courses and finance the related debt service.

Westminster Housing Authority Enterprise Fund - 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. Operations expanded in 2002 to provide for more low income housing programs.

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.

DRAFT

**CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	Special Revenue Funds			
	Parks Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID
ASSETS				
Cash and cash equivalents	\$ 145,061	\$ 68,889	\$ 16,661	\$ 6,954
Investments	1,263,295	599,938	145,100	60,564
Receivables:				
Taxes	547,178	99,551	62,780	20,697
Accounts	-	544	342	1,094
Grants	950,000	-	-	-
Interest	13,181	6,398	1,546	645
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Cash and cash equivalents with fiscal agent	319,852	-	-	-
Investments	-	-	-	-
Investments with fiscal agent	7,676,445	-	-	-
Total assets	<u>\$ 10,915,012</u>	<u>\$ 775,320</u>	<u>\$ 226,429</u>	<u>\$ 89,954</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other	\$ 36,663	\$ 169	\$ 1,413	\$ -
Accrued liabilities	3,962	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	950,000	99,551	62,780	20,697
Total liabilities	<u>990,625</u>	<u>99,720</u>	<u>64,193</u>	<u>20,697</u>
Fund balances:				
Reserved for:				
Emergencies	-	4,295	2,301	6,721
Debt service	-	-	-	35,854
Capital projects	9,216,065	-	-	-
Unreserved, reported in:				
Special revenue funds	708,322	671,305	159,935	26,682
Capital project funds	-	-	-	-
Total fund balances	<u>9,924,387</u>	<u>675,600</u>	<u>162,236</u>	<u>69,257</u>
Total liabilities and fund balances	<u>\$ 10,915,012</u>	<u>\$ 775,320</u>	<u>\$ 226,429</u>	<u>\$ 89,954</u>

Special Revenue Funds

Promenade Parking Garage GID	Mandalay Town Center GID	144th Avenue GID	Conservation Trust	Investigation Recovery	Total
\$ 44	\$ 1,633	\$ 1,524	\$ -	\$ 8,044	\$ 248,810
383	14,218	13,275	-	70,056	2,166,829
168	47,781	31,812	-	-	809,967
-	2,976	922	-	138	6,016
-	-	-	-	-	950,000
4	150	140	6,829	615	29,508
-	-	-	143,091	-	143,091
-	-	-	-	-	319,852
-	-	-	1,246,138	-	1,246,138
-	-	-	-	-	7,676,445
<u>\$ 599</u>	<u>\$ 66,758</u>	<u>\$ 47,673</u>	<u>\$ 1,396,058</u>	<u>\$ 78,853</u>	<u>\$ 13,596,656</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,245
-	-	-	-	-	3,962
-	-	-	-	-	-
168	47,781	31,812	-	-	1,212,789
168	47,781	31,812	-	-	1,254,996
5	2,651	1,137	-	-	17,110
426	-	14,724	-	-	51,004
-	-	-	-	-	9,216,065
-	16,326	-	1,396,058	78,853	3,057,481
-	-	-	-	-	-
431	18,977	15,861	1,396,058	78,853	12,341,660
<u>\$ 599</u>	<u>\$ 66,758</u>	<u>\$ 47,673</u>	<u>\$ 1,396,058</u>	<u>\$ 78,853</u>	<u>\$ 13,596,656</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

(Continued)

	<u>Debt Service</u>	<u>Capital Project</u>	Total
	Debt	Community	Other
	Service	Development	Governmental
	Grant	Funds	
ASSETS			
Cash and cash equivalents	\$ 34,558	\$ -	\$ 283,368
Investments	300,956	-	2,467,785
Receivables:			
Taxes	-	-	809,967
Accounts	-	721,427	727,443
Grants	-	-	950,000
Interest	3,264	-	32,772
Restricted assets:			
Cash and cash equivalents	-	-	143,091
Cash and cash equivalents with fiscal agent	-	-	319,852
Investments	-	-	1,246,138
Investments with fiscal agent	-	-	7,676,445
Total assets	<u>\$ 338,778</u>	<u>\$ 721,427</u>	<u>\$ 14,656,861</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other	\$ -	\$ 255,154	\$ 293,399
Accrued liabilities	-	4,098	8,060
Due to other funds	-	392,647	392,647
Deferred revenue	-	43,912	1,256,701
Total liabilities	<u>-</u>	<u>695,811</u>	<u>1,950,807</u>
Fund balances:			
Reserved for:			
Emergencies	-	-	17,110
Debt service	338,778	-	389,782
Capital projects	-	-	9,216,065
Unreserved, reported in:			
Special revenue funds	-	-	3,057,481
Capital project funds	-	25,616	25,616
Total fund balances	<u>338,778</u>	<u>25,616</u>	<u>12,706,054</u>
Total liabilities and fund balances	<u>\$ 338,778</u>	<u>\$ 721,427</u>	<u>\$ 14,656,861</u>

DRAFT

This Page Intentionally Blank

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue Funds			
	Parks Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID
REVENUES				
Property taxes	\$ -	\$ 99,740	\$ 62,947	\$ 27,050
Sales taxes	4,274,283	-	-	-
Use taxes	806,457	-	-	-
Intergovernmental	-	8,365	5,256	16,812
Assessments	-	-	-	-
Interest	570,298	35,048	8,487	6,292
Fines and forfeits	-	-	-	-
Other	95,995	-	-	-
Total revenues	<u>5,747,033</u>	<u>143,153</u>	<u>76,690</u>	<u>50,154</u>
EXPENDITURES				
Governmental activities:				
General government	-	23,548	33,363	10,405
Public safety	-	-	-	-
Community development	4,740,592	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>4,740,592</u>	<u>23,548</u>	<u>33,363</u>	<u>10,405</u>
Excess of revenues over (under) expenditures	<u>1,006,441</u>	<u>119,605</u>	<u>43,327</u>	<u>39,749</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	99,295	-	-	-
Transfers in	150,000	-	-	173,887
Transfers (out)	(5,176,687)	-	-	(195,000)
Total other financing sources (uses):	<u>(4,927,392)</u>	<u>-</u>	<u>-</u>	<u>(21,113)</u>
Net change in fund balance	(3,920,951)	119,605	43,327	18,636
Fund balances - beginning	13,845,338	555,995	118,909	50,621
Fund balances - ending	<u>\$ 9,924,387</u>	<u>\$ 675,600</u>	<u>\$ 162,236</u>	<u>\$ 69,257</u>

Special Revenue Funds

Promenade Parking Garage GID	Mandalay Town Center GID	144th Ave GID	Conservation Trust	Investigation Recovery	Total
\$ 168	\$ 47,052	\$ 22,804	\$ -	\$ -	\$ 259,761
-	-	-	-	-	4,274,283
-	-	-	-	-	806,457
-	39,760	14,180	812,296	-	896,669
-	-	-	-	-	-
5	1,542	918	59,563	16,771	698,924
-	-	-	-	16,863	16,863
-	-	-	-	-	95,995
<u>173</u>	<u>88,354</u>	<u>37,902</u>	<u>871,859</u>	<u>33,634</u>	<u>7,048,952</u>
167	10,706	20,342	-	-	98,531
-	-	-	-	2,764	2,764
-	-	-	-	-	4,740,592
-	-	-	-	-	-
-	-	-	-	-	-
<u>167</u>	<u>10,706</u>	<u>20,342</u>	<u>-</u>	<u>2,764</u>	<u>4,841,887</u>
6	77,648	17,560	871,859	30,870	2,207,065
-	-	-	-	-	99,295
-	-	-	-	-	323,887
-	(62,445)	(1,700)	(625,000)	-	(6,060,832)
-	(62,445)	(1,700)	(625,000)	-	(5,637,650)
6	15,203	15,860	246,859	30,870	(3,430,585)
425	3,774	1	1,149,199	47,983	15,772,245
<u>\$ 431</u>	<u>\$ 18,977</u>	<u>\$ 15,861</u>	<u>\$ 1,396,058</u>	<u>\$ 78,853</u>	<u>\$ 12,341,660</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Debt Service</u>	<u>Capital Project</u>	Total
	Debt	Community	Other
	Service	Development	Governmental
	<u>Service</u>	Block	Funds
	<u>Service</u>	Grant	<u>Funds</u>
REVENUES			
Property taxes	\$ -	\$ -	\$ 259,761
Sales taxes	-	-	4,274,283
Use taxes	-	-	806,457
Intergovernmental	-	1,070,751	1,967,420
Assessments	2,000	-	2,000
Interest	135,004	-	833,928
Fines and forfeits	-	-	16,863
Other	-	-	95,995
Total revenues	<u>137,004</u>	<u>1,070,751</u>	<u>8,256,707</u>
EXPENDITURES			
Governmental activities:			
General government	-	-	98,531
Public safety	-	-	2,764
Community development	-	1,113,083	5,853,675
Debt service:			
Principal	4,590,000	-	4,590,000
Interest and fiscal charges	3,414,367	-	3,414,367
Total expenditures	<u>8,004,367</u>	<u>1,113,083</u>	<u>13,959,337</u>
Excess of revenues over (under) expenditures	<u>(7,867,363)</u>	<u>(42,332)</u>	<u>(5,702,630)</u>
OTHER FINANCING SOURCES AND (USES)			
Sale of asset	-	-	99,295
Transfers in	8,025,238	-	8,349,125
Transfers (out)	-	-	(6,060,832)
Total other financing sources (uses):	<u>8,025,238</u>	<u>-</u>	<u>2,387,588</u>
Net change in fund balance	157,875	(42,332)	(3,315,042)
Fund balances - beginning	180,903	67,948	16,021,096
Fund balances - ending	<u>\$ 338,778</u>	<u>\$ 25,616</u>	<u>\$ 12,706,054</u>

DRAFT

This Page Intentionally Blank

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 4,074,500	\$ 4,074,500	\$ 4,274,283	\$ 199,783
Use taxes	822,690	822,690	806,457	(16,233)
Intergovernmental	-	950,000	-	(950,000)
Interest	60,000	459,002	570,298	111,296
Other	88,832	122,407	95,995	(26,412)
Total revenues	<u>5,046,022</u>	<u>6,428,599</u>	<u>5,747,033</u>	<u>(681,566)</u>
EXPENDITURES				
Governmental activities:				
Community development	1,103,801	2,636,649	4,740,592	(2,103,943)
Total expenditures	<u>1,103,801</u>	<u>2,636,649</u>	<u>4,740,592</u>	<u>(2,103,943)</u>
Excess of revenues over (under) expenditures	<u>3,942,221</u>	<u>3,791,950</u>	<u>1,006,441</u>	<u>(2,785,509)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	150,000	-	99,295	99,295
Transfers in	-	150,000	150,000	-
Transfers (out)	(4,092,221)	(5,176,687)	(5,176,687)	-
Total other financing sources (uses):	<u>(3,942,221)</u>	<u>(5,026,687)</u>	<u>(4,927,392)</u>	<u>99,295</u>
Net change in fund balance	-	(1,234,737)	(3,920,951)	(2,686,214)
Fund balances, beginning	-	1,234,737	13,845,338	12,610,601
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,924,387</u>	<u>\$ 9,924,387</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.

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 99,954	\$ 99,954	\$ 99,740	\$ (214)
Intergovernmental	9,060	9,060	8,365	(695)
Interest	14,701	14,701	35,048	20,347
Total revenues	<u>123,715</u>	<u>123,715</u>	<u>143,153</u>	<u>19,438</u>
EXPENDITURES				
Governmental activities:				
General government	47,141	47,141	23,548	23,593
Total expenditures	<u>47,141</u>	<u>47,141</u>	<u>23,548</u>	<u>23,593</u>
Net change in fund balance	76,574	76,574	119,605	43,031
Fund balances, beginning	(76,574)	(76,574)	555,995	632,569
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,600</u>	<u>\$ 675,600</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 AMHERST GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 62,795	\$ 62,795	\$ 62,947	\$ 152
Intergovernmental	5,880	5,880	5,256	(624)
Interest	3,072	3,072	8,487	5,415
Total revenues	<u>71,747</u>	<u>71,747</u>	<u>76,690</u>	<u>4,943</u>
EXPENDITURES				
Governmental activities:				
General government	<u>61,842</u>	<u>61,842</u>	<u>33,363</u>	<u>28,479</u>
Total expenditures	<u>61,842</u>	<u>61,842</u>	<u>33,363</u>	<u>28,479</u>
Net change in fund balance	9,905	9,905	43,327	33,422
Fund balances, beginning	(9,905)	(9,905)	118,909	128,814
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,236</u>	<u>\$ 162,236</u>

DRAFT

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
136TH AVENUE GENERAL IMPROVEMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 202,057	\$ 28,170	\$ 27,050	\$ (1,120)
Intergovernmental	5,400	5,400	16,812	11,412
Interest	2,600	2,600	6,292	3,692
Total revenues	<u>210,057</u>	<u>36,170</u>	<u>50,154</u>	<u>13,984</u>
EXPENDITURES				
Governmental activities:				
General government	15,057	15,057	10,405	4,652
Total expenditures	<u>15,057</u>	<u>15,057</u>	<u>10,405</u>	<u>4,652</u>
Excess of revenues over (under) expenditures	<u>195,000</u>	<u>21,113</u>	<u>39,749</u>	<u>18,636</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	173,887	173,887	-
Transfers (out)	(195,000)	(195,000)	(195,000)	-
Total other financing sources (uses):	<u>(195,000)</u>	<u>(21,113)</u>	<u>(21,113)</u>	<u>-</u>
Net change in fund balance	-	-	18,636	18,636
Fund balances, beginning	-	-	50,621	50,621
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,257</u>	<u>\$ 69,257</u>

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 PROMENADE PARKING GARAGE GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 168	\$ 168	\$ 168	\$ -
Interest	-	-	5	5
Total revenues	<u>168</u>	<u>168</u>	<u>173</u>	<u>5</u>
EXPENDITURES				
Governmental activities:				
General government	168	168	167	(1)
Total expenditures	<u>168</u>	<u>168</u>	<u>167</u>	<u>(1)</u>
Net change in fund balance	-	-	6	6
Fund balances, beginning	-	-	425	425
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431</u>	<u>\$ 431</u>

DRAFT

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 47,051	\$ 47,051	\$ 47,052	\$ 1
Intergovernmental	25,000	25,000	39,760	14,760
Interest	1,100	1,100	1,542	442
Total revenues	<u>73,151</u>	<u>73,151</u>	<u>88,354</u>	<u>15,203</u>
EXPENDITURES				
Governmental activities:				
General government	10,706	10,706	10,706	-
Total expenditures	<u>10,706</u>	<u>10,706</u>	<u>10,706</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>62,445</u>	<u>62,445</u>	<u>77,648</u>	<u>15,203</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(62,445)	(62,445)	(62,445)	-
Total other financing sources (uses):	<u>(62,445)</u>	<u>(62,445)</u>	<u>(62,445)</u>	<u>-</u>
Net change in fund balance	-	-	15,203	15,203
Fund balances, beginning	-	-	3,774	3,774
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,977</u>	<u>\$ 18,977</u>

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 144TH AVENUE GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 22,898	\$ 22,898	\$ 22,804	\$ (94)
Intergovernmental	-	-	14,180	14,180
Interest	282	282	918	636
Total revenues	<u>23,180</u>	<u>23,180</u>	<u>37,902</u>	<u>14,722</u>
Governmental activities:				
General government	20,780	20,780	20,342	438
Total expenditures	<u>20,780</u>	<u>20,780</u>	<u>20,342</u>	<u>438</u>
Excess of revenues over (under) expenditures	<u>2,400</u>	<u>2,400</u>	<u>17,560</u>	<u>15,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,700)	(1,700)	(1,700)	-
Total other financing sources (uses):	<u>(1,700)</u>	<u>(1,700)</u>	<u>(1,700)</u>	<u>-</u>
Net change in fund balance	700	700	15,860	15,160
Fund balances, beginning	(700)	(700)	1	701
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,861</u>	<u>\$ 15,861</u>

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 625,000	\$ 625,000	\$ 812,296	\$ 187,296
Interest	-	-	59,563	59,563
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>871,859</u>	<u>246,859</u>
EXPENDITURES				
Capital projects	-	219,165	-	219,165
Total Expenditures	<u>-</u>	<u>219,165</u>	<u>-</u>	<u>219,165</u>
Excess of revenues over (under) expenditures	<u>625,000</u>	<u>405,835</u>	<u>871,859</u>	<u>466,024</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(625,000)	(625,000)	(625,000)	-
Total other financing sources (uses):	<u>(625,000)</u>	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>
Net change in fund balance	-	(219,165)	246,859	466,024
Fund balances, beginning	-	219,165	1,149,199	930,034
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,396,058</u>	<u>\$ 1,396,058</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Assessments	\$ -	\$ -	\$ 2,000	\$ 2,000
Interest	75,000	75,000	135,004	60,004
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>137,004</u>	<u>62,004</u>
EXPENDITURES				
Debt service:				
Principal	4,810,000	4,590,000	4,590,000	-
Interest and fiscal charges	3,490,354	3,710,354	3,414,367	295,987
Total expenditures	<u>8,300,354</u>	<u>8,300,354</u>	<u>8,004,367</u>	<u>295,987</u>
Excess of revenues over (under) expenditures	<u>(8,225,354)</u>	<u>(8,225,354)</u>	<u>(7,867,363)</u>	<u>357,991</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,446,071	8,446,071	8,025,238	(420,833)
Total other financing sources (uses):	<u>8,446,071</u>	<u>8,446,071</u>	<u>8,025,238</u>	<u>(420,833)</u>
Net change in fund balance	220,717	220,717	157,875	(62,842)
Fund balances, beginning	(220,717)	(220,717)	180,903	401,620
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,778</u>	<u>\$ 338,778</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Operating revenues				
Charges for services	\$ 39,501,877	\$ 39,501,877	\$ 40,954,349	\$ 1,452,472
Other	380,000	392,574	401,613	9,039
Total Revenues	<u>39,881,877</u>	<u>39,894,451</u>	<u>41,355,962</u>	<u>1,461,511</u>
Operating expenses				
Personnel services	14,401,973	14,451,343	14,175,427	275,916
Contractual services	12,226,477	12,129,285	11,254,070	875,215
Commodities	1,979,330	2,022,465	1,854,138	168,327
Capital outlay	51,944,502	56,847,639	26,801,145	30,046,494
Insurance and other expenses	-	-	16,670	(16,670)
Total operating expenses	<u>80,552,282</u>	<u>85,450,732</u>	<u>54,101,450</u>	<u>31,349,282</u>
Operating income (loss)	<u>(40,670,405)</u>	<u>(45,556,281)</u>	<u>(12,745,488)</u>	<u>32,810,793</u>
Non-operating revenues (expenses)				
Income on investments	3,350,000	3,350,000	4,052,284	702,284
Debt service	(6,308,662)	(12,133,662)	(12,268,246)	(134,584)
Grants	-	50,000	28,035	(21,965)
Disposition of assets	-	1,157,901	1,182,333	24,432
Other	-	-	(394,259)	(394,259)
Total Non-operating revenues (expenses)	<u>(2,958,662)</u>	<u>(7,575,761)</u>	<u>(7,399,853)</u>	<u>175,908</u>
Income (loss) before contributions and transfers	<u>(43,629,067)</u>	<u>(53,132,042)</u>	<u>(20,145,341)</u>	<u>(32,986,701)</u>
Capital contributions	9,925,000	9,925,000	9,517,822	(407,178)
Transfers in	6,421,076	15,985,069	19,085,297	3,100,228
Transfers (out)	(6,421,076)	(19,085,297)	(19,085,297)	-
Change in net assets	<u>\$ (33,704,067)</u>	<u>\$ (46,307,270)</u>	<u>(10,627,519)</u>	<u>\$ (30,293,651)</u>
Adjustments to GAAP basis				
Debt				
Principal payments			9,913,353	
Amortization of prepaid bond sale expense			394,259	
Amortization of premiums and discounts			(90,216)	
Accrued interest adjustment			(9,248)	
Capital Assets				
Acquisitions			21,582,307	
Net book value of disposals			(287,183)	
Capital contributions			2,988,667	
Depreciation			(10,595,905)	
Change in net assets, GAAP basis			<u>\$ 13,268,515</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.

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 3,226,101	\$ 3,226,101	\$ 3,137,419	\$ (88,682)
Other	-	-	285	285
Total operating revenues	<u>3,226,101</u>	<u>3,226,101</u>	<u>3,137,704</u>	<u>(88,397)</u>
Operating Expenses				
Personnel services	1,640,377	1,610,477	1,574,576	35,901
Contractual services	1,037,431	998,106	887,872	110,234
Commodities	515,128	574,328	550,941	23,387
Capital outlay	-	10,025	15,130	(5,105)
Total operating expenses	<u>3,192,936</u>	<u>3,192,936</u>	<u>3,028,519</u>	<u>164,417</u>
Operating income (loss)	<u>33,165</u>	<u>33,165</u>	<u>109,185</u>	<u>76,020</u>
Non-operating revenues (expenses)				
Income on investments	-	-	(96,327)	(96,327)
Debt service	(500,315)	(500,315)	(500,315)	-
Total non-operating revenues (expenses)	<u>(500,315)</u>	<u>(500,315)</u>	<u>(596,642)</u>	<u>(96,327)</u>
Income (loss) before transfers	(467,150)	(467,150)	(487,457)	(20,307)
Transfers in	467,150	467,150	507,121	39,971
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>19,664</u>	<u>\$ 19,664</u>
Adjustments to GAAP basis				
Debt				
Principal payments			387,361	
Amortization of premiums and discounts			(4,418)	
Accrued interest adjustment			2,475	
Capital assets				
Acquisitions			5,848	
Net book value of disposals			(440,000)	
Depreciation			(551,158)	
Change in net assets, GAAP basis			<u>\$ (580,228)</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 887,160	\$ 887,160	\$ 901,313	\$ 14,153
Total operating revenues	<u>887,160</u>	<u>887,160</u>	<u>901,313</u>	<u>14,153</u>
Operating expenses				
Personnel services	179,628	179,628	146,810	32,818
Contractual services	255,756	263,756	267,398	(3,642)
Commodities	131,080	131,080	180,944	(49,864)
Insurance and other expenses	33,096	33,096	35,731	(2,635)
Total operating expenses	<u>599,560</u>	<u>607,560</u>	<u>630,883</u>	<u>(23,323)</u>
Operating income (loss)	<u>287,600</u>	<u>279,600</u>	<u>270,430</u>	<u>(9,170)</u>
Non-operating revenues (expenses)				
Income on investments	5,412	13,412	22,215	8,803
Debt service	(284,694)	(284,694)	(296,668)	(11,974)
Other	(906)	(906)	(906)	-
Total non-operating revenues (expenses)	<u>(280,188)</u>	<u>(272,188)</u>	<u>(275,359)</u>	<u>(3,171)</u>
Change in net assets	<u>\$ 7,412</u>	<u>\$ 7,412</u>	<u>(4,929)</u>	<u>\$ 43,696</u>
Adjustments to GAAP basis				
Debt				
Principal payments			138,953	
Accrued interest adjustment			12,889	
Capital assets				
Capital contributions			56,037	
Depreciation			(193,107)	
Change in net assets, GAAP basis			<u>\$ 9,843</u>	

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2008

	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	\$ 458,449	\$ 331,777	\$ 298,885	\$ 390,766	\$ 1,479,877
Investments	3,992,514	2,889,362	2,602,915	3,403,079	12,887,870
Receivables:					
Accounts	-	17,910	-	-	17,910
Interest	44,073	30,824	27,842	34,346	137,085
Prepaid items	-	2,700	-	-	2,700
Total current assets	<u>4,495,036</u>	<u>3,272,573</u>	<u>2,929,642</u>	<u>3,828,191</u>	<u>14,525,442</u>
Non-current assets:					
Capital assets:					
Depreciable assets, net	-	-	-	5,602,316	5,602,316
Total assets	<u>\$ 4,495,036</u>	<u>\$ 3,272,573</u>	<u>\$ 2,929,642</u>	<u>\$ 9,430,507</u>	<u>\$ 20,127,758</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	\$ 223,936	\$ 19,507	\$ 133,544	\$ 42,611	\$ 419,598
Accrued liabilities	4,995	-	3,781	-	8,776
Lease payable, current portion	-	-	-	306,667	306,667
Accrued interest	-	-	-	10,615	10,615
Estimated claims	458,000	671,823	284,239	-	1,414,062
Total current liabilities	<u>686,931</u>	<u>691,330</u>	<u>421,564</u>	<u>359,893</u>	<u>2,159,718</u>
Non-current liabilities:					
Leases payable	-	-	-	1,153,156	1,153,156
Other liabilities	16,765	-	2,641	-	19,406
Total non-current liabilities	<u>16,765</u>	<u>-</u>	<u>2,641</u>	<u>1,153,156</u>	<u>1,172,562</u>
Total liabilities	<u>703,696</u>	<u>691,330</u>	<u>424,205</u>	<u>1,513,049</u>	<u>3,332,280</u>
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	4,142,493	4,142,493
Unrestricted	3,791,340	2,581,243	2,505,437	3,774,965	12,652,985
Total net assets	<u>\$ 3,791,340</u>	<u>\$ 2,581,243</u>	<u>\$ 2,505,437</u>	<u>\$ 7,917,458</u>	<u>\$ 16,795,478</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, 2008

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Operating revenues					
Charges for services	\$ 9,158,858	\$ 1,127,547	\$ 1,329,542	\$ 1,396,795	\$ 13,012,742
Total operating revenues	<u>9,158,858</u>	<u>1,127,547</u>	<u>1,329,542</u>	<u>1,396,795</u>	<u>13,012,742</u>
Operating expenses					
Personnel services	88,886	3,827	134,649	-	227,362
Contractual services	1,074,787	157,884	512,006	-	1,744,677
Commodities	-	3,770	743	-	4,513
Capital Outlay	-	-	-	226,803	226,803
Insurance and other expenses	8,667,318	903,038	666,843	-	10,237,199
Depreciation	-	-	-	1,012,405	1,012,405
Total operating expenses	<u>9,830,991</u>	<u>1,068,519</u>	<u>1,314,241</u>	<u>1,239,208</u>	<u>13,452,959</u>
Operating income (loss)	<u>(672,133)</u>	<u>59,028</u>	<u>15,301</u>	<u>157,587</u>	<u>(440,217)</u>
Non-operating revenues (expenses)					
Income on investments	227,840	167,214	150,325	206,309	751,688
Interest expense	-	-	-	(49,858)	(49,858)
Gain (loss) on disposition of capital assets	-	-	-	31,123	31,123
Total non-operating revenues (expenses)	<u>227,840</u>	<u>167,214</u>	<u>150,325</u>	<u>187,574</u>	<u>732,953</u>
Income (loss) before contributions and transfers	<u>(444,293)</u>	<u>226,242</u>	<u>165,626</u>	<u>345,161</u>	<u>292,736</u>
Capital contributions	-	-	-	289,370	289,370
Change in net assets	<u>(444,293)</u>	<u>226,242</u>	<u>165,626</u>	<u>634,531</u>	<u>582,106</u>
Net assets - beginning	4,235,633	2,355,001	2,339,811	7,282,927	16,213,372
Net assets - ending	<u>\$ 3,791,340</u>	<u>\$ 2,581,243</u>	<u>\$ 2,505,437</u>	<u>\$ 7,917,458</u>	<u>\$ 16,795,478</u>

**CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Activities				Total
	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Cash flows from operating activities:					
Cash received from customers	\$ 9,158,858	\$ 1,111,710	\$ 1,338,480	\$ 1,396,795	\$ 13,005,843
Cash payments to employees for services	(84,085)	-	(131,525)	-	(215,610)
Cash payments to suppliers for goods and services	(9,609,235)	(759,290)	(1,269,640)	(184,192)	(11,822,357)
Net cash provided by (used in) operating activities	<u>(534,462)</u>	<u>352,420</u>	<u>(62,685)</u>	<u>1,212,603</u>	<u>967,876</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(230,954)	(230,954)
Interest paid on long term debt	-	-	-	(46,783)	(46,783)
Acquisition and construction of capital assets	-	-	-	(2,319,898)	(2,319,898)
Proceeds from sale of capital assets	-	-	-	31,123	31,123
Contributions	-	-	-	289,370	289,370
Proceeds from lease	-	-	-	819,925	819,925
Net cash (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,457,217)</u>	<u>(1,457,217)</u>
Cash flow from investing activities:					
(Purchase) sale of investments	501,270	(332,238)	56,850	215,481	441,363
Interest received on investments	230,098	162,768	149,919	209,295	752,080
Net cash provided by (used in) investing activities	<u>731,368</u>	<u>(169,470)</u>	<u>206,769</u>	<u>424,776</u>	<u>1,193,443</u>
Net increase (decrease) in cash and cash equivalents	196,906	182,950	144,084	180,162	704,102
Cash and cash equivalents - beginning of year	<u>261,543</u>	<u>148,827</u>	<u>154,801</u>	<u>210,604</u>	<u>775,775</u>
Cash and cash equivalents - end of year	<u>\$ 458,449</u>	<u>\$ 331,777</u>	<u>\$ 298,885</u>	<u>\$ 390,766</u>	<u>\$ 1,479,877</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (672,133)	\$ 59,028	\$ 15,301	\$ 157,587	\$ (440,217)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	1,012,405	1,012,405
(Increase) decrease in accounts receivable	-	(15,838)	8,937	-	(6,901)
(Increase) decrease in prepaid items	-	(2,700)	-	-	(2,700)
Increase (decrease) in accounts payable and other	42,416	(2,493)	38,349	42,611	120,883
Increase (decrease) in accrued liabilities	4,255	-	1,137	-	5,392
Increase (decrease) in estimated claims	91,000	314,423	(126,409)	-	279,014
Total adjustments	<u>137,671</u>	<u>293,392</u>	<u>(77,986)</u>	<u>1,055,016</u>	<u>1,408,093</u>
Net cash provided by (used in) operating activities	<u>\$ (534,462)</u>	<u>\$ 352,420</u>	<u>\$ (62,685)</u>	<u>\$ 1,212,603</u>	<u>\$ 967,876</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 \$378,548
- Capital assets contributed from governmental activities to the General Capital Outlay Replacement Internal Service Fund totaled \$89,370
- A lease payable in the amount of \$19,990 was entered into for the purchase of an asset; payments will commence in 2009

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL OUTLAY REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Operating revenues				
Charges for services	\$ 1,120,878	\$ 1,120,878	\$ 1,396,795	\$ 275,917
Total operating revenues	<u>1,120,878</u>	<u>1,120,878</u>	<u>1,396,795</u>	<u>275,917</u>
Operating expenses				
Capital outlay	4,667,562	5,771,198	2,566,691	3,204,507
Total operating expenses	<u>4,667,562</u>	<u>5,771,198</u>	<u>2,566,691</u>	<u>3,204,507</u>
Operating income (loss)	<u>(3,546,684)</u>	<u>(4,650,320)</u>	<u>(1,169,896)</u>	<u>3,480,424</u>
Non-operating revenues (expenses)				
Income on investments	-	11,010	206,309	195,299
Debt service	-	-	(283,887)	(283,887)
Disposition of assets	-	-	100,508	100,508
Issuance of leases	-	819,925	839,915	19,990
Total Non-operating revenues (expenses)	<u>-</u>	<u>830,935</u>	<u>862,845</u>	<u>31,910</u>
Change in net assets	<u>\$ (3,546,684)</u>	<u>\$ (3,819,385)</u>	<u>(307,051)</u>	<u>\$ 3,512,334</u>
Adjustments to GAAP basis				
Debt				
Principal payments			230,954	
Issuance of leases			(839,915)	
Accrued interest adjustment			3,075	
Capital assets				
Acquisitions			2,339,888	
Net book value of disposals			(69,385)	
Capital contributions			289,370	
Depreciation			(1,012,405)	
Change in net assets, GAAP basis			<u>\$ 634,531</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.

This Page Intentionally Blank

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

This Page Intentionally Blank

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

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Governmental activities							
Invested in capital assets, net of related debt	\$160,998,545	\$177,034,028	\$174,180,185	\$198,949,426	\$182,883,693	\$188,252,570	\$194,284,140
Restricted	29,960,568	30,387,925	45,756,100	3,978,822	3,275,792	4,427,178	4,588,769
Unrestricted	72,982,193	62,116,184	32,614,076	53,798,749	60,247,261	65,813,768	63,022,215
Total governmental activities net assets	\$263,941,306	\$269,538,137	\$252,550,361	\$256,726,997	\$246,406,746	\$258,493,516	\$261,895,124
Business-type activities							
Invested in capital assets, net of related debt	\$343,624,080	\$321,320,685	\$296,968,005	\$288,116,734	\$280,402,901	\$276,220,697	\$265,141,364
Restricted	3,424,753	3,406,636	3,384,483	3,371,769	3,939,139	690,739	854,757
Unrestricted	73,168,590	83,341,972	96,573,378	81,944,889	74,959,025	74,913,867	79,999,022
Total business-type activities net assets	\$420,217,423	\$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	\$504,622,625	\$498,354,713	\$471,148,190	\$487,066,160	\$463,286,594	\$464,473,267	\$459,425,504
Restricted	33,385,321	33,794,561	49,140,583	7,350,591	7,214,931	5,117,917	5,443,526
Unrestricted	146,150,783	145,458,156	129,187,454	135,743,638	135,206,286	140,727,635	143,021,237
Total primary government net assets	\$684,158,729	\$677,607,430	\$649,476,227	\$630,160,389	\$605,707,811	\$610,318,819	\$607,890,267

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

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

- 2006: \$401,667 decrease GCORF depreciation expense, \$1,098,603 Utility Fund increase construction expense, \$1,132,332 Governmental Activities decrease depreciation expense, \$8,889,537 increase construction expense, \$692,455 decrease loss on disposal of assets
- 2005: \$535,927 Government Activities accreted interest subtracted from capital lease payable
- 2004: \$839,626 WEDA decrease interest expense, \$839,626 General Fund increase interest expense, \$1,894,844 Governmental Activities accreted interest added to capital lease payable
- 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 seven fiscal years

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Expenses							
Governmental activities:							
General government	\$37,827,492	\$30,083,440	\$26,755,382	\$28,375,433	\$27,373,824	\$23,149,819	\$16,535,561
Public safety	31,797,184	30,077,636	29,526,569	28,211,005	25,188,099	21,748,704	20,257,253
Public works	13,748,911	14,501,794	14,385,925	7,793,659	6,669,236	6,259,809	6,434,332
Community development	17,656,461	14,059,071	24,290,269	14,849,423	20,668,261	3,492,112	3,853,280
Culture and recreation	17,307,668	17,829,533	11,481,246	13,498,043	13,487,779	12,773,283	13,462,288
Capital projects	0	0	0	0	7,761,325	2,556,076	9,017,184
Interest and fiscal charges	7,845,618	7,394,096	9,052,813	2,964,876	4,721,589	3,621,023	4,149,821
Unallocated depreciation	488,012	1,095,078	1,099,897	11,354,543	11,885,480	10,327,198	9,502,822
Total governmental activities expenses	126,671,346	115,040,648	116,592,101	107,046,982	117,755,593	83,928,024	83,212,541
Business-type activities:							
Utility	45,569,405	40,329,042	37,840,442	30,937,189	31,668,693	30,161,907	29,375,900
Golf	4,128,726	3,410,562	3,301,699	3,171,327	3,534,028	3,170,192	3,181,173
Westminster Building Authority	0	0	0	68,559	120,821	149,035	82,313
Westminster Housing Authority	969,722	995,606	947,135	1,325,012	996,062	818,719	791,391
Total business-type activities expenses	50,667,853	44,735,210	42,089,276	35,502,087	36,319,604	34,299,853	33,430,777
Total primary government expenses	\$177,339,199	\$159,775,858	\$158,681,377	\$142,549,069	\$154,075,197	\$118,227,877	\$116,643,318
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$5,666,074	\$7,432,044	\$5,319,186	\$5,591,578	\$6,297,375	\$2,821,007	\$1,881,594
Public safety	4,096,692	4,053,890	4,498,935	4,195,334	3,692,640	3,223,216	3,381,639
Public works	1,527,937	0	0	0	0	159,478	148,593
Community development	246,084	77,884	117,934	178,163	228,753	295,462	203,494
Culture and recreation	6,908,730	5,753,903	6,297,123	5,913,673	5,649,992	5,873,713	5,951,419
Operating grants and contributions	5,486,482	5,748,908	5,329,834	4,165,796	4,716,909	5,210,404	4,847,307
Capital grants and contributions	8,736,384	14,261,659	10,067,149	10,400,100	9,012,841	7,334,926	9,160,429
Total governmental activities revenues	32,668,383	37,328,288	31,630,161	30,444,644	29,598,510	24,918,206	25,574,475

Business-type activities:									
Charges for services:									
Utility	41,355,962	37,009,477	37,639,880	34,574,051	29,890,164	31,528,197	33,425,886		
Golf	3,137,704	3,197,655	2,993,881	2,932,389	2,825,291	2,925,457	3,172,925		
Westminster Building Authority	0	0	0	15,655	17,020	17,847	464,451		
Westminster Housing Authority	901,313	902,899	887,721	878,870	835,157	794,098	780,092		
Operating grants and contributions	0	0	0	0	0	0	0		
Capital grants and contributions	12,590,561	7,809,021	15,704,276	14,934,514	11,002,884	9,305,522	15,459,049		
Total business-type activities revenues	57,985,540	48,919,052	57,225,758	53,335,479	44,570,516	44,571,121	53,302,403		
Total primary government revenues	\$90,653,923	\$86,247,340	\$88,855,919	\$83,780,123	\$74,169,026	\$69,489,327	\$78,876,878		

Net (expense)/revenue									
Governmental activities	(\$94,002,963)	(\$77,712,360)	(\$84,961,940)	(\$76,602,338)	(\$88,157,083)	(\$59,009,818)	(\$57,638,066)		
Business-type activities	7,317,687	4,183,842	15,136,482	17,833,392	8,250,912	10,271,268	19,871,626		
Total primary government net expense	(\$86,685,276)	(\$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	\$9,020,419	\$6,348,656	\$5,272,024	\$4,600,304	\$4,331,501	\$4,185,561	\$3,957,730		
Sales taxes	65,369,753	60,290,173	56,725,466	54,419,354	52,568,207	42,803,354	42,351,380		
Use taxes	12,436,326	13,610,159	12,634,095	11,683,748	11,422,307	10,454,839	10,409,135		
Business fees and other taxes	5,137,132	4,556,637	4,300,682	4,185,604	3,950,630	3,828,966	3,362,214		
Accommodations taxes	2,627,011	1,425,434	1,239,740	1,078,023	945,908	914,662	984,772		
Intergovernmental not restricted to a specific purpose	1,079,951	1,052,427	1,060,315	818,642	1,086,271	1,071,316	2,932,758		
Interest	6,043,261	6,496,200	5,760,231	3,087,962	1,043,447	1,242,606	1,984,889		
Other	1,420,276	1,980,122	2,152,680	991,884	434,985	(11,042,785)	883,813		
Gain on Sale of Assets	604,571	0	0	0	0	0	0		
Special Item	(14,825,447)	0	0	0	0	0	0		
Transfers	(507,121)	(1,059,672)	(1,035,000)	5,521,091	2,181,901	6,039,079	421,459		
Total governmental activities	88,406,132	94,700,136	88,110,233	86,386,612	77,965,157	59,497,598	67,288,150		
Business-type activities:									
Interest	3,978,172	5,899,913	4,325,952	1,802,480	822,480	1,597,971	2,278,365		
Other	0	0	0	17,546	584,271	0	0		
Gain on Sale of Assets	895,150	0	4,093,643	0	0	0	0		
Transfers	507,121	1,059,672	1,035,000	(5,521,091)	(2,181,901)	(6,039,079)	(421,459)		
Total business-type activities	5,380,443	6,959,585	9,454,595	(3,701,065)	(775,150)	(4,441,108)	1,856,906		
Total primary government	\$93,786,575	\$101,659,721	\$97,564,828	\$82,685,547	\$77,190,007	\$55,056,490	\$69,145,056		

Change in net assets									
Governmental activities	(\$5,596,831)	\$16,987,776	\$3,148,293	\$9,784,274	(\$10,191,926)	\$487,780	\$9,650,084		
Business-type activities	12,698,130	11,143,427	24,591,077	14,132,327	7,475,762	5,830,160	21,728,532		
Total primary government	\$7,101,299	\$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.

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

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
General fund							
Reserved	\$5,299,062	\$5,203,223	\$6,539,253	\$7,623,125	\$7,387,538	\$5,277,981	\$4,544,041
Unreserved	12,045,241	9,859,229	11,015,978	10,172,500	11,058,947	10,154,348	8,928,901
Total general fund	\$17,344,303	\$15,062,452	\$17,555,231	\$17,795,625	\$18,446,485	\$15,432,329	\$13,472,942
All other governmental funds							
Reserved	\$48,584,107	\$55,624,752	\$41,493,854	\$51,749,047	\$13,894,852	\$32,396,047	\$16,042,228
Unreserved, reported in:							
Special revenue funds	11,099,711	12,304,218	7,472,186	14,949,783	3,161,386	4,821,194	5,388,104
Capital project funds	46,830,431	41,475,007	33,713,081	47,985,815	40,797,055	42,654,999	47,822,846
Total all other governmental funds	\$106,514,249	\$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 seven fiscal years**

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Revenues							
Taxes and business fees	\$94,590,641	\$86,231,059	\$80,172,007	\$76,079,765	\$73,218,549	\$61,979,807	\$60,886,283
Intergovernmental	14,316,028	12,626,793	14,815,789	9,821,702	9,891,407	10,262,233	12,453,039
Assessments	42,886	149,199	160,425	932,647	629,422	807,875	930,306
Licenses and permits	2,133,832	2,654,027	2,616,662	2,101,468	2,321,833	2,293,599	1,971,068
Interest	6,102,824	6,554,612	5,781,155	3,119,849	1,043,728	1,248,030	1,976,892
Contributions	771,595	4,349,528	1,460,160	4,850,163	3,128,934	1,320,656	2,596,908
Recreation fees	6,379,855	5,735,111	5,867,809	5,311,991	5,072,051	5,352,397	5,360,607
Fines and forfeits	1,977,465	2,164,544	2,512,044	2,222,848	1,991,265	1,634,836	1,727,538
Fleet maintenance billings and other	6,886,037	5,058,804	3,699,601	3,425,398	2,988,540	2,330,473	2,185,566
EMS billings	2,026,555	2,020,583	1,937,237	1,814,699	1,492,350	1,435,730	1,357,273
Miscellaneous and other	973,939	80,040	10,737	376,850	254,296	382,841	909,050
Total revenues	136,201,657	127,624,300	119,033,626	110,057,380	102,032,375	89,048,477	92,354,530
Expenditures							
Current:							
General government	38,981,777	32,017,213	29,101,545	29,270,288	29,781,843	23,558,895	20,005,285
Public safety	30,411,901	28,794,062	28,183,148	27,315,730	24,067,713	20,913,186	21,176,733
Public works	6,753,727	7,238,076	7,071,716	6,506,687	6,635,754	6,208,225	6,418,668
Community development	9,807,146	6,634,975	15,393,627	6,608,216	8,168,892	6,157,124	7,479,348
Culture and recreation	14,009,673	13,456,076	12,868,421	12,407,022	11,683,528	11,417,127	11,843,837
Capital projects	26,018,509	29,413,964	49,866,552	45,506,648	51,364,097	42,732,128	33,809,251
Debt service:							
Principal	4,920,000	5,480,000	5,240,000	14,411,670	4,910,000	4,960,000	5,840,000
Interest and fiscal charges	7,519,672	8,836,684	8,706,148	7,570,896	4,309,524	3,893,883	4,010,977
Total expenditures	138,422,405	131,871,050	156,431,157	149,597,157	140,921,351	119,840,568	110,584,099
Excess of revenues over (under) expenditures	(\$2,220,748)	(\$4,246,750)	(\$37,397,531)	(\$39,539,777)	(\$38,888,976)	(\$30,792,091)	(\$18,229,569)
Other financing Sources (Uses)							
Issuance of bonds	0	29,485,488	0	68,300,000	9,000,000	38,525,000	15,513,231
Issuance of notes	0	0	0	0	0	260,000	0
Issuance of leases	32,792	40,626	5,045,733	20,651,235	488,414	250,523	354,785
Sale of capital asset	1,071,525	702,109	1,140,880	5,484,526	8,213,870	1,739,299	0
Transfers in	76,059,284	72,740,073	71,995,567	85,070,154	67,737,574	59,112,666	60,553,119
Transfers (out)	(76,566,405)	(74,489,469)	(73,030,567)	(83,785,646)	(65,555,673)	(53,073,587)	(61,118,141)
Total other financing sources (uses)	597,196	28,478,827	5,151,613	95,720,269	19,884,185	46,813,901	15,302,994
Special item: Write-off of note receivable						(3,443,361)	
Net change in fund balances	(1,623,552)	24,232,077	(32,245,918)	56,180,492	(19,004,791)	12,578,449	(2,926,575)
Debt Service as a percentage of noncapital expenditures	11.1%	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
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	56,966,362	11,927,367	5,006,603	3.85%
2008	60,528,509	12,196,830	5,080,740	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		Open Space		Total Direct Tax Rate	Adams County		RTD/CD/FD Sales Tax
		Sales and Use Tax ¹	Sales and Use Tax ²	Sales and Use Tax ²	Sales Tax		Sales Tax		
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%	
2008	3.00%	0.60%	0.25%	0.25%	3.85%	0.75%	0.50%	1.20%	

Source: City Sales Tax Division

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

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

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

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

Category	Fiscal Year 2008			Fiscal Year 1999		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Department and Discount Stores	\$19,969,042	1	26.7%	\$10,995,787	1	20.4%
Utility	8,619,013	2	11.5%	4,788,148	4	8.9%
Restaurants	8,155,959	3	10.9%	4,154,248	5	7.7%
Automobile Use	5,321,156	4	7.1%	5,250,146	2	9.7%
Grocery Stores	4,499,936	5	6.0%	5,120,317	3	9.5%
Home Improvement/Hardware Stores	2,973,549	6	4.0%	948,441	7	1.8%
Building Use	2,461,834	7	3.3%	1,820,638	6	3.4%

Source: City Sales Tax Division

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

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

Fiscal Year	Governmental Activities					Business-Type Activities					Percentage of Personal Income ¹	
	General Obligation Bonds	Revenue Bonds	Tax Incremental Bonds	Special Assessment Bonds	Capital Leases	Notes	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes	Total Primary Government	Per Capita ¹
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	\$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	1,943
2001	390,000	68,905,000	6,460,000	995,000	70,932,000	1,096,000		27,907,000	2,771,000	32,350,000	211,806,000	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	2,145
2003		73,895,000	44,955,000	715,000	68,555,883	260,000		31,575,000	2,532,048	30,494,150	252,982,081	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	2,386
2005		64,730,000	112,970,000		85,369,906			27,850,000	1,939,127	42,281,591	335,140,624	3,093
2006		59,775,000	112,685,000		86,810,539			25,900,000	2,250,782	40,327,316	327,748,637	2,988
2007		74,330,000	120,485,000		83,852,128			23,880,000	2,507,662	38,068,147	343,122,937	3,127
2008		69,740,000	120,155,000		80,627,717			15,945,000	835,300	35,915,842	323,218,859	2,905

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, 2008

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Adams County School District # 12	\$421,415,610	26.71%	\$112,560,109
Adams County School District # 50	104,535,000	47.64%	49,800,474
Apex Park & Recreation District	14,920,000	6.57%	980,244
Arvada Fire Protection District	5,405,000	0.01%	541
Bradburn Metro # 2	5,262,000	100.00%	5,262,000
Bradburn Metro # 3	6,630,000	100.00%	6,630,000
Church Ranch Metro District	3,230,000	99.99%	3,229,677
Countryside Highlands Metro District	2,055,000	100.00%	2,055,000
Countryside Metropolitan District	2,675,000	100.00%	2,675,000
Hunnington Trail Metropolitan District	3,000,000	100.00%	3,000,000
Hyland Hills Park & Recreation	14,910,000	55.24%	8,236,284
Jefferson County School District # R-1	609,750,000	7.96%	48,521,772
NBC Metropolitan District	9,100,000	100.00%	9,100,000
North Metro Fire and Rescue	24,425,000	0.23%	56,178
Southwest Adams Fire Protection District	1,545,570	0.07%	1,082
Westglenn Metro District	2,240,000	99.53%	2,229,472
Subtotal, overlapping debt			\$254,337,833
City Direct debt			328,218,659
Total direct and overlapping debt			\$582,556,492

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$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	\$389,694,751
Total net debt applicable to limit	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	85,685,000
Legal debt margin	\$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	\$304,009,751

Total net debt applicable to the limit
as a percentage of debt limit

	31.01%	30.30%	31.21%	29.72%	27.78%	24.31%	28.85%	19.61%	18.02%	21.99%
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value - 2007 for 2008 taxes ¹	
Adams County portion of the City	\$664,901,670
Jefferson County portion of the City	585,236,940
Total assessed value	<u>\$1,250,138,610</u>

Debt limit (3% of actual value²)

\$471,157,768

Debt applicable to limit:

Bonded debt - general obligation only

\$0

Installment of lease/purchase contracts for

purchase of property or equipment³

81,463,017

81,463,017

Less deductions allowed by law:

0

Total net debt applicable to limit

81,463,017

Legal debt margin

\$389,694,751

¹ Source Adams County and Jefferson County Abstract of Assessments

² CRS 31-15-302 (3% limit)

³ Included 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 Pledged Revenue	Principal	Interest	Coverage	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Revenues Available for Debt Service	Principal	Interest and Fees	Coverage
1999	\$35,941,790	(\$17,970,429)	\$17,971,361	\$1,581,588	\$2,041,353	4.96	\$690,745	(\$682,000)	\$8,745	\$0	\$8,745	\$0	\$296,836	0.03
2000	39,474,222	(20,251,468)	19,222,754	1,925,175	1,570,119	5.50	681,469	(382,565)	299,904	0	298,904	0	344,236	0.87
2001	51,304,532	(21,624,093)	29,680,439	2,276,642	2,374,294	6.38	788,684	(218,474)	570,210	0	570,210	0	270,863	2.11
2002	46,755,525	(21,221,685)	25,533,840	2,624,450	2,174,864	5.32	885,073	(237,444)	647,629	0	647,629	0	173,178	3.74
2003	39,875,011	(20,835,380)	19,039,631	2,947,007	2,078,044	3.79	753,373	(240,964)	512,409	0	512,409	30,000	143,800	2.95
2004	38,998,008	(24,955,155)	14,042,853	3,060,531	1,621,526	3.00	636,455	(1,186,496)	(550,041)	0	(550,041)	120,000	150,101	(2.04)
2005	46,724,597	(23,011,461)	23,713,136	3,400,839	1,931,352	4.45	4,259,439	(240)	4,259,199	0	4,259,199	165,000	217,849	11.13
2006	51,879,413	(29,305,618)	22,573,795	3,832,679	2,393,501	3.63	501,933	(3,115)	498,818	0	498,818	215,000	277,392	1.01
2007	47,166,690	(30,278,159)	17,438,531	3,947,987	2,148,085	2.86	520,430	(80,113)	440,317	0	440,317	270,000	313,378	0.75
2008	52,890,292	(34,178,877)	18,711,415	9,913,352	2,159,562	1.55	514,306	(364,424)	149,882	0	149,882	330,000	206,828	0.28

*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 Pledged Revenue	Principal	Interest	Coverage	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Revenues Available for Debt Service	Principal	Interest and Fees	Coverage
1999	\$2,096,492	(\$1,511,477)	\$585,015	\$0	\$336,908	1.74	\$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	N/A
2001	3,160,330	(2,569,223)	591,107	50,000	336,908	1.53	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	N/A
2003	2,925,457	(2,328,521)	596,936	170,000	330,058	1.19	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	N/A
2005	2,932,389	(2,461,158)	471,231	185,000	313,840	0.94	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	(8,130)	2,214,764	640,675	2,855,439	0	1,130,559	2.53
2007	3,197,655	(2,625,270)	572,385	205,000	295,313	1.14	3,204,647	(14,067)	3,190,580	0	3,190,580	250,000	1,609,735	1.72
2008	3,137,704	(2,848,731)	288,973	215,000	285,165	0.58	3,126,504	(23,084)	3,103,420	0	3,103,420	-	1,298,745	2.39

2003 Westminster Economic Development Authority (WEDA) Revenue Bonds														
Fiscal Year	Sales and Use Tax Revenue Bonds				Less:									
	Sales and Use Tax Collections	Operating Expenses	Net Pledged Revenue	Principal	Interest	Coverage	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Coverage
1999	\$48,453,394	(\$288,537)	\$48,164,857	\$2,995,000	\$2,953,868	8.10	\$0	\$0	\$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	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	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	0	0	N/A
2003	48,562,246	(342,094)	48,220,152	3,525,000	2,810,913	7.61	10,963	0	10,963	195,438	206,401	0	195,438	1.06
2004	49,306,412	(289,190)	49,017,222	3,055,000	2,648,318	8.59	250,881	0	250,881	882,932	1,133,813	0	882,932	1.28
2005	49,659,495	(279,048)	49,380,447	3,395,000	2,524,233	8.34	1,513,135	(2,637)	1,510,498	1,569,189	3,079,687	0	1,569,189	1.96
2006	51,643,775	(315,515)	51,328,260	3,470,000	2,386,885	8.76	258,223	(8,130)	250,093	582,016	832,109	70,000	512,016	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	0	N/A
2008	51,438,718	(410,638)	51,028,080	3,450,000	1,896,409	9.54	0	0	0	0	0	0	0	N/A

2005 Westminster Economic Development Authority (WEDA) Revenue Bonds														
Fiscal Year	Parks Open Space Trails Sales and Use Tax Revenue Bonds				Less:									
	Sales and Use Tax Collections	Operating Expenses	Net Pledged Revenue	Principal	Interest	Coverage	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Coverage
1999	\$4,226,613	(\$24,045)	\$4,202,568	\$790,000	\$1,156,414	2.16	\$0	\$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	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	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	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	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	0	N/A
2005	4,372,363	(23,239)	4,349,124	1,400,000	970,116	1.83	150,255	0	150,255	1,146,467	1,296,722	0	1,146,467	1.13
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496	1.97	898,979	0	898,979	2,685,796	3,584,775	0	2,685,796	1.33
2007	4,963,410	(32,757)	4,930,653	0	448,126	11.00	3,288,397	(6,103)	3,282,294	1,728,394	5,010,688	0	2,868,641	1.75
2008	5,068,261	(34,198)	5,034,063	1,140,000	1,513,780	1.90	6,073,876	(116,079)	5,957,797	0	5,957,797	0	2,316,866	2.57

Table 11 Continued
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

	2007 Westminster Economic Development Authority (WEDA) Revenue Bonds									
	Less:					Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Coverage		
1999	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A		
2000	0	0	0	0	0	0	0	N/A		
2001	0	0	0	0	0	0	0	N/A		
2002	0	0	0	0	0	0	0	N/A		
2003	0	0	0	0	0	0	0	N/A		
2004	0	0	0	0	0	0	0	N/A		
2005	0	0	0	0	0	0	0	N/A		
2006	0	0	0	0	0	0	0	N/A		
2007	24,974	0	24,974	183,171	208,145	0	183,171	N/A		1.14
2008	722,502	(550,629)	171,873	282,866	454,739	0	282,866	N/A		1.61

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; Parks Open Space Sales and Use Tax; and WEDA stated on a cash basis; all other revenues stated on accrual basis.
2003 WEDA Revenue Bonds refunded with the 2006 WEDA Revenue Bonds.

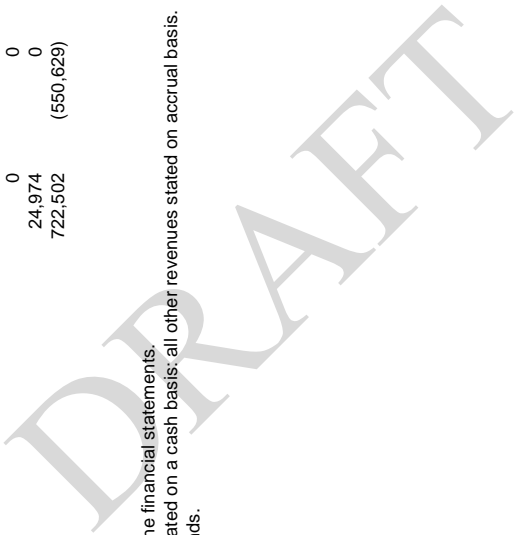


Table 12
City of Westminster
Demographic and Economic Statistics
Last ten fiscal years

Fiscal Year	Population ¹	Total Personal Income ²	Per Capita Personal Income (Weighted Avg.) ³	Unemployment Rate ⁴
1999	96,000	\$2,933,746,149	\$30,560	3.0%
2000	100,940	3,383,925,644	33,524	4.0%
2001	100,940	3,487,975,928	34,555	3.6%
2002	104,948	3,548,890,279	33,816	5.8%
2003	101,278	3,421,865,455	33,787	4.7%
2004	106,312	3,772,383,228	35,484	4.4%
2005	108,351	3,988,361,227	36,810	4.7%
2006	109,671	4,205,211,476	38,344	4.0%
2007	109,724	4,328,502,076	39,449	3.9%
2008	111,257	4,476,759,166	40,238	5.6%

Source:

¹ Population - City of Westminster Planning Dept.

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

³ Per Capita Personal Income - US Bureau of Economic Analysis 1998-2006 weighted average for Adams and Jefferson counties and 2007 and 2008 estimated using CPI-U.

⁴ Unemployment Rate obtained from the U.S. Department of Labor - Bureau of Statistics

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

Employer	Fiscal Year 2008			Fiscal Year 1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total Employment
Avaya (Lucent/Bell Labs)	1,318	1	3.23%	4,000	1	12.14%
Ball Corporation	800	2	1.96%	750	2	2.28%
Centura Health / St. Anthony's North	750	2	1.84%	700	3	2.13%
McKesson Information Systems	430	4	1.05%	?	?	?
Alliance Data Systems	400	5	0.98%	?	?	?
Tri State Generation	400	6	0.98%	?	?	?
LPS Asset Management Solutions (F	400	7	0.98%	?	?	?
Kaiser Permanente (Huron)	307	8	0.75%	300	8	0.91%
Trimble Navigation	277	9	0.68%	?	?	?
Kaiser Permanente (Sheridan)	240	10	0.59%	?	?	?
Frontier ConferTech				544	4	1.65%
Mobile Tool International				450	5	1.37%
Level 3 Communications				405	6	1.23%
Respironics Inc.				315	7	0.96%
Cleo Wallace Center				300	9	0.91%
Western Gas Resources				280	10	0.85%

Source: City Economic Development Division

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

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

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

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

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

Source: City's Performance Measures Team

Notes:

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

Police Emergency Response number for 2008 shows variance from 2007 due to new data extracting and cleaning process.

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

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

Source: City's Performance Measures Team

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

This Page Intentionally Blank

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, 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, 2008, which collectively comprise the basic financial statements of the City of Westminster, and have issued our report thereon dated June 5, 2009. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the Volunteer Firefighter Pension Fund, a pension trust fund of the City of Westminster, as described in our report on the City of Westminster's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other auditors.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2008-1 to be a significant deficiency in internal control over financial reporting.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency described above as item 2008-1 is considered to be a material weakness.

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*.

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

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.

June 5, 2009

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, 2008. 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, 2008.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-2 to be a significant deficiency.

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. The significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-2 is considered to be a material weakness.

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

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.

June 5, 2009

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

• Material weaknesses identified? yes no

• Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

• Material weaknesses identified? yes no

• Significant deficiencies identified that are not considered to be material weaknesses? yes 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 no

Identification of major programs:

- 14.218 Community Development Block Grant
- 14.856 Lower Income Housing Assistance Program

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

Auditee qualified as low-risk auditee? yes no

(Continued)

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

Financial Statement Findings

2008-1 Financial Reporting

Criteria	The City is responsible to implement internal controls designed to ensure that financial information is accurate and timely.
Condition	The City reported significant adjustments to prior period financial statements, totaling \$1,565,675.
Context	The City identified several transactions that occurred in prior years but were incorrectly reported in the accounting records. One of these transactions involved a significant amount and was reported as an adjustment to prior period financial statements, which included land being held for resale.
Effect	The City was required to restate prior year financial statements. In addition, other transactions that occurred in prior years were corrected in the current year financial statements.
Cause	The City enters into various significant transactions initiated by different City departments. Financial information and other details of these transactions are not always communicated to the Finance Department, where responsibility for the accounting records resides.
Recommendation	We recommend that the City continue to evaluate the current process for communicating information related to significant transactions between departments, and the evaluation of these transactions for the proper accounting treatment.

Views of Responsible Officials and Planned Corrective Actions

(Continued)

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

Federal Awards Findings and Questioned Costs (Continued)

2008-2 Schedule of Expenditures of Federal Awards

Criteria	The City is required to have adequate internal controls in place to identify and report federal awards.
Condition	The City was unable to timely identify federal awards and measure the related revenues and expenditures.
Context	Based on our review of the schedule of expenditures of federal awards prepared by the City and inquiries of City personnel, supporting documentation was not available to support certain amounts, identifying numbers, and grant titles reported on the schedule. Other federal awards were incorrectly excluded from the schedule. In addition, the City could not measure expenditures related to certain federal awards on a timely basis.
Effect	Federal awards were not properly identified and reported. The lack of adequate internal control over federal awards could lead to noncompliance with federal regulations and grant agreements.
Cause	The City has a decentralized system of monitoring federal awards. City personnel responsible for preparation of the schedule of expenditures of federal awards were unaware that certain grant funding was received from state and local sources rather than federal sources. City staff did not adequately investigate grant agreements to determine the federal funding included in the award.
Recommendation	We recommend that the City strengthen its internal control over federal awards. This could be partially achieved by centralizing grant administration. City personnel in all departments should receive ongoing training on the identification and monitoring of federal awards. Additional oversight may be effective to provide more timely information.

Views of Responsible Officials and Planned Corrective Actions

This Page Intentionally Blank

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, 2008, which collectively comprise the basic financial statements of the City of Westminster, and have issued our report thereon dated June 5, 2009. 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.

June 5, 2009

This Page Intentionally Blank

CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2008

<u>Grant Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>		
Community Development Block Grant	14.218	\$ 1,113,084
Lower Income Housing Assistance Program	14.856	478,442
Subtotal		<u>1,591,526</u>
<u>Department of the Interior</u>		
Passed through the Colorado Department of Natural Resources Sport Fish Restoration Program	15.605	40,000
Subtotal		<u>40,000</u>
<u>Department of Justice</u>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	60,411
Passed through the City and County of Broomfield, Organized Crime Drug Enforcement Task Force	16.000	8,759
Subtotal		<u>69,170</u>
<u>Executive Office of the President</u>		
Pass through the City and County of Broomfield, High Intensity Drug Trafficking Area	07-9999	16,164
Subtotal		<u>16,164</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	48,776
Emergency Management Performance Grants	97.042	35,000
Assistance to Firefighters	97.044	92,257
Staffing for Adequate Fire and Emergency Response	97.083	32,519
Subtotal		<u>208,552</u>
<u>Department of Transportation</u>		
Passed through the Colorado Department of Transportation, Highway Planning and Construction	20.205	1,138,906
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	24,900
State and Community Highway Safety	20.600	9,842
Subtotal		<u>1,173,648</u>
<u>Department of Agriculture</u>		
Passed through Colorado Department of Natural Resources, Cooperative forestry Assistance	10.664	1,901
Subtotal		<u>1,901</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 3,100,961</u>

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2008

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

\$46,000 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 2008.

DRAFT

CITY OF WESTMINSTER, COLORADO
MANAGEMENT'S RESPONSE TO FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

2008-1: FINANCIAL REPORTING

In 2006, land purchased by the Westminster Economic Development Authority was reported as a capital asset in the Statement of Net Assets, Governmental Activities. In 2008, staff noted GAAP requirements to report assets as inventory if being held for resale versus as capital assets if being utilized to conduct governmental operations. The 2006 land purchase was always intended to be sold to an outside developer for redevelopment; therefore, the land was reclassified to inventory and the Westminster Economic Development Authority Fund net assets were restated by \$1,015,675.

Staff recognizes the importance of effective communication and will evaluate the process in place for communicating information between departments relative to significant accounting transactions to ensure accurate and timely financial information.

2008-2: SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City implemented internal controls around grant administration in December 2008 to address known and potential control deficiencies. Policy and procedural directives were put in place to address organizational expectations for grant administration and to provide explicit procedures on internal compliance. A formalized authorization and acceptance processes as well as enhanced communications throughout the organization will improve the efficiency and effectiveness of data collection and compliance reporting for the Schedule of Expenditures of Federal Awards. Staff believes the measures put in place at the end of 2008 will produce the necessary results in 2009 to address this finding.

This Page Intentionally Blank

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, 2008, which collectively comprise the City of Westminster's basic financial statements, and have issued our report thereon dated June 5, 2009. 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.

June 5, 2009

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Westminster
	YEAR ENDING : December 2008
This Information From The Records Of (example - City of _ or County of _ City of Westminster	Prepared By: Sherri Rickard Phone: 303-658-2365

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	5,608,062
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,371,926
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,240,735
2. General fund appropriations	9,593,847	b. Snow and ice removal	809,392
3. Other local imposts (from page 2)	3,827,818	c. Other	0
4. Miscellaneous local receipts (from page 2)	3,633,889	d. Total (a. through c.)	3,050,127
5. Transfers from toll facilities	0	4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,214,696
a. Bonds - Original Issues	0	6. Total (1 through 5)	15,244,812
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	3,134,734
7. Total (1 through 6)	17,055,554	b. Redemption	3,012,375
B. Private Contributions	0	c. Total (a. + b.)	6,147,109
C. Receipts from State government (from page 2)	3,050,519	2. Notes:	
D. Receipts from Federal Government (from page 2)	839,360	a. Interest	1,387,202
E. Total receipts (A.7 + B + C + D)	20,945,433	b. Redemption	826,000
		c. Total (a. + b.)	2,213,202
		3. Total (1.c + 2.c)	8,360,311
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	23,605,123

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	80,308,785	0	3,012,375	77,296,410
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	31,779,500	0	826,000	30,953,500

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	82,812,266	20,945,433	23,605,123	80,152,576	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

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	0	a. Interest on investments	791,089
b. Other local imposts:		b. Traffic Fines & Penalties	1,759,127
1. Sales Taxes	3,453,863	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	373,956	g. Other Misc. Receipts	0
6. Total (1. through 5.)	3,827,818	h. Other	1,083,673
c. Total (a. + b.)	3,827,818	i. Total (a. through h.)	3,633,889
	(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	2,675,012	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	839,360
c. Motor Vehicle Registrations	338,548	d. Federal Transit Admin	0
d. Other Traffic Signal	36,960	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	375,508	g. Total (a. through f.)	839,360
4. Total (1. + 2. + 3.f)	3,050,519	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	131,271	131,271
b. Engineering Costs	6,592	881,791	888,383
c. Construction:			
(1). New Facilities	164,386	0	164,386
(2). Capacity Improvements	0	4,065,981	4,065,981
(3). System Preservation	0	101,599	101,599
(4). System Enhancement & Operation	0	256,443	256,443
(5). Total Construction (1) + (2) + (3) + (4)	164,386	4,424,023	4,588,408
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	170,978	5,437,085	5,608,062
			(Carry forward to page 1)

Notes and Comments:

DRAFT

This Page Intentionally Blank



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 15, 2009



SUBJECT: Westminster Library Meeting Room Fees

PREPARED BY: Kate Skarbek, Library Services Manager

Recommended City Council Action:

Review Staff's proposal for adjusting the meeting room and other fees for the Irving Street Library and direct Staff to place this item on a regular City Council agenda for formal approval.

Summary Statement

- Staff is recommending the adjustment of meeting room fees for the Irving Street Library. Fees were previously established when Irving Street Library opened five years ago. At that time, the fees were set to match those of the meeting rooms at the College Hill Library.
- Staff is also recommending establishing an LCD projector rental fee for non-profit groups, which will be explained in the background section of this report.
- The College Hill Library meeting room fees are set by Front Range Community College. As determined by the College, the College Hill Library meeting room fees are being changed to eliminate the non-profit rate. Non-profits will be charged the same as businesses. Please refer to the attachment for the change the college is making to the fees.
- Library Staff has reviewed the College's proposed changes as well as the meeting room rates at other City facilities, including recreation centers, to create what Staff believes to be a bridge between the two organizations for the Irving Street meeting room. Please refer to the attached fee comparisons.
- Study rooms at both facilities would remain free of charge, with no reservations.
- These fee increases (and in the case of Irving Street, one fee is actually reduced) exceed the City Manager's authority to adjust fees per Chapter 2, 13-2-7 D, of the City's Municipal Code, thusly requiring City Council approval.
- If approved, the Irving Street Library meeting room fees are recommended to go into effect on August 1, 2009.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Should City Council accept Staff's recommended meeting room fees and LCD projector fees for the Irving Street Library?

Alternative

City Council could direct Staff to leave the Irving Street meeting room fees as is. Staff does not recommend this, however, as the proposed room rental fees will bridge the difference between the College Hill Library meeting room fees as established by Front Range Community College and other nearby City facilities such as The MAC.

Background Information

In 2008, the library meeting rooms at both College Hill Library and the Irving Street Library generated \$6,612.25 for the City. Library revenues collected at the College Hill Library are split with Front Range Community College since staff from both agencies set up the rooms, provide equipment and arrange and rearrange the schedule as people call to revise their plans. Revenues from the Irving Street Library meeting room came to \$360 and were not split with the College.

The actual cost of operating the meeting rooms far exceeds the amount of revenue generated. In the last two years, Staff has seen an increase in competition for the meeting rooms. Staff believes this is partially due to the Westminster Public Library having lower meeting room fees than surrounding facilities. This difference is no doubt related to the fact that Westminster Public Library rates have not been increased in more than eight years, resulting in under-pricing for the area.

Currently, there is a two-tiered pricing structure with the larger meeting rooms at College Hill and Irving Street Libraries renting for \$10 per hour to 501(c)(3) organizations and \$40 per hour to all others. This two-tiered pricing structure has generated a great deal of paperwork for staff to track, preserve, and secure once organizations submit proof of their non-profit status. Therefore, Staff recommends eliminating the special rate for non-profits to be consistent with the College Hill Library fees. In addition, Staff is recommending lowering the flat fee at Irving Street (see attached chart).

In 2008, the Irving Street Library meeting room was rented 13 times by 7 different outside organizations. One was a business while the others were non-profit organizations. Of the \$360 generated, eight of the rentals were for one hour only. As of May 15, 2009, the Irving Street Library meeting room has been rented by two outside organization only eight times; one was a business and one was a non-profit. Staff therefore believes that the rate change will have minimal impact on the community, while still allowing the rooms to be affordable, available, and in line with other City facilities.

Staff proposes that LCD projector rentals remain the same for businesses, with non-profits being charged the business rate. Previously, non-profits were not charged for projector rentals. For four hours or less, the charge will be \$50 and for more than four hours the charge will be \$100. LCD use involves Automation Service Staff members meeting with the group's representative to be certain the laptop is compatible, that the connection works, and that Staff remains on call throughout the meeting.

Staff Report – Westminster Library Meeting Room Fees

June 15, 2009

Page 3 of 3

For comparative purposes, the nearest facility to the Irving Street Library that has rooms for rent is The MAC, which rents the single multipurpose room with a capacity of 35 for \$35 per hour for businesses. The MAC has a \$25 hourly non-profit rate for that room.

This fee adjustment meets City Council’s Strategic Plan Goal of “Financially Sustainable City Government” by providing the City with additional revenues while continuing to make available affordable meeting rooms for users.

Respectfully submitted,

J. Brent McFall

City Manager

Attachment – Fee Schedule

Westminster Public Library Meeting Room Rates

College Hill & Irving Street Libraries	Max. Capacity	Current Non-Profit	Current Business	Proposed Business And Non-Profit
College Hill Room L211	50-80	\$10/hr	\$40/hr	\$60/hr
College Hill Room L107	30-50	\$10/hr	\$40/hr	\$50/hr
College Hill Room L200	20	\$10/hr	\$30/hr	\$40/hr
College Hill Room L167	15	\$5/hr	\$10/hr	\$20/hr
College Hill Room L263	10	\$5/hr	\$10/hr	\$15/hr
Irving Street Meeting Room	30-50	\$10/hr	\$40/hr	\$25/hr

Comparable Facilities	Max. Capacity	Non-Profit Rate	Business Rate
The MAC	35	\$25/hr	\$35/hr
The MAC	70	\$35/hr	\$50/hr
City Park Recreation Center	25	\$25/hr	\$35/hr
Swim and Fitness Center	60	\$25/hr	\$35/hr
Broomfield Public Library, Room A	45	\$30/hr	\$40/hr
Broomfield Public Library, Room B	36	\$30/hr	\$40/hr



WESTMINSTER

Staff Report

City Council Study Session Meeting

June 15, 2009



SUBJECT: HOME Funding Allocation for the Panorama Pointe Senior Housing Project

PREPARED BY: Tony Chacon, Senior Projects Coordinator

Recommended City Council Action

Authorize Staff to amend HOME plans and documents allocating \$400,000 in HOME funds to assist in construction of the Panorama Pointe Senior Apartments.

Summary Statement

- The U.S. Department of Housing and Urban Development (HUD) provides approximately \$220,000 of HOME funds annually to the City of Westminster through Adams County (ADCO) to be used to support affordable housing efforts.
- Per a consortium agreement between the City and ADCO, the City's HOME funds have regularly been equally split between homebuyer down-payment assistance and homeowner housing rehabilitation for qualified low to moderate income households.
- Participation in the City's HOME program, particularly the homebuyer assistance, has been lagging, leaving the City with a balance of \$323,907 in the homebuyer assistance program and \$244,966 in the housing rehabilitation account, for a total of \$568,873. The City is also expected to receive another \$200,000 in mid-2009, which would increase the balance to \$768,873.
- A significant portion of the City's HOME balance needs to be spent so as to keep within HUD's requirement that the funds need to be spent within three years of receipt.
- The City can modify the agreement with ADCO to redirect funds to other eligible HOME activities benefiting low to moderate income households, including construction of new housing.
- M.E.M Westminster Property, owned by Lee Mendel, is requesting City Council consideration to allocate \$400,000 of the City's HOME balance towards construction of an affordable 72-unit independent senior apartment complex at Panorama Pointe (Federal Boulevard and 84th Avenue).
- Panorama Pointe, under the direction of Lee Mendel, was created in the early 1990's as a senior housing project providing a range of living choices including independent rental cottages and apartments, assisted living, and nursing care. The proposed project provides the independent apartment component complimenting the already completed cottages and nursing care.
- Occupancy of the units will be restricted to residents over the age of 55 and earning 40-50 percent or less of Area Median Income (AMI).
- M.E.M. has received an allocation of affordable housing tax credits from the State and is requesting the \$400,000 HOME allocation to close a continuing funding gap.

Expenditure Required: \$400,000

Source of Funds: HOME fund through Adams County

Policy Issue

Should the City redirect a portion of its existing HOME fund balance to provide funding for construction of a privately-owned affordable senior housing project, which would result in a reduction in the availability of funds for first-time homebuyer and housing rehabilitation assistance?

Alternative

The City could choose not to fund the project, which could result in the project not being built and the developer losing the State tax credits. By not funding the project and maintaining a high HOME balance, the City could become out of compliance with HUD spending requirements.

Background Information

In 1992, the City purchased land from the Resolution Trust Corporation (RTC) on the south side of 84th Avenue between Zuni Street and Federal Boulevard, commonly known as the Panorama Pointe property. In 1993, the City sold the property to Mendel-Allison for the purpose of developing an affordable senior housing development providing a range of living choices including independent living rental cottages and apartments, assisted living facility(s) and nursing home care. In addition to the sale of the property, the City provided Community Development Block Grant (CDBG) funds to assist in the development of the project. With the City assistance, Mendel Allison completed construction of the nursing home and rental cottage component of the development and the construction of a community center to serve the Panorama Pointe residents.

Completion of the independent living apartments and assisted living facility has languished over many years due to limited funding resources and the marketability of the product at this particular location. However, Lee Mendel, president of M.E.M. Westminster Property and a partner in the original development team, has continued to work diligently over this lengthy period of time to complete the project. His efforts have finally resulted in securing private and public financing for the project. After several years and attempts, M.E.M received an allocation of Low-Income Housing Tax Credits from the Colorado Housing Finance Authority (CHFA) for the Panorama Pointe Senior Apartments providing 72 units of senior independent living units. Key Bank has agreed to buy the tax credits from M.E.M. providing \$890,357 equity towards construction. With the consent of CHFA and Key Bank, M.E.M. has also agreed to defer \$650,000 (approximately 50%) of its developer fee to meet the full funding needs of the project. Even with the infusion of the tax credit funds, financing for the project is still short \$400,000. As a result, M.E.M. is requesting consideration from the City to provide an allocation of \$400,000 in HOME funds to close the funding gap.

Panorama Pointe was planned and has been built as an affordable senior housing community. The proposed project would provide more affordable housing options for seniors. As a condition of receiving the tax credits, M.E.M has agreed with CHFA to make all of the living units affordable to households earning no more than 50% of AMI. Of the 72 units, 33 will be made available to households at 40% or less of AMI, with the balance (39 units) being rented up to the 50% level. The rentals will further be restricted to tenants over the age of 55. Through the use of the CHFA issued tax credits, the property must remain within the affordable allowances for a period of 40 years. The proposed use of HOME funds would further ensure the rental units are preserved for low income residents.

The City receives an annual allocation of federal HOME funds that are distributed to and administered by Adams County. In the past, these funds have been applied primarily to first-time homebuyer down payment assistance and homeowner residential rehabilitation. The City's balance in these accounts has remained exceptionally high over the years as few eligible households have taken advantage of the program. A substantial reason for lack of participation is a result of the higher regulatory requirements attached to the HOME funds. For example, to obtain a rehabilitation loan for the purpose of replacing a

roof, the applicant may also have to remediate lead paint, replace the furnace, and repair the foundation concurrently thereby driving up the cost beyond the applicant's financial capability. On the home buying side, a prospective buyer of eligible income level may not qualify to obtain a mortgage due to the low income level. These impediments among others have made it hard for Adams County to disburse the funds for the original intended purposes. This situation has potential consequences relative to the City maintaining its HUD imposed rate-of-expenditure, whereby HUD requires HOME funds to be spent within three years of receipt. A substantial portion of the City's present balance must be spent soon to maintain compliance with HUD's requirement.

The City has a current HOME fund balance of \$568,874 as of May 15, 2009, which is currently allocated to homebuyer down payment assistance and housing rehabilitation. The City has the ability to reallocate these dedicated funds to other eligible HOME programs and/or projects. The rehabilitation account has \$244,966 and the homebuyer account has a balance of \$323,907. The City is due to receive its 2009 allocation, providing another \$200,000, in mid-2009, which would increase the balance to \$768,873. If the City decides to provide the requested \$400,000 towards the construction of the Panorama Pointe Senior Apartments, an immediate balance of \$168,874 would remain available for first time homebuyers and housing rehabilitation with the potential of directing the 2009 HOME allocation to these same programs. The HOME funds would not be provided to M.E.M. until the later completion phase of the project which would be in late 2009 or early 2010, which is within the required HUD timeframe for spending HOME funds.

Should the City Council authorize Staff to proceed with the allocation, the City will work with Adams County to amend HUD-related plans and agreements accordingly, and a final proposal will be presented to City Council authorizing allocation of the HOME funds at a future City Council meeting.

The proposed allocation of HOME funds to the Panorama Pointe Senior Apartment project fulfills the City Council's Strategic Plan goal of Vibrant Neighborhoods and Commercial Areas maintaining and improving neighborhood infrastructure and housing. The project will broaden the range of housing choices and affordability for seniors, giving long time residents of Westminster the opportunity to remain and contribute to the community.

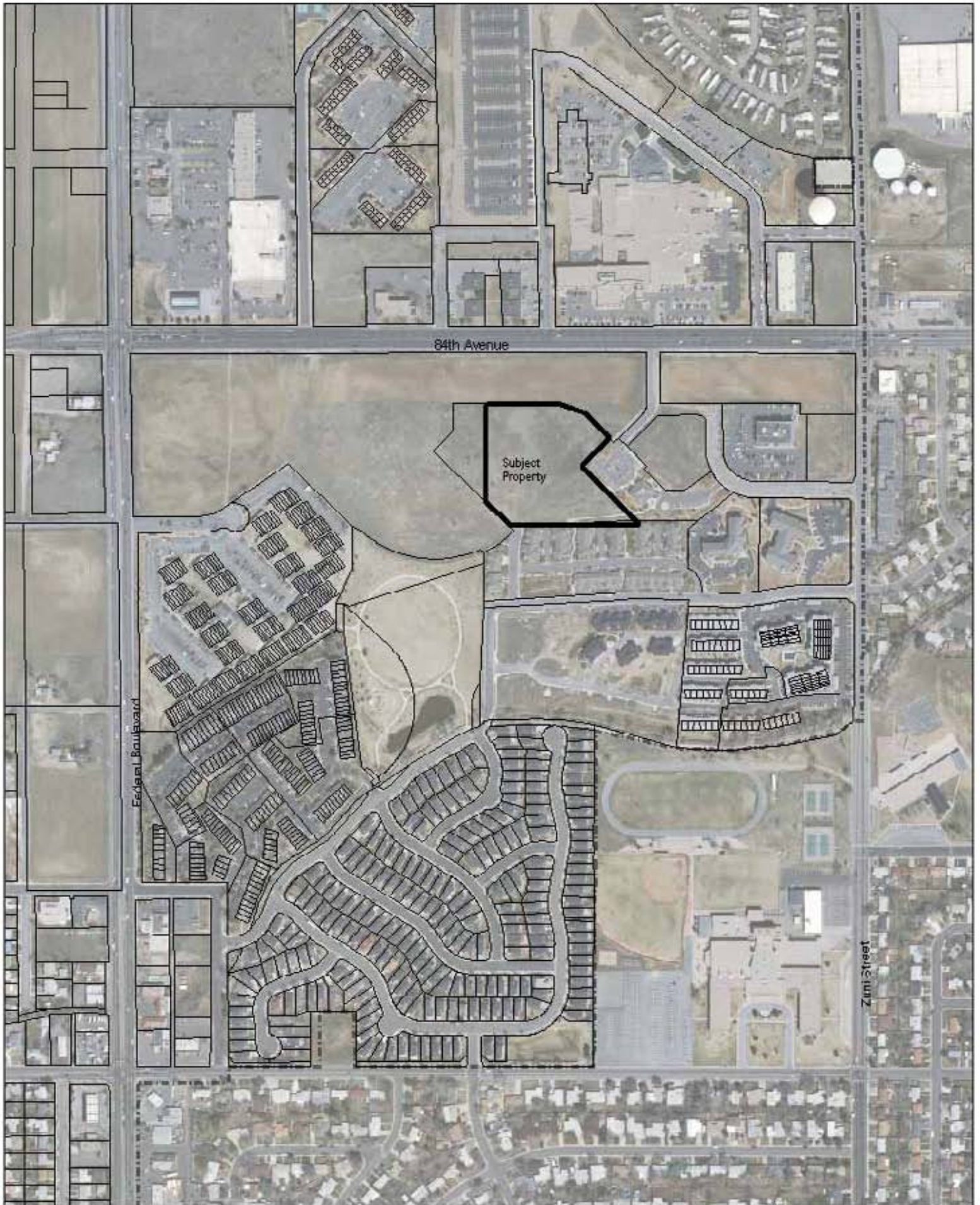
Respectfully submitted,

J. Brent McFall
City Manager

Attachment:

Project Area Map

Attachment A





WESTMINSTER

Staff Report

City Council Study Session Meeting
June 15, 2009



SUBJECT: City Council Technology Q&A Session

PREPARED BY: David Punttenney, Information Technology Director

Summary Statement

Information Technology Department staff will be in attendance at the June 15th City Council Study Session to conduct a technology Q&A session for Council members. During this session, staff will be available to address your questions or concerns with your City provided technology tools, including laptop computers or Blackberry PDAs. Council members are reminded that there is no need to wait until this meeting if there are problems or questions that need to be addressed sooner. Should Council members require technical support for City provided technology prior to the June 15th meeting, they may call the Information Technology help desk at extension 2050 between the normal operation hours of 7:00 AM and 6:00 PM, Monday through Friday. Messages left at other times will be returned no later than the next normal work day.

Council members may bring their laptops and Blackberry devices to the meeting for support issues or questions.

Background Information

The Information Technology Department provides support services to all employees and City Council members using City issued computers and software. City Council members are provided with the option to use a City provided laptop computer and standard software to use for City business. The Information Technology Department provides help desk services at extension 2050 for employees and City Council members between the hours of 7:00 AM and 6:00 PM Monday through Friday.

Respectfully submitted,

J. Brent McFall
City Manager



WESTMINSTER

Staff Report

Information Only Staff Report
June 15, 2009



SUBJECT: Proposed Name Change for the Table Mountain Animal Center

Prepared By: Mike Cressman, Deputy Police Chief

Summary Statement

This Staff Report is for informational purposes only. No action by City Council is required.

- Jefferson County and the Cities of Arvada, Lakewood, Golden and Wheat Ridge have operated under an Intergovernmental Agreement (IGA) that created the Table Mountain Animal Center (TMAC) since 1995.
- In November 1996, the City of Westminster joined the IGA as partners in TMAC.
- TMAC and the listed governmental entities are presently involved in a construction project to replace the current facility with a new building. Ground breaking is scheduled for June 30, 2009.
- Funding for the new facility is being provided by Jefferson County, revenue generated through the county-wide dog licensing program, and donations obtained through the TMAC Foundation.
- The TMAC Foundation contracted with a marketing company, O2 Group, to conduct a “brand equity survey.” The results demonstrated that a majority of respondents favored changing the name of the Table Mountain Animal Center.
- The O2 Group research determined that the name Table Mountain Animal Center was too geographically restrictive and would produce fewer Internet searches from those attempting to locate the facility’s services. Their suggestion was “Foothills Animal Shelter.”
- If the name is changed, the O2 Group’s recommendation to the TMAC Center Board and the Foundation Board is for the marketing program to begin immediately.
- A name change will require an amendment to the IGA. The time frame necessary to pursue the IGA amendment through all of the governmental entities will cause a critical delay in the marketing strategy and timeline. If Council agrees with the name change to Foothills Animal Shelter, it will allow TMAC to move forward with this concept and the amendment to the IGA would be forthcoming.

Background Information

The Colorado Revised Statutes (CRS) authorizes each county to establish and operate animal holding facilities and enter into intergovernmental agreements with municipalities in controlling, licensing, impounding or disposing of animals. The CRS also encourages governments to make the most efficient and effective use of their power and responsibilities by cooperating and contracting with other governments.

In 1995, Jefferson County and the Cities of Arvada, Golden, Lakewood and Wheat Ridge entered into an IGA creating a separate legal entity known as Table Mountain Animal Center for this purpose. In January 1996, Council authorized the City Manager to enter into an IGA with Jefferson County and the listed parties for the purpose of sheltering Westminster animals at TMAC. This agreement took effect in January of 1997 with funds allocated in the 1997 budget and an appointed representative on the TMAC governing Board of Directors. In January of 1998, the current IGA was approved after the City of Edgewater joined.

TMAC and the participating governmental agencies have determined that the current Table Mountain Animal Center facility needs to be replaced with a new building. The project is currently in the Design Development Stage with the ground breaking scheduled for June 30, 2009. The financing for the new facility is being provided through Jefferson County, revenue generated by the Countywide Dog Licensing Program, and through donations obtained by the TMAC Foundation.

The Foundation Board, in researching marketing strategies for the new facility, contacted the O2 Group. This is a Web based marketing company in Golden, Colorado. The O2 Group conducted a short survey to help determine TMAC's "Brand Equity." One of the results of their survey showed a majority of respondents favored a facility name change. The O2 Group reported that the name Table Mountain was geographically restrictive and to those observing the name it only meant the Golden area. They further stated that when people query the Internet searching for lost/adopting animals, they normally do not search "animal center." To broaden the geographical area and to increase Internet search hits, the O2 Group recommended that the Board consider changing the name to "Foothills Animal Shelter." They further recommended that if TMAC agreed to change the name, they immediately implement a marketing strategy to get the new "brand" out in front of the public prior to the ground breaking ceremony.

The Boards agree that the recommendations would be beneficial to not only the Center but also for the Foundation's Capital Campaign efforts. Unless Council has concerns with the name change to Foothills Animal Shelter and to having TMAC move forward with this concept, Staff will move forward with an amendment to the current IGA. Please contact the City Manager's Office if you have concerns with the name change and this item will be scheduled for discussion Monday night.

Respectively submitted,

J. Brent McFall
City Manager



Staff Report

Information Only Staff Report
June 15, 2009



SUBJECT: Monthly Residential Development Report

PREPARED BY: Walter G. Patrick, Planner I

Summary Statement:

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

- The following report updates 2009 residential development activity per subdivision...
The table below shows an overall decrease (-82.5%) in new residential construction for 2009 year-to-date when compared to 2008 year-to-date totals.
Residential development activity in the month of May 2009 reflects a 90.0% decrease in single-family detached homes from May 2008, a 100.0% decrease in single-family attached, and no change in multi-family or senior housing development when compared to the May totals in 2008 (0 for both years).

NEW RESIDENTIAL UNITS (2008 AND 2009)

Table with columns: UNIT TYPE, MAY (2008, 2009), % CHG., YEAR-TO-DATE (2008, 2009), % CHG. Rows include Single-Family Detached, Single-Family Attached, Multiple-Family, Senior Housing, and TOTAL.

Background Information

In May 2009, Service Commitments were issued for one new housing unit within the subdivision listed on the attached table.

The column labeled “# Rem.” on the attached table shows the number of approved units remaining to be built in each subdivision.

Total numbers in this column increase as new residential projects (awarded Service Commitments in the new residential competitions), Legacy Ridge projects, build-out developments, etc. receive Official Development Plan (ODP) approval and are added to the list.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

ACTIVE RESIDENTIAL DEVELOPMENT

Single-Family Detached Projects:

Bradburn (120th & Tennyson)	2	1	8	7	55	17
CedarBridge (111th & Bryant)	0	0	0	0	4	1
Country Club Highlands (120th & Zuni)	0	0	2	0	99	2
Countryside Vista (105th & Simms)	0	0	0	0	9	0
Huntington Trails (144th & Huron)	0	0	13	2	129	15
Hyland Village (96th & Sheridan)	0	0	2	0	107	4
Legacy Ridge West (104th & Leg. Ridge Pky.)	0	0	1	0	5	1
Lexington (140th & Huron)	1	0	0	1	3	0
Meadow View (107th & Simms)	0	0	1	0	2	2
Park Place (95th & Westminster Blvd.)	0	0	3	0	40	7
Ranch Reserve (114th & Federal)	0	0	1	0	0	2
Savory Farm Estates (109th & Federal Blvd.)	0	0	0	0	24	0
South Westminster (Shoenberg Farms)	0	0	3	0	47	5
Various Infill	0	0	1	1	6	2
Winters Property (111th & Wads. Blvd.)	0	0	0	0	8	0
Winters Property South (110th & Wads. Blvd.)	0	0	0	0	10	0

SUBTOTAL

<i>3</i>	<i>1</i>	<i>35</i>	<i>11</i>	<i>548</i>	<i>58</i>
-----------------	-----------------	------------------	------------------	-------------------	------------------

Single-Family Attached Projects:

Alpine Vista (88th & Lowell)	0	0	0	0	84	0
Bradburn (120th & Tennyson)	0	0	4	0	0	4
CedarBridge (111th & Bryant)	0	0	0	0	0	0
Cottonwood Village (88th & Federal)	0	0	0	0	62	0
East Bradburn (120th & Lowell)	0	0	0	0	117	0
Eliot Street Duplexes (104th & Eliot)	0	0	0	0	10	0
Highlands at Westbury (112th & Pecos)	0	0	6	0	18	12
Hollypark (96th & Federal)	0	0	0	0	20	0
Hyland Village (96th & Sheridan)	0	0	12	0	153	12
Legacy Village (113th & Sheridan)	0	0	0	0	62	0
South Westminster (East Bay)	0	0	6	0	58	6
South Westminster (Shoenberg Farms)	0	0	0	0	54	0
Summit Pointe (W. of Zuni at 82nd Pl.)	0	0	0	0	58	0
Sunstream (93rd & Lark Bunting)	0	0	0	0	18	0

SUBTOTAL

<i>0</i>	<i>0</i>	<i>28</i>	<i>0</i>	<i>714</i>	<i>34</i>
-----------------	-----------------	------------------	-----------------	-------------------	------------------

Multiple-Family Projects:

Bradburn (120th & Tennyson)	0	0	0	0	233	0
Hyland Village (96th & Sheridan)	0	0	0	0	54	0
Mountain Vista Village (87th & Yukon)	0	0	0	0	144	0
Prospector's Point (87th & Decatur)	0	0	0	0	24	0
South Westminster (East Bay)	0	0	0	0	29	0
South Westminster (Harris Park Sites I-IV)	0	0	0	0	12	0

SUBTOTAL

<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>496</i>	<i>0</i>
-----------------	-----------------	-----------------	-----------------	-------------------	-----------------

Senior Housing Projects:

Covenant Retirement Village	0	0	0	0	0	0
Crystal Lakes (San Marino)	0	0	0	0	7	0
Legacy Ridge (112th & Federal)	0	0	0	0	168	0

SUBTOTAL

<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>175</i>	<i>0</i>
-----------------	-----------------	-----------------	-----------------	-------------------	-----------------

TOTAL (all housing types)

3	1	63	11	1933	92
----------	----------	-----------	-----------	-------------	-----------

* This column refers to the number of approved units remaining to be built in each subdivision.

City of Westminster City Council Study Session Notes
June 1, 2009

Mayor Nancy McNally called the Study Session to order at 6:31 PM. All Councillors were in attendance except for Councillor Chris Dittman, who was not present.

City Staff in attendance included: City Manager Brent McFall; Assistant City Manager Steve Smithers; City Attorney Marty McCullough; Deputy City Manager Matt Lutkus; Budget and Special Projects Manager Barbara Opie; Management Analyst Phil Jones; Park Services Manager Richard Dahl; Park Supervisor Rod Larsen; Building Operations and Maintenance Manager Jerry Cinkosky; Neighborhood Services Administrator Rich Kopp; Senior Police Officer Eric Knopinski; Senior Public Information Specialist Joe Reid and Management Analyst Aric Otzelberger.

Guests in attendance included Eric Hinckley and Cary Leech with Simple Solar; Amory Host with Main Street Power and Nissa LaPoint with the Westminster Window.

Agreement for Photovoltaic Solar Panel Installations at City Facilities

Building Operations and Maintenance Manager Jerry Cinkosky, Amory Host from Main Street Power, and Eric Hinckley and Cary Leech from Simple Solar were present to brief City Council on the recent negotiations with Main Street Power for an agreement for the installation of solar energy equipment at four City facilities. City Council directed Staff to proceed with negotiations with Main Street Power and to bring a finalized Power Purchase Agreement back to City Council for official action. Council also expressed their interest in receiving regular updates on how the solar systems are performing once they have been installed and are operational.

North Area Transportation Alliance

Deputy City Manager Matt Lutkus was present to provide City Council with an update on the recent activities of the North Area Transportation Alliance (NATA) and to seek direction from City Council in regard to the City's continued participation in NATA. City Council directed Staff to continue the City's participation in NATA. However, City Council expressed their desire that NATA should narrow its focus and prioritize its efforts on key projects such as the North Metro Commuter Rail Line and improvements to Interstate 25. Per Council's direction, Staff will bring the Memorandum of Understanding for NATA membership forward at an upcoming City Council meeting for official action. The City will also proceed with a \$3,000 expenditure, which will provide the City's 2009 membership dues for NATA. Mayor Nancy McNally will serve as the City's representative to NATA, with Deputy City Manager Matt Lutkus as the alternate.

Proposed Energy Efficiency and Conservation Strategy

Budget and Special Projects Manager Barbara Opie was present to review Staff's proposed Energy Efficiency and Conservation Strategy (EECS). The EECS is required by the Department of Energy in order for the City to receive \$952,800 in Energy Efficiency and Conservation Block Grant (EECBG) funds as part of the American Recovery and Reinvestment Act of 2009. The EECS proposes a variety of programs for Westminster citizens and several City projects that will improve the energy efficiency of City operations while also reducing energy costs. Staff stressed that certain details related to the EECS are still very much in flux, as the EECBG program is new and certain items continue to evolve. City Council expressed their support of the EECS and directed Staff to submit the EECS as part of the City's application for EECBG funds.

Coyote Management Plan

Park Supervisor Rod Larsen was present to discuss the City's proposed Coyote Management Plan to City Council. The plan focuses on citizen education, proactive coyote hazing that instills fear of humans in coyotes and citizen safety. City Council expressed their support for the Coyote Management Plan and directed Staff to follow the plan for managing the coyote population on City open space properties.

Mayor McNally adjourned the Study Session at 8:15 PM.