

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



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Office of the State Auditor

August 29, 2018

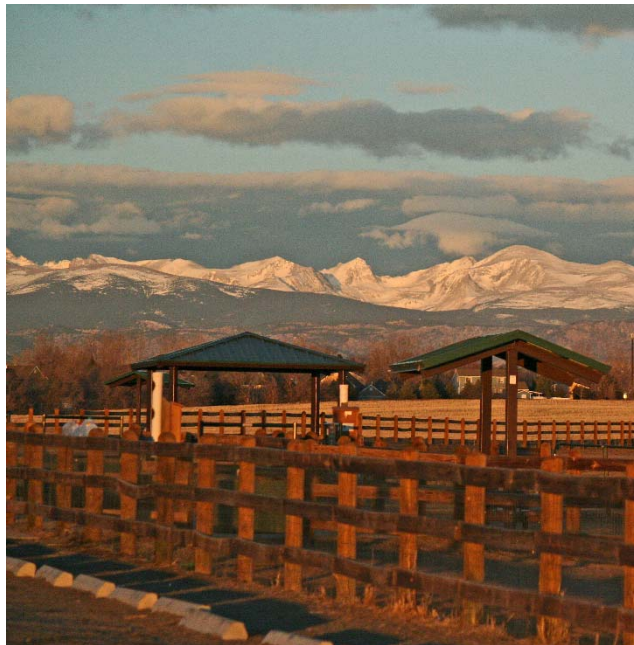
**City of Lafayette, Colorado**

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

## *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*

**2017**

**CITY OF LAFAYETTE, COLORADO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

## **INTRODUCTORY SECTION**

**2017**



August 10, 2018

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, 2017 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 auditors' 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 Swanhorst & Company, LLC (now Hinkle & Company, PC) was selected to perform the audit. Their auditors' report on the City's financial 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 (31<sup>st</sup> in the state), up from 23,197 people in a 8.6 square mile area in 2000 (21<sup>st</sup> in the state). It is estimated that the current population is approximately 29,324.

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 2017, 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 and use tax revenues increased 5.9% over 2016. Since 2012 (five years), sales and use tax revenues have increased 36.4%.

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 2012-17 and will increase 5.0% annually in 2018. Water Reclamation rates were increased 11.0% in 2012, 10.0% in 2013, 10.0% in 2014, 30.0% in 2015, 25% in 2016, and 7% in 2017. Additional rate increases have been approved: 5.0% in 2018 and 5.0% in 2019, 2020 and 2021. These increases will help to provided 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 for the Capital Budget is now a required budget item of at least \$250,000, with funding of \$2,500,000 for streets alone budgeted for 2018. 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, 2016. This was the 30th 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

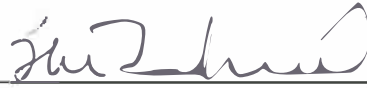
The dedicated service of the entire staff of the Finance Department's Accounting Division went into the preparation of the 2017 CAFR. Each and every member of our staff has our sincere appreciation for the contributions they made in order to complete the 2017 CAFR.

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 Direct



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, 2016**

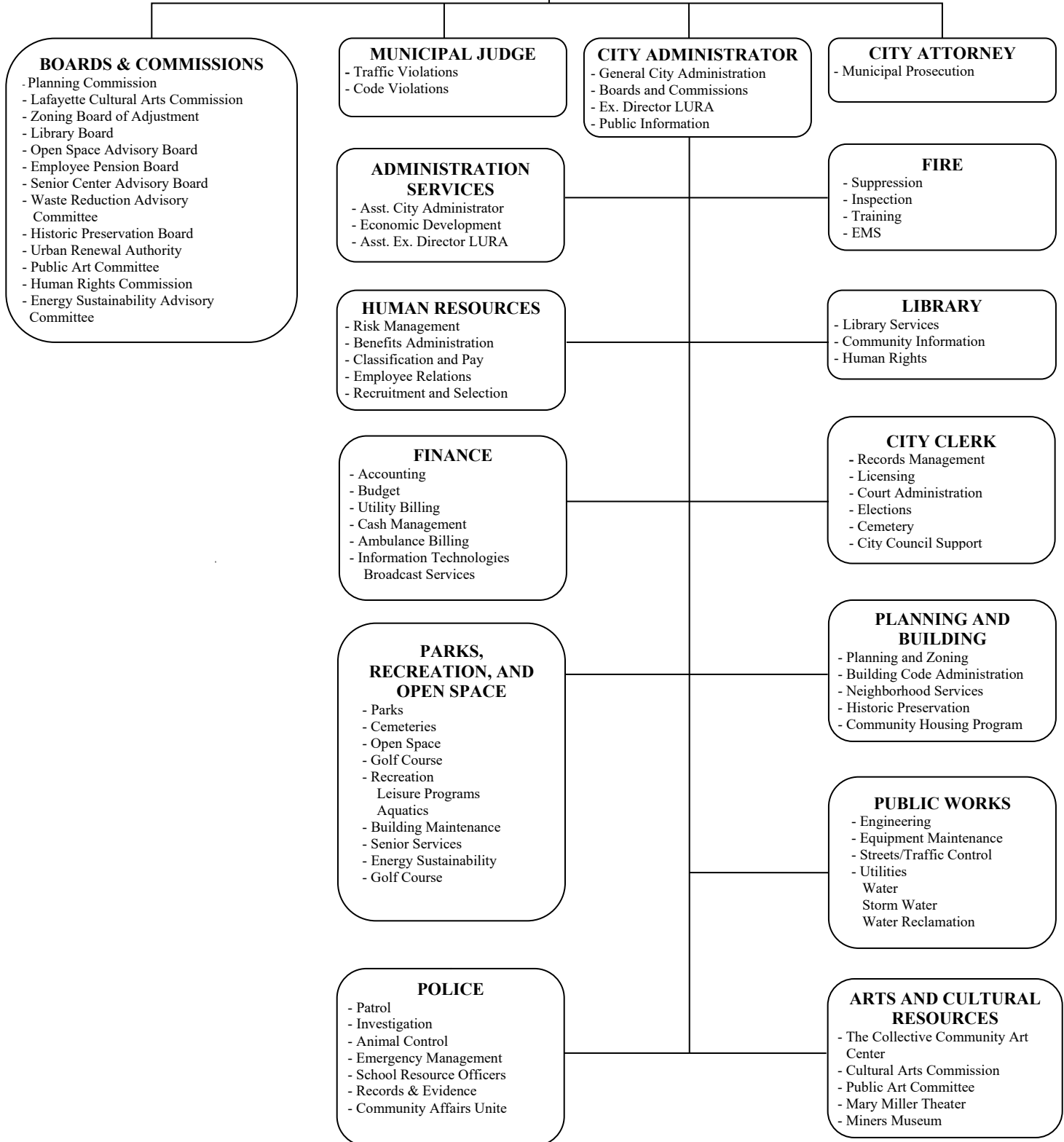
*Christopher P. Morill*

Executive Director/CEO

# CITIZENS OF LAFAYETTE

January 2017

## CITY COUNCIL



**CITY OF LAFAYETTE  
 DIRECTORY OF CITY OFFICIALS**

**CITY COUNCIL**



Standing from l. to r.: City Attorney Dave Williamson, Councilor Harkins, Councilor Lynch, Mayor Pro Tem Reyna, Councilor Behanna, City Administrator Gary Klaphake. Seated, l. to r.: Councilor Walton, 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, 2017**

## **FINANCIAL SECTION**

**2017**



## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Lafayette as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lafayette, 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Base Line Land and Reservoir Company, which represent 39 percent and 24 percent, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Base Line Land and Reservoir Company, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 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 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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Lafayette as of December 31, 2017, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 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's basic financial statements. The introductory section, combining fund statements and schedules, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules and the local highway finance report 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The 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.

*Hick & Company, PC*

Greenwood Village, Colorado  
August 10, 2018



## Management's Discussion and Analysis

Our discussion and analysis of the City of Lafayette's financial statements for the year ended December 31, 2017, 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 \$19.5 million from 2016 primarily due to increased revenues from governmental and business activities. Sales and use tax (increased \$1.3 million) and capital grants/contributions (increased \$3.3 million) were the primary sources of the revenue increase.

The City's unassigned General Fund balance was \$24.3 million on a modified accrual basis, an increase of \$4.3 million from 2016, and represents 75% of 2017 final budgeted expenditures. The total General Fund balance increased \$3.8 million over 2016 primarily as a result of broad-based advances in revenues and inflows including increases in tax (property, sales, and excise) collections of \$1.5 million, licenses/permits of \$0.3 million, intergovernmental of \$0.2 million, interest/other collections of \$1.1 million, service charges of \$0.5 million, and transfers in of \$0.5 million. Expenditures/outflows increased \$4.1, most notably in transfers to the Capital Fund (\$2.0 million to be used for infrastructure improvements), general government and culture/recreation (benefit expenses), public works (recycling/solid waste), and capital outlay (\$1.3m, including a new ambulance and road improvements).

### **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 non-major 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 2017 are compared with the results of 2016 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 \$316 million at the close of 2017, an increase of 6.6% from 2016. The following table reflects amounts in thousands of dollars.

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 62,605	\$ 60,920	\$ 52,869	\$ 51,441	\$ 115,474	\$ 112,361
Capital Assets	140,018	131,733	113,138	106,590	253,156	238,323
Total Assets	<u>202,623</u>	<u>192,653</u>	<u>166,007</u>	<u>158,031</u>	<u>368,630</u>	<u>350,684</u>
Deferred Outflows of Resources	<u>2,687</u>	<u>2,261</u>	<u>755</u>	<u>830</u>	<u>3,442</u>	<u>3,091</u>
Long-term Liabilities						
Outstanding	18,984	22,176	14,760	16,316	33,744	38,492
Other Liabilities	5,556	3,393	7,112	7,031	12,668	10,424
Total Liabilities	<u>24,540</u>	<u>25,569</u>	<u>21,872</u>	<u>23,347</u>	<u>46,412</u>	<u>48,916</u>
Deferred Inflows of Resources	<u>9,779</u>	<u>8,504</u>	-	-	<u>9,779</u>	<u>8,504</u>
Net Position:						
Net Investment in Capital						
Assets,	122,568	115,676	99,364	91,253	221,932	206,929
Restricted	10,396	10,519	-	566	10,396	11,085
Unrestricted	38,027	34,646	45,526	43,695	83,553	78,341
Total Net Position	<u>\$ 170,991</u>	<u>\$ 160,841</u>	<u>\$ 144,890</u>	<u>\$ 135,514</u>	<u>\$ 315,881</u>	<u>\$ 296,355</u>

Current and other assets increased \$3.1 million, resulting primarily from 2017 operations. 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 decreased a net \$4.7 million from planned debt service payments.

## Changes in Net Position

The City's total revenues of \$66.1 million exceeded expenses of \$46.6 million resulting in an increase of \$19.5 million. The key elements of this increase are presented in the following table, reflected in thousands of dollars:

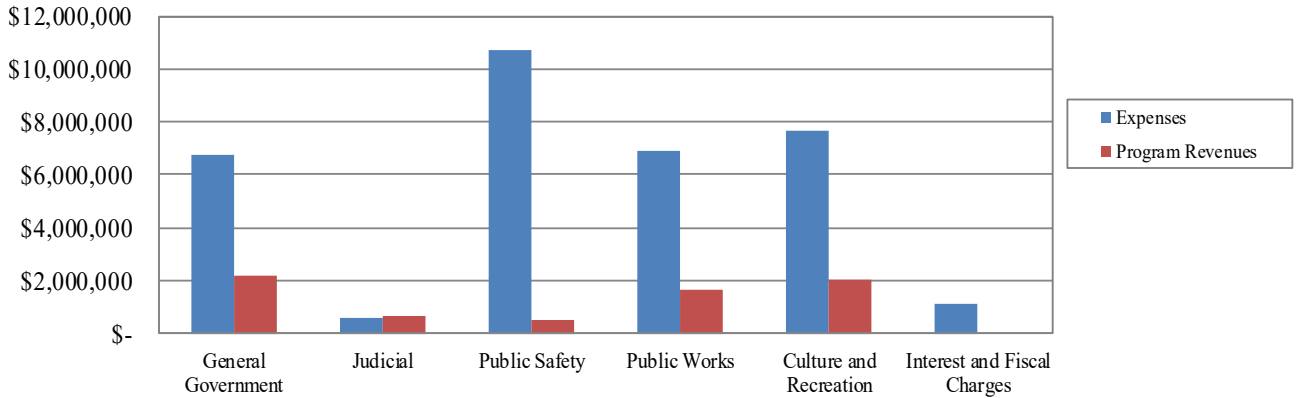
	Governmental Activities		Business-type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
<b>Program Revenues:</b>						
Charges for Services	\$ 7,146	\$ 6,364	\$ 16,518	\$ 15,270	\$ 23,664	\$ 21,634
Operating Grants	1,893	1,561	-	-	1,893	1,561
Capital Grants & Contributions	4,705	3,005	7,816	6,181	12,521	9,186
<b>General Revenue:</b>						
Property Taxes	9,026	8,091	-	-	9,026	8,091
Sales and Use Tax	16,641	15,347	-	-	16,641	15,347
Excise Taxes	487	460	-	-	487	460
Interest	381	289	336	282	717	571
Gain on Sale of Property	12	36	(10)	12	2	48
Franchise Taxes	1,132	1,108	-	-	1,132	1,108
Other General Revenues	49	61	-	(10)	49	51
<b>Total Revenues</b>	<b>41,472</b>	<b>36,322</b>	<b>24,660</b>	<b>21,735</b>	<b>66,132</b>	<b>58,057</b>
<b>Program Expenses:</b>						
General Government	6,723	6,503	-	-	6,723	6,503
Judicial	600	522	-	-	600	522
Public Safety	10,707	9,831	-	-	10,707	9,831
Public Works	6,882	6,999	-	-	6,882	6,999
Culture and Recreation	7,660	6,903	-	-	7,660	6,903
Interest on Long-Term Debt	1,104	1,239	-	-	1,104	1,239
Water	-	-	6,720	5,586	6,720	5,586
Water Reclamation	-	-	2,949	2,834	2,949	2,834
Golf Course	-	-	2,523	2,220	2,523	2,220
Storm Water	-	-	738	1,212	738	1,212
<b>Total Expenses</b>	<b>33,676</b>	<b>31,997</b>	<b>12,930</b>	<b>11,852</b>	<b>46,606</b>	<b>43,849</b>
Excess Revenues before Transfers	7,796	4,325	11,730	9,883	19,526	14,208
Transfers	2,354	2,001	(2,354)	(2,001)	-	-
<b>Change in Net Position</b>	<b>10,150</b>	<b>6,326</b>	<b>9,376</b>	<b>7,882</b>	<b>19,526</b>	<b>14,208</b>
Beginning Net Position, Jan 1	160,841	154,515	135,514	127,632	296,355	282,147
<b>Ending Net Position, Dec 31</b>	<b>\$ 170,991</b>	<b>\$ 160,841</b>	<b>\$ 144,890</b>	<b>\$ 135,514</b>	<b>\$ 315,881</b>	<b>\$ 296,355</b>

## Governmental activities

During 2017, the change in net position in governmental activities was \$10.2 million, compared to the change in net position during 2016 of \$6.3; an increase of \$3.9 million. The increase resulted from capital grants (\$1.7 million), sales and use tax (\$1.3 million), property tax (\$0.9 million), charges for services (\$0.8 million), transfers in (\$0.4 million), offsetting increased expenses (\$1.7 million).

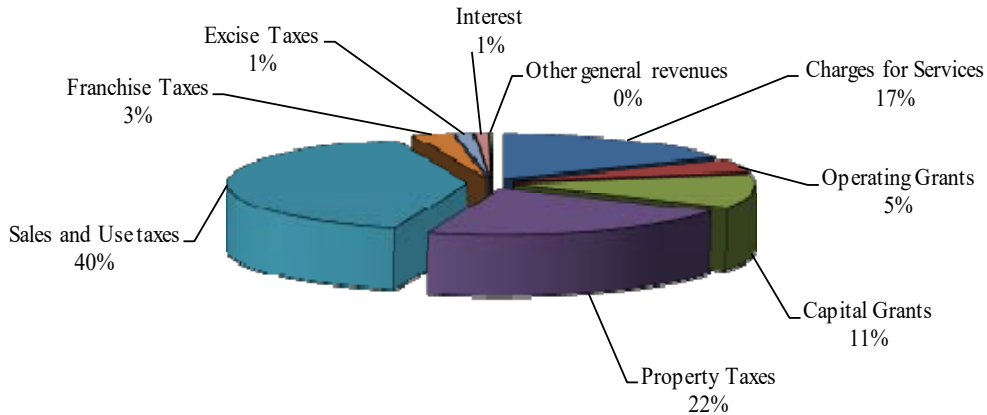
Program expenses increased in general government and public safety functions due to various operating cost adjustments.

### 2017 Expenses and Program Revenues - Governmental Activities



As defined in the footnotes, program revenues are directly associated with a specific activity. Program revenues account for 33% of total revenues related to governmental activities in 2017. 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 69% of the governmental activities for 2017. Total revenues from governmental activities are summarized below.

### 2017 Revenues by Source - Governmental Activities

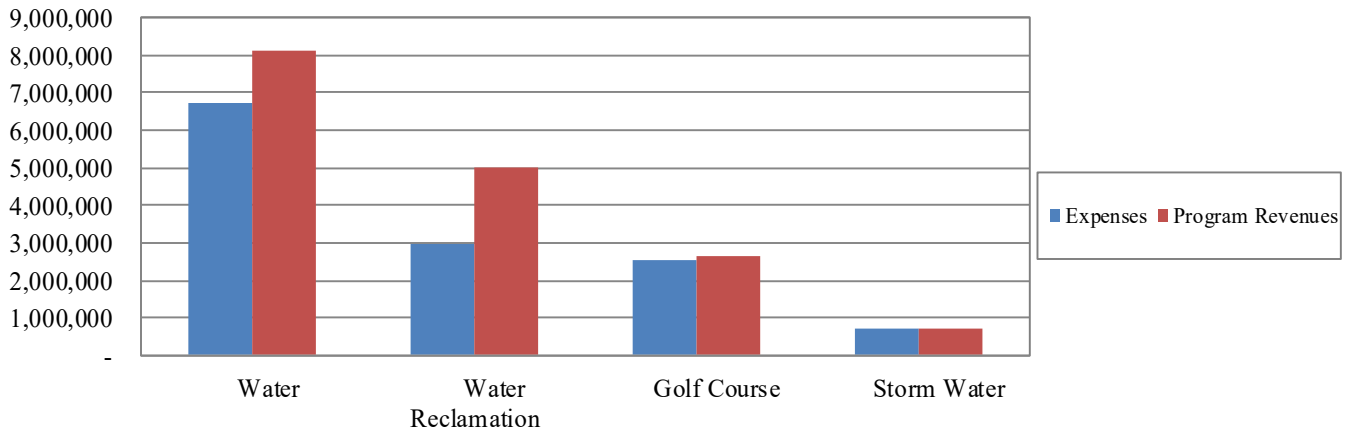


### Business-type activities

Net position in business-type activities increased \$9.4 million during 2017. Revenues increased from both charges for services (8.2%) and Capital Grants/Contributions (26.4%). Program expenses increased 9.1%, or \$1.1 million. Increases included Water Source of Supply expenses (\$0.7 million), Waste Water Collection costs (\$0.1 million), and Golf Administration/Maintenance fees (\$0.2 million). Business-type activity net position was helped by a cost reduction from Storm Water collection fees (\$0.5 million).

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

**2017 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 2017, the City reported a combined fund balance of \$45.8 million, an increase of \$0.1 million from 2016. The fund balance of the General Fund increased \$3.8 million, the Ambulance & Fire Special Revenue Fund decreased \$0.4 million, the Capital Projects Fund decreased \$3.0 million, the Debt Service Fund was removed from Major Fund classification, and other governmental funds decreased by \$0.3 million.

The General Fund is the primary operating fund of the City. At the end of 2017, the unassigned fund balance of the General Fund was \$24.3 million, an increase of \$4.1 million over 2016, primarily from increased revenues. The remainder of the fund balance for the General Fund is not in spendable form, or is restricted, committed, or assigned.

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

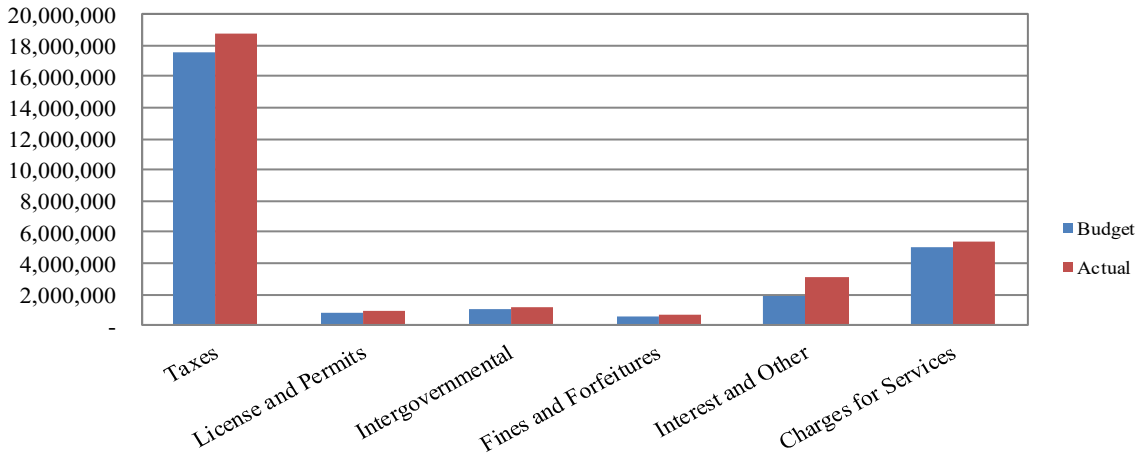
*Proprietary Funds* – Information on the proprietary funds provides the same type of information found in the government-wide statements, but with more detail. At the end of 2017, the City reported unrestricted net position of \$45.5 million, an increase of \$1.8 million as compared to 2016. Factors 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.

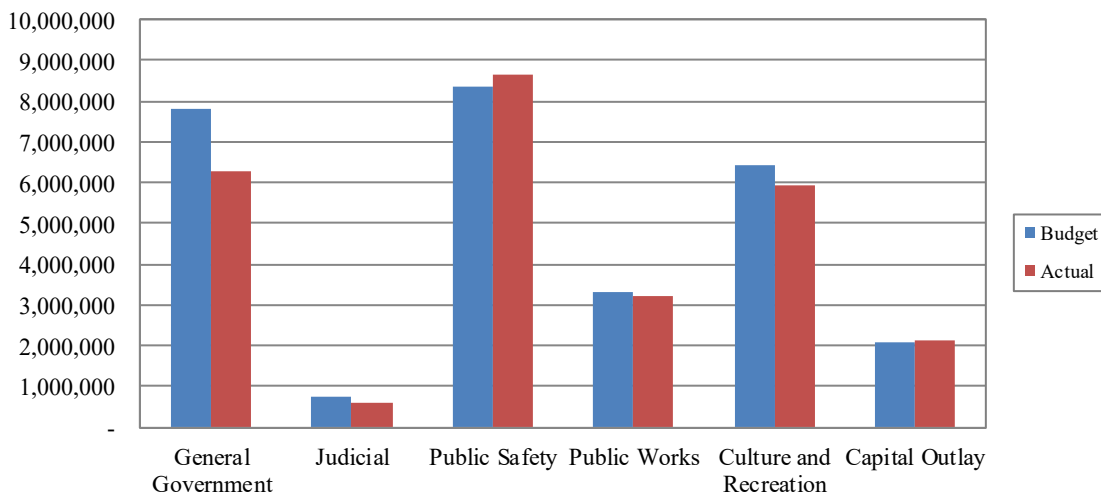
The General Fund accounts for all of the general services provided by the City of Lafayette. At the end of 2017, the total fund balance of the General Fund had increased by approximately \$3.8 million (20.1%). The unassigned fund balance increased \$4.3 million primarily from increased revenues as mentioned previously. The following chart presents a summary of the major revenue sources of the City’s General Fund.

**2017 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.

**2017 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, 2017 amounts to \$253.2 million (net of accumulated depreciation). The 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 2017 included (in thousands):

Developer Dedications- Infrastructure	\$ 1,694
Open Space acquisition (Mayhoffer)	2,065
Ambulance/Emergency Equipment	180
Indian Peaks Clubhouse Expansion – Work In Progress (WIP)	139
111 <sup>th</sup> Street Drainage/Widening – Gen Govt (WIP)	584
120 <sup>th</sup> Street/ S Boulder Road Master Plan (WIP)	205
LaMont Does Water Park (WIP)	4,423
Public Work Shops Expansion	208
Road Improvements	247
Burger Recreation Center Boiler Retrofit	149
Water Rights	2,490
Water Lines (Orange Zone, WIP)	3,292
111 <sup>th</sup> Street Drainage/Widening – Busi-Type (WIP)	280

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

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 74,397	\$ 69,593	\$ 7,300	\$ 7,309	\$ 81,697	\$ 76,902
Water Rights	-	-	37,005	34,515	37,005	34,515
Buildings and Systems	17,021	17,585	2,186	1,638	19,207	19,223
Improvements other than Buildings	1,492	1,347	316	338	1,808	1,685
Infrastructure	36,303	37,321	50,303	50,463	86,606	87,784
Equipment	3,130	3,038	2,799	3,286	5,929	6,324
Construction in Process	7,675	2,849	13,229	9,041	20,904	11,890
<b>Total</b>	<b>\$ 140,018</b>	<b>\$ 131,733</b>	<b>\$ 113,138</b>	<b>\$ 106,590</b>	<b>\$ 253,156</b>	<b>\$ 238,323</b>

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

**Bonded Debt:**

At December 31, 2017, the City had total bonded debt outstanding of \$28.0 million. Of this amount, \$7.4 million consisted of debt backed by the full faith and credit of the City, and the balance of \$20.6 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 7.4	\$ 8.3	\$ -	\$ -	\$ 7.4	\$ 8.3
Revenue bonds	5.7	6.9	10.9	11.8	16.6	18.6
Demand bonds	4.0	4.0	-	-	4.0	4.0
Total bonded debt	\$ 17.1	\$ 19.1	\$ 10.9	\$ 11.8	\$ 28.0	\$ 30.9

**Economic Factors and Next Year’s Budgets and Rates**

The City of Lafayette experienced improved economic activity during 2017. However, a cautious approach was taken in the preparation of the 2018 budget revenues. Sales tax revenues are expected to continue to increase at a tempered pace. Total budgeted expenditures for 2018 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 2018 were estimated based on the following assumptions:

- Water and Waste Water usage will be similar to 2017 with 5% respective rate increases.
- Golf Course revenues are projected relatively flat compared to 2017.
- No increase was budgeted in recreation fees so as 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 3%.
- Interest earnings are calculated at 1.0% interest, as a result of previously purchased investments.

Based on results for the first quarter of 2018, General Fund revenues (including transfers in) were 22% greater than at the same time in 2017, and sales taxes, net of rebates, increased 6%. General Fund surplus is 49% ahead of 2016 (\$1.3m and 0.9m, respectively). 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 opened just prior to the Summer of 2018 season.

Water Fund metered water sales increased slightly over the same period in 2017, and development fees (tap fees and payments in lieu of water dedications) to date in 2018 have increased as well. Water Reclamation Fund revenues have increased significantly in the early part of 2018 due to scheduled rate increases. Golf Course revenues increased nearly 30% from the same period in 2017, 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**

**2017**

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
<b>Assets</b>					
Cash and Investments	\$ 45,004,774	\$ 49,511,925	\$ 94,516,699	\$ 2,063,831	\$ 37,235
Accrued Interest Receivable	505,283	144,086	649,369	-	-
Accounts Receivable (Net Allowance for Uncollectibles)	3,287,193	1,147,888	4,435,081	542,977	202
Property Taxes Receivable	9,762,940	-	9,762,940	604,284	-
Internal Balances	58,175	(58,175)	-	-	-
Equity Interest in Component Unit	-	684,686	684,686	-	-
Prepaid Items	746,640	-	746,640	-	-
Inventory	21,186	59,371	80,557	-	-
Special Assessments Receivable	1,146,356	17,513	1,163,869	-	-
Restricted Cash and Investments	1,785,478	1,362,000	3,147,478	-	-
Deferred Income Tax Asset	-	-	-	-	102,900
Capital Assets Not Being Depreciated:					
Land	74,396,501	7,300,045	81,696,546	-	76,000
Water Rights	-	37,004,739	37,004,739	-	12,000
Construction in Progress	7,674,872	13,229,364	20,904,236	-	-
Capital Assets Net of Accumulated Depreciation:					
Buildings	17,020,746	2,185,536	19,206,282	-	-
Improvements Other Than Buildings	1,492,387	315,671	1,808,058	-	-
Equipment	3,130,543	2,799,365	5,929,908	-	-
Infrastructure and Systems	36,303,153	50,303,277	86,606,430	-	1,790,329
Net Pension Assets	287,208	-	287,208	-	-
Total Assets	202,623,435	166,007,291	368,630,726	3,211,092	2,018,666
<b>Deferred Outflows Of Resources</b>					
Deferred Charges on Debt Refunding	282,133	754,585	1,036,718	-	-
Deferred Outflows to Pensions	2,404,917	-	2,404,917	-	-
Total Deferred Outflows of Resources	2,687,050	754,585	3,441,635	-	-
<b>Liabilities</b>					
Accounts Payable	2,024,491	4,547,004	6,571,495	57,118	-
Claims Payable	70,125	-	70,125	-	-
Accrued Liabilities	532,666	192,097	724,763	-	7,754
Deposits Payable	1,494,037	118,034	1,612,071	2,000	-
Grants Received in Advance	112,960	11,741	124,701	-	-
Deferred Income Tax Liability	-	-	-	-	225,800
Water Rights Received in Advance	-	562,828	562,828	-	-
Water and Sewer Tap Fees Received in Advance	-	1,679,995	1,679,995	-	-
Noncurrent Liabilities					
Due Within One Year	3,167,448	1,674,580	4,842,028	-	192,374
Due in More Than One Year	15,816,680	13,085,696	28,902,376	-	614,615
Net Pension Liabilities	1,321,945	-	1,321,945	-	-
Total Liabilities	24,540,352	21,871,975	46,412,327	59,118	1,040,543
<b>Deferred Inflow Of Resources</b>					
Deferred Revenue - Property Taxes	9,762,940	-	9,762,940	604,284	-
Deferred Inflows - Related to Pension	15,725	-	15,725	-	-
Total Deferred Inflows of Resources	9,778,665	-	9,778,665	604,284	-

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Lafayette</u> <u>Urban Renewal</u> <u>Authority</u>	<u>Base Line Land</u> <u>&amp; Reservoir</u> <u>Company</u>
<b>Net Position</b>					
Net Investment in Capital Assets	122,568,073	99,364,335	221,932,408	-	-
Restricted for:					
Capital Projects	5,824,187	-	5,824,187	-	-
Urban Renewal Projects	-	-	-	2,547,690	-
GID Obligations	3,193,278	-	3,193,278	-	-
Endowment Care - Nonexpendable	46,398	-	46,398	-	-
Cemetery Pre-Need Trust	44,876	-	44,876	-	-
Emergency Reserve - State Imposed	450,547	-	450,547	-	-
Police Seizure	7,981	-	7,981	-	-
Communication Projects	37,905	-	37,905	-	-
Debt Payments	27,269	-	27,269	-	-
Administrator Severance Package	763,625	-	763,625	-	-
Nonexpendable - Minority Interest in Joint Venture	-	-	-	-	293,437
Unrestricted	38,027,329	45,525,566	83,552,895	-	684,686
<b>Total Net Position</b>	<u>\$ 170,991,468</u>	<u>\$ 144,889,901</u>	<u>\$ 315,881,369</u>	<u>\$ 2,547,690</u>	<u>\$ 978,123</u>

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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Lafayette	Base Line
					Governmental Activities	Business-type Activities		Urban Renewal Authority	Land & Reservoir Company
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 6,723,312	\$ 2,179,555	\$ 66,028	\$ 431,215	\$ (4,046,514)	\$ -	\$ (4,046,514)		
Judicial	599,522	683,610	-	-	84,088	-	84,088		
Public Safety	10,707,135	510,737	24,882	5,967	(10,165,549)	-	(10,165,549)		
Public Works	6,882,121	1,693,094	1,112,010	3,189,281	(887,736)	-	(887,736)		
Culture and Recreation	7,659,774	2,079,420	690,148	1,078,933	(3,811,273)	-	(3,811,273)		
Interest and Fiscal Charges	1,103,901	-	-	-	(1,103,901)	-	(1,103,901)		
Total Governmental Activities	<u>33,675,765</u>	<u>7,146,416</u>	<u>1,893,068</u>	<u>4,705,396</u>	<u>(19,930,885)</u>	<u>-</u>	<u>(19,930,885)</u>		
Business-type Activities									
Water	6,720,281	8,103,541	-	5,498,699	-	6,881,959	6,881,959		
Water Reclamation	2,949,268	5,010,334	-	1,744,180	-	3,805,246	3,805,246		
Golf Course	2,522,940	2,662,369	-	-	-	139,429	139,429		
Storm Water	738,324	742,156	-	572,628	-	576,460	576,460		
Total Business-type Activities	<u>12,930,813</u>	<u>16,518,400</u>	<u>-</u>	<u>7,815,507</u>	<u>-</u>	<u>11,403,094</u>	<u>11,403,094</u>		
Total Primary Government	<u>\$ 46,606,578</u>	<u>\$ 23,664,816</u>	<u>\$ 1,893,068</u>	<u>\$ 12,520,903</u>	<u>(19,930,885)</u>	<u>11,403,094</u>	<u>(8,527,791)</u>		
<b>Component Units:</b>									
Lafayette Urban Renewal Authority	\$ 458,039	\$ -	\$ -	\$ -			\$ (458,039)	\$ -	
Base Line Land and Reservoir Company	166,065	385,640	-	-			-	219,575	
Total Component Units	<u>\$ 624,104</u>	<u>\$ 385,640</u>	<u>\$ -</u>	<u>\$ -</u>			<u>(458,039)</u>	<u>219,575</u>	
General Revenues:									
Property & Specific Ownership Taxes					9,025,797	-	9,025,797	673,045	-
General Sales & Use Taxes					16,641,430	-	16,641,430	537,564	-
Excise Taxes					487,125	-	487,125	-	-
Unrestricted Intergovernmental Revenues					48,530	-	48,530	-	-
Franchise Taxes					1,132,143	-	1,132,143	-	-
Interest					380,639	336,344	716,983	1,791	131
Gain/(Loss) on Sale of Property					11,780	(10,339)	1,441	-	-
Transfers					2,353,517	(2,353,517)	-	-	-
Total General Revenues and Transfers					<u>30,080,961</u>	<u>(2,027,512)</u>	<u>28,053,449</u>	<u>1,212,400</u>	<u>131</u>
Change in Net Position					10,150,076	9,375,582	19,525,658	754,361	219,706
Net Position - January 1					160,841,392	135,514,319	296,355,711	1,793,329	758,417
Net Position - December 31					<u>\$ 170,991,468</u>	<u>\$ 144,889,901</u>	<u>\$ 315,881,369</u>	<u>\$ 2,547,690</u>	<u>\$ 978,123</u>

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

**CITY OF LAFAYETTE, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2017**

	General	Ambulance & Fire	Capital Projects	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 28,156,493	\$ -	\$ 7,667,588	\$ 8,536,945	\$ 44,361,026
Accrued Interest Receivable	73,645	499	26,158	25,107	125,409
Accounts Receivable					
Net of Allowance for Uncollectibles	2,992,628	15,718	-	278,685	3,287,031
Property Taxes Receivable	5,400,904	2,386,495	-	1,975,541	9,762,940
Interfund Loan Receivable	62,280	-	58,175	-	120,455
Prepaid Items	-	706,515	-	-	706,515
Inventory	21,186	-	-	-	21,186
Special Assessments Receivable	479,313	227,643	-	439,400	1,146,356
Restricted Cash and Investments	410,414	-	238,166	1,136,898	1,785,478
<b>Total Assets</b>	<b>37,596,863</b>	<b>3,336,870</b>	<b>7,990,087</b>	<b>12,392,576</b>	<b>61,316,396</b>
<b>LIABILITIES</b>					
Accounts Payable	1,304,247	781	499,981	107,708	1,912,717
Accrued Liabilities	490,288	493	-	-	490,781
Interfund Loan Payable	-	17,280	-	45,000	62,280
Deposits Payable	1,330,797	21,312	66,928	75,000	1,494,037
Grants Received in Advance	112,960	-	-	-	112,960
<b>Total Liabilities</b>	<b>3,238,292</b>	<b>39,866</b>	<b>566,909</b>	<b>227,708</b>	<b>4,072,775</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable Revenue - Property Taxes	5,400,904	2,386,495	-	1,975,541	9,762,940
Unavailable Revenue - Special Assessments	479,313	227,643	-	439,400	1,146,356
Unavailable Revenue - Other	321,493	-	-	179,336	500,829
<b>Total Deferred Inflows of Resources</b>	<b>6,201,710</b>	<b>2,614,138</b>	<b>-</b>	<b>2,594,277</b>	<b>11,410,125</b>
<b>FUND BALANCE</b>					
Resources Not in Spendable Form					
Prepaid Item	-	706,515	-	-	706,515
Inventory	21,186	-	-	-	21,186
Cemetery Endowment	-	-	-	46,398	46,398
Restricted Resources					
Cemetery Pre-need Trust	44,876	-	-	-	44,876
Administrator Severance Package	763,625	-	-	-	763,625
Debt Service Payments	-	-	-	27,269	27,269
Emergency Reserve - State Imposed	450,547	-	-	-	450,547
Police Seizure	7,981	-	-	-	7,981
Capital Projects	365,538	-	238,166	5,220,483	5,824,187
Communication Projects	37,905	-	-	-	37,905
GID Obligations	-	-	-	3,193,278	3,193,278

**CITY OF LAFAYETTE, COLORADO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	<u>General</u>	<u>Ambulance &amp; Fire</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>FUND BALANCE (continued)</b>					
Committed Resources					
Public Works Projects	777,086	-	1,341,835	-	2,118,921
Parks and Recreation Projects	1,209,580	-	5,843,177	-	7,052,757
Affordable Housing	141,404	-	-	-	141,404
Assigned Resources					
Debt Service Payments	18,999	-	-	-	18,999
Education and Pension Administrative Costs	29,510	-	-	-	29,510
Ambulance and Fire Services	-	-	-	-	-
GID Maintenance and Other	-	-	-	803,996	803,996
Recreation, Open Space, and Parks	-	-	-	301,351	301,351
Cemetery Endowment	-	-	-	134	134
Unassigned	24,288,624	(23,649)	-	(22,318)	24,242,657
<b>Total Fund Balance</b>	<u>28,156,861</u>	<u>682,866</u>	<u>7,423,178</u>	<u>9,570,591</u>	<u>45,833,496</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 37,596,863</u>	<u>\$ 3,336,870</u>	<u>\$ 7,990,087</u>	<u>\$ 12,392,576</u>	<u>\$ 61,316,396</u>

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

**CITY OF LAFAYETTE, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

Total Governmental Fund Balances		\$ 45,833,496
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Accrued Interest on special assessments is recorded as a receivable on the Statement of Net Position. This item is not available and is not recognized in the governmental funds.		378,226
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 \$75,351,534.		140,018,202
Other long-term assets are not available to pay for current-period expenditures and therefore, are not included in the funds. Net Pension Asset		287,208
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.		(41,311)
Some receivables are recorded as deferred revenue in governmental funds since they are not available for current period expenditures.		1,584,158
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(19,457,703)
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	2,404,917	
Deferred inflows relating to pensions	<u>(15,725)</u>	<u>2,389,192</u>
Net Position of the Governmental Activities		<u>\$ 170,991,468</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, 2017**

	General	Ambulance & Fire	Capital Projects	Other Governmental Funds	Total
<b>Revenues</b>					
Taxes	\$ 18,802,897	\$ 2,163,550	\$ -	\$ 5,187,905	\$ 26,154,352
Licenses and Permits	979,192	-	-	-	979,192
Intergovernmental	1,154,667	-	-	272,998	1,427,665
Fines and Forfeitures	683,609	-	-	-	683,609
Franchise Taxes	1,132,143	-	-	-	1,132,143
Special Assessments Principal	333,422	21,312	-	-	354,734
Special Assessments Interest	179,585	5,967	-	468,346	653,898
Interest	203,529	4,364	46,393	82,635	336,921
Sidewalk Maintenance/Repair	128,863	-	-	-	128,863
Service Expansion & Park Contributions	815,670	-	-	-	815,670
PEG Fees	29,924	-	-	-	29,924
Public Art Fees	29,497	-	-	-	29,497
Contributions and Misc Grants	213,807	-	-	618,268	832,075
Charges for Services	5,449,529	-	-	15,000	5,464,529
Property Sales	11,780	-	-	-	11,780
Miscellaneous	-	3,782	37,500	16,381	57,663
<b>Total Revenues</b>	<b>30,148,114</b>	<b>2,198,975</b>	<b>83,893</b>	<b>6,661,533</b>	<b>39,092,515</b>
<b>Expenditures</b>					
Current					
General Government	6,296,739	61,610	-	83,938	6,442,287
Judicial	598,409	-	-	-	598,409
Public Safety	8,670,045	1,256,844	-	-	9,926,889
Public Works	3,208,286	-	701,057	-	3,909,343
Culture and Recreation	5,928,966	-	50,195	612,576	6,591,737
Capital Outlay	2,144,614	179,989	6,162,115	2,074,563	10,561,281
Debt Service					
Capital Lease Payments	-	-	-	149,360	149,360
Bond Principal	-	-	-	2,005,000	2,005,000
Bond Interest and Fiscal Charges	-	-	-	1,143,785	1,143,785
<b>Total Expenditures</b>	<b>26,847,059</b>	<b>1,498,443</b>	<b>6,913,367</b>	<b>6,069,222</b>	<b>41,328,091</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,301,055</b>	<b>700,532</b>	<b>(6,829,474)</b>	<b>592,311</b>	<b>(2,235,576)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	4,484,444	-	3,835,000	149,360	8,468,804
Transfers (Out)	(3,984,360)	(1,055,508)	-	(1,075,419)	(6,115,287)
<b>Total Other Financing Sources (Uses)</b>	<b>500,084</b>	<b>(1,055,508)</b>	<b>3,835,000</b>	<b>(926,059)</b>	<b>2,353,517</b>

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Ambulance &amp; Fire</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Net Change in Fund Balance</b>	3,801,139	(354,976)	(2,994,474)	(333,748)	117,941
<b>Fund Balance, January 1</b>	<u>24,355,722</u>	<u>1,037,842</u>	<u>10,417,652</u>	<u>9,904,339</u>	<u>45,715,555</u>
<b>Fund Balance, December 31</b>	<u>\$ 28,156,861</u>	<u>\$ 682,866</u>	<u>\$ 7,423,178</u>	<u>\$ 9,570,591</u>	<u>\$ 45,833,496</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, 2017**

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

Net change in fund balances - total government funds	\$ 117,941
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 \$10,561,281, and Developer dedications of \$2,597,342 exceed depreciation (\$4,862,023) and retirements net of accumulated depreciation (\$11,762) in the current period.	8,284,838
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not affect the Statement of Activities.	2,146,722
Some income reported in the Statement of Activities, although measurable, is not available, and is not reported as revenue in governmental funds.	(220,467)
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.	98,077
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.	(20,383)
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.	(256,652)
Change in net position of governmental activities	\$ 10,150,076

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, 2017**

	<u>Water Utility</u>	<u>Water Reclamation Utility</u>	<u>Golf Course</u>	<u>Nonmajor Proprietary Storm Water</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Investments	\$ 38,690,240	\$ 10,047,968	\$ 566,906	\$ 206,811	\$ 49,511,925	\$ 643,748
Accrued Interest Receivable	115,637	25,971	1,713	765	144,086	1,648
Accounts Receivable	487,153	567,174	-	93,561	1,147,888	162
Equity Interest in Component Unit	684,686	-	-	-	684,686	-
Prepaid Items	-	-	-	-	-	40,125
Inventory	-	-	59,371	-	59,371	-
Interfund Loan Receivable	350,000	-	-	-	350,000	-
Restricted Cash and Investments	1,362,000	-	-	-	1,362,000	-
<b>Total Current Assets</b>	<u>41,689,716</u>	<u>10,641,113</u>	<u>627,990</u>	<u>301,137</u>	<u>53,259,956</u>	<u>685,683</u>
<b>Noncurrent Assets</b>						
Assessments Receivable	-	17,513	-	-	17,513	-
<b>Capital Assets</b>						
Water, Water Reclamation, and Storm Water System	51,225,072	32,855,310	-	2,072,212	86,152,594	-
Buildings and Improvements	1,443,424	519,477	1,532,115	217,119	3,712,135	-
Improvements Other than Buildings	173,916	420,602	451,180	28,003	1,073,701	-
Equipment	7,471,318	3,459,894	1,718,543	1,036,146	13,685,901	-
Accumulated Depreciation	(28,746,504)	(16,703,435)	(2,563,298)	(1,007,245)	(49,020,482)	-
Total Plant and Equipment, Net of Accumulated Depreciation	31,567,226	20,551,848	1,138,540	2,346,235	55,603,849	-
Land	6,453,760	716,556	-	129,729	7,300,045	-
Water Rights	37,004,739	-	-	-	37,004,739	-
Construction in Progress	10,863,935	1,135,743	66,341	1,163,345	13,229,364	-
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>85,889,660</u>	<u>22,404,147</u>	<u>1,204,881</u>	<u>3,639,309</u>	<u>113,137,997</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	<u>85,889,660</u>	<u>22,421,660</u>	<u>1,204,881</u>	<u>3,639,309</u>	<u>113,155,510</u>	<u>-</u>
<b>Total Assets</b>	<u>127,579,376</u>	<u>33,062,773</u>	<u>1,832,871</u>	<u>3,940,446</u>	<u>166,415,466</u>	<u>685,683</u>
<b>Deferred Outflows of Resources</b>						
Unamortized Charges on Debt Refunding	754,585	-	-	-	754,585	-

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

	<u>Water Utility</u>	<u>Water Reclamation Utility</u>	<u>Golf Course</u>	<u>Nonmajor Proprietary Storm Water</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Current Liabilities</b>						
Accounts Payable	\$ 3,978,641	\$ 487,566	\$ 26,447	\$ 54,350	\$ 4,547,004	\$ 48,747
Claims Payable	-	-	-	-	-	70,125
Accrued Liabilities						
Accrued Interest Payable	35,206	38,446	-	-	73,652	-
Accrued Payroll	51,732	36,328	24,552	5,833	118,445	-
Deposits Payable	43,500	-	74,534	-	118,034	-
Interfund Loan Payable	-	-	58,175	350,000	408,175	-
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	1,055,022	624,973	-	-	1,679,995	-
Current Portion of Long-Term Debt	1,010,363	606,376	48,885	8,956	1,674,580	608,122
<b>Total Current Liabilities</b>	<u>6,749,033</u>	<u>1,793,689</u>	<u>232,593</u>	<u>419,139</u>	<u>9,194,454</u>	<u>726,994</u>
<b>Noncurrent Liabilities</b>						
Long-Term Obligations	11,172,465	1,876,941	31,254	5,036	13,085,696	-
<b>Total Noncurrent Liabilities</b>	<u>11,172,465</u>	<u>1,876,941</u>	<u>31,254</u>	<u>5,036</u>	<u>13,085,696</u>	<u>-</u>
<b>Total Liabilities</b>	<u>17,921,498</u>	<u>3,670,630</u>	<u>263,847</u>	<u>424,175</u>	<u>22,280,150</u>	<u>726,994</u>
<b>Net Position</b>						
Net Investment in Capital Assets	74,577,362	20,000,960	1,146,706	3,639,307	99,364,335	-
Unrestricted	35,835,101	9,391,183	422,318	(123,036)	45,525,566	(41,311)
<b>Total Net Position</b>	<u>\$ 110,412,463</u>	<u>\$ 29,392,143</u>	<u>\$ 1,569,024</u>	<u>\$ 3,516,271</u>	<u>\$ 144,889,901</u>	<u>\$ (41,311)</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, 2017**

	<u>Water Utility</u>	<u>Water Reclamation Utility</u>	<u>Golf Course</u>	<u>Nonmajor Proprietary Storm Water</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Operating Revenues</b>						
Charges for Services						
Metered Water Sales	\$ 7,771,996	\$ -	\$ -	\$ -	\$ 7,771,996	\$ -
Waste Water Collection Fees	-	4,994,734	-	-	4,994,734	-
Storm Water Collection Fees	-	-	-	734,573	734,573	-
Golf Sales and Services	-	-	2,660,293	-	2,660,293	-
Miscellaneous Services	-	-	-	-	-	3,599,041
Other	331,545	15,600	2,076	7,583	356,804	6,883
<b>Total Operating Revenues</b>	<u>8,103,541</u>	<u>5,010,334</u>	<u>2,662,369</u>	<u>742,156</u>	<u>16,518,400</u>	<u>3,605,924</u>
<b>Operating Expenses</b>						
Administration	425,684	212,770	370,672	185,772	1,194,898	-
Source of Water Supply	1,314,434	-	-	-	1,314,434	-
Water Treatment	1,853,940	-	-	-	1,853,940	-
Water Transmission and Distribution	1,248,568	-	-	-	1,248,568	-
Waste Water Treatment	-	1,012,161	-	-	1,012,161	-
Waste Water Collection	-	754,694	-	-	754,694	-
Golf Maintenance Operations	-	-	843,774	-	843,774	-
Golf Club House Operations	-	-	686,075	-	686,075	-
Golf Food Service Operations	-	-	360,401	-	360,401	-
Storm Water Collection	-	-	-	327,422	327,422	-
Premiums and Claims Paid	-	-	-	-	-	3,775,225
Miscellaneous	-	-	-	-	-	90,285
Depreciation	1,464,768	881,387	258,578	225,130	2,829,863	-
<b>Total Operating Expenses</b>	<u>6,307,394</u>	<u>2,861,012</u>	<u>2,519,500</u>	<u>738,324</u>	<u>12,426,230</u>	<u>3,865,510</u>
<b>Operating Income (Loss)</b>	<u>1,796,147</u>	<u>2,149,322</u>	<u>142,869</u>	<u>3,832</u>	<u>4,092,170</u>	<u>(259,586)</u>
<b>Non-operating Revenues (Expenses)</b>						
Interest Revenue	261,487	66,714	5,426	2,717	336,344	2,934
Equity Income from Component Unit	46,727	-	-	-	46,727	-
Interest Expense	(412,612)	(88,256)	(3,440)	-	(504,308)	-
Bond Fees	(275)	-	-	-	(275)	-
Gain (Loss) on Sale of Capital Asset	(10,339)	-	-	-	(10,339)	-
<b>Total Non-operating Revenues (Expenses)</b>	<u>(115,012)</u>	<u>(21,542)</u>	<u>1,986</u>	<u>2,717</u>	<u>(131,851)</u>	<u>2,934</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<u>1,681,135</u>	<u>2,127,780</u>	<u>144,855</u>	<u>6,549</u>	<u>3,960,319</u>	<u>(256,652)</u>

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Water Utility</u>	<u>Water Reclamation Utility</u>	<u>Golf Course</u>	<u>Nonmajor Proprietary Storm Water</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Capital Contributions</b>						
Tap Fees	\$ 2,061,767	\$ 1,274,682	\$ -	\$ -	\$ 3,336,449	\$ -
Storm Water Development Fees	-	-	-	333,977	333,977	-
Payments in Lieu of Water	2,841,435	-	-	-	2,841,435	-
Developer Dedications	548,770	469,498	-	238,651	1,256,919	-
<b>Transfers</b>						
Transfers Out	(1,342,400)	(636,143)	(267,089)	(107,885)	(2,353,517)	-
<b>Total Contributions and Transfers</b>	<u>4,109,572</u>	<u>1,108,037</u>	<u>(267,089)</u>	<u>464,743</u>	<u>5,415,263</u>	<u>-</u>
<b>Change in Net Position</b>	5,790,707	3,235,817	(122,234)	471,292	9,375,582	(256,652)
<b>Total Net Position, January 1</b>	<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>
<b>Total Net Position, December 31</b>	<u>\$ 110,412,463</u>	<u>\$ 29,392,143</u>	<u>\$ 1,569,024</u>	<u>\$ 3,516,271</u>	<u>\$ 144,889,901</u>	<u>\$ (41,311)</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, 2017**

	Water	Water Reclamation Utility	Golf Course	Non-Major Proprietary Storm Water	Total	Governmental Activities - Internal Service Funds
<b>Cash Flows From Operating Activities</b>						
Receipts From Customers and Users	\$ 8,058,897	\$ 4,952,438	\$ 2,669,893	\$ 721,809	\$ 16,403,038	\$ 6,883
Receipts from Interfund Services Provided	-	-	-	-	-	3,599,041
Payments to Suppliers	(2,738,870)	(527,719)	(969,038)	(290,014)	(4,525,641)	(3,527,588)
Payments to Employees	(1,309,237)	(923,553)	(1,097,203)	(147,768)	(3,477,761)	(27,667)
Payment for Interfund Services Used	(401,648)	(255,882)	(168,884)	(65,870)	(892,284)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,609,143</b>	<b>3,245,284</b>	<b>434,767</b>	<b>218,158</b>	<b>7,507,352</b>	<b>50,669</b>
<b>Cash Flows from Noncapital Financing Activities</b>						
Interfund Loan	175,000	-	-	(175,000)	-	-
Transfers to Other Funds	(1,342,400)	(636,143)	(267,089)	(107,885)	(2,353,517)	-
<b>Net Cash Used by Noncapital Transfers</b>	<b>(1,167,400)</b>	<b>(636,143)</b>	<b>(267,089)</b>	<b>(282,885)</b>	<b>(2,353,517)</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Payment in Lieu of Water	2,841,435	-	-	-	2,841,435	-
Tap Fees	2,077,152	1,307,288	-	-	3,384,440	-
Storm Water Development Fees	-	-	-	333,977	333,977	-
Acquisition & Construction of Capital Assets	(7,323,517)	(1,395,795)	(132,964)	(257,261)	(9,109,537)	-
Sale of Capital Asset	978,482	-	-	-	978,482	-
Bond Fees	(275)	-	-	-	(275)	-
Principal Paid on Capital Debt	(900,000)	(534,749)	(56,480)	-	(1,491,229)	-
Interest Paid on Capital Debt	(458,650)	(107,157)	(3,440)	-	(569,247)	-
<b>Net Cash Provided/(Used) by Capital and Related Financing Activities</b>	<b>(2,785,373)</b>	<b>(730,413)</b>	<b>(192,884)</b>	<b>76,716</b>	<b>(3,631,954)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>						
Interest Received	242,676	58,434	5,155	2,279	308,544	2,610
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>242,676</b>	<b>58,434</b>	<b>5,155</b>	<b>2,279</b>	<b>308,544</b>	<b>2,610</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(100,955)</b>	<b>1,937,162</b>	<b>(20,051)</b>	<b>14,268</b>	<b>1,830,424</b>	<b>53,279</b>

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Water	Water Reclamation Utility	Golf Course	Non-Major Proprietary Storm Water	Total	Governmental Activities - Internal Service Funds
<b>Cash and Cash Equivalents, January 1</b>	40,153,195	8,110,806	586,957	192,543	49,043,501	590,469
<b>Cash and Investments, December 31, Including \$1,362,000 Reported in Restricted Accounts for the Water Fund</b>	<u>\$ 40,052,240</u>	<u>\$ 10,047,968</u>	<u>\$ 566,906</u>	<u>\$ 206,811</u>	<u>\$ 50,873,925</u>	<u>\$ 643,748</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>						
Operating Income (Loss)	\$ 1,796,147	\$ 2,149,322	\$ 142,869	\$ 3,832	\$ 4,092,170	\$ (259,586)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/Used by Operating Activities						
Depreciation Expense	1,464,768	881,387	258,578	225,130	2,829,863	-
Forgiveness of Debt	(20,177)	-	-	-	(20,177)	-
(Increase) Decrease in Accounts Receivable	(34,967)	(57,898)	150	(20,345)	(113,059)	(15)
(Increase) Decrease in Prepaid Items	-	-	-	-	-	212,355
(Increase) Decrease in Inventories	-	-	6,107	-	6,107	-
Increase (Decrease) in Accounts Payable	378,100	255,916	12,080	7,313	653,409	40,101
Increase (Decrease) in Claims Payable	-	-	-	-	-	15,380
Increase (Decrease) in Deposits Payable	10,500	-	7,371	-	17,871	-
Increase (Decrease) in Accrued Payroll	6,093	6,691	901	645	14,330	-
Increase (Decrease) in Compensated Absences	8,678	9,866	6,712	1,582	26,838	42,434
Total Adjustments	1,812,996	1,095,962	291,898	214,326	3,415,182	310,255
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 3,609,143</u>	<u>\$ 3,245,284</u>	<u>\$ 434,767</u>	<u>\$ 218,158</u>	<u>\$ 7,507,352</u>	<u>\$ 50,669</u>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>						
Capital Assets Acquired Through Developer Dedications	\$ 548,770	\$ 469,498	\$ -	\$ 238,651	\$ 1,256,919	\$ -
Forgiveness of Debt	20,177	-	-	-	20,177	-
Equity Investment in Component Unit	46,727	-	-	-	46,727	-
	<u>\$ 615,674</u>	<u>\$ 469,498</u>	<u>\$ -</u>	<u>\$ 238,651</u>	<u>\$ 1,323,823</u>	<u>\$ -</u>

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

# **NOTES TO THE FINANCIAL STATEMENTS**

## **FINANCIAL SECTION**

**2017**

**CITY OF LAFAYETTE, COLORADO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 INDEX FOR NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

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**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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, 2017**

**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 70% 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, 2017 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, 2017**

**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 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* accounts for capital improvements financed primarily by debt proceeds and General Fund transfers.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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.
- The Golf Course Fund accounts for the operations of the municipal golf course.

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

- 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 and a Capital Lease.
- 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, 2017**

**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 *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. 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, 2017**

**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 “interfund receivables/payables”. 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, 2017**

**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. Debt premiums and discounts are deferred and amortized over the life of the debt 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 expenses or 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 acquisition 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.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

K. Capital Assets (Continued)

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.

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 financial statements. 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 and proprietary fund 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. Pensions

The City participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple employer combination defined benefit and money purchase pension plan. In addition, the City maintains the Volunteer Fire Department Pension Plan, an agent multiple-employer defined benefit pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

M. Pensions (Continued)

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from each plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

N. 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.

Assigned fund balances occur on the intention, as opposed to formal action, of a specific use. The authority to assign fund balances has been delegated by City Council 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.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

N. Fund Balance/Net Position (continued)

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 or negative balances in other governmental funds.

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, 2017, the amount restricted for the TABOR reserve is \$450,547 and the amount available for extraordinary or emergency purposes is \$24,288,624.

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 position includes net positions 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. 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.

The Lafayette Tech Center (non-major Special Revenue Fund) reported a negative fund balance of (\$17,135) in 2017 due to unanticipated abatements in property tax collections late in the year. An abatement levy is under consideration for 2018. The Insurance Fund (Internal Service Fund) reported a negative net position of (\$89,896) due to an error in internal collections which has been corrected in 2018.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

O. 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 inflows. The City has not reflected the special assessment interest as revenue or as a receivable at December 31, 2017, as such amounts are not considered currently measurable. Collection of delinquent interest is recorded as revenue when received.

P. 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 of net position.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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, 2017 the City has 4 active incentive agreements in place. In 2017, the City's expenditures include \$289,360 in tax abatements.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

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

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

The governmental fund balance sheet includes 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 \$1,584,158 difference are as follows:

Special Assessments	\$ 1,146,356
Grant Receivables	179,336
Ambulance Accounts Receivable	240,877
Purchase Card Rebate	<u>17,589</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 1,584,158</u>

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 \$(19,457,703) difference are as follows:

Bonds Payable	\$ (17,065,000)
Unamortized Charges - Refunding Bonds	282,133
Unamortized Charges - Refunding Bonds	(725,833)
Accrued Interest Payable	(41,885)
Capital Leases	(109,903)
Compensated Absences	(1,083,392)
Less Amount Included in Assets and Liabilities of Internal Service Funds	608,122
Net Pension Liabilities	<u>(1,321,945)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (19,457,703)</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. 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 \$2,146,722 difference are as follows:

Principal Payments:	
Bond	\$ 2,005,000
Capital lease	<u>141,722</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,146,722</u>

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 \$(220,467) difference are as follows:

Decrease in Special Assessments	\$ (354,734)
Increase in Rebate Receivable	295
Decrease in Accrued Interest Receivable	40,784
Increase in Ambulance Services	<u>93,188</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (220,467)</u>

**CITY OF LAFAYETTE, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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)

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 \$98,077 difference are as follows:

Increase in Compensated Absences not Reported	
Through Internal Service Funds	\$ (30,094)
Decrease in Accrued Interest Payable	9,671
Amortization on Bond Premium	80,648
Loss on Refunding Amortization	(38,727)
Loss on Refunding from Prior Year	<u>76,579</u>
Net adjustment to decrease net changes in fund balances total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 98,077</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, 2017**

**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, 2017, are summarized below:

Cash and Cash Deposits	\$ 11,314,148
Investments	<u>86,350,029</u>
	<u>\$ 97,664,177</u>

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

Unrestricted	\$ 94,516,699
Restricted	<u>3,147,478</u>
	<u>\$ 97,664,177</u>

**Component Units:**

Deposits at December 31, 2017 for LURA and at November 30, 2017 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, 2017.

Cash and Cash Deposits	
Lafayette Urban Renewal Authority	\$ 2,063,831
Base Line Land and Reservoir Company	<u>37,235</u>
	<u>\$ 2,101,066</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, 2017, the City had uninsured bank deposits of \$11,710,059 collateralized by the financial institutions' agents but not in the City's name.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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, 2017, the City had the following investments:

<u>Investment Type</u>	Standard & Poors <u>Rating</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-3</u>	<u>Fair Value</u>
U.S. Treasury	*	\$ 9,305,795	\$ 7,227,049	\$ 16,532,844
Money Market	AAAm	63,327		63,327
U.S. Agency Securities (Callable)	AA+		13,424,060	13,424,060
U.S. Agency Securities	AA+	8,927,414	11,423,648	20,351,062
Commercial Paper	A-1	2,637,101		2,637,101
Corporate Bonds (Callable)	A		998,980	998,980
Corporate Bonds (Callable)	A+		1,983,110	1,983,110
Corporate Bonds (Callable)	AA-		1,587,466	1,587,466
Corporate Bonds	AA	999,487	1,200,571	2,200,058
Corporate Bonds	AA-	1,497,476	2,988,916	4,486,392
Corporate Bonds	AA+		1,993,984	1,993,984
Corporate Bonds	AAA		1,973,256	1,973,256
Local Government Investment Pools	AAAm	18,073,513		18,073,513
Mutual Funds (Cemetery Trust)	N/A	44,876		44,876
TOTAL		\$ 41,548,989	\$ 44,801,040	\$ 86,350,029

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

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)**

B. Investments (continued)

*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

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, 2017. 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, 2017, U.S Treasuries, U.S. Agency Securities and Commercial Paper are classified within Level 2 hierarchy. Corporate Bonds are classified within Level 2 hierarchy. Participant balances in the local government pools of Colorado Surplus Asset Fund Trust (CSAFE), the Colorado Local Government Liquid Asset Trust (ColoTrust), and the money market funds are stated at net asset value per share.

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

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 4 CASH DEPOSITS AND INVESTMENTS (continued)**

B. Investments (continued)

*Credit Risk* – State statutes limit investments in commercial paper to those with at least two credit ratings at or above A1 or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA- or its equivalent. 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 the Security and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

*Custodial Credit Risk* – The City’s custodial credit risk policy also follows State statutes. On December 31, 2017, the City had investments held by Wells Fargo Institutional Retirement and Trust in a custodial safekeeping account in the amount of \$68,231,640. 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, except for corporate securities, 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, 2017, the City’s investment in U.S. Government Treasury Securities was 19%, U.S. Government Agency Securities was 39%, Commercial Paper was 3%, Corporate Bonds was 18%, and Local government investment pools (cash equivalent) was 21%.

*Local Government Investment Pools* - The City has investments of \$18,073,513 in the Colorado Local Government Liquid Asset Trust (ColoTrust) and the Colorado Surplus Asset Fund Trust (CSAFE) as of December 31, 2017. The Trusts are investment vehicles 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 Trusts. The Trusts operate in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. The Trusts are rated AAAM by Standard and Poor’s. Investments of the Trusts 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.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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, 2017, the balance is \$365,538.

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, 2017, the balances in the pre-need trust and the endowment care trust were \$44,876 and \$46,398, 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, \$69,692 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 \$168,474 represents the bonded debt less construction in progress as of December 31, 2017.

In summary, restricted cash and investments at December 31, 2017 were as follows:

Northwest Parkway Related Projects	\$ 365,538
Pre-need Trust	44,876
Cemetery Endowment Fund	46,398
Exempla GID	1,090,500
2012 Water Revenue Bonds	1,362,000
Lafayette Tech Center Development Agreement	69,692
2016 General Obligation Refunding and Improvement Bonds	168,474
	<u>\$ 3,147,478</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 69,592,519	\$ 4,803,982		\$ 74,396,501
Construction in progress	2,849,212	5,540,105	(714,445)	7,674,872
Total capital assets, not being depreciated	<u>72,441,731</u>	<u>10,344,087</u>	<u>(714,445)</u>	<u>82,071,373</u>
Capital assets - being depreciated				
Buildings	27,737,470	134,593		27,872,063
Improvements other than buildings	4,527,456	337,012		4,864,468
Infrastructure	85,620,138	2,087,469		87,707,607
Equipment	12,031,309	969,907	(146,991)	12,854,225
Total capital assets, being depreciated	<u>129,916,373</u>	<u>3,528,981</u>	<u>(146,991)</u>	<u>133,298,363</u>
Less accumulated depreciation for:				
Buildings	(10,152,311)	(699,006)		(10,851,317)
Improvements other than buildings	(3,180,369)	(191,712)		(3,372,081)
Infrastructure	(48,298,721)	(3,105,733)		(51,404,454)
Equipment	(8,993,339)	(865,572)	135,229	(9,723,682)
Total accumulated depreciation	<u>(70,624,740)</u>	<u>(4,862,023)</u>	<u>135,229</u>	<u>(75,351,534)</u>
Total capital assets - being depreciated, net	59,291,633	(1,333,042)	(11,762)	57,946,829
Governmental activities capital assets, net	<u>\$ 131,733,364</u>	<u>\$ 9,011,045</u>	<u>\$ (726,207)</u>	<u>\$ 140,018,202</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 7,308,774	\$ 980,093	\$ (988,822)	\$ 7,300,045
Water rights	34,514,739	2,490,000		37,004,739
Construction in progress	9,040,634	7,224,989	(3,036,259)	13,229,364
Total capital assets, not being depreciated	<u>50,864,147</u>	<u>10,695,082</u>	<u>(4,025,081)</u>	<u>57,534,148</u>
Capital assets - being depreciated				
Buildings	3,043,336	668,799		3,712,135
Systems	84,520,509	1,632,085		86,152,594
Improvements other than buildings	1,073,701			1,073,701
Equipment	13,340,324	385,649	(40,072)	13,685,901
Total capital assets, being depreciated	<u>101,977,870</u>	<u>2,686,533</u>	<u>(40,072)</u>	<u>104,624,331</u>
Less accumulated depreciation for:				
Buildings	(1,405,167)	(121,432)		(1,526,599)
Systems	(34,057,179)	(1,813,239)	21,100	(35,849,318)
Improvements other than buildings	(735,473)	(22,557)		(758,030)
Equipment	(10,053,972)	(872,635)	40,072	(10,886,535)
Total accumulated depreciation	<u>(46,251,791)</u>	<u>(2,829,863)</u>	<u>61,172</u>	<u>(49,020,482)</u>
Total capital assets - being depreciated, net	55,726,079	(143,331)	21,100	55,603,849
Business-type capital assets, net	<u>\$ 106,590,226</u>	<u>\$ 10,551,752</u>	<u>\$ (4,003,981)</u>	<u>\$ 113,137,997</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 6 CAPITAL ASSETS (continued)**

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

Governmental Activities	
General Government	\$ 216,516
Public Safety	686,715
Public Works	2,880,382
Culture and Recreation	<u>1,078,410</u>
Total depreciation expense governmental activities	<u>\$ 4,862,023</u>
Business-type Activities	
Water	\$ 1,464,768
Water Reclamation	881,387
Golf Course	225,130
Storm Water	<u>258,578</u>
Total depreciation expense business-type activities	<u>\$ 2,829,863</u>

**Discretely presented component units**

Activity for the Base Line Land & Reservoir Company for the year ended November 30, 2017, 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>136,493</u>	<u>-</u>	<u>48,493</u>	<u>88,000</u>
Capital assets - being depreciated				
Buildings	342,203	-	-	342,203
Infrastructure	536,798	1,133,314	-	1,670,112
Total capital assets, being depreciated	<u>879,001</u>	<u>1,133,314</u>	<u>-</u>	<u>2,012,315</u>
Less accumulated depreciation for:				
Buildings	(10,729)	(8,776)	-	(19,505)
Infrastructure	(152,713)	(49,768)	-	(202,481)
Total accumulated depreciation	<u>(163,442)</u>	<u>(58,544)</u>	<u>-</u>	<u>(221,986)</u>
Total capital assets - being depreciated, net	715,559	1,074,770	-	1,790,329
Base Line Land & Reservoir Company capital assets, net	<u>\$ 852,052</u>	<u>\$ 1,074,770</u>	<u>\$ 48,493</u>	<u>\$ 1,878,329</u>

**CITY OF LAFAYETTE, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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. General obligation bonds currently outstanding are as follows:

Governmental Activities

2016 General Obligation Refunding and Improvement Bonds mature annually through December 15, 2026, interest at 2.00% to 4.00%, is paid semi-annually	<u>\$ 7,375,000</u>
Total General Obligation Bonded Debt	<u>\$ 7,375,000</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)	\$ 70,000
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)	1,720,000
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)	2,030,000

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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 1,915,000

5,735,000

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 10,890,000

10,890,000

Total Revenue Bond Debt \$ 16,625,000

The obligations of the Lafayette City Center GID, Lafayette Corporate Campus GID, 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 to Maturity</u>
2018	\$ 1,920,000	\$ 566,712	\$ 935,000	\$ 422,650	\$ 3,844,362
2019	1,910,000	498,521	955,000	403,950	3,767,471
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	1,035,000	367,550	1,050,000	305,250	2,757,800
2023-2027	4,425,000	1,198,780	5,940,000	858,800	12,422,580
2028-2032	1,330,000	425,200	-	-	1,755,200
2033-2036	530,000	81,900	-	-	611,900
	<u>\$ 13,110,000</u>	<u>\$ 3,983,063</u>	<u>\$ 10,890,000</u>	<u>\$ 2,702,250</u>	<u>\$ 30,685,313</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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, 2017, 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>\$ 3,955,000</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, 2019.

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, 2017**

**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, 2017 was 1.78%. 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 1.78% has been used in projected annual debt service requirements.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 325,000	\$ 70,399	\$ 395,399
2019	850,000	64,614	914,614
2020	890,000	49,484	939,484
2021	925,000	33,642	958,642
2022	965,000	17,177	982,177
Total	<u>\$ 3,955,000</u>	<u>\$ 235,316</u>	<u>\$ 4,190,316</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%, maturing August 2021, 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 \$2,362,398 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>
2018	\$ 556,695	\$ 86,230	\$ 642,925
2019	577,614	64,463	642,077
2020	599,288	41,976	641,264
2021	628,801	18,379	647,180
Total	<u>\$ 2,362,398</u>	<u>\$ 211,048</u>	<u>\$ 2,573,446</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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 (NCWCD) for the construction of the Windy Gap project. The total debt assumed was \$174,417. The balance due on December 31, 2016 was \$20,177. The remaining debt was defeased in 2017, with the debt being paid by NCWCD reserves.

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, 2017, is \$2,010,658; \$1,915,000 in principal and \$95,658 in interest. This issue is payable from a 3.00% municipal sales and use tax. During the year ended December 31, 2017, revenues of \$13,036,392 were available to pay the annual debt service of \$998,341.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 940,000	\$ 63,387	\$ 1,003,387
2019	975,000	32,271	1,007,271
Total	<u>\$ 1,915,000</u>	<u>\$ 95,658</u>	<u>\$ 2,010,658</u>

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, 2017, is \$13,592,250; \$10,890,000 in principal and \$2,702,250 in interest. Debt service is payable from net revenues of the City's municipal water system. During the year ended December 31, 2017, net revenues of \$7,083,204 were available to pay annual debt service of \$1,358,650.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2017, is \$2,573,446; \$2,362,398 in principal and \$211,048 in interest. The loan is payable from net revenues of the City's water reclamation system. During the year ended December 31, 2017, net revenues of \$3,735,962 were available to pay annual debt service of \$641,905.

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% 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% rate. No principal payments are due in 2017; interest only of \$113,930 is being charged.

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, 2017, is \$74,025; \$70,000 in principal and \$4,025 in interest. The debt is payable from gross revenues of the General Improvement District. For the year ending December 31, 2017, net revenues of \$91,443 were available to pay annual debt service of \$88,625.

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, 2017, is \$3,447,280; \$2,030,000 in principal and \$1,417,280 in interest. During the year ended December 31, 2017, net revenues of \$248,011 were available to pay debt service of \$248,800.

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, 2017, is \$2,925,700; \$1,720,000 in principal and \$1,205,700 in interest. For the year ending December 31, 2017, net revenues of \$145,405 were available to pay debt service of \$156,200. Property taxes revenues, estimated at \$182,183, were actually \$137,239 due to significant abatements. Management addressed this issue in 2017 by 1) lending \$45,000 to the Tech Center Fund from the General Fund, and 2) by increasing the mill levy.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 2017. The maturity of this lease is August 1, 2018. The future minimum lease obligations as of December 31, 2017 are as follows:

2018	\$ 112,020
Less amount representing interest	<u>(2,117)</u>
Present value of remaining payments	<u><u>\$ 109,903</u></u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 7 LONG-TERM DEBT (continued)**

**E. Changes in Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2017, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 8,265,000	\$ -	\$ (890,000)	\$ 7,375,000	\$ 775,000
Revenue Bonds	6,850,000	-	(1,115,000)	5,735,000	1,145,000
Demand Bonds	3,955,000	-	-	3,955,000	325,000
Total Bonds Payable	19,070,000	-	(2,005,000)	17,065,000	2,245,000
Deferred Amounts					
For Issuance Premiums	806,481	-	(80,648)	725,833	-
Total Bonds Payable, Including deferred amounts	19,876,481	-	(2,085,648)	17,790,833	2,245,000
Capital Leases	251,625	-	(141,722)	109,903	109,903
Compensated Absences	1,010,869	1,148,793	(1,076,270)	1,083,392	812,545
Governmental Activity long- term activities	<u>\$ 21,138,975</u>	<u>\$ 1,148,793</u>	<u>\$ (3,303,640)</u>	<u>\$ 18,984,128</u>	<u>\$ 3,167,448</u>
<b>Business-type Activities</b>					
Bonds Payable					
Revenue Bonds	\$ 11,790,000	\$ -	\$ (900,000)	\$ 10,890,000	\$ 935,000
Total Bonds Payable	11,790,000	-	(900,000)	10,890,000	935,000
Deferred Amounts					
For Issuance Premiums	1,345,560	-	(127,886)	1,217,674	-
Total Bonds Payable, Including deferred amounts	13,135,560	-	(1,027,886)	12,107,674	935,000
Notes Payable	2,917,322	-	(554,924)	2,362,398	556,695
Compensated Absences	263,363	297,896	(271,055)	290,204	182,885
Business-type activity long- term activities	<u>\$ 16,316,245</u>	<u>\$ 297,896</u>	<u>\$ (1,853,865)</u>	<u>\$ 14,760,276</u>	<u>\$ 1,674,580</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 8 INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES**

The following interfund transfers occurred during 2017 for the purposes stated below.

<u>Transfers Out</u>			<u>Transfers In</u>		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>	<u>General</u>	<u>Fund:</u> <u>Debt</u>	<u>Capital</u>
General	Cap Lease	\$149,360	-	\$149,360	-
General	Capital Projects Reimbursement	3,835,000	-	-	\$3,835,000
Ambulance & Fire	Services	1,055,508	\$1,055,508	-	-
Parks, Open Space, & Trails	Maintenance	1,075,148	1,075,148	-	-
Water	Admin Charges	1,342,400	1,342,400	-	-
Water Reclamation	Admin Charges	636,143	636,143	-	-
Storm Water	Admin Charges	107,885	107,885	-	-
Golf Course Cemetery	Admin Charges	267,089	267,089	-	-
Endowment	Maintenance	271	271	-	-
		<u>\$8,468,804</u>	<u>\$4,484,444</u>	<u>\$149,360</u>	<u>\$3,835,000</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, 2017, is \$58,175.

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.

In 2017, General Fund loaned the Ambulance Fund \$17,280, and the Tech Center \$45,000, in order to temporarily assist with cash flow issues.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.

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, 2017, the City and employees made all required contributions to the plan, of \$762,607 and \$598,123 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. During the year ended December 31, 2017, the City used \$46,779 of forfeitures from terminated employees.

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

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

A. Defined Contribution Plan for General Employees (continued)

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.

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

The City participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan, a cost-sharing multiple-employer combination defined benefit plan. In addition, The City maintains the Volunteer Fire Department Pension Plan, an agent multiple-employer defined benefit pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

As of December 31, 2017, 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	\$ (1,321,945)
Net pension asset	287,208
Deferred outflows of resources	2,404,917
Deferred inflows of resources	(15,725)
Pension expense	20,383
Net increase (decrease) in net position	<u>\$ 1,374,838</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>.

**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)

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.

During this process, every effort was made to retain continuity between the old and new plan provisions. 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. 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.)

**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)

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 \$72,034 to ICMA-RC in 2017 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 2017 the City paid \$96,582 and the employees paid \$75,751. 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.

An alternative plan provided by FPPA is the Defined Retirement Option Plan (DROP). There was one participant in this plan in 2017.

**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.

**CITY OF LAFAYETTE, COLORADO**  
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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)

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, 2016 through June 30, 2017 was 13.5 percent. The Defined Benefit Component contribution rate from July 1, 2017 through December 31, 2017 was 14.8 percent.

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 2017 of \$36,384 and 28,536, respectively.

*Pension Asset.* At December 31, 2017, the City reported an asset of \$287,208 for its proportionate share of the SWH net pension asset. The net pension asset was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2015 actuarial valuation.

**CITY OF LAFAYETTE, COLORADO**  
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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's reported asset at December 31, 2017 decreased to \$287,208 from the City's prior year asset of \$397,075 because of changes in the SWH net pension asset and from the City's proportionate share of that asset. The FPPA 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, 2016. The City's proportion measured as of December 31, 2016, was 2.638502%, which was a decrease of 1.131351% from its proportion measured as of December 31, 2015.

*Pension Expense and Deferred Outflows/Inflows of Resources.* For the year ended December 31, 2017, the City recognized a reduction in pension expense for the SWH plan of \$44,026. At December 31, 2017, the City reports deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 147,838
Changes in assumptions	12,741
Difference between projected and actual investment earnings	63,711
Changes in proportion and differences between City contributions and proportionate share of contributions	240,519
City contributions subsequent to the measurement date	36,384
Total	<u>\$ 501,193</u>

**CITY OF LAFAYETTE, COLORADO**  
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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 \$36,384 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, 2018. 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
2018	\$ 84,476
2019	84,476
2020	83,262
2021	69,661
2022	59,419
Thereafter	83,515
Total	<u>\$ 464,809</u>

The actuarial valuations as of January 1, 2017, for the Statewide Hybrid Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return *	7.5%
Projected Salary Increases *	4.0% -14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

**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)

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's analysis and recommendations from the 2015 experience.

**CITY OF LAFAYETTE, COLORADO**  
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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 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 (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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.5%
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 FPPA 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  
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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)

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

	1% Decrease to 6.50%	Current Discount Rate 7.50%	1% Increase to 8.50%
City's proportionate share of the net pension liability / (asset):	\$ (152,726)	\$ (287,208)	\$ (399,399)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued FPPA financial report as described previously.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS**  
**(continued)**

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

**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. 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 FPPA 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.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS**  
**(continued)**

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

**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 the state legislature. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers were contributing at the rate of 8.0 percent of base salary for a total contribution rate of 16.0 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 made contributions to this plan for 2015 the contribution rates were 8.0% and 8.5%, respectively. In 2016 the contribution rates were 8.0% and 9.0% respectively. In 2017 the contribution rates were 8.0% and 9.5% respectively. The City and employees made the required contributions to the plan in 2017 of \$252,788 and \$310,522, 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**  
**DECEMBER 31, 2017**

**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 2015 the contribution rates were 10.2% and 10.3% respectively. In 2016 the contribution rates were 10.2% and 10.8% respectively. In 2017 the contribution rates were 10.2% and 11.3% respectively. The City and employees made the required contributions to the plan in 2017 of \$129,410 and \$143,118, respectively.

*Pension Liability.* At December 31, 2017, the City reported a liability of \$309,183 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2017 actuarial valuation.

The City's reported asset at December 31, 2016 was eliminated, resulting in a net pension liability of \$309,183 from the City's prior year asset of \$14,197 because of changes in the SWDB net pension asset and from the City's proportionate share of that asset. The FPPA publicly available financial report provides details on the net change in the net pension asset.

The City's proportion of the net pension liability was based on contributions received and processed by employers that were members of the SWDB plan within the year ended December 31, 2016. The City's proportion measured as of December 31, 2016, was 0.855652%, which was an increase of 0.050158% from its proportion measured as of December 31, 2015.

*Pension Expense and Deferred Outflows/Inflows of Resources.* For the year ended December 31, 2017, the City recognized an increase in pension expense for the SWDB plan of \$96,047. At December 31, 2017, 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	\$ 276,061	\$ 15,725
Difference between projected and actual investment earnings	834,543	-
Changes in assumptions	211,196	-
Changes in proportion and differences between City contributions and proportionate share of contributions	3,896	-
City contributions subsequent to the measurement date	382,198	-
Total	<u>\$ 1,707,894</u>	<u>\$ 15,725</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS**  
**(continued)**

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

The \$382,198 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, 2018. 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
2018	\$ 309,851
2019	309,851
2020	290,817
2021	179,050
2022	47,286
Thereafter	173,116
Total	<u>\$ 1,309,971</u>

The actuarial valuation as of January 1, 2017 for the Statewide Defined Benefit Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return *	7.5%
Projected Salary Increases *	4.0% -14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

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, 2017**

**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 discount rate, the following presents the plan's net pension liability/(asset), calculated using a discount rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease to 6.50%	Current Discount Rate 7.50%	1% Increase to 8.50%
City's proportionate share of the net pension liability / (asset):	\$ 2,630,625	\$ 309,183	\$ (1,618,894)

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

**OTHER POST EMPLOYMENT BENEFITS**

*Plan Description* – They City contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All commissioned officers, firefighters, and ambulance personnel are members of the plan. Contributions to the plan are solely for the payment of death and disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA as described previously.

*Funding Policy* – The contribution requirements are established by State statute. The City Council determines the contribution split between the members and the City. No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the City contributed 2.7% of base salaries during the year ended December 31, 2017. The City's contributions to the plan for the years ended December 31, 2017, 2016, and 2015 were \$114,399, \$94,547, \$ 85,962, respectively, equal to the required contributions.

**CITY OF LAFAYETTE, COLORADO  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2017**

**NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS  
(continued)**

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

**VOLUNTEER FIREFIGHTERS**

*General Information* - The City gradually terminated the volunteer firefighter program as the emphasis changed to an all-career firefighter staff. 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 City Council serves as the plan's Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions, and determines the contributions made by the City. The FPPA administers this agent multiple-employer plan. The FPPA issues a publicly available comprehensive annual financial report that can be obtained at:

[http://www.fppaco.org/PDF/annual\\_reports/17.annual.report.pdf](http://www.fppaco.org/PDF/annual_reports/17.annual.report.pdf).

*Plan Membership* – Plan membership consists of inactive non-retired volunteer firefighters and their beneficiaries. At January 1, 2017, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	37
Inactive plan members entitled to, but not yet receiving, benefits	<u>6</u>
Total	<u>43</u>

*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 of \$600. 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 burial benefit of \$1,150 upon the death of a retired firefighter. Spouses of deceased firefighters receive a monthly benefit of \$300.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS**  
**(continued)**

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

*Contributions* - The Volunteer Fire Department 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.

Contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. Based on the January 1, 2015, actuarial valuation, the actuarially determined contributions expected to eliminate the unfunded liability over the next 20 years, were 93,525. For the year ended December 31, 2017, 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 8 years.

*Pension Liability.* At December 31, 2017, the City reported a net pension liability of \$1,012,762, measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined based on the January 1, 2017 actuarial valuation.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 2,345,447	\$ 1,308,833	\$ 1,036,614
Changes for the year:			
Service cost	-	-	-
Interest	167,949	-	167,949
Differences between expected & actual experience	(45,180)	-	(45,180)
Changes of Assumptions	76,440		76,440
Contributions - employer	-	119,164	(119,164)
Contributions - employee	-	-	-
Net investment income	-	63,877	(63,877)
Benefit payments, including refunds of employee contributions	(216,163)	(216,163)	-
Administrative expense	-	(2,202)	2,202
Other changes	-	42,222	(42,222)
Net changes	<u>(16,954)</u>	<u>6,898</u>	<u>(23,852)</u>
Balance at December 31, 2016	<u>\$ 2,328,493</u>	<u>\$ 1,315,731</u>	<u>\$ 1,012,762</u>

*Pension Expense and Deferred Outflows/Inflows of Resources.* For the year ended December 31, 2017, the City recognized a pension expense for the Volunteer plan of \$31,638. At December 31, 2017, the City reports deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between projected and actual investment earnings	\$ 76,666
City contributions subsequent to the measurement date	119,164
Total	<u>\$ 195,830</u>

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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 liability in the year ended in December 31, 2018. 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:

<u>Year ending</u> <u>December 31</u>	<u>Net Outflow</u>
2018	\$ 24,401
2019	24,400
2020	21,426
2021	6,439
Total	<u>\$ 76,666</u>

*Actuarial Assumptions.* The significant actuarial assumptions used to measure the total pension liability were determined by an actuarial valuation as of January 1, 2017 and are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Open *
Remaining Amortization Period	20 Years *
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.5%
Retirement Age	50% per year of eligibility until 100% at 65.
Retirement Age	Pre-retirement: RP-2014 combined mortality table with blue collar adjustment, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 combined mortality table, with blue collar adjustment. Disabled: RP-2014 disabled mortality table All tables projected with Scale BB.

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

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 9 EMPLOYEE AND VOLUNTEER FIREFIGHTERS RETIREMENT PLANS**  
**(continued)**

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

*Changes of Assumptions* – Following a regularly scheduled experience study in 2015, the FPPA Board of Directors adopted new assumptions for the first use in the actuarial valuation as of January 1, 2017. The significant changes affecting the plan include a reduction in the inflation rate from 3% to 2.5% and updated mortality assumptions based on RP-2014 mortality tables.

The long-term expected rate of return on 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, eliminating the 2.5% inflation assumption, for each major asset class included in the target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	36.0%	6.75%
Equity Long/Short	10.0%	4.85%
Illiquid Alternatives	23.0%	8.25%
Fixed Income	15.0%	0.50%
Absolute Return	10.0%	4.05%
Managed Futures	4.0%	3.00%
Cash	2.0%	0.00%
Total	<u>100.0%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.5% 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, 2017**

**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 to changes in the discount rate, the following presents the plan's net pension liability, calculated using a discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease to 6.50%	Current Discount Rate 7.50%	1% Increase to 8.50%
City's net pension liability:	\$ 1,228,812	\$ 1,012,762	\$ 828,965

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

**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, 2017**

**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, 2015	Claims Incurred	Claims Paid	Dec. 31, 2016	Claims Incurred	Claims Paid	Dec. 31, 2017
Property & Liability	\$ -	\$209,254	\$155,626	\$ 53,628	\$273,643	\$265,643	\$ 61,628

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 \$1,036,253. 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. During 2017, the City determined that the property would be used for City purposes.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 12 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.

In June 2017, the City entered in to an Intergovernmental Agreement (IGA) with Boulder County to acquire an approximately 24-acre parcel of property near the intersection of 120<sup>th</sup> 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 negotiated an IGA with Boulder county wherein the contract to acquire the Flatirons Church property was assigned to Boulder County, who took title to the Property and paid 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, \$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.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 12 COMMITMENTS AND CONTINGENCIES (continued)**

**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 13 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.

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **FINANCIAL SECTION**

**2017**

**CITY OF LAFAYETTE, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 4,653,127	\$ 4,653,127	\$ 4,743,138	\$ 90,011
Fire District Tax	5,300	5,300	5,300	-
Specific Ownership Tax	275,408	275,408	336,588	61,180
General Sales & Use Tax	9,943,630	9,943,630	10,062,356	118,726
Motor Vehicle Use Tax	1,389,778	1,389,778	1,758,809	369,031
Building Use Tax	833,867	833,867	1,409,581	575,714
Marijuana Excise Tax	300,000	400,000	487,125	87,125
Total Taxes	<u>17,401,110</u>	<u>17,501,110</u>	<u>18,802,897</u>	<u>1,301,787</u>
License and Permits				
Business Licenses	10,525	10,525	7,750	(2,775)
Contractor Licenses	63,000	63,000	88,825	25,825
Liquor Licenses	13,000	13,000	19,596	6,596
Marijuana Licenses	90,000	90,000	118,650	28,650
Construction Permits	402,000	627,000	733,632	106,632
Mobile Home Permits	9,000	9,000	8,580	(420)
Miscellaneous Licenses	2,500	2,500	2,159	(341)
Total Licenses and Permits	<u>590,025</u>	<u>815,025</u>	<u>979,192</u>	<u>164,167</u>
Intergovernmental				
Federal, State, and County Grants	69,000	69,000	133,471	64,471
Cultural Arts Grant	12,960	12,960	15,230	2,270
Cigarette Tax	45,000	45,000	48,530	3,530
Motor Vehicle Registration	90,000	90,000	99,545	9,545
County Road and Bridge Tax	40,000	40,000	41,695	1,695
Highway Users Tax	838,412	838,412	816,196	(22,216)
Total Intergovernmental	<u>1,095,372</u>	<u>1,095,372</u>	<u>1,154,667</u>	<u>59,295</u>
Fines and Forfeitures				
Fines	561,000	561,000	642,093	81,093
Court Costs	39,000	39,000	41,516	2,516
Total Fines and Forfeitures	<u>600,000</u>	<u>600,000</u>	<u>683,609</u>	<u>83,609</u>
Interest and Other				
Franchise Taxes	1,100,000	1,100,000	1,132,143	32,143
Special Assessments Principal	3,000	3,000	333,422	330,422
Special Assessments Interest	800	800	179,585	178,785
Interest	200,000	200,000	203,529	3,529
Sidewalk Maintenance/Repair	90,000	90,000	128,863	38,863
Service Expansion and Park Contributions	367,000	487,000	815,670	328,670
PEG Fees	29,000	29,000	29,924	924

(Continued)

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues (continued)</b>				
Interest and Other				
Public Art Fees	9,316	9,316	29,497	20,181
Contributions and Misc Grants	21,000	21,000	213,807	192,807
Property Sales	20,000	20,000	11,780	(8,220)
Total Interest and Other	<u>1,840,116</u>	<u>1,960,116</u>	<u>3,078,220</u>	<u>1,118,104</u>
Charges for Services				
Building Fees	268,000	468,000	719,368	251,368
Culture and Recreation Fees	1,445,735	1,812,735	1,999,062	186,327
Cemetery Fees	30,000	30,000	56,750	26,750
Administrative Fees	94,471	94,471	161,240	66,769
Misc Rentals	161,000	161,000	174,365	13,365
Pawn Shop Fees	11,000	11,000	10,229	(771)
Police Service Fees	30,000	30,000	51,161	21,161
Ambulance Fees	350,000	240,000	269,563	29,563
Solid Waste, Recycling and Compost Fees	1,467,949	2,085,357	1,686,039	(399,318)
Miscellaneous Services	115,488	115,488	321,752	206,264
Total Charges for Services	<u>3,973,643</u>	<u>5,048,051</u>	<u>5,449,529</u>	<u>401,478</u>
<b>Total Revenues</b>	<u>25,500,266</u>	<u>27,019,674</u>	<u>30,148,114</u>	<u>3,128,440</u>
<b>Expenditures</b>				
General Government				
City Council	250,581	250,581	272,229	(21,648)
Non-Departmental	2,187,783	1,896,872	539,549	1,357,323
City Administrator	334,221	748,381	685,960	62,421
City Clerk	248,325	248,325	260,243	(11,918)
Community Development	525,550	493,053	410,672	82,381
Human Resources	361,093	366,093	406,753	(40,660)
Financial Services	670,723	795,723	830,099	(34,376)
Information Technologies	1,064,316	1,144,302	969,712	174,590
General Building Maintenance	863,249	979,694	993,339	(13,645)
Planning	874,268	874,268	928,183	(53,915)
Total General Government	<u>7,380,109</u>	<u>7,797,292</u>	<u>6,296,739</u>	<u>1,500,553</u>
Judicial				
City Attorney	299,500	599,500	438,133	161,367
Municipal Court	171,177	171,177	160,276	10,901
Total Judicial	<u>470,677</u>	<u>770,677</u>	<u>598,409</u>	<u>172,268</u>

(Continued)

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Expenditures (continued)</b>				
Public Safety				
Police	5,930,482	5,930,482	5,992,673	(62,191)
Fire	683,203	683,203	707,987	(24,784)
Ambulance	1,743,545	1,743,545	1,969,385	(225,840)
Total Public Safety	<u>8,357,230</u>	<u>8,357,230</u>	<u>8,670,045</u>	<u>(312,815)</u>
Public Works				
Administration - Public Works	1,564,340	1,564,340	1,457,481	106,859
Solid Waste & Recycling	1,105,892	1,730,500	1,750,805	(20,305)
Total Public Works	<u>2,670,232</u>	<u>3,294,840</u>	<u>3,208,286</u>	<u>86,554</u>
Culture and Recreation				
Admin - Parks, Open Space, & Golf	227,390	227,390	227,712	(322)
Cemeteries	114,443	114,443	106,966	7,477
Parks	835,774	880,774	819,626	61,148
Open Space Maintenance	449,472	464,057	425,505	38,552
Streetscapes	142,821	142,821	122,414	20,407
Admin - Recreation & Facility Management	462,194	307,097	255,331	51,766
Recreation Center	2,357,423	2,420,056	2,213,731	206,325
Library	1,378,561	1,378,561	1,304,221	74,340
Senior Services	425,952	496,036	453,460	42,576
Total Culture and Recreation	<u>6,394,030</u>	<u>6,431,235</u>	<u>5,928,966</u>	<u>502,269</u>
Capital Outlay	<u>1,544,598</u>	<u>2,084,408</u>	<u>2,144,614</u>	<u>(60,206)</u>

(Continued)

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Total Expenditures</b>	26,816,876	28,735,682	26,847,059	1,888,623
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,316,610)	(1,716,008)	3,301,055	5,017,063
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,957,117	3,957,117	4,484,444	527,327
Transfers Out	(2,635,000)	(3,835,000)	(3,984,360)	(149,360)
<b>Total Other Financing Sources (Uses)</b>	1,322,117	122,117	500,084	377,967
<b>Net Change in Fund Balance</b>	5,507	(1,593,891)	3,801,139	5,395,030
<b>Fund Balance, January 1</b>	14,562,523	24,355,722	24,355,722	-
<b>Fund Balance, December 31, Budgetary Basis</b>	<u>\$ 14,568,030</u>	<u>\$ 22,761,831</u>	<u>\$ 28,156,861</u>	<u>\$ 5,395,030</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Property Taxes	\$ 2,015,760	\$ 2,015,760	\$ 2,044,549	\$ 28,789
Specific Ownership Taxes	72,425	72,425	119,001	46,576
Miscellaneous	-	-	3,782	3,782
Interest	2,850	2,850	4,364	1,514
Assessment - Principal	-	-	21,312	21,312
Assessment - Interest	-	-	5,967	5,967
<b>Total Revenue</b>	<u>2,091,035</u>	<u>2,091,035</u>	<u>2,198,975</u>	<u>107,940</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	61,010	61,010	61,610	(600)
Public Safety	968,620	968,620	1,256,844	(288,224)
<b>Capital Outlay</b>	<u>215,000</u>	<u>215,000</u>	<u>179,989</u>	<u>35,011</u>
<b>Total Expenditures</b>	<u>1,244,630</u>	<u>1,244,630</u>	<u>1,498,443</u>	<u>(253,813)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>846,405</u>	<u>846,405</u>	<u>700,532</u>	<u>(145,873)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (Out)	<u>(1,055,508)</u>	<u>(1,055,508)</u>	<u>(1,055,508)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,055,508)</u>	<u>(1,055,508)</u>	<u>(1,055,508)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(209,103)	(209,103)	(354,976)	(145,873)
<b>Fund Balance, January 1</b>	<u>1,244,859</u>	<u>1,037,842</u>	<u>1,037,842</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 1,035,756</u>	<u>\$ 828,739</u>	<u>\$ 682,866</u>	<u>\$ (145,873)</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>	<u>Hybrid</u>	<u>Defined Benefit</u>
Measurement Date	<u>12/31/2016</u>		<u>12/31/2015</u>		<u>12/31/2014</u>	
City's Proportion of the Net Pension Liability (Asset)	2.638502%	0.855652%	3.769853%	0.805494%	4.590973%	0.871297%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (287,208)	\$ 309,183	\$ (397,075)	\$ (14,197)	\$ (544,473)	\$ (983,824)
City's Covered Payroll	\$ 334,524	\$ 4,007,283	\$ 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	-85.85%	7.72%	-81.58%	-0.40%	-97.73%	-27.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	125.79%	98.21%	129.44%	100.10%	140.60%	106.80%

Information will be provided prospectively.

See the accompanying independent auditor's report.

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

Fiscal Year Ending	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarial Determined Contribution	\$ 36,384	\$ 34,121	\$ 49,645
Contributions in Relation to the Actuarial Determined Contribution	<u>36,384</u>	<u>34,121</u>	<u>49,645</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 356,707	\$ 334,524	\$ 486,714
Contributions as a Percentage of Covered Employee Payroll	10.20%	10.20%	10.20%

Information will be provided prospectively.

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

Fiscal Year Ending	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Statutorily Required Contribution	\$ 382,198	\$ 350,326	\$ 282,891
Contributions in Relation to the Statutorily Required Contribution	<u>382,198</u>	<u>350,326</u>	<u>282,891</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Employee Payroll	\$ 4,428,574	\$ 4,007,283	\$ 3,536,132
Contributions as a Percentage of Covered Employee Payroll	8.00% - 10.20%	8.00% - 10.20%	8.00% - 10.20%

Information will be provided prospectively.

See the accompanying independent auditor's report.

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

Information to be provided prospectively.

Measurement Date	<u>12/31/2016</u>	<u>12/31/2015</u>
<b>Total Pension Liability</b>		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	167,949	170,993
Benefit Changes	-	-
Difference between Expected and Actual Experience	(45,180)	-
Assumption Changes	76,440	-
Benefit Payments	(216,163)	(207,166)
<b>Net Change in Total Pension Liability</b>	(16,954)	(36,173)
<b>Total Pension Liability - Beginning</b>	2,345,447	2,381,620
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 2,328,493</u>	<u>\$ 2,345,447</u>
<b>Plan Fiduciary Net Position</b>		
Employer Contributions	\$ 119,164	\$ 119,164
Pension Plan Net Investment Income	63,877	23,339
Benefit Payments	(216,163)	(207,166)
Pension Plan Administrative Expense	(2,202)	(3,034)
State of Colorado supplemental discretionary payment	42,222	42,222
<b>Net Change in Plan Fiduciary Net Position</b>	6,898	(25,475)
<b>Plan Fiduciary Net Position - Beginning</b>	1,308,833	1,334,308
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 1,315,731</u>	<u>\$ 1,308,833</u>
<b>Net Pension Liability/(Asset) - Ending (a)-(b)</b>	\$ 1,012,762	\$ 1,036,614
<b>Plan Fiduciary Net Position as a Percentage of total Pension Liability</b>	56.51%	55.80%
<b>Covered Employee Payroll</b>	N/A	N/A
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	N/A	N/A

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE  
SCHEDULE OF CONTRIBUTIONS VOLUNTEER PLAN**

Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2014	\$ 119,164	\$ 161,386	\$ (42,222)	N/A	N/A
2015	119,164	161,386	(42,222)	N/A	N/A
2016	93,525	161,386	(67,861)	N/A	N/A
2017	93,525	161,386	(67,861)	N/A	N/A

\*Includes both employer and State of Colorado Supplemental Discretionary Payment

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2017**

**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 principles (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.

**Legal Compliance**

For the year ended December 31, 2017, the Ambulance & Fire, Debt Service, Golf and Storm Water Fund expenditures exceeded the amounts budgeted by \$253,813, \$2,743, \$88,943, and \$106,519, respectively. These may be violations of State statutes.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2017**

**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**

The Volunteer Fire Department Pension Plan's net pension liability and associated amounts are measured at December 31, 2016, based on the actuarial valuation as of January 1, 2017, which is a one-year lag compared to the City's fiscal year ended December 31, 2017. Covered payroll is not applicable for volunteers. Therefore, no covered payroll information is presented in the accompanying schedule.

**Changes of Assumptions**

Following a regularly scheduled experience study in 2015, the FPPA Board of Directors adopted new assumptions for the first use in the actuarial valuation as of January 1, 2017. The significant changes affecting the plan include a reduction in the inflation rate from 3% to 2.5% and updated mortality assumptions based on RP -2014 mortality tables.

**CITY OF LAFAYETTE, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2017**

**NOTE 2 CONTRIBUTIONS TO THE VOLUNTEER PLAN (continued)**

**Contributions**

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

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-2014 combined mortality table with blue collar adjustment, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 combined mortality table, with blue collar adjustment. Disabled: RP-2014 disabled mortality table All tables projected with Scale BB.
Includes Inflation at	2.5%

\*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

**2017**

**CITY OF LAFAYETTE, COLORADO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2017**

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 Project Funds

The Capital Project Funds are used to account for the acquisition and 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.

Debt Service Fund

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.

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, 2017**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Cemetery Endowment Fund	Total
<b>ASSETS</b>					
Cash and Investments	\$ 2,927,471	\$ 5,585,233	\$ 24,241	\$ -	\$ 8,536,945
Accrued Interest Receivable	8,304	16,562	107	134	25,107
Accounts Receivable	69,081	206,683	2,921	-	278,685
Property Taxes Receivable	811,462	-	1,164,079	-	1,975,541
Special Assessments Receivable	439,400	-	-	-	439,400
Restricted Cash and Investments	1,090,500	-	-	46,398	1,136,898
<b>Total Assets</b>	<b>\$ 5,346,218</b>	<b>\$ 5,808,478</b>	<b>\$ 1,191,348</b>	<b>\$ 46,532</b>	<b>\$ 12,392,576</b>
<b>LIABILITIES</b>					
Accounts Payable	400	107,308	-	-	107,708
Interfund Loan Payable	45,000	-	-	-	45,000
Deposits Payable	75,000	-	-	-	75,000
<b>Total Liabilities</b>	<b>120,400</b>	<b>107,308</b>	<b>-</b>	<b>-</b>	<b>227,708</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	811,462	-	1,164,079	-	1,975,541
Unavailable Revenue - Special Assessments	439,400	-	-	-	439,400
Unavailable Revenue - Grants	-	179,336	-	-	179,336
<b>Total Deferred Inflows of Resources</b>	<b>1,250,862</b>	<b>179,336</b>	<b>1,164,079</b>	<b>-</b>	<b>2,594,277</b>
<b>FUND BALANCE</b>					
Resources Not in Spendable Form	-	-	-	46,398	46,398
Restricted	3,193,278	5,220,483	27,269	-	8,441,030
Assigned	803,996	301,351	-	134	1,105,481
Unassigned	(22,318)	-	-	-	(22,318)
<b>Total Fund Balance</b>	<b>3,974,956</b>	<b>5,521,834</b>	<b>27,269</b>	<b>46,532</b>	<b>9,570,591</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 5,346,218</b>	<b>\$ 5,808,478</b>	<b>\$ 1,191,348</b>	<b>\$ 46,532</b>	<b>\$ 12,392,576</b>

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, 2017**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Cemetery Endowment Fund	Total
<b>Revenues</b>					
Taxes					
Property Tax	\$ 587,679	\$ -	\$ 1,154,028	\$ -	\$ 1,741,707
Specific Ownership Tax	35,514	-	-	-	35,514
Building Use Tax	-	245,952	66,133	-	312,085
Vehicle Use Tax	-	311,506	110,222	-	421,728
General Sales Tax	-	1,861,226	815,645	-	2,676,871
<b>Total Taxes</b>	<b>623,193</b>	<b>2,418,684</b>	<b>2,146,028</b>	<b>-</b>	<b>5,187,905</b>
Intergovernmental - State Grants	-	272,998	-	-	272,998
Assessment - Interest	468,346	-	-	-	468,346
Interest	32,105	40,060	10,169	301	82,635
Charges for Services	15,000	-	-	-	15,000
Contributions and Misc Grants	-	618,268	-	-	618,268
Miscellaneous Income	2,988	13,393	-	-	16,381
<b>Total Revenues</b>	<b>1,141,632</b>	<b>3,363,403</b>	<b>2,156,197</b>	<b>301</b>	<b>6,661,533</b>
<b>Expenditures</b>					
General Government	49,810	15,576	18,552	-	83,938
Cultural and Recreation	-	612,576	-	-	612,576
Capital Outlay	-	2,074,563	-	-	2,074,563
Capital Lease and Loan Payments	-	-	149,360	-	149,360
Principal	210,000	-	1,795,000	-	2,005,000
Interest and Fiscal Charges	778,882	-	364,903	-	1,143,785
<b>Total Expenditures</b>	<b>1,038,692</b>	<b>2,702,715</b>	<b>2,327,815</b>	<b>-</b>	<b>6,069,222</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>102,940</b>	<b>660,688</b>	<b>(171,618)</b>	<b>301</b>	<b>592,311</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	149,360	-	149,360
Transfers (Out)	-	(1,075,148)	-	(271)	(1,075,419)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,075,148)</b>	<b>149,360</b>	<b>(271)</b>	<b>(926,059)</b>
<b>Net Change in Fund Balance</b>	<b>102,940</b>	<b>(414,460)</b>	<b>(22,258)</b>	<b>30</b>	<b>(333,748)</b>
<b>Fund Balance, January 1</b>	<b>3,872,016</b>	<b>5,936,294</b>	<b>49,527</b>	<b>46,502</b>	<b>9,904,339</b>
<b>Fund Balance, December 31</b>	<b>\$ 3,974,956</b>	<b>\$ 5,521,834</b>	<b>\$ 27,269</b>	<b>\$ 46,532</b>	<b>\$ 9,570,591</b>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017**

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Total
<b>ASSETS</b>					
Cash and Investments	\$ 107,382	\$ 2,412,878	\$ 380,241	\$ 26,970	\$ 2,927,471
Accrued Interest Receivable	306	6,870	1,098	30	8,304
Accounts Receivable	478	66,500	1,238	865	69,081
Property Taxes Receivable	108,314	117,482	319,439	266,227	811,462
Restricted Cash and Investments	-	1,090,500	-	-	1,090,500
Special Assessments Receivable	-	329,550	109,850	-	439,400
<b>Total Assets</b>	<b>\$ 216,480</b>	<b>\$ 4,023,780</b>	<b>\$ 811,866</b>	<b>\$ 294,092</b>	<b>\$ 5,346,218</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 400	\$ -	\$ -	\$ -	\$ 400
Interfund Loan Payable	-	-	-	45,000	45,000
Deposits Payable	75,000	-	-	-	75,000
<b>Total Liabilities</b>	<b>75,400</b>	<b>-</b>	<b>-</b>	<b>45,000</b>	<b>120,400</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	108,314	117,482	319,439	266,227	811,462
Unavailable Revenue - Special Assessments	-	329,550	109,850	-	439,400
<b>Total Deferred Inflows of Resources</b>	<b>108,314</b>	<b>447,032</b>	<b>429,289</b>	<b>266,227</b>	<b>1,250,862</b>
<b>FUND BALANCE</b>					
Restricted	10,511	2,885,149	297,618	-	3,193,278
Assigned	22,255	691,599	84,959	5,183	803,996
Unassigned	-	-	-	(22,318)	(22,318)
<b>Total Fund Balance</b>	<b>32,766</b>	<b>3,576,748</b>	<b>382,577</b>	<b>(17,135)</b>	<b>3,974,956</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 216,480</b>	<b>\$ 4,023,780</b>	<b>\$ 811,866</b>	<b>\$ 294,092</b>	<b>\$ 5,346,218</b>

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, 2017**

	<b>Lafayette City Center GID</b>	<b>Exempla GID</b>	<b>Lafayette Corporate Campus GID</b>	<b>Lafayette Tech Center GID</b>	<b>Total</b>
<b>Revenues</b>					
Property Taxes	\$ 96,196	\$ 105,138	\$ 249,106	\$ 137,239	\$ 587,679
Specific Ownership Taxes	5,471	5,979	14,167	9,897	35,514
Total Taxes	<u>101,667</u>	<u>111,117</u>	<u>263,273</u>	<u>147,136</u>	<u>623,193</u>
Assessment - Interest	-	468,346	-	-	468,346
Interest	1,219	27,077	3,475	334	32,105
Charges for Services	-	15,000	-	-	15,000
Miscellaneous Revenue	-	2,988	-	-	2,988
<b>Total Revenues</b>	<u>102,886</u>	<u>624,528</u>	<u>266,748</u>	<u>147,470</u>	<u>1,141,632</u>
<b>Expenditures</b>					
<b>Current</b>					
General Government	11,443	17,565	18,737	2,065	49,810
<b>Debt Service</b>					
Principal	80,000	-	80,000	50,000	210,000
Interest and Fiscal Charges	9,025	494,252	169,130	106,475	778,882
<b>Total Expenditures</b>	<u>100,468</u>	<u>511,817</u>	<u>267,867</u>	<u>158,540</u>	<u>1,038,692</u>
<b>Net Change in Fund Balance</b>	2,418	112,711	(1,119)	(11,070)	102,940
<b>Fund Balance, January 1</b>	<u>30,348</u>	<u>3,464,037</u>	<u>383,696</u>	<u>(6,065)</u>	<u>3,872,016</u>
<b>Fund Balance, December 31</b>	<u>\$ 32,766</u>	<u>\$ 3,576,748</u>	<u>\$ 382,577</u>	<u>\$ (17,135)</u>	<u>\$ 3,974,956</u>

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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Property Taxes	\$ 96,196	\$ 96,196	\$ 96,196	\$ -
Specific Ownership Taxes	4,500	4,500	5,471	971
Interest	1,300	1,300	1,219	(81)
<b>Total Revenue</b>	<u>101,996</u>	<u>101,996</u>	<u>102,886</u>	<u>890</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	12,943	12,943	11,443	1,500
<b>Debt Service</b>				
Principal	80,000	80,000	80,000	-
Interest and Fiscal Charges	9,425	9,425	9,025	400
<b>Total Expenditures</b>	<u>102,368</u>	<u>102,368</u>	<u>100,468</u>	<u>1,900</u>
<b>Net Change in Fund Balance</b>	(372)	(372)	2,418	2,790
<b>Fund Balance, January 1</b>	<u>26,437</u>	<u>30,348</u>	<u>30,348</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 26,065</u>	<u>\$ 29,976</u>	<u>\$ 32,766</u>	<u>\$ 2,790</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Property Taxes	\$ 105,138	\$ 105,138	\$ 105,138	\$ -
Specific Ownership Taxes	5,250	5,250	5,979	729
Assessment Interest	469,880	469,880	468,346	(1,534)
Interest	20,000	20,000	27,077	7,077
Charges for Services	15,000	15,000	15,000	-
Miscellaneous Revenue	988	988	2,988	2,000
<b>Total Revenue</b>	<u>616,256</u>	<u>616,256</u>	<u>624,528</u>	<u>8,272</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	17,565	17,565	17,565	-
<b>Debt Service</b>				
Interest and Fiscal Charges	505,930	505,930	494,252	11,678
<b>Total Expenditures</b>	<u>523,495</u>	<u>523,495</u>	<u>511,817</u>	<u>11,678</u>
<b>Net Change in Fund Balance</b>	92,761	92,761	112,711	19,950
<b>Fund Balance, January 1</b>	<u>3,425,676</u>	<u>3,464,037</u>	<u>3,464,037</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 3,518,437</u>	<u>\$ 3,556,798</u>	<u>\$ 3,576,748</u>	<u>\$ 19,950</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Property Taxes	\$ 242,138	\$ 242,138	\$ 249,106	\$ 6,968
Specific Ownership Taxes	14,500	14,500	14,167	(333)
Interest	3,750	3,750	3,475	(275)
<b>Total Revenue</b>	<u>260,388</u>	<u>260,388</u>	<u>266,748</u>	<u>6,360</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	18,269	18,269	18,737	(468)
<b>Debt Service</b>				
Principal	80,000	80,000	80,000	-
Interest and Fiscal Charges	170,300	170,300	169,130	1,170
<b>Total Expenditures</b>	<u>268,569</u>	<u>268,569</u>	<u>267,867</u>	<u>702</u>
<b>Net Change in Fund Balance</b>	(8,181)	(8,181)	(1,119)	7,062
<b>Fund Balance, January 1</b>	<u>379,337</u>	<u>383,696</u>	<u>383,696</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 371,156</u>	<u>\$ 375,515</u>	<u>\$ 382,577</u>	<u>\$ 7,062</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Property Taxes	\$ 182,183	\$ 182,183	\$ 137,239	\$ (44,944)
Specific Ownership Taxes	8,750	8,750	9,897	1,147
Interest	625	625	334	(291)
Loan from General Fund	-	45,000	-	(45,000)
<b>Total Revenue</b>	<u>191,558</u>	<u>236,558</u>	<u>147,470</u>	<u>(89,088)</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	22,733	22,733	2,065	20,668
<b>Debt Service</b>				
Principal	50,000	50,000	50,000	-
Interest and Fiscal Charges	107,700	107,700	106,475	1,225
<b>Total Expenditures</b>	<u>180,433</u>	<u>180,433</u>	<u>158,540</u>	<u>21,893</u>
<b>Net Change in Fund Balance</b>	11,125	56,125	(11,070)	(67,195)
<b>Fund Balance, January 1</b>	<u>32,169</u>	<u>(6,065)</u>	<u>(6,065)</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 43,294</u>	<u>\$ 50,060</u>	<u>\$ (17,135)</u>	<u>\$ (67,195)</u>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2017**

	<b>Legacy Open Space</b>	<b>Parks, Open Space, and Trails</b>	<b>Conservation Trust</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Investments	\$ 4,307,190	\$ 674,623	\$ 603,420	\$ 5,585,233
Accrued Interest Receivable	13,694	1,460	1,408	16,562
Accounts Receivable	13,674	193,009	-	206,683
<b>Total Assets</b>	<b>\$ 4,334,558</b>	<b>\$ 869,092</b>	<b>\$ 604,828</b>	<b>\$ 5,808,478</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 50,470	\$ 38,398	\$ 18,440	\$ 107,308
<b>Total Liabilities</b>	<b>50,470</b>	<b>38,398</b>	<b>18,440</b>	<b>107,308</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	179,336	-	179,336
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>179,336</b>	<b>-</b>	<b>179,336</b>
<b>FUND BALANCE</b>				
Restricted	4,098,234	535,861	586,388	5,220,483
Assigned	185,854	115,497	-	301,351
<b>Total Fund Balance</b>	<b>4,284,088</b>	<b>651,358</b>	<b>586,388</b>	<b>5,521,834</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,334,558</b>	<b>\$ 869,092</b>	<b>\$ 604,828</b>	<b>\$ 5,808,478</b>

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, 2017**

	<b>Legacy Open Space</b>	<b>Parks, Open Space, and Trails</b>	<b>Conservation Trust</b>	<b>Total</b>
<b>Revenues</b>				
Taxes				
Building Use Tax	\$ 122,976	\$ 122,976	\$ -	\$ 245,952
Vehicle Use Tax	155,753	155,753	-	311,506
General Sales & Use Tax	930,613	930,613	-	1,861,226
Total Taxes	1,209,342	1,209,342	-	2,418,684
Intergovernmental - State Grants	-	-	272,998	272,998
Contributions and Misc Grants	-	618,268	-	618,268
Interest	32,955	3,408	3,697	40,060
Miscellaneous Income	4,329	9,064	-	13,393
<b>Total Revenues</b>	<b>1,246,626</b>	<b>1,840,082</b>	<b>276,695</b>	<b>3,363,403</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	7,788	7,788	-	15,576
Cultural & Recreation	89,421	443,885	79,270	612,576
<b>Capital Outlay</b>	<b>2,074,563</b>	<b>-</b>	<b>-</b>	<b>2,074,563</b>
<b>Total Expenditures</b>	<b>2,171,772</b>	<b>451,673</b>	<b>79,270</b>	<b>2,702,715</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(925,146)</b>	<b>1,388,409</b>	<b>197,425</b>	<b>660,688</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (Out)	-	(1,075,148)	-	(1,075,148)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,075,148)</b>	<b>-</b>	<b>(1,075,148)</b>
<b>Net Change in Fund Balance</b>	<b>(925,146)</b>	<b>313,261</b>	<b>197,425</b>	<b>(414,460)</b>
<b>Fund Balance, January 1</b>	<b>5,209,234</b>	<b>338,097</b>	<b>388,963</b>	<b>5,936,294</b>
<b>Fund Balance, December 31</b>	<b>\$ 4,284,088</b>	<b>\$ 651,358</b>	<b>\$ 586,388</b>	<b>\$ 5,521,834</b>

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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Taxes				
Building Use Tax	\$ 75,000	\$ 75,000	\$ 122,976	\$ 47,976
Vehicle Use Tax	125,000	125,000	155,753	30,753
General Sales & Use Tax	<u>925,000</u>	<u>925,000</u>	<u>930,613</u>	<u>5,613</u>
Total Taxes	1,125,000	1,125,000	1,209,342	84,342
Interest	30,433	30,433	32,955	2,522
Misc Revenue	-	-	4,329	4,329
<b>Total Revenues</b>	<u>1,155,433</u>	<u>1,155,433</u>	<u>1,246,626</u>	<u>91,193</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	6,250	6,250	7,788	(1,538)
Culture & Recreation	-	115,400	89,421	25,979
<b>Capital Outlay</b>	<u>49,000</u>	<u>2,090,000</u>	<u>2,074,563</u>	<u>15,437</u>
<b>Total Expenditures</b>	<u>55,250</u>	<u>2,211,650</u>	<u>2,171,772</u>	<u>39,878</u>
<b>Net Change in Fund Balance</b>	1,100,183	(1,056,217)	(925,146)	131,071
<b>Fund Balance, January 1</b>	<u>5,076,659</u>	<u>5,209,234</u>	<u>5,209,234</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 6,176,842</u>	<u>\$ 4,153,017</u>	<u>\$ 4,284,088</u>	<u>\$ 131,071</u>

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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Taxes				
Building Use Tax	\$ 75,000	\$ 75,000	\$ 122,976	\$ 47,976
Vehicle Use Tax	125,000	125,000	155,753	30,753
General Sales & Use Tax	<u>925,000</u>	<u>925,000</u>	<u>930,613</u>	<u>5,613</u>
Total Taxes	1,125,000	1,125,000	1,209,342	84,342
Contributions and Misc Grants	-	600,000	618,268	18,268
Misc revenue	-	-	9,064	9,064
Interest	933	933	3,408	2,475
<b>Total Revenues</b>	<u>1,125,933</u>	<u>1,725,933</u>	<u>1,840,082</u>	<u>114,149</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	4,111	4,111	7,788	(3,677)
Culture & Recreation	-	700,000	443,885	256,115
<b>Total Expenditures</b>	<u>4,111</u>	<u>704,111</u>	<u>451,673</u>	<u>252,438</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>1,121,822</u>	<u>1,021,822</u>	<u>1,388,409</u>	<u>366,587</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(1,025,134)</u>	<u>(1,025,134)</u>	<u>(1,075,148)</u>	<u>(50,014)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,025,134)</u>	<u>(1,025,134)</u>	<u>(1,075,148)</u>	<u>(50,014)</u>
<b>Net Change in Fund Balance</b>	96,688	(3,312)	313,261	316,573
<b>Fund Balance, January 1</b>	<u>32,607</u>	<u>338,097</u>	<u>338,097</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 129,295</u>	<u>\$ 334,785</u>	<u>\$ 651,358</u>	<u>\$ 316,573</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Intergovernmental - State Grants	\$ 260,000	\$ 260,000	\$ 272,998	\$ 12,998
Interest	1,624	1,624	3,697	2,073
<b>Total Revenues</b>	<u>261,624</u>	<u>261,624</u>	<u>276,695</u>	<u>15,071</u>
<b>Expenditures</b>				
<b>Current</b>				
Culture & Recreation	-	-	79,270	(79,270)
<b>Capital Outlay</b>	-	212,845	-	212,845
<b>Total Expenditures</b>	<u>-</u>	<u>212,845</u>	<u>79,270</u>	<u>133,575</u>
<b>Net Change in Fund Balance</b>	261,624	48,779	197,425	148,646
<b>Fund Balance, January 1</b>	<u>383,896</u>	<u>388,963</u>	<u>388,963</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 645,520</u>	<u>\$ 437,742</u>	<u>\$ 586,388</u>	<u>\$ 148,646</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Interest	\$ 43,572	\$ 43,572	\$ 46,393	\$ 2,821
Miscellaneous	-	-	37,500	37,500
<b>Total Revenues</b>	<u>43,572</u>	<u>43,572</u>	<u>83,893</u>	<u>40,321</u>
<b>Expenditures</b>				
<b>Current</b>				
Public Works	-	-	701,057	(701,057)
Parks and Recreation	-	-	50,195	(50,195)
<b>Capital Outlay</b>	1,860,000	9,816,923	6,162,115	3,654,808
<b>Total Expenditures</b>	<u>1,860,000</u>	<u>9,816,923</u>	<u>6,913,367</u>	<u>2,903,556</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(1,816,428)</u>	<u>(9,773,351)</u>	<u>(6,829,474)</u>	<u>2,943,877</u>
<b>Other Financing Sources</b>				
Transfers In	2,635,000	3,835,000	3,835,000	-
<b>Total Other Financing Sources</b>	<u>2,635,000</u>	<u>3,835,000</u>	<u>3,835,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	818,572	(5,938,351)	(2,994,474)	2,943,877
<b>Fund Balance, January 1</b>	<u>5,840,257</u>	<u>10,417,652</u>	<u>10,417,652</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 6,658,829</u>	<u>\$ 4,479,301</u>	<u>\$ 7,423,178</u>	<u>\$ 2,943,877</u>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Property Tax	\$ 619,863	\$ 1,149,863	\$ 1,154,028	\$ 4,165
Building Use Tax	66,133	66,133	66,133	-
Vehicle Use Tax	110,222	110,222	110,222	-
General Sales & Use Tax	815,645	815,645	815,645	-
Interest	7,500	7,500	10,169	2,669
<b>Total Revenues</b>	<u>1,619,363</u>	<u>2,149,363</u>	<u>2,156,197</u>	<u>6,834</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	14,809	14,809	18,552	(3,743)
<b>Debt Service</b>				
Capital Lease Payments	149,360	149,360	149,360	-
Bond Principal	1,360,000	1,795,000	1,795,000	-
Bond Interest Income and Fiscal Charges	238,596	365,903	364,903	1,000
<b>Total Expenditures</b>	<u>1,762,765</u>	<u>2,325,072</u>	<u>2,327,815</u>	<u>(2,743)</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>(143,402)</u>	<u>(175,709)</u>	<u>(171,618)</u>	<u>4,091</u>
<b>Other Financing Sources</b>				
Transfers In	149,360	149,360	149,360	-
<b>Total Other Financing Sources</b>	<u>149,360</u>	<u>149,360</u>	<u>149,360</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	5,958	(26,349)	(22,258)	4,091
<b>Fund Balance, January 1</b>	<u>49,527</u>	<u>49,527</u>	<u>49,527</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 55,485</u>	<u>\$ 23,178</u>	<u>\$ 27,269</u>	<u>\$ 4,091</u>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
CEMETERY ENDOWMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Interest	\$ 348	\$ 348	\$ 301	\$ (47)
<b>Total Revenues</b>	<u>348</u>	<u>348</u>	<u>301</u>	<u>(47)</u>
<b>Expenditures</b>				
General Government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(348)	(348)	(271)	77
<b>Total Other Financing Sources (Uses)</b>	<u>(348)</u>	<u>(348)</u>	<u>(271)</u>	<u>77</u>
<b>Net Change in Fund Balance</b>	-	-	30	30
<b>Fund Balance, January 1</b>	<u>46,169</u>	<u>46,502</u>	<u>46,502</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u>\$ 46,169</u>	<u>\$ 46,502</u>	<u>\$ 46,532</u>	<u>\$ 30</u>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2017**

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, 2017**

	<b>Employee Benefit Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 643,748	\$ -	\$ 643,748
Accrued Interest Receivable	1,624	24	1,648
Accounts Receivable	-	162	162
Prepaid Items	20,032	20,093	40,125
<b>Total Current Assets</b>	<b>665,404</b>	<b>20,279</b>	<b>685,683</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	200	48,547	48,747
Claims Payable	8,497	61,628	70,125
Compensated Absences Due in One Year	608,122	-	608,122
<b>Total Current Liabilities</b>	<b>616,819</b>	<b>110,175</b>	<b>726,994</b>
<b>Net Position - Unrestricted</b>	<b>\$ 48,585</b>	<b>\$ (89,896)</b>	<b>\$ (41,311)</b>

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, 2017**

	<b>Employee Benefit Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
City Contributions	\$ 3,050,878	\$ 548,163	\$ 3,599,041
Miscellaneous Income	5,250	1,633	6,883
<b>Total Operating Revenue</b>	<b>3,056,128</b>	<b>549,796</b>	<b>3,605,924</b>
<b>Operating Expenses</b>			
Premiums and Claims Paid	3,108,130	667,095	3,775,225
Wellness Program	19,960	335	20,295
Miscellaneous Expense	69,990	-	69,990
<b>Total Operating Expenses</b>	<b>3,198,080</b>	<b>667,430</b>	<b>3,865,510</b>
<b>Operating Income (Loss)</b>	<b>(141,952)</b>	<b>(117,634)</b>	<b>(259,586)</b>
<b>Nonoperating Revenue</b>			
Interest	2,944	(10)	2,934
<b>Change in Net Assets</b>	<b>(139,008)</b>	<b>(117,644)</b>	<b>(256,652)</b>
<b>Total Net Position, January 1</b>	<b>187,593</b>	<b>27,748</b>	<b>215,341</b>
<b>Total Net Position, December 31</b>	<b>\$ 48,585</b>	<b>\$ (89,896)</b>	<b>\$ (41,311)</b>

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, 2017**

	<b>Employee Benefit Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from General and Proprietary Funds	\$ 3,050,878	\$ 548,163	\$ 3,599,041
Miscellaneous Receipts - COBRA and Other	5,250	1,633	6,883
Payments to Insurance Companies	(2,869,944)	(657,644)	(3,527,588)
Payments for Wellness Program	(22,400)	42,541	20,141
Payments to Employees	(47,808)	-	(47,808)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>115,976</b>	<b>(65,307)</b>	<b>50,669</b>
<b>Cash flows From Investing Activities</b>			
Interest Received	2,429	181	2,610
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>118,405</b>	<b>(65,126)</b>	<b>53,279</b>
<b>Cash and Investments - January 1</b>	<b>525,343</b>	<b>65,126</b>	<b>590,469</b>
<b>Cash and Investments - December 31</b>	<b>\$ 643,748</b>	<b>\$ -</b>	<b>\$ 643,748</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income(Loss)	\$ (141,952)	\$ (117,634)	\$ (259,586)
<b>Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) by Operating Activities</b>			
(Increase) Decrease in Accounts Receivable	-	(15)	(15)
(Increase) Decrease in Prepaid Items	210,554	1,801	212,355
Increase (Decrease) in Accounts Payable	(2,440)	42,541	40,101
Increase (Decrease) in Claims Payable	7,380	8,000	15,380
Increase (Decrease) in Compensated Absences	42,434	-	42,434
<b>Total Adjustments</b>	<b>257,928</b>	<b>52,327</b>	<b>310,255</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 115,976</b>	<b>\$ (65,307)</b>	<b>\$ 50,669</b>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
EMPLOYEE BENEFIT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
City Contributions	\$ 3,095,202	\$ 3,345,202	\$ 3,050,878	\$ (294,324)
Interest	3,784	3,784	2,944	(840)
Miscellaneous Income	5,000	5,000	5,250	250
<b>Total Revenues</b>	<u>3,103,986</u>	<u>3,353,986</u>	<u>3,059,072</u>	<u>(294,914)</u>
<b>Expenses</b>				
Premiums Paid	3,042,986	3,292,986	3,108,130	184,856
Wellness Program	15,000	15,000	19,960	(4,960)
Miscellaneous Expense	46,000	46,000	69,990	(23,990)
<b>Total Expenses</b>	<u>3,103,986</u>	<u>3,353,986</u>	<u>3,198,080</u>	<u>155,906</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	-	-	(139,008)	(139,008)
<b>Total Net Position, January 1</b>	<u>7,317</u>	<u>187,593</u>	<u>187,593</u>	<u>-</u>
<b>Total Net Position, December 31</b>	<u>\$ 7,317</u>	<u>\$ 187,593</u>	<u>\$ 48,585</u>	<u>\$ (139,008)</u>

See the accompanying independent auditor's report.

**CITY OF LAFAYETTE, COLORADO  
BUDGETARY COMPARISON SCHEDULE  
INSURANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
City Contributions	\$ 571,277	\$ 731,277	\$ 548,163	\$ (183,114)
Interest	2,565	2,565	(10)	(2,575)
Miscellaneous Income	1,000	1,000	1,633	633
<b>Total Revenues</b>	<u>574,842</u>	<u>734,842</u>	<u>549,786</u>	<u>(185,056)</u>
<b>Expenses</b>				
Premiums Paid	603,318	753,318	667,095	86,223
Wellness Program	-	-	335	(335)
<b>Total Expenses</b>	<u>603,318</u>	<u>753,318</u>	<u>667,430</u>	<u>85,888</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	(28,476)	(18,476)	(117,644)	(99,168)
<b>Total Net Position, January 1</b>	<u>49,851</u>	<u>27,748</u>	<u>27,748</u>	<u>-</u>
<b>Total Net Position, December 31</b>	<u>\$ 21,375</u>	<u>\$ 9,272</u>	<u>\$ (89,896)</u>	<u>\$ (99,168)</u>

See the accompanying independent auditor's report.

**BUDGETARY COMPARISON  
SCHEDULES –  
PROPRIETARY FUNDS**

**FINANCIAL SECTION**

**2017**

**CITY OF LAFAYETTE, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)**  
**WATER UTILITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Metered Water Sales	\$ 7,086,136	\$ 7,086,136	\$ 7,771,996	\$ 685,860
Interest Revenue	238,516	238,516	261,487	22,971
Other	569,284	869,284	331,545	(537,739)
Payment in Lieu of Water	1,251,840	1,901,840	2,841,435	939,595
Tap Fees	988,352	1,388,352	2,061,767	673,415
<b>Total Revenues</b>	<u>10,134,128</u>	<u>11,484,128</u>	<u>13,268,230</u>	<u>1,784,102</u>
<b>Expenditures</b>				
Administration	779,239	622,496	425,684	196,812
Source of Water Supply	593,525	905,930	1,314,434	(408,504)
Water Treatment	2,160,126	2,435,126	1,853,940	581,186
Water Transmission and Distribution	1,596,884	1,749,752	1,248,568	501,184
Construction and Capital Improvements	235,000	18,037,572	6,334,696	11,702,876
Debt Service				
Principal Retirement	920,177	920,177	920,177	-
Interest Expense	459,724	459,724	412,612	47,112
Bond Fee	2,500	2,500	275	2,225
Transfers to Other Funds	1,013,413	1,013,413	1,342,400	(328,987)
<b>Total Expenditures</b>	<u>7,760,588</u>	<u>26,146,690</u>	<u>13,852,786</u>	<u>12,293,904</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 2,373,540</u>	<u>\$ (14,662,562)</u>	(584,556)	<u>\$ 14,078,006</u>
<b>Total Net Position, January 1</b>			104,621,756	
<b>Total Net Position, December 31</b>			<u>104,037,200</u>	
<b>GAAP Adjustments</b>				
Depreciation			(1,464,768)	
Principal Retirement			920,177	
Construction and Capital Improvements			6,334,696	
Equity Income from Component Unit			46,727	
Gain (Loss) on the Sale of a Capital Asset			(10,339)	
Developer Dedications			548,770	
<b>Adjusted Total Net Position, December 31</b>			<u>\$ 110,412,463</u>	

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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Waste Water Collection Fees	\$ 4,423,547	\$ 4,423,547	\$ 4,994,734	\$ 571,187
Interest Revenue	39,022	39,022	66,714	27,692
Other	-	-	15,600	15,600
Tap Fees	645,000	858,000	1,274,682	416,682
<b>Total Revenues</b>	<u>5,107,569</u>	<u>5,320,569</u>	<u>6,351,730</u>	<u>1,031,161</u>
<b>Expenditures</b>				
Administration	228,941	232,362	212,770	19,592
Waste Water Treatment	1,152,119	1,170,619	1,012,161	158,458
Waste Water Collection	1,042,655	1,223,805	754,694	469,111
Construction and Capital Improvements	3,111,000	5,293,216	1,395,794	3,897,422
Debt Service				
Principal Retirement	534,749	534,749	534,749	-
Interest Expense	107,156	107,156	88,256	18,900
Transfers to Other Funds	510,757	510,757	636,143	(125,386)
<b>Total Expenditures</b>	<u>6,687,377</u>	<u>9,072,664</u>	<u>4,634,567</u>	<u>4,438,097</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (1,579,808)</u>	<u>\$ (3,752,095)</u>	1,717,163	<u>\$ 5,469,258</u>
<b>Total Net Position, January 1</b>			<u>26,156,326</u>	
<b>Total Net Position, December 31</b>			27,873,489	
<b>GAAP Adjustments</b>				
Depreciation			(881,387)	
Principal Retirement			534,749	
Construction and Capital Improvements			1,395,794	
Developer Dedications			469,498	
<b>Adjusted Total Net Position, December 31</b>			<u>\$ 29,392,143</u>	

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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Golf Sales and Services	\$ 2,620,514	\$ 2,620,514	\$ 2,660,293	\$ 39,779
Interest Revenue	2,566	2,566	5,426	2,860
Other	57,517	57,517	2,076	(55,441)
<b>Total Revenues</b>	<u>2,680,597</u>	<u>2,680,597</u>	<u>2,667,795</u>	<u>(12,802)</u>
<b>Expenditures</b>				
Administration	274,953	274,953	370,672	(95,719)
Golf Maintenance Operations	906,814	906,814	843,774	63,040
Golf Club House Operations	856,925	856,925	686,075	170,850
Golf Food Service Operations	273,926	273,926	360,401	(86,475)
Construction and Capital Improvements	-	-	132,964	(132,964)
Debt Service				
Principal	59,920	59,920	56,480	3,440
Interest Expense	-	-	3,440	(3,440)
Transfers to Other Funds	259,414	259,414	267,089	(7,675)
<b>Total Expenditures</b>	<u>2,631,952</u>	<u>2,631,952</u>	<u>2,720,895</u>	<u>(88,943)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 48,645</u>	<u>\$ 48,645</u>	(53,100)	<u>\$ (101,745)</u>
<b>Total Net Position, January 1</b>			1,691,258	
<b>Total Net Position, December 31</b>			<u>1,638,158</u>	
<b>GAAP Adjustments</b>				
Depreciation			(258,578)	
Principal Retirement			56,480	
Construction and Capital Improvements			<u>132,964</u>	
<b>Adjusted Total Net Position, December 31</b>			<u>\$ 1,569,024</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Storm Water Collection Fees	\$ 666,243	\$ 666,243	\$ 734,573	\$ 68,330
Interest Revenue	8,464	8,464	2,717	(5,747)
Other	4,000	4,000	7,583	3,583
Storm Water Development Fees	163,757	163,757	333,977	170,220
<b>Total Revenues</b>	<u>842,464</u>	<u>842,464</u>	<u>1,078,850</u>	<u>236,386</u>
<b>Expenditures</b>				
Administration	195,928	199,349	185,772	13,577
Storm Water Collection	262,079	478,226	327,422	150,804
Construction and Capital Improvements	300,000	10,000	257,261	(247,261)
Transfers to Other Funds	84,246	84,246	107,885	(23,639)
Note Principal	-	175,000	175,000	-
<b>Total Expenditures</b>	<u>842,253</u>	<u>946,821</u>	<u>1,053,340</u>	<u>(106,519)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 211</u>	<u>\$ (104,357)</u>	25,510	<u>\$ 129,867</u>
<b>Total Net Position, January 1</b>			3,044,979	
<b>Total Net Position, December 31</b>			<u>3,070,489</u>	
<b>GAAP Adjustments</b>				
Depreciation			(225,130)	
Construction and Capital Improvements			257,261	
Developer Dedications			238,651	
Note Principal			175,000	
<b>Adjusted Total Net Position, December 31</b>			<u>\$ 3,516,271</u>	

See the accompanying independent auditor's report.

# STATISTICAL SECTION

For the year ended December 31, 2017, the Statistical Tables Section provides trends, statistical and demographic information, and continuing disclosure information.

**2017**

**CITY OF LAFAYETTE, COLORADO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**CITY OF LAFAYETTE, COLORADO**  
**NET POSITION**  
**SCHEDULE 1**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities					
Net investment in capital assets	\$ 91,484,033	\$ 107,348,070	\$ 109,360,087	\$ 109,602,319	\$ 111,817,518
Restricted	14,609,426	8,202,961	7,218,855	8,287,949	6,700,066
Unrestricted	16,783,799	18,290,748	17,733,923	18,211,622	20,379,152
Total governmental activities net position	<u>122,877,258</u>	<u>133,841,779</u>	<u>134,312,865</u>	<u>136,101,890</u>	<u>138,896,736</u>
Business-type activities					
Net investment in capital assets	74,995,070	74,987,290	75,294,653	74,937,380	72,752,755
Restricted	-	-	-	-	-
Unrestricted	27,351,012	27,892,854	28,528,564	29,982,729	34,799,103
Total business-type activities net position	<u>102,346,082</u>	<u>102,880,144</u>	<u>103,823,217</u>	<u>104,920,109</u>	<u>107,551,858</u>
Net investment in capital assets	166,479,103	182,335,360	184,654,740	184,539,699	184,570,273
Restricted	14,609,426	8,202,961	7,218,855	8,287,949	6,700,066
Unrestricted	44,134,811	46,183,602	46,262,487	48,194,351	55,178,255
Total primary governmental net position	<u>\$ 225,223,340</u>	<u>\$ 236,721,923</u>	<u>\$ 238,136,082</u>	<u>\$ 241,021,999</u>	<u>\$ 246,448,594</u>

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2008.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities					
Net investment in capital assets	\$ 114,421,149	\$ 114,371,840	\$ 116,503,967	\$ 115,675,547	\$ 122,568,073
Restricted	7,010,330	8,041,313	8,917,272	10,519,487	10,396,066
Unrestricted	24,341,245	25,881,640	29,093,640	34,646,358	38,027,329
Total governmental activities net position	145,772,724	148,294,793	154,514,879	160,841,392	170,991,468
Business-type activities					
Net investment in capital assets	76,713,275	83,127,944	85,694,242	91,252,731	99,364,335
Restricted	-	374,882	566,315	566,315	-
Unrestricted	35,156,446	40,196,094	41,540,521	43,695,273	45,525,566
Total business-type activities net position	111,869,721	123,698,920	127,801,078	135,514,319	144,889,901
Net investment in capital assets	191,134,424	197,499,784	202,198,209	206,928,278	221,932,408
Restricted	7,010,330	8,416,195	9,483,587	11,085,802	10,396,066
Unrestricted	59,497,691	66,077,734	70,634,161	78,341,631	83,552,895
Total primary governmental net position	\$ 257,642,445	\$ 271,993,713	\$ 282,315,957	\$ 296,355,711	\$ 315,881,369

**CITY OF LAFAYETTE, COLORADO**  
**CHANGES IN NET POSITION**  
**SCHEDULE 2**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,440,531	\$ 5,576,356	\$ 6,911,396	\$ 5,814,940	\$ 6,057,102
Judicial	290,116	284,210	311,003	333,548	330,696
Public safety	7,382,185	7,215,606	7,587,907	7,626,579	7,883,072
Public works	4,916,059	4,607,496	5,466,171	5,361,272	5,696,174
Culture and recreation	5,698,114	5,872,607	5,920,901	6,181,749	6,566,800
Interest on long-term debt	1,514,513	1,261,069	1,124,734	1,029,522	1,332,867
Total governmental activities expenses	<u>25,241,518</u>	<u>24,817,344</u>	<u>27,322,112</u>	<u>26,347,610</u>	<u>27,866,711</u>
Business-type activities:					
Water	5,486,174	5,356,621	5,483,318	6,058,080	6,320,696
Water reclamation	2,889,586	2,709,406	2,769,695	2,606,391	2,779,195
Golf course	1,836,742	1,686,988	1,633,609	1,731,724	1,902,097
Storm water	25,141	218,269	305,638	662,849	713,403
Total business-type activities expenses	<u>10,237,643</u>	<u>9,971,284</u>	<u>10,192,260</u>	<u>11,059,044</u>	<u>11,715,391</u>
Total primary governmental expenses	<u>\$ 35,479,161</u>	<u>\$ 34,788,628</u>	<u>\$ 37,514,372</u>	<u>\$ 37,406,654</u>	<u>\$ 39,582,102</u>
<b>Program Revenues</b>					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 1,311,750	\$ 148,017	\$ 870,398	\$ 1,168,396	\$ 2,000,981
Judicial	915,158	1,034,448	973,241	1,000,263	841,277
Public safety	572,876	523,819	413,682	385,783	529,732
Public works	964,251	863,965	895,057	931,524	968,770
Culture and recreation	1,380,001	1,539,268	1,550,569	1,728,879	1,774,576
Total charges for services	<u>5,144,036</u>	<u>4,109,517</u>	<u>4,702,947</u>	<u>5,214,845</u>	<u>6,115,336</u>
Operating grants and contributions	1,208,330	1,311,088	1,356,870	1,171,447	1,198,140
Capital grants and contributions	3,289,125	11,422,080	3,270,777	2,119,993	3,354,070
Total governmental activities program revenues	<u>9,641,491</u>	<u>16,842,685</u>	<u>9,330,594</u>	<u>8,506,285</u>	<u>10,667,546</u>
Business-type activities:					
Program revenues					
Charges for services					
Water	5,574,085	4,828,996	4,934,602	5,352,350	6,555,899
Water reclamation	1,553,045	1,653,409	1,681,557	1,880,051	2,139,639
Storm water	925,466	2,137,553	2,031,606	2,106,348	2,329,388
Golf course	2,424,316	665,258	643,913	619,190	655,667
Total charges for services	<u>10,476,912</u>	<u>9,285,216</u>	<u>9,291,678</u>	<u>9,957,939</u>	<u>11,680,593</u>
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,086,071	2,360,447	3,133,880	3,713,535	5,895,027
Total business-type activities program revenues	<u>11,562,983</u>	<u>11,645,663</u>	<u>12,425,558</u>	<u>13,671,474</u>	<u>17,575,620</u>
Total primary government program revenues	<u>\$ 21,204,474</u>	<u>\$ 28,488,348</u>	<u>\$ 21,756,152</u>	<u>\$ 22,177,759</u>	<u>\$ 28,243,166</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,036,981	\$ 7,773,581	\$ 6,158,688	\$ 6,502,498	\$ 6,723,312
Judicial	437,265	499,622	406,578	522,216	599,522
Public safety	8,396,253	9,073,242	8,402,027	9,831,186	10,707,135
Public works	5,662,462	5,761,464	6,405,900	6,999,101	6,882,121
Culture and recreation	6,535,879	6,798,724	7,043,976	6,903,106	7,659,774
Interest on long-term debt	1,262,467	1,210,706	1,154,003	1,238,737	1,103,901
Total governmental activities expenses	28,331,307	31,117,339	29,571,172	31,996,844	33,675,765
Business-type activities:					
Water	5,410,699	5,526,849	5,519,561	5,586,019	6,720,281
Water reclamation	2,800,165	2,784,170	2,798,608	2,834,235	2,949,268
Golf course	1,888,000	1,984,280	2,090,819	2,219,448	2,522,940
Storm water	828,224	838,052	944,296	1,212,323	738,324
Total business-type activities expenses	10,927,088	11,133,351	11,353,284	11,852,025	12,930,813
Total primary governmental expenses	<u>\$ 39,258,395</u>	<u>\$ 42,250,690</u>	<u>\$ 40,924,456</u>	<u>\$ 43,848,869</u>	<u>\$ 46,606,578</u>
<b>Program Revenues</b>					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 2,241,222	\$ 2,414,326	\$ 2,886,488	\$ 1,605,901	\$ 2,179,555
Judicial	854,704	872,342	606,976	528,248	683,610
Public safety	517,540	396,491	394,345	583,071	510,737
Public works	179,399	14,075	10,582	1,624,090	1,693,094
Culture and recreation	1,831,286	1,837,201	1,979,019	2,022,257	2,079,420
Total charges for services	5,624,151	5,534,435	5,877,410	6,363,567	7,146,416
Operating grants and contributions	1,213,497	1,360,175	1,275,835	1,561,461	1,893,068
Capital grants and contributions	5,856,595	2,812,361	2,825,043	3,004,817	4,705,396
Total governmental activities program revenues	12,694,243	9,706,971	9,978,288	10,929,845	13,744,880
Business-type activities:					
Program revenues					
Charges for services					
Water	5,881,253	6,026,348	6,550,201	7,574,216	8,103,541
Water reclamation	2,004,400	2,745,581	3,336,595	4,520,574	5,010,334
Storm water	2,286,621	2,605,171	2,602,784	2,493,470	2,662,369
Golf course	644,484	651,519	669,625	682,188	742,156
Total charges for services	10,816,758	12,028,619	13,159,205	15,270,448	16,518,400
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	6,233,629	12,469,981	3,484,379	6,180,956	7,815,507
Total business-type activities program revenues	17,050,387	24,498,600	16,643,584	21,451,404	24,333,907
Total primary government program revenues	<u>\$ 29,744,630</u>	<u>\$ 34,205,571</u>	<u>\$ 26,621,872</u>	<u>\$ 32,381,249</u>	<u>\$ 38,078,787</u>

**CITY OF LAFAYETTE, COLORADO**  
**CHANGES IN NET POSITION**  
**SCHEDULE 2 (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (15,600,027)	\$ (7,974,659)	\$ (17,991,518)	\$ (17,841,325)	\$ (17,199,165)
Business-type activities	1,325,340	1,674,379	2,233,298	2,612,430	5,860,229
Total primary government net expenses	<u>(14,274,687)</u>	<u>(6,300,280)</u>	<u>(15,758,220)</u>	<u>(15,228,895)</u>	<u>(11,338,936)</u>
<b>General Revenues and Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	4,475,327	6,367,167	6,479,248	6,209,455	5,925,007
Sales and use taxes	10,291,910	10,250,821	10,180,788	11,517,609	12,109,069
Other taxes	-	-	-	-	-
Unrestricted grants and contributions	-	30,926	34,688	32,988	32,888
Interest	1,455,686	354,536	301,530	230,996	201,659
Franchise taxes	1,000,028	913,075	981,752	1,003,574	997,677
Other general revenues	31,075	644	-	-	-
Gain (loss) on sale of capital assets	7,946	-	42,831	37,608	44,048
Transfers	1,415,946	1,548,521	1,616,767	1,773,120	1,479,492
Special items					
Adjustment of asset held for resale	-	(631,968)	-	-	-
Gain on fire conversion	110,036	105,458	-	-	-
Adjustment of note receivable	-	-	(1,175,000)	(1,175,000)	-
Premium on Debt Issuance	-	-	-	-	-
Total governmental activities	<u>18,787,954</u>	<u>18,939,180</u>	<u>18,462,604</u>	<u>19,630,350</u>	<u>20,789,840</u>
Business-type activities:					
Interest	2,045,405	408,204	326,542	257,582	210,342
Sewer Line Assessment Adjustments	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	(1,415,946)	(1,548,521)	(1,616,767)	(1,773,120)	(1,479,492)
Other general revenues	-	-	-	-	-
Special item - return water rights to developer	(469,263)	-	-	-	-
Total business-type activities	<u>160,196</u>	<u>(1,140,317)</u>	<u>(1,290,225)</u>	<u>(1,515,538)</u>	<u>(1,269,150)</u>
Total primary government	<u>18,948,150</u>	<u>17,798,863</u>	<u>17,172,379</u>	<u>18,114,812</u>	<u>19,520,690</u>
<b>Changes in Net Position</b>					
Governmental activities	3,187,927	10,964,521	471,086	1,789,025	3,590,675
Business-type activities	1,485,536	534,062	943,073	1,096,892	4,591,079
Total primary government net position	<u>\$ 4,673,463</u>	<u>\$ 11,498,583</u>	<u>\$ 1,414,159</u>	<u>\$ 2,885,917</u>	<u>\$ 8,181,754</u>

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2008.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (15,637,064)	\$ (21,410,368)	\$ (19,592,884)	\$ (21,066,999)	\$ (19,930,885)
Business-type activities	6,123,299	13,365,249	5,290,300	9,599,379	11,403,094
Total primary government net expenses	<u>(9,513,765)</u>	<u>(8,045,119)</u>	<u>(14,302,584)</u>	<u>(11,467,620)</u>	<u>(8,527,791)</u>
<b>General Revenues and Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	5,989,776	6,027,624	8,963,672	8,090,573	9,025,797
Sales and use taxes	13,523,535	14,523,678	12,964,800	15,347,393	16,641,430
Other taxes	-	-	184,287	459,674	487,125
Unrestricted grants and contributions	37,280	44,440	54,371	55,656	48,530
Interest	44,309	281,317	249,474	288,540	380,639
Franchise taxes	1,074,357	1,130,471	1,113,899	1,107,958	1,132,143
Other general revenues	-	-	-	6,897	-
Gain (loss) on sale of capital assets	36,046	65,997	90,349	35,690	11,780
Transfers	1,553,181	1,858,910	1,668,352	2,001,131	2,353,517
Special items					
Adjustment of asset held for resale	-	-	-	-	-
Gain on fire conversion	-	-	-	-	-
Adjustment of note receivable	-	-	-	-	-
Premium on Debt Issuance	-	-	-	-	-
Total governmental activities	<u>22,258,484</u>	<u>23,932,437</u>	<u>25,289,204</u>	<u>27,393,512</u>	<u>30,080,961</u>
Business-type activities:					
Interest	2,314	322,860	257,340	281,716	336,344
Sewer Line Assessment Adjustments	-	-	-	(10,143)	-
Gain on sale of capital assets	-	-	53,870	12,420	(10,339)
Transfers	(1,553,181)	(1,858,910)	(1,668,352)	(2,001,131)	(2,353,517)
Other general revenues	-	-	-	-	-
Special item - return water rights to developer	-	-	-	-	-
Total business-type activities	<u>(1,550,867)</u>	<u>(1,536,050)</u>	<u>(1,357,142)</u>	<u>(1,717,138)</u>	<u>(2,027,512)</u>
Total primary government	<u>20,707,617</u>	<u>22,396,387</u>	<u>23,932,062</u>	<u>25,676,374</u>	<u>28,053,449</u>
<b>Changes in Net Position</b>					
Governmental activities	6,621,420	2,522,069	5,696,320	6,326,513	10,150,076
Business-type activities	4,572,432	11,829,199	3,933,158	7,882,241	9,375,582
Total primary government net position	<u>\$ 11,193,852</u>	<u>\$ 14,351,268</u>	<u>\$ 9,629,478</u>	<u>\$ 14,208,754</u>	<u>\$ 19,525,658</u>

**CITY OF LAFAYETTE, COLORADO**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**SCHEDULE 3**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund					
Reserved	\$ 4,895,129	\$ 4,700,316	\$ -	\$ -	\$ -
Resources not in spendable form	-	-	1,066,817	198,846	1,078,054
Restricted	-	-	1,077,404	1,418,327	1,396,626
Committed	-	-	1,217,379	386,326	567,259
Assigned	-	-	5,027,742	148,026	141,347
Unreserved	7,450,132	9,103,776	-	-	-
Unassigned	-	-	4,995,187	8,329,081	9,031,254
Total general fund	<u>\$ 12,345,261</u>	<u>\$ 13,804,092</u>	<u>\$ 13,384,529</u>	<u>\$ 10,480,606</u>	<u>\$ 12,214,540</u>
All other governmental funds					
Reserved	\$ 12,878,005	\$ 9,357,019	\$ -	\$ -	\$ -
Resources not in spendable form	-	-	46,398	53,398	46,398
Restricted	-	-	5,914,284	6,823,224	5,257,042
Committed	-	-	228,516	4,483,133	4,604,513
Assigned	-	-	2,340,184	2,660,029	1,958,641
Unreserved, reported in:					
Special revenue funds	936,855	1,435,036	-	-	-
Capital project funds	-	-	-	-	-
Debt service fund	187,261	80,309	-	-	-
Total other governmental funds	<u>\$ 14,002,121</u>	<u>\$ 10,872,364</u>	<u>\$ 8,529,382</u>	<u>\$ 14,019,784</u>	<u>\$ 11,866,594</u>

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2008.  
The City of Lafayette implemented classification changes per GASB 54 as of December 31, 2010.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	1,419,660	1,160,334	1,220,730	1,123,593	21,186
Restricted	1,400,512	1,478,013	1,618,129	1,620,000	1,670,472
Committed	1,445,337	1,184,653	1,172,303	1,573,308	2,128,070
Assigned	125,755	108,056	88,987	69,135	48,509
Unreserved	-	-	-	-	-
Unassigned	10,992,811	12,710,609	16,080,562	19,969,686	24,288,624
<b>Total general fund</b>	<b>\$ 15,384,075</b>	<b>\$ 16,641,665</b>	<b>\$ 20,180,711</b>	<b>\$ 24,355,722</b>	<b>\$ 28,156,861</b>
<b>All other governmental funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	783,203	775,640	952,318	760,476	752,913
Restricted	5,563,432	6,516,914	7,252,745	8,849,960	8,679,196
Committed	4,873,414	5,456,443	5,618,263	10,348,187	7,185,012
Assigned	1,954,154	1,982,627	1,159,996	1,401,210	1,105,481
Unreserved, reported in:					
Special revenue funds	-	-	-	-	(45,967)
Capital project funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
<b>Total other governmental funds</b>	<b>\$ 13,174,203</b>	<b>\$ 14,731,624</b>	<b>\$ 14,983,322</b>	<b>\$ 21,359,833</b>	<b>\$ 17,676,635</b>

**CITY OF LAFAYETTE, COLORADO**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**SCHEDULE 4**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues</b>					
Taxes	\$ 14,771,535	\$ 16,623,287	\$ 16,665,336	\$ 17,732,361	\$ 18,034,076
Licenses and permits	253,390	299,752	377,013	511,237	577,920
Intergovernmental	1,510,385	1,648,211	1,738,107	1,590,812	1,364,214
Fines and forfeitures	915,158	1,034,448	973,241	1,000,263	841,277
Franchise taxes	1,000,028	913,075	981,752	1,003,574	997,677
Special assessments principal	1,165,209	6,902,495	48,499	20,095	16,892
Special assessments interest	597,149	(18,341)	499,614	488,347	469,647
Interest	1,392,581	316,379	266,346	196,992	158,194
Sidewalk maintenance/repair	88,598	92,980	89,439	90,112	91,600
Contributions	223,094	165,183	119,227	94,537	128,509
Charges for services	3,256,023	3,973,302	3,504,277	3,577,877	3,831,786
Administrative fees	57,627	89,859	31,499	36,844	39,097
Miscellaneous	99,185	55,649	249,341	421,066	336,573
<b>Total revenues</b>	<b>25,329,962</b>	<b>32,096,279</b>	<b>25,543,691</b>	<b>26,764,117</b>	<b>26,887,462</b>
<b>Expenditures</b>					
General government	5,237,978	5,419,112	6,710,378	5,593,279	5,776,726
Judicial	290,028	284,250	310,795	332,958	330,485
Public safety	6,707,011	6,570,321	6,953,898	6,953,249	7,202,446
Public works	2,643,677	2,091,803	2,821,786	2,485,343	2,565,642
Culture and recreation	4,725,802	4,849,524	4,886,184	5,020,195	5,418,626
Capital outlay	5,651,205	5,886,575	5,267,146	2,458,408	3,670,577
Debt service					
Capital lease payments	243,990	461,826	539,659	914,789	481,038
Principal	2,100,000	8,125,000	1,445,000	1,265,000	1,280,000
Interest and fiscal charges	1,428,637	1,100,805	988,157	927,537	1,264,841
Bond issuance costs	49,500	-	-	-	-
<b>Total expenditures</b>	<b>29,077,828</b>	<b>34,789,216</b>	<b>29,923,003</b>	<b>25,950,758</b>	<b>27,990,381</b>
Excess of revenues over (under) expenditures	(3,747,866)	(2,692,937)	(4,379,312)	813,359	(1,102,919)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues</b>					
Taxes	\$ 19,513,312	\$ 20,551,302	\$ 21,831,987	\$ 23,897,640	\$ 26,154,352
Licenses and permits	614,540	747,009	618,042	720,295	979,192
Intergovernmental	1,477,961	1,363,711	1,413,681	1,635,143	1,427,665
Fines and forfeitures	854,705	872,342	606,896	528,249	683,609
Franchise taxes	1,074,357	1,130,471	1,113,899	1,107,958	1,132,143
Special assessments principal	927,689	201,160	193,163	144,626	354,734
Special assessments interest	470,957	484,212	492,444	501,205	653,898
Interest	4,368	260,952	214,475	269,195	336,921
Sidewalk maintenance/repair	92,922	95,627	98,282	99,371	128,863
Contributions	37,473	1,220,461	697,628	584,200	1,647,745
Charges for services	4,031,769	3,996,353	5,019,819	4,977,784	5,464,529
Administrative fees	40,435	44,516	53,667	47,257	59,421
Miscellaneous	1,852,418	447,671	111,928	121,815	69,443
<b>Total revenues</b>	<b>30,992,906</b>	<b>31,415,787</b>	<b>32,465,911</b>	<b>34,634,738</b>	<b>39,092,515</b>
<b>Expenditures</b>					
General government	5,556,017	7,469,068	5,825,901	6,278,283	6,442,287
Judicial	436,782	499,437	406,017	522,888	598,409
Public safety	7,761,736	8,210,875	8,283,373	9,591,173	9,926,889
Public works	2,697,682	2,847,425	3,399,974	4,069,936	3,909,343
Culture and recreation	5,335,310	5,496,260	5,847,442	5,847,316	6,591,737
Capital outlay	3,856,496	3,243,624	3,878,010	2,585,398	10,561,281
Debt service					
Capital lease payments	138,677	144,500	149,090	149,360	149,360
Principal	1,330,000	1,385,000	1,445,000	4,910,000	2,005,000
Interest and fiscal charges	1,210,810	1,163,498	1,108,713	1,067,153	1,143,785
Bond issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>28,323,510</b>	<b>30,459,687</b>	<b>30,343,520</b>	<b>35,021,507</b>	<b>41,328,091</b>
Excess of revenues over (under) expenditures	2,669,396	956,100	2,122,391	(386,769)	(2,235,576)

**CITY OF LAFAYETTE, COLORADO**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**SCHEDULE 4 (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Other financing sources (uses)</b>					
Proceeds from debt	\$ 8,023,279	\$ -	\$ -	\$ -	\$ -
Debt Premium	-	-	-	-	-
Issuance Costs	-	-	-	-	-
Retirement of bonds refunded	-	-	-	-	-
Lease issuance	-	-	-	-	-
Transfers in	2,426,106	3,090,256	3,351,769	8,731,752	5,223,770
Transfers out	(1,010,160)	(1,541,735)	(1,735,002)	(6,958,632)	(3,744,278)
Total other financing sources (uses)	<u>9,439,225</u>	<u>1,548,521</u>	<u>1,616,767</u>	<u>1,773,120</u>	<u>1,479,492</u>
<b>Special Item</b>					
Adjustment of asset held for resale	-	(631,968)	-	-	-
Gain on fire conversion	410,709	105,458	-	-	-
Total special items	<u>410,709</u>	<u>(526,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,102,068</u>	<u>\$ (1,670,926)</u>	<u>\$ (2,762,545)</u>	<u>\$ 2,586,479</u>	<u>\$ 376,573</u>
Debt service as a percentage of noncapital expenditures	16.1%	33.5%	12.1%	13.2%	12.4%

Notes: The City of Lafayette financial statements include prior years' infrastructure as of December 31, 2008.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Other financing sources (uses)</b>					
Proceeds from debt	\$ -	\$ -	\$ -	\$ 8,265,000	\$ -
Debt Premium	-	-	-	806,481	-
Issuance Costs	-	-	-	(134,321)	-
Retirement of bonds refunded	-	-	-	-	-
Lease issuance	-	-	-	-	-
Transfers in	5,480,866	5,918,411	5,975,513	5,968,865	8,468,804
Transfers out	(3,927,686)	(4,059,500)	(4,307,160)	(3,967,734)	(6,115,287)
Total other financing sources (uses)	<u>1,553,180</u>	<u>1,858,911</u>	<u>1,668,353</u>	<u>10,938,291</u>	<u>2,353,517</u>
<b>Special Item</b>					
Adjustment of asset held for resale	-	-	-	-	-
Gain on fire conversion	-	-	-	-	-
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,222,576</u>	<u>\$ 2,815,011</u>	<u>\$ 3,790,744</u>	<u>\$ 10,551,522</u>	<u>\$ 117,941</u>
Debt service as a percentage of noncapital expenditures	11.0%	9.9%	10.2%	18.9%	10.7%

**CITY OF LAFAYETTE, COLORADO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**SCHEDULE 5**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Fiscal Year	General Property Tax <sup>1,3</sup>	Fire District Tax	Specific Ownership Tax	Marijuana Excise Tax	Sales Tax	Franchise Tax	Use Tax <sup>2</sup>	Total General Tax Revenues
2008	4,202,863	5,300	272,464	-	8,471,790	1,000,028	1,820,120	\$ 15,726,727
2009	6,053,858	5,300	313,309	-	8,300,753	913,075	1,950,068	15,803,640
2010	6,168,827	5,300	310,421	-	8,273,535	981,752	1,907,253	17,567,289
2011	5,950,437	5,300	259,016	-	9,008,620	1,003,574	2,508,986	17,681,776
2012	5,647,300	5,300	272,407	-	9,560,708	997,677	2,548,361	18,768,921
2013	5,699,638	5,300	284,838	-	10,124,604	1,074,357	3,398,931	19,064,641
2014	5,713,092	5,300	309,232	-	10,850,273	1,130,471	3,673,405	20,624,948
2015	6,668,265	5,300	378,366	184,286	11,643,115	1,113,899	3,591,148	21,726,213
2016	7,677,373	5,300	407,900	459,674	11,998,522	1,107,958	4,104,099	25,760,826
2017	8,529,394	5,300	491,103	487,125	12,739,227	1,132,143	3,902,203	27,286,495

<sup>1</sup> Includes property taxes from general improvement districts

<sup>2</sup> Includes taxes on building materials and motor vehicles.

<sup>3</sup> 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	Overlapping Rates				Total Overlapping Sales Tax Rate
			Boulder County	Regional Transportation District	Cultural Facilities District	Football Stadium District	
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%
2017	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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Aggregate top thirty filers <sup>1</sup>	\$ 4,842,212	\$ 4,689,937	\$ 4,604,871	\$ 5,824,059	\$ 6,466,701
Aggregate all other filers	3,815,397	3,221,810	3,815,397	3,564,107	3,481,483
Total sales and use tax	<u>\$ 8,657,609</u>	<u>\$ 8,598,203</u>	<u>\$ 8,584,308</u>	<u>\$ 9,388,166</u>	<u>\$ 9,948,184</u>
Top ten filers as a percentage of total sales tax	55.93%	54.55%	53.64%	62.04%	65.00%

<sup>1</sup> 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Aggregate top thirty filers <sup>1</sup>	\$ 6,839,683	\$ 7,138,865	\$ 7,636,689	\$ 7,620,719	\$ 7,682,414
Aggregate all other filers	3,767,157	4,505,844	5,047,339	5,188,473	5,883,738
Total sales and use tax	\$ 10,606,840	\$ 11,644,709	\$ 12,684,028	\$ 12,809,192	\$ 13,566,152
Top ten filers as a percentage of total sales tax	64.48%	61.31%	60.21%	59.49%	56.63%

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

Fiscal Year	Governmental Activities						
	Sales Tax Revenue Bonds <sup>1</sup>	Limited Tax Revenue Bonds	General Obligation Bonds	Demand Bonds	Capital Leases	Term Loan Payable	Issuance Premiums
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
2017	1,915,000	3,820,000	7,375,000	3,955,000	109,903	-	725,833

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> See Schedule 12 for Population and Personal Income figures.

<b>Business-Type Activities</b>								
General	Water	Golf				Total		Percent
Oblig. Water	Revenue	Revenue	Capital	Term Loan	Issuance	Primary	Debt Per	Personal
Bonds <sup>2</sup>	Bonds	Bonds	Leases	Payable	Premiums	Government	Capita <sup>3</sup>	Income <sup>3</sup>
\$ 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%
-	10,890,000	-	-	2,362,398	1,217,674	32,370,808	1,130	2.34%

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

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General bonded debt outstanding	\$ 50,468,864	\$ 41,707,296	\$ 38,813,027	\$ 37,255,094	\$ 37,076,327
Less:					
General obligation water bonds	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	15,215,000
Deferred amounts - Water bonds	302,900	307,893	312,886	339,198	1,857,104
Tech center GID revenue bonds	2,040,000	2,040,000	2,010,000	1,975,000	1,940,000
Deferred amounts - Tech Center bonds	(53,016)	(50,409)	(47,802)	(45,195)	-
Limited tax obligation bonds	3,160,000	3,080,000	2,990,000	2,890,000	2,780,000
Sales tax revenue bonds	9,165,000	8,435,000	7,685,000	6,910,000	6,145,000
Deferred amounts - Sales Tax bonds	(58,309)	(36,445)	(14,581)	-	-
Demand bonds	10,465,000	3,955,000	3,955,000	3,955,000	3,955,000
Deferred amounts - demand bonds	(433,009)	(405,398)	(377,787)	(350,176)	-
Golf course revenue bonds	331,400	283,300	232,500	179,000	122,500
Total net debt applicable to debt limit	7,168,898	6,363,355	5,787,811	5,432,267	5,061,723
Estimated actual property values <sup>1</sup>	2,992,447,300	3,042,980,900	3,081,645,100	3,092,789,600	3,200,277,084
Legal debt limit <sup>2</sup>	89,773,419	91,289,427	92,449,353	92,783,688	96,008,313
Legal debt margin <sup>3</sup>	\$ 82,604,521	\$ 84,926,072	\$ 86,661,542	\$ 87,351,421	\$ 90,946,590
Outstanding debt as a percentage of debt limit	8%	7%	6%	6%	5%
Population	25,945	26,448	24,453	26,448	26,136
Net general bonded debt per capita	\$ 276	\$ 241	\$ 237	\$ 205	\$ 194

<sup>1</sup> 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.

<sup>2</sup> Debt limit is 3% of Estimated Taxable Actual Real Estate Value.

<sup>3</sup> The legal debt margin is the city's available borrowing authority.

	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Debt	\$ 34,738,297	\$ 32,316,967	\$ 29,873,537	\$ 33,012,041	\$ 29,898,507
Less:					
General obligation water bonds	-	-	-	-	-
Water revenue bonds	14,395,000	13,550,000	12,680,000	11,790,000	10,890,000
Deferred amounts - Water bonds	1,729,218	1,601,332	1,473,446	1,345,560	1,217,674
Tech center GID revenue bonds	1,900,000	1,860,000	1,815,000	1,770,000	1,720,000
Deferred amounts - Tech Center bonds	-	-	-	-	-
Limited tax obligation bonds	2,665,000	2,540,000	2,405,000	2,260,000	2,100,000
Sales tax revenue bonds	5,355,000	4,540,000	3,695,000	2,820,000	1,915,000
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	62,900	-	-	-	-
Total net debt applicable to debt limit	4,676,179	4,270,635	3,850,091	9,071,481	8,100,833
Estimated actual property values <sup>1</sup>	3,266,721,780	3,311,284,288	3,384,173,618	4,131,951,237	5,270,411,840
Legal debt limit <sup>2</sup>	98,001,653	99,338,529	101,525,209	123,958,537	158,112,355
Legal debt margin <sup>3</sup>	\$ 93,325,474	\$ 95,067,894	\$ 97,675,118	\$ 114,887,056	\$ 150,011,522
Outstanding debt as a percentage of debt limit	5%	4%	4%	7%	5%
Population	26,629	25,621	28,278	28,278	28,641
Net general bonded debt per capita	\$ 176	\$ 167	\$ 136	\$ 321	\$ 283

**CITY OF LAFAYETTE, COLORADO**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**SCHEDULE 10**  
**For the Fiscal Year Ended December 31, 2017**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To Government</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Lafayette	\$ 17,174,903	100.00%	\$ 17,174,903
Overlapping:			
Boulder Valley School District RE-2 <sup>1</sup>	<u>703,570,000</u>	6.75%	<u>47,480,940</u>
Total	<u>\$ 720,744,903</u>		<u>\$ 64,655,843</u>

Direct debt includes general obligation bonds, revenue bonds, demand bonds, capital leases, and notes payable 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.

<sup>1</sup> 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**

<b>Water Revenue Bonds</b>						
Fiscal Year	Gross Resources <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>
				Principal	Interest	
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
2017	13,268,230	6,185,026	7,083,204	900,000	458,650	5.21

<b>Sales Tax Revenue Bonds</b>				
	Sales & Use Tax Increment	Debt Service Principal	Interest	Coverage <sup>4</sup>
2008	\$ 8,317,710 <sup>6</sup>	\$ 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
2017	13,036,392	1,795,000	364,403	6.04

<sup>1</sup> 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.

<sup>2</sup> Includes all operating expenses less depreciation and amortization, plus transfers out.

<sup>3</sup> Net available revenue divided by total bond principle and interest.

<sup>4</sup> Sales & Use Tax Increment divided by total bond principle and interest.

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

<b>CWRPDA Loan</b>							
Fiscal Year	Gross Resources <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>	
				Principal	Interest		
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	
2017	6,351,730	2,615,768	3,735,962	534,749	107,156	5.82	

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

<b>Lafayette City Center GID Revenue Bonds</b>							
Fiscal Year	Gross Resources <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>	
				Principal	Interest		
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	
2017	102,886	11,443	91,443	80,000	8,625	1.03	

<b>Exempla GID</b>							
Fiscal Year	Gross Resources <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>	
				Principal	Interest*		
2008	\$ 1,829,055	\$ 23,355	\$ 1,805,700	540,000	385,205	1.95	
2009	6,928,099	49,984 <sup>8</sup>	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 <sup>9</sup>	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	
2017	624,528	397,887	226,641	-	113,930	1.99	

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

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

<b>Lafayette Corp Campus GID</b>						
Fiscal Year	Gross Resources <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>
				Principal	Interest	
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
2017	266,748	18,737	248,011	80,000	168,800	1.00

<b>Lafayette Tech Center GID</b>						
Fiscal Year	Gross Resources <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>
				Principal	Interest	
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
2017	147,470	2,065	145,405	50,000	106,200	0.93

**CITY OF LAFAYETTE, COLORADO  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
AND TOP TEN EMPLOYERS FOR 2008 AND 2017  
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>
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%
2017	28,641	1,381,504	48,235	39.7	14	5,183	2.9%

<u>2008</u>		<u>2017</u>	
<u>Firm</u>	<u>Estimated Number Employees</u>	<u>Firm</u>	<u>Estimated Number Employees</u> <u>% Total Employees</u>
Exempla Good Samaritan Hosp.	1500	Exempla/Kaiser Medical Complex	1600      16.1%
Abacus	370	Epsilon/Abacus	405      4.1%
City of Lafayette	330	City of Lafayette	399      4.0%
Universal Forest Products	285	Wal-Mart	180      1.8%
Imagine!	250	Rocky Mountain Instruments	150      1.5%
Wal-Mart	189	Ball Aerospace	150      1.5%
Rocky Mountain Instruments	150	GE Dharmacon	140      1.4%
Dharmacon	130		
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>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>	<u>2017</u>
<b>Function/Program</b>										
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	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	3.00
City clerk	2.00	2.00	2.20	2.20	2.20	2.20	2.20	2.20	2.38	2.17
Cultural Resources	2.05	2.05	-	-	-	-	-	-	3.00	1.96
Municipal court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	1.78
Human resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.26
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)	7.33	7.33	5.50	6.50	6.50	6.50	6.00	6.00	6.00	6.30
Community development										
Community development	7.00	7.00	8.00	9.00	10.05	10.05	10.05	10.05	7.05	9.10
Public safety										
Police department	52.00	52.00	48.50	47.50	47.50	47.50	47.50	47.50	50.50	50.50
Fire department	5.50	5.50	4.50	4.50	3.50	3.50	3.50	3.50	3.50	2.76
Ambulance	11.22	11.22	14.00	14.00	16.00	16.00	19.00	19.00	25.00	25.00
Public works & utilities										
Public works administration	13.66	10.17	8.92	8.92	8.92	8.92	8.92	8.92	8.92	9.26
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	1.25
Treatment	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.15
Transmission & distribution	7.50	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	7.33
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	6.36
Collection	4.76	5.41	4.91	4.91	5.41	5.41	5.41	5.41	5.41	6.41
Storm water:										
Administration	-	0.20	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	1.99
Subtotals	<u>143.63</u>	<u>143.63</u>	<u>137.23</u>	<u>138.23</u>	<u>141.78</u>	<u>141.78</u>	<u>144.28</u>	<u>144.28</u>	<u>153.46</u>	<u>154.95</u>

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

	<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>	<u>2017</u>
<b>Function/Program</b>										
Parks, open space & golf department										
Parks & open space:										
Administration	1.34	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	1.81
Parks	10.51	10.51	10.51	10.51	9.01	9.01	9.01	9.01	9.01	9.05
Open space maintenance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.68
Streetscapes	-	-	-	-	1.50	1.50	1.50	1.50	1.50	1.84
Golf course										
Administration	0.66	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	10.47
Club house operations	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.81
Snack bar operations	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72	5.54
Recreation & facility management dept										
Recreation & facility management:										
Administration	3.25	3.25	3.50	3.50	3.00	3.16	3.16	3.08	3.08	0.68
Recreation & Leisure Services	41.65	41.65	42.15	42.15	42.15	45.21	45.21	45.75	45.75	44.11
Building maintenance	10.96	10.96	10.21	10.21	4.25	4.45	4.45	4.45	4.45	3.66
Senior services	3.50	3.50	3.50	3.50	3.50	4.15	4.15	4.75	4.75	4.21
Library										
Library	17.87	17.22	15.31	15.31	14.31	18.21	18.21	18.21	18.21	18.65
Subtotals	115.15	114.50	112.59	112.59	105.13	113.10	113.10	114.16	114.16	112.51
Grand totals	258.78	258.13	249.82	250.82	246.91	254.88	257.38	258.44	267.62	267.46

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

	<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>	<u>2017</u>
<b>Function/Program</b>										
Police										
Physical arrests	1,318	1,200	1,152	1,442	1,273	1,054	1,033	1,027	1,080	1,136
Municipal Citations	6,983	7,152	7,043	7,170	6,521	6,384	5,785	3,872	4,197	5,580
Fire										
Emergency responses	1,885	1,736	1,578	1,732	1,795	1,955	2,241	2,445	2,935	3,030
Inspections conducted	330	300	318	300	325	400	486	276	431	388
Parks, Open Space, Golf Course										
Golf Course rounds played	43,022	39,292	36,043	37,536	40,091	38,469	44,235	41,970	37,159	40,397
% Resident Play	19%	18%	17%	13%	13%	13%	13%	12%	13%	11%
Cemetery plot opening/closings	30	35	23	33	30	40	21	25	28	29
Recreation and Facility Mgmt										
Individual Annual Passes sold	421	381	554	612	634	620	614	687	759	823
Couple or Family Annual Passes	307	303	282	286	246	258	246	308	354	474
Punch Cards sold	2,243	2,369	2,217	2,232	2,303	2,299	2,584	2,220	1,962	2,131
Total Attendance	227,175	225,319	228,741	338,153	398,216	390,624	428,384	239,240	244,944	245,946
Facilities and services not included in the reporting entity <sup>1</sup> :										
Number of public elem. schools	4	4	4	4	4	4	4	4	4	4
Number of elementary instructors <sup>2</sup>	145.0	143.0	139.0	139.0	132.0	132.0	125.0	125.0	132.0	122.0
Number of public middle schools	1	1	1	1	1	1	1	1	1	1
Number of MS instructors <sup>2</sup>	40.0	38.0	38.0	36.0	38.0	38.0	38.0	41.0	42.0	40.0
Charter school (K through 12)	1	1	1	1	1	1	1	1	1	1
Number of public high schools	1	1	1	1	2	2	1	1	1	1
Number of HS instructors <sup>2</sup>	90.0	82.0	63.0	63.0	64.0	64.0	64.0	66.0	66.0	68.0

<sup>1</sup> Source: Boulder Valley School District

<sup>2</sup> Full-time equivalents

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

	<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>	<u>2017</u>
<b>Function/Program</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	1	1	2	2	2	2
Public works										
Centerline miles of streets	98	98	99	101	101	150	141	147	195	195
Recreation and culture										
Recreation center	1	1	1	1	1	1	1	1	1	1
Parks	19	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	239	239	224	239
Open space/Undeveloped acres	1,120	1,265	1,265	1,265	1,265	1,265	1,300	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	1	1	1	1	1	1
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	235	235	237	239	239	239	169	169	164	174
Sanitary sewer (miles)	192	192	193	194	194	194	121	121	118	118
Water connections	8,267	8,302	8,322	8,455	8,539	8,809	8,902	9,022	9,275	9,341
Wastewater connections	7,651	7,631	7,680	7,881	7,901	8,236	8,319	8,458	8,761	8,824

# COMPLIANCE SECTION

This section consists of the following:

- Local highway finance report

**2017**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: City of Lafayette
	YEAR ENDING : December 2017

This Information From The Records Of (example - City of _ or County of City of Lafayette)	Prepared By: Cheryl Thompson	Phone: 303-665-5588 x1247
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,026,925
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	94,318
2. General fund appropriations	6,396,039	b. Snow and ice removal	83,055
3. Other local imposts (from page 2)	1,073,196	c. Other	640,656
4. Miscellaneous local receipts (from page 2)	391,362	d. Total (a. through c.)	818,029
5. Transfers from toll facilities		4. General administration & miscellaneous	1,273,772
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	3,672,476
a. Bonds - Original Issues		6. Total (1 through 5)	9,791,201
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	201,303
7. Total (1 through 6)	7,860,597	b. Redemption	846,681
<b>B. Private Contributions</b>	2,471,958	c. Total (a. + b.)	1,047,984
<b>C. Receipts from State government (from page 2)</b>	915,741	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	11,248,296	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,047,984
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	10,839,186

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	5,318,458		846,681	4,471,777
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	11,248,296	10,839,186	409,110	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2017

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	736,608	a. Interest on investments	41,629
b. Other local imposts:		b. Traffic Fines & Penalties	308,038
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	336,588	g. Other Misc. Receipts	41,695
6. Total (1. through 5.)	336,588	h. Other	
c. Total (a. + b.)	1,073,196	i. Total (a. through h.)	391,362
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	816,196	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	99,545	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.)	99,545	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	915,741	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		1,532,516	1,532,516
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		904,183	904,183
(3). System Preservation		1,540,237	1,540,237
(4). System Enhancement & Operation		49,989	49,989
(5). Total Construction (1) + (2) + (3) + (4)	0	2,494,409	2,494,409
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,026,925	4,026,925
			(Carry forward to page 1)

Notes and Comments: