

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016



City of Lafayette, Colorado



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

City of Lafayette Statement of Vision

Lafayette's panoramic view of the Rocky Mountains inspires our view into the future. We value our heritage, our unique neighborhoods, a vibrant economy and active life-styles. We envision a future that mixes small town livability with balanced growth and superior technologies.



City of Lafayette, Colorado

Prepared By:

Finance Department

2016

CITY OF LAFAYETTE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2016

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

INTRODUCTORY SECTION

2016



July 27, 2017

Honorable Mayor,
Members of the City Council, and
Citizens of Lafayette, Colorado

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Lafayette, Colorado for the year ended December 31, 2016, is hereby submitted. The City is responsible for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes Management's Discussion and Analysis (MD&A), the government-wide financial statements (GWFS), and the combining and individual fund financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section includes the State required Local Highway Finance Report.

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Eide Bailly, LLP was selected to perform the audit. Their auditors' report on the GWFS and combining fund statements and schedules is included in the financial section of this report.

Management of the City is responsible for establishing and maintaining internal controls. Controls should be designed to ensure that the assets of the City are protected from loss, theft or misuse. They should ensure that adequate accounting data is compiled so that the financial statements can be prepared in conformity with generally accepted accounting principles (GAAP).

The internal controls are reviewed as a part of the City's annual audit. They are designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

This report includes all funds of the primary government – General Fund, Debt Service Fund, Capital Projects Funds, and proprietary funds. Six Special Revenue Funds are also included in this report. Five of the funds are reported as blended component units. These component units are legally separate organizations for which the City of Lafayette is financially accountable. City Council acts as the governing board for each of them. The Lafayette Urban Renewal Authority and the Base Line Land and Reservoir Company are reported as discretely presented component units since both have a separate governing board.

Profile of the Government

According to the 2010 U S Census, Lafayette had a population of 24,453 in 2010 living in its 8.6 square mile area (31st in the state), up from 23,197 people in a 8.6 square mile area in 2000 (21st in the state). It is estimated that the current population is approximately 28,278.

Lafayette is a home-rule city, meaning that the organization and operation of our municipal government is conducted according to the Charter of the City of Lafayette. This Charter, adopted by the electorate in 1958, provides for a strong Council/Administrator form of government. It is designed to provide the maximum of teamwork among the members of the Council.

The Council is composed of seven members, who are elected on a non-partisan basis from the city at large. Provision is made for the overlapping of terms with a majority of the Council to be elected every two years. Council selects its own team leader, the Mayor, who presides at public meetings and represents the City in interactions with other governmental entities.

The Council is the policy-determining or overall governing agent of the city, having power to pass ordinances, determine policy and appoint the City Administrator and the Chief of Police. The City Administrator is hired by the Council to implement their policies and directives, and to oversee the daily administration and management of all City departments. The Municipal Judge and City Attorney are appointed by, and report to, City Council.

The organization of the city government was created to assure maximum flexibility in organizational structuring, to allow for adjustment to new demands and changing circumstances as Lafayette grows and prospers. The City provides a full range of services. These services include police and fire protection; ambulance; water and sanitary sewer services; the construction and maintenance of streets and infrastructure; recreational activities and cultural events.

The Charter includes provisions for proper budgeting, fiscal control, auditing, and economical fiscal procedures.

The annual budget serves as the foundation of the City's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions. Compliance is embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City Council may make additional appropriations or budgetary transfers during the fiscal year for unanticipated revenues received by the City. The City Administrator may re-allocate the budget between departments within the same fund.

Any budget revisions affecting fund totals are adopted in a supplemental appropriation ordinance approved by the Council. The City Council and Department Heads receive reports during the year comparing budgeted amounts to actual expenditures. Capital project budget appropriations lapse upon completion of each project. All other appropriations lapse at year-end. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Detailed budget to actual comparisons are provided in this report for the General, Ambulance and Fire, Debt Service, and Capital Funds, non-major governmental funds, and proprietary funds.

Factors Affecting Financial Condition

Local Economy

During 2016, the City continued to improve its financial position with constant efforts in economic development and budget control. The sales tax base has been growing as a result of new businesses locating in the City. Their presence influences established businesses in the area. Sales tax revenues increased 3.2% over 2015. Since 2011 (five years), sales tax revenues have increased 36.8%.

The City continues to put balanced emphasis on economic and open space development.

Long Term Financial Planning

The uncertainty of the economic climate over the next few years requires a systematic and disciplined approach to planning City projects and activities. Although the economy is slowly recovering, and building permit revenues are starting to increase, lower returns on investments reduces available cash for operating and capital needs. In addition, the critical discussions regarding the State of Colorado budget may reduce certain governmental revenue sources normally relied upon by the City for operating support.

The City has an established long-term planning process in place. However, unfunded mandates are having an adverse impact on the Water Fund and Water Reclamation Fund budgets for the near future. Quality standards are becoming more onerous causing increased operating costs and, in the case of the Water Reclamation Fund, requiring capital improvements far in excess of the financial capability of the Fund. The City will have a few years to arrange grants and/or financing to accommodate the required upgrades.

User rates have been increased in both funds in order to absorb increased operating costs and to adequately meet the annual debt requirements. Water rates were increased 5.0%/year from 2011-16 and will increase 5.0% annually in 2017. Water Reclamation rates were increased 9.0% in 2010, 12.0% in 2011, 11.0% in 2012, 10.0% in 2013, 10.0% in 2014, 30.0% in 2015, and 25% in 2016. Additional rate increases have been approved: 7.0% in 2017, 5.0% in 2018 and 5.0% in 2019. These increases will help to provide needed capital for improvements in the next several years.

Although population growth subsided during the recession, the quest for sustainable water resources for drought mitigation continues. The City is currently participating in two major regional water storage projects – Windy Gap & Northern Integrated Supply Project. Both of these projects are being managed by the Northern Colorado Water Conservancy District, and will require substantial investments over a ten year period. Both projects are completing the permit process, and are ready for the design phase. Along with participation in the above two projects, the City is in a long-term contract for expansion of raw water storage facilities at Goose Haven. Fortunately, the Water Fund is in a strong cash position without the need for additional borrowing for several years.

The condition of the City's streets has been a major focus for the past few years. Annual funding is now a required budget item of at least \$250,000, with funding of \$1,500,000 budgeted for 2017. In addition, transfers from unreserved General Fund balance have occurred for the past several years for planned projects.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This was the 29th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

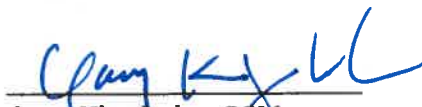
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The dedicated service of the entire staff of the Finance Department's Accounting Division went into the preparation of the 2016 CAFR. Each and every member of our staff has our sincere appreciation for the contributions they made in order to complete the 2016 CAFR.

In closing, without the leadership and support of Lafayette's Mayor and City Council members, preparation of this report would not have been possible.

Sincerely,



Gary Klaphake, CCM
City Administrator

Steve McFarland
Finance Director



Government Finance Officers Association

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

Presented to

**City of Lafayette
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

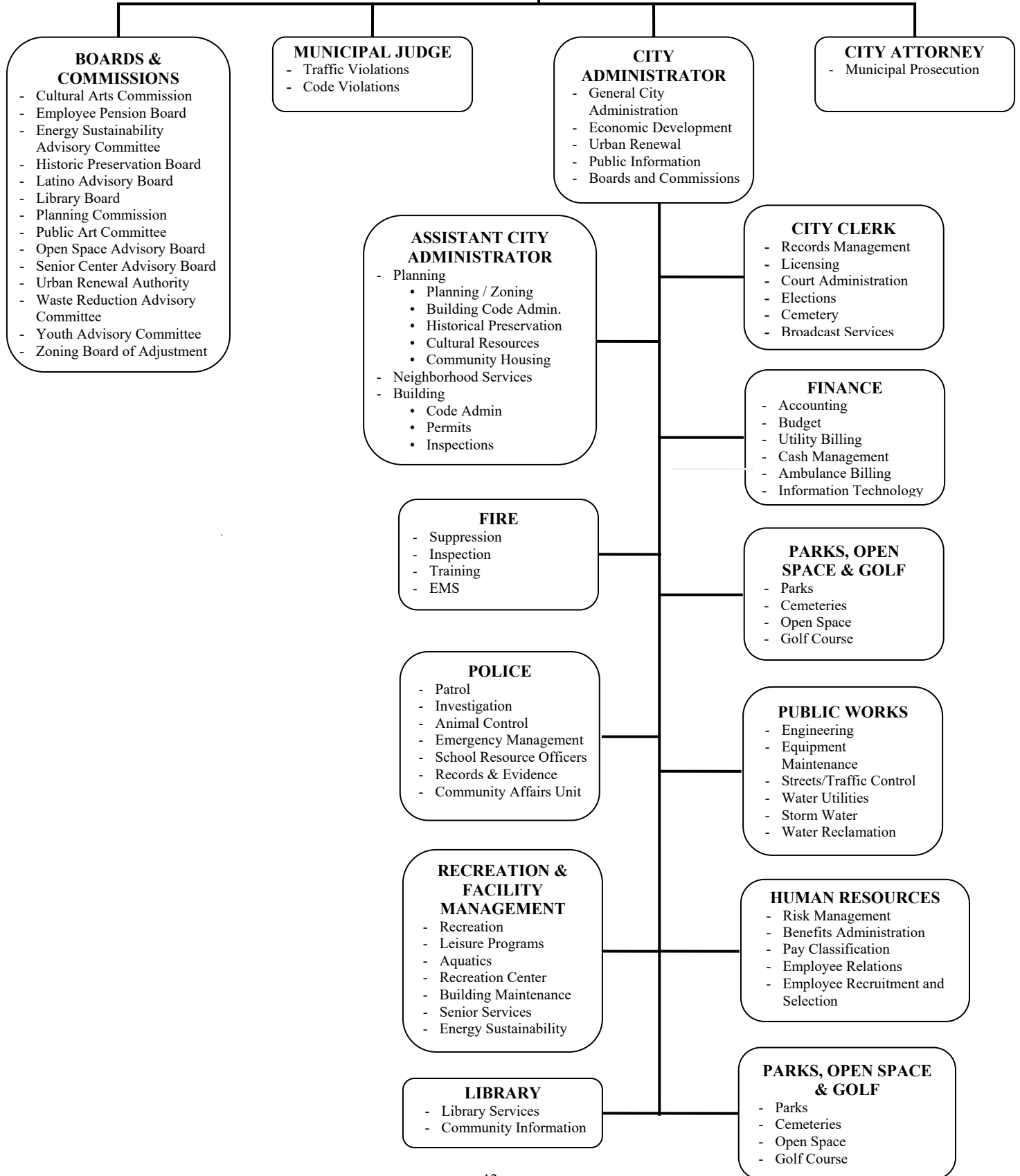
December 31, 2015

Executive Director/CEO

CITIZENS OF LAFAYETTE

2016

CITY COUNCIL



CITY OF LAFAYETTE

CITY COUNCIL



Standing from l. to r.: City Attorney Dave Williamson, Councilor Walton, Mayor Pro Tem Reyna, Councilor Behanna, Councilor Wiesley, City Administrator Gary Klaphake. Seated, l. to r.: Councilor Lynch, Mayor Berg, Councilor Mazza

ADMINISTRATION

Gary Klaphake
City Administrator

Directors

Susan Koster City Clerk
Steve McFarland..... Finance Director
Pam Spring Human Resources Director
Melissa Hisel Library Director
Monte Stevenson Parks, Recreation, Open Space & Golf Director
Karen Westover Planning & Building Director
Doug Short Public Works Director

Public Safety

Dave Friedel Fire Chief
Rick Bashor Police Chief

Municipal Court

David Williamson..... City Attorney
Roger Buchholz Municipal Court Judge

Public Works

Aaron Asquith City Engineer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

FINANCIAL SECTION

2016



Independent Auditor's Report

To the Honorable Mayor and City Council
City of Lafayette, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lafayette, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Base Line Land and Reservoir Company, which represents 26%, 30%, and 31%, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts included for this discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 18 through 28 and 100 through 104, respectively, and the pension schedules of proportionate share of net pension liability or asset for cost sharing plans, schedule of pension contributions for cost sharing hybrid and statewide plans, schedule of changes in net pension liability/asset for the Volunteer plan, schedule of contributions for the volunteer plan and notes on pages 105 through 110 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lafayette, Colorado's financial statements. The introductory section, combining fund financial statements, individual budgetary comparison schedules, Local Highway Finance Report and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements, budgetary comparison schedules, pages 113 through 139, and the Local Highway Finance Report on pages 173 through 174 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Eide Bailly LLP

Denver, Colorado
July 27, 2017

Management's Discussion and Analysis

Our discussion and analysis of the City of Lafayette's financial statements for the year ended December 31, 2016, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

Financial Highlights:

The total Net Position for the primary government increased \$14.2 million from 2015 primarily due to increased revenues from governmental and business activities. Sales and use tax (increased \$2.3 million) and capital grants/contributions (Business-type activities, increased \$2.1 million) were the primary sources of the revenue increase.

The City's unassigned General Fund balance was \$20.0 million on a modified accrual basis, an increase of \$3.9 million from 2015, and represents 68% of 2016 final budgeted expenditures. The total General Fund balance increased \$4.2 million over 2015 primarily as a result of broad-based advances in revenues and inflows including increases in tax (property, sales, and excise) collections of \$1.6 million, and grants of \$0.2 million, and transfers in of \$0.4 million. Expenditures/outflows increased 6.9%, most notably in Public Safety (personnel costs) and General Government (increased benefit costs).

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City of Lafayette's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Lafayette finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Lafayette's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lafayette is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lafayette that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Lafayette include general government, judicial, public safety, public works, and culture and recreation. The business-type activities of the City include the water utility, water reclamation fund, storm water fund, and a golf course operation.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lafayette, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-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. Such information may be useful in evaluating a government's near-term financing requirements.

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

Proprietary funds. The City of Lafayette maintains two different 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 of Lafayette uses enterprise funds to account for its water utility, water reclamation, storm water, and for its golf course operation.

The second type of proprietary fund includes the *Internal Service funds*. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City of Lafayette's various functions. The City uses internal service funds to account for its insurance and employee benefits. Because both of 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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, and Water Reclamation Funds (major funds), and Golf Course and Storm Water Funds (non-major funds). Conversely, since they are defined as proprietary funds, both internal service funds are combined into a single, aggregated memo 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.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Lafayette's progress in funding its obligation to provide pension benefits to its active commissioned police and firefighters, as well as its former volunteer firefighters, and a budgetary comparison schedule for the General Fund and the Ambulance and Fire Special Revenue Fund.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The Statement of Net Position and Statement of Activities for 2016 are compared with the results of 2015 in order to review the City's progress towards maintaining financial stability.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lafayette, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$296 million at the close of 2016, an increase of 5% from 2015. The following table reflects amounts in thousands of dollars.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015 Restated</u>	<u>2016</u>	<u>2015 Restated</u>
Current and Other Assets	\$ 60,920	\$ 50,450	\$ 51,441	\$ 45,382	\$ 112,361	\$ 95,832
Capital Assets	131,733	132,338	106,590	104,852	238,323	237,190
Total Assets	192,653	182,788	158,031	150,234	350,684	333,022
Deferred Outflows of Resources	2,261	847	830	906	3,091	1,753
Long-term Liabilities						
Outstanding	22,176	17,140	16,316	16,279	38,492	33,419
Other Liabilities	3,393	4,143	7,031	7,060	10,424	11,203
Total Liabilities	25,569	21,283	23,347	23,339	48,916	44,622
Deferred Inflows of Resources	8,504	7,837	-	-	8,504	7,837
Net Position:						
Net Investment in Capital						
Assets,	115,676	116,504	91,253	85,694	206,929	202,198
Restricted	10,519	8,917	566	566	11,085	9,483
Unrestricted	34,646	29,094	43,695	41,541	78,341	70,635
Total Net Position	\$ 160,841	\$ 154,515	\$ 135,514	\$ 127,801	\$ 296,355	\$ 282,316

Current and other assets increased \$16.5 million, resulting primarily from 2016 operations and the net proceeds from debt refunding/issuance. The net increases in operations resulted in similar changes in unrestricted net position of governmental and business-type activities.

By far the largest portion of the City's net position (70%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; 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.

Long-term liabilities increased a net \$3.9 million from a combination of planned debt service payments, as well as a Series 2016 refunding and general obligation bond that reduced \$3.8m of debt (1998, 2005 general obligation bonds) and created \$8.3m of debt for the construction of the Lamont Does Water Park.

Changes in Net Position

The City's total revenues of \$58.0 million exceeded expenses of \$43.8 million resulting in an increase before transfers of \$14.2 million. The key elements of this increase are presented in the following table, reflected in thousands of dollars:

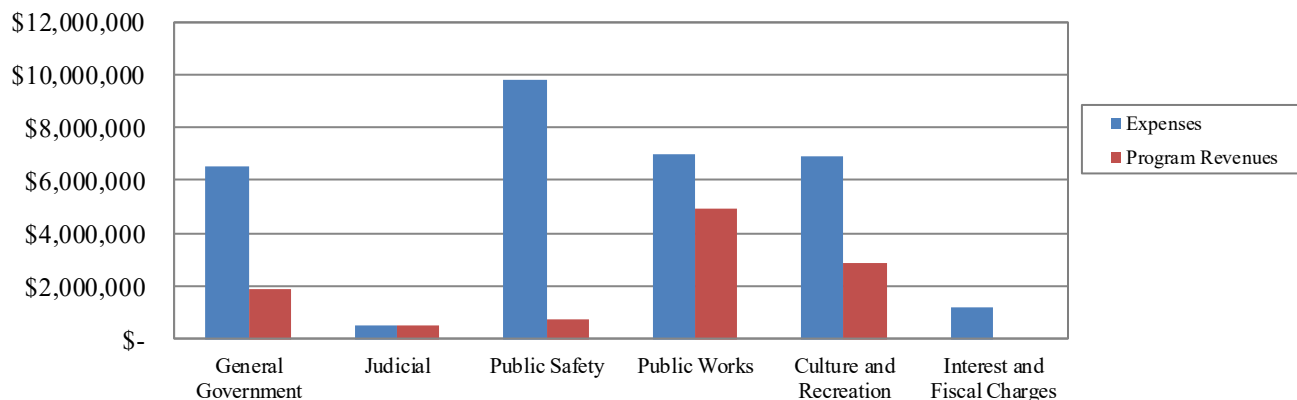
	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Program Revenues:						
Charges for Services	\$ 6,364	\$ 5,877	\$ 15,270	\$ 13,159	\$ 21,634	\$ 19,036
Operating Grants	1,561	1,276	-	-	1,561	1,276
Capital Grants & Contributions	3,005	2,825	6,181	3,484	9,186	6,309
General Revenue:						
Property Taxes	8,091	8,964	-	-	8,091	8,964
Sales and Use Tax	15,347	12,966	-	-	15,347	12,966
Excise Taxes	460	184	-	-	460	184
Interest	289	249	282	258	571	507
Gain on Sale of Property	36	90	12	54	48	144
Franchise Taxes	1,108	1,114	-	-	1,108	1,114
Other General Revenues	61	54	(10)	-	51	54
Total Revenues	36,322	33,599	21,735	16,955	58,057	50,554
Program Expenses:						
General Government	6,503	6,159	-	-	6,503	6,159
Judicial	522	406	-	-	522	406
Public Safety	9,831	8,402	-	-	9,831	8,402
Public Works	6,999	6,406	-	-	6,999	6,406
Culture and Recreation	6,903	7,044	-	-	6,903	7,044
Interest on Long-Term Debt	1,239	1,154	-	-	1,239	1,154
Water	-	-	5,586	5,520	5,586	5,520
Water Reclamation	-	-	2,834	2,799	2,834	2,799
Golf Course	-	-	2,220	2,091	2,220	2,091
Storm Water	-	-	1,212	944	1,212	944
Total Expenses	31,997	29,571	11,852	11,354	43,849	40,925
Excess Revenues before Transfers	4,325	4,028	9,883	5,601	14,208	9,629
Transfers	2,001	1,668	(2,001)	(1,668)	-	-
Change in Net Position	6,326	5,696	7,882	3,933	14,208	9,629
Beginning Net Position, Jan 1	154,515	148,819	127,632	123,868	282,147	272,687
Ending Net Position, Dec 31	\$ 160,841	\$ 154,515	\$ 135,514	\$ 127,801	\$ 296,355	\$ 282,316

Governmental activities

During 2016, the change in net position in governmental activities was \$6.3 million, compared to the change in net position during 2015 of \$5.7 million which is an increase of \$0.6 million. The \$0.6 million increase resulted from increased sales and use tax (\$2.3 million), premiums on debt issuances (\$0.8 million), charges for services (\$0.5 million), transfers in (\$0.4 million), and increased expenses (\$2.2 million).

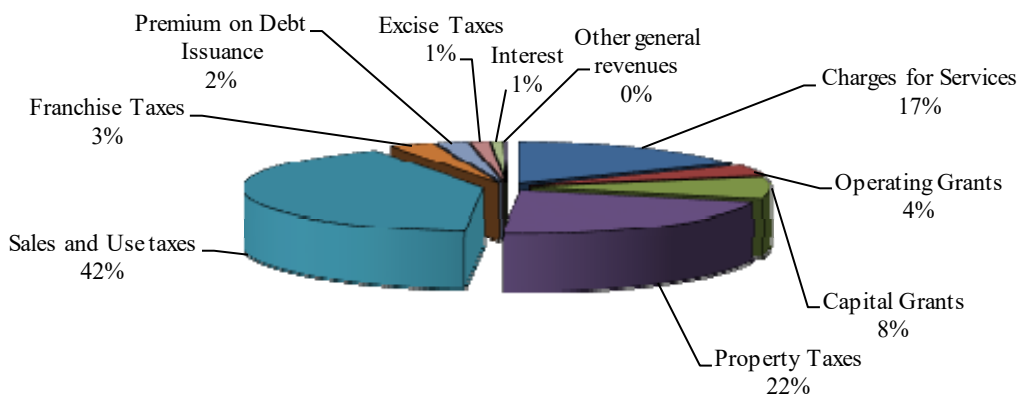
Program expenses increased in general government and public safety functions due to various operating cost adjustments.

2016 Expenses and Program Revenues - Governmental Activities



As defined in the footnotes, program revenues are directly associated with a specific activity. Program revenues account for 29% of total revenues related to governmental activities in 2016. General revenues, consisting mostly of taxes, are not directly associated with any governmental function, and are not included in the above chart. However, general revenues account for 71% of the governmental activities for 2016. Total revenues from governmental activities are summarized below.

2016 Revenues by Source - Governmental Activities

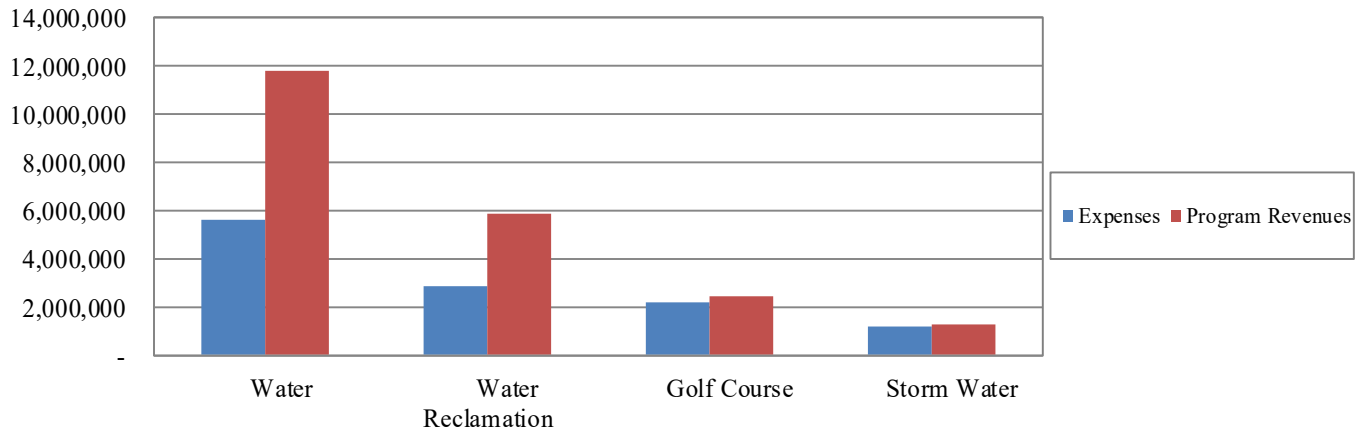


Business-type activities

Net position in business-type activities increased during 2016. Revenues increased from both charges for services (+16%) and Capital Grants/Contributions (+77%), for a total of \$4.8 million. Program expenses increased 4.4%, or \$0.5 million. Increases in Baseline Reservoir share expenses (\$0.2 million) and from Storm Water collection fees (\$0.3 million) contributed to the increase.

The following chart demonstrates the comparison of expenses and program revenues for business-type activities.

2016 Expenses and Program Revenues - Business-type Activities



Financial Analysis of the City's Funds

Governmental Funds – Information on the major governmental funds of the City follows the government-wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2016, the city reported a combined fund balance of \$45.9 million, an increase of \$10.7 million from 2015. The fund balance of the General Fund increased \$4.2 million, the Ambulance & Fire Special Revenue Fund decreased \$.02 million, the Capital Projects Fund increased \$4.9 million, the Debt Service Fund was flat, and other governmental funds increased by \$1.7 million.

The General Fund is the primary operating fund of the city. At the end of 2016, the unassigned fund balance of the General Fund was \$20.0 million, an increase of \$3.9 million over 2015, primarily from increased revenues. The remainder of the fund balance for the General Fund is, either not in spendable form, such as land held for resale and inventory, or not available for new spending and is restricted, committed, or assigned.

Fund balances for the non-major funds are restricted, committed or assigned to the specific purpose of each fund.

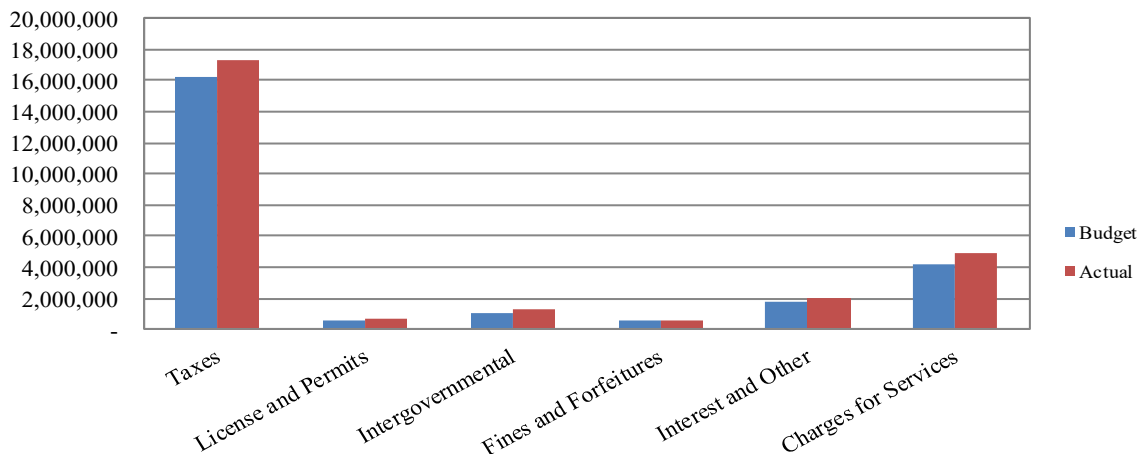
Proprietary Funds – Information on the proprietary funds provides the same type of information found in the government-wide statements, but with more detail. At the end of 2016, the City reported unrestricted net position of \$43.7 million, an increase of \$2.3 million as compared to 2015. Factors concerning the finances of these funds have been discussed above in the business-type activities section.

General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains carry forward appropriations for various programs and projects, and supplemental appropriations approved during the year.

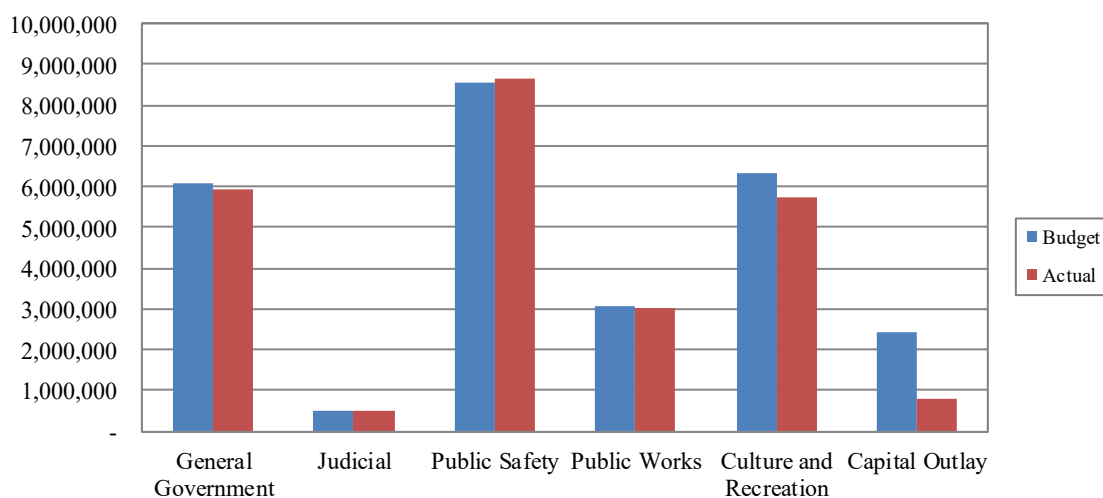
The General Fund accounts for all of the general services provided by the City of Lafayette. At the end of 2016, the total fund balance of the General Fund had increased by approximately \$4.2 million (20.1%). The unassigned fund balance increased \$3.9 million primarily from increased revenues as mentioned previously. The following chart presents a summary of the major revenue sources of the City's General Fund.

2016 Budget & Actual Revenue by Source - General Fund



General government expenditures include all administrative functions of the City (i.e. council, administrator, clerk, judicial, finance, planning, and municipal facilities), as well as public safety, public works, and culture and recreation. The following chart presents a summary of functional categories for expenditures.

2016 Budget & Actual Expenditures by Source - General Fund



Ambulance personnel costs caused Public Safety to slightly exceed budget. Other major categories were within budget or under budget.

Capital Assets and Debt Administration

Capital Assets:

The City of Lafayette's investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$238.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and waste water systems, improvements, machinery and equipment, park facilities, roads, storm drainage, and other infrastructure.

Major capital asset activity during 2016 include (in thousands):

Developer Dedications- Infrastructure	\$ 1,892
Police Vehicles	228
Ambulance/Emergency Equipment	241
Water Lines	179
Water Rights (WIP)	625
South Boulder Creek Diversion Project (WIP)	237
Cemetery Irrigation Equipment	132
Building/Site Improvements (Recreation Center, Beauprez Barn)	111
Lamont Does Water Park (WIP)	1,256
Road improvements	211
Goose Haven New Reservoir Cells (WIP)	3,291
Water Reclamation improvements	123
Storm Water Drainage Equipment and Improvements	150
Golf Course Equipment	173

Capital Assets at Year-End (Net of Depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 69,593	\$ 69,537	\$ 7,309	\$ 7,309	\$ 76,902	\$ 76,846
Water Rights	-	-	34,515	34,515	34,515	34,515
Buildings and Systems	17,585	18,219	1,638	1,688	19,223	19,907
Improvements other than Buildings	1,347	1,540	338	351	1,685	1,891
Infrastructure	37,321	38,575	50,463	50,557	87,784	89,132
Equipment	3,038	3,127	3,286	3,765	6,324	6,892
Construction in Process	2,849	1,340	9,041	4,376	11,890	5,716
Total	\$ 131,733	\$ 132,338	\$ 106,590	\$ 102,561	\$ 238,323	\$ 234,899

Additional information on the City's capital assets can be found in Note 6 to the Financial Statements.

Bonded Debt:

At December 31, 2016, the City had total bonded debt outstanding of \$30.9 million. Of this amount, \$8.3 million consisted of debt backed by the full faith and credit of the City, and the balance of \$22.6 million represents bonds secured solely by specified revenue sources (revenue and demand bonds). Additional information on the City's debt structure is located in Note 7 to the Financial Statements.

Outstanding Bond Debt at Year-End
General Obligation, Revenue and Demand Bonds
(in millions)

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 8.3	\$ 3.8	\$ -	\$ -	\$ 8.3	\$ 3.8
Revenue bonds	6.9	7.9	11.8	12.7	18.6	20.6
Demand bonds	4.0	4.0	-	-	4.0	4.0
Total bonded debt	\$ 19.1	\$ 15.7	\$ 11.8	\$ 12.7	\$ 30.9	\$ 28.4

Economic Factors and Next Year's Budgets and Rates

The City of Lafayette experienced improved economic activity during 2015 and 2016. However, a cautious approach was taken in the preparation of the 2017 budget revenues. Sales tax revenues are expected to continue to increase at a lower rate since the new businesses creating the increases in 2015 have increased the base from which 2016 and 2017 budget were calculated. Total budgeted expenditures for 2017 were increased to provide pay adjustments and a \$1 million reserve for capital projects. The \$1 million will be added to the Capital Projects Fund for planned major projects.

Commercial and multi-residential construction may provide a boost to revenues assuming financing for the projects are finalized as anticipated.

Revenues for 2017 were estimated based on the following assumptions:

- Water usage will be similar to 2016 even with a 5% rate increase.
- Golf Course revenues are projected to decrease from 2016.
- No increase in recreation fees to remain competitive with neighboring facilities.
- Revenue from sales and use tax returns will increase 4-5%.
- 100 single family residential building permits will be issued.
- Property tax collections will approximate 100% of the levy imposed. Debt service mill levies will be adjusted to generate the necessary amounts for principal and interest payments.
- Inflation will not exceed 2%.
- Interest earnings are calculated at 0.5% interest, as a result of previously purchased investments.

Based on results for the first third of 2017, General Fund revenues (including transfers in) were 16.4% greater than at the same time in 2016, and sales taxes, net of rebates, increased 6.7%. General Fund expenditures (including transfers out) decreased 1.8% from the same period in 2016. The year is off to a favorable start.

In November 2014, citizens approved authorizing up to \$5,520,000 in general obligation bonds for “designing, acquiring, constructing, remodeling, furnishing and equipping recreation facilities at Lamont Does Park, including but not limited to, a water park with amenities, such as slides, a new interactive play park and zero entry play pool, a renovated leisure/lap swimming pool, a remodeled bath house, a new entry structure meeting ADA standards, and multipurpose synthetic turf athletic fields and parking lot facilities.” In mid-2016, the City began soliciting construction bids and making preparations to engage in selling said bonds, with ground-breaking targeted for October 2016. Bonding was completed in November 2016. In the same transaction, the City took advantage of the favorable rate (~2.00%) to refund its 1998 and 2005 bonds. The Lamont Does Water Park is slated for completion in late 2017, with an opening date targeted for the 2018 season.

Water Fund metered water sales increased slightly over the same period in 2016, and development fees (tap fees and payments in lieu of water dedications) to date in 2016 have increased as well. Water Reclamation Fund revenues have increased significantly in the early part of 2017 due to scheduled rate increases. Golf Course revenues increased nearly 30% from the same period in 2016, as mild weather prevailed for much of the spring.

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 funds and assets it receives. If you have questions about this report, or need additional financial information, contact the City of Lafayette Finance Department at 1290 South Public Road, Lafayette, CO 80026.

BASIC FINANCIAL STATEMENTS

FINANCIAL SECTION

2016

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Units	
	Governmental	Business-type		Lafayette Urban	Base Line Land
	Activities	Activities	Total	Renewal Authority	& Reservoir Company
ASSETS					
Cash and Investments	\$ 39,844,696	\$ 47,681,501	\$ 87,526,197	\$ 1,527,709	\$ 59,248
Accrued Interest Receivable	434,308	116,286	550,594	-	-
Accounts Receivable (Net Allowance for Uncollectibles)	2,594,927	1,034,829	3,629,756	321,914	70
Property Taxes Receivable	8,486,197	-	8,486,197	795,611	-
Interfund Loan Receivable	114,655	525,000	639,655	-	-
Equity Interest in Component Unit	-	637,959	637,959	-	-
Prepaid Items	1,031,572	-	1,031,572	-	-
Inventory	22,340	65,477	87,817	-	-
Asset Held for Resale	1,036,253	-	1,036,253	-	-
Special Assessments Receivable	1,501,091	17,513	1,518,604	-	-
Restricted Cash and Investments	5,442,671	1,362,000	6,804,671	-	-
Capital Assets not being depreciated:					
Land	69,592,519	7,308,774	76,901,293	-	76,000
Water Rights	-	34,514,739	34,514,739	-	12,000
Construction in Progress	2,849,212	9,040,634	11,889,846	-	48,493
Capital Assets net of accumulated depreciation:					
Buildings	17,585,159	1,638,169	19,223,328	-	-
Improvements Other than Buildings	1,347,087	338,228	1,685,315	-	-
Equipment	3,037,970	3,286,352	6,324,322	-	-
Infrastructure and Systems	37,321,417	50,463,330	87,784,747	-	715,559
Net Pension Assets	411,272	-	411,272	-	-
Total Assets	192,653,346	158,030,791	350,684,137	2,645,234	911,370
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Debt Refunding	244,281	830,043	1,074,324	-	-
Deferred Outflows to Pensions	2,016,946	-	2,016,946	-	-
Total Deferred Outflows of Resources	2,261,227	830,043	3,091,270	-	-
LIABILITIES					
Checks Issued in Excess of Bank Balance	6,274	-	6,274		
Accounts Payable	1,804,306	3,893,600	5,697,906	54,294	-
Claims Payable	54,745	-	54,745	-	-
Accrued Liabilities	485,685	190,279	675,964	-	30,547
Income Taxes Payable	-	-	-	-	51,506
Deposits Payable	929,461	100,163	1,029,624	2,000	-
Interfund Loan Payable	-	639,655	639,655	-	-
Grants Received in Advance	112,960	11,741	124,701	-	-
Deferred Income Tax Liability	-	-	-	-	70,900
Water Rights Received in Advance	-	562,828	562,828	-	-
Water and Sewer Tap Fees Received in Advance	-	1,632,004	1,632,004	-	-
Noncurrent Liabilities					
Due Within One Year	2,904,875	1,621,406	4,526,281	-	-
Due in More than One Year	18,234,100	14,694,839	32,928,939	-	-
Net Pension Liability	1,036,614	-	1,036,614	-	-
Total Liabilities	25,569,020	23,346,515	48,915,535	56,294	152,953
DEFERRED INFLOW OF RESOURCES					
Deferred Revenue - Property Taxes	8,486,197	-	8,486,197	795,611	-
Deferred Inflows - Related to Pension	16,765	-	16,765	-	-
Deferred Inflows - Related to Refunding	1,199	-	1,199		
Total Deferred Inflows of Resources	8,504,161	-	8,504,161	795,611	-

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Units	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Lafayette Urban</u> <u>Renewal</u> <u>Authority</u>	<u>Base Line Land</u> <u>& Reservoir</u> <u>Company</u>
NET POSITION					
Net Investment in Capital Assets	115,675,547	91,252,731	206,928,278	-	-
Restricted for:					
Capital Projects	6,122,515	-	6,122,515	-	-
Urban Renewal Projects	-	-	-	1,793,329	-
GID Obligations	3,100,125	-	3,100,125	-	-
Equity Interest - Nonexpendable	-	566,315	566,315	-	-
Emergency Reserve - State Imposed	382,489	-	382,489	-	-
Police Seizure	7,967	-	7,967	-	-
Communication Projects	45,734	-	45,734	-	-
Intergovernmental Projects	74,724	-	74,724	-	-
Debt Payments	49,527	-	49,527	-	-
Administrator Severance Package	736,406	-	736,406	-	-
Unrestricted	34,646,358	43,695,273	78,341,631	-	758,417
Total Net Position	\$ 160,841,392	\$ 135,514,319	\$ 296,355,711	\$ 1,793,329	\$ 758,417

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

					Net (Expense) Revenue And Changes in Net Position				
Program Revenues					Primary Government			Component Units	
		Charges for	Operating	Capital	Governmental	Business-type		Lafayette	Base Line
Functions/Programs	Expenses	Services	Grants and	Grants and	Activities	Activities	Total	Urban	Land &
			Contributions	Contributions				Renewal	Reservoir
								Authority	Company
Primary Government:									
Governmental Activities:									
General Government	\$ 6,502,498	\$ 1,605,901	\$ 55,263	\$ 192,606	\$ (4,648,728)	\$ -	\$ (4,648,728)		
Judicial	522,216	528,248	-	-	6,032	-	6,032		
Public Safety	9,831,186	583,071	139,453	31,630	(9,077,032)	-	(9,077,032)		
Public Works	6,999,101	1,624,090	1,074,130	2,224,333	(2,076,548)	-	(2,076,548)		
Culture and Recreation	6,903,106	2,022,257	292,615	556,248	(4,031,986)	-	(4,031,986)		
Interest and Fiscal Charges	1,238,737	-	-	-	(1,238,737)	-	(1,238,737)		
Total Governmental Activities	31,996,844	6,363,567	1,561,461	3,004,817	(21,066,999)	-	(21,066,999)		
Business-type Activities									
Water	5,586,019	7,574,216	-	4,206,714	-	6,194,911	6,194,911		
Water Reclamation	2,834,235	4,520,574	-	1,342,817	-	3,029,156	3,029,156		
Golf Course	2,219,448	2,493,470	-	-	-	274,022	274,022		
Storm Water	1,212,323	682,188	-	631,425	-	101,290	101,290		
Total Business-type Activities	11,852,025	15,270,448	-	6,180,956	-	9,599,379	9,599,379		
Total Primary Government	\$ 43,848,869	\$ 21,634,015	\$ 1,561,461	\$ 9,185,773	(21,066,999)	9,599,379	(11,467,620)		
Component Units:									
Lafayette Urban Renewal Authority	\$ 816,896	\$ -	\$ -	\$ -			\$ (816,896)	\$ -	
Base Line Land and Reservoir Company	158,843	332,338	-	11,888			-		185,383
Total Component Units	\$ 975,739	\$ 332,338	\$ -	\$ 11,888			(816,896)		185,383
General Revenues:									
Property & Specific Ownership Taxes					8,090,573	-	8,090,573	436,918	-
General Sales & Use Taxes					15,347,393	-	15,347,393	321,913	-
Excise Taxes					459,674	-	459,674	-	-
Unrestricted Intergovernmental Revenues					55,656	-	55,656	-	-
Franchise Taxes					1,107,958	-	1,107,958	-	-
Interest					288,540	281,716	570,256	799	101
Easement over Open Space Property					6,897	-	6,897	-	-
Sewer Line Assessment Adjustments					-	(10,143)	(10,143)	-	-
Gain on Sale of Property					35,690	12,420	48,110	-	-
Transfers					2,001,131	(2,001,131)	-	-	-
Total General Revenues and Transfers					27,393,512	(1,717,138)	25,676,374	759,630	101
Change in Net Position					6,326,513	7,882,241	14,208,754	(57,266)	185,484
Net Position - January 1					154,514,879	127,632,078	282,146,957	1,850,595	572,933
Net Position - December 31					\$ 160,841,392	\$ 135,514,319	\$ 296,355,711	\$ 1,793,329	\$ 758,417

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

CITY OF LAFAYETTE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General	Ambulance & Fire	Capital Projects	Debt Service Fund	Other Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 22,920,616	\$ 362,772	\$ 7,128,252	\$ 49,706	\$ 8,792,881	\$ 39,254,227
Accrued Interest Receivable	53,227	968	21,084	117	20,147	95,543
Accounts Receivable						
Net of Allowance for Uncollectibles	2,372,636	8,700	-	-	213,443	2,594,779
Property Taxes Receivable	4,647,215	2,053,463	-	1,161,061	624,458	8,486,197
Interfund Loan Receivable	-	-	114,655	-	-	114,655
Prepaid Items	65,000	714,090	-	-	-	779,090
Inventory	22,340	-	-	-	-	22,340
Assets Held for Resale	1,036,253	-	-	-	-	1,036,253
Special Assessments Receivable	812,735	248,956	-	-	439,400	1,501,091
Restricted Cash and Investments	412,463	-	3,893,322	-	1,136,886	5,442,671
Total Assets	\$ 32,342,485	\$ 3,388,949	\$ 11,157,313	\$ 1,210,884	\$ 11,227,215	\$ 59,326,846
LIABILITIES						
Checks Issued in Excess of Bank Balance	\$ -	\$ -	\$ -	-	\$ 6,274	\$ 6,274
Accounts Payable	1,016,358	705	672,733	296	47,935	1,738,027
Accrued Liabilities	408,659	26,671	-	-	-	435,330
Deposits Payable	766,221	21,312	66,928	-	75,000	929,461
Grants Received in Advance	112,960	-	-	-	-	112,960
Total Liabilities	2,304,198	48,688	739,661	296	129,209	3,222,052
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	4,647,215	2,053,463	-	1,161,061	624,458	8,486,197
Unavailable Revenue - Special Assessments	812,735	248,956	-	-	439,400	1,501,091
Unavailable Revenue - Other	222,615	-	-	-	179,336	401,951
Total Deferred Inflows of Resources	5,682,565	2,302,419	-	1,161,061	1,243,194	10,389,239
FUND BALANCE						
Resources Not in Spendable Form						
Prepaid Item	65,000	714,090	-	-	-	779,090
Inventory	22,340	-	-	-	-	22,340
Assets Held for Resale	1,036,253	-	-	-	-	1,036,253
Cemetery Endowment	-	-	-	-	46,386	46,386
Restricted Resources						
Administrator Severance Package	736,406	-	-	-	-	736,406
Debt Service Payments	-	-	-	49,527	-	49,527
Emergency Reserve - State Imposed	382,489	-	-	-	-	382,489
Police Seizure	7,967	-	-	-	-	7,967
Capital Projects	372,680	-	69,465	-	5,680,370	6,122,515
Communication Projects	45,734	-	-	-	-	45,734
Intergovernmental Projects	74,724	-	-	-	-	74,724
GID Obligations	-	-	-	-	3,100,125	3,100,125

CITY OF LAFAYETTE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	<u>General</u>	<u>Ambulance & Fire</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
FUND BALANCE (continued)						
Committed Resources						
Public Works Projects	\$ 464,102	\$ -	\$ 3,777,948	-	\$ -	\$ 4,242,050
Parks and Recreation Projects	1,004,915	-	6,570,239	-	-	7,575,154
Affordable Housing	104,291	-	-	-	-	104,291
Assigned Resources						
Debt Service Payments	39,625	-	-	-	-	39,625
Education and Pension Administrative Costs	29,510	-	-	-	-	29,510
Ambulance and Fire Services	-	323,752	-	-	-	323,752
GID Maintenance and Other	-	-	-	-	771,891	771,891
Recreation, Open Space, and Parks	-	-	-	-	255,924	255,924
Cemetery Endowment	-	-	-	-	116	116
Unassigned	19,969,686	-	-	-	-	19,969,686
Total Fund Balance	<u>24,355,722</u>	<u>1,037,842</u>	<u>10,417,652</u>	<u>49,527</u>	<u>9,854,812</u>	<u>45,715,555</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 32,342,485</u>	<u>\$ 3,388,949</u>	<u>\$ 11,157,313</u>	<u>\$ 1,210,884</u>	<u>\$ 11,227,215</u>	<u>\$ 59,326,846</u>
	-	-	-	-	-	-

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
December 31, 2016**

Total Governmental Fund Balances		\$ 45,715,555
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Accrued Interest on special assessment is recorded as a receivable on the Statement of Net Position. This item is not available and is not recognized in the governmental funds.		337,442
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount is net of accumulated depreciation of \$70,624,738.		131,733,366
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not included in the funds.		
Net Pension Asset		411,272
Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		215,341
Some receivables are recorded as deferred revenue in governmental funds since they are not available for current period expenditures.		1,845,409
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(21,417,174)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows relating to pensions	2,016,946	
Deferred inflows relating to pensions	<u>(16,765)</u>	<u>2,000,181</u>
Net Position of the Governmental Activities		<u>\$ 160,841,392</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	General	Ambulance & Fire	Capital Projects	Debt Service Fund	Other Governmental Funds	Total
Revenues						
Taxes	\$ 17,339,981	\$ 2,096,285	\$ -	\$ 1,601,473	\$ 2,859,901	\$ 23,897,640
Licenses and Permits	720,295	-	-	-	-	720,295
Intergovernmental	1,336,493	-	-	-	298,650	1,635,143
Fines and Forfeitures	528,249	-	-	-	-	528,249
Franchise Taxes	1,107,958	-	-	-	-	1,107,958
Special Assessments Principal	4,105	140,521	-	-	-	144,626
Special Assessments Interest	121	31,630	-	-	469,454	501,205
Interest	164,576	4,879	33,456	7,987	58,297	269,195
Sidewalk Maintenance/Repair	99,371	-	-	-	-	99,371
Service Expansion & Park Contributions	402,946	-	-	-	-	402,946
PEG Fees	30,020	-	-	-	-	30,020
Public Art Fees	17,237	-	-	-	-	17,237
Contributions and Misc Grants	181,254	-	-	-	-	181,254
Charges for Services	4,962,784	-	-	-	15,000	4,977,784
Property Sales	35,690	-	-	-	-	35,690
Miscellaneous	-	-	64,540	-	21,585	86,125
Total Revenues	26,931,080	2,273,315	97,996	1,609,460	3,722,887	34,634,738
Expenditures						
Current						
General Government	5,918,830	61,104	210,228	10,739	77,382	6,278,283
Judicial	522,888	-	-	-	-	522,888
Public Safety	8,654,420	936,753	-	-	-	9,591,173
Public Works	3,027,965	-	1,041,971	-	-	4,069,936
Culture and Recreation	5,761,748	-	-	-	85,568	5,847,316
Capital Outlay	782,449	241,274	1,522,722	-	38,953	2,585,398
Debt Service						
Capital Lease and Loan Payments	-	-	-	149,360	-	149,360
Bond Principal	-	-	-	4,720,000	190,000	4,910,000
Bond Interest and Fiscal Charges	-	-	-	284,556	782,597	1,067,153
Total Expenditures	24,668,300	1,239,131	2,774,921	5,164,655	1,174,500	35,021,507
Excess (Deficiency) of Revenues Over Expenditures	2,262,780	1,034,184	(2,676,925)	(3,555,195)	2,548,387	(386,769)
Other Financing Sources (Uses)						
Debt Proceeds	-	-	5,080,000	3,185,000	-	8,265,000
Debt Premium	-	-	530,308	276,173	-	806,481
Issuance Costs	-	-	(81,903)	(52,418)	-	(134,321)
Transfers In	3,940,548	-	1,878,957	149,360	-	5,968,865
Transfers (Out)	(2,028,317)	(1,055,508)	-	-	(883,909)	(3,967,734)
Total Other Financing Sources (Uses)	1,912,231	(1,055,508)	7,407,362	3,558,115	(883,909)	10,938,291

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<u>General</u>	<u>Ambulance & Fire</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Net Change in Fund Balance	\$ 4,175,011	\$ (21,324)	\$ 4,730,437	\$ 2,920	\$ 1,664,478	\$ 10,551,522
Fund Balance, January 1	<u>20,180,711</u>	<u>1,059,166</u>	<u>5,687,215</u>	<u>46,607</u>	<u>8,190,334</u>	<u>35,164,033</u>
Fund Balance, December 31	<u>\$ 24,355,722</u>	<u>\$ 1,037,842</u>	<u>\$ 10,417,652</u>	<u>\$ 49,527</u>	<u>\$ 9,854,812</u>	<u>\$ 45,715,555</u>

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

CITY OF LAFAYETTE, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

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

Net change in fund balances - total government funds	\$ 10,551,522
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$2,585,398, and Developer dedications of \$1,708,142 were exceeded by depreciation (\$4,879,855) and retirements net of accumulated depreciation (\$17,910) in the current period.	(604,225)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,046,408
Bond proceeds of \$8,265,000 and premium of \$806,481 received on debt issued are reported as revenue in the governmental funds, increases long term liabilities.	(9,071,481)
Some income reported in the Statement of Activities, although measurable, is not available, and is not reported as revenue in governmental funds.	(22,433)
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.	(265)
City pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the City's report date. Pension expense, which is a change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.	341,958
Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The net revenue (expenditures) of the internal service funds is reported with governmental activities.	81,681
Deferred outflows related to debt refunding are applicable to future periods and therefore, are not reported in the funds.	3,348
Change in net position of governmental activities	<u>\$ 6,326,513</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Water Utility	Water Reclamation Utility	Nonmajor Proprietary		Total	Governmental Activities - Internal Service Funds
			Golf Course	Storm Water		
Assets						
Current Assets						
Cash and Investments	\$ 38,791,195	\$ 8,110,806	\$ 586,957	\$ 192,543	\$ 47,681,501	\$ 590,469
Accrued Interest Receivable	96,826	17,691	1,442	327	116,286	1,324
Accounts Receivable	452,187	509,276	150	73,216	1,034,829	147
Equity Interest in Component Unit	637,959	-	-	-	637,959	-
Prepaid Items	-	-	-	-	-	252,480
Inventory	-	-	65,477	-	65,477	-
Interfund Loan Receivable	525,000	-	-	-	525,000	-
Restricted Cash and Investments	1,362,000	-	-	-	1,362,000	-
Total Current Assets	41,865,167	8,637,773	654,026	266,086	51,423,052	844,420
Noncurrent Assets						
Assessments Receivable	-	17,513	-	-	17,513	-
Capital Assets						
Water, Water Reclamation, and Storm Water System	49,776,017	32,195,411	-	2,549,081	84,520,509	-
Buildings and Improvements	1,214,217	294,021	1,532,115	2,983	3,043,336	-
Improvements Other than Buildings	173,916	420,602	451,180	28,003	1,073,701	-
Equipment	7,313,123	3,342,380	1,651,921	1,032,900	13,340,324	-
Accumulated Depreciation	(27,281,736)	(15,862,119)	(2,304,720)	(803,216)	(46,251,791)	-
Total Plant and Equipment, Net of Accumulated Depreciation	31,195,537	20,390,295	1,330,496	2,809,751	55,726,079	-
Land	6,462,489	716,556	-	129,729	7,308,774	-
Water Rights	34,514,739	-	-	-	34,514,739	-
Construction in Progress	8,298,199	313,391	-	429,044	9,040,634	-
Total Capital Assets, Net of Accumulated Depreciation	80,470,964	21,420,242	1,330,496	3,368,524	106,590,226	-
Total Noncurrent Assets	80,470,964	21,437,755	1,330,496	3,368,524	106,607,739	-
Total Assets	122,336,131	30,075,528	1,984,522	3,634,610	158,030,791	844,420
Deferred Outflows of Resources						
Unamortized Charges on Debt Refunding	830,043	-	-	-	830,043	-

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Water Utility	Water Reclamation Utility	Nonmajor Proprietary		Total	Governmental Activities - Internal Service Funds
			Golf Course	Storm Water		
Current Liabilities						
Accounts Payable	\$ 3,600,545	\$ 231,653	\$ 14,368	\$ 47,034	\$ 3,893,600	\$ 8,646
Claims Payable	-	-	-	-	-	54,745
Accrued Liabilities						
Accrued Interest Payable	39,015	47,149	-	-	86,164	-
Accrued Payroll	45,639	29,637	23,651	5,188	104,115	-
Deposits Payable	33,000	-	67,163	-	100,163	-
Interfund Loan Payable	-	-	114,655	525,000	639,655	-
Grants Received in Advance	11,741	-	-	-	11,741	-
Water Rights Received in Advance	562,828	-	-	-	562,828	-
Water and Sewer Tap Fees Received in Advance	1,039,637	592,367	-	-	1,632,004	-
Current Portion of Long-Term Debt	990,189	578,451	44,834	7,932	1,621,406	565,688
Total Current Liabilities	<u>6,322,594</u>	<u>1,479,257</u>	<u>264,671</u>	<u>585,154</u>	<u>8,651,676</u>	<u>629,079</u>
Noncurrent Liabilities						
Long-Term Obligations	12,221,824	2,439,945	28,593	4,477	14,694,839	-
Total Noncurrent Liabilities	<u>12,221,824</u>	<u>2,439,945</u>	<u>28,593</u>	<u>4,477</u>	<u>14,694,839</u>	<u>-</u>
Total Liabilities	<u>18,544,418</u>	<u>3,919,202</u>	<u>293,264</u>	<u>589,631</u>	<u>23,346,515</u>	<u>629,079</u>
Net Position						
Net Investment in Capital Assets	68,196,258	18,472,109	1,215,840	3,368,524	91,252,731	-
Restricted for Equity Interest						
Non-Spendable	566,315	-	-	-	566,315	-
Unrestricted	35,859,183	7,684,217	475,418	(323,545)	43,695,273	215,341
Total Net Position	<u>\$ 104,621,756</u>	<u>\$ 26,156,326</u>	<u>\$ 1,691,258</u>	<u>\$ 3,044,979</u>	<u>\$ 135,514,319</u>	<u>\$ 215,341</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Water Utility	Water Reclamation Utility	Nonmajor Proprietary		Total	Governmental Activities - Internal Service Funds
			Golf Course	Storm Water		
Operating Revenues						
Charges for Services						
Metered Water Sales	\$ 7,339,845	\$ -	\$ -	\$ -	\$ 7,339,845	\$ -
Waste Water Collection Fees	-	4,511,759	-	-	4,511,759	-
Storm Water Collection Fees	-	-	-	670,718	670,718	-
Golf Sales and Services	-	-	2,486,598	-	2,486,598	-
Miscellaneous Services	-	-	-	-	-	3,518,438
Other	234,371	8,815	6,872	11,470	261,528	43,543
Total Operating Revenues	7,574,216	4,520,574	2,493,470	682,188	15,270,448	3,561,981
Operating Expenses						
Administration	387,270	204,302	212,843	154,703	959,118	-
Source of Water Supply	640,450	-	-	-	640,450	-
Water Treatment	1,674,548	-	-	-	1,674,548	-
Water Transmission and Distribution	1,010,641	-	-	-	1,010,641	-
Waste Water Treatment	-	1,024,463	-	-	1,024,463	-
Waste Water Collection	-	620,897	-	-	620,897	-
Golf Maintenance Operations	-	-	786,030	-	786,030	-
Golf Club House Operations	-	-	652,260	-	652,260	-
Golf Food Service Operations	-	-	316,427	-	316,427	-
Storm Water Collection	-	-	-	827,594	827,594	-
Premiums and Claims Paid	-	-	-	-	-	3,402,989
Miscellaneous	-	-	-	-	-	79,087
Depreciation	1,442,577	875,547	246,803	230,026	2,794,953	-
Total Operating Expenses	5,155,486	2,725,209	2,214,363	1,212,323	11,307,381	3,482,076
Operating Income (Loss)	2,418,730	1,795,365	279,107	(530,135)	3,963,067	79,905
Non-operating Revenues (Expenses)						
Interest Revenue	234,891	44,465	4,210	(1,850)	281,716	1,776
Equity Income from Component Unit	71,644	-	-	-	71,644	-
Interest Expense	(429,983)	(109,026)	(5,085)	-	(544,094)	-
Bond Fees	(550)	-	-	-	(550)	-
Sewer Line Assessment Adjustments	-	(10,143)	-	-	(10,143)	-
Gain on Sale of Capital Asset	12,420	-	-	-	12,420	-
Total Non-operating Revenues (Expenses)	(111,578)	(74,704)	(875)	(1,850)	(189,007)	1,776
Net Income (Loss) Before Contributions and Transfers	2,307,152	1,720,661	278,232	(531,985)	3,774,060	81,681

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Water Utility	Water Reclamation Utility	Nonmajor Proprietary		Total	Governmental Activities - Internal Service Funds
			Golf Course	Storm Water		
Capital Contributions						
Tap Fees	\$ 1,312,578	\$ 852,671	\$ -	\$ -	\$ 2,165,249	\$ -
Storm Water Development Fees	-	-	-	190,018	190,018	-
Payments in Lieu of Water	2,072,601	-	-	-	2,072,601	-
Developer Dedications	749,891	490,146	-	441,407	1,681,444	-
Transfers						
Transfers Out	(1,120,832)	(542,971)	(250,292)	(87,036)	(2,001,131)	-
Total Contributions and Transfers	<u>3,014,238</u>	<u>799,846</u>	<u>(250,292)</u>	<u>544,389</u>	<u>4,108,181</u>	<u>-</u>
Change in Net Position	5,321,390	2,520,507	27,940	12,404	7,882,241	81,681
Total Net Position, January 1	<u>99,300,366</u>	<u>23,635,819</u>	<u>1,663,318</u>	<u>3,032,575</u>	<u>127,632,078</u>	<u>133,660</u>
Total Net Position, December 31	<u>\$ 104,621,756</u>	<u>\$ 26,156,326</u>	<u>\$ 1,691,258</u>	<u>\$ 3,044,979</u>	<u>\$ 135,514,319</u>	<u>\$ 215,341</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

		Water	Water	Non-Major		
		Reclamation	Utility	Proprietary		Governmental
				Golf	Storm	Activities -
				Course	Water	Internal
					Total	Service Funds
Cash Flows From Operating Activities						
Receipts From Customers and Users	\$ 7,577,764	\$ 4,422,728	\$ 2,504,214	\$ 677,219	\$ 15,181,925	\$ 49,796
Receipts from Interfund Services Provided	-	-	-	-	-	3,518,438
Payments to Suppliers	(2,384,030)	(757,073)	(781,846)	(795,149)	(4,718,098)	(3,350,050)
Payments to Employees	(1,209,661)	(827,215)	(1,026,346)	(136,701)	(3,199,923)	(102,609)
Payment for Interfund Services Used	(347,366)	(245,568)	(168,071)	(61,716)	(822,721)	-
Net Cash Provided (Used) by Operating Activities	<u>3,636,707</u>	<u>2,592,872</u>	<u>527,951</u>	<u>(316,347)</u>	<u>6,441,183</u>	<u>115,575</u>
Cash Flows from Noncapital Financing Activities						
Transfers to Other Funds	(1,120,833)	(542,971)	(250,292)	(87,036)	(2,001,132)	-
Net Cash Used by Noncapital Transfers	<u>(1,120,833)</u>	<u>(542,971)</u>	<u>(250,292)</u>	<u>(87,036)</u>	<u>(2,001,132)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities						
Payment in Lieu of Water	2,072,601	-	-	-	2,072,601	-
Tap Fees	1,394,646	902,192	-	-	2,296,838	-
Storm Water Development Fees	-	-	-	190,018	190,018	-
Interfund Loan	(525,000)	-	-	525,000	-	-
Adjustment of Sewer Line Assessment	-	(10,143)	-	-	(10,143)	-
Acquisition & Construction of Capital Assets	(1,272,913)	(217,299)	(201,276)	(160,241)	(1,851,729)	-
Gain on Sale of Capital Assets	12,420	-	-	-	-	-
Bond Fees	(550)	-	-	-	(550)	-
Principal Paid on Capital Debt	(909,146)	(513,202)	(54,835)	-	(1,477,183)	-
Interest Paid on Capital Debt	(474,078)	(127,576)	(5,085)	-	(606,739)	-
Net Cash (Used) by Capital and Related Financing Activities	<u>297,980</u>	<u>33,972</u>	<u>(261,196)</u>	<u>554,777</u>	<u>613,113</u>	<u>-</u>
Cash Flows from Investing Activities						
Interest Received	229,751	41,097	4,052	(707)	274,193	2,142
Net Cash Provided by Investing Activities	<u>229,751</u>	<u>41,097</u>	<u>4,052</u>	<u>(707)</u>	<u>274,193</u>	<u>2,142</u>
Net Increase (Decrease) in Cash and Investments	<u>3,043,605</u>	<u>2,124,970</u>	<u>20,515</u>	<u>150,687</u>	<u>5,327,357</u>	<u>117,717</u>

CITY OF LAFAYETTE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

		Water	Non-Major Proprietary			Governmental Activities - Internal Service Funds
	Water	Reclamation Utility	Golf Course	Storm Water	Total	
Cash and Investments, January 1	37,109,590	5,985,836	566,442	41,856	43,703,724	472,752
Cash and Investments, December 31, Including \$1,362,000 Reported in Restricted Accounts for the Water Fund	\$ 40,153,195	\$ 8,110,806	\$ 586,957	\$ 192,543	\$ 49,043,501	\$ 590,469
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 2,418,730	\$ 1,795,365	\$ 279,107	\$ (530,135)	\$ 3,963,067	\$ 79,905
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Depreciation Expense	1,442,577	875,547	246,803	230,026	2,794,953	-
(Increase) Decrease in Accounts Receivable	6,048	(97,846)	(150)	(4,969)	(96,917)	(146)
(Increase) Decrease in Prepaid Items	-	-	-	-	-	(21,932)
(Increase) Decrease in Inventories	-	-	(17,294)	-	(17,294)	-
Increase (Decrease) in Accounts Payable	(229,140)	16,682	3,438	(11,881)	(220,901)	-
Increase (Decrease) in Claims Payable	-	-	-	-	-	51,867
Increase (Decrease) in Deposits Payable	(2,500)	-	10,894	-	8,394	-
Increase (Decrease) in Accrued Payroll	4,649	3,217	4,895	662	13,423	-
Increase (Decrease) in Compensated Absences	(3,658)	(93)	258	(50)	(3,543)	5,881
Total Adjustments	1,217,976	797,507	248,844	213,788	2,478,115	35,670
Net Cash Provided (Used) by Operating Activities	\$ 3,636,706	\$ 2,592,872	\$ 527,951	\$ (316,347)	\$ 6,441,182	\$ 115,575
Non-Cash Investing, Capital, and Financing Activities:						
Capital Assets Acquired Through						
Developer Dedications	\$ 749,205	\$ 490,146	\$ -	\$ 441,407	\$ 1,680,758	\$ -
Equity Investment in Component Unit	637,959	-	-	-	\$ 637,959	-
	\$ 1,387,164	\$ 490,146	\$ -	\$ 441,407	\$ 2,318,717	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL SECTION

2016

CITY OF LAFAYETTE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
INDEX FOR NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

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CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City was founded in 1888 and incorporated in 1889. On April 1, 1958 citizens voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The City operates under a Strong Council/Administrator form of government and provides the following services as authorized by its charter: administration, finance, planning, library, building maintenance, municipal court, city attorney, police, career and volunteer fire, ambulance, highway and street maintenance, parks and recreation, debt service, water, sanitary sewer, storm water and golf course services.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governments. A summary of the City's significant accounting policies applied in the preparation of these financial statements follows:

A. Reporting Entity

The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units - The City is financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing board and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the City. The City may also be financially accountable for organizations that are fiscally dependent on it. Based upon the application of these criteria and the fact that management of the City manages the activities of each component unit, the City has identified five blended component units presented as special revenue funds. They are the Lafayette City Center GID, Exempla GID, Lafayette Corporate Campus GID, Lafayette Tech Center GID, and St. James GID (inactive). The Lafayette City Council acts as the governing board for, and exercises operational authority over, each of the component units. Separate financial statements are not issued for these component units.

Discretely Presented Component Units – The City has a relationship with two legally separate organizations for which it either has a financial responsibility or excluding the reporting of the organization would be misleading.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Lafayette Urban Renewal Authority (LURA) was separated from the City in 2012 and was established as a legally separate entity with a separate board appointed by the Mayor. The purpose of LURA is to revitalize the downtown area of Lafayette. Funding for LURA comes from tax-increment financing in addition to a portion of sales taxes collected from the business members within the urban renewal district. LURA does not issue separate financial statements.

Base Line Land and Reservoir Company is a non-profit corporation and is responsible for the management of the Base Line Reservoir. It is managed by a five-member board of which four members are appointed by the City which allows the City to impose its will on the Company. The City owns 69.2% of the company and its constituents receive a direct benefit of the services the company provides. The financial statements are prepared on the accrual basis of accounting and are in conformity with FASB ASC 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. The Company reports as of November 30, 2016 which is the close of their fiscal year. The Company issues separate audited financial statements which can be acquired by contacting the Company's management: Base Line Land and Reservoir Company, PO Box 1826, Longmont, CO 80502.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units.

For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are considered unavailable, a deferred inflow of resources is reported until such time when the revenues become available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Ambulance & Fire Fund accounts for the 4.5 mill levy on property taxes. The funds are specifically for additional fire department personnel and capital expenditures.
- The Capital Projects Fund is included in the current year as a result of a bond issue for the purpose of constructing a water park.
- The Debt Service Fund is used to account for the accumulation of resources and payment of bond principal and interest from governmental resources. The City's Debt Service Fund accounts for the following issues: General Obligation Bonds, Sales and Use Tax Revenue Bonds, General Obligation Refunding & Improvement Bonds, and a Capital Lease.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Fund, Water Reclamation Fund, Storm Water Fund, and Golf Course Fund are charges to customers for sales and services. The Water Fund and Water Reclamation Fund also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

- The Water Fund accounts for the treatment and distribution of the City's water supply; holds an equity interest in Base Line Land and Reservoir Company.
- The Water Reclamation Fund accounts for the operation of the City's sewer system.

Additionally, the City reports the following other funds that are included in Other Governmental Funds and Non-Major Proprietary funds:

- Special revenue funds used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. This category includes the Lafayette City Center GID, Lafayette Corporate Campus GID, Exempla GID, Lafayette Tech Center GID, and St. James GID (inactive). The Lafayette City Center GID, Lafayette Corporate Campus GID, and the Lafayette Tech Center GID are all funded with property and specific ownership tax dollars. The purpose of these GIDs is to pay debt service related to the improvements for these districts. The Exempla GID's revenue source is a special assessment on typically non-taxable property in addition to property and specific ownership tax. The funds are used to pay operating, maintenance, capital and debt service expenditures for infrastructure improvements within the district.
- Capital project funds used for specific acquisition or construction activities such as: Legacy Open Space Fund, Parks, Open Space, and Trails Fund, and Conservation Trust Fund.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

- Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These funds are used to account for the operations of the Employee Benefit Fund and the Insurance Fund, which are administered by the City.
- The Golf Course Fund accounts for the operations of municipal golf course.
- The Storm Water Enterprise Fund imposes fees on improved properties and developments to fund storm water quality issues and improvements; and the operation, maintenance, construction, improvement and replacement of storm water utility facilities.
- Cemetery Endowment Fund is a Permanent Fund established to separately account for an endowment care trust that occurred prior to the City acquiring ownership in the Coal Creek Cemetery. The earnings on the principal in the trust are spendable, but not the principal amount.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's General, Water, Water Reclamation, Storm Water and Golf Course Funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

D. Cash Equivalents

The City considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents. All of the City's proprietary fund investments are considered cash equivalents for purposes of the statement of cash flows.

E. Investments

Cash and investments, except for proceeds of bond issues accounted for in the appropriate funds, are pooled throughout the year into an Agency Fund (central cash) for cash management purposes. Investment income is allocated to the individual funds monthly, based on the average balance for the month. Should any of these funds have an average deficit in the pool, they are charged interest accordingly. All investments are stated at fair value. For financial statement purposes, the cash and investment amounts are reported as "cash and investments" of the respective individual funds at year-end.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e. the current portion of interfund loans) or “advances to/from other funds (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

G. Property Taxes Receivable

Property taxes are not due and payable until after the assessment year has ended. Property taxes are initially recorded as deferred revenue in the year they are earned and measurable. The deferred property tax is recorded as revenue in the year it is available or collected.

Property taxes are collected and remitted monthly to the City by Boulder County, Colorado. The property tax calendar is detailed below:

Lien date		January 1
City certifies mill levies to County		December 15
Levy date		January 1
Collection/due dates:	Total	April 30
	First half	February 28
	Second half	June 15
	Delinquent notices	August 15
	Tax Sale	Mid-November

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future years and are reported as prepaid items using the consumption method.

I. Inventories

Inventories of a material amount are only maintained in the General Fund for fuel and the Golf Course Fund for clubhouse merchandise. These inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of these inventories are recorded as expenditures or expenses when consumed rather than when purchased. All other inventories in the City are considered immaterial and are expensed when purchased.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Long-term Obligations

The City of Lafayette provides continuing disclosures that are either contractually required to be provided by municipal issuers and obligated persons as contemplated by Securities and Exchange Commission (SEC) Rule 15c2-12 under the Securities Exchange Act or are provided voluntarily.

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Certain revenue is allocated each year to the Debt Service Fund to provide for the full amount estimated to be required for debt service on certain general obligation bonds, revenue bonds, and capital leases.

Debt service for the Water and Water Reclamation Utility Funds and the Golf Course Fund is paid from monies provided by those funds.

K. Capital Assets

All capital assets, including “Public Domain” capital assets such as streets and sidewalks are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are reported at original cost. Donated assets are valued at the fair market value on the date donated. Costs incurred for the purchase, or construction, of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds. Infrastructure assets include streets, sidewalks, trails, traffic signals and similar items.

Costs incurred for the purchase, or construction, of capital assets for business-type activities are reported as assets in the proprietary funds.

Interest is capitalized on proprietary fund assets acquired with tax exempt debt.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the government-wide financial statements and the proprietary fund types in the fund financials. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	50 years
Improvements Other Than Buildings	10 - 25 years
Equipment	5 - 10 years
Water and Water Reclamation Systems	50 years
Infrastructure	30 - 50 years

L. Compensated Absences

The City has a policy that allows employees to accumulate unused vacation and sick benefits up to certain maximum hours. Unused vacation and sick leave is paid at separation of employment. Compensated absences are recognized when earned in proprietary fund types and when paid in governmental fund types. A liability for these amounts is reported in the government-wide financial statements. In the past, payments to liquidate the liability have been made through the General, Water, Water Reclamation, Storm Water, and Golf Course Funds.

M. Fund Balance/Net Position

In the fund financial statements, governmental funds report fund balances based on the level of spending constraints placed on the City. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Inventories and prepaid amounts are examples of this classification.

Spending constraints that are placed on the use of fund balance amounts by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation, are classified as restricted.

Committed fund balances are created by the City Council by ordinance. These amounts can only be used for specific purposes pursuant to the formal action by the Council. The purposes can change only by Council authority by the appropriate action as mentioned above.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance/Net Position (Continued)

Assigned fund balances occur on the intention, as opposed to formal action, of a specific use. The authority to assign fund balances shall be delegated to the City Administrator or Finance Director up to, and including, \$100,000. A report shall be made to Council as to the actions taken. Assignment of fund balances in excess of \$100,000 shall be approved by Council as a Resolution before the end of the year the assignment is to be effective.

All of the above classifications will not apply to every governmental fund. Each classification depicts the net resources that are reported in each fund.

Unassigned fund balance is the remaining fund balance in the General Fund after amounts that are set aside for the higher classifications. This designation is only applicable to the General Fund.

Since 1988, the City of Lafayette's financial policy requires the "unassigned" General Fund balance to be maintained at 25% of budgeted expenditures for each year. The financial policy was established by Council resolution. In addition, in 1992, the Taxpayer's Bill of Rights (TABOR) was adopted as a constitutional amendment in the State of Colorado, effective in 1993. One of the provisions, which apparently is absolute, requires each municipality to set aside an emergency reserve of 3% of its fiscal year spending. The City of Lafayette has taken the position that the TABOR reserve is included in the reserve required by its financial policies established earlier. The presentation of the "restricted" General Fund balance reflects the emergency reserve required by TABOR with the balance of the required reserve per the City of Lafayette's financial policy presented as "unassigned". At December 31, 2016, the amount designated for the TABOR reserve is \$382,489 and the amount available for extraordinary or emergency purposes is \$19,969,686.

The transition from governmental fund financial statements to the government-wide Statement of Net Position requires the five governmental classifications to be identified as restricted or unrestricted. Restricted net assets include net assets that are subject to restrictions beyond the City's control. Therefore, amounts reported in the restricted classifications in the governmental funds may differ. All other governmental classifications will fall under the category of unrestricted for the Statement of Net Position.

When both restricted and unrestricted fund balance is available for use, the City will use the restricted amounts before the unrestricted amounts. The City of Lafayette has established a formal policy for its use of unrestricted fund balance amounts. Also, if expenditures are incurred for which any unrestricted fund balance could be used, committed amounts would be reduced first, followed by assigned amounts, and finally, by unassigned amounts.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Special Assessments

Special assessments are recorded in governmental funds as revenue in the year that the assessments become available. This results in recognizing revenue only in the amount of assessment installments, as they are collected. The remaining assessed but uncollected installments are recorded as deferred inflow. The City has not reflected the special assessment interest as revenue or as a receivable at December 31, 2016, as such amounts are not considered currently available. Collection of delinquent interest is recorded as revenue when received.

O. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position has a separate section for deferred outflows of resources. Deferred outflows represent a consumption of net position that applies to future period(s) and so are not recognized as an expense/expenditure in the current year, but will be in a future year. The City has items that qualify for reporting in this category relating to changes in net pension liability not included in pension expense and deferred charges on a bond refunding reported in the statement of net position.

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. Deferred inflows represent an acquisition of net position that applies to a future period(s) and so are not recognized as revenue in the current year, but will be in a future year. The City has items that qualify for reporting in this category relating to property taxes, and changes in net pension liability not included in pension expense reported in the statement net position.

P. Implementation of New GASB Statements

Beginning in fiscal year 2016, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 72, Fair Value Measurement and Application – this statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is if the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result of the implementation, disclosures in the notes section have been enhanced and the City was not required to change reporting of current or past transactions.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and related Assets that are not Within the Scope of GASB Statement No. 68, and Amendments to Certain provisions of GASB Statements 67 and 68 – this statement is designed to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Implementation of New GASB Statements (continued)

Principles for State and Local Governments – this statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans – this statement is to address a practice issue regarding the score and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. As a result of the implementation of Statements No. 73, No. 76 and No. 78, the City was not required to change reporting of current or past transactions.

GASB Statement No. 77, Tax Abatement Disclosures – Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. As a result of the implementation, disclosures in the notes section have been enhanced. The City was not required to change reporting of current of past transactions.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants – this statement establishes criteria for an investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. As a result of the implementation, disclosures in the notes section have been enhanced, the City was not required to change reporting of current or past transactions.

Q. Abatements

The economic development division offers individual business or developer incentive packages to attract new businesses or investment to the City. This grows the local economy, provides jobs, and increases the real tax base of the City. Incentive agreements are discretionary and are considered on a case-by-case basis, depending on the merits of the proposal and benefits to the City, and require City Council approval. A written Economic Development Agreement (EDA) is required.

All incentives are performance-based. Performance-based means that before any monies are disbursed, the business/developer shall meet or exceed the performance measures as identified by the EDA. Specific performance measures can include: (a) applying for, receiving, and paying for a building permit in compliance with the EDA (in regards to square footage of the building and/or valuation); (b) relocating a business from another community/State to the City; (c) removal of blight by demolition and rebuilding subject to (a) above; (d) investment in a building subject to (a) above; or (e) increase in the sales tax collections of the property, subject to the EDA.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Abatements (continued)

Incentive packages vary and may include rebates of permit fees, use tax, or sales tax. Rebates of sales tax are only considered for new tax generating businesses or existing businesses making substantial investments (in building improvements which would have a correlation with increased sales tax collections). Building permit fee and use tax rebates are only considered for substantial investments (in building improvements). All EDA's are subject to annual appropriations by City Council as required in the Colorado Constitution and the City Charter. As of December 31, 2016 the City has 4 active incentive agreements in place. In 2016, the City's expenditures include \$295,552 in tax abatements.

R. Prior Period Adjustment

For the years ended December 31, 2015 and 2014, the Base Line Land and Reservoir Company determined that deferred tax liability was understated. This correction resulted in a prior period adjustment. The December 31, 2015 balances were restated as follows:

	<u>Original</u>	<u>Change</u>	<u>Restated</u>
Deferred income tax liability	\$ 5,400	\$ 59,500	\$ 64,900
Income tax benefit (expense)	\$ (37,601)	\$ (79,100)	\$ (116,701)
Net assets, beginning of year	\$ 403,526	\$ 19,600	\$ 423,126

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "some receivables are recorded as deferred revenue in governmental funds since they are not available for current period expenditures." The details of this \$1,845,409 difference are as follows:

Special Assessments	\$ 1,501,091
Grant Receivables	179,336
Ambulance Accounts Receivable	147,688
Purchase Card Rebate	<u>17,294</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 1,845,409</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

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

A second element of that reconciliation states that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(21,417,174) difference are as follows:

Bonds Payable	\$ (19,070,000)
Unamortized Debt Premium	(806,481)
Unamortized Charges - Refunding Bonds	244,281
Gain on Refunding Bonds	(1,199)
Accrued Interest Payable	(50,355)
Capital Leases	(251,625)
Compensated Absences	(1,010,869)
Less Amount Included in Assets and Liabilities of	
Internal Service Funds	565,688
Net Pension Liability	<u>(1,036,614)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (21,417,174)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation, repayment of debt principal, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.” The details of this \$5,046,408 difference are as follows:

Principal Payments:	
Bond	\$ 4,910,000
Capital lease	<u>136,408</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,046,408</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

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

A second element of that reconciliation states that “Some income reported in the Statement of Activities, although measurable, is not available, and is deferred revenue in governmental funds.” The details of this \$(22,433) difference are as follows:

Decrease in Special Assessments	\$ (144,627)
Decrease in Rebate Receivable	(3,104)
Accrued Interest Receivable	17,569
Increase in Ambulance Services	<u>107,729</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (22,433)</u>

Another element of that reconciliation states that “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.” The details of this \$(265) difference are as follows:

Decrease in Compensated Absences not Reported Through Internal Service Funds	\$ 26,852
Decrease in Accrued Interest Payable	2,557
Amortization of Bond Premium	544
Loss on Refunding amortization	<u>(30,218)</u>
Net adjustment to decrease net changes in fund balances total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (265)</u>

NOTE 3 CHANGES IN ENTITY

The City determined that due to the material financial involvement in the Base Line Land and Reservoir Company, in addition to City employees filling the majority of the seats on the Board of Directors; the Base Line Land and Reservoir Company meets the definition of a component unit and has been included in the financial statements starting December 31, 2014. As the Company is a separate non-profit corporation, the financial information is discretely presented and has no impact on the City’s financial information.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 CASH DEPOSITS AND INVESTMENTS

The City, through its Charter and Investment Policy, has adopted the State Statutes dealing with deposits and investments.

Deposits and investments at December 31, 2016, are summarized below:

Cash and Cash Deposits	\$ 13,949,925
Investments	<u>80,380,943</u>
	<u>\$ 94,330,868</u>

Deposits and investments are presented in the financial statements as follows:

Unrestricted	\$ 87,526,197
Restricted	<u>6,804,671</u>
	<u>\$ 94,330,868</u>

Component Units:

Deposits at December 31, 2016 for LURA and at November 30, 2016 for the Base Line Land and Reservoir Company are summarized below. The Base Line Land and Reservoir Company has a fiscal year end of November 30, 2016.

Cash and Cash Deposits	
Lafayette Urban Renewal Authority	\$ 1,527,709
Base Line Land and Reservoir Company	<u>59,248</u>
	<u>\$ 1,586,957</u>

A. Deposits:

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. On December 31, 2016, the City had uninsured bank deposits of \$13,116,517 collateralized by the financial institutions' agents but not in the City's name.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)

B. Investments:

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper and corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

On December 31, 2016, the City had the following investments:

Investment Type	Standard & Poors Rating	Investment Maturities (in Years)					Fair Value
		Less Than 1	1-3	4-5	Over 5		
U.S. Treasury	*	\$ 10,464,164	\$ 5,512,560	\$ -	\$ -	\$ -	15,976,724
Money Market Funds	AAA	60,549	-	-	-	-	60,549
U.S. Agency Securities (Callable)	AAA	10,403,541	-	-	-	-	10,403,541
U.S. Agency Securities	AAA	12,559,021	13,705,684	1,717,293	-	-	27,981,998
Commercial Paper	A-1	1,990,688	-	-	-	-	1,990,688
Corporate Bonds (Callable)	Aa3**	-	1,582,603	-	-	-	1,582,603
Corporate Bonds	Aa3**	-	9,655,984	-	-	-	9,655,984
Local Government Investment Pools	AAAm	12,728,856	-	-	-	-	12,728,856
TOTAL		\$ 48,206,819	\$ 30,456,831	\$ 1,717,293	\$ -	\$ -	80,380,943

* - The ratings for U.S. Treasury are not listed because these investments are fully guaranteed by the federal government.

** - Corporate Bonds have rating equivalent of Aa3 by at least 2 rating agencies (S&P, Moodys)

Fair Value – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)

B. Investments (continued)

Level 2 – Inputs other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs included quoted prices for similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities

Level 3 – Unobservable inputs for an asset or liability

There have been no significant changes in the valuation techniques during the year ending December 31, 2016. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As of December 31, 2016, U.S. Treasuries, U.S. Agency Securities and Commercial Paper are classified within Level 1 hierarchy. Corporate Bonds are classified within Level 2 hierarchy. Participant balances in the local government pools of Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (ColoTrust) are stated at net asset value. The underlying securities in CSAFE are measured at amortized cost and are so close to fair value when measured at amortized costs that they are generally equivalent. Securities in ColoTrust, other than agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximated fair value.

Interest Rate Risk – The City’s investment policy follows State statutes. State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)

B. Investments (continued)

Custodial Credit Risk – The City’s custodial credit risk policy also follows State statutes. On December 31, 2016, the City had investments held by Wells Fargo Institutional Retirement and Trust in a custodial safekeeping account in the amount of \$67,652,087. All investments are specifically separate from the investments of the custodian and are identified as being investments of the City of Lafayette.

Concentration of Credit Risk – Although State statutes do not limit the amount the City may invest in one issuer, the City’s investment policy does set limits. The City’s Investment Policy is slightly more restrictive than Colorado state statute by reflecting the following requirements: Combined exposure to U.S. Treasury and Federal Instrumentality securities shall not be less than 50% of the portfolio and exposure to municipal debt shall not exceed 20% of the portfolio with no more than 5% held in any one issuer. In addition, the City’s investment policy reflects the following diversification requirements in accordance with state statute: Combined exposure to commercial paper, bankers’ acceptances and corporate bonds shall not exceed 50% of the portfolio with no more than 5% held in any one issuer.

On December 31, 2016, the City’s investment in U.S. Government Treasury Securities was 20%, U.S. Government Agency Securities was 48%, Commercial Paper was 3%, Corporate Bonds was 14%, and Local government investment pools (cash equivalent) was 15%.

Local Government Investment Pool - The City had invested \$1,093,584 in the Colorado Local Government Liquid Asset Trust (Colotrust) on December 31, 2016. The trust is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trust. The Trust operates in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. The Trust is rated AAAm by Standard and Poor’s. Investments of the Trust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify investments owned by the participating governments.

NOTE 5 RESTRICTED CASH AND INVESTMENTS

During July 2001, the City received \$1,000,000 from the Northwest Parkway Public Highway Authority for capital projects and conservation easement acquisitions related to the Northwest Parkway Project. In 2003 utility lines and sleeves were installed during construction of the Parkway at a cost of \$177,196. During 2004, \$650,000 was committed for construction of White Tail Park in South Pointe, although only \$450,124 was spent on the park. At December 31, 2016, the balance is \$372,680.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 RESTRICTED CASH AND INVESTMENTS (continued)

When the City acquired the cemetery property in February 2002, trust accounts were included as part of the transactions. The trust accounts were established in prior years for pre-paid services and endowment care of the cemetery. The responsibility for the endowment care trust was assumed by the City in 2010 and transferred to a permanent fund (Cemetery Endowment Fund). At December 31, 2016, the balances in the pre-need trust and the endowment care trust were \$39,783 and \$46,386, respectively.

In December 2002, the Exempla General Improvement District was formed to continue the development of the 287/42 project, and refunding bonds were issued. The bond ordinance requires a debt service reserve in the amount of \$1,090,500.

In April 2003, the City issued Water Revenue Bonds for the purpose of financing improvements to the water transmission and/or storage facilities and costs associated with joining and purchasing shares in water supply districts. These costs will be paid from available funds when they are incurred. The 2012 Water Refunding Bonds ordinance requires a debt service reserve in the amount of \$1,362,000.

As a result of a customer deposit regarding the Lafayette Tech Center Development Agreement, \$69,465 is restricted for future street improvements.

In 2016, Lafayette refunded the Series 1998 and 2005 General Obligation Bonds, and at the same time bonded debt for the Lamont Does Water Park. The \$3,823,857 represents the bonded debt less construction in progress.

In summary, restricted cash and investments at December 31, 2016 were as follows:

Northwest Parkway Related Projects	\$ 372,680
Pre-need Trust	39,783
Cemetery Endowment Fund	46,386
Exempla GID	1,090,500
2012 Water Revenue Bonds	1,362,000
Lafayette Tech Center Development Agreement	69,465
2016 General Obligation Refunding and Improvement Bonds	3,823,857
	<u>\$ 6,804,671</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 69,537,051	\$ 55,468	\$ -	\$ 69,592,519
Construction in progress	1,340,057	1,511,099	(1,944)	2,849,212
Total capital assets, not being depreciated	<u>70,877,108</u>	<u>1,566,567</u>	<u>(1,944)</u>	<u>72,441,731</u>
Capital assets - being depreciated				
Buildings	27,673,900	63,570	-	27,737,470
Improvements other than buildings	4,527,456	-	-	4,527,456
Infrastructure	83,700,651	1,919,487	-	85,620,138
Equipment	11,844,292	743,915	(556,898)	12,031,309
Total capital assets, being depreciated	<u>127,746,299</u>	<u>2,726,972</u>	<u>(556,898)</u>	<u>129,916,373</u>
Less accumulated depreciation for:				
Buildings	(9,455,028)	(697,283)	-	(10,152,311)
Improvements other than buildings	(2,987,290)	(193,079)	-	(3,180,369)
Infrastructure	(45,126,558)	(3,172,163)	-	(48,298,721)
Equipment	(8,716,939)	(817,332)	540,932	(8,993,339)
Total accumulated depreciation	<u>(66,285,815)</u>	<u>(4,879,857)</u>	<u>540,932</u>	<u>(70,624,740)</u>
Total capital assets - being depreciated, net	<u>61,460,484</u>	<u>(2,152,885)</u>	<u>(15,966)</u>	<u>59,291,633</u>
Governmental activities capital assets, net	<u>\$ 132,337,592</u>	<u>\$ (586,318)</u>	<u>\$ (17,910)</u>	<u>\$ 131,733,364</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 7,308,774	\$ -	\$ -	\$ 7,308,774
Water rights	34,514,739	-	-	34,514,739
Construction in progress	4,376,446	2,373,525	-	6,749,971
Correction of error*	-	2,290,663	-	2,290,663
Total capital assets, not being depreciated	<u>46,199,959</u>	<u>4,664,188</u>	<u>-</u>	<u>50,864,147</u>
Capital assets - being depreciated				
Buildings	2,984,325	59,011	-	3,043,336
Systems	82,839,065	1,681,444	-	84,520,509
Improvements other than buildings	1,062,604	11,097	-	1,073,701
Equipment	13,180,939	408,094	(248,709)	13,340,324
Total capital assets, being depreciated	<u>100,066,933</u>	<u>2,159,646</u>	<u>(248,709)</u>	<u>101,977,870</u>
Less accumulated depreciation for:				
Buildings	(1,296,249)	(108,918)	-	(1,405,167)
Systems	(32,281,353)	(1,775,826)	-	(34,057,179)
Improvements other than buildings	(711,599)	(23,874)	-	(735,473)
Equipment	(9,416,346)	(886,335)	248,709	(10,053,972)
Total accumulated depreciation	<u>(43,705,547)</u>	<u>(2,794,953)</u>	<u>248,709</u>	<u>(46,251,791)</u>
Total capital assets - being depreciated, net	<u>56,361,386</u>	<u>(635,307)</u>	<u>-</u>	<u>55,726,079</u>
Business-type capital assets, net	<u>\$ 102,561,345</u>	<u>\$ 4,028,881</u>	<u>\$ -</u>	<u>\$ 106,590,226</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 CAPITAL ASSETS (continued)

*In 2016, the City recognized the liability associated with its contract with Rock Products of Colorado, LLC (see Note 13). The \$10,347,068 (total amount over years 2012-2020) contract calls for expenditures not to exceed \$1,000,000/year from 2012-2016 (total of \$5,000,000). The City had already recognized the \$1,709,337 in expenditures to date under Construction in Progress, but had not recognized the balance (\$3,290,663) on its financial statements. The \$2,290,663 was recognized in the Water Fund in 2016 as a prior period adjustment for the 2012 to 2015 portion as an increase to both Accounts Payable and Construction in Progress. The remaining \$1,000,000 recorded the 2016 activity.

Depreciation expense was charged to function/program of the City as follows:

Governmental Activities	
General Government	\$ 214,254
Public Safety	623,833
Public Works	2,922,070
Culture and Recreation	<u>1,119,700</u>
Total depreciation expense governmental activities	<u>\$ 4,879,857</u>
Business-type Activities	
Water	\$ 1,442,577
Water Reclamation	875,547
Golf Course	246,803
Storm Water	<u>230,026</u>
Total depreciation expense business-type activities	<u>\$ 2,794,953</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 CAPITAL ASSETS (continued)

Discretely presented component units

Activity for the Base Line Land & Reservoir Company for the year ended November 30, 2016, was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets, not being depreciated				
Land	\$ 76,000	\$ -	\$ -	\$ 76,000
Water rights	12,000	-	-	12,000
Construction in progress	-	48,493	-	48,493
Total capital assets, not being depreciated	<u>95,671</u>	<u>48,493</u>	<u>-</u>	<u>136,493</u>
Capital assets - being depreciated				
Buildings	326,254	15,949	-	342,203
Infrastructure	501,999	38,799	4,000	536,798
Total capital assets, being depreciated	<u>503,649</u>	<u>54,748</u>	<u>4,000</u>	<u>879,001</u>
Less accumulated depreciation for:				
Buildings	(2,091)	(8,638)	-	(10,729)
Infrastructure	(151,996)	(4,717)	(4,000)	(152,713)
Total accumulated depreciation	<u>(162,572)</u>	<u>(13,355)</u>	<u>(4,000)</u>	<u>(163,442)</u>
Total capital assets - being depreciated, net	341,077	41,393	-	715,559
Base Line Land & Reservoir Company capital assets, net	<u>\$ 436,748</u>	<u>\$ 89,886</u>	<u>\$ -</u>	<u>\$ 852,052</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT

A. Bonded Debt

The City of Lafayette and its component units have three types of bonded debt:

- General obligation (serial) bonds
- Revenue (term) bonds
- Demand bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The bonds have been issued for governmental activities only. In November 2016, the 1998 and 2005 bonds listed below were refunded as part of a new bond that was issued for construction of the Lamont Does Water Park. The calculated gain was \$1,199. General obligation bonds currently outstanding are as follows:

Governmental Activities

2016 General Obligation Refunding and Improvement Bonds mature annually through December 15, 2016, interest at 2.00% to 4.00%, is paid semi-annually	<u>\$ 8,265,000</u>
Total General Obligation Bonded Debt	<u>\$ 8,265,000</u>

The City has also issued bonds for both governmental and business-type activities where revenues are pledged to pay the debt service. Revenue bonds outstanding at year-end are:

Governmental Activities

1999 Limited Tax General Obligation Bonds mature annually through December 1, 2018, interest of 5.75% is paid semi-annually (Lafayette City Center GID)	\$ 150,000
2006 Limited Tax General Obligation Refunding Bonds mature annually through December 1, 2036, interest of 6.00% is paid semi-annually (Lafayette Tech Center GID)	1,770,000
2002 Limited Tax General Obligation Refunding Bonds mature annually through December 1, 2031, interest at 8.00% is paid semi-annually (Lafayette Corp Campus GID)	2,110,000

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

A. Bonded Debt (continued)

Governmental Activities (continued)

2008 Sales and Use Tax Revenue Bonds mature
annually through November 15, 2019, interest of
3.31% is paid semi-annually 2,820,000

6,850,000

Business-type Activities

2012 Water Revenue Refunding Bonds mature
annually through December 1, 2027, interest at
1.50% to 5.00% is paid semi-annually 11,790,000

11,790,000

Total Revenue Bond Debt \$ 18,640,000

The obligations of the Lafayette City Center GID, Lafayette Corporate Campus, and Lafayette Tech Center GID are not obligations of the City of Lafayette.

Future annual debt service requirements to maturity for the general obligations and revenue bond issues are as follows:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Debt</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirement</u> <u>to Maturity</u>
2017	\$ 1,100,000	\$ 554,686	\$ 900,000	\$ 458,650	\$ 3,013,336
2018	980,000	503,325	935,000	422,650	2,840,975
2019	935,000	466,250	955,000	403,950	2,760,200
2020	965,000	439,950	995,000	365,750	2,765,700
2021	995,000	404,450	1,015,000	345,850	2,760,300
2022-2026	5,210,000	1,420,130	5,695,000	1,099,300	13,424,430
2027-2031	1,465,000	532,700	1,295,000	64,750	3,357,450
2032-2036	645,000	120,600	-	-	765,600
	<u>\$ 12,295,000</u>	<u>\$ 4,442,091</u>	<u>\$ 11,790,000</u>	<u>\$ 3,160,900</u>	<u>\$ 31,687,991</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

A. Bonded Debt (continued)

Demand bonds comprise the third type of bonded debt issued by the City of Lafayette. These bonds have been issued for governmental activities, but are not obligations of the City of Lafayette. Demand bonds outstanding at December 31, 2016, are as follows:

Exempla General Improvement District Special Assessment Revenue Refunding and Improvement Bonds mature annually through December 1, 2022	<u>\$ 3,955,000</u>
Total Demand Bond Debt	<u><u>\$ 3,955,000</u></u>

These bonds bear interest at floating rates and are subject to mandatory redemption upon conversion of the interest rate to a different rate type or rate period.

On July 1, 2009, the GID redeemed \$6,510,000 face amount of the bonds as requested by SCL Health formally known as Exempla Healthcare. The redemption reduced the outstanding principal to \$ 3,955,000 and assured that there would not be any additional principal payments required until the year 2018.

An initial irrevocable letter of credit was issued as collateral for the Exempla bonds for a maximum amount equal to the principal amount of the bonds, plus 35 days interest at a maximum annual rate of 10%. The initial letter of credit was replaced by an alternate letter of credit, reduced by the redemption, with an expiration date of January 29, 2017.

The issuer and the bank have entered into a reimbursement agreement as an integral part of the issued letters of credit. Among other things, the reimbursement agreement provides for repayment to the bank of all drawings made under the letters of credit, together with interest, fees, and other costs, certain affirmative and negative covenants to be observed on the part of the issuer, and certain indemnification obligations on the part of the issuer.

These bonds are not obligations of the City of Lafayette. The debt service requirements must be met by the resources generated by the District.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

A. Bonded Debt (continued)

As described above, these bonds currently bear interest at floating rates. The final interest rate on December 31, 2016 was 0.72%. At some time in the future, the rates will be converted to a fixed rate. Although interest rates in future periods may vary considerably, an interest factor of 0.72% has been used in projected annual debt service requirements.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 28,476	\$ 28,476
2018	325,000	28,476	353,476
2019	850,000	26,136	876,136
2020	890,000	20,016	910,016
2021	925,000	13,608	938,608
Thereafter	965,000	6,948	971,948
Total	<u>\$ 3,955,000</u>	<u>\$ 123,660</u>	<u>\$ 4,078,660</u>

B. Notes Payable

In May 2001, the Water Reclamation Fund obtained an \$8,000,000 loan from the Colorado Water Resources and Power Development Authority (CWRPDA) to construct an addition to the waste water treatment plant.

The City evidenced its obligation to repay the loan by issuing a bond to CWRPDA, at an effective interest rate of 4.20%, in an amount equal to the principal of the clean water bonds loaned to the City. Net revenues of the Water Reclamation Fund are pledged for repayment of the loan. In 2005 the bonds were refinanced at an effective interest rate of 3.80%. The loan balance of \$2,897,146 is payable in semi-annual installments. Annual debt service requirements to maturity have been calculated at the refinanced rate of 3.80% as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 534,749	\$ 107,156	\$ 641,905
2018	556,695	86,230	642,925
2019	577,614	64,463	642,077
2020	599,288	41,976	641,264
2021	628,800	18,379	647,179
Total	<u>\$ 2,897,146</u>	<u>\$ 318,204</u>	<u>\$ 3,215,350</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

B. Notes Payable (continued)

On February 15, 2006 the Water Fund acquired one unit of Windy Gap water and assumed a pro-rata portion of the related debt incurred by the Municipal Subdistrict of the Northern Colorado Water Conservancy District for the construction of the Windy Gap project. The total debt assumed was \$174,417. The balance due on December 31, 2016 is \$20,177. Annual debt service payments are billed by the Municipal Subdistrict with the annual water assessments. The rate of interest is approximately 5.00%. Annual debt service requirements to maturity are:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 20,177	\$ 1,074	\$ 21,251
Total	\$ 20,177	\$ 1,074	\$ 21,251

C. Pledged Revenues

In April of 2008, the City issued 2008 Sales and Use Tax Revenue Bonds to finance street improvements and an addition to the Recreation Center. Total outstanding obligation for these bonds as of December 31, 2016, is \$3,009,001; \$2,820,000 in principal and \$189,001 in interest. This issue is payable from a 3.00% municipal sales and use tax. During the year ended December 31, 2016, revenues of \$12,340,684 were available to pay the annual debt service of \$997,305.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 905,000	\$ 93,341	\$ 998,341
2018	940,000	63,387	1,003,387
2019	975,000	32,273	1,007,273
Total	\$ 2,820,000	\$ 189,001	\$ 3,009,001

The 2003A Water Revenue Bonds were issued for the purpose of financing any or all of the following: the construction of a raw water transmission system, the purchase of real property and construction of a raw water storage facility, the payment of costs associated with fees for joining and purchasing shares in water supply districts, or the development of a reclaimed water transmission system for irrigation purposes. Total outstanding obligation for these bonds as of December 31, 2012, is \$0 as the bonds were refunded in February 2012. The 2012 Water Revenue Refunding Bonds replaced the 2003A Water Revenue Bonds. The outstanding obligation for the 2012 bonds as of December 31, 2016, is \$14,950,900; \$11,790,000 in principal and \$3,160,900 in interest. Debt service is payable from net revenues of the City's municipal water system. During the year ended December 31, 2016, net revenues of \$6,360,545 were available to pay annual debt service of \$1,362,000.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

C. Pledged Revenues (continued)

The City received a loan in 2001 from the Colorado Water Resources and Power Development Authority (CWRPDA) in order to finance the expansion of the City's Water Reclamation facility. The loan was refinanced in 2005. Total outstanding obligation for this loan as of December 31, 2016, is \$3,215,350; \$2,897,146 in principal and \$318,204 in interest. The loan is payable from net revenues of the City's water reclamation system. During the year ended December 31, 2016, net revenues of \$3,025,077 were sufficient to pay annual debt service of \$640,778. Sewer rates were increased 9.00% in 2010, 12.00% in 2011,

11.00% in 2012, 10.00% in 2013, 10.00% in 2014, 30% in 2015, and 25% in 2016. Additional scheduled increases are 7% in 2017, 5% in 2018, and 5% in 2019.

The bonds for the Exempla General Improvement District were issued in December of 2002 to finance the costs of improvements on 79 acres of land being developed primarily for non-profit commercial use by the Exempla Northwest Medical Center. Revenues are generated from special assessments on a semi-annual basis in order to service the debt. Assessments are billed using an interest rate of 10.00% as required by bond documents. Excess revenues have been accumulating the past few years as a result of the large gap between actual interest being paid and the 10.00% rate. No principal payments are due in 2017. Interest only of \$90,237 is being charged in 2016.

The Lafayette City Center General Improvement District bonds, issued in December of 1999, were issued to finance improvements within a specific area of the City of Lafayette. Total outstanding obligation for these bonds as of December 31, 2016, is \$162,650; \$150,000 in principal and \$12,650 in interest. The debt is payable from gross revenues of the General Improvement District. For the year ending December 31, 2016, net revenues of \$92,248 were available to pay annual debt service of \$87,938.

In December, 2002, the Lafayette Corporate Campus General Improvement District bonds were issued to finance public improvements in the District. Total outstanding obligation for these bonds as of December 31, 2016, is \$3,696,080; \$2,110,000 in principal and \$1,586,080 in interest. During the year ended December 31, 2016, net revenues of \$249,089 were available to pay debt service of \$244,400.

The Lafayette Tech Center General Improvement District bonds were issued in December 2000 to be used to finance the acquisition, construction, installation and completion of public improvements within the District. In 2006, the bonds were refinanced. Total outstanding obligation for these bonds as of December 31, 2016, is \$3,081,900; \$1,770,000 in principal and \$1,311,900 in interest. For the year ending December 31, 2016, net revenues of \$116,216 were available to pay debt service of \$153,900. Property taxes revenues, estimated at \$172,670, were actually \$118,826 due to significant abatements. Management will address this issue in 2017; either through an abatement levy or other options that will result in achieving required debt coverage ratios.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

D. Capital Leases

On February 5, 2008, the city entered into a lease purchase arrangement for energy saving improvements at various city facilities at a cost of \$1,113,279 at a variable interest rate of 3.63% for 2012. The maturity of this lease is August 1, 2018. The future minimum lease obligations as of December 31, 2016 are as follows:

2017	149,360
2018	<u>112,020</u>
	261,380
Less amount representing interest	<u>(9,755)</u>
Present value of remaining payments	<u>\$ 251,625</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 LONG-TERM DEBT (continued)

E. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2016, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 3,845,000	\$ 8,265,000	\$ (3,845,000)	\$ 8,265,000	\$ 890,000
Revenue Bonds	7,915,000	-	(1,065,000)	6,850,000	1,115,000
Demand Bonds	3,955,000	-	-	3,955,000	-
Total Bonds Payable	15,715,000	8,265,000	(4,910,000)	19,070,000	2,005,000
Deferred Amounts					
For Issuance Premiums	5,091	806,481	(5,091)	806,481	-
Total Bonds Payable, Including deferred amounts	15,720,091	9,071,481	(4,915,091)	19,876,481	2,005,000
Capital Leases	388,033	-	(136,408)	251,625	141,722
Compensated Absences	1,031,838	1,089,918	(1,110,887)	1,010,869	758,152
Governmental Activity long- term activities	\$ 17,139,962	\$ 10,161,399	\$ (6,162,386)	\$ 21,138,975	\$ 2,904,875
Business-type Activities					
Bonds Payable					
Revenue Bonds	\$ 12,680,000	\$ -	\$ (890,000)	\$ 11,790,000	\$ 900,000
Total Bonds Payable	12,680,000	-	(890,000)	11,790,000	900,000
Deferred Amounts					
For Issuance Premiums	1,473,446	-	(127,886)	1,345,560	-
Total Bonds Payable, Including deferred amounts	14,153,446	-	(1,017,886)	13,135,560	900,000
Notes Payable	3,449,672	-	(532,350)	2,917,322	554,925
Compensated Absences	266,906	268,863	(272,406)	263,363	166,481
Business-type activity long- term activities	\$ 17,870,024	\$ 268,863	\$ (1,822,642)	\$ 16,316,245	\$ 1,621,406

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES

The following interfund transfers occurred during 2016 for the purposes stated below.

Transfers Out			Transfers In		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Projects</u>
General Fund	Capital Lease Payments	\$ 149,360	\$ -	\$ 149,360	\$ -
	Capital Projects	1,878,957	-	-	1,878,957
Ambulance & Fire Fund	Reimburse for Services	1,055,508	1,055,508	-	-
Parks, Open Space, & Trails Fund	Maintenance	883,609	883,609	-	-
Cemetery Endowment	Maintenance	300	300	-	-
Water Fund	Administrative Charges	1,120,832	1,120,832	-	-
Water Reclamation Fund	Administrative Charges	542,971	542,971	-	-
Golf Course Fund	Administrative Charges	250,292	250,292	-	-
Storm Water Fund	Administrative Charges	87,036	87,036	-	-
		<u>\$ 5,968,865</u>	<u>\$ 3,940,548</u>	<u>\$ 149,360</u>	<u>\$ 1,878,957</u>

In March 2015 the Capital Projects Fund loaned the Golf Course Fund \$222,728 for the purchase of new golf carts. The inter-fund loan requires annual payments of \$59,920 including principal and interest at 3% per annum. The balance as of December 31, 2016, is \$114,655.

In 2016, the Water Fund loaned the Storm Water Fund \$525,000 for operations, to be repaid in equal annual installments of \$175,000, by December 31, 2019.

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS

The City's employees and former volunteer fire fighters are covered under five separate retirement plans, depending upon occupation and date of hire. The details for each plan are set forth as follows.

A. Defined Contribution Plan for General Employees

The City offers its full-time employees and key management officials a retirement plan created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are eligible to participate in the plan on the first day of employment as a full-time employee. A full-time employee is any employee who is regularly scheduled to work at least 40 hours per week for the City and whose position is approved by City Council.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

A. Defined Contribution Plan for General Employees (continued)

This plan is a defined contribution plan administered by International City/County Management Association – Retirement Corporation (ICMA-RC). Under the terms of the plan, the City is the only non-employee contributor and contributes 10.2% of the participant's salary (salary, pay or earned income less salary reductions made under IRC Section 125), and the participant is required to contribute 8% of salary. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2016, the City and employees made all required contributions to the plan, of \$740,320 and \$580,642 respectively.

An employee shall have a non-forfeitable interest in the percentage of the employer contribution account determined pursuant to the following vesting schedule. Forfeitures from the non-vested portion of terminated employees' accounts are used to reduce the contribution required by the City.

<u>Years of Service</u>	<u>Percentage Vested</u>
1	20%
2	40%
3	60%
4	80%
5	100%

An employee shall have a non-forfeitable interest in their entire employer account if they are employed by the City when they become disabled or die.

Voluntary after-tax contributions are allowed up to an additional 25% of the employee's compensation.

Since a third party trustee holds the assets in trust, they are not reflected on the City's financial statements. The annual financial report of ICMA-RC may be obtained by writing to ICMA-RC, 777 North Capitol Street, NE, Washington, DC 20002 or by calling them at 202-962-4601.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact

As of December 31, 2016, the City reported the following aggregate amounts related to all of the defined benefit plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension liabilities	\$ (1,036,614)
Net pension assets	411,272
Deferred outflows of resources	2,016,946
Deferred inflows of resources	(16,765)
Pension expense	(341,958)
Net increase (decrease) in net position	<u>\$ 1,032,881</u>

All plans are administered by outside trustees and do not meet the standards of accounting principles generally accepted in the United States of America for inclusion as part of the reporting entity. FPPA issues a publicly available comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City Police and Fire Pension Plans and additions to/deductions from the Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Fire and Police Pension Association of Colorado (FPPA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair market value.

Schedules of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Commissioned Police Officers, Firefighters, and Ambulance Personnel

In May 2005, the City, after approval by police officers and City Council, transferred the assets to a cost-sharing multiple-employer defined benefit system administered by the Fire and Police Pension Association of Colorado (FPPA). Subsequently, the firefighters transferred their assets from the general employees' retirement plan to the FPPA plan and the ambulance employees adopted this plan when they were hired in 2007 and thereafter.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

During this process, every effort was made to retain continuity between the old and new plan provisions. Vesting applies at 20% per year with full vesting after 5 years. There are two different plan structures within the FPPA Defined Benefit System.

1. Statewide Hybrid Plan with the money purchase and defined benefit components, and
2. Statewide Defined Benefit Plan.

Plan members and the City are required to contribute to the Statewide Defined Benefit Plan and the Statewide Hybrid Plan at the rate established under Title 31, Article 31, of the Colorado Revised Statutes (CRS), as amended. Police officers employed on May 1, 2005 could elect the Statewide Hybrid Plan option with contributions the same as with the old plan (8% employee & 10.2% City), or the Statewide Defined Benefit Plan - Additional Contribution option (re-entry) with contributions of 9.8% from the employees and 10.2% from the City, or the Statewide Defined Benefit Plan option with contributions of 8% employee & 8% employer. As of January 1, 2015, employee contributions in the Statewide Defined Benefit Plan will increase 0.5% each year until 2022. This was passed in a Member Contribution Election in 2014. The assets for the accounts transferred from the old plan were placed in the Money Purchase component of the Statewide Hybrid Plan.

Police officers and firefighters hired after May 1, 2005 and ambulance employees must be covered under the FPPA Statewide Defined Benefit Plan with contributions of 8% from the employee and 8% from the City. The remaining 2.2% contributed by the City for the commissioned police officers, firefighters, and ambulance personnel is paid to the ICMA-RC money purchase plan. The City paid \$58,762 to ICMA-RC in 2016 for the 2.2% match on the FPPA Statewide Defined Benefit Plan.

Prior to the change to FPPA in 2005, commissioned officers, firefighters and ambulance personnel participated in the city-wide defined contribution plan. The FPPA plan restricts the type of pay on which contributions can be made. Retirement contributions on overtime or non-regular pay are not allowed by FPPA. Therefore, contributions on overtime and non-regular pay made by the Police, Fire and Ambulance employees of 8% and 10.2% from the City are paid to their accounts at ICMA-RC, the plan administrator for the city-wide defined contribution plan. In 2016 the City paid \$84,224 and the employees paid \$66,058. An employee shall have a non-forfeitable interest in their entire employer account if they are employed by the City when they become disabled or die. Title 31, Article 31, Part 1101, of the CRS, as amended, assigns authority to establish benefit provisions to the State Legislature.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

An alternative plan provided by FPPA is the Defined Retirement Option Plan (DROP). There was one participant in this plan in 2016.

STATEWIDE HYBRID PLAN (SWH)

Description of Benefits

The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

Funding Policy

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2015 through June 30, 2016 is 12.6 percent. The Defined Benefit Component contribution rate from July 1, 2014 through June 30, 2015 was 12.5 percent.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

The City and the employees have made contributions to this plan for the past three years equal to 10.2% and 8.0% of regular pay. The City and employees made the required contributions to the plan in 2016 of \$34,121 and \$26,762, in 2015 of \$49,645 and \$38,937, and in 2014 of \$56,829 and \$44,571, respectively.

Pension Asset. At December 31, 2016, the City reported an asset of \$397,075 for its proportionate share of the SWH net pension asset. The net pension asset was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2015 actuarial valuation.

The City's reported asset at December 31, 2016 decreased to \$397,075 from the City's prior year asset of \$544,473 because of changes in the SWH net pension asset and from the City's proportionate share of that asset. The SWH publicly available financial report provides details on the net change in the net pension asset.

The City's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWH plan within the year ended December 31, 2015. The City's proportion measured as of December 31, 2015, was 3.769853%, which was a decrease of 0.821121% from its proportion measured as of December 31, 2014.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2016, the City recognized a reduction in pension expense for the SWH plan of \$136,682. At December 31, 2016, the City reports deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 118,804
Changes in assumptions	20,962
Difference between projected and actual investment earnings	82,914
Changes in proportion and differences between City contributions and proportionate share of contributions	90,499
City contributions subsequent to the measurement date	34,121
Total	<u>\$ 347,300</u>

The \$34,121 reported as deferred outflows of resources related to SWH plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending in December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWH plan will be recognized in pension expense as follows:

Year ending December 31	Net
2017	\$ 51,449
2018	51,449
2019	51,449
2020	49,714
2021	30,287
Thereafter	78,831
Total	<u>\$ 313,179</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return *	7.5%	7.5%
Projected Salary Increases *	4.0% -14.0%	4.0% -14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	3.0%

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB is used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

For determining the actuarially determined contributions, RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality for active members. On-duty related mortality is assumed to be .00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll forward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors were used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	*0.0%
Total	<u>100.0%</u>	

* While the expected inflation exceeds the expected rate or return for cash, 0.0 percent rate of return is utilized.

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH plan fiduciary net position was projected to be available to make all the projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as part of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease to 6.50%	Single Discount Rate Assumption 7.50%	1% Increase to 7.50%
City's proportionate share of the net pension liability / (asset):	\$ (229,947)	\$ (397,075)	\$ (536,791)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued SWH financial report.

STATEWIDE DEFINED BENEFIT PLAN (SWDB)

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to The Statewide Defined

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the greater of 3 percent or the consumer price index.

A member is eligible for early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

Funding Policy

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8.5 percent of base salary for a total contribution rate of 16.5 percent through 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

The City and the employees have made contributions to this plan for 2014 equal to 8.0% and 8.0% of regular pay. In 2015 the contribution rates were 8.0% and 8.5%, respectively. In 2016 the contribution rates were 8.0% and 9.0% respectively. The City and employees made the required contributions to the plan in 2016 of \$212,430 and \$240,394, in 2015 of \$175,637 and \$186,615, in 2014 of \$176,958 and \$176,958, respectively.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

The City and the employees have made contributions to this plan for 2014 equal to 10.2% and 9.8% of regular pay. In 2015 the contribution rates were 10.2% and 10.3% respectively. In 2016 the contribution rates were 10.2% and 10.8% respectively. The City and employees made the required contributions to the plan in 2016 of \$137,897 and \$146,008, in 2015 of \$136,748 and \$138,088, and in 2014 of \$136,501 and \$131,148, respectively.

Pension Asset. At December 31, 2016, the City reported an asset of \$14,197 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2015 actuarial valuation.

The City's reported asset at December 31, 2016 decreased to \$14,197 from the City's prior year asset of \$983,321 because of changes in the SWDB net pension asset and from the City's proportionate share of that asset. The SWDB publicly available financial report provides details on the net change in the net pension asset.

The City's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWDB plan within the year ended December 31, 2015. The City's proportion measured as of December 31, 2015, was 0.805494%, which was a decrease of 0.065803% from its proportion measured as of December 31, 2014.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2016, the City recognized a reduction in pension expense for the SWDB plan of \$137,604. At December 31, 2016, the City reports deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 114,842	\$ 16,765
Difference between projected and actual investment earnings	722,696	-
Changes in assumptions	223,037	-
Changes in proportion and differences between City contributions and proportionate share of contributions	70,700	-
City contributions subsequent to the measurement date	350,326	-
Total	<u>\$ 1,481,601</u>	<u>\$ 16,765</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

The \$350,326 reported as deferred outflows of resources related to SWDB plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended in December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDB plan will be recognized in pension expense as follows:

Year ending December 31	Net
2017	\$ 227,563
2018	227,563
2019	227,562
2020	209,644
2021	42,409
Thereafter	179,769
Total	<u>\$ 1,114,510</u>

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return *	7.5%	7.5%
Projected Salary Increases *	4.0% -14.0%	4.0% -14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	3.0%

The remaining elements of the actuarial assumptions and discount rate are detailed under the SWH Plan.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease to 6.50%	Single Discount Rate Assumption - 7.50%	1% Increase to 8.50%
City's proportionate share of the net pension liability / (asset):	\$ 1,989,165	\$ (14,197)	\$ (1,675,922)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued SWDB financial report.

VOLUNTEER FIREFIGHTERS

The City provides a defined benefit pension plan for former volunteer firefighters as established by Title 31, Article 30, Section 401 of the Colorado Revised Statutes. The FPPA administers this agent multiple employer plan. The City gradually terminated the volunteer firefighter program as the emphasis changed to an all-career firefighter staff.

Description of Benefits

Any former volunteer firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension. A firefighter who is disabled in the line of duty and whose disability is considered permanent shall be compensated in an amount determined by the Board of Trustees to be reasonable and proper considering the financial condition of the Fund. The Plan also provides for a lump-sum busial benefit upon the death of a retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State Statute. The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPS for plan administration and investment only. The FPPA issues a publicly available comprehensive annual financial report that can be obtained at:

www.fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20cafr.pdf.

State contribution is limited to the City's contribution before the increase in benefits. The on-behalf payments from the State of Colorado are sent directly to FPPA during the year.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Funding Policy - The Volunteer Firefighters' Pension Plan receives contributions from the City in an amount not to exceed one-half mill of property tax revenue. As established by the legislature, the State of Colorado contributes ninety percent of the City's contribution up to the \$300 per month normal retirement benefit level. For monthly benefits beyond \$300, the State contribution is limited to the City's contribution before the increase in benefits. The on-behalf payments received from the State of Colorado are recorded as both revenues and expenditures during the year. The contributions are actuarially determined.

The actuarial study as of January 1, 2015 presented the required contribution level for three different plan options available through the FPPA. Effective January 1, 2015 the City is funding normal retirement benefits of \$600 per month, one of the alternative benefit levels presented in the actuarial report. The actuarial study as of January 1, 2015, indicated that the current contributions to the fund are adequate to support the prospective benefits for the present plan on an actuarially sound basis. For the year ended December 31, 2015, the City and State actual contributions of \$119,164 and \$42,222, respectively, did exceed the required contribution. Based on an assumed annual contribution of \$161,386, the unfunded actuarial accrued liability (UAAL) will be eliminated in 9 years.

Pension liability. At December 31, 2016, the City reported a liability of \$1,036,614, measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined based on the January 1, 2015 actuarial valuation.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2014	\$ 2,381,620	\$ 1,334,308	\$ 1,047,312
Changes for the year:			
Service cost	-	-	-
Interest	170,993	-	170,993
Differences between expected & actual experience	-	-	-
Contributions - employer	-	119,164	(119,164)
Contributions - employee	-	-	-
Net investment income	-	23,339	(23,339)
Benefit payments, including refunds of employee contributions	(207,166)	(207,166)	-
Administrative expense	-	(3,034)	3,034
Other changes	-	42,222	(42,222)
Net changes	(36,173)	(25,475)	(10,698)
Balance at December 31, 2015	\$ 2,345,447	\$ 1,308,833	\$ 1,036,614

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended December 31, 2016, the City recognized a decrease in pension expense for the Volunteer plan of \$67,671. At December 31, 2016, the City reports deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -
Difference between projected and actual investment earnings	68,880
Changes in proportion and differences between City contributions and proportionate share of contributions	-
City contributions subsequent to the measurement date	119,164
Total	\$ 188,044

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

The \$119,164 reported as deferred outflows of resources related to Volunteer plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended in December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to Volunteer plan will be recognized in pension expense as follows:

Year ending December 31	Net Outflow
2017	\$ 17,964
2018	17,964
2019	17,963
2020	14,989
Total	<u>\$ 68,880</u>

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level dollar, Open *
Amortization Period	20 Years *
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	N/A
Cost of Living Adjustments	None
Retirement Age	50% per year of eligibility until 100% at age 65. Pre-retirement: RP-2000 combined mortality table with blue collar adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 combined mortality table, with blue collar adjustment. Disabled: RP-2000 disabled mortality table All tables projected with Scale AA.
Includes Inflation at	3.0%

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The remaining elements of the actuarial assumptions and discount rate are detailed under the SWH Plan.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS
(continued)

B. Defined Benefit Plans for Commissioned Public Safety Employees - Financial Impact
(continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease to 6.50%	Single Discount Rate Assumption 7.50%	1% Increase to 8.50%
City's net pension liability / (asset):	\$ 1,245,645	\$ 1,036,614	\$ 855,429

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the required supplementary information section of the City's CAFR.

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. For these risks of loss, the City acquires insurance for property liability, police professional liability, errors and omissions, excess liability, and crime coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA). The City does not exercise oversight responsibility nor does it exercise significant influence over CIRSA's operations. Premiums and coverage obtained from CIRSA are comparable to those provided by commercial carriers.

CIRSA is an organization created by an intergovernmental agreement to provide property, general and automobile liability, and public official coverage to its members. Coverage is provided through CIRSA self-funding and various excess insurance contracts that limit maximum losses and minimize exposure on large risks. CIRSA does not have a legal obligation to pay losses or loss adjustment expenses in excess of its annually established loss fund and amounts recoverable under excess specific aggregate insurance contracts. Losses and loss adjustment expenses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 RISK MANAGEMENT (continued)

The City continues to carry commercial insurance coverage for other risks of loss including workers compensation and employee health and accident insurance. The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

The Insurance Fund, an internal service fund, was established to account for claims and insurance premiums related to property and liability risks. The City is responsible for the first \$25,000 of each claim.

Changes in the balances of claims liabilities during the past two years are as follows:

	Dec. 31, 2014	Claims Incurred	Claims Paid	Dec. 31, 2015	Claims Incurred	Claims Paid	Dec. 31, 2016
Property & Liability	\$45,209	\$70,757	\$115,966	\$ -	\$209,254	\$ 155,626	\$ 53,628

The City established the Employee Benefit Fund, an internal service fund to manage and account for the rising costs of all employee insurance benefits. Under the provisions of the current employee health insurance plan, the City pays a fixed monthly premium, per participant, and is fully insured.

NOTE 11 ASSETS HELD FOR RESALE

In 2005, the City acquired a 40 acre parcel of property and rezoned it industrial for future development in the southeast area of town. The acquisition cost was \$1,036,254. An appraisal dated June 2, 2016 valued the property at \$1.9 million. The asset was not adjusted to fair market value (as required by GASB 72) as of December 31, 2016, because the City had not determined final disposition of the property.

NOTE 12 CONDUIT DEBT

In October, 2011, the City approved the issuance of Variable Rate Demand Multifamily Housing Revenue Bonds, Series 2011A in the aggregate principal amount not to exceed \$12,450,000, and Taxable Variable Rate Demand Multifamily Housing Revenue Bonds, Series 2011B in the aggregate principal amount not to exceed \$400,000, to provide for the financing of the acquisition, construction and equipping of a 120 unit senior independent living, multifamily rental housing development within the City of Lafayette. The balances outstanding at December 31, 2016 were \$12,350,000 of Series A and \$0 of Series B bonds.

The bonds issued are payable solely from the revenues and receipts pledged under the respective indentures. The bonds do not constitute debts of the City of Lafayette and are not pledges of the full faith and credit or taxing power of the City.

The note was redeemed in April 2017.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 13 COMMITMENTS AND CONTINGENCIES

The City has received grants to assist with the construction of facilities and other projects. Under the terms of the grant agreements, such grants are subject to review and audit by the Grantor. Such audits could lead to a request for reimbursements to the Grantor for expenditures disallowed. City management believes any disallowance would be immaterial.

On September 12, 2012, the City entered into a contract for the construction of raw water reservoirs with Rock Products of Colorado, LLC, at the Goose Haven property. This project is expected to last at least five years, but no greater than 8 years with the variability a function of soil/gravel demand. The project is divided into five phases at a guaranteed maximum contract price of \$7,747,068 for the entire project with a completion date no later than December 31, 2020. The City may terminate the contract at any time upon ten days written notice to Rock Products. After each phase has been completed, the City's approval must be obtained before proceeding to the next phase.

Two changes orders were subsequently approved to the original contract that will affect years 2017-2020. Change Orders #1 (\$1,200,000) and #2 (\$1,400,000) increased the contract to a total of \$10,347,068.

Due to significant flooding during September 2013, the City has substantial repairs that need to be made to the Coal Creek Trail. With the flood being deemed a disaster, the City is working with Federal and State government agencies to assist in defraying the costs of the repairs. The costs for the flood related projects have been submitted for reimbursement from FEMA. In addition, there were significant project cost over-runs which were also submitted to FEMA for approval which has not yet been authorized. The repair to the flood damaged areas is 100% completed as of December 31, 2015 and requests for reimbursement will continue to be submitted to FEMA and the State of Colorado.

Component Units - Base Line Land and Reservoir Company

In January 2017, the Company agreed to borrow \$990,718 from Guaranty Bank and Trust Company for the purpose of addressing seepage, as noted by the Colorado State Engineer's Office. The Company has agreed to pay four annual, consecutive principal and interest payments of \$215,465 each, beginning June 30, 2017. Interest is calculated on the unpaid principal balances at a rate of 3.5%.

NOTE 14 PENDING LITIGATION

Various claims and lawsuits are pending against the City. After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, it is the opinion of the City Management that the potential ultimate responsibility resulting from these actions, if any, will not have a material adverse financial effect on the City.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 15 SUBSEQUENT EVENT

In June 2017, the City entered into an Intergovernmental Agreement (IGA) with Boulder County to acquire an approximately 24-acre parcel of property near the intersection of 120th Street and Emma Street in Lafayette, CO. The property is, in the opinion of the Boulder County Housing Authority, suitable for development of a housing community that is “affordable”. The City has negotiated an IGA with Boulder County wherein the contract to acquire the Flatirons Church property will be assigned to Boulder County, who will take title to the Property and pay the purchase price (\$3,495,150), with the City making a contribution to Boulder County equal to the amount of the purchase price, over a period of years. The City is committed to payments to Boulder County of \$145,150 in 2017, a minimum of \$100,000 in 2018, and a minimum of \$200,000 in subsequent years (subject to annual appropriations) until such time that the principal amount is paid in full.

REQUIRED SUPPLEMENTARY INFORMATION

FINANCIAL SECTION

2016

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Property Taxes	\$ 4,183,237	\$ 4,475,000	\$ 4,509,479	\$ 34,479
Fire District Tax	5,300	5,300	5,300	-
Specific Ownership Tax	168,410	225,000	271,835	46,835
General Sales & Use Tax	8,722,860	8,972,752	9,555,217	582,465
Motor Vehicle Use Tax	1,082,178	1,250,000	1,557,800	307,800
Building Use Tax	1,256,388	850,000	980,676	130,676
Marijuana Excise Tax	150,000	400,000	459,674	59,674
Total Taxes	15,568,373	16,178,052	17,339,981	1,161,929
License and Permits				
Business Licenses	10,525	10,525	8,625	(1,900)
Contractor Licenses	60,000	60,000	83,600	23,600
Liquor Licenses	14,125	14,125	20,818	6,693
Marijuana Licenses	12,000	90,000	105,979	15,979
Construction Permits	503,092	400,000	490,026	90,026
Mobile Home Permits	10,000	10,000	8,700	(1,300)
Miscellaneous Licenses	2,100	2,100	2,547	447
Total Licenses and Permits	611,842	586,750	720,295	133,545
Intergovernmental				
Federal, State, and County Grants	26,200	231,200	333,047	101,847
Cultural Arts Grant	12,000	12,000	12,960	960
Cigarette Tax	30,000	30,000	55,656	25,656
Motor Vehicle Registration	82,000	82,000	97,915	15,915
County Road and Bridge Tax	34,000	34,000	40,856	6,856
Highway Users Tax	725,000	725,000	796,059	71,059
Total Intergovernmental	909,200	1,114,200	1,336,493	222,293
Fines and Forfeitures				
Fines	818,500	568,500	489,974	(78,526)
Court Costs	52,000	52,000	38,275	(13,725)
Total Fines and Forfeitures	870,500	620,500	528,249	(92,251)

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues (continued)				
Interest and Other				
Franchise Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,107,958	\$ 107,958
Special Assessments Principal	3,000	3,000	4,105	1,105
Special Assessments Interest	800	800	121	(679)
Interest	121,584	225,000	164,576	(60,424)
Sidewalk Maintenance/Repair	90,000	90,000	99,371	9,371
Service Expansion and Park Contributions	662,703	325,000	402,946	77,946
PEG Fees	29,000	29,000	30,020	1,020
Public Art Fees	9,316	9,316	17,237	7,921
Contributions and Misc Grants	21,000	21,000	181,254	160,254
Property Sales	20,000	20,000	35,690	15,690
Total Interest and Other	1,957,403	1,723,116	2,043,278	320,162
Charges for Services				
Building Fees	470,540	306,550	493,486	186,936
Culture and Recreation Fees	1,738,100	1,738,100	1,954,262	216,162
Cemetery Fees	35,000	35,000	35,850	850
Administrative Fees	94,471	94,471	133,266	38,795
Misc Rentals	150,817	150,817	166,652	15,835
Pawn Shop Fees	11,000	11,000	10,618	(382)
Police Service Fees	26,000	26,000	35,189	9,189
Ambulance Fees	325,000	325,000	346,439	21,439
Solid Waste, Recycling and Compost Fees	1,467,949	1,467,949	1,600,003	132,054
Miscellaneous Services	66,388	66,388	187,019	120,631
Total Charges for Services	4,385,265	4,221,275	4,962,784	741,509
Total Revenues	24,302,583	24,443,893	26,931,080	2,487,187
Expenditures				
General Government				
City Council	204,857	238,741	330,930	(92,189)
Non-Departmental	994,141	633,642	517,789	115,853
City Administrator	346,774	421,498	590,416	(168,918)
City Clerk	248,325	248,325	246,637	1,688
Community Development	525,550	552,228	458,844	93,384
Human Resources	358,593	358,593	399,879	(41,286)
Financial Services	610,546	775,723	789,367	(13,644)
Information Technologies	1,064,316	1,070,772	889,601	181,171

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Expenditures (continued)				
General Building Maintenance	\$ 878,249	\$ 924,309	\$ 853,421	\$ 70,888
Planning	874,268	874,268	841,946	32,322
Total General Government	6,105,619	6,098,099	5,918,830	179,269
Judicial				
City Attorney	251,819	316,819	378,507	(61,688)
Municipal Court	171,177	171,177	144,381	26,796
Total Judicial	422,996	487,996	522,888	(34,892)
Public Safety				
Police	6,173,738	6,173,738	6,163,722	10,016
Fire	696,631	696,631	695,244	1,387
Ambulance	1,543,545	1,663,545	1,795,454	(131,909)
Total Public Safety	8,413,914	8,533,914	8,654,420	(120,506)
Public Works				
Administration - Public Works	1,554,340	1,641,374	1,484,616	156,758
Solid Waste & Recycling	1,105,892	1,430,500	1,543,349	(112,849)
Total Public Works	2,660,232	3,071,874	3,027,965	43,909
Culture and Recreation				
Admin - Parks, Open Space, & Golf	224,790	224,790	189,020	35,770
Cemeteries	114,443	114,443	110,923	3,520
Parks	813,674	813,674	789,562	24,112
Open Space Maintenance	439,989	439,989	347,137	92,852
Streetscapes	142,821	142,821	121,766	21,055
Admin - Recreation & Facility Management	458,344	458,344	381,159	77,185
Recreation Center	2,346,588	2,351,188	2,175,086	176,102
Library	1,364,957	1,381,748	1,346,189	35,559
Senior Services	412,152	412,652	300,906	111,746
Total Culture and Recreation	6,317,758	6,339,649	5,761,748	577,901
Capital Outlay	1,294,058	2,424,215	782,449	1,641,766
Total Expenditures	25,214,577	26,955,747	24,668,300	2,287,447
Excess (Deficiency) of Revenues Over Expenditures	(911,994)	(2,511,854)	2,262,780	4,774,634

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Other Financing Sources (Uses)				
Transfers In	\$ 4,120,029	\$ 4,120,029	\$ 3,940,548	\$ (179,481)
Transfers Out	(2,028,317)	(2,308,317)	(2,028,317)	280,000
Total Other Financing Sources (Uses)	<u>2,091,712</u>	<u>1,811,712</u>	<u>1,912,231</u>	<u>100,519</u>
Net Change in Fund Balance	1,179,718	(700,142)	4,175,011	4,875,153
Fund Balance, January 1	<u>17,824,878</u>	<u>20,180,711</u>	<u>20,180,711</u>	<u>-</u>
Fund Balance, December 31, Budgetary Basis	<u><u>\$ 19,004,596</u></u>	<u><u>\$ 19,480,569</u></u>	<u><u>\$ 24,355,722</u></u>	<u><u>\$ 4,875,153</u></u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMBULANCE AND FIRE SPECIAL REVENUE FUND
For the year ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 1,848,445	\$ 1,975,000	\$ 1,992,416	\$ 17,416
Specific Ownership Taxes	72,425	72,425	103,869	31,444
Interest	6,996	6,996	4,879	(2,117)
Assessment - Principal	-	-	140,521	140,521
Assessment - Interest	-	-	31,630	31,630
Total Revenue	<u>1,927,866</u>	<u>2,054,421</u>	<u>2,273,315</u>	<u>218,894</u>
Expenditures				
Current				
General Government	61,010	61,010	61,104	(94)
Public Safety	968,620	1,015,020	936,753	78,267
Capital Outlay	230,000	242,000	241,274	726
Total Expenditures	<u>1,259,630</u>	<u>1,318,030</u>	<u>1,239,131</u>	<u>78,899</u>
Excess (Deficiency) of Revenues over Expenditures	<u>668,236</u>	<u>736,391</u>	<u>1,034,184</u>	<u>297,793</u>
Other Financing Sources (Uses)				
Transfers (Out)	(1,055,508)	(1,055,508)	(1,055,508)	-
Total Other Financing Sources (Uses)	<u>(1,055,508)</u>	<u>(1,055,508)</u>	<u>(1,055,508)</u>	<u>-</u>
Net Change in Fund Balance	(387,272)	(319,117)	(21,324)	297,793
Fund Balance, January 1	<u>954,024</u>	<u>1,059,166</u>	<u>1,059,166</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 566,752</u>	<u>\$ 740,049</u>	<u>\$ 1,037,842</u>	<u>\$ 297,793</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
COST-SHARING STATEWIDE PLANS

	<u>Hybrid</u>	<u>Defined Benefit</u>	<u>Hybrid</u>	<u>Defined Benefit</u>
Current Financial Reporting Period	<u>2016</u>		<u>2015</u>	
City's proportion of the net pension liability (asset)	3.769853%	0.805494%	4.590973%	0.871297%
City's proportionate share of the net pension liability (asset)	\$ (397,075)	\$ (14,197)	\$ (544,473)	\$ (983,824)
City's covered-employee payroll	\$ 486,714	\$ 3,536,132	\$ 557,147	\$ 3,550,217
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-81.58%	-0.40%	-97.73%	-27.70%
Plan fiduciary net position as a percentage of the total pension liability	129.44%	100.10%	140.60%	106.80%

Information will be provided prospectively.

Presented as of the measurement dates, December 31, 2014 and December 31, 2015.

**CITY OF LAFAYETTE
SCHEDULE OF PENSION CONTRIBUTIONS
COST-SHARING STATEWIDE HYBRID PLAN**

	<u>2016</u>	<u>2015</u>
Actuarial determined contribution	\$ 34,121	\$ 49,645
Contributions in relation to the actuarial determined contribution	<u>34,121</u>	<u>49,645</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 334,524	\$ 486,714
Contributions as a percentage of covered employee payroll	10.20%	10.20%

Information will be provided prospectively.

Presented as of the current years end, December 31, 2015 and December 31, 2016.

**CITY OF LAFAYETTE
SCHEDULE OF PENSION CONTRIBUTIONS
COST-SHARING STATEWIDE DEFINED BENEFIT PLAN**

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 321,860	\$ 282,891
Contributions in relation to the statutorily required contribution	<u>321,860</u>	<u>282,891</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 4,023,248	\$ 3,536,132
Contributions as a percentage of covered employee payroll	8.00%	8.00%

Information will be provided prospectively.

Presented as of the current years end, December 31, 2015 and December 31, 2016.

CITY OF LAFAYETTE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER PLAN

Information to be provided prospectively.

Measured period ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	170,993	178,910
Benefit Changes	-	-
Difference between Expected and Actual Experience	-	(74,942)
Assumption Changes	-	-
Benefit Payments	(207,166)	(211,810)
Net Change in Total Pension Liability	<u>(36,173)</u>	<u>(107,842)</u>
Total Pension Liability - Beginning	<u>2,381,620</u>	<u>2,489,462</u>
Total Pension Liability - Ending (a)	<u><u>\$ 2,345,447</u></u>	<u><u>\$ 2,381,620</u></u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 119,164	\$ 119,164
Pension Plan Net Investment Income	23,339	81,117
Benefit Payments	(207,166)	(211,810)
Pension Plan Administrative Expense	(3,034)	(2,279)
State of Colorado supplemental discretionary payment	42,222	42,222
Net Change in Plan Fiduciary Net Position	<u>(25,475)</u>	<u>28,414</u>
Plan Fiduciary Net Position - Beginning	<u>1,334,308</u>	<u>1,305,894</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,308,833</u></u>	<u><u>\$ 1,334,308</u></u>
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ 1,036,614	\$ 1,047,312
Plan Fiduciary Net Position as a Percentage of total Pension Liability	55.80%	56.03%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

CITY OF LAFAYETTE
SCHEDULE OF CONTRIBUTIONS VOLUNTEER PLAN

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2014	\$ 93,525	\$ 161,386	\$ (67,861)	N/A	N/A
2015	93,525	161,386	(67,861)	N/A	N/A
2016	119,164	161,386	(42,222)	N/A	N/A

*Includes both employer and State of Colorado Supplemental Discretionary Payment

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

On or before September 20, the City Administrator submits to the City Council a proposed budget for the subsequent fiscal year commencing January 1. This budget includes proposed expenditures and the means of financing them. The budget is presented at the fund level, but includes supporting schedules presented at the sub-object (or account) level. The City uses generally accepted accounting principals (GAAP) as the basis for budgeting revenues and expenditures for all funds except for proprietary funds. In the proprietary funds, capital outlay and debt principal payments are budgeted but depreciation is not budgeted.

A Public Hearing on the proposed budget is held before its final adoption to obtain any comments from citizens.

On or before the last Thursday in October for the ensuing year, the budget is legally enacted through the adoption of an appropriation ordinance at the fund level.

Budget revisions occur at the fund level and may only be made through Council Ordinance. The City Administrator may re-allocate the budget between Departments. Department Heads, with the approval of the City Administrator and Finance Director, may re-allocate the total budget within a Department.

The City Council may make additional appropriations during the fiscal year for unanticipated revenues received by the City. Such appropriations are approved on a consensus basis by the City Council throughout the year.

After October 1 of the fiscal year, all previous appropriations amendments are formally adopted at the fund level by ordinance.

All appropriations, except for capital projects, lapse at year-end. Any unspent appropriations may be carried forward to the subsequent budget year with the approval of a budget amendment by City Council. Capital projects appropriations are automatically carried forward until completion of the projects.

For the year ended December 31, 2016, amended budgeted expenditures exceeded budgeted revenues and the projected fund balance in the Employee Benefit and Insurance Funds Budget Comparison Schedules.

The Lafayette Tech Center (non-major Special Revenue Fund) reported a negative fund balance of (\$6,065) in 2016 due to unanticipated abatements in property tax collections late in the year. An abatement levy is under consideration for 2017.

CITY OF LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING (continued)

The City budgets for transfers between funds. When evaluating the budget to actual, the expenditures plus the transfers are used to determine whether the expenditures are within the budget.

NOTE 2 CONTRIBUTIONS TO THE VOLUNTEER PLAN

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The current actuarial report is dated January 1, 2015.

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level dollar, Open *
Amortization Period	20 Years *
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	N/A
Cost of Living Adjustments	None
Retirement Age	50% per year of eligibility until 100% at age 65. Pre-retirement: RP-2000 combined mortality table with blue collar adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 combined mortality table, with blue collar adjustment. Disabled: RP-2000 disabled mortality table All tables projected with Scale AA.
Includes Inflation at	3.0%

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

COMBINING FUND STATEMENTS AND SCHEDULES

FINANCIAL SECTION

This section consists of the following:

- Nonmajor Governmental Funds
- Internal Service Funds
- Budgetary Comparison Schedules

2016

CITY OF LAFAYETTE, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

Special Revenue Funds

Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specific purposes. Following are the special revenue funds included in this section:

- Lafayette City Center General Improvement District
- Exempla General Improvement District
- Lafayette Corporate Campus General Improvement District
- Lafayette Tech Center General Improvement District

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition of construction of major capital facilities other than those financed by proprietary fund types. The City's Capital Projects Funds account for the following capital projects included in this section.

- Legacy Open Space Fund
To account for sales and use taxes collected for the acquisition and maintenance of open space.
- Parks, Open Space, & Trails (POST) Fund
To account for sales and use taxes collected for the acquisition, development, and maintenance of parks and open space.
- Conservation Trust Fund
To account for the accumulation of monies received annually from the proceeds of the Colorado State Lottery. Expenditures related to the maintenance of existing parks and recreation infrastructures are recorded in this fund.

Cemetery Endowment Fund

The Cemetery Endowment Fund is a permanent fund used to separately account for an endowment care trust that occurred prior to the City acquiring ownership in the Coal Creek Cemetery.

CITY OF LAFAYETTE, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Special Revenue Funds	Capital Projects Funds	Cemetery Endowment Fund	Total
ASSETS				
Cash and Investments	\$ 2,855,506	\$ 5,937,375	\$ -	\$ 8,792,881
Accrued Interest Receivable	7,061	12,970	116	20,147
Accounts Receivable	1,914	211,529	-	213,443
Property Taxes Receivable	624,458	-	-	624,458
Restricted Cash and Investments	1,090,500	-	46,386	1,136,886
Special Assessments Receivable	439,400	-	-	439,400
Total Assets	\$ 5,018,839	\$ 6,161,874	\$ 46,502	\$ 11,227,215
LIABILITIES				
Checks Issued in Excess of Bank Balance	\$ 6,274	\$ -	\$ -	\$ 6,274
Accounts Payable	1,691	46,244	-	47,935
Deposits Payable	75,000	-	-	75,000
Total Liabilities	82,965	46,244	-	129,209
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	624,458	-	-	624,458
Unavailable Revenue - Special Assessments	439,400	-	-	439,400
Unavailable Revenue - Grants	-	179,336	-	179,336
Total Deferred Inflows of Resources	1,063,858	179,336	-	1,243,194
FUND BALANCE				
Resources Not in Spendable Form	-	-	46,386	46,386
Restricted	3,100,125	5,680,370	-	8,780,495
Assigned	771,891	255,924	116	1,027,931
Total Fund Balance	3,872,016	5,936,294	46,502	9,854,812
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 5,018,839	\$ 6,161,874	\$ 46,502	\$ 11,227,215

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue Funds	Capital Projects Funds	Cemetery Endowment Fund	Total
Revenues				
Taxes				
Property Tax	\$ 575,788	\$ -	\$ -	\$ 575,788
Specific Ownership Tax	32,196	-	-	32,196
Building Use Tax	-	175,262	-	175,262
Vehicle Use Tax	-	282,686	-	282,686
General Sales Tax	-	1,793,969	-	1,793,969
Total Taxes	607,984	2,251,917	-	2,859,901
Intergovernmental - State Grants	-	298,650	-	298,650
Assessment - Interest	469,454	-	-	469,454
Interest	25,485	32,527	285	58,297
Charges for Services	15,000	-	-	15,000
Miscellaneous Income	2,988	18,597	-	21,585
Total Revenues	1,120,911	2,601,691	285	3,722,887
Expenditures				
General Government	59,723	17,659	-	77,382
Cultural and Recreation	-	85,568	-	85,568
Capital Outlay	-	38,953	-	38,953
Debt Service				
Principal	190,000	-	-	190,000
Interest and Fiscal Charges	782,597	-	-	782,597
Total Expenditures	1,032,320	142,180	-	1,174,500
Excess (Deficiency) of Revenues over Expenditures	88,591	2,459,511	285	2,548,387
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers (Out)	-	(883,609)	(300)	(883,909)
Total Other Financing Sources (Uses)	-	(883,609)	(300)	(883,909)
Net Change in Fund Balance	88,591	1,575,902	(15)	1,664,478
Fund Balance, January 1	3,783,425	4,360,392	46,517	8,190,334
Fund Balance, December 31	\$ 3,872,016	\$ 5,936,294	\$ 46,502	\$ 9,854,812

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2016

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Total
ASSETS					
Cash and Investments	\$ 105,038	\$ 2,368,894	\$ 381,574	\$ -	\$ 2,855,506
Accrued Interest Receivable	258	5,821	951	31	7,061
Accounts Receivable	452	113	1,171	178	1,914
Property Taxes Receivable	96,196	105,137	249,105	174,020	624,458
Restricted Cash and Investments	-	1,090,500	-	-	1,090,500
Special Assessments Receivable	-	329,550	109,850	-	439,400
Total Assets	\$ 201,944	\$ 3,900,015	\$ 742,651	\$ 174,229	\$ 5,018,839
LIABILITIES					
Checks Issued in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ 6,274	\$ 6,274
Accounts Payable	400	1,291	-	-	1,691
Deposits Payable	75,000	-	-	-	75,000
Total Liabilities	75,400	1,291	-	6,274	82,965
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	96,196	105,137	249,105	174,020	624,458
Unavailable Revenue - Special Assessments	-	329,550	109,850	-	439,400
Total Deferred Inflows of Resources	96,196	434,687	358,955	174,020	1,063,858
FUND BALANCE					
Restricted	9,312	2,799,515	302,212	(10,914)	3,100,125
Assigned	21,036	664,522	81,484	4,849	771,891
Total Fund Balance	30,348	3,464,037	383,696	(6,065)	3,872,016
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 201,944	\$ 3,900,015	\$ 742,651	\$ 174,229	\$ 5,018,839

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2016

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Total
Revenues					
Property Taxes	\$ 97,672	\$ 107,568	\$ 251,722	\$ 118,826	\$ 575,788
Specific Ownership Taxes	4,936	5,654	12,811	8,795	32,196
Total Taxes	102,608	113,222	264,533	127,621	607,984
Assessment - Interest	-	469,454	-	-	469,454
Interest	1,105	20,573	3,332	475	25,485
Charges for Services	-	15,000	-	-	15,000
Miscellaneous Revenue	-	2,988	-	-	2,988
Total Revenues	103,713	621,237	267,865	128,096	1,120,911
Expenditures					
Current					
General Government	11,464	17,603	18,776	11,880	59,723
Debt Service					
Principal	75,000	-	70,000	45,000	190,000
Interest and Fiscal Charges	13,338	485,079	174,730	109,450	782,597
Total Expenditures	99,802	502,682	263,506	166,330	1,032,320
Net Change in Fund Balance	3,911	118,555	4,359	(38,234)	88,591
Fund Balance, January 1	26,437	3,345,482	379,337	32,169	3,783,425
Fund Balance, December 31	\$ 30,348	\$ 3,464,037	\$ 383,696	\$ (6,065)	\$ 3,872,016

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAFAYETTE CITY CENTER GID SPECIAL REVENUE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 96,904	\$ 96,904	\$ 97,672	\$ 768
Specific Ownership Taxes	4,000	4,000	4,936	936
Interest	732	732	1,105	373
Total Revenue	<u>101,636</u>	<u>101,636</u>	<u>103,713</u>	<u>2,077</u>
Expenditures				
Current				
General Government	12,898	12,898	11,464	1,434
Debt Service				
Principal	75,000	75,000	75,000	-
Interest and Fiscal Charges	13,738	13,738	13,338	400
Total Expenditures	<u>101,636</u>	<u>101,636</u>	<u>99,802</u>	<u>1,834</u>
Net Change in Fund Balance	-	-	3,911	3,911
Fund Balance, January 1	<u>23,549</u>	<u>26,437</u>	<u>26,437</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 23,549</u>	<u>\$ 26,437</u>	<u>\$ 30,348</u>	<u>\$ 3,911</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
EXEMPLA GID SPECIAL REVENUE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 97,967	\$ 97,967	\$ 107,568	\$ 9,601
Specific Ownership Taxes	3,200	3,200	5,654	2,454
Assessment Interest	469,880	469,880	469,454	(426)
Interest	16,332	16,332	20,573	4,241
Charges for Services	15,000	15,000	15,000	-
Miscellaneous Revenue	988	988	2,988	2,000
Total Revenue	<u>603,367</u>	<u>603,367</u>	<u>621,237</u>	<u>17,870</u>
Expenditures				
Current				
General Government	17,243	17,243	17,603	(360)
Debt Service				
Interest and Fiscal Charges	505,930	505,930	485,079	20,851
Total Expenditures	<u>523,173</u>	<u>523,173</u>	<u>502,682</u>	<u>20,491</u>
Net Change in Fund Balance	80,194	80,194	118,555	38,361
Fund Balance, January 1	<u>3,302,153</u>	<u>3,345,482</u>	<u>3,345,482</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 3,382,347</u>	<u>\$ 3,425,676</u>	<u>\$ 3,464,037</u>	<u>\$ 38,361</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAFAYETTE CORPORATE CAMPUS GID SPECIAL REVENUE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 251,516	\$ 251,516	\$ 251,722	\$ 206
Specific Ownership Taxes	10,314	10,314	12,811	2,497
Interest	2,785	2,785	3,332	547
Total Revenue	<u>264,615</u>	<u>264,615</u>	<u>267,865</u>	<u>3,250</u>
Expenditures				
Current				
General Government	18,715	18,715	18,776	(61)
Debt Service				
Principal	70,000	70,000	70,000	-
Interest and Fiscal Charges	175,900	175,900	174,730	1,170
Total Expenditures	<u>264,615</u>	<u>264,615</u>	<u>263,506</u>	<u>1,109</u>
Net Change in Fund Balance	-	-	4,359	4,359
Fund Balance, January 1	<u>374,478</u>	<u>379,337</u>	<u>379,337</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 374,478</u>	<u>\$ 379,337</u>	<u>\$ 383,696</u>	<u>\$ 4,359</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAFAYETTE TECH CENTER GID SPECIAL REVENUE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 172,670	\$ 172,670	\$ 118,826	\$ (53,844)
Specific Ownership Taxes	5,000	5,000	8,795	3,795
Interest	189	189	475	286
Total Revenue	<u>177,859</u>	<u>177,859</u>	<u>128,096</u>	<u>(49,763)</u>
Expenditures				
Current				
General Government	22,459	22,459	11,880	10,579
Debt Service				
Principal	45,000	45,000	45,000	-
Interest and Fiscal Charges	110,400	110,400	109,450	950
Total Expenditures	<u>177,859</u>	<u>177,859</u>	<u>166,330</u>	<u>11,529</u>
Net Change in Fund Balance	-	-	(38,234)	(38,234)
Fund Balance, January 1	<u>21,946</u>	<u>32,169</u>	<u>32,169</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 21,946</u>	<u>\$ 32,169</u>	<u>\$ (6,065)</u>	<u>\$ (38,234)</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2016

	Legacy Open Space	Parks, Open Space, and Trails	Conservation Trust	Total
ASSETS				
Cash and Investments	\$ 5,205,161	\$ 344,009	\$ 388,205	\$ 5,937,375
Accrued Interest Receivable	11,610	602	758	12,970
Accounts Receivable	15,722	195,807	-	211,529
Total Assets	\$ 5,232,493	\$ 540,418	\$ 388,963	\$ 6,161,874
LIABILITIES				
Accounts Payable	\$ 23,259	\$ 22,985	\$ -	\$ 46,244
Total Liabilities	23,259	22,985	-	46,244
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	179,336	-	179,336
Total Deferred Inflows of Resources	-	179,336	-	179,336
FUND BALANCE				
Restricted	5,056,335	235,072	388,963	5,680,370
Assigned	152,899	103,025	-	255,924
Total Fund Balance	5,209,234	338,097	388,963	5,936,293
Total Liabilities and Fund Balance	\$ 5,232,493	\$ 540,417	\$ 388,963	\$ 6,161,873

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2016

	Legacy Open Space	Parks, Open Space, and Trails	Conservation Trust	Total
Revenues				
Taxes				
Building Use Tax	\$ 87,631	\$ 87,631	\$ -	\$ 175,262
Vehicle Use Tax	141,343	141,343	-	282,686
General Sales & Use Tax	896,985	896,984	-	1,793,969
Total Taxes	1,125,959	1,125,958	-	2,251,917
Intergovernmental - State Grants	-	-	298,650	298,650
Interest	29,924	682	1,921	32,527
Miscellaneous Income	6,897	11,700	-	18,597
Total Revenues	1,162,780	1,138,340	300,571	2,601,691
Expenditures				
Current				
General Government	10,382	7,277	-	17,659
Cultural & Recreation	-	-	85,568	85,568
Capital Outlay	-	-	38,953	38,953
Total Expenditures	10,382	7,277	124,521	142,180
Excess (Deficiency) of Revenues over Expenditures	1,152,398	1,131,063	176,050	2,459,511
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers (Out)	-	(883,609)	-	(883,609)
Total Other Financing Sources (Uses)	-	(883,609)	-	(883,609)
Net Change in Fund Balance	1,152,398	247,454	176,050	1,575,902
Fund Balance, January 1	4,056,836	90,643	212,913	4,360,392
Fund Balance, December 31	\$ 5,209,234	\$ 338,097	\$ 388,963	\$ 5,936,294

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LEGACY OPEN SPACE CAPITAL PROJECT FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Building Use Tax	\$ 105,299	\$ 105,299	\$ 87,631	\$ (17,668)
Vehicle Use Tax	127,920	127,920	141,343	13,423
General Sales & Use Tax	836,397	836,397	896,985	60,588
Total Taxes	1,069,616	1,069,616	1,125,959	56,343
Misc Revenue	-	-	6,897	6,897
Interest	23,886	23,886	29,924	6,038
Total Revenues	1,093,502	1,093,502	1,162,780	69,278
Expenditures				
Current				
General Government	4,111	4,111	10,382	(6,271)
Capital Outlay	49,000	69,568	-	69,568
Total Expenditures	53,111	73,679	10,382	63,297
Net Change in Fund Balance	1,040,391	1,019,823	1,152,398	132,575
Fund Balance, January 1	3,972,355	4,056,836	4,056,836	-
Fund Balance, December 31	\$ 5,012,746	\$ 5,076,659	\$ 5,209,234	\$ 132,575

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE, AND TRAILS CAPITAL PROJECT FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Building Use Tax	\$ 105,299	\$ 105,299	\$ 87,631	\$ (17,668)
Vehicle Use Tax	127,920	127,920	141,343	13,423
General Sales & Use Tax	836,397	836,397	896,984	60,587
Total Taxes	1,069,616	1,069,616	1,125,958	56,342
Contributions and Misc Grants	-	-	-	-
Misc revenue	-	-	11,700	11,700
Interest	1,593	1,593	682	(911)
Total Revenues	<u>1,071,209</u>	<u>1,071,209</u>	<u>1,138,340</u>	<u>67,131</u>
Expenditures				
Current				
General Government	129,111	4,111	7,277	(3,166)
Capital Outlay	-	100,000	-	100,000
Total Expenditures	<u>129,111</u>	<u>104,111</u>	<u>7,277</u>	<u>96,834</u>
Excess (Deficiency) of Revenues over Expenditures	<u>942,098</u>	<u>967,098</u>	<u>1,131,063</u>	<u>163,965</u>
Other Financing Sources (Uses)				
Transfers Out	(1,175,134)	(1,025,134)	(883,609)	141,525
Total Other Financing Sources (Uses)	<u>(1,175,134)</u>	<u>(1,025,134)</u>	<u>(883,609)</u>	<u>141,525</u>
Net Change in Fund Balance	(233,036)	(58,036)	247,454	305,490
Fund Balance, January 1	<u>239,148</u>	<u>90,643</u>	<u>90,643</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 6,112</u>	<u>\$ 32,607</u>	<u>\$ 338,097</u>	<u>\$ 305,490</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST CAPITAL PROJECT FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Intergovernmental - State Grants	\$ 245,000	\$ 245,000	\$ 298,650	\$ 53,650
Interest	983	983	1,921	938
Total Revenues	<u>245,983</u>	<u>245,983</u>	<u>300,571</u>	<u>54,588</u>
Expenditures				
Current				
Culture & Recreation	-	64,000	85,568	(21,568)
Capital Outlay	67,000	67,000	38,953	28,047
Total Expenditures	<u>67,000</u>	<u>131,000</u>	<u>124,521</u>	<u>6,479</u>
Net Change in Fund Balance	178,983	114,983	176,050	61,067
Fund Balance, January 1	<u>60,417</u>	<u>212,913</u>	<u>212,913</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 239,400</u></u>	<u><u>\$ 327,896</u></u>	<u><u>\$ 388,963</u></u>	<u><u>\$ 61,067</u></u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS CAPITAL PROJECT FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ 42,265	\$ 42,265	\$ 33,456	\$ (8,809)
Miscellaneous Income	377,621	377,621	64,540	(313,081)
Total Revenues	<u>419,886</u>	<u>419,886</u>	<u>97,996</u>	<u>(321,890)</u>
Expenditures				
Current				
General Government	-	-	210,228	(210,228)
Public Works	-	75,485	1,041,971	(966,486)
Capital Outlay	1,820,000	7,486,789	1,522,722	5,964,067
Total Expenditures	<u>1,820,000</u>	<u>7,562,274</u>	<u>2,774,921</u>	<u>4,787,353</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,400,114)</u>	<u>(7,142,388)</u>	<u>(2,676,925)</u>	<u>4,465,463</u>
Other Financing Sources/(Uses)				
Debt Proceeds	-	5,080,000	5,080,000	-
Debt Premium	-	530,308	530,308	-
Issuance Costs	-	(90,308)	(81,903)	8,405
Transfers In	2,195,316	2,045,316	1,878,957	(166,359)
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>2,195,316</u>	<u>7,565,316</u>	<u>7,407,362</u>	<u>(157,954)</u>
Net Change in Fund Balance	795,202	422,928	4,730,437	4,307,509
Fund Balance, January 1	<u>3,948,384</u>	<u>5,687,215</u>	<u>5,687,215</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 4,743,586</u>	<u>\$ 6,110,143</u>	<u>\$ 10,417,652</u>	<u>\$ 4,307,509</u>

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Tax	\$ 606,852	\$ 606,852	\$ 599,689	\$ (7,163)
Building Use Tax	69,669	69,669	69,669	-
Vehicle Use Tax	89,575	89,575	89,575	-
General Sales & Use Tax	842,540	842,540	842,540	-
Interest	292	292	7,987	7,695
Total Revenues	<u>1,608,928</u>	<u>1,608,928</u>	<u>1,609,460</u>	<u>532</u>
Expenditures				
Current				
General Government	13,622	13,622	10,739	2,883
Debt Service				
Capital Lease Payments	149,360	149,360	149,360	-
Bond Principal	1,310,000	4,720,000	4,720,000	-
Bond Interest Income and Fiscal Charges	285,306	284,556	284,556	-
Total Expenditures	<u>1,758,288</u>	<u>5,167,538</u>	<u>5,164,655</u>	<u>2,883</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(149,360)</u>	<u>(3,558,610)</u>	<u>(3,555,195)</u>	<u>3,415</u>
Other Financing Sources				
Bond Issuance	-	3,701,125	3,185,000	516,125
Bond Premium	-	276,173	276,173	-
Issuance Costs	-	(568,048)	(52,418)	(515,630)
Transfers In	149,360	149,360	149,360	-
Total Other Financing Sources	<u>149,360</u>	<u>3,558,610</u>	<u>3,558,115</u>	<u>-</u>
Net Change in Fund Balance	-	-	2,920	2,920
Fund Balance, January 1	<u>42,516</u>	<u>46,607</u>	<u>46,607</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 42,516</u>	<u>\$ 46,607</u>	<u>\$ 49,527</u>	<u>\$ 2,920</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
CEMETERY ENDOWMENT FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ 348	\$ 348	\$ 285	\$ (63)
Total Revenues	<u>348</u>	<u>348</u>	<u>285</u>	<u>(63)</u>
Expenditures				
General Government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers Out	(348)	(348)	(300)	48
Total Other Financing Sources (Uses)	<u>(348)</u>	<u>(348)</u>	<u>(300)</u>	<u>48</u>
Net Change in Fund Balance	-	-	(15)	(15)
Fund Balance, January 1	<u>46,502</u>	<u>46,517</u>	<u>46,517</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 46,502</u>	<u>\$ 46,517</u>	<u>\$ 46,502</u>	<u>\$ (15)</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
INTERNAL SERVICE FUNDS
December 31, 2016

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City's Internal Service Funds account for the following services:

Employee Benefit Fund

To account for the allocation of costs associated with employee insurance plans.

Insurance Fund

To account for the allocation of costs associated with the City's insurance plans.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2016

	Employee Benefit Fund	Insurance Fund	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 525,343	\$ 65,126	\$ 590,469
Accounts Receivable	-	147	147
Accrued Interest Receivable	1,109	215	1,324
Prepaid Items	230,586	21,894	252,480
Total Current Assets	<u>757,038</u>	<u>87,382</u>	<u>844,420</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	2,640	6,006	8,646
Claims Payable	1,117	53,628	54,745
Compensated Absences Due in One Year	565,688	-	565,688
Total Current Liabilities	<u>569,445</u>	<u>59,634</u>	<u>629,079</u>
Net Position - Unrestricted	<u>\$ 187,593</u>	<u>\$ 27,748</u>	<u>\$ 215,341</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Employee Benefit Fund	Insurance Fund	Total
Operating Revenues			
City Contributions	\$ 2,957,161	\$ 561,277	\$ 3,518,438
Miscellaneous Income	21,047	22,496	43,543
Total Operating Revenue	<u>2,978,208</u>	<u>583,773</u>	<u>3,561,981</u>
Operating Expenses			
Premiums and Claims Paid	2,716,725	686,264	3,402,989
Wellness Program	19,553	-	19,553
Miscellaneous Expense	59,534	-	59,534
Total Operating Expenses	<u>2,795,812</u>	<u>686,264</u>	<u>3,482,076</u>
Operating Income (Loss)	182,396	(102,491)	79,905
Nonoperating Revenue			
Interest	1,706	70	1,776
Change in Net Assets	184,102	(102,421)	81,681
Total Net Position, January 1	<u>3,491</u>	<u>130,169</u>	<u>133,660</u>
Total Net Position, December 31	<u><u>\$ 187,593</u></u>	<u><u>\$ 27,748</u></u>	<u><u>\$ 215,341</u></u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	Employee Benefit Fund	Insurance Fund	Total
Cash Flows From Operating Activities			
Receipts from General and Proprietary Funds	\$ 2,957,161	\$ 561,277	\$ 3,518,438
Miscellaneous Receipts - COBRA and Other	21,047	22,496	43,543
Payments to Insurance Companies	(2,718,013)	(625,784)	(3,343,797)
Payments for Wellness Program	(17,233)	-	(17,233)
Payments to Employees	(85,376)	-	(85,376)
Net Cash Provided (Used) by Operating Activities	<u>157,586</u>	<u>(42,011)</u>	<u>115,575</u>
Cash flows From Investing Activities			
Interest Received	<u>1,724</u>	<u>418</u>	<u>2,142</u>
Net Increase (Decrease) in Cash and Investments	159,310	(41,593)	117,717
Cash and Investments - January 1	<u>366,033</u>	<u>106,719</u>	<u>472,752</u>
Cash and Investments - December 31	<u><u>\$ 525,343</u></u>	<u><u>\$ 65,126</u></u>	<u><u>\$ 590,469</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income(Loss)	<u>\$ 182,396</u>	<u>\$ (102,491)</u>	<u>\$ 79,905</u>
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) by Operating Activities			
(Increase) Decrease in Accounts Receivable	-	(146)	(146)
(Increase) Decrease in Prepaid Items	(23,920)	1,988	(21,932)
Increase (Decrease) in Accounts and Claims Payable	(6,771)	58,638	51,867
Increase (Decrease) in Compensated Absences	5,881	-	5,881
Total Adjustments	<u>(24,810)</u>	<u>60,480</u>	<u>35,670</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 157,586</u></u>	<u><u>\$ (42,011)</u></u>	<u><u>\$ 115,575</u></u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
EMPLOYEE BENEFIT FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
City Contributions	\$ 2,469,031	\$ 2,749,031	\$ 2,957,161	\$ 208,130
Interest	3,784	3,784	1,706	(2,078)
Miscellaneous Income	5,000	5,000	21,047	16,047
Total Revenues	<u>2,477,815</u>	<u>2,757,815</u>	<u>2,979,914</u>	<u>222,099</u>
Expenses				
Premiums Paid	2,452,989	2,692,989	2,716,725	(23,736)
Wellness Program	15,000	15,000	19,553	(4,553)
Miscellaneous Expense	46,000	46,000	59,534	(13,534)
Total Expenses	<u>2,513,989</u>	<u>2,753,989</u>	<u>2,795,812</u>	<u>(41,823)</u>
Excess (Deficiency) of Revenue over Expenses	(36,174)	3,826	184,102	180,276
Total Net Position, January 1	<u>122,197</u>	<u>3,491</u>	<u>3,491</u>	<u>-</u>
Total Net Position, December 31	<u>\$ 86,023</u>	<u>\$ 7,317</u>	<u>\$ 187,593</u>	<u>\$ 180,276</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
INSURANCE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
City Contributions	\$ 561,277	\$ 561,277	\$ 561,277	\$ -
Interest	2,565	2,565	70	(2,495)
Miscellaneous Income	1,000	1,000	22,496	21,496
Total Revenues	<u>564,842</u>	<u>564,842</u>	<u>583,843</u>	<u>19,001</u>
Expenses				
Premiums Paid	<u>645,160</u>	<u>645,160</u>	<u>686,264</u>	<u>(41,104)</u>
Total Expenses	<u>645,160</u>	<u>645,160</u>	<u>686,264</u>	<u>(41,104)</u>
Excess (Deficiency) of Revenue over Expenses	(80,318)	(80,318)	(102,421)	(22,103)
Total Net Position, January 1	<u>189,283</u>	<u>130,169</u>	<u>130,169</u>	<u>-</u>
Total Net Position, December 31	<u>\$ 108,965</u>	<u>\$ 49,851</u>	<u>\$ 27,748</u>	<u>\$ (22,103)</u>

See the accompanying independent auditor's report.

BUDGETARY COMPARISON SCHEDULES – PROPRIETARY FUNDS

FINANCIAL SECTION

2016

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
WATER UTILITY
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Metered Water Sales	\$ 6,171,140	\$ 6,510,000	\$ 7,339,845	\$ 829,845
Interest Revenue	263,985	263,985	234,891	(29,094)
Other	71,500	196,500	234,371	37,871
Payment in Lieu of Water	2,100,000	1,825,000	2,072,601	247,601
Tap Fees	2,227,500	1,227,500	1,312,578	85,078
Total Revenues	10,834,125	10,022,985	11,194,286	1,171,301
Expenditures				
Administration	462,022	1,010,335	387,270	623,065
Source of Water Supply	395,819	395,819	640,450	(244,631)
Water Treatment	1,749,394	1,753,026	1,674,548	78,478
Water Transmission and Distribution	1,244,080	1,317,866	1,010,641	307,225
Construction and Capital Improvements	3,627,731	3,802,731	1,272,229	2,530,502
Debt Service				
Principal Retirement	909,146	909,146	909,146	-
Interest Expense	474,064	474,064	429,983	44,081
Bond Fee	2,500	2,500	550	1,950
Transfers to Other Funds	1,083,412	1,083,412	1,120,832	(37,420)
Total Expenditures	9,948,168	10,748,899	7,445,649	3,303,250
Excess (Deficiency) of Revenue over Expenditures	\$ 885,957	\$ (725,914)	3,748,637	\$ 4,474,551
Total Net Position, January 1			99,300,366	
Total Net Position, December 31			103,049,003	
GAAP Adjustments				
Depreciation			(1,442,577)	
Principal Retirement			909,146	
Construction and Capital Improvements			1,272,229	
Equity Income from Component Unit			71,644	
Gain on the Sale of a Capital Asset			12,420	
Developer Dedications			749,891	
Adjusted Total Net Position, December 31			\$ 104,621,756	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
WATER RECLAMATION
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Waste Water Collection Fees	\$ 4,540,181	\$ 4,540,181	\$ 4,511,759	\$ (28,422)
Interest Revenue	39,022	39,022	44,465	5,443
Other	-	-	8,815	8,815
Tap Fees	1,457,500	728,750	852,671	123,921
Total Revenues	6,036,703	5,307,953	5,417,710	109,757
Expenditures				
Administration	242,310	242,310	204,302	38,008
Waste Water Treatment	1,072,264	1,072,264	1,024,463	47,801
Waste Water Collection	695,974	695,974	620,897	75,077
Construction and Capital Improvements	1,802,750	1,840,250	216,614	1,623,636
Debt Service				
Principal Retirement	513,202	513,202	513,202	-
Interest Expense	127,576	127,576	109,026	18,550
Transfers to Other Funds	603,670	603,670	542,971	60,699
Total Expenditures	5,057,746	5,095,246	3,231,475	1,863,771
Excess (Deficiency) of Revenue over Expenditures	\$ 978,957	\$ 212,707	2,186,235	\$ 1,973,528
Total Net Position, January 1			23,635,819	
Total Net Position, December 31			25,822,054	
GAAP Adjustments				
Depreciation			(875,547)	
Principal Retirement			513,202	
Construction and Capital Improvements			216,614	
Developer Dedications			490,146	
Sewer Line Assessment Adjustments			(10,143)	
Adjusted Total Net Position, December 31			\$ 26,156,326	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
GOLF COURSE
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Golf Sales and Services	\$ 2,676,888	\$ 2,676,888	\$ 2,486,598	\$ (190,290)
Interest Revenue	1,693	1,693	4,210	2,517
Other	2,016	2,016	6,872	4,856
Total Revenues	<u>2,680,597</u>	<u>2,680,597</u>	<u>2,497,680</u>	<u>(182,917)</u>
Expenditures				
Administration	258,688	258,688	212,843	45,845
Golf Maintenance Operations	810,354	824,154	786,030	38,124
Golf Club House Operations	703,895	703,895	652,260	51,635
Golf Food Service Operations	270,455	344,555	316,427	28,128
Construction and Capital Improvements	197,000	197,000	201,275	(4,275)
Debt Service				
Principal	59,920	59,920	-	59,920
Interest Expense	-	-	5,085	(5,085)
Transfers to Other Funds	268,059	268,059	250,292	17,767
Total Expenditures	<u>2,568,371</u>	<u>2,656,271</u>	<u>2,424,212</u>	<u>232,059</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ 112,226</u>	<u>\$ 24,326</u>	73,468	<u>\$ 49,142</u>
Total Net Position, January 1			1,663,318	
Total Net Position, December 31			<u>1,736,786</u>	
GAAP Adjustments				
Depreciation			(246,803)	
Principal Retirement			-	
Construction and Capital Improvements			<u>201,275</u>	
Adjusted Total Net Position, December 31			<u>\$ 1,691,258</u>	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
STORM WATER
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Storm Water Collection Fees	\$ 600,000	\$ 660,000	\$ 670,718	\$ 10,718
Interest Revenue	8,464	8,464	(1,850)	(10,314)
Other	4,000	4,000	11,470	7,470
Storm Water Development Fees	230,000	100,000	190,018	90,018
Interfund Loan	-	525,000	-	(525,000)
Total Revenues	842,464	1,297,464	870,356	(427,108)
Expenditures				
Administration	195,928	195,928	154,703	41,225
Storm Water Collection	525,579	578,888	827,594	(248,706)
Construction and Capital Improvements	120,750	458,250	159,556	298,694
Transfers to Other Funds	84,246	84,246	87,036	(2,790)
Total Expenditures	926,503	1,317,312	1,228,888	88,424
Excess (Deficiency) of Revenue over Expenditures	\$ (84,039)	\$ (19,848)	(358,532)	\$ (338,684)
Total Net Position, January 1			3,032,575	
Total Net Position, December 31			2,674,043	
GAAP Adjustments				
Depreciation			(230,026)	
Construction and Capital Improvements			159,556	
Developer Dedications			441,407	
Adjusted Total Net Position, December 31			3,044,979	

See the accompanying independent auditor's report.

STATISTICAL SECTION

For the year ended December 31, 2016, the Statistical Tables Section provides trends, statistical and demographic information, and continuing disclosure information.

2016

**CITY OF LAFAYETTE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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For the Fiscal Year Ended December 31, 2016**

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CITY OF LAFAYETTE, COLORADO
NET POSITION
SCHEDULE 1
For the Fiscal Year Ended December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities					
Net investment in capital assets	\$ 94,030,382	\$ 91,484,033	\$ 107,348,070	\$ 109,360,087	\$ 109,602,319
Restricted	9,669,215	14,609,426	8,202,961	7,218,855	8,287,949
Unrestricted	15,989,734	16,783,799	18,290,748	17,733,923	18,211,622
Total governmental activities net position	119,689,331	122,877,258	133,841,779	134,312,865	136,101,890
Business-type activities					
Net investment in capital assets	75,356,639	74,995,070	74,987,290	75,294,653	74,937,380
Restricted	-	-	-	-	-
Unrestricted	25,503,907	27,351,012	27,892,854	28,528,564	29,982,729
Total business-type activities net position	100,860,546	102,346,082	102,880,144	103,823,217	104,920,109
Net investment in capital assets	169,387,021	166,479,103	182,335,360	184,654,740	184,539,699
Restricted	9,669,215	14,609,426	8,202,961	7,218,855	8,287,949
Unrestricted	41,493,641	44,134,811	46,183,602	46,262,487	48,194,351
Total primary governmental net position	\$ 220,549,877	\$ 225,223,340	\$ 236,721,923	\$ 238,136,082	\$ 241,021,999

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2007.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$ 111,817,518	\$ 114,421,149	\$ 114,371,840	\$ 116,503,967	\$ 115,675,547
Restricted	6,700,066	7,010,330	8,041,313	8,917,272	10,519,487
Unrestricted	20,379,152	24,341,245	25,881,640	29,093,640	34,646,358
Total governmental activities net position	138,896,736	145,772,724	148,294,793	154,514,879	160,841,392
Business-type activities					
Net investment in capital assets	72,752,755	76,713,275	83,127,944	85,694,242	91,252,731
Restricted	-	-	374,882	566,315	566,315
Unrestricted	34,799,103	35,156,446	40,196,094	41,540,521	43,695,273
Total business-type activities net position	107,551,858	111,869,721	123,698,920	127,801,078	135,514,319
Net investment in capital assets	184,570,273	191,134,424	197,499,784	202,198,209	206,928,278
Restricted	6,700,066	7,010,330	8,416,195	9,483,587	11,085,802
Unrestricted	55,178,255	59,497,691	66,077,734	70,634,161	78,341,631
Total primary governmental net position	\$ 246,448,594	\$ 257,642,445	\$ 271,993,713	\$ 282,315,957	\$ 296,355,711

CITY OF LAFAYETTE, COLORADO
CHANGES IN NET POSITION
SCHEDULE 2
For the Fiscal Year Ended December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses					
Governmental activities:					
General government	\$ 4,590,325	\$ 5,440,531	\$ 5,576,356	\$ 6,911,396	\$ 5,814,940
Judicial	310,187	290,116	284,210	311,003	333,548
Public safety	6,913,573	7,382,185	7,215,606	7,587,907	7,626,579
Public works	3,633,406	4,916,059	4,607,496	5,466,171	5,361,272
Culture and recreation	5,295,757	5,698,114	5,872,607	5,920,901	6,181,749
Interest on long-term debt	1,492,229	1,514,513	1,261,069	1,124,734	1,029,522
Total governmental activities expenses	22,235,477	25,241,518	24,817,344	27,322,112	26,347,610
Business-type activities:					
Water	5,138,896	5,486,174	5,356,621	5,483,318	6,058,080
Water reclamation	2,611,185	2,889,586	2,709,406	2,769,695	2,606,391
Golf course	1,795,403	1,836,742	1,686,988	1,633,609	1,731,724
Storm water	321	25,141	218,269	305,638	662,849
Total business-type activities expenses	9,545,805	10,237,643	9,971,284	10,192,260	11,059,044
Total primary governmental expenses	<u>\$ 31,781,282</u>	<u>\$ 35,479,161</u>	<u>\$ 34,788,628</u>	<u>\$ 37,514,372</u>	<u>\$ 37,406,654</u>
Program Revenues					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 962,093	\$ 1,311,750	\$ 148,017	\$ 870,398	\$ 1,168,396
Judicial	851,855	915,158	1,034,448	973,241	1,000,263
Public safety	298,106	572,876	523,819	413,682	385,783
Public works	180,322	964,251	863,965	895,057	931,524
Culture and recreation	1,637,956	1,380,001	1,539,268	1,550,569	1,728,879
Total charges for services	3,930,332	5,144,036	4,109,517	4,702,947	5,214,845
Operating grants and contributions	1,209,991	1,208,330	1,311,088	1,356,870	1,171,447
Capital grants and contributions	6,869,830	3,289,125	11,422,080	3,270,777	2,119,993
Total governmental activities program revenues	12,010,153	9,641,491	16,842,685	9,330,594	8,506,285
Business-type activities:					
Program revenues					
Charges for services					
Water	5,485,274	5,574,085	4,828,996	4,934,602	5,352,350
Water reclamation	1,553,806	1,553,045	1,653,409	1,681,557	1,880,051
Storm water	563,292	925,466	2,137,553	2,031,606	2,106,348
Golf course	2,432,189	2,424,316	665,258	643,913	619,190
Total charges for services	10,034,561	10,476,912	9,285,216	9,291,678	9,957,939
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	8,065,898	1,086,071	2,360,447	3,133,880	3,713,535
Total business-type activities program revenues	18,100,459	11,562,983	11,645,663	12,425,558	13,671,474
Total primary government program revenues	<u>\$ 30,110,612</u>	<u>\$ 21,204,474</u>	<u>\$ 28,488,348</u>	<u>\$ 21,756,152</u>	<u>\$ 22,177,759</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 6,057,102	\$ 6,036,981	\$ 7,773,581	\$ 6,158,688	\$ 6,502,498
Judicial	330,696	437,265	499,622	406,578	522,216
Public safety	7,883,072	8,396,253	9,073,242	8,402,027	9,831,186
Public works	5,696,174	5,662,462	5,761,464	6,405,900	6,999,101
Culture and recreation	6,566,800	6,535,879	6,798,724	7,043,976	6,903,106
Interest on long-term debt	1,332,867	1,262,467	1,210,706	1,154,003	1,238,737
Total governmental activities expenses	27,866,711	28,331,307	31,117,339	29,571,172	31,996,844
Business-type activities:					
Water	6,320,696	5,410,699	5,526,849	5,519,561	5,586,019
Water reclamation	2,779,195	2,800,165	2,784,170	2,798,608	2,834,235
Golf course	1,902,097	1,888,000	1,984,280	2,090,819	2,219,448
Storm water	713,403	828,224	838,052	944,296	1,212,323
Total business-type activities expenses	11,715,391	10,927,088	11,133,351	11,353,284	11,852,025
Total primary governmental expenses	<u>\$ 39,582,102</u>	<u>\$ 39,258,395</u>	<u>\$ 42,250,690</u>	<u>\$ 40,924,456</u>	<u>\$ 43,848,869</u>
Program Revenues					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 2,000,981	\$ 2,241,222	\$ 2,414,326	\$ 2,886,488	\$ 1,605,901
Judicial	841,277	854,704	872,342	606,976	528,248
Public safety	529,732	517,540	396,491	394,345	583,071
Public works	968,770	179,399	14,075	10,582	1,624,090
Culture and recreation	1,774,576	1,831,286	1,837,201	1,979,019	2,022,257
Total charges for services	6,115,336	5,624,151	5,534,435	5,877,410	6,363,567
Operating grants and contributions	1,198,140	1,213,497	1,360,175	1,275,835	1,561,461
Capital grants and contributions	3,354,070	5,856,595	2,812,361	2,825,043	3,004,817
Total governmental activities program revenues	10,667,546	12,694,243	9,706,971	9,978,288	10,929,845
Business-type activities:					
Program revenues					
Charges for services					
Water	6,555,899	5,881,253	6,026,348	6,550,201	7,574,216
Water reclamation	2,139,639	2,004,400	2,745,581	3,336,595	4,520,574
Storm water	2,329,388	2,286,621	2,605,171	2,602,784	2,493,470
Golf course	655,667	644,484	651,519	669,625	682,188
Total charges for services	11,680,593	10,816,758	12,028,619	13,159,205	15,270,448
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	5,895,027	6,233,629	12,469,981	3,484,379	6,180,956
Total business-type activities program revenues	17,575,620	17,050,387	24,498,600	16,643,584	21,451,404
Total primary government program revenues	<u>\$ 28,243,166</u>	<u>\$ 29,744,630</u>	<u>\$ 34,205,571</u>	<u>\$ 26,621,872</u>	<u>\$ 32,381,249</u>

CITY OF LAFAYETTE, COLORADO
CHANGES IN NET POSITION
SCHEDULE 2 (CONTINUED)
For the Fiscal Year Ended December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (Expense)/Revenue					
Governmental activities	\$ (10,225,324)	\$ (15,600,027)	\$ (7,974,659)	\$ (17,991,518)	\$ (17,841,325)
Business-type activities	8,554,654	1,325,340	1,674,379	2,233,298	2,612,430
Total primary government net expenses	<u>(1,670,670)</u>	<u>(14,274,687)</u>	<u>(6,300,280)</u>	<u>(15,758,220)</u>	<u>(15,228,895)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	4,517,103	4,475,327	6,367,167	6,479,248	6,209,455
Sales and use taxes	10,080,824	10,291,910	10,250,821	10,180,788	11,517,609
Other taxes	34,806	-	-	-	-
Unrestricted grants and contributions	-	-	30,926	34,688	32,988
Interest	1,299,871	1,455,686	354,536	301,530	230,996
Franchise taxes	868,106	1,000,028	913,075	981,752	1,003,574
Other general revenues	-	31,075	644	-	-
Gain (loss) on sale of capital assets	7,180	7,946	-	42,831	37,608
Transfers	1,415,425	1,415,946	1,548,521	1,616,767	1,773,120
Special items					
Adjustment of asset held for resale	-	-	(631,968)	-	-
Gain on fire conversion	199,677	110,036	105,458	-	-
Adjustment of note receivable	-	-	-	(1,175,000)	(1,175,000)
Total governmental activities	<u>18,422,992</u>	<u>18,787,954</u>	<u>18,939,180</u>	<u>18,462,604</u>	<u>19,630,350</u>
Business-type activities:					
Interest	2,070,994	2,045,405	408,204	326,542	257,582
Gain on sale of capital assets	-	-	-	-	-
Transfers	(1,415,425)	(1,415,946)	(1,548,521)	(1,616,767)	(1,773,120)
Other general revenues	-	-	-	-	-
Special item - return water rights to developer	-	(469,263)	-	-	-
Total business-type activities	<u>655,569</u>	<u>160,196</u>	<u>(1,140,317)</u>	<u>(1,290,225)</u>	<u>(1,515,538)</u>
Total primary government	<u>19,078,561</u>	<u>18,948,150</u>	<u>17,798,863</u>	<u>17,172,379</u>	<u>18,114,812</u>
Changes in Net Position					
Governmental activities	8,197,668	3,187,927	10,964,521	471,086	1,789,025
Business-type activities	<u>9,210,223</u>	<u>1,485,536</u>	<u>534,062</u>	<u>943,073</u>	<u>1,096,892</u>
Total primary government net position	<u>\$ 17,407,891</u>	<u>\$ 4,673,463</u>	<u>\$ 11,498,583</u>	<u>\$ 1,414,159</u>	<u>\$ 2,885,917</u>

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2007.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue					
Governmental activities	\$ (17,199,165)	\$ (15,637,064)	\$ (21,410,368)	\$ (19,592,884)	\$ (21,066,999)
Business-type activities	<u>5,860,229</u>	<u>6,123,299</u>	<u>13,365,249</u>	<u>5,290,300</u>	<u>9,599,379</u>
Total primary government net expenses	<u>(11,338,936)</u>	<u>(9,513,765)</u>	<u>(8,045,119)</u>	<u>(14,302,584)</u>	<u>(11,467,620)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	5,925,007	5,989,776	6,027,624	8,963,672	8,090,573
Sales and use taxes	12,109,069	13,523,535	14,523,678	12,964,800	15,347,393
Other taxes	-	-	-	184,287	459,674
Unrestricted grants and contributions	32,888	37,280	44,440	54,371	55,656
Interest	201,659	44,309	281,317	249,474	288,540
Franchise taxes	997,677	1,074,357	1,130,471	1,113,899	1,107,958
Other general revenues	-	-	-	-	6,897
Gain (loss) on sale of capital assets	44,048	36,046	65,997	90,349	35,690
Transfers	1,479,492	1,553,181	1,858,910	1,668,352	2,001,131
Special items					
Adjustment of asset held for resale	-	-	-	-	-
Gain on fire conversion	-	-	-	-	-
Adjustment of note receivable	-	-	-	-	-
Premium on Debt Issuance	-	-	-	-	-
Total governmental activities	<u>20,789,840</u>	<u>22,258,484</u>	<u>23,932,437</u>	<u>25,289,204</u>	<u>27,393,512</u>
Business-type activities:					
Interest	210,342	2,314	322,860	257,340	281,716
Sewer Line Assessment Adjustments	-	-	-	-	(10,143)
Gain on sale of capital assets	-	-	-	53,870	12,420
Transfers	(1,479,492)	(1,553,181)	(1,858,910)	(1,668,352)	(2,001,131)
Other general revenues	-	-	-	-	-
Special item - return water rights to developer	-	-	-	-	-
Total business-type activities	<u>(1,269,150)</u>	<u>(1,550,867)</u>	<u>(1,536,050)</u>	<u>(1,357,142)</u>	<u>(1,717,138)</u>
Total primary government	<u>19,520,690</u>	<u>20,707,617</u>	<u>22,396,387</u>	<u>23,932,062</u>	<u>25,676,374</u>
Changes in Net Position					
Governmental activities	3,590,675	6,621,420	2,522,069	5,696,320	6,326,513
Business-type activities	<u>4,591,079</u>	<u>4,572,432</u>	<u>11,829,199</u>	<u>3,933,158</u>	<u>7,882,241</u>
Total primary government net position	<u>\$ 8,181,754</u>	<u>\$ 11,193,852</u>	<u>\$ 14,351,268</u>	<u>\$ 9,629,478</u>	<u>\$ 14,208,754</u>

CITY OF LAFAYETTE, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
SCHEDULE 3
For the Fiscal Year Ended December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund					
Reserved	\$ 4,903,315	\$ 4,895,129	\$ 4,700,316	\$ -	\$ -
Resources not in spendable form	-	-	-	1,066,817	198,846
Restricted	-	-	-	1,077,404	1,418,327
Committed	-	-	-	1,217,379	386,326
Assigned	-	-	-	5,027,742	148,026
Unreserved	6,418,992	7,450,132	9,103,776	-	-
Unassigned	-	-	-	4,995,187	8,329,081
Total general fund	<u>\$ 11,322,307</u>	<u>\$ 12,345,261</u>	<u>\$ 13,804,092</u>	<u>\$ 13,384,529</u>	<u>\$ 10,480,606</u>
All other governmental funds					
Reserved	\$ 3,749,378	\$ 12,878,005	\$ 9,357,019	\$ -	\$ -
Resources not in spendable form	-	-	-	46,398	53,398
Restricted	-	-	-	5,914,284	6,823,224
Committed	-	-	-	228,516	4,483,133
Assigned	-	-	-	2,340,184	2,660,029
Unreserved, reported in:					
Special revenue funds	982,056	936,855	1,435,036	-	-
Capital project funds	3,836,539	-	-	-	-
Debt service fund	355,034	187,261	80,309	-	-
Total other governmental funds	<u>\$ 8,923,007</u>	<u>\$ 14,002,121</u>	<u>\$ 10,872,364</u>	<u>\$ 8,529,382</u>	<u>\$ 14,019,784</u>

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2007
The City of Lafayette implemented classification changes per GASB 54 as of December 31, 2010

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	1,078,054	1,419,660	1,160,334	1,220,730	1,123,593
Restricted	1,396,626	1,400,512	1,478,013	1,618,129	1,620,000
Committed	567,259	1,445,337	1,184,653	1,172,303	1,573,308
Assigned	141,347	125,755	108,056	88,987	69,135
Unreserved	-	-	-	-	-
Unassigned	9,031,254	10,992,811	12,710,609	16,080,562	19,969,686
Total general fund	<u>\$ 12,214,540</u>	<u>\$ 15,384,075</u>	<u>\$ 16,641,665</u>	<u>\$ 20,180,711</u>	<u>\$ 24,355,722</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	46,398	783,203	775,640	952,318	760,476
Restricted	5,257,042	5,563,432	6,516,914	7,252,745	8,849,960
Committed	4,604,513	4,873,414	5,456,443	5,618,263	10,348,187
Assigned	1,958,641	1,954,154	1,982,627	1,159,996	1,401,210
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital project funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Total other governmental funds	<u>\$ 11,866,594</u>	<u>\$ 13,174,203</u>	<u>\$ 14,731,624</u>	<u>\$ 14,983,322</u>	<u>\$ 21,359,833</u>

CITY OF LAFAYETTE, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
SCHEDULE 4
For the Fiscal Year Ended December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues					
Taxes	\$ 14,603,227	\$ 14,771,535	\$ 16,623,287	\$ 16,665,336	\$ 17,732,361
Licenses and permits	421,730	253,390	299,752	377,013	511,237
Intergovernmental	1,547,140	1,510,385	1,648,211	1,738,107	1,590,812
Fines and forfeitures	851,855	915,158	1,034,448	973,241	1,000,263
Franchise taxes	868,106	1,000,028	913,075	981,752	1,003,574
Special assessments principal	736,983	1,165,209	6,902,495	48,499	20,095
Special assessments interest	548,322	597,149	(18,341)	499,614	488,347
Interest	1,143,086	1,392,581	316,379	266,346	196,992
Sidewalk maintenance/repair	58,681	88,598	92,980	89,439	90,112
Contributions	1,884,478	223,094	165,183	119,227	94,537
Charges for services	2,255,825	3,256,023	3,973,302	3,504,277	3,577,877
Administrative fees	62,683	57,627	89,859	31,499	36,844
Miscellaneous	82,034	99,185	55,649	249,341	421,066
Total revenues	25,064,150	25,329,962	32,096,279	25,543,691	26,764,117
Expenditures					
General government	4,415,363	5,237,978	5,419,112	6,710,378	5,593,279
Judicial	310,518	290,028	284,250	310,795	332,958
Public safety	6,332,944	6,707,011	6,570,321	6,953,898	6,953,249
Public works	1,755,484	2,643,677	2,091,803	2,821,786	2,485,343
Culture and recreation	4,367,085	4,725,802	4,849,524	4,886,184	5,020,195
Capital outlay	6,542,656	5,651,205	5,886,575	5,267,146	2,458,408
Debt service					
Capital lease payments	172,735	243,990	461,826	539,659	914,789
Principal	2,025,000	2,100,000	8,125,000	1,445,000	1,265,000
Interest and fiscal charges	1,390,828	1,428,637	1,100,805	988,157	927,537
Bond issuance costs	-	49,500	-	-	-
Total expenditures	27,312,613	29,077,828	34,789,216	29,923,003	25,950,758
Excess of revenues over (under) expenditures	(2,248,463)	(3,747,866)	(2,692,937)	(4,379,312)	813,359

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues					
Taxes	\$ 18,034,076	\$ 19,513,312	\$ 20,551,302	\$ 21,831,987	\$ 23,897,640
Licenses and permits	577,920	614,540	747,009	618,042	720,295
Intergovernmental	1,364,214	1,477,961	1,363,711	1,413,681	1,635,143
Fines and forfeitures	841,277	854,705	872,342	606,896	528,249
Franchise taxes	997,677	1,074,357	1,130,471	1,113,899	1,107,958
Special assessments principal	16,892	927,689	201,160	193,163	144,626
Special assessments interest	469,647	470,957	484,212	492,444	501,205
Interest	158,194	4,368	260,952	214,475	269,195
Sidewalk maintenance/repair	91,600	92,922	95,627	98,282	99,371
Contributions	128,509	37,473	1,220,461	697,628	584,200
Charges for services	3,831,786	4,031,769	3,996,353	5,019,819	4,977,784
Administrative fees	39,097	40,435	44,516	53,667	47,257
Miscellaneous	336,573	1,852,418	447,671	111,928	121,815
Total revenues	26,887,462	30,992,906	31,415,787	32,465,911	34,634,738
Expenditures					
General government	5,776,726	5,556,017	7,469,068	5,825,901	6,278,283
Judicial	330,485	436,782	499,437	406,017	522,888
Public safety	7,202,446	7,761,736	8,210,875	8,283,373	9,591,173
Public works	2,565,642	2,697,682	2,847,425	3,399,974	4,069,936
Culture and recreation	5,418,626	5,335,310	5,496,260	5,847,442	5,847,316
Capital outlay	3,670,577	3,856,496	3,243,624	3,878,010	2,585,398
Debt service					
Capital lease payments	481,038	138,677	144,500	149,090	149,360
Principal	1,280,000	1,330,000	1,385,000	1,445,000	4,910,000
Interest and fiscal charges	1,264,841	1,210,810	1,163,498	1,108,713	1,067,153
Bond issuance costs	-	-	-		
Total expenditures	27,990,381	28,323,510	30,459,687	30,343,520	35,021,507
Excess of revenues over (under) expenditures	(1,102,919)	2,669,396	956,100	2,122,391	(386,769)

CITY OF LAFAYETTE, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
SCHEDULE 4 (CONTINUED)
For the Fiscal Year Ended December 31, 2015

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Other financing sources (uses)					
Proceeds from debt	\$ 1,243,179	\$ 8,023,279	\$ -	\$ -	\$ -
Retirement of bonds refunded	-	-	-	-	-
Lease issuance	-	-	-	-	-
Transfers in	4,437,885	2,426,106	3,090,256	3,351,769	8,731,752
Transfers out	(3,022,460)	(1,010,160)	(1,541,735)	(1,735,002)	(6,958,632)
Total other financing sources (uses)	<u>2,658,604</u>	<u>9,439,225</u>	<u>1,548,521</u>	<u>1,616,767</u>	<u>1,773,120</u>
Special Item					
Adjustment of asset held for resale	-	-	(631,968)	-	-
Gain on fire conversion	-	410,709	105,458	-	-
Total special items	<u>-</u>	<u>410,709</u>	<u>(526,510)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 410,141</u>	<u>\$ 6,102,068</u>	<u>\$ (1,670,926)</u>	<u>\$ (2,762,545)</u>	<u>\$ 2,586,479</u>
Debt service as a percentage of noncapital expenditures	17.3%	16.1%	33.5%	12.1%	13.2%

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2007

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ -	\$ -	\$ -	\$ 8,265,000
Debt Premium	-	-	-	-	806,481
Issuance Costs	-	-	-	-	(134,321)
Retirement of bonds refunded	-	-	-	-	-
Lease issuance	-	-	-	-	-
Transfers in	5,223,770	5,480,866	5,918,411	5,975,513	5,968,865
Transfers out	(3,744,278)	(3,927,686)	(4,059,500)	(4,307,160)	(3,967,734)
Total other financing sources (uses)	1,479,492	1,553,180	1,858,911	1,668,353	10,938,291
Special Item					
Adjustment of asset held for resale	-	-	-	-	-
Gain on fire conversion	-	-	-	-	-
Total special items	-	-	-	-	-
Net change in fund balances	\$ 376,573	\$ 4,222,576	\$ 2,815,011	\$ 3,790,744	\$ 10,551,522
Debt service as a percentage of noncapital expenditures	12.4%	11.0%	9.9%	10.2%	18.9%

CITY OF LAFAYETTE, COLORADO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
SCHEDULE 5
For the Fiscal Year Ended December 31, 2016

Fiscal Year	General Property Tax ^{1, 3}	Fire District Tax	Specific Ownership Tax	Cigarette Tax	Sales Tax	Franchise Tax	Use Tax ²	Total General Tax Revenues
2007	\$ 4,231,390	\$ 5,300	\$ 285,712	\$ 29,506	\$ 7,813,683	\$ 868,106	\$ 2,493,030	\$ 15,726,727
2008	4,202,863	5,300	272,464	31,075	8,471,790	1,000,028	1,820,120	15,803,640
2009	6,053,858	5,300	313,309	30,927	8,300,753	913,075	1,950,068	17,567,289
2010	6,168,827	5,300	310,421	34,688	8,273,535	981,752	1,907,253	17,681,776
2011	5,950,437	5,300	259,016	32,988	9,008,620	1,003,574	2,508,986	18,768,921
2012	5,647,300	5,300	272,407	32,888	9,560,708	997,677	2,548,361	19,064,641
2013	5,699,638	5,300	284,838	37,280	10,124,604	1,074,357	3,398,931	20,624,948
2014	5,713,092	5,300	309,232	44,440	10,850,273	1,130,471	3,673,405	21,726,213
2015	6,668,265	5,300	378,366	54,371	11,643,115	1,113,899	3,591,148	23,454,464
2016	7,677,373	5,300	407,900	55,656	11,998,522	1,107,958	4,104,099	25,356,808

¹ Includes property taxes from general improvement districts

² Includes taxes on building materials and motor vehicles.

³ Beginning in 2009, amount includes property taxes from Ambulance and Fire Fund.

CITY OF LAFAYETTE, COLORADO
DIRECT AND OVERLAPPING SALES TAX RATES
SCHEDULE 6

Fiscal Year	City of Lafayette	State of Colorado	Boulder County	Overlapping Rates			Total Overlapping Sales Tax Rate
				Regional Transportation District	Cultural Facilities District	Football Stadium District	
2007	3.500%	2.900%	0.650%	1.000%	0.100%	0.100%	8.250%
2008	3.500%	2.900%	0.650%	1.000%	0.100%	0.100%	8.250%
2009	3.500%	2.900%	0.650%	1.000%	0.100%	0.100%	8.250%
2010	3.500%	2.900%	0.800%	1.000%	0.100%	0.100%	8.400%
2011	3.500%	2.900%	0.800%	1.000%	0.100%	0.100%	8.400%
2012	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2013	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2014	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2015	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2016	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%

**CITY OF LAFAYETTE, COLORADO
PRINCIPAL SALES AND USE TAXPAYERS
SCHEDULE 7**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Aggregate top thirty filers ¹	\$ 5,047,321	\$ 4,842,212	\$ 4,689,937	\$ 4,604,871	\$ 5,824,059
Aggregate all other filers	2,968,173	3,221,810	3,815,397	3,979,437	3,564,107
Total sales and use tax	\$ 8,015,494	\$ 8,657,609	\$ 8,598,203	\$ 8,584,308	\$ 9,388,166
Top ten filers as a percentage of total sales tax	62.97%	55.93%	54.55%	53.64%	62.04%

¹ Colorado State Statutes and City of Lafayette Ordinances prohibit disclosure of individual sales tax information. Therefore, the current year top ten filers are not individually listed.

Notes: Excludes building use tax and motor vehicle use tax.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Aggregate top thirty filers ¹	\$ 6,466,701	\$ 6,839,683	\$ 7,138,865	\$ 7,636,689	\$ 7,620,719
Aggregate all other filers	3,481,483	3,767,157	4,505,844	5,047,339	5,188,473
Total sales and use tax	\$ 9,948,184	\$ 10,606,840	\$ 11,644,709	\$ 12,684,028	\$ 12,809,192
Top ten filers as a percentage of total sales tax	65.00%	64.48%	61.31%	60.21%	59.49%

CITY OF LAFAYETTE, COLORADO
RATIO OF OUTSTANDING DEBT, BY TYPE
SCHEDULE 8

Fiscal Year	Governmental Activities						
	Sales Tax Revenue Bonds ¹	Limited Tax Revenue Bonds	General Obligation Bonds	Demand Bonds	Capital Leases	Term Loan Payable	Issuance Premiums
2007	\$ 2,965,000	\$ 5,275,000	\$ 7,935,000	\$ 11,005,000	\$ 1,200,118	\$ 765,942	\$ 31,621
2008	9,165,000	5,200,000	7,160,000	10,465,000	2,079,051	728,805	25,028
2009	8,435,000	5,120,000	6,355,000	3,955,000	1,774,386	689,008	18,435
2010	7,685,000	5,000,000	5,780,000	3,955,000	1,380,486	647,492	11,842
2011	6,910,000	4,865,000	5,425,000	3,955,000	1,189,235	-	7,267
2012	6,145,000	4,720,000	5,055,000	3,955,000	752,045	-	6,723
2013	5,355,000	4,565,000	4,670,000	3,955,000	640,676	-	6,179
2014	4,540,000	4,400,000	4,265,000	3,955,000	519,062	-	5,635
2015	3,695,000	4,220,000	3,845,000	3,955,000	388,033	-	5,091
2016	2,820,000	4,030,000	8,265,000	3,955,000	251,625	-	806,481

¹ Total sales tax is 3.50%. After 0.50% is set aside for open space, sales tax revenue bonds are paid out of the 3.00% remaining.

² General obligation bonds have been issued for business-type activities. While general obligation water bonds are direct obligations and pledge the full faith and credit of the City, the City is bound by bond covenant to establish water rates which will provide for operations and debt service.

³ See Schedule 12 for Population and Personal Income figures.

Business-Type Activities						Total Primary Government	Debt Per Capita ³	Percent Personal Income ³
General Oblig. Water Bonds ²	Water Revenue Bonds	Golf Revenue Bonds	Capital Leases	Term Loan Payable	Issuance Premiums			
\$ 3,350,000	\$ 15,645,000	\$ 377,000	\$ 120,609	\$ 7,083,555	\$ 480,638	56,234,483	2,126	7.87%
2,735,000	15,645,000	331,400	74,036	6,688,501	451,622	60,748,443	2,341	8.82%
2,090,000	15,645,000	283,300	25,251	6,272,317	422,606	51,085,303	1,932	7.33%
635,000	15,645,000	232,500	-	5,842,506	393,590	47,208,416	1,931	5.95%
325,000	15,645,000	179,000	-	5,393,465	364,574	44,258,541	1,673	5.21%
-	15,215,000	122,500	-	4,939,626	1,857,104	42,767,998	1,636	4.50%
-	14,395,000	62,900	-	4,463,277	1,729,218	39,842,250	1,496	4.23%
-	13,550,000	-	-	3,965,090	1,601,332	36,801,119	1,436	4.00%
-	12,680,000	-	-	3,449,672	1,473,446	33,711,242	1,192	3.23%
-	11,790,000	-	-	2,917,322	1,345,560	36,180,988	1,279	2.92%

CITY OF LAFAYETTE, COLORADO
RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT LIMIT
SCHEDULE 9

	Fiscal Year				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General bonded debt outstanding	\$ 46,262,934	\$ 50,468,864	\$ 41,707,296	\$ 38,813,027	\$ 37,255,094
Less:					
General obligation water bonds	3,350,000	2,735,000	2,090,000	635,000	325,000
Water revenue bonds	15,645,000	15,645,000	15,645,000	15,645,000	15,645,000
Deferred amounts - Water bonds	297,907	302,900	307,893	312,886	339,198
Tech center GID revenue bonds	2,040,000	2,040,000	2,040,000	2,010,000	1,975,000
Deferred amounts - Tech Center bonds	(55,623)	(53,016)	(50,409)	(47,802)	(45,195)
Limited tax obligation bonds	3,235,000	3,160,000	3,080,000	2,990,000	2,890,000
Sales tax revenue bonds	2,965,000	9,165,000	8,435,000	7,685,000	6,910,000
Deferred amounts - Sales Tax bonds	(80,173)	(58,309)	(36,445)	(14,581)	-
Demand bonds	11,005,000	10,465,000	3,955,000	3,955,000	3,955,000
Deferred amounts - demand bonds	(460,620)	(433,009)	(405,398)	(377,787)	(350,176)
Golf course revenue bonds	377,000	331,400	283,300	232,500	179,000
Total net debt applicable to debt limit	7,944,443	7,168,898	6,363,355	5,787,811	5,432,267
Estimated actual property values ¹	2,903,216,100	2,992,447,300	3,042,980,900	3,081,645,100	3,092,789,600
Legal debt limit ²	87,096,483	89,773,419	91,289,427	92,449,353	92,783,688
Legal debt margin ³	\$ 79,152,040	\$ 82,604,521	\$ 84,926,072	\$ 86,661,542	\$ 87,351,421
Outstanding debt as a percentage of debt limit	9%	8%	7%	6%	6%
Population	26,453	25,945	26,448	24,453	26,448
Net general bonded debt per capita	\$ 300	\$ 276	\$ 241	\$ 237	\$ 205

¹ Source: Boulder County Assessor's Office. The Estimated Actual Property Values are from the previous year, but are used to calculate current year tax revenues and debt limits.

² Debt limit is 3% of Estimated Actual Real Estate Value

³ The legal debt margin is the city's available borrowing authority

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General bonded debt outstanding	\$ 37,076,327	\$ 34,738,297	\$ 32,316,967	\$ 29,873,537	\$ 32,205,560
Less:					
General obligation water bonds	-	-	-	-	-
Water revenue bonds	15,215,000	14,395,000	13,550,000	12,680,000	11,790,000
Deferred amounts - Water bonds	1,857,104	1,729,218	1,601,332	1,473,446	1,345,560
Tech center GID revenue bonds	1,940,000	1,900,000	1,860,000	1,815,000	1,770,000
Deferred amounts - Tech Center bonds	-	-	-	-	-
Limited tax obligation bonds	2,780,000	2,665,000	2,540,000	2,405,000	2,260,000
Sales tax revenue bonds	6,145,000	5,355,000	4,540,000	3,695,000	2,820,000
Deferred amounts - Sales Tax bonds	-	-	-	-	-
Demand bonds	3,955,000	3,955,000	3,955,000	3,955,000	3,955,000
Deferred amounts - demand bonds	-	-	-	-	-
Golf course revenue bonds	122,500	62,900	-	-	-
Total net debt applicable to debt limit	5,061,723	4,676,179	4,270,635	3,850,091	8,265,000
Estimated actual property values ¹	3,200,277,084	3,266,721,780	3,311,284,288	3,384,173,618	4,131,951,237
Legal debt limit ²	96,008,313	98,001,653	99,338,529	101,525,209	123,958,537
Legal debt margin ³	\$ 90,946,590	\$ 93,325,474	\$ 95,067,894	\$ 97,675,118	\$ 115,693,537
Outstanding debt as a percentage of debt limit	5%	5%	4%	4%	7%
Population	26,136	26,629	25,621	28,278	28,278
Net general bonded debt per capita	\$ 194	\$ 176	\$ 167	\$ 136	\$ 292

CITY OF LAFAYETTE, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SCHEDULE 10
For the Fiscal Year Ended December 31, 2016

Jurisdiction	Debt Outstanding	Percentage Applicable To Government	Estimated Share of Overlapping Debt
Direct Debt:			
City of Lafayette	\$ 19,326,172	100.00%	\$ 19,326,172
Overlapping:			
Boulder Valley School District RE-2 ¹	542,065,000	6.61%	35,854,124
Total	<u>\$ 561,391,172</u>		<u>\$ 55,180,296</u>

Direct debt includes general obligation bonds, revenue bonds, demand bonds, capital leases, notes payable, and premiums and discounts from governmental activities.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping governmental debt is the City's portion of Boulder County's property value. This percentage is from Boulder County.

¹ The following entities overlap the City, but have no general obligation debt outstanding: Boulder County, Lafayette Rural Fire Protection District, Lefthand Water District, Louisville Fire Protection District, Urban Drainage and Flood Control District and the Regional Transportation District.

**CITY OF LAFAYETTE, COLORADO
PLEDGED REVENUE COVERAGE
SCHEDULE 11**

Water Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2007	\$ 8,743,832	\$ 3,262,208	\$ 5,481,624	\$ -	\$ 757,056	7.24
2008	7,795,860	3,509,937	4,285,923	-	757,056	5.66
2009	5,837,267	3,488,140	2,349,127	-	757,056	3.10
2010	7,267,461	3,725,343	3,542,118	-	757,056	4.68
2011	7,513,649	4,524,381	2,989,268	-	757,056	3.95
2012	10,375,243	5,109,855	5,265,388	185,000	434,102	8.50
2013	8,297,938	4,327,530	3,970,408	820,000	535,000	2.93
2014	10,535,100	4,624,176	5,910,924	845,000	510,400	4.36
2015	8,815,018	4,547,298	4,267,720	870,000	485,050	3.15
2016	11,194,286	4,833,741	6,360,545	890,000	472,000	4.67

Sales Tax Revenue Bonds				
	Sales & Use Tax Increment	Debt Service Principal	Interest	Coverage ⁴
2007	\$ 8,619,750	\$ 695,000	\$ 106,078	10.76
2008	8,317,710 ⁶	710,000	222,590	8.92
2009	8,257,862	730,000	302,121	8.00
2010	8,310,576	750,000	280,221	8.07
2011	9,074,163	775,000	255,846	8.80
2012	9,612,340	765,000	228,721	9.67
2013	10,318,191	790,000	203,400	10.39
2014	11,221,382	815,000	177,251	11.31
2015	12,037,311	845,000	150,274	12.09
2016	12,340,684	875,000	122,305	12.37

¹ Gross resources include all operating revenues plus interest and other non-operating revenues. Included are tap fees and cash received in lieu of water rights, both of which are classified as capital contributions. Not included are non-cash revenues.

² Includes all operating expenses less depreciation and amortization, plus transfers out.

³ Net available revenue divided by total bond principle and interest.

⁴ Sales & Use Tax Increment divided by total bond principle and interest.

⁵ Refunded 1993 Sales & Use Tax bonds with 2003C Sales & Use Tax bonds in the amount of \$6,360,000.

⁶ Issued 2008 Series Sales & Use Tax Revenue Bonds in the amount of \$6,910,000.

⁷ Adverse business conditions caused an extension of the final maturity date of these bonds.

⁸ Expenses included an escrow payment of \$745,760 accumulated from a prior year as partial payment on the redemption of the bonds. The amount was removed for this calculation.

⁹ Reclassified excess billed interest to interest and fiscal charges instead of an operating expense.

**CITY OF LAFAYETTE, COLORADO
PLEDGED REVENUE COVERAGE
SCHEDULE 11 (CONTINUED)**

CWRPDA Loan						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2007	\$ 2,627,771	\$ 1,661,653	\$ 966,118	\$ 376,131	\$ 277,390	1.48
2008	2,374,918	1,918,606	456,312	381,504	166,295	0.83
2009	1,816,331	1,819,954	(3,623)	392,250	62,890	-0.01
2010	2,593,645	1,960,953	632,692	416,582	233,935	0.97
2011	2,495,779	1,805,580	690,199	435,155	217,619	1.06
2012	3,700,594	2,033,056	1,667,538	438,819	201,258	2.61
2013	3,043,738	2,094,207	949,531	460,391	183,519	1.47
2014	4,463,578	2,203,053	2,260,525	481,405	165,482	3.49
2015	4,040,151	2,256,541	1,783,610	497,741	146,675	2.77
2016	5,417,710	2,392,633	3,025,077	513,202	127,576	4.72

CITY OF LAFAYETTE, COLORADO
PLEDGED REVENUE COVERAGE
SCHEDULE 11 (CONTINUED)

Lafayette City Center GID Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2007	\$ 84,573	\$ 9,486	\$ 75,087	\$ 30,000	\$ 38,813	1.09
2008	82,139	9,475	72,664	35,000	37,088	1.01
2009	80,512	9,523	70,989	40,000	35,075	0.95
2010	86,275	9,215	77,060	45,000	32,775	0.99
2011	91,112	9,793	81,319	50,000	30,187	1.01
2012	93,848	9,732	84,116	55,000	27,313	1.02
2013	95,174	9,758	85,416	60,000	24,150	1.02
2014	98,661	9,788	88,873	65,000	20,700	1.04
2015	100,052	9,407	90,645	70,000	16,963	1.04
2016	103,713	11,465	92,248	75,000	12,938	1.05

Exempla GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest*	
2007	\$ 1,322,582	\$ 25,729	\$ 1,296,853	\$ 520,000	\$ 541,898	1.22
2008	1,829,055	23,355	1,805,700	540,000	385,205	1.95
2009	6,928,099	49,984 ⁸	6,878,115	6,510,000	137,579	1.03
2010	611,942	726,393	(114,451)	-	86,400	-1.32
2011	600,201	402,244	197,957	-	81,856	2.42
2012	576,235	19,155 ⁹	557,080	-	81,376	6.85
2013	564,224	31,492	532,732	-	77,175	6.90
2014	589,999	20,596	569,403	-	78,069	7.29
2015	596,368	17,319	579,049	-	75,266	7.69
2016	621,237	17,603	603,634	-	90,237	6.69

* Interest includes line of credit fees which are part of the charges to service the debt.

**CITY OF LAFAYETTE, COLORADO
PLEDGED REVENUE COVERAGE
SCHEDULE 11 (CONTINUED)**

Lafayette Corp Campus GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2007	\$ 282,353	\$ 14,065	\$ 268,288	\$ 35,000	\$ 210,000	1.10
2008	428,238	13,675	414,563	40,000	207,200	1.68
2009	262,680	13,944	248,736	40,000	204,000	1.02
2010	262,753	13,993	248,760	45,000	200,800	1.01
2011	262,572	14,017	248,555	50,000	197,200	1.01
2012	264,608	14,049	250,559	55,000	193,200	1.01
2013	255,236	14,160	241,076	55,000	188,800	0.99
2014	262,131	13,458	248,673	60,000	184,400	1.02
2015	264,766	13,717	251,049	65,000	179,600	1.03
2016	267,865	18,776	249,089	70,000	174,400	1.02
Lafayette Tech Center GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2007	\$ 78,887	\$ 16,004	\$ 62,883	\$ -	\$ 132,600	0.47
2008	82,142	7,372	74,770	-	122,400	0.61
2009	135,822	9,937	125,885	-	122,400	1.03
2010	169,781	10,926	158,855	30,000	122,400	1.04
2011	172,046	11,471	160,575	35,000	120,600	1.03
2012	164,115	10,648	153,467	35,000	118,500	1.00
2013	173,084	10,720	162,364	40,000	116,400	1.04
2014	168,664	10,666	157,998	40,000	114,000	1.03
2015	173,656	10,467	163,189	45,000	111,600	1.04
2016	128,097	11,881	116,216	45,000	108,900	0.76

**CITY OF LAFAYETTE, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
AND TOP TEN EMPLOYERS FOR 2007 AND 2016
SCHEDULE 12**

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Median Education Level</u>	<u>School Enrollment</u>	<u>Unemp. Rate</u>
2007	26,453	\$ 714,919	\$ 27,026	33.8	14	4,840	2.8%
2008	25,945	688,866	26,551	36.0	14	3,323	5.8%
2009	26,448	696,482	26,334	36.3	14	3,946	5.2%
2010	24,453	794,062	32,473	36.3	14	4,790	5.3%
2011	26,448	848,716	32,090	36.3	14	4,842	5.3%
2012	26,136	949,782	36,340	36.3	14	4,939	5.6%
2013	26,629	942,693	35,401	36.3	14	4,973	6.7%
2014	25,621	919,743	35,898	37.9	14	5,069	4.2%
2015	28,278	1,044,787	36,947	36.3	14	5,118	3.5%
2016	28,278	1,239,312	43,826	39.3	14	5,297	3.1%

<u>2007</u>		<u>2016</u>	
<u>Firm</u>	<u>Estimated Number Employees</u>	<u>Firm</u>	<u>Estimated Number Employees % Total Employees</u>
Exempla Good Samaritan Hospital	1000	Exempla/Kaiser Medical Complex	1500 15.1%
City of Lafayette	428	Epsilon/Abacus	405 4.1%
Boulder Valley Public Schools	390	City of Lafayette	398 4.0%
Kaiser Permanente	350	Universal Forest Products	285 2.9%
Universal Forest Products	285	Wal-Mart	189 1.9%
Imagine!	250	Rocky Mountain Instruments	150 1.5%
Wal-Mart	190	Ball Aerospace	150 1.5%
Rocky Mountain Instruments	150	GE Dharmacon	140 1.4%
Albertsons	112		
Northrup Grumman	110		

Sources: Bureau of Labor Statistics
Boulder County School District R-1
Lafayette Chamber of Commerce

CITY OF LAFAYETTE, COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
SCHEDULE 13

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Executive and administration										
City council	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
City administrator										
City administration	1.05	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50
Community development	2.00	2.05	2.05	-	-	-	-	-	-	3.00
City clerk	2.00	2.00	2.00	2.20	2.20	2.20	2.20	2.20	2.20	2.38
Municipal court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Human resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information technologies	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance										
Financial services (accounting)	7.00	7.33	7.33	5.50	6.50	6.50	6.50	6.00	6.00	6.00
Community development										
Community development	7.00	7.00	7.00	8.00	9.00	10.05	10.05	10.05	10.05	7.05
Public safety										
Police department	50.00	52.00	52.00	48.50	47.50	47.50	47.50	47.50	47.50	50.50
Fire department	5.50	5.50	5.50	4.50	4.50	3.50	3.50	3.50	3.50	3.50
Ambulance	10.89	11.22	11.22	14.00	14.00	16.00	16.00	19.00	19.00	25.00
Public works & utilities										
Public works administration	12.66	13.66	10.17	8.92	8.92	8.92	8.92	8.92	8.92	8.92
Water:										
Administration	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54
Source of supply	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Treatment	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75
Transmission & distribution	7.50	7.50	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Water reclamation:										
Administration	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93
Treatment	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19
Collection	5.76	4.76	5.41	4.91	4.91	5.41	5.41	5.41	5.41	5.41
Storm water:										
Administration	-	-	0.20	0.20	0.20	-	0.20	0.20	0.20	0.20
Collection	-	-	1.99	1.74	1.74	2.44	2.24	2.24	2.24	2.24
Subtotals	140.97	143.63	143.63	137.23	138.23	141.78	141.78	144.28	144.28	153.46

CITY OF LAFAYETTE, COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
SCHEDULE 13 (CONTINUED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Parks, open space & golf department										
Parks & open space:										
Administration	1.67	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Cemeteries	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31
Parks	10.51	10.51	10.51	10.51	10.51	9.01	9.01	9.01	9.01	9.01
Open space maintenance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Streetscapes	-	-	-	-	-	1.50	1.50	1.50	1.50	1.50
Golf course										
Administration	0.33	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Golf course operations	10.63	10.63	10.63	10.63	10.63	10.63	10.63	10.63	10.63	10.63
Club house operations	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
Snack bar operations	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72
Recreation & facility management dept										
Recreation & facility management:										
Administration	3.25	3.25	3.25	3.50	3.50	3.00	3.16	3.16	3.08	3.08
Recreation & Leisure Services	41.65	41.65	41.65	42.15	42.15	42.15	45.21	45.21	45.75	45.75
Building maintenance	10.96	10.96	10.96	10.21	10.21	4.25	4.45	4.45	4.45	4.45
Senior services	3.50	3.50	3.50	3.50	3.50	3.50	4.15	4.15	4.75	4.75
Library										
Library	17.87	17.87	17.22	15.31	15.31	14.31	18.21	18.21	18.21	18.21
Subtotals	115.15	115.15	114.50	112.59	112.59	105.13	113.10	113.10	114.16	114.16
Grand totals	256.12	258.78	258.13	249.82	250.82	246.91	254.88	257.38	258.44	267.62

CITY OF LAFAYETTE, COLORADO
OPERATING INDICATORS BY FUNCTION/PROGRAM
SCHEDULE 14

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Police										
Physical arrests	1,149	1,318	1,200	1,152	1,442	1,273	1,054	1,033	1,027	1,080
Municipal Citations	6,147	6,983	7,152	7,043	7,170	6,521	6,384	5,785	3,872	4,197
Fire										
Emergency responses	1,879	1,885	1,736	1,578	1,732	1,795	1,955	2,241	2,445	2,935
Inspections conducted	250	330	300	318	300	325	400	486	276	431
Parks, Open Space, Golf Course										
Golf Course rounds played	43,008	43,022	39,292	36,043	37,536	40,091	38,469	44,235	41,970	37,159
% Resident Play	20%	19%	18%	17%	13%	13%	13%	13%	12%	13%
Cemetery plot opening/closings	25	30	35	23	33	30	40	21	25	28
Recreation and Facility Mgmt										
Individual Annual Passes sold	403	421	381	554	612	634	620	614	687	759
Couple or Family Annual Passes	293	307	303	282	286	246	258	246	308	354
Punch Cards sold	2,524	2,243	2,369	2,217	2,232	2,303	2,299	2,584	2,220	1,962
Total Attendance	235,506	227,175	225,319	228,741	338,153	398,216	390,624	428,384	239,240	244,944
Facilities and services not included in the reporting entity ¹ :										
Number of public elem. schools	4	4	4	4	4	4	4	4	4	4
Number of elementary instructors ²	107.7	145.0	143.0	139.0	139.0	132.0	132.0	125.0	125.0	132.0
Number of public middle schools	1	1	1	1	1	1	1	1	1	1
Number of MS instructors ²	38.1	40.0	38.0	38.0	36.0	38.0	38.0	38.0	41.0	42.0
Charter school (K through 12)	1	1	1	1	1	1	1	1	1	1
Number of public high schools	1	1	1	1	1	2	2	1	1	1
Number of HS instructors ²	65.5	90.0	82.0	63.0	63.0	64.0	64.0	64.0	66.0	66.0

¹ Source: Boulder Valley School District

² Full-time equivalents

CITY OF LAFAYETTE, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
SCHEDULE 15

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	1	1	1	2	2	2
Public works										
Centerline miles of streets	97	98	98	99	101	101	150	141	147	195
Recreation and culture										
Recreation center	1	1	1	1	1	1	1	1	1	1
Parks	18	19	19	19	19	19	19	19	19	19
Cemeteries	2	2	2	2	2	2	2	2	2	2
Parks/Developed acres	236	236	236	236	236	236	236	239	239	224
Open space/Undeveloped acres	1,120	1,120	1,265	1,265	1,265	1,265	1,265	1,300	1,300	1,300
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Utilities										
Water treatment facilities	2	2	2	2	2	1	1	1	1	1
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	233	235	235	237	239	239	239	169	169	164
Sanitary sewer (miles)	191	192	192	193	194	194	194	121	121	118
Water connections	8,240	8,267	8,302	8,322	8,455	8,539	8,809	8,902	9,022	9,275
Wastewater connections	7,685	7,651	7,631	7,680	7,881	7,901	8,236	8,319	8,458	8,761

COMPLIANCE SECTION

This section consists of the following:

- Local highway finance report

2016

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Lafayette
		YEAR ENDING :
This Information From The Records Of (example - City of _ or County of City of Lafayette)		Prepared By: Cheryl Thompson
		Phone: 303-665-5588 x1247

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)	248,232
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	88,112
2. General fund appropriations	3,633,977	b. Snow and ice removal	98,259
3. Other local imposts (from page 2)	493,212	c. Other	1,034,626
4. Miscellaneous local receipts (from page 2)	308,463	d. Total (a. through c.)	1,220,996
5. Transfers from toll facilities		4. General administration & miscellaneous	1,146,886
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,755,036
a. Bonds - Original Issues		6. Total (1 through 5)	5,371,151
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	222,780
7. Total (1 through 6)	4,435,651	b. Redemption	815,961
B. Private Contributions	0	c. Total (a. + b.)	1,038,741
C. Receipts from State government (from page 2)	893,974	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,329,625	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,038,741
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,409,892

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	6,134,420		815,961	5,318,458
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,080,267	5,329,625	6,409,892	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2016	
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	226,765	a. Interest on investments	25,457
b. Other local imposts:		b. Traffic Fines & Penalties	242,149
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	266,446	g. Other Misc. Receipts	40,856
6. Total (1. through 5.)	266,446	h. Other	
c. Total (a. + b.)	493,212	i. Total (a. through h.)	308,463
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	796,059	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	97,915	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	97,915	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	893,974	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		36,887	36,887
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		211,345	211,345
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	211,345	211,345
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	248,232	248,232
			(Carry forward to page 1)
Notes and Comments:			