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2017

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended December 31, 2017

City of Lakewood | 480 South Allison Parkway | Lakewood, Colorado | 80226

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
THE CITY OF LAKEWOOD
COLORADO**



**For The Year Ended
December 31, 2017**

**Prepared by:
Department of Finance**



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INTRODUCTORY SECTION



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**CITY OF LAKEWOOD, COLORADO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2017**

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City of Lakewood

City Manager's Office

480 South Allison Parkway
Lakewood, Colorado 80226-3127
303-987-7050 Voice
303-987-7063 FAX

June 28, 2018

Honorable Mayor Adam Paul,
Members of the City Council, and
Citizens of Lakewood, Colorado

TRANSMITTAL LETTER

Formal Transmittal

The Comprehensive Annual Financial Report (“CAFR”) of the City of Lakewood, Colorado (“the City”) for the fiscal year ended December 31, 2017 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City and that all disclosures necessary to enable the reader to gain an understanding of the City’s financial position have been included.

City Profile

The City of Lakewood, Colorado was incorporated on June 24, 1969 and its present Home Rule Charter was adopted in November 1, 1983. The City functions under a Council-Manager form of government. The City Council is composed of eleven officials, including a mayor elected at large and ten council members elected two each from five wards. The City provides a full range of services including police, water, sewer and storm water utility services, construction and maintenance of highways, streets and infrastructure, recreational activities, cultural events and family programs.

The City's Financial Condition

The CAFR includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or Statute. All applicable funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the Lakewood Reinvestment Authority and the Lakewood Public Building Authority, while legally separate entities, have significant financial and operational relationships with the City and are thus included in the CAFR. The City receives some of its funding from the Federal Government and hereby provides a schedule of financial assistance and other reports in the Single Audit section of the CAFR, as required by the United States Office of Management and Budget Uniform Grant Guidance.

Colorado statutes and the Lakewood City Charter require an annual financial statement audit of the City's accounts and financial records by an independent certified public accountant ("CPA"), as selected by the City Council. The CPA firm of Anton Collins Mitchell LLP, conducted the audit of the City's financial statements for the year ended 2017. Their Independent Auditor's Report is presented in the front of the Financial Section of this report.

Governmental Accounting Standards Board's Statement Number 34 ("GASB 34") requires that management provide a narrative introduction, general overview and analysis to accompany the basic financial statements, in the form of the Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The MD&A can be found immediately behind the Independent Auditor's Report.

As mentioned above, the CAFR includes Management's Discussion and Analysis, which includes a general overview, and analysis of the City's financial condition. In addition to the MD&A the City recognizes several opportunities that will have an impact on the future economic prospects of the City. As such, the City Council's annual Planning Session includes a long-term financial planning process that evaluates and organizes the strategic needs of the community and the related financial impacts and opportunities. The City's Long-Term Strategic Financial Plan is published in the annual budget, which forecasts 5 future years of financial activity.

The City's management is responsible for maintaining and assessing effective internal control over financial reporting. The City's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. As with any system of internal controls, the City's control over financial reporting is inherently limited. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

During 2017 the City experienced its most significant hailstorm in history. The severity of the storm forced the Colorado Mills Mall to close from May to November, impacting sales tax revenues. Lakewood's primary source of income, general fund sales tax, decreased 1.7% or \$1.05M during 2017. As a result of the storm, thousands of Lakewood rooftops were rebuilt, generating significant revenues from building permits and construction use tax. Additionally, many automobiles were completely destroyed during the storm and were replaced by households across the community, generating an increase in motor vehicle use tax. Revenues from these sources increased \$6.0M in the general fund.

The economy across the State of Colorado, and in Lakewood, continues to be even stronger than the very robust national economy. Tax receipts from motor vehicle sales were at a record high for the fifth consecutive year, during 2017. Real property is assessed every other year, in odd years, and collected one year in arrears. As such, 2017 receipts for 2016 property values reflect strong property values.

The City annually prepares an operating budget of revenues and expenditures for the following year in accordance with the City Charter and the City Council's budget policies. The City's budget process includes the guidelines of the National Council on Governmental Accounting and the Government Finance Officers Association of the U.S. and Canada. Included as a part of the City's budget process, the City prepares a 5-year long-term financial plan. The plan encompasses both operating and capital revenues and spending. The long-term financial plan is used for current and future service and infrastructure decision making.

Awards and Acknowledgements

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (“GFOA”). The GFOA has awarded its 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 is the twenty-seventh year that the City has been awarded this Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA’s Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility. The GFOA has also awarded the City its Distinguished Budget Presentation Award for fiscal years 2001 through 2018.

We sincerely appreciate the assistance of the entire Finance Department both for their efforts throughout the year and especially for their help in preparing this report. Specifically, we would like to acknowledge Peggy Starr, and the entire Accounting Division, and Camille DeBell for their direct contributions in preparing this report and facilitating the audit. Additionally, we thank Anton Collins Mitchell LLP for their assistance and for the professional manner in which they conducted the audit. We also acknowledge the cooperation of each of the City’s departments as we work together to conduct the City’s financial operations.

We would finally like to recognize the Mayor and City Council as a whole, and in particular, the members of City Council’s Budget and Audit Committee, for their support and continued desire to ensure the highest standards of professionalism in the management of the City’s financial affairs.

Respectfully submitted,



Kathleen E. Hodgson
City Manager



Larry Dorr, CPA
Finance Director



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Government Finance Officers Association

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

Presented to

**City of Lakewood
Colorado**

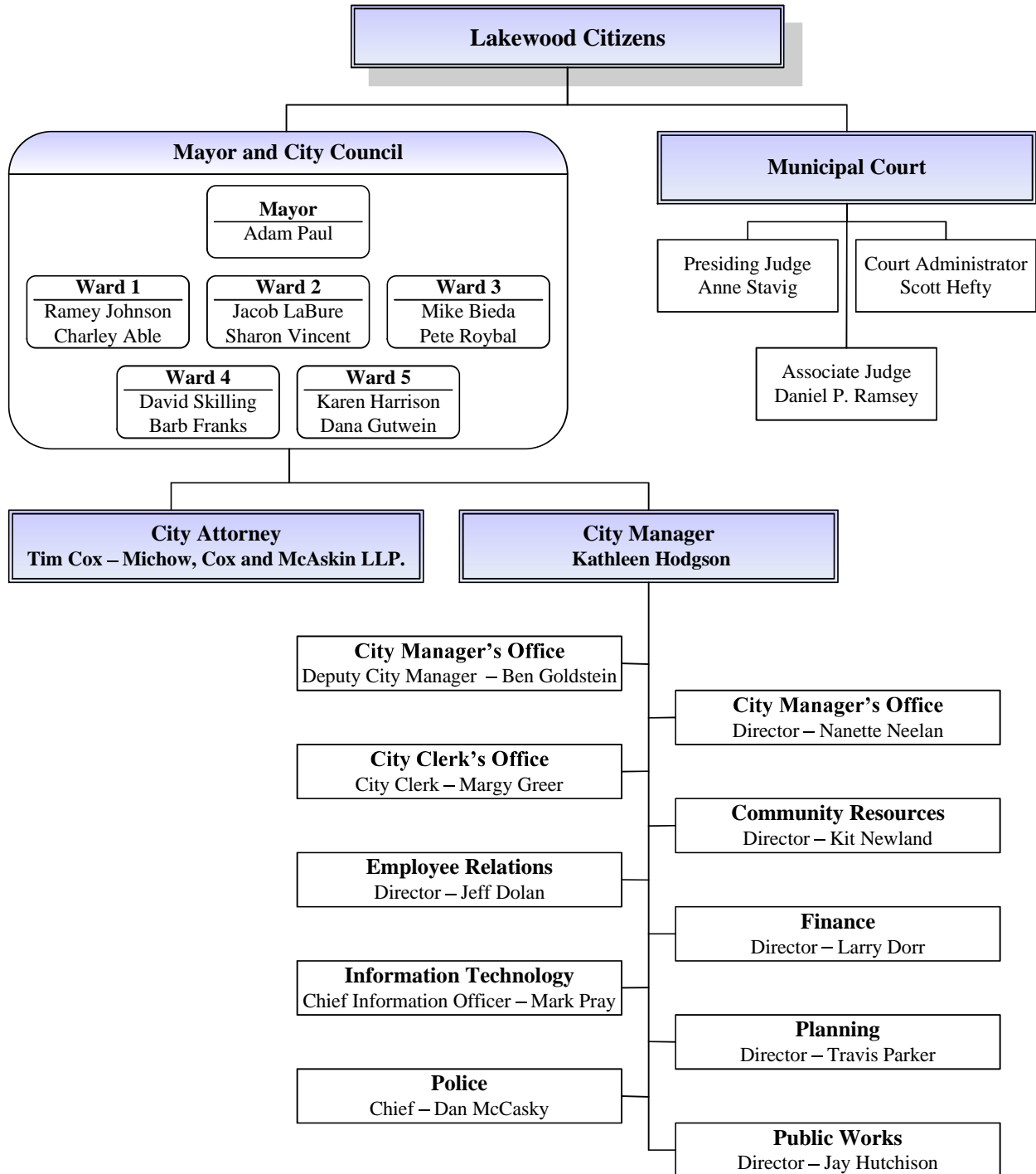
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

**CITY OF LAKEWOOD, COLORADO
ORGANIZATION CHART
Year Ended December 31, 2017**



CITY OF LAKEWOOD, COLORADO
CITY OFFICIALS AND ADMINISTRATION
Year Ended December 31, 2017

Mayor:	At-Large	Adam Paul
Members of Council:	Ward I	Ramey Johnson Charley Able
	Ward II	Jacob LaBure Sharon Vincent
	Ward III	Mike Bieda Pete Roybal
	Ward IV	David Skilling Barb Franks
	Ward V	Karen Harrison Dana Gutwein
City Officials:		
City Manager		Kathleen Hodgson
Deputy City Manager		Ben Goldstein
Department of Mayor and City Manager’s Office		Nanette Neelan, Director
City Attorney		Tim Cox – Michow, Cox & McAskin, LLP
City Clerk		Margy Greer
Department of Community Resources		Kit Newland, Director
Department of Employee Relations		Jeff Dolan, Director
Department of Finance		Larry Dorr, Director
Department of Information Technology		Mark Pray, Chief Information Officer
Municipal Court		Anne Stavig, Presiding Judge Scott Hefty, Court Administrator
Department of Planning		Travis Parker, Director
Police Department		Dan McCasky, Police Chief
Department of Public Works		Jay Hutchison, Director



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FINANCIAL SECTION

The Financial Section constitutes the formal portion of the report. The Independent Auditor's Report relates only to the combined and individual fund statements within this section.



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Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Lakewood
Lakewood, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Lakewood's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information and pension schedules on pages c through l and 48 through 58, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, local highway finance report, statistical section, and schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, local highway finance report and schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 28, 2018 on our consideration of the City of Lakewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lakewood's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Denver, Colorado
June 28, 2018



This section of the City of Lakewood's Comprehensive Annual Financial Report ("CAFR") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2017. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements and the notes to the financial statements, contained in this report.

I. Financial Highlights

Taken as a whole, the City's diverse core revenues and strong operating reserves illustrate the stable financial condition of the City. The City's increase in net position and continued investments in infrastructure demonstrate our continued positive overall financial health. While the City is not immune to a volatile economic environment, conservative planning and robust economic development have enabled the City to maintain a strong financial position and a stable level of services to the community. Additionally, the City's finances were put to a significant test this past year and proved to be resilient. In May of 2017, the City experienced its worst ever hailstorm which closed businesses and decreased tax revenues. Further information is available in Section IV below.

Total governmental fund revenues increased \$5.37 million or 3.4% in 2017. General Fund revenues increased \$1.85 million or 1.7% in 2017. Capital Improvement Fund revenues increased \$1 million or 6.0% in 2017.

While some revenues increased in 2017, the City decided to transfer some General Fund reserves, to other funds, for capital improvements. For 2017, General Fund fund balance decreased \$5,904,152 or 5.0% as a percent of expenditures and transfers out. As a result, the fund balance of the General Fund has decreased from \$36,055,911 to \$30,151,759 a decrease of 16.4%. The fund balance of the General Fund taken as a percent of 2017 expenditures and transfers out was 25.4% as of December 31, 2017. Transfers out of the General Fund for capital projects was \$6,115,000.

General Fund sales and use taxes, which comprised 64.0% of General Fund revenues, excluding TABOR Revenue Refund, increased \$4,801,012 or 6.4%. Sales and use tax revenues collected by the Capital Improvement Fund increased \$819,016 or 5.7%. The Capital Improvement Fund receives one sixth of the City's 3.0% sales and use tax revenues, to be used for capital improvements. During 2017, General Fund property taxes decreased by \$1,643 or 0.02%.

Total governmental fund expenditures increased \$0.62 million or 0.4% in 2017. Total General Fund expenditures and transfers out increased \$1.84 million or 1.6%.



Until 2016, Lakewood had built its highest level of General Fund reserves in history. The City has utilized some of its General Fund fund balance again, during 2017, to invest in infrastructure projects for the community. City Management, City Council and City Council's Budget & Audit Committee are continuing to monitor revenues and expenditures each quarter. In spite of uncertain economic circumstances, the City maintains a competitive, well trained and sufficiently equipped workforce for the effective delivery of community services.

II. Overview of the Financial Statements

Management's Discussion and Analysis is intended to provide an introduction to the City's basic financial statements. The City's basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements. Following these statements, in this report, the City provides additional other supplementary information. The basic financial statements include two types of statements that present unique views of the City's financial position.

1. Government-wide Financial Statements

The government-wide financial statements are intended to provide readers with a broad overview of the City's financial condition. They are presented using accounting methods very similar to a privately owned business, or the economic resources measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities deferred inflows of resources, with the balance reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the City's financial condition.
- *The Statement of Activities* presents information showing how the City's net position changed during the given 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. Capital expenditures are not included in this statement; however capital grant revenues are reported.

2. Fund Financial Statements

The fund financial statements focus on specific elements of the City's finances and report on fund-specific operations in more detail than the government-wide financial statements. A fund is a grouping of resources that are segregated for the purpose of carrying on a specific activity or attaining certain objectives in accordance with given regulations, restrictions or limitations. Section 12.6 of the Lakewood City Charter governs the creation and the purpose of certain funds.



Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements even though these two statements account for essentially the same activities. Governmental funds presented have a budgetary or *current financial resources* measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the City's near-term financial position and changes thereto.

Proprietary Funds

Proprietary funds are unlike governmental funds in that they report the business-type activities of the City.

- *Enterprise funds* account for the operation of governmental programs that are intended to be supported primarily by user fees. These funds are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the fund financial statements. In both cases, enterprise funds are presented using the *economic resources* measurement focus and full accrual accounting.
- *Internal service funds* account for goods and services provided by specific programs on a fee basis to the City's other departments and programs.

Fiduciary Funds

Fiduciary funds account for activities where the City acts in the capacity of a trustee, or fiduciary of another party's assets. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose. The City's fiduciary activities of the Retired City Manager's Pension Trust are reported in a separate statement of fiduciary net position.

3. Notes to the Basic Financial Statements

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

III. Government-wide Financial Statement Analysis

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2017, the City had total assets of \$634,175,081. As of December 31, 2017, the City's net position was \$542,061,788.



	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 165,426,119	\$ 146,679,275	\$ 16,061,226	\$ 13,967,047	\$ 181,487,345	\$ 160,646,322
Capital Assets	430,653,989	430,173,865	22,033,747	21,592,444	452,687,736	451,766,309
Total Assets	596,080,108	576,853,140	38,094,973	35,559,491	634,175,081	612,412,631
Total Deferred Outflows of Resources	519,015	692,020	-	-	519,015	692,020
Liabilities						
Long-term Liabilities	35,213,019	40,007,013	-	-	35,213,019	40,007,013
Other Liabilities	41,456,466	32,873,024	779,920	767,630	42,236,386	33,640,654
Total Liabilities	76,669,485	72,880,037	779,920	767,630	77,449,405	73,647,667
Total Deferred Inflows of Resources	15,182,903	12,417,977	-	-	15,182,903	12,417,977
Net Position						
Net Investment in Capital Assets	406,147,538	401,018,598	22,033,747	21,592,444	428,181,285	422,611,042
Restricted	60,771,877	53,564,615	-	-	60,771,877	53,564,615
Unrestricted	37,827,320	37,663,933	15,281,306	13,199,417	53,108,626	50,863,350
Total Net Position	\$ 504,746,735	\$ 492,247,146	\$ 37,315,053	\$ 34,791,861	\$ 542,061,788	\$ 527,039,007

Capital Assets make up the largest portion of the City’s Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land and other tangible items. Infrastructure includes streets, traffic signals, buildings and sidewalks. The City uses capital assets to provide services to the community and thus they are not available for immediate spending. During 2017, the City added to its capital assets.

- The largest portion of the City’s assets is Capital Assets that represent \$452,687,736 or 71.4% of Total Assets. Governmental capital assets added in 2017 included various park, street, technology and building improvements. Most notably the City put into service its Carmody Park playground, Civic Center reconstruction, and Link Recreation Center swimming pool. The Carmody Park playground is a one-of-a-kind facility designed specifically to be accessible to persons with disabilities. Also during 2017, the City completed significant improvements to roadway medians and vehicle detection systems at traffic intersections. Along with these notable projects, the City completed several sidewalks, and significant real property easements throughout the City, during 2017.
- The City has continued to invest in its fleet of vehicles during 2017 replacing various heavy duty trucks, mowers and other light duty trucks and automobiles.
- Additional information on the City’s capital assets can be found in the Capital Assets Note in the Notes to the Financial Statements section.
- In addition, it should be noted that the City retired long-term debt and increased reserves in some funds. The long-term debt of the City was reduced during 2017. In 2017, the City’s overall long-term debt decreased by \$4,793,994 or 12.0%. The City has appropriated funds in its 2018 budget to retire an additional \$4.72 million in long-term debt. This retirement of debt contributes to the City’s positive overall financial health. Additional information on the City’s long-term debt can be found in the Long-Term Debt Note in the Notes to the Financial Statements section.



- Of the City’s \$542,061,788 in net position, \$60,771,877 or 11.2% was restricted for various purposes, including emergencies, parks and open space, economic development, debt service, capital improvements and urban renewal. Additional information on net position restrictions may be found below under Governmental Fund Balances.

Statement of Activities

This statement presents information showing how the City’s net position changed during the given fiscal year. The following reflects the City’s change in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues-						
Charges for Services	\$ 25,429,220	\$ 22,580,880	\$ 14,833,564	\$ 14,448,327	\$ 40,262,784	\$ 37,029,207
Operating Grants and Contributions	15,243,100	13,961,253	-	-	15,243,100	13,961,253
Capital Grants and Contributions	6,623,045	6,880,770	1,006,100	528,230	7,629,145	7,409,000
General Revenues-						
Property & Specific Ownership Taxes	17,528,452	16,630,365	-	-	17,528,452	16,630,365
Sales and Use Taxes	95,874,916	90,146,096	-	-	95,874,916	90,146,096
Franchise & Other Taxes	11,360,718	11,128,813	-	-	11,360,718	11,128,813
Intergovernmental Revenue	321,768	354,755	-	-	321,768	354,755
Investment Income	1,326,433	436,653	199,144	135,819	1,525,577	572,472
Miscellaneous	61,943	114,423	50,634	32,875	112,577	147,298
TABOR Revenue Refund	(12,536,504)	(5,823,934)	-	-	(12,536,504)	(5,823,934)
Total Revenues	161,233,091	156,410,074	16,089,442	15,145,251	177,322,533	171,555,325
Expenses						
General Government	33,364,806	33,523,638	-	-	33,364,806	33,523,638
Public Safety	59,452,180	58,281,345	-	-	59,452,180	58,281,345
Public Works	17,930,662	12,204,246	-	-	17,930,662	12,204,246
Culture and Recreation	22,703,154	21,389,068	-	-	22,703,154	21,389,068
Urban Development and Housing	10,284,829	11,528,561	-	-	10,284,829	11,528,561
Economic Opportunity	4,294,677	2,374,391	-	-	4,294,677	2,374,391
Interest on Long-term Debt	1,378,589	1,614,934	-	-	1,378,589	1,614,934
Golf Course	-	-	4,423,571	4,149,108	4,423,571	4,149,108
Sewer	-	-	4,891,624	3,879,114	4,891,624	3,879,114
Stormwater	-	-	2,317,783	2,387,282	2,317,783	2,387,282
Water	-	-	1,257,877	1,013,114	1,257,877	1,013,114
Total Expenses	149,408,897	140,916,183	12,890,855	11,428,618	162,299,752	152,344,801
Increase (Decrease) Before Transfers	11,824,194	15,493,891	3,198,587	3,716,633	15,022,781	19,210,524
Transfers	675,395	675,630	(675,395)	(675,630)	-	-
Increase (Decrease) in Net Position	12,499,589	16,169,521	2,523,192	3,041,003	15,022,781	19,210,524
Net Position, Beginning of Year	492,247,146	476,077,625	34,791,861	31,750,858	527,039,007	507,828,483
Net Position, End of Year	\$ 504,746,735	\$ 492,247,146	\$ 37,315,053	\$ 34,791,861	\$ 542,061,788	\$ 527,039,007



IV. Fund Financial Statement Analysis

As noted earlier, the City uses fund accounting so as to segregate resources for the purpose of carrying on a specific activity or attaining certain objectives in accordance with regulations, restrictions or other limitations on the use of the funds.

Governmental Fund Balances

As mentioned in the Financial Highlights, General Fund fund balance decreased by \$5,904,152 or 5.0% of expenditures and transfers out in 2017. As such the General Fund's fund balance decreased from \$36,055,911 to \$30,151,759 a decrease of 16.4%. As of December 31, 2017, the Fund Balance of the General Fund taken as a percent of 2017 expenditures and transfers out was 25.4 %. In addition, management continues to control expenditures and partner with the private sector and other governments in order to be as efficient as possible. The City Council has set forth a strategic target for General Fund balance to be 10.0% of expenditures plus transfers out, or greater. Additionally, City Council has adopted a General Fund budget policy that requires revenues to exceed expenditures excluding the use of fund balance. Should special circumstances necessitate the use of General Fund fund balance, the City Manager is required by policy to present an alternative to using fund balance by way of reduced expenditures.

During strong economic conditions the City has had the opportunity to increase fund balances, which provides financial flexibility during economic downturns and in emergencies. Until 2016, the City had not had a year when it had reduced its General Fund balance since 2003. In the last four decades, during each decade, the City has experienced at least two years with a decrease in its General Fund balance. The City's 5-year Strategic Financial Plan currently anticipates a decreasing fund balance during the forecasted years. During unfavorable economic cycles, the City has made conservatively low estimates of future revenues and conservatively high estimates of future expenditures. The current fund balance level will give the City resources to weather economic challenges, and make pay-as-you-go investments in capital infrastructure, as was done in 2017.

The City's strong fund balance has provided for transfers out that have funded significant capital projects. Recognizing a phased, pay-as-you-go approach, in 2017 City Council authorized a \$6,115,000 transfer from the General Fund to other funds, for capital projects. This transfer is funding infrastructure improvements including park reconstruction and building rehabilitation.

The Capital Improvement Fund had an increase in fund balance of \$700,394 or 2.7% during 2017. This is due to one-time transfers from the General Fund of \$1,995,000 for projects that are not yet complete.

The Lakewood Reinvestment Authority had an increase in fund balance of \$444,015 or 9.1% during 2017. This is a result of increasing property tax assessment values.

At December 31, 2017, the City's Grants Fund had a negative fund balance. The City's Grants Fund continues to experience the effects of delayed receipts for grant activities as many grantors are slow to process requests for reimbursement, causing the negative fund balance. The City expects to receive planned revenue from grantors for appropriate activities.



Beginning in the 2010 Comprehensive Annual Financial Report, the City reported fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54 (“GASB 54”). The objective of GASB 54 reporting is to enhance the usefulness of fund balance information by providing fund balance classifications that can be applied more consistently across governments. The classifications are based on the relative strength of the constraints that control how specific amounts can be spent, or in the case of inventories, the inability to be spent. This reporting does not present any changes in the strategic initiatives of the City, and enhances public disclosure of the City’s financial condition.

- *Nonspendable* - generally for inventories and prepaid expenses that are a part of fund balance but are not available for spending.
- *Restricted* - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Under the Colorado Constitution, the City has restricted fund balance for emergencies and other fund balances for which the funds may only be used for a specific purpose.
- *Assigned* - is for those funds for which the City intends to spend on specific purposes, while maintaining the flexibility to change these intentions without the elements present in the *restricted* classification. The City has made a commitment via its budgetary process to fund the replacement of equipment and cultural programming under these auspices.
- *Unassigned* - is the residual classification for the City’s General Fund only and includes all spendable amounts not contained in other classifications.

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 283,908	\$ -	\$ -	\$ -	\$ 18,450	\$ 302,358
Prepays	-	-	-	-	13,360	13,360
Total Nonspendable	<u>283,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,810</u>	<u>315,718</u>
Restricted for:						
Emergencies	4,255,782	-	-	-	-	4,255,782
Parks and Open Space	-	-	-	-	12,054,213	12,054,213
Economic Development	-	-	-	-	8,872,410	8,872,410
Debt Service	377,391	-	-	181,155	2,986,071	3,544,617
Capital Improvements	-	-	26,896,522	-	-	26,896,522
Urban Renewal	-	-	-	5,148,333	-	5,148,333
Total Restricted	<u>4,633,173</u>	<u>-</u>	<u>26,896,522</u>	<u>5,329,488</u>	<u>23,912,694</u>	<u>60,771,877</u>
Assigned to:						
Cultural Activities	-	-	-	-	596,224	596,224
Capital Improvements	-	-	-	-	5,467,496	5,467,496
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,063,720</u>	<u>6,063,720</u>
Unassigned	<u>25,234,678</u>	<u>(132,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,102,583</u>
Total Fund Balances	<u>\$ 30,151,759</u>	<u>\$ (132,095)</u>	<u>\$ 26,896,522</u>	<u>\$ 5,329,488</u>	<u>\$ 30,008,224</u>	<u>\$ 92,253,898</u>



Revenues

As discussed in the financial highlights, General Fund revenues had an overall increase in 2017 compared to 2016.

- On May 8th, 2017 the City experienced a significant weather event that had a material impact on City revenues. Large hailstones inflicted significant damage to the Colorado Mills Mall, which is the single largest generator of sales tax revenue to the City. The roof of the main mall building was torn open creating water damage to the entire main building; forcing its closure. The majority of the mall was forced to close for over 6 months for repairs and reconstruction of the roof. As a result, the City experienced a decrease in General Fund sales tax revenue during 2017, attributable solely to the mall closure, in the amount of \$3,249,963. Due to the same hailstorm, many Lakewood residences and other businesses experienced significant damage causing the replacement of many household and business rooftops. As a result, General Fund Building Material Use Tax revenues increased \$4.1 million or 130.0%.
- Also related to the hailstorm, many businesses and households replaced vehicles damaged in the storm. The City experienced a 21.0% increase in General Fund motor vehicle use tax receipts as a result. Revenues from motor vehicle use tax have increased significantly due to the hailstorm, and along with the continued strength in the national automobile business. Similarly, the market economy surrounding pre-owned vehicles is exceptionally strong. During 2017, Lakewood experienced record revenues in this category for the fifth consecutive year.
- General Fund sales and use tax revenues increased \$4.8 million or 6.4% in 2017.
- These various increases and decreases in revenue generally offset one another and General Fund revenues increased \$1.85 million or 1.7%
- During 2017, General Fund property tax receipts decreased \$1,643 or 0%. Property taxes are assessed and collected in arrears. As such, the 2017 receipts reflect the 2016 property assessment values, in advance of the 2017 reassessment of values. The City is also experiencing growth in the current market for residential properties.
- The Lakewood Reinvestment Authority had an increase in 2017 revenue in the amount of \$918,558 or 11.1%. This is reflective of the same change and improvement in property tax values and assessments in revitalized areas and reflects some new construction in the revitalized areas of the City.

Expenditures

The City experienced economic growth during 2017, yet revenues are perceived to be relatively volatile and uncertain. The City is substantially reliant on sales tax revenues driven by consumer purchases which are unpredictable and discretionary. In addition, the City has collected meaningful one time revenues from building construction and motor vehicle purchases. Because



of this, it's prudent for the City to pursue operational efficiencies and plan new initiatives cautiously. In the face of this, the City has made thoughtful decisions regarding its spending.

- The damage caused by the hailstorm impacted City-owned properties as well. Many City buildings experienced damage, which are being repaired with insurance claims. The City did not experience any financial impairment to these assets and never lost any use or functionality. Fortunately, given the size of the damage, the City is insured by the Traveler's Insurance Corporation for these losses. The City is in the process of reconstructing damages to the facilities and replacing vehicles.
- The City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and was only filling positions upon an evaluation and approval by the City Manager. The City added to its police force during 2017 by increasing the authorized number of police officers by 8 officers. This is the result of a study designed to assess the Police Department's call load and service efficiencies. Due to favorable spending conditions, the General Fund experienced a modest decrease of \$3,414 in expenditures, and was under budget in expenditures.
- General Fund expenditures and transfers out increased \$1.84 million or 1.6% over 2017. This was largely due to \$6,115,000 in transfers out for capital spending.

General Fund Budgetary Highlights

Over the course of the year the City Council revised the City's budget. These revisions were made for the following reasons:

- Capital improvement projects, which were not completed due to construction delays and had remaining expenditures, were re-appropriated.
- Funds were transferred for capital infrastructure projects.

Economic Factors and Next Year's Budget

In preparing both the 2018 revised budget as well as the 2019 budget, the City seeks guidance from many sources for an overall economic outlook. Those sources include the State Governor's Office of Planning & Budgeting and the State Legislative Council's economics staff.

As mentioned above, the country and the world are experiencing an overall economy that is very strong. However, the City experienced a significant hailstorm on May 8, 2017 that impacted consumer retail activity at the Colorado Mills Mall. Substantial numbers of businesses have not yet re-opened at the Mall and revenues have decreased 26.7% for the first four months of 2018. This will be reflected in the 2018 revised budget. The financial impacts of this hailstorm can't be accurately measured at this time, but City management and its Budget & Audit Committee will continue to monitor the related economic activity.



IV. Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Finance Director's Office, City of Lakewood, 480 South Allison Parkway, Lakewood, Colorado 80226, or via telephone at (303) 987-7600 or via e-mail at finance@lakewood.org.

BASIC FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Investments	\$ 129,255,153	\$ 14,245,438	\$ 143,500,591
Restricted Cash and Investments	3,546,020	-	3,546,020
Receivables			
Accounts	8,215,031	1,697,548	9,912,579
Taxes	24,094,197	-	24,094,197
Inventories	302,358	118,240	420,598
Prepays	13,360	-	13,360
Capital Assets, Not Being Depreciated	132,516,614	10,727,722	143,244,336
Capital Assets, Net of Accumulated Depreciation	298,137,375	11,306,025	309,443,400
Total Assets	596,080,108	38,094,973	634,175,081
Deferred Outflows of Resources			
Loss on Debt Refunding, Net of Accumulated Amortization	519,015	-	519,015
Total Assets and Deferred Outflows of Resources	\$ 596,599,123	\$ 38,094,973	\$ 634,694,096
Liabilities			
Accounts Payable	\$ 7,296,128	\$ 533,279	\$ 7,829,407
Accrued Liabilities	5,819,352	119,955	5,939,307
Accrued Interest Payable	156,536	-	156,536
Refundable Deposits	5,621,290	-	5,621,290
Retainage Payable	159,808	9,075	168,883
Unearned Revenues	823,024	117,611	940,635
Claims Payable	3,219,890	-	3,219,890
TABOR Refund Payable	18,360,438	-	18,360,438
Noncurrent Liabilities			
Due Within One Year	5,869,132	-	5,869,132
Due In More Than One Year	29,343,887	-	29,343,887
Total Liabilities	76,669,485	779,920	77,449,405
Deferred Inflows of Resources			
Property Taxes	15,182,903	-	15,182,903
Net Position			
Net Investment in Capital Assets	406,147,538	22,033,747	428,181,285
Restricted for			
Emergencies	4,255,782	-	4,255,782
Parks and Open Space	12,054,213	-	12,054,213
Economic Development	8,872,410	-	8,872,410
Debt Service	3,544,617	-	3,544,617
Capital Improvements	26,896,522	-	26,896,522
Urban Renewal	5,148,333	-	5,148,333
Unrestricted	37,827,320	15,281,306	53,108,626
Total Net Position	504,746,735	37,315,053	542,061,788
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 596,599,123	\$ 38,094,973	\$ 634,694,096

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 33,364,806	\$ 8,750,573	\$ 2,502	\$ -
Public Safety	59,452,180	6,959,710	3,027,838	447,337
Public Works	17,930,662	557,247	1,335,859	5,188,748
Culture and Recreation	22,703,154	6,771,306	9,542,770	10,000
Urban Development and Housing	10,284,829	1,187,163	117,923	976,960
Economic Opportunity	4,294,677	1,203,221	1,216,208	-
Interest and Fees on Long-Term Debt	1,378,589	-	-	-
Total Governmental Activities	149,408,897	25,429,220	15,243,100	6,623,045
Business-Type Activities				
Golf Course	4,423,571	4,866,509	-	-
Sewer	4,891,624	4,155,404	-	964,500
Stormwater	2,317,783	4,644,376	-	-
Water	1,257,877	1,167,275	-	41,600
Total Business-Type Activities	12,890,855	14,833,564	-	1,006,100
Total Primary Government	\$ 162,299,752	\$ 40,262,784	\$ 15,243,100	\$ 7,629,145

General Revenues

Taxes

Property and Specific Ownership

General Sales and Use

Building Materials and Motor Vehicle Use

Franchise

Other

Intergovernmental Revenues not Restricted to

Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

TABOR Refund

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning of Year

NET POSITION, End of Year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (24,611,731)	\$ -	\$ (24,611,731)
(49,017,295)	-	(49,017,295)
(10,848,808)	-	(10,848,808)
(6,379,078)	-	(6,379,078)
(8,002,783)	-	(8,002,783)
(1,875,248)	-	(1,875,248)
(1,378,589)	-	(1,378,589)
<u>(102,113,532)</u>	<u>-</u>	<u>(102,113,532)</u>
-	442,938	442,938
-	228,280	228,280
-	2,326,593	2,326,593
-	(49,002)	(49,002)
-	<u>2,948,809</u>	<u>2,948,809</u>
<u>(102,113,532)</u>	<u>2,948,809</u>	<u>(99,164,723)</u>
17,528,452	-	17,528,452
78,826,846	-	78,826,846
17,048,070	-	17,048,070
6,288,651	-	6,288,651
5,072,067	-	5,072,067
321,768	-	321,768
1,326,433	199,144	1,525,577
61,943	-	61,943
-	50,634	50,634
(12,536,504)	-	(12,536,504)
675,395	(675,395)	-
<u>114,613,121</u>	<u>(425,617)</u>	<u>114,187,504</u>
12,499,589	2,523,192	15,022,781
492,247,146	34,791,861	527,039,007
<u>\$ 504,746,735</u>	<u>\$ 37,315,053</u>	<u>\$ 542,061,788</u>

CITY OF LAKEWOOD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 45,703,804	-	\$ 31,864,691	\$ 6,464,390	\$ 25,781,971	\$ 109,814,856
Restricted Cash and Investments	377,391	-	-	181,458	2,987,171	3,546,020
Accounts Receivable	2,765,084	1,385,633	1,406,339	110,788	2,547,187	8,215,031
Property Taxes Receivable	4,861,066	-	-	10,398,113	-	15,259,179
Sales Taxes Receivable	7,400,300	-	1,362,717	72,001	-	8,835,018
Interfund Receivable	302,613	-	-	-	-	302,613
Inventories	283,908	-	-	-	18,450	302,358
Prepays	-	-	-	-	13,360	13,360
Total Assets	<u>\$ 61,694,166</u>	<u>\$ 1,385,633</u>	<u>\$ 34,633,747</u>	<u>\$ 17,226,750</u>	<u>\$ 31,348,139</u>	<u>\$ 146,288,435</u>
LIABILITIES						
Accounts Payable	\$ 2,593,186	\$ 785,627	\$ 2,750,914	\$ 403,574	\$ 710,954	\$ 7,244,255
Interfund Payable	-	302,613	-	-	-	302,613
Accrued Liabilities	5,573,566	59,924	33,089	2,242	134,013	5,802,834
Refundable Deposits	102,225	-	4,425,732	1,093,333	-	5,621,290
Retainage Payable	-	-	136,966	-	17,386	154,352
Unearned Revenues	128,202	40,082	390,524	-	264,216	823,024
TABOR Refund Payable	18,360,438	-	-	-	-	18,360,438
Total Liabilities	<u>26,757,617</u>	<u>1,188,246</u>	<u>7,737,225</u>	<u>1,499,149</u>	<u>1,126,569</u>	<u>38,308,806</u>
DEFERRED INFLOWS OF RESOURCES						
Grants	-	329,482	-	-	213,346	542,828
Property Taxes	4,784,790	-	-	10,398,113	-	15,182,903
Total Deferred Inflows of Resources	<u>4,784,790</u>	<u>329,482</u>	<u>-</u>	<u>10,398,113</u>	<u>213,346</u>	<u>15,725,731</u>
FUND BALANCES						
Nonspendable:						
Inventories	283,908	-	-	-	18,450	302,358
Prepays	-	-	-	-	13,360	13,360
Restricted for:						
Emergencies	4,255,782	-	-	-	-	4,255,782
Parks and Open Space	-	-	-	-	12,054,213	12,054,213
Economic Development	-	-	-	-	8,872,410	8,872,410
Debt Service	377,391	-	-	181,155	2,986,071	3,544,617
Capital Improvements	-	-	26,896,522	-	-	26,896,522
Urban Renewal	-	-	-	5,148,333	-	5,148,333
Assigned to:						
Cultural Activities	-	-	-	-	596,224	596,224
Capital Improvements	-	-	-	-	5,467,496	5,467,496
Unassigned	25,234,678	(132,095)	-	-	-	25,102,583
Total Fund Balances	<u>30,151,759</u>	<u>(132,095)</u>	<u>26,896,522</u>	<u>5,329,488</u>	<u>30,008,224</u>	<u>92,253,898</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 61,694,166</u>	<u>\$ 1,385,633</u>	<u>\$ 34,633,747</u>	<u>\$ 17,226,750</u>	<u>\$ 31,348,139</u>	<u>\$ 146,288,435</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2017

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

Fund Balances - Governmental Funds	\$ 92,253,898
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	430,653,989
In governmental funds, revenue is not recognized until it is available to liquidate current year liabilities and it is deferred.	542,828
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	16,146,560
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds. These include long-term debt (\$35,213,019), accrued interest payable (\$156,536) and loss on debt refunding \$519,015.	<u>(34,850,540)</u>
Total Net Position of Governmental Activities	<u>\$ 504,746,735</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 99,577,508	\$ -	\$ 15,248,918	\$ 8,165,197	\$ 1,772,463	\$ 124,764,086
Licenses and Permits	6,395,757	-	-	-	-	6,395,757
Charges for Services	11,872,741	-	-	-	3,299,651	15,172,392
Fines and Forfeitures	1,200,775	-	-	-	-	1,200,775
Intergovernmental	5,528,848	6,552,157	2,115,650	-	9,207,300	23,403,955
Miscellaneous						
Investment Income	279,080	663	424,303	36,317	364,457	1,104,820
Other	628,720	-	3,500	984,772	249,784	1,866,776
TABOR Refund	(12,536,504)	-	-	-	-	(12,536,504)
Total Revenues	112,946,925	6,552,820	17,792,371	9,186,286	14,893,655	161,372,057
EXPENDITURES						
Current						
General Government	31,135,797	85,346	1,953,928	-	1,100	33,176,171
Public Safety	53,704,031	2,886,572	378,666	-	-	56,969,269
Public Works	7,074,146	44,957	3,379,518	-	-	10,498,621
Culture and Recreation	13,315,011	60,396	4,071	-	6,318,607	19,698,085
Urban Development and Housing	645,685	356,932	11,365	374,126	661,343	2,049,451
Economic Opportunity	1,296,317	1,221,109	-	-	-	2,517,426
Capital Outlay						
General Government	243,360	-	2,210,683	-	2,129,302	4,583,345
Public Safety	321,862	769,113	378,786	-	-	1,469,761
Public Works	152,411	345,456	7,297,402	-	-	7,795,269
Culture and Recreation	80,796	-	837,631	-	3,351,411	4,269,838
Urban Development and Housing	-	-	-	8,186,990	-	8,186,990
Economic Opportunity	2,781	-	1,734,815	-	-	1,737,596
Debt Service						
Principal	188,694	294,000	93,578	113,448	4,114,908	4,804,628
Interest and Fiscal Charges	114,536	77,069	8,422	67,707	1,100,191	1,367,925
Total Expenditures	108,275,427	6,140,950	18,288,865	8,742,271	17,676,862	159,124,375
Excess (Deficiency) of Revenues Over Expenditures	4,671,498	411,870	(496,494)	444,015	(2,783,207)	2,247,682
OTHER FINANCING SOURCES (USES)						
Transfers In	-	235,288	1,995,000	-	10,876,404	13,106,692
Transfers Out	(10,575,650)	-	(798,112)	-	(1,057,535)	(12,431,297)
Total Other Financing Sources (Uses)	(10,575,650)	235,288	1,196,888	-	9,818,869	675,395
Net Change in Fund Balances	(5,904,152)	647,158	700,394	444,015	7,035,662	2,923,077
FUND BALANCES, Beginning of Year	36,055,911	(779,253)	26,196,128	4,885,473	22,972,562	89,330,821
FUND BALANCES, End of Year	\$ 30,151,759	\$ (132,095)	\$ 26,896,522	\$ 5,329,488	\$ 30,008,224	\$ 92,253,898

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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

Net Change in Fund Balances - Governmental Funds	\$	2,923,077
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset additions \$11,065,291 exceeded depreciation expense (\$10,317,882) and net book value of capital asset disposals (\$267,285) in the current year.</p>		
		480,124
<p>The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: COP and loan principal payments \$4,432,448 principal payments on capital leases \$372,180, amortization of premium \$130,641, and amortization of loss on refunding (\$173,005).</p>		
		4,762,264
<p>Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds.</p>		
		(479,734)
<p>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. This includes the change in accrued interest payable \$31,700, compensated absences (\$183,297), postemployment benefits (\$77,133) and the net pension liability \$119,155.</p>		
		(109,575)
<p>Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The activities of the internal service funds are reported with governmental activities in the statement of activities.</p>		
		4,923,433
Change in Net Position of Governmental Activities	\$	12,499,589

The accompanying notes are an integral part of the financial statements.



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Business-Type Activities - Enterprise Funds					Governmental
					Total	Internal
	Golf Course	Sewer	Stormwater	Nonmajor Water	Enterprise	Service
	Fund	Fund	Fund	Fund	Funds	Funds
ASSETS						
Current Assets						
Cash and Investments	\$ 261,396	\$ 6,362,580	\$ 5,642,197	\$ 1,979,265	\$14,245,438	\$ 19,440,297
Accounts Receivable	24,800	981,983	534,753	156,012	1,697,548	-
Inventories	118,240	-	-	-	118,240	-
Total Current Assets	<u>404,436</u>	<u>7,344,563</u>	<u>6,176,950</u>	<u>2,135,277</u>	<u>16,061,226</u>	<u>19,440,297</u>
Noncurrent Assets						
Land	6,921,465	108,312	303,738	75,459	7,408,974	-
Construction in Progress	-	-	3,318,748	-	3,318,748	-
Infrastructure	-	11,995,837	11,235,721	1,459,129	24,690,687	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,106,597	-	-	-	2,106,597	-
Less Accumulated Depreciation	<u>(7,868,725)</u>	<u>(9,459,445)</u>	<u>(5,142,934)</u>	<u>(1,409,888)</u>	<u>(23,880,992)</u>	<u>-</u>
Total Noncurrent Assets	<u>9,108,704</u>	<u>3,064,470</u>	<u>9,715,273</u>	<u>145,300</u>	<u>22,033,747</u>	<u>-</u>
Total Assets	<u>\$ 9,513,140</u>	<u>\$10,409,033</u>	<u>\$15,892,223</u>	<u>\$ 2,280,577</u>	<u>\$38,094,973</u>	<u>\$ 19,440,297</u>
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts Payable	\$ 11,946	\$ 394,713	\$ 46,418	\$ 80,202	\$ 533,279	\$ 51,873
Retainage Payable	-	9,075	-	-	9,075	5,456
Accrued Liabilities	57,695	18,847	39,997	3,416	119,955	16,518
Refundable Deposits	-	-	-	-	-	-
Unearned Revenues	117,611	-	-	-	117,611	-
Claims Payable	-	-	-	-	-	3,219,890
Total Current Liabilities	<u>187,252</u>	<u>422,635</u>	<u>86,415</u>	<u>83,618</u>	<u>779,920</u>	<u>3,293,737</u>
NET POSITION						
Net Investment in Capital Assets	9,108,704	3,064,470	9,715,273	145,300	22,033,747	-
Unrestricted	<u>217,184</u>	<u>6,921,928</u>	<u>6,090,535</u>	<u>2,051,659</u>	<u>15,281,306</u>	<u>16,146,560</u>
Total Net Position	<u>9,325,888</u>	<u>9,986,398</u>	<u>15,805,808</u>	<u>2,196,959</u>	<u>37,315,053</u>	<u>16,146,560</u>
Total Liabilities and Net Position	<u>\$ 9,513,140</u>	<u>\$10,409,033</u>	<u>\$15,892,223</u>	<u>\$ 2,280,577</u>	<u>\$38,094,973</u>	<u>\$ 19,440,297</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds					Governmental
					Total	Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund		Internal Service Funds
OPERATING REVENUES						
Charges for Services	\$ 4,866,509	\$ 4,155,404	\$ 4,644,376	\$ 1,167,275	\$ 14,833,564	\$ 15,211,189
Miscellaneous	12,468	-	38,166	-	50,634	2,521,837
Total Operating Revenues	4,878,977	4,155,404	4,682,542	1,167,275	14,884,198	17,733,026
OPERATING EXPENSES						
Cost of Goods Sold	386,522	-	-	-	386,522	-
Personnel Services	2,574,081	614,626	1,181,836	103,796	4,474,339	543,622
Services and Supplies	1,231,318	367,209	666,412	61,295	2,326,234	641,488
Sanitation Treatment	-	3,182,105	-	-	3,182,105	-
Water Purchased	-	-	-	812,108	812,108	-
Claims	-	-	-	-	-	9,902,335
Premiums	-	-	-	-	-	1,943,761
Capital Maintenance	-	330,808	-	233,989	564,797	-
Depreciation	231,650	396,876	469,535	46,689	1,144,750	-
Total Operating Expenses	4,423,571	4,891,624	2,317,783	1,257,877	12,890,855	13,031,206
Operating Income (Loss)	455,406	(736,220)	2,364,759	(90,602)	1,993,343	4,701,820
NONOPERATING REVENUES						
Investment Income	4,427	93,838	73,860	27,019	199,144	221,613
Income (Loss) Before Transfers	459,833	(642,382)	2,438,619	(63,583)	2,192,487	4,923,433
System Investment Fees	-	964,500	-	41,600	1,006,100	-
Transfers Out	(675,395)	-	-	-	(675,395)	-
Change in Net Position	(215,562)	322,118	2,438,619	(21,983)	2,523,192	4,923,433
NET POSITION, Beginning of Year	9,541,450	9,664,280	13,367,189	2,218,942	34,791,861	11,223,127
NET POSITION, End of Year	\$ 9,325,888	\$ 9,986,398	\$ 15,805,808	\$ 2,196,959	\$ 37,315,053	\$ 16,146,560

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds				Total	Governmental
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 4,858,714	\$ 3,911,558	\$ 4,690,133	\$ 1,146,179	\$14,606,584	\$ 15,211,189
Other Receipts	12,468	-	38,166	-	50,634	2,521,837
Cash Paid to Suppliers	(1,605,682)	(3,880,860)	(684,719)	(1,075,757)	(7,247,018)	(12,181,557)
Cash Paid to Employees	(2,583,648)	(613,373)	(1,180,494)	(104,194)	(4,481,709)	(545,649)
Net Cash Provided by Operating Activities	681,852	(582,675)	2,863,086	(33,772)	2,928,491	5,005,820
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments to Other Funds	(675,395)	-	-	-	(675,395)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of Capital Assets	(131,016)	(181,500)	(1,273,537)	-	(1,586,053)	-
System Investment Fees Received	-	964,500	-	41,600	1,006,100	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(131,016)	783,000	(1,273,537)	41,600	(579,953)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	4,427	93,838	73,860	27,019	199,144	221,613
NET INCREASE IN CASH AND CASH EQUIVALENTS	(120,132)	294,163	1,663,409	34,847	1,872,287	5,227,433
CASH AND CASH EQUIVALENTS, Beginning of Year	381,528	6,068,417	3,978,788	1,944,418	12,373,151	14,212,864
CASH AND CASH EQUIVALENTS, End of Year	\$ 261,396	\$ 6,362,580	\$ 5,642,197	\$ 1,979,265	\$14,245,438	\$ 19,440,297
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 455,406	\$ (736,220)	\$ 2,364,759	\$ (90,602)	\$ 1,993,343	\$ 4,701,820
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities						
Depreciation	231,650	396,876	469,535	46,689	1,144,750	-
Accounts Receivable	(18,549)	(243,846)	45,759	(21,096)	(237,732)	-
Inventories	15,841	-	-	-	15,841	-
Accounts Payable	(3,683)	4,501	(18,135)	30,840	13,523	38,597
Retainage Payable	-	(5,239)	-	-	(5,239)	5,456
Accrued Liabilities	(9,567)	1,253	1,168	397	(6,749)	479
Unearned Revenues	10,754	-	-	-	10,754	-
Claims Payable	-	-	-	-	-	259,468
Net Cash Provided By Operating Activities	\$ 681,852	\$ (582,675)	\$ 2,863,086	\$ (33,772)	\$ 2,928,491	\$ 5,005,820

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2017

	Pension Trust Funds
ASSETS	
Pooled Cash	\$ 8,464
Mutual Funds	2,186,970
Total Assets	\$ 2,195,434
LIABILITIES	
Payables	
Accounts Payable	\$ -
Total Liabilities	-
NET POSITION	
Restricted for Pensions	2,195,434
Net Position Restricted for Pensions	\$ 2,195,434

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2017

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 210,000
Miscellaneous	
Investment Income	123,758
Total Additions	333,758
DEDUCTIONS	
Benefit Payments	210,810
Administrative Expenses	486
Total Deductions	211,296
Net Increase in net position restricted for pensions	122,462
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of Year	2,072,972
End of Year	\$ 2,195,434

The accompanying notes are an integral part of the financial statements.



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**NOTES TO
FINANCIAL STATEMENTS**



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CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lakewood (the City) is part of the Denver Metropolitan area and was incorporated on June 24, 1969. On November 1, 1983, the citizens voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The City operates under a Council/Manager form of government with the City Council consisting of ten members, two elected from each of five wards, and a mayor elected at large.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the City and organizations for which the City is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. In addition, any legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the City.

Based on the application of these criteria, the following component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

The Lakewood Public Building Authority (LPBA) is an entity that is legally separate from the City. For financial reporting purposes, the LPBA consists of a single fund and is blended into the City's financial statements because it was formed to construct, finance and lease municipal and recreation facilities exclusively to the City. Separate financial statements for the LPBA are not prepared.

The Lakewood Reinvestment Authority (LRA), a legally separate entity, was established to undertake urban renewal plans, projects, programs, works, or activities with the City. All members of the LRA's governing body are City Council members and management of the City has operational responsibility for the LRA. Thus, for financial reporting purposes, the LRA is blended into the City's financial statements and is reported in a single fund. Separate financial statements for the LRA are not prepared.

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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, proprietary funds, and the fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Major funds are those funds whose activities are considered significant to the City based on economic or other factors.

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 and trust fund financial statements. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities are included in the statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Taxes, intergovernmental revenues, and interest associated with the current year are considered susceptible to accrual. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current year.

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, are recorded only when payment is due.

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

In the fund financial statements, the City reports the following major governmental funds:

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

The *Grants Fund* was established to maintain a separate accounting for federal, state, and other restricted grants.

The *Capital Improvements Fund* was established pursuant to an election to finance the acquisition, construction, improvement, and maintenance of capital assets. The primary revenue source is 17 percent of the City's sales and use tax.

The *Lakewood Reinvestment Authority Fund* accounts for the activities of the City's urban renewal areas, which include West Colfax and Wadsworth, Alameda Corridor, and West Colfax Avenue Corridor. These activities are financed primarily with property and sales tax increments.

The City reports the following major proprietary funds:

The *Golf Course Fund* accounts for all activities related to the City golf courses.

The *Sewer Fund* accounts for all activities necessary for providing sewer services to certain areas within the City.

The *Stormwater Fund* accounts for user fees collected from property owners to maintain existing storm water facilities, meet federal requirements for storm water quality, and to build new drainage facilities.

Additionally, the City reports the following fund types:

The *Internal Service Funds* are used to account for financing of the City's insurance needs.

Trust Funds are used to account for assets held by the City in a trustee capacity. The City reports the Retired City Manager Pension Fund as a trust fund.

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Investments are reported at fair value, pursuant to GASB Statement No. 72, *Fair Value Measurement and Application*.

Receivables - Receivables are reported net of an allowance for uncollectible accounts, where applicable.

Property Taxes Receivable - Property taxes earned but collected in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on the last day of February and June 15. Taxes are collected by the County Treasurer and remitted to the City on a monthly basis.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Inventories - Inventories in the General Fund consist of expendable supplies held for consumption and are valued at average cost. Inventory in the Golf Course and Heritage, Culture, and Arts Funds consist of goods held for resale and is priced at the lower of cost or market, using the first-in, first-out method. The cost is recorded as an asset at the time individual inventory items are purchased, and as an expenditure or expense when consumed or sold.

Prepays - Certain payments to vendors reflect costs applicable to future years and are reported as prepaids, thus utilizing the consumption method.

Capital Assets - Capital assets, which include property, equipment, and infrastructure constructed or acquired since 1980, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds in the fund financial statements. Purchases or construction of capital assets are recorded as expenditures in the governmental funds.

Capital assets are defined by the City as machinery and equipment with an individual cost of \$5,000 or greater, land, easements and buildings of \$50,000, and infrastructure of \$100,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation. Interest accrued during construction is not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In the proprietary funds, these costs are reported as capital maintenance expenses.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	20 - 50 years
Machinery and Equipment	2 - 15 years
Infrastructure	20 - 75 years
Solar Power Capacity	20 years

Unearned Revenues - Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred, and fees received in advance.

Deferred Outflows/Inflows of Resources - Deferred outflows of resources include losses on debt refundings resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources include property taxes earned but levied for a subsequent year. Revenues not available as current financial resources are deferred inflows in the governmental fund financial statements.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Compensated Absences - Accumulated unpaid vacation and sick pay is recorded when earned in the government-wide financial statements and when due in the governmental fund financial statements.

It is the City's policy to allow the accumulation of sick and vacation leave to a maximum, depending on the employee class and hire date. Accrued vacation is paid to employees upon termination of employment.

Payment for unused sick leave ranges from 0 percent to 100 percent depending on the employee class, hire date, and reason for termination.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. 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 funds recognize the face amount of the debt issued as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources or uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Net Position/Fund Balances – In the government-wide financial statements and the proprietary funds in the fund financial statements, net position is restricted when constraints placed on the use of resources is externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaids.
- Restricted Fund Balance – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Assigned Fund Balance - amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. City Council, as the governing board, is authorized to informally assign amounts to a specific purpose and has assigned certain amounts through various policies.
- Unassigned Fund Balance - the remaining General Fund fund balance after amounts are set aside for other classifications. Other funds may report negative balances in this category.

The City of Lakewood has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance. However, if expenditures are incurred for a specific purpose, the City uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, by unassigned amounts.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2017, the Grants Fund had a negative fund balance of \$132,095, which will be eliminated once grant receivables are collected.

NOTE 3 – CASH AND INVESTMENTS

The City, through its Charter and Investment Policy, maintains a cash and investment pool that is available for use by City administered funds. In addition, deposits and investments are separately held by several of the City’s funds.

Cash deposits and investments, except for proceeds of bond issues accounted for in the appropriate funds, are pooled throughout the year into the General Fund for cash management purposes. Investment income is allocated to the individual funds quarterly, based on monthly balances and each month’s weighted average yield. For financial statement purposes, all cash is recorded as “cash and investments” of the respective individual funds.

Cash and investments are reported in the financial statements as follows:

Unrestricted cash and investments:	
Governmental activities	\$ 129,255,153
Business-type activities	14,245,438
Fiduciary fund	2,195,434
Restricted cash and investments:	
Governmental activities	3,546,020
Total	<u>\$ 149,242,045</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 3 – CASH AND INVESTMENTS (Continued)

At December 31, 2017, cash and investments consisted of the following:

Cash on hand	\$	26,875
Deposits		32,554,075
Investments		116,661,095
		<hr/>
Total	\$	149,242,045
		<hr/>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the City had bank deposits of \$30,824,786 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

The City Treasurer is authorized to invest funds of the City as allowed by State statutes. State statutes do not apply to public funds held or invested as part of any pension plan, full or supplemental retirement plan, or deferred compensation plan. The City's policy does not govern the investments of the pension trust fund or the investments of the Lakewood Public Building Authority.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2017, the City’s investment balances were as follows:

Investment Type	S&P Rating	Investment Maturities (in Years)		Pension Trust	All Other Funds	Fair Value
		Less than 1	1 - 5			
US Treasury Securities	N/A	\$ -	\$ 11,454,895	\$ -	\$ 11,454,895	\$ 11,454,895
US Agency Securities	AA+	754,854	79,699,791	-	80,454,645	80,454,645
US Agency Securities	N/A	-	12,818,529	-	12,818,529	12,818,529
Corporate Bonds	AAA	124,555	514,412	-	638,967	638,967
Corporate Bonds	AA+	129,679	498,420	-	628,099	628,099
Corporate Bonds	AA	274,949	124,596	-	399,545	399,545
Commercial Paper	A-1+	2,756,462	-	-	2,756,462	2,756,462
Money Market Funds	AAA	293,625	-	-	293,625	293,625
ColoTrust	AAAm	5,029,358	-	-	5,029,358	5,029,358
Mutual Funds	N/A	2,186,970	-	2,186,970	-	2,186,970
Total		\$ 11,550,452	\$ 105,110,643	\$ 2,186,970	\$ 114,474,125	\$ 116,661,095

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City’s investment balances at fair value hierarchy are as follows:

Investment Type	Level 1	Level 2	Level 3	Total
US Treasury Securities	\$ -	\$ 11,454,895	\$ -	\$ 11,454,895
US Agency Securities	-	93,273,174	-	93,273,174
Corporate Bonds	-	1,666,611	-	1,666,611
Commercial Paper	-	2,756,462	-	2,756,462
Mutual Funds	2,186,970	-	-	2,186,970
Total	\$ 2,186,970	\$109,151,142	\$ -	111,338,112
Investments at Net Asset Value				5,322,983
Total Investments				\$ 116,661,095

Interest Rate Risk - The City’s investment policy limits the maturity of investment instruments or fixed-income securities to a maximum of five years and corporate bonds to a maximum of three years, except for investments matched to a specific cash flow.

Credit Risk - State statutes limit investments in commercial paper to a rating category of A1, P1, F1 or their equivalents, by at least two nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in corporate bonds to a minimum rating category of AA- or Aa3 or their equivalents by at least two NRSROs. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities 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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk - The City's investment policy requires that investments in any U.S. dollar denominated corporate or bank debt may comprise up to 30% of the book value of the City's total investments at the time of purchase with no more than 5% concentrated in any single obligor. Any investment in commercial paper may not exceed 50% of the total par value of the City's portfolio with no greater than 7.5% exposure to any single issuer. Furthermore, general obligation and revenue bonds of U.S. local government entities shall not exceed 50% of the total par value of the City's portfolio. At December 31, 2017, the City's investment in the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation represented 3%, 1%, 4%, and 2%, respectively, of total investments.

Local Investment Pools - At December 31, 2017, the City had invested \$5,029,358 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

The General Fund has restricted cash and investments of \$377,391 representing the required HUD Section 108 deposit reserve account (See Note 5). The Lakewood Reinvestment Authority has restricted cash and investments of \$181,458, which represents \$181,155 for the required loan reserve and \$303 in related interest earnings. The Lakewood Public Building Authority has cash and investments of \$2,987,171 restricted for debt service.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2017.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 127,110,276	\$ 663,769	\$ -	\$ 127,774,045
Construction in progress	8,769,910	3,777,247	(8,044,503)	4,502,654
Works of art/historical treasures	239,915	-	-	239,915
Total capital assets, not being depreciated	<u>136,120,101</u>	<u>4,441,016</u>	<u>(8,044,503)</u>	<u>132,516,614</u>
Capital assets, being depreciated:				
Infrastructure	215,505,630	903,915	-	216,409,545
Park buildings, facilities and improvements	105,911,668	10,040,791	(15,517)	115,936,942
Buildings	69,408,191	343,427	-	69,751,618
Machinery and equipment	45,674,324	3,380,645	(1,387,341)	47,667,628
Solar power capacity	933,232	-	-	933,232
Total capital assets, being depreciated	<u>437,433,045</u>	<u>14,668,778</u>	<u>(1,402,858)</u>	<u>450,698,965</u>
Less accumulated depreciation for:				
Infrastructure	(41,187,817)	(3,054,409)	-	(44,242,226)
Park buildings, facilities and improvements	(37,429,091)	(2,268,811)	5,431	(39,692,471)
Buildings	(29,157,318)	(1,775,648)	-	(30,932,966)
Machinery and equipment	(35,488,273)	(3,172,378)	1,130,142	(37,530,509)
Solar power capacity	(116,782)	(46,636)	-	(163,418)
Total accumulated depreciated	<u>(143,379,281)</u>	<u>(10,317,882)</u>	<u>1,135,573</u>	<u>(152,561,590)</u>
Total capital assets, being depreciated, net	<u>294,053,764</u>	<u>4,350,896</u>	<u>(267,285)</u>	<u>298,137,375</u>
Governmental activities capital assets, net	<u>\$ 430,173,865</u>	<u>\$ 8,791,912</u>	<u>\$ (8,311,788)</u>	<u>\$ 430,653,989</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 4 - CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,408,974	\$ -	\$ -	\$ 7,408,974
Construction in Progress	2,854,488	540,995	(76,735)	3,318,748
Total capital assets, not being depreciated	10,263,462	540,995	(76,735)	10,727,722
Capital assets, being depreciated:				
Infrastructure	23,699,910	990,777	-	24,690,687
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery and equipment	2,159,824	131,016	(184,243)	2,106,597
Total capital assets, being depreciated	34,249,467	1,121,793	(184,243)	35,187,017
Less accumulated depreciation for:				
Infrastructure	(14,658,802)	(913,100)	-	(15,571,902)
Buildings	(2,767,628)	(159,006)	-	(2,926,634)
Improvements	(3,630,345)	(7,194)	-	(3,637,539)
Machinery and equipment	(1,863,710)	(65,450)	184,243	(1,744,917)
Total accumulated depreciation	(22,920,485)	(1,144,750)	184,243	(23,880,992)
Total capital assets, being depreciated, net	11,328,982	(22,957)	-	11,306,025
Total business-type activities capital assets, net	\$ 21,592,444	\$ 518,038	\$ (76,735)	\$ 22,033,747
 Governmental Activities:				
General government				\$ 3,072,800
Public safety				1,397,173
Public works				3,415,677
Culture and recreation				2,354,274
Urban development and housing				21,780
Economic development				26,608
Economic opportunity				29,570
Total depreciation expense - governmental activities				\$ 10,317,882
 Business-type Activities:				
Golf course				\$ 231,650
Sewer				396,876
Stormwater				469,535
Water				46,689
Total depreciation expense - business-type activities				\$ 1,144,750

Depreciation expense was charged to functions of the City, as follows:

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2017:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of participation					
Certificates of participation, 2006A	\$ 16,185,000	\$ -	\$ 1,955,000	\$ 14,230,000	\$ 2,060,000
2006A COPs Premium	522,564	-	130,641	391,923	130,641
Certificates of participation, 2006B	8,800,000	-	2,070,000	6,730,000	2,160,000
Capital leases payable					
Police facility building	1,759,773	-	102,617	1,657,156	107,224
William Fredrick Hayden park land	183,486	-	183,486	-	-
Solar power capacity lease	798,464	-	86,077	712,387	88,758
Notes payable					
HUD section 108 notes payable	1,598,000	-	294,000	1,304,000	305,000
LRA station betterments loan	1,936,209	-	113,448	1,822,761	117,509
Compensated absences					
Sick leave	2,331,156	1,988,102	1,910,407	2,408,851	450,000
Vacation	3,767,313	3,833,524	3,727,922	3,872,915	450,000
Postemployment benefits					
Postemployment benefits	975,364	77,133	-	1,052,497	-
Net pension liability					
Net pension liability	1,149,684	214,603	333,758	1,030,529	-
Total	<u>\$ 40,007,013</u>	<u>\$ 6,113,362</u>	<u>\$ 10,907,356</u>	<u>\$ 35,213,019</u>	<u>\$ 5,869,132</u>

2006A Certificates of Participation

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,180,000 to advance refund a portion of the LPBA's outstanding Series 2000 certificates of participation. The Series 2006A certificates of participation bear interest at rates of 5.00%, payable semi-annually, and mature serially through December 2022. The certificates of participation are not redeemable prior to maturity.

Payment of principal and interest is secured by various pledged properties and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 5 - LONG-TERM DEBT (Continued)

2006A Certificates of Participation (Continued)

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,060,000	\$ 660,000	\$ 2,720,000
2019	2,165,000	554,375	2,719,375
2020	2,275,000	443,375	2,718,375
2021	2,390,000	326,750	2,716,750
2022	5,340,000	133,500	5,473,500
Total	<u>\$ 14,230,000</u>	<u>\$ 2,118,000</u>	<u>\$ 16,348,000</u>

2006B Certificates of Participation

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,510,000 to advance refund a portion of the LPBA's outstanding Series 1998 certificates of participation. The Series 2006B certificates of participation bear interest at 3.925%, payable semi-annually, and mature serially through December 2020. The 2006B certificates of participation are not redeemable prior to maturity.

Payment of principal and interest is secured by the Lakewood Civic Center property and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,160,000	\$ 243,154	\$ 2,403,154
2019	2,240,000	157,589	2,397,589
2020	2,330,000	68,786	2,398,786
Total	<u>\$ 6,730,000</u>	<u>\$ 469,529</u>	<u>\$ 7,199,529</u>

Capital Leases

Police Facility Building Lease - On September 30, 2009, the City entered into a lease purchase agreement for \$2,330,000 to purchase property for public safety use. Land, buildings and equipment recorded in the City's capital assets are \$381,775, \$1,957,650 and \$13,703, respectively, which includes interest income on the lease proceeds. Annual payments of \$181,630, including principal and interest accruing at 4.49%, are due on December 31, through 2029.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 5 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2017:

<u>Year</u>	<u>Amount</u>
2018	\$ 181,630
2019	181,630
2020	181,630
2021	181,630
2022	181,630
2023-2027	908,150
2028-2029	<u>363,260</u>
Total future minimum payments	2,179,560
Less: discount for interest	<u>(522,404)</u>
Present value of future minimum payments	<u>\$ 1,657,156</u>

William Frederick Hayden Park Land Lease - On September 8, 1988, the City entered into a lease agreement with an option to purchase land. The land is recorded in the City's capital assets at \$2,239,657, the present value of minimum lease payments on the date of inception of the lease. Annual payments of \$200,000, including principal and interest accruing at 9%, are due on September 8, with the final payment made in 2017.

Solar Power Capacity Lease - On March 20, 2014, the City entered into an agreement to purchase electric generating capacity in a solar garden. The purchase agreement was funded on August 1, 2014, with a lease agreement for \$957,000. The solar power capacity is recorded as capital assets in the amount of \$933,232. A portion of the loan proceeds was used to pay issuance costs of \$23,768. Annual payments of \$121,600, including principal and interest accruing at 4.61%, are due on August 1, 2015 to 2024.

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2017:

<u>Year</u>	<u>Amount</u>
2018	\$ 121,600
2019	121,600
2020	121,600
2021	121,600
2022	121,600
2023-2024	<u>241,530</u>
Total future minimum payments	849,530
Less: discount for interest	<u>(137,143)</u>
Present value of future minimum payments	<u>\$ 712,387</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 5 - LONG-TERM DEBT (Continued)

HUD Section 108 Notes Payable

In December 2007, the City entered into a variable/fixed rate note agreement in the amount of \$3,742,000 with a bank to finance the Ray Ross Park redevelopment project and a new Head Start building. On June 12, 2008, the City converted the loan to a fixed rate obligation. The interest rate on the loan ranges from 2.62% to 5.42%. The loan matures on August 1, 2021.

The loan is collateralized by future City grant allocations, program income derived from the original loan proceeds, and all funds or investments in the accounts established for the proceeds. The City is also required to establish and maintain a deposit reserve account in the amount equal to the greatest amount of principal and interest projected to be due on the loan during any year as calculated as of the date of the note. The required deposit reserve account balance at December 31, 2017, was \$377,391 (See Note 3). The note is guaranteed by the U. S. Department of Housing and Urban Development under Section 108 of the Housing and Community Development Act of 1974.

Future debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 305,000	\$ 63,663	\$ 368,663
2019	320,000	49,572	369,572
2020	335,000	33,988	368,988
2021	344,000	17,372	361,372
Total	<u>\$ 1,304,000</u>	<u>\$ 164,595</u>	<u>\$ 1,468,595</u>

Lakewood Reinvestment Authority Station Betterments Loan

In September 2008, the Lakewood Reinvestment Authority entered into a fixed rate loan agreement in the amount of \$2,975,000 with a bank to finance betterments to the Regional Transportation District's Light Rail Stations at Oak Street and at Wadsworth Boulevard located in the Colfax Avenue Corridor urban renewal area. Under the terms of the agreement, principal and interest at a fixed rate of 5% is payable semi-annually on the first day of each June and December through December 1, 2030. The loan was amended in July 2016, which reduced the interest rate to 3.5% and the annual minimum payment to \$181,155.

The loan is collateralized by a Loan Reserve Account funded with \$181,155 of the loan proceeds (See Note 3). For the year ended December 31, 2017, incremental property tax revenues of \$262,019 were available to pay annual debt service of \$181,155.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 5 - LONG-TERM DEBT (Continued)

Lakewood Reinvestment Authority Station Betterments Loan (Continued)

Remaining debt service at December 31, 2017, was as follows:

Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 117,509	\$ 63,645	\$ 181,154
2019	121,717	59,438	181,155
2020	125,917	55,237	181,154
2021	130,582	50,573	181,155
2022	135,257	45,898	181,155
2023-2027	752,365	153,407	905,772
2028-2030	439,414	24,252	463,666
Total	<u>\$ 1,822,761</u>	<u>\$ 452,450</u>	<u>\$ 2,275,211</u>

Compensated Absences, Pension Liabilities and Postemployment Benefits

Compensated absences, pension liabilities, and postemployment benefits are expected to be liquidated primarily with revenues of the General Fund.

NOTE 6 - FUND BALANCE

The TABOR Amendment (See Note 11) requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3 percent or more of fiscal year spending (as defined by TABOR). The amount required to be restricted at December 31, 2017, totaled \$4,255,782 and is reported as restricted fund balance in the General Fund.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Transfers between funds during the year ended December 31, 2017, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Improvement Fund	General Fund	\$ 1,995,000
Grants Fund	General Fund	130,072
Lakewood Public Building Authority	General Fund	3,032,378
Nonmajor Funds	General Fund	5,418,200
		<u>10,575,650</u>
Grants Fund	Capital Improvement Fund	105,216
Lakewood Public Building Authority	Capital Improvement Fund	386,000
Nonmajor Funds	Capital Improvement Fund	306,896
		<u>798,112</u>
Lakewood Public Building Authority	Golf Course Enterprise Fund	675,395
Lakewood Public Building Authority	Nonmajor Funds	1,057,535
		<u>1,732,930</u>
Total		<u>\$ 13,106,692</u>

The General Fund annually provides funding for capital projects to the Capital Improvements Fund. The General, Capital Improvements, Conservation Trust, Equipment Replacement, Open Space and Golf Course Funds annually transfer the required lease payments to the Lakewood Public Building Authority.

The General Fund transferred \$3,120,000 to the Open Space Fund for a park acquisitions and improvements.

The General Fund subsidized the operations of the Heritage, Culture and Arts Fund. In addition, the Capital Improvements Fund provided funds for public works of art.

NOTE 8 – EMPLOYEE RETIREMENT PLANS

The City’s employees are covered under three separate retirement plans and two retiree benefit plans.

Lakewood Employees Pension Plan

The City offers its full-time employees and key management officials, except sworn police officers, a retirement plan created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are required to participate in the Lakewood Employees Pension Plan on the first day of employment as a full-time or regular part-time employee.

This plan is a defined contribution plan administered by a third party trustee, Great West Life & Annuity Insurance Company.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Lakewood Employees Pension Plan (Continued)

Under the terms of this plan, the City is the only non-employee contributor and contributes 10% of the employee’s base salary, and the employee is required to contribute 8% of base salary. In 2014, the City contributed the 18% of the City Manager’s contribution, which includes the employer and employee portion. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. 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 contributions to the plan of \$4,050,809 and \$3,219,693 (including voluntary contributions of \$13,010), respectively.

An employee shall have immediate vesting in their contributions and non-forfeitable interest in the percentage of the employer contribution account determined pursuant to the following vesting schedule.

<u>Years of Continuous Service</u>	<u>Percentage Vested</u>
Less than 3	0%
3 - 3.99	60%
4 - 4.99	80%
5 or more	100%

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of an employee who terminates employment before becoming fully vested. During 2017, \$149,918 was used from this account to fund a portion of the City’s contribution, and \$14,186 was available to fund future City contributions.

Since a third party trustee holds the plan assets in trust, the plan is not reflected in the City’s financial statements.

Police Pension Plan

The City offers its sworn police officers a retirement plan created in accordance with IRC Section 401(a). Employees are eligible to participate in the Police Pension Plan on the first day of employment as a full-time or regular part-time police officer. This plan is a defined contribution plan administered by the International City/County Management Association – Retirement Corporation (ICMA-RC).

The City is the only non-employee contributor and contributes 10% of the participants’ base salary, and the participant is required to contribute 8% of base salary. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. 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 contributions to the plan of \$2,300,751 and \$1,865,433 (including voluntary contributions of \$24,689), respectively.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Police Pension Plan (Continued)

An employee shall have immediate vesting in their contributions and non-forfeitable interest in the percentage of the employer contribution account determined pursuant to the following vesting schedule.

<u>Years of Continuous Service</u>	<u>Percentage Vested</u>
Less than 1	0%
1 - 1.99	20%
2 - 2.99	40%
3 - 3.99	60%
4 - 4.99	80%
5 or more	100%

Since a third party trustee holds the plan assets in trust, the plan is not reflected in the City's financial statements.

City Manager Severance Plan

The City will provide a severance payment to the City Manager if employment is terminated without cause, or due to a permanent disability. The severance payment begins at an amount equivalent to two year's total compensation and increases in yearly increments up to five year's total compensation. The City Manager becomes vested in the Severance Payment on the 8th anniversary of the agreement and shall be entitled to a life annuity benefit in lieu of any severance payment.

City Manager Pension Plan

The City contributes to a 412(e)(3) plan on behalf of the City Manager. A 412(e)(3) plan uses a combination of guaranteed pension annuity contracts and pension life insurance policies specifically designed for insured pension plans. The City is required to make sufficient contributions to generate a guaranteed income stream for the City Manager during retirement. During the year ended December 31, 2017, the City made an annual required contribution to the plan in the amount of \$238,777. The guaranteed pension annuity of the plan is administered by the City, and the life insurance policy is administered by Massachusetts Mutual Life Insurance Company.

Retired City Manager Pension Plan

Summary of Significant Accounting Policies

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to, and deductions from, fiduciary net position have been determined on the same basis as reporting by the plan. As such, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investments – Investments are reported at fair value.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Plan Information

Plan Description - In August 2000, the City Council approved and established a pension plan for the now retired City Manager, known as the Retired City Manager Defined Benefit Pension Plan, qualified under the Internal Revenue Code of 1986, as amended, Section 401(a). The plan is a single-employer defined benefit pension plan. The plan does not issue a separate stand-alone report, and is included in these financial statements as a Pension Trust Fund.

Administration of the plan is vested with a Board of Trustees consisting of the City's Director of Employee Relations, Director of Finance, and City Clerk. The authority to establish and amend contributions rests with the City Council. Benefits shall not be amended pursuant to the City Manager's employment contract.

Plan Membership – Plan membership consists solely of the retired City Manager currently receiving benefits. The plan is closed to new entrants.

Benefits Provided - The retired City Manager began receiving a bi-weekly benefit of 60% of his salary upon his retirement at the age of 61. The retired City Manager's surviving spouse is eligible to receive a survivor benefit of two-thirds of the bi-weekly benefit paid to the retired City Manager. The City Manager retired in September 2009 with bi-weekly benefit payments of \$6,444 beginning in October 2009. The benefit payments increase by 3% cost of living adjustment each year.

Contributions - The plan was initially funded through a \$767,000 contribution from the City of Lakewood and a \$300,000 contribution from the City Manager. As established by City Council, the City will make all future contributions to the plan. The contributions are based on an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount necessary to finance the costs of benefits earned during the year, with an additional amount to finance any unfunded accrued liability. Contributions were determined as part of the December 31, 2017 actuarial valuation, with additional contributions in excess of the actuarially determined amount approved by the City Council. Total contributions for the year ended December 31, 2017, were \$210,000.

Investments

AXA Equitable invests the plan's assets with the approval of the Board of Trustees (trustee), who have the authority to invest all plan assets in accordance with the established rules and regulations, as follows:

Real property and all interests therein, in bonds, notes, debentures, mortgages, commercial paper, preferred stocks, common stocks, or other securities, rights, obligations or property, real or personal, including shares or certificates of participation issued by regulated investment companies or regulated investment trusts and shares or units of participation in qualified common trust funds or qualified pooled funds.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

In making investments or reinvestments, the trustee shall not be limited by the proportion which the investments to be made, either alone or with any property of the same or similar character then held or acquired, may bear on the entire amount of the trust fund, and the trustee shall not be bound as to the character of any investment provided by any constitutional provisions, statute, rule of court, or custom governing the investment of trust funds, providing only that the trustee shall exercise the judgment and care, under the circumstances then prevailing, that men of prudence, discretion and intelligence exercise in the management of their own affairs.

Rate of Return – During the year ended December 31, 2017, plan investments consisted solely of mutual funds. The annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 5.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date.

Actuarial Assumptions – The total pension liability in the actuarial valuation as of December 31, 2017, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate - 6.75%

Inflation - N/A

Benefits Expected Fixed COLA Increases - 3% Per Annum Compounded Annually

Investment Rate of Return - 6.75% Per Annum Compounded Annually, Net of Expenses

Mortality Rates - Modified 1994 Group Annuity Mortality Table Uni-Sex Rates

Discount Rate - The discount rate of 6.75% used to measure the total pension liability was determined by recent investment return experience. The projection of cash flows used to determine the discount rate assumes that contributions will be made at the current contribution level. The plan's net position is projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on plan investments of 6.75% was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2016	\$ 3,222,656	\$ 2,072,972	\$ 1,149,684
Changes for the year:			
Interest	210,819	-	210,819
Differences between expected and actual experience	3,298	-	3,298
Contributions - Employer	-	210,000	(210,000)
Contributions - Member	-	-	-
Net investment income	-	123,758	(123,758)
Benefit payments	(210,810)	(210,810)	-
Administrative expense	-	(486)	486
Net changes	3,307	122,462	(119,155)
Balances at December 31, 2017	\$ 3,225,963	\$ 2,195,434	\$ 1,030,529

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability of the City at December 31, 2017, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate, as follows:

	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
Net pension liability	\$ 1,368,787	\$ 1,030,529	\$ 742,135

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the City recognized pension expense of \$119,155. The net difference between projected and actual earnings on plan investments of \$3,298 was recorded in pension expense. Because the difference was not significant, it will not be recognized as pension expense over multiple fiscal years.

Duty Death and Disability Plan

The City has established the Police Duty Death and Disability Plan under the provisions of a trust agreement to provide benefits to officers or their surviving spouses and children if an officer is disabled or killed in the line of duty. The plan was initially established through a contribution from the State of Colorado, and may be, but is not required to be, supplemented by contributions from the City. All officers employed by the City will make an equal contribution to the Trust; the current contribution is \$10 per pay period.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Duty Death and Disability Plan (Continued)

The plan assets are held in trust by Charles Schwab Institutional. The Duty Death and Disability Board exercises discretionary authority and control over management of the trust and, along with a registered investment advisor, renders investment advice with respect to the assets of the trust.

Disabled officers receive 100% of their salary for the first 90 days of the disability, 60% for the 10-year period following. Benefits to disabled officers cease once they return to employment, recover from the disability or upon death. If an officer is killed in the line of duty, their surviving spouse shall receive 50% of the officer's salary. The surviving spouse shall receive this benefit for 96 months, or until remarriage, whichever occurs first. If there is no surviving spouse or if the surviving spouse should die or remarry, any surviving children of the officer shall receive an equal proportionate share of the benefits. When the surviving child of an officer reaches the age of 18, or 96 months of benefits are paid, whichever occurs first, benefits shall cease.

At December 31, 2017, an actuarial valuation was performed to determine projected benefits estimated to be payable in the future as a result of employee service to date. The valuation was intended to help users assess, on a going-concern basis, the funding status of the plan and assess progress made in accumulating sufficient assets to pay benefits when due. Significant actuarial assumptions used in the valuation included (a) a rate of return on the investment of present and future assets of 5%, (b) projected annual salary increases of 4.75%, (c) a mortality rate in accordance with the group annuity tables of 1994, (d) expected inflation of 3.00%, and (e) Duty Death and Disability rates based on experience of similar organizations with similar circumstances. To further test the Plan's funded status, Best-Estimate, Optimistic and Pessimistic scenarios were developed for duty-related deaths and disabilities.

Based on this valuation, the Best-Estimate Entry-Age Actuarial Liability totaled \$2,913,521. During the year ended December 31, 2017, benefit payments totaling \$73,271 were paid. At December 31, 2017, assets totaling \$3,730,450 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2017, the City and employees contributed \$118,795 and \$72,610, respectively, to the Police Duty Death and Disability Plan. Since a third party trustee holds the assets in trust, the plan is not reflected in the City's financial statements.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description - The City offers a single-employer postemployment benefit plan which provides retirees continuing access to group medical, dental, and vision coverage while retired until eligible for Medicare or any other group plan. Retirees must meet the following eligibility requirements effective January 1, 2010: 1) are at least age 55, and have a combination of age and years of service that equals at least 75, or 2) qualify for a disability benefit through the City's long term disability program, provided they have completed five full consecutive years of service, and 3) are a member of one of the City's medical insurance plans immediately prior to retirement. Benefits cease upon becoming eligible for other medical benefits.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Additionally, the City provides a lump sum payment to certain employees. There are 40 employees that are eligible for this payment. The one-time payment is based on years of service and is calculated at a rate of \$50 (\$25 for part-time employees) per year of service to a maximum benefit of \$1,000 (\$500 part-time). The benefit is indexed to the City’s average monthly investment earnings rates.

The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan. The City has reported transactions related to these postemployment benefits in the Retirees’ Health Internal Service Fund since no assets are held in a qualified trust.

Funding Policy - The City subsidizes retirees who were full time active employees at a monthly rate of \$10 per year of active service to a maximum of \$200 per month (part-time employees receive one half of the full time subsidy). Retirees are responsible for the difference between the active employee premium and the City contribution. The contribution requirements of plan members and the City are established and may be amended by the City Council. The City is currently funding the plan on a pay-as-you-go basis.

Annual OPEB and Net OPEB Obligation - The City’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the City’s annual OPEB cost for the year ended December 31, 2017, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan.

Annual required contribution	\$ 426,026
Interest on net OPEB obligation	43,924
Adjustment to annual required contributions	<u>(72,817)</u>
Annual OPEB cost	397,133
Contributions made	<u>(320,000)</u>
Increase in net OPEB obligation	77,133
Net OPEB obligation, beginning	<u>975,364</u>
Net OPEB obligation, ending	<u>\$ 1,052,497</u>

Trend Information of the Plan Follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	397,328	80.5%	894,920
12/31/2016	400,444	79.9%	975,364
12/31/2017	397,133	80.6%	1,052,497

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress - At December 31, 2017, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$4,223,560, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$63,161,430, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 6.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These assumptions include among others, annual rates of payroll increases, healthcare cost trends, and mortality rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the City and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions included the following:

Actuarial Valuation Date – December 31, 2017
Actuarial Cost Method – Unprojected Unit Credit Cost Method
Amortization Method – Level Dollar, including both principal and interest
Remaining Amortization Period – 30 years from valuation date, Open – 22 years remaining
Asset Valuation Method – Fair Value
Actuarial Valuation Discount Rate – 4.5%
Inflation Rate – 3.0%
Healthcare Cost Trend Factors – Not Applicable for Unit Credit Method
Turnover Rates – Uni-Sex Graduated Rates by Attained Age
Retirement Rates – Uni-Sex Graduated Rates Based on Plan Experience

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; health costs of employees; or natural disasters. For these risks of loss, the City has established self-insurance programs for property and casualty, worker's compensation, medical, and dental claims. The City accounts for these risk management activities in three internal service funds.

Premiums for the property and casualty and worker's compensation programs are paid by the General Fund. Excess coverage insurance policies cover individual workers' compensation claims in excess of \$750,000 for sworn employees and \$350,000 for all other employees. The City secures excess liability coverage for any insured liability claim that exceeds \$350,000. There has been no reduction in insurance coverage from the prior year. Additionally, no settlements have exceeded the City's insurance coverage in each of the past three fiscal years.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 10 – RISK MANAGEMENT (Continued)

In 2015, the City established a self-insurance program for the medical portion of employee health benefits. Transactions of the health benefits self-insurance program are reported in the Medical and Dental Internal Service Fund. Excess coverage insurance policies cover individual claims in excess of \$50,000, and aggregate annual claims in excess of \$100,000 for the year ended December 31, 2017.

Premiums for the medical and dental programs are paid by employee payroll deductions and City contributions. The medical and dental programs are fully self-insured programs that require the City to reimburse CIGNA and Delta Dental Plan of Colorado, respectively, for the total claims paid by them for plan medical and dental services provided to eligible employees. The plan follows the employee benefit plan fiscal year of April 1st through March 31st.

The City has established a reserve for incurred but not reported (IBNR) claims based on claims experience and actuarial estimates. The IBNR reserves are included in claims payable, and include a provision for incremental claim adjustment expenses as well as estimated recoveries, if applicable. Other than current amounts, the City does not believe that IBNR can be reasonably estimated. Therefore, no long-term liability is reported in the financial statements.

The following represents the changes in claims payable from January 1, 2016 to December 31, 2017:

	Property and Casualty	Workers' Compensation	Medical and Dental
Claims payable, December 31, 2015	\$ 4,330,465	\$ 1,660,872	\$ 444,994
Claims and changes in provisions	535,833	883,537	6,793,002
Claims payments	<u>(4,020,601)</u>	<u>(875,379)</u>	<u>(6,792,301)</u>
Claims payable, December 31, 2016	845,697	1,669,030	445,695
Claims and changes in provisions	1,179,954	763,830	7,958,551
Claims payments	<u>(860,391)</u>	<u>(875,644)</u>	<u>(7,906,832)</u>
Claims payable, December 31, 2017	<u>\$ 1,165,260</u>	<u>\$ 1,557,216</u>	<u>\$ 497,414</u>

NOTE 11 - CONTINGENCIES

TABOR Amendment

The City is required to comply with a 1992 amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending limits, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

On November 1, 2005, the City submitted a ballot issue to a vote of the registered electors for a one percent increase to the City's sales and use tax rate beginning January 1, 2006, which would also be exempt from the revenue limitations of the amendment. The ballot issue was passed.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 11 – CONTINGENCIES (Continued)

TABOR Amendment (Continued)

On November 7, 2006, the City submitted a ballot issue to a vote of the registered electors for exemption from the revenue limitations of the amendment. The ballot issue was passed and permitted the City to collect, retain, and spend Open Space revenues and grants for streets, public safety, parks, recreation and cultural opportunities received by the City during 2007 and all subsequent years thereafter, notwithstanding any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado Constitution.

For the year ended December 31, 2017, the City collected revenues in excess of the TABOR limitations of \$12,536,504. This excess amount and the excess of \$5,823,934 from the year ended December 31, 2016, are reported as a liability in the General Fund at December 31, 2017, totaling \$18,360,438. These excess amounts will be refunded through a temporary property tax mill levy rate reduction during the subsequent fiscal years.

The following table summarizes the City of Lakewood’s TABOR refunds:

Year	Refunding Mechanism	Funded by	TABOR Calculated Refund
2008	Rebated Stormwater fees	Stormwater Management Utility Fund	\$ 240,642
2010	Rebated Stormwater fees	General Fund	67,800
2013	Rebated Stormwater fees	General Fund	1,277,365
2014	Property tax mill levy reduction	General Fund	5,200,119
2015	Property tax mill levy reduction	General Fund	4,535,650
2016	Property tax mill levy reduction	General Fund	5,823,934
2017	Property tax mill levy reduction	General Fund	12,536,504
Total			<u>\$ 29,682,014</u>

Grants

The City receives revenue from various federal and state grant programs, which are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies.

Litigation

The City is named in numerous lawsuits. In the opinion of the City Attorney, none of these lawsuits are expected to result in a material liability which would not be covered by the excess insurance coverage available in the self-insurance programs (see Note 10), or have a material effect on the City’s financial statements.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 11 – CONTINGENCIES (Continued)

Operating Leases

Golf Equipment Leases - On January 18, 2013, October 28, 2013 and May 19, 2014, the City entered into operating leases with PNC Equipment Finance, LLC, for the rental of golf carts and other equipment at Homestead Golf Course and Fox Hollow Golf Course. The lease agreements require 48 monthly payments of \$4,829, beginning April 2013 through March 2017, \$7,723, beginning January 2014 through December 2017, and \$736, beginning August 2017 through July 2018, respectively. On April 1, 2017, the City entered into an operating lease with PNC Equipment Finance, LLC, for the rental of golf carts and other equipment at Homestead Golf Course and Fox Hollow Golf Course. The lease agreements require 42 monthly payments of \$14,557, beginning April 2017 through September 2020. For all leases, the City may, at its option, purchase the equipment at the end of the term of the lease at a price equal to fair market value. The lease agreements require the City to return the equipment at the end of the lease term if the City does not exercise the purchase option.

Remaining payments required by the leases are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 179,836
2019	174,684
2020	131,013
Total	<u>\$ 485,533</u>

NOTE 12 – TAX ABATEMENTS

The City has entered into certain agreements in an effort to promote economic development and re-development within the City. While the parties to the agreements and the various components therein are different, there are certain fundamentals that are consistent within each of the agreements.

1. Within each project, the City has agreed to either forego a portion of its sales tax, or pay a portion of its sales tax, in order to reimburse the property owners for construction and maintenance of public improvements.
2. In an effort to promote immediate economic development, the property owners have paid for and installed the improvements in advance.
3. Within each project agreement, the City has only committed to foregoing or reimbursing sales and use taxes generated within the given project area. The City has not committed to foregoing or reimbursing property developers from revenues not directly generated within the given project area.
4. In each project area, the revenues to the City were either zero or declining. As such, the City was in a position to both enhance its economic base and improve overall economic vitality in areas surrounding the specific projects.
5. Each financial agreement is set to terminate at either a date certain, or when a given amount of funds has been paid to reimburse the project developers, whichever occurs first.
6. In no instance has the City incurred or credit enhanced any debts or entered into any lease/purchase arrangements related to these agreements and project areas.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 12 – TAX ABATEMENTS (Continued)

7. Since the reimbursements are payable solely from the sales tax revenue increments generated by each project area, long-term debt is not required to be reported on the City’s financial statements.

The transactions related to the following agreements are reported in the Capital Improvements Fund:

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2017 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I ⁽³⁾ Annexation	Not Limited	9/26/2029	1/4 th of 2% Sales Tax	\$1,498,627	N/A
Stevinson II ⁽³⁾ Annexation	Not Limited	10/09/2026	1/4 th of 2% Sales Tax	\$236,189	N/A

⁽¹⁾ Does not include interest and ancillary hard and soft costs.

⁽²⁾ The reimbursement will be terminated on the termination date, or whenever the reimbursement obligation has been satisfied, whichever occurs first.

⁽³⁾ The revenue reimbursements were approved by the voters.

Lakewood Reinvestment Authority and Economic Development Agreements

In 1997, Lakewood voters approved the formation of the Lakewood Reinvestment Authority. As required by Colorado statutes, the Lakewood Reinvestment Authority receives revenue from incremental sales and property taxes that are collected from a designated geographical area as defined in an urban renewal plan approved by the City. Incremental sales taxes represent the increase in municipal sales taxes collected within the same area for each twelve-month period beginning on the date the urban renewal plan is approved. Incremental sales taxes are collected by the City and remitted to the Lakewood Reinvestment Authority. Property tax revenue is earned from the same geographical area based upon the increase in assessed valuation of taxable property, attributable to redevelopment, within the area. Incremental property taxes are collected by Jefferson County and remitted to the Authority.

The Lakewood Reinvestment Authority has agreed to reimburse certain developers for costs incurred in the redevelopment of retail projects within certain urban renewal areas. These reimbursements are payable solely from the property and sales tax increment revenues generated by each project, and are not reported as liabilities in the financial statements. Certain fundamentals that are consistent within each of the agreements are noted above under “Economic Development Agreements.”

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 12 – TAX ABATEMENTS (Continued)

The sales and use tax revenue and expenditure transactions related to the following agreements are reported in the Lakewood Reinvestment Authority Capital Projects Fund:

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2017 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Belmar	\$120,000,000	9/10/2025	2/3 rd s of 3% Sales Tax Rate Waived	\$0	N/A
Creekside Shopping Center (Wal-Mart)	\$24,320,435 ⁽³⁾	8/09/2024	100% of Sales Tax increment in excess of \$1,000,000	\$1,669,123	\$10,888,398

⁽¹⁾ In addition to the sales tax reimbursement or waiver for these projects, a public improvement fee (instituted privately by the developer) contributes to the overall reimbursement amount.

⁽²⁾ The reimbursement will be terminated on the termination date, or whenever the reimbursement

⁽³⁾ Does not include interest and ancillary hard and soft costs.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
RETIRED CITY MANAGER PENSION PLAN
Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Interest	\$ 210,819	\$ 214,904	\$ 222,339	\$ 208,501
Differences between Expected and Actual Experience	3,298	(2,257)	(82,380)	79,825
Benefits and Expenses Paid	(210,810)	(204,664)	(206,170)	(192,694)
Net Change in Pension Liability	<u>3,307</u>	<u>7,983</u>	<u>(66,211)</u>	<u>95,632</u>
Total Pension Liability - Beginning	<u>3,222,656</u>	<u>3,214,673</u>	<u>3,280,884</u>	<u>3,185,252</u>
Total Pension Liability - Ending	<u>3,225,963</u>	<u>3,222,656</u>	<u>3,214,673</u>	<u>3,280,884</u>
Plan Fiduciary Net Position				
Contributions - Employer	210,000	210,000	203,000	193,000
Net Investment Income	123,758	116,860	110,212	103,985
Benefit Payments	(210,810)	(204,664)	(206,170)	(192,694)
Administrative Expenses	(486)	(547)	(1,919)	(1,903)
Net Change in Plan Fiduciary Net Position	<u>122,462</u>	<u>121,649</u>	<u>105,123</u>	<u>102,388</u>
Plan Fiduciary Net Position - Beginning	<u>2,072,972</u>	<u>1,951,323</u>	<u>1,846,200</u>	<u>1,743,812</u>
Plan Fiduciary Net Position - Ending	<u>2,195,434</u>	<u>2,072,972</u>	<u>1,951,323</u>	<u>1,846,200</u>
Net Pension Liability - Ending	<u>\$ 1,030,529</u>	<u>\$ 1,149,684</u>	<u>\$ 1,263,350</u>	<u>\$ 1,434,684</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.06%	64.32%	60.70%	56.27%
Covered Payroll	No Active Employees			
City's Net Pension Liability as a Percentage of Covered Payroll	NA	NA	NA	NA

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available. This plan began in 2014.

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS AND INVESTMENT RETURNS
RETIRED CITY MANAGER PENSION PLAN
Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City Contributions				
Actuarially Determined Contribution	\$ 87,252	\$ 95,937	\$ 108,948	\$ 127,415
Contribution in Relation to the Actuarially Determined Contribution	<u>210,000</u>	<u>210,000</u>	<u>203,000</u>	<u>193,000</u>
Contribution Deficiency (Excess)	<u>\$ (122,748)</u>	<u>\$ (114,063)</u>	<u>\$ (94,052)</u>	<u>\$ (65,585)</u>
Covered-Employee Payroll		No Active Employees		
Contributions as a Percentage of Covered Payroll	NA	NA	NA	NA
Investment Returns				
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.87%	6.27%	5.69%	5.87%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available. This plan began in 2014.

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$0	\$4,004,736	\$4,004,736	0.0%	\$54,563,474	7.3%
12/31/13	\$0	\$3,807,932	\$3,807,932	0.0%	\$55,741,700	6.8%
12/31/14	\$0	\$4,279,938	\$4,279,938	0.0%	\$57,677,144	7.4%
12/31/15	\$0	\$4,352,749	\$4,352,749	0.0%	\$60,114,584	7.2%
12/31/16	\$0	\$4,289,524	\$4,289,524	0.0%	\$61,690,440	7.0%
12/31/17	\$0	\$4,223,560	\$4,223,560	0.0%	\$63,161,430	6.7%

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Postive (Negative)</u>
REVENUES				
Taxes				
Property Tax	\$ 8,805,077	\$ 9,152,158	\$ 9,150,515	\$ (1,643)
Sales Tax	66,521,374	63,199,219	62,301,202	(898,017)
General Use Tax	3,259,970	3,320,325	3,837,791	517,466
Building Material Use Tax	3,097,499	3,097,499	7,320,037	4,222,538
Business and Occupational Tax	2,465,742	3,144,875	3,299,605	154,730
Specific Ownership Tax	769,998	298,613	474,759	176,146
Motor Vehicle Use Tax	5,667,961	5,936,127	6,904,949	968,822
Franchise Tax	6,729,900	6,429,900	6,288,650	(141,250)
Total Taxes	<u>97,317,521</u>	<u>94,578,716</u>	<u>99,577,508</u>	<u>4,998,792</u>
Licenses and Permits				
Business Licenses and Permits	557,423	557,423	657,513	100,090
Nonbusiness Licenses and Permits	3,272,620	3,272,620	5,738,244	2,465,624
Total Licenses and Permits	<u>3,830,043</u>	<u>3,830,043</u>	<u>6,395,757</u>	<u>2,565,714</u>
Charges for Services				
General Government	928,824	819,824	956,712	136,888
Public Safety	846,907	821,907	964,846	142,939
Culture and Recreation	4,044,906	4,244,615	5,182,584	937,969
Other Sales and Services	5,679,038	5,116,284	4,768,599	(347,685)
Total Charges for Services	<u>11,499,675</u>	<u>11,002,630</u>	<u>11,872,741</u>	<u>870,111</u>
Fines and Forfeitures				
	<u>1,454,000</u>	<u>1,454,000</u>	<u>1,200,775</u>	<u>(253,225)</u>
Intergovernmental Revenue				
State Government Shared Revenue	3,954,750	3,954,750	4,165,591	210,841
Local Government Grants	55,000	60,000	68,275	8,275
Local Government Shared Revenue	1,203,785	1,203,785	1,294,982	91,197
Total Intergovernmental Revenue	<u>5,213,535</u>	<u>5,218,535</u>	<u>5,528,848</u>	<u>310,313</u>
Miscellaneous				
Investment Income	517,457	517,457	279,080	(238,377)
Other	675,928	674,428	628,720	(45,708)
Total Miscellaneous	<u>1,193,385</u>	<u>1,191,885</u>	<u>907,800</u>	<u>(284,085)</u>
TABOR Refunds				
	<u>(4,410,193)</u>	<u>(4,379,000)</u>	<u>(12,536,504)</u>	<u>(8,157,504)</u>
Total Revenues	<u>116,097,966</u>	<u>112,896,809</u>	<u>112,946,925</u>	<u>50,116</u>

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
General Government				
Legislative				
Personnel Services	365,622	312,286	312,378	(92)
Services and Supplies	238,426	238,426	188,639	49,787
Total Legislative	<u>604,048</u>	<u>550,712</u>	<u>501,017</u>	<u>49,695</u>
Judicial				
Personnel Services	2,536,191	2,542,265	2,433,754	108,511
Services and Supplies	259,214	274,214	167,055	107,159
Total Judicial	<u>2,795,405</u>	<u>2,816,479</u>	<u>2,600,809</u>	<u>215,670</u>
Executive				
Personnel Services	1,804,650	1,754,862	1,573,913	180,949
Services and Supplies	410,233	414,633	374,412	40,221
Capital Outlay	3,500	3,500	3,361	139
Total Executive	<u>2,218,383</u>	<u>2,172,995</u>	<u>1,951,686</u>	<u>221,309</u>
Administrative				
Personnel Services	8,501,135	8,702,699	7,261,300	1,441,399
Services and Supplies	4,876,306	4,856,906	5,072,465	(215,559)
Capital Outlay	20,800	20,200	24,026	(3,826)
Total Administrative	<u>13,398,241</u>	<u>13,579,805</u>	<u>12,357,791</u>	<u>1,222,014</u>
Other				
Personnel Services	8,312,798	7,605,659	7,188,655	417,004
Services and Supplies	8,538,336	8,466,853	6,563,226	1,903,627
Debt Service	303,230	303,230	303,230	-
Capital Outlay	141,461	142,821	215,973	(73,152)
Total Other	<u>17,295,825</u>	<u>16,518,563</u>	<u>14,271,084</u>	<u>2,247,479</u>
Total General Government	<u>36,311,902</u>	<u>35,638,554</u>	<u>31,682,387</u>	<u>3,956,167</u>

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Postive (Negative)</u>
EXPENDITURES (Continued)				
Public Safety				
Law Enforcement				
Personnel Services	47,560,716	45,048,202	44,089,851	958,351
Services and Supplies	3,880,807	3,916,647	3,423,675	492,972
Capital Outlay	(61,588)	(78,922)	232,608	(311,530)
Total Law Enforcement	<u>51,379,935</u>	<u>48,885,927</u>	<u>47,746,134</u>	<u>1,139,793</u>
Correction				
Personnel Services	758,492	728,693	721,680	7,013
Services and Supplies	27,858	27,858	12,630	15,228
Total Correction	<u>786,350</u>	<u>756,551</u>	<u>734,310</u>	<u>22,241</u>
Protective Inspection				
Personnel Services	2,756,075	2,879,802	2,943,700	(63,898)
Services and Supplies	610,207	690,207	194,486	495,721
Total Protective Inspection	<u>3,366,282</u>	<u>3,570,009</u>	<u>3,138,186</u>	<u>431,823</u>
Other Protection				
Personnel Services	1,883,065	1,799,452	1,815,740	(16,288)
Services and Supplies	514,354	514,354	502,269	12,085
Capital Outlay	30,362	30,362	89,254	(58,892)
Total Other Protection	<u>2,427,781</u>	<u>2,344,168</u>	<u>2,407,263</u>	<u>(63,095)</u>
Total Public Safety	<u>57,960,348</u>	<u>55,556,655</u>	<u>54,025,893</u>	<u>1,530,762</u>
Public Works				
Highways and Streets				
Personnel Services	3,884,886	3,825,559	3,238,810	586,749
Services and Supplies	4,320,426	4,466,316	3,835,336	630,980
Capital Outlay	11,500	11,500	152,411	(140,911)
Total Highways and Streets	<u>8,216,812</u>	<u>8,303,375</u>	<u>7,226,557</u>	<u>1,076,818</u>
Total Public Works	<u>8,216,812</u>	<u>8,303,375</u>	<u>7,226,557</u>	<u>1,076,818</u>

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES (Continued)				
Culture and Recreation				
Recreation				
Personnel Services	7,513,585	7,410,413	7,133,234	277,179
Services and Supplies	1,607,692	1,731,567	1,761,917	(30,350)
Capital Outlay	20,713	20,713	47,814	(27,101)
Total Recreation	<u>9,141,990</u>	<u>9,162,693</u>	<u>8,942,965</u>	<u>219,728</u>
Parks				
Personnel Services	2,308,856	2,319,299	2,372,889	(53,590)
Services and Supplies	1,920,220	1,961,220	2,046,971	(85,751)
Capital Outlay	21,500	5,500	32,982	(27,482)
Total Parks	<u>4,250,576</u>	<u>4,286,019</u>	<u>4,452,842</u>	<u>(166,823)</u>
Total Culture and Recreation	<u>13,392,566</u>	<u>13,448,712</u>	<u>13,395,807</u>	<u>52,905</u>
Urban Development and Housing				
Personnel Services	611,106	621,339	617,052	4,287
Services and Supplies	106,150	106,150	28,633	77,517
Total Urban Development and Housing	<u>717,256</u>	<u>727,489</u>	<u>645,685</u>	<u>81,804</u>
Economic Opportunity				
Personnel Services	1,033,930	1,012,077	1,083,827	(71,750)
Services and Supplies	172,741	196,234	212,490	(16,256)
Capital Outlay	21,656	43,398	2,781	40,617
Total Economic Opportunity	<u>1,228,327</u>	<u>1,251,709</u>	<u>1,299,098</u>	<u>(47,389)</u>
Total Expenditures	<u>117,827,211</u>	<u>114,926,494</u>	<u>108,275,427</u>	<u>6,651,067</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(1,729,245)</u>	<u>(2,029,685)</u>	<u>4,671,498</u>	<u>6,701,183</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(10,450,730)</u>	<u>(10,563,830)</u>	<u>(10,575,650)</u>	<u>(11,820)</u>
Total Other Financing Sources (Uses)	<u>(10,450,730)</u>	<u>(10,563,830)</u>	<u>(10,575,650)</u>	<u>(11,820)</u>
Net Change in Fund Balance	(12,179,975)	(12,593,515)	(5,904,152)	6,689,363
FUND BALANCE, Beginning of Year	<u>35,016,164</u>	<u>36,055,905</u>	<u>36,055,911</u>	<u>6</u>
FUND BALANCE, End of Year	<u>\$ 22,836,189</u>	<u>\$ 23,462,390</u>	<u>\$ 30,151,759</u>	<u>\$ 6,689,369</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental				
Federal Government Grants	\$ 5,268,936	\$ 10,246,441	\$ 3,312,018	\$ (6,934,423)
State Government Grants	2,082,544	2,828,105	2,851,131	23,026
Local Government Grants	194,428	246,559	389,008	142,449
Total Intergovernmental	7,545,908	13,321,105	6,552,157	(6,768,948)
Investment Income	100	9,720	663	(9,057)
Total Revenues	7,546,008	13,330,825	6,552,820	(6,778,005)
EXPENDITURES				
General Government				
Personnel Services	30,694	30,881	30,870	11
Services and Supplies	-	-	54,476	(54,476)
Capital Outlay	60,000	126,248	-	126,248
Total General Government	90,694	157,129	85,346	71,783
Public Safety				
Personnel Services	807,580	876,499	769,380	107,119
Services and Supplies	2,399,045	2,410,045	2,117,192	292,853
Capital Outlay	1,125,300	2,283,000	769,113	1,513,887
Total Public Safety	4,331,925	5,569,544	3,655,685	1,913,859
Public Works				
Personnel Services	-	-	44,957	(44,957)
Capital Outlay	1,330,000	4,752,182	345,456	4,406,726
Total Public Works	1,330,000	4,752,182	390,413	4,361,769

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	-	16,510	60,396	(43,886)
Services and Supplies	-	7,443	-	7,443
Total Culture and Recreation	<u>-</u>	<u>23,953</u>	<u>60,396</u>	<u>(36,443)</u>
Urban Development and Housing				
Personnel Services	147,335	146,156	124,894	21,262
Services and Supplies	180,369	1,068,911	232,038	836,873
Capital Outlay	20,000	12,000	-	12,000
Total Urban Development and Housing	<u>347,704</u>	<u>1,227,067</u>	<u>356,932</u>	<u>870,135</u>
Economic Opportunity				
Personnel Services	1,248,310	1,113,755	993,692	120,063
Services and Supplies	223,000	288,501	227,417	61,084
Total Economic Opportunity	<u>1,471,310</u>	<u>1,402,256</u>	<u>1,221,109</u>	<u>181,147</u>
Debt Service				
Principal	279,000	294,000	294,000	-
Interest	89,569	77,069	77,069	-
Total Debt Service	<u>368,569</u>	<u>371,069</u>	<u>371,069</u>	<u>-</u>
Total Expenditures	<u>7,940,202</u>	<u>13,503,200</u>	<u>6,140,950</u>	<u>7,362,250</u>
Excess (Deficiency) of Revenues Over Expenditures	(394,194)	(172,375)	411,870	584,245
OTHER FINANCING SOURCES				
Transfers In	363,500	1,196,930	235,288	(961,642)
Net Change in Fund Balance	(30,694)	1,024,555	647,158	(377,397)
FUND BALANCE, Beginning of Year	<u>179,652</u>	<u>(779,247)</u>	<u>(779,253)</u>	<u>(6)</u>
FUND BALANCE, End of Year	<u>\$ 148,958</u>	<u>\$ 245,308</u>	<u>\$ (132,095)</u>	<u>\$ (377,403)</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2017

NOTE 1 – SCHEDULE OF CITY CONTRIBUTIONS

Actuarial Assumptions

Significant actuarial methods and assumptions used to determine the contribution rates for the Retired City Manager Pension Plan are as follows:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, 2017, one year prior to the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Method over Fixed Period of Years
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Fair Value
Inflation	N/A
Benefits Expected Fixed	
COLA Increases	3% Per Annum Compounded Annually
Investment Rate of Return	6.75% Per Annum Compounded Annually, Net of Expenses
Number of Participants Employed	0
Number of Participants Retired	1
Retirement Date	September 19, 2009
Mortality Rates	Modified 1994 Group Annuity Mortality Table Uni-Sex Rates

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

1. As required by City Charter, by September 15, the City Manager shall submit to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Budgets for the Lakewood Public Building Authority and the Lakewood Reinvestment Authority are adopted by their governing boards.
2. Two public hearings are conducted at regular City Council meetings to obtain public comment.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. Expenditures may not legally exceed budgeted appropriations at the fund level, and all annual appropriations lapse at year-end, except for those of the Capital Improvements Fund and certain projects of the Special Revenue Funds, which may be carried over. The City Manager is authorized to transfer budgeted amounts between departments within any fund and to expend amounts within the approved appropriations and the City Code. However, any revisions that alter the total budgeted expenditures of any fund must be approved by City Council.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2017

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Projects, Internal Service, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Internal Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the Enterprise Funds are adopted on a basis consistent with GAAP except that debt proceeds are treated as revenues, capital outlay and debt service principal are treated as expenditures, and capital contributions are not budgeted.

Legal Compliance

For the year ended December 31, 2017, the Golf Course Enterprise Fund expenditures exceeded the amounts budgeted by \$65,463. This may be a violation of State statutes.

**SUPPLEMENTARY INFORMATION –
COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND
SCHEDULES**



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GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the City of Lakewood not accounted for in other funds. It is the City's primary operating fund. This fund represents an accounting for the City's ordinary operations financed from taxes and other general revenues and is the City's most significant fund in relation to overall expenditures.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for resources used for the acquisition and construction of major capital facilities and other capital assets other than those financed by proprietary funds and trust funds. These funds are established to maintain a separate accounting of specific capital projects as directed by City Council.

MAJOR FUNDS

CAPITAL IMPROVEMENT FUND

The purpose of the Capital Improvement Fund is to account for expenditures for the acquisition, construction, and improvements of capital assets. Revenue for this fund is primarily derived from one sixth of the City's sales and use taxes approved by voters and other intergovernmental revenues restricted for these purposes.

LAKWOOD REINVESTMENT AUTHORITY CAPITAL PROJECT FUND

On November 4, 1997 registered electors approved the creation of an Urban Renewal Authority. Pursuant to the Urban Renewal Law, Colorado Revised Statutes 31-25-101, Et. Seq., and the Lakewood Charter. The City subsequently created an Urban Renewal Authority known as the Lakewood Reinvestment Authority to exercise the powers provided under Colorado's urban renewal law.

NON-MAJOR FUNDS

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is established to accumulate resources to finance the acquisition, construction and improvements of vehicles, technology and public, education, and government access equipment.



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SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the City from specific revenue sources that are restricted or committed to expenditures for specified purposes.

MAJOR FUNDS

GRANTS FUND

The Grants Fund is established to maintain a separate accounting for Federal, State, and other qualified grants.

NON-MAJOR FUNDS

CONSERVATION TRUST FUND

This fund is established as required by Section 31-25-220, Colorado Revised Statutes, 1973 to account for monies received from the State of Colorado for Conservation Trust Fund (lottery) and restricted for the purposes of planning, acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on public sites.

ECONOMIC DEVELOPMENT FUND

The Economic Development Fund is established by Ordinance 85-54 to account for the City's hotel accommodation taxes which were approved by the voters in 1987 and restricted for the purpose of promoting economic development within the City.

HERITAGE, CULTURE & ARTS FUND

This fund is established to provide a full complement of heritage, cultural, and art activities to the general public on a continuing basis financed primarily through user charges, intergovernmental revenues restricted to these activities, and other financial resources assigned specifically for these purposes.

OPEN SPACE FUND

This fund was established in 1987 to account for intergovernmental funds received from Jefferson County related to its Open Space Sales Tax Resolution approved by voters in 1980 and which restricts the use to open space purposes. Open space purposes include planning, development, construction, acquisition and maintenance of park and recreation capital improvements.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for payment of bond principal and interest from government resources. Financing is provided by ad valorem property taxes, and operating transfers from various funds.

NON-MAJOR FUNDS

LAKESWOOD PUBLIC BUILDING AUTHORITY DEBT SERVICE FUND

The Authority was incorporated as a nonprofit corporation on May 8, 1979 for the purpose of construction of municipal facilities for use by the City of Lakewood. This fund was established to facilitate the various issuances of Certificates of Participation financing the acquisition, construction, and equipping of various City facilities and certain offsite infrastructure improvements; the acquisition, construction, and equipping of a public library to be subleased to and operated by the Board of Trustees of the Jefferson County Library; capitalized interest; and paying issuance costs of the certificates.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Taxes				
Sales Tax	\$ 12,651,566	\$ 12,651,566	\$ 11,666,845	\$ (984,721)
General Use Tax	651,994	651,994	758,989	106,995
Building Material Use Tax	619,500	619,500	1,442,082	822,582
Motor Vehicle Use Tax	1,071,193	1,071,193	1,381,002	309,809
Total Taxes	<u>14,994,253</u>	<u>14,994,253</u>	<u>15,248,918</u>	<u>254,665</u>
Intergovernmental				
State Government Shared Revenue	1,958,944	1,958,944	2,115,650	156,706
Miscellaneous				
Investment Income	217,489	217,489	424,303	206,814
Other	3,500	3,500	3,500	-
Total Miscellaneous	<u>220,989</u>	<u>220,989</u>	<u>427,803</u>	<u>206,814</u>
Total Revenues	<u>17,174,186</u>	<u>17,174,186</u>	<u>17,792,371</u>	<u>618,185</u>
EXPENDITURES				
General Government				
Personnel Services	109,440	109,758	157,866	(48,108)
Services and Supplies	1,490,000	2,773,198	1,796,062	977,136
Capital Outlay	2,375,000	7,473,481	2,210,683	5,262,798
Total General Government	<u>3,974,440</u>	<u>10,356,437</u>	<u>4,164,611</u>	<u>6,191,826</u>
Public Safety				
Personnel Services	171,546	222,930	171,928	51,002
Services and Supplies	466,165	466,165	206,738	259,427
Capital Outlay	520,000	2,429,922	378,786	2,051,136
Total Public Safety	<u>1,157,711</u>	<u>3,119,017</u>	<u>757,452</u>	<u>2,361,565</u>
Public Works				
Personnel Services	672,610	674,850	635,372	39,478
Services and Supplies	103,300	4,551,443	2,744,146	1,807,297
Capital Outlay	9,109,354	11,613,788	7,297,402	4,316,386
Total Public Works	<u>9,885,264</u>	<u>16,840,081</u>	<u>10,676,920</u>	<u>6,163,161</u>

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	-	-	771	(771)
Services and Supplies	9,350	9,350	3,300	6,050
Capital Outlay	5,650	760,870	837,631	(76,761)
Debt Service	102,000	102,000	102,000	-
Total Culture and Recreation	<u>117,000</u>	<u>872,220</u>	<u>943,702</u>	<u>(71,482)</u>
Economic Development				
Services and Supplies	10,000	35,000	11,365	23,635
Capital Outlay	2,450,000	2,450,000	1,734,815	715,185
Total Economic Development	<u>2,460,000</u>	<u>2,485,000</u>	<u>1,746,180</u>	<u>738,820</u>
Total Expenditures	<u>17,594,415</u>	<u>33,672,755</u>	<u>18,288,865</u>	<u>15,383,890</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(420,229)</u>	<u>(16,498,569)</u>	<u>(496,494)</u>	<u>16,002,075</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Lease	-	1,510,000	-	(1,510,000)
Transfers In	1,995,000	1,995,000	1,995,000	-
Transfers Out	(715,500)	(1,860,826)	(798,112)	1,062,714
Total Other Financing Sources (Uses)	<u>1,279,500</u>	<u>1,644,174</u>	<u>1,196,888</u>	<u>(447,286)</u>
Net Change in Fund Balance	859,271	(14,854,395)	700,394	15,554,789
FUND BALANCE, Beginning of Year	<u>8,316,010</u>	<u>26,196,130</u>	<u>26,196,128</u>	<u>(2)</u>
FUND BALANCE, End of Year	<u>\$ 9,175,281</u>	<u>\$ 11,341,735</u>	<u>\$ 26,896,522</u>	<u>\$ 15,554,787</u>

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
LAKEWOOD REINVESTMENT AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Taxes				
Property Taxes Increment	\$ 7,610,000	\$ 7,883,734	\$ 7,903,178	\$ 19,444
General Sales Taxes Increment	400,000	210,888	262,019	51,131
Investment Income	-	11,150	36,317	25,167
Miscellaneous	950,000	942,773	984,772	41,999
Total Revenues	8,960,000	9,048,545	9,186,286	137,741
EXPENDITURES				
Urban Development and Housing				
Personnel Services	68,882	64,177	63,525	652
Services and Supplies	808,800	488,410	310,601	177,809
Capital Outlay	11,399,000	8,153,185	8,186,990	(33,805)
Debt Service	180,000	181,155	181,155	-
Total Expenditures	12,456,682	8,886,927	8,742,271	144,656
Net Change in Fund Balance	(3,496,682)	161,618	444,015	282,397
FUND BALANCE, Beginning of Year	4,163,080	4,885,475	4,885,473	(2)
FUND BALANCE, End of Year	\$ 666,398	\$ 5,047,093	\$ 5,329,488	\$ 282,395

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
ASSETS				
Cash and Investments	\$ 828,763	\$ 8,787,160	\$ 942,099	\$ 9,363,227
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	103,890	213,346	2,168,913
Inventories	-	-	18,450	-
Prepays	-	-	13,360	-
Total Assets	<u>\$ 828,763</u>	<u>\$ 8,891,050</u>	<u>\$ 1,187,255</u>	<u>\$ 11,532,140</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 3,465	\$ 26,509	\$ 225,616
Accrued Liabilities	-	15,175	55,150	63,688
Retainage Payable	-	-	-	17,386
Unearned Revenues	-	-	264,216	-
Total Liabilities	<u>-</u>	<u>18,640</u>	<u>345,875</u>	<u>306,690</u>
DEFERRED INFLOWS OF RESOURCES				
Grants	<u>-</u>	<u>-</u>	<u>213,346</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	18,450	-
Prepays	-	-	13,360	-
Restricted for:				
Parks and Open Space	828,763	-	-	11,225,450
Economic Development	-	8,872,410	-	-
Debt Service	-	-	-	-
Assigned to:				
Cultural Activities	-	-	596,224	-
Capital Improvements	-	-	-	-
Total Fund Balances	<u>828,763</u>	<u>8,872,410</u>	<u>628,034</u>	<u>11,225,450</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 828,763</u>	<u>\$ 8,891,050</u>	<u>\$ 1,187,255</u>	<u>\$ 11,532,140</u>

See the accompanying Independent Auditor's Report.

<u>Debt Service</u> <u>Lakewood</u> <u>Public Building</u> <u>Authority</u>	<u>Capital Projects</u> <u>Equipment</u> <u>Replacement</u> <u>Fund</u>	<u>Total Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 5,860,722	\$ 25,781,971
2,987,171	-	2,987,171
-	61,038	2,547,187
-	-	-
-	-	18,450
-	-	13,360
<u>\$ 2,987,171</u>	<u>\$ 5,921,760</u>	<u>\$ 31,348,139</u>
\$ 1,100	\$ 454,264	\$ 710,954
-	-	134,013
-	-	17,386
-	-	264,216
<u>1,100</u>	<u>454,264</u>	<u>1,126,569</u>
-	-	213,346
-	-	18,450
-	-	13,360
-	-	12,054,213
-	-	8,872,410
2,986,071	-	2,986,071
-	-	596,224
-	5,467,496	5,467,496
<u>2,986,071</u>	<u>5,467,496</u>	<u>30,008,224</u>
<u>\$ 2,987,171</u>	<u>\$ 5,921,760</u>	<u>\$ 31,348,139</u>

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
REVENUES				
Taxes	\$ -	\$ 1,772,463	\$ -	\$ -
Charges for Services	-	96,360	1,140,171	7,474
Intergovernmental	1,501,416	-	342,133	7,363,751
Investment Income	19,193	116,959	-	88,178
Miscellaneous	-	4,952	155,505	10,000
Total Revenues	1,520,609	1,990,734	1,637,809	7,469,403
EXPENDITURES				
Current				
General Government	-	-	-	-
Culture and Recreation	3,020	-	2,648,536	3,667,051
Urban Development and Housing	-	661,343	-	-
Capital Outlay				
General Government	-	-	-	-
Culture and Recreation	1,252,261	72,279	383,908	1,642,963
Debt Service				
Principal	89,908	-	-	-
Interest and Fiscal Charges	8,092	-	-	-
Total Expenditures	1,353,281	733,622	3,032,444	5,310,014
Excess (Deficiency) of Revenues Over Expenditures	167,328	1,257,112	(1,394,635)	2,159,389
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,335,096	3,120,000
Transfers Out	(624,536)	-	-	(352,999)
Total Other Financing Sources (Uses)	(624,536)	-	1,335,096	2,767,001
Net Change in Fund Balances	(457,208)	1,257,112	(59,539)	4,926,390
FUND BALANCES, Beginning of Year	1,285,971	7,615,298	687,573	6,299,060
FUND BALANCES, End of Year	\$ 828,763	\$ 8,872,410	\$ 628,034	\$ 11,225,450

See the accompanying Independent Auditor's Report.

<u>Debt Service</u> <u>Lakewood</u> <u>Public Building</u> <u>Authority</u>	<u>Capital Projects</u> <u>Equipment</u> <u>Replacement</u> <u>Fund</u>	<u>Total Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ -	\$ 1,772,463
-	2,055,646	3,299,651
-	-	9,207,300
140,127	-	364,457
17,384	61,943	249,784
<u>157,511</u>	<u>2,117,589</u>	<u>14,893,655</u>
1,100	-	1,100
-	-	6,318,607
-	-	661,343
-	2,129,302	2,129,302
-	-	3,351,411
4,025,000	-	4,114,908
1,092,099	-	1,100,191
<u>5,118,199</u>	<u>2,129,302</u>	<u>17,676,862</u>
<u>(4,960,688)</u>	<u>(11,713)</u>	<u>(2,783,207)</u>
5,151,308	1,270,000	10,876,404
-	(80,000)	(1,057,535)
<u>5,151,308</u>	<u>1,190,000</u>	<u>9,818,869</u>
190,620	1,178,287	7,035,662
<u>2,795,451</u>	<u>4,289,209</u>	<u>22,972,562</u>
<u>\$ 2,986,071</u>	<u>\$ 5,467,496</u>	<u>\$ 30,008,224</u>

**CITY OF LAKEWOOD, COLORADO
 CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental				
State Government Shared Revenue	\$ 1,300,000	\$ 1,300,000	\$ 1,501,416	\$ 201,416
Investment Income	13,546	13,546	19,193	5,647
Total Revenues	<u>1,313,546</u>	<u>1,313,546</u>	<u>1,520,609</u>	<u>207,063</u>
EXPENDITURES				
Culture and Recreation				
Services and Supplies	-	-	3,020	(3,020)
Capital Outlay	725,000	1,295,000	1,252,261	42,739
Debt Service	98,000	98,000	98,000	-
Total Expenditures	<u>823,000</u>	<u>1,393,000</u>	<u>1,353,281</u>	<u>39,719</u>
Excess of Revenues Over Expenditures	490,546	(79,454)	167,328	246,782
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(625,600)</u>	<u>(625,600)</u>	<u>(624,536)</u>	<u>1,064</u>
Net Change in Fund Balance	(135,054)	(705,054)	(457,208)	247,846
FUND BALANCE, Beginning of Year	<u>814,077</u>	<u>1,285,971</u>	<u>1,285,971</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 679,023</u>	<u>\$ 580,917</u>	<u>\$ 828,763</u>	<u>\$ 247,846</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Hotel Accommodation Taxes	\$ 1,428,000	\$ 1,428,000	\$ 1,772,463	\$ 344,463
Charges for Services	91,800	91,800	96,360	4,560
Investment Income	57,120	57,120	116,959	59,839
Miscellaneous	-	-	4,952	4,952
Total Revenues	<u>1,576,920</u>	<u>1,576,920</u>	<u>1,990,734</u>	<u>413,814</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	595,442	564,101	433,020	131,081
Services and Supplies	1,457,100	1,472,600	228,323	1,244,277
Capital Outlay	3,000	3,000	72,279	(69,279)
Total Expenditures	<u>2,055,542</u>	<u>2,039,701</u>	<u>733,622</u>	<u>1,306,079</u>
Net Change in Fund Balance	(478,622)	(462,781)	1,257,112	1,719,893
FUND BALANCE, Beginning of Year	<u>5,980,145</u>	<u>7,615,299</u>	<u>7,615,298</u>	<u>(1)</u>
FUND BALANCE, End of Year	<u><u>\$ 5,501,523</u></u>	<u><u>\$ 7,152,518</u></u>	<u><u>\$ 8,872,410</u></u>	<u><u>\$ 1,719,892</u></u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
HERITAGE, CULTURE AND ARTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 1,165,407	\$ 1,189,157	\$ 1,140,171	\$ (48,986)
Intergovernmental				
Federal Grants	-	75,000	12,125	(62,875)
State Government Grants	350,000	505,052	325,008	(180,044)
Local Government Grants	-	-	5,000	5,000
Miscellaneous	289,700	270,910	155,505	(115,405)
Total Revenues	<u>1,805,107</u>	<u>2,040,119</u>	<u>1,637,809</u>	<u>(402,310)</u>
EXPENDITURES				
Culture and Recreation				
Personnel Services	1,929,642	1,995,766	1,888,595	107,171
Services and Supplies	1,176,405	1,182,685	759,941	422,744
Capital Outlay	162,500	450,000	383,908	66,092
Total Expenditures	<u>3,268,547</u>	<u>3,628,451</u>	<u>3,032,444</u>	<u>596,007</u>
Deficiency of Revenues Over Expenditures	(1,463,440)	(1,588,332)	(1,394,635)	193,697
OTHER FINANCING SOURCES				
Transfers In	1,310,100	1,377,596	1,335,096	(42,500)
Net Change in Fund Balance	(153,340)	(210,736)	(59,539)	151,197
FUND BALANCE, Beginning of Year	<u>414,645</u>	<u>687,579</u>	<u>687,573</u>	<u>(6)</u>
FUND BALANCE, End of Year	<u>\$ 261,305</u>	<u>\$ 476,843</u>	<u>\$ 628,034</u>	<u>\$ 151,191</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 2,000	\$ 2,000	\$ 7,474	\$ 5,474
County Open Space Shared Revenues	5,760,311	5,781,211	7,139,751	1,358,540
Intergovernmental	35,000	464,000	224,000	(240,000)
Investment Income	15,590	68,000	88,178	20,178
Contributions and Donations	7,000	7,000	10,000	3,000
Total Revenues	5,819,901	6,322,211	7,469,403	1,147,192
EXPENDITURES				
Culture and Recreation				
Parks and Open Space				
Personnel Services	2,820,119	2,903,443	2,451,349	452,094
Services and Supplies	2,539,708	3,058,923	1,215,702	1,843,221
Capital Outlay	3,006,600	6,540,739	1,642,963	4,897,776
Total Expenditures	8,366,427	12,503,105	5,310,014	7,193,091
Deficiency of Revenues				
Over Expenditures	(2,546,526)	(6,180,894)	2,159,389	8,340,283
OTHER FINANCING SOURCES (USES)				
Transfers In	3,120,000	3,120,000	3,120,000	-
Transfers Out	(353,519)	(353,519)	(352,999)	520
Total Other Financing Sources (Uses)	2,766,481	2,766,481	2,767,001	520
Net Change in Fund Balance	219,955	(3,414,413)	4,926,390	8,340,803
FUND BALANCE, Beginning of Year	2,644,019	6,299,055	6,299,060	5
FUND BALANCE, End of Year	\$ 2,863,974	\$ 2,884,642	\$ 11,225,450	\$ 8,340,808

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD PUBLIC BUILDING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Income	\$ 137,000	\$ 139,100	\$ 140,127	\$ 1,027
Miscellaneous	-	-	17,384	17,384
Total Revenues	<u>137,000</u>	<u>139,100</u>	<u>157,511</u>	<u>18,411</u>
EXPENDITURES				
General Government				
Services and Supplies	<u>5,000</u>	<u>1,700</u>	<u>1,100</u>	<u>600</u>
Total General Government	<u>5,000</u>	<u>1,700</u>	<u>1,100</u>	<u>600</u>
Debt Service				
Principal	4,025,000	4,025,000	4,025,000	-
Interest and Fiscal Charges	<u>1,091,984</u>	<u>1,091,984</u>	<u>1,092,099</u>	<u>(115)</u>
Total Debt Service	<u>5,116,984</u>	<u>5,116,984</u>	<u>5,117,099</u>	<u>(115)</u>
Total Expenditures	<u>5,121,984</u>	<u>5,118,684</u>	<u>5,118,199</u>	<u>485</u>
Deficiency of Revenues Over Expenditures	(4,984,984)	(4,979,584)	(4,960,688)	18,896
OTHER FINANCING SOURCES				
Transfers In	<u>4,973,659</u>	<u>5,153,659</u>	<u>5,151,308</u>	<u>(2,351)</u>
Net Change in Fund Balance	(11,325)	174,075	190,620	16,545
FUND BALANCE, Beginning of Year	<u>2,583,644</u>	<u>2,795,452</u>	<u>2,795,451</u>	<u>(1)</u>
FUND BALANCE, End of Year	<u>\$ 2,572,319</u>	<u>\$ 2,969,527</u>	<u>\$ 2,986,071</u>	<u>\$ 16,544</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
EQUIPMENT REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 1,937,975	\$ 1,990,564	\$ 2,055,646	\$ 65,082
Miscellaneous	200,000	225,528	61,943	(163,585)
Total Revenues	<u>2,137,975</u>	<u>2,216,092</u>	<u>2,117,589</u>	<u>(98,503)</u>
EXPENDITURES				
General Government				
Services and Supplies	875,000	1,097,000	-	1,097,000
Capital Outlay	2,125,000	2,150,528	2,129,302	21,226
Total Expenditures	<u>3,000,000</u>	<u>3,247,528</u>	<u>2,129,302</u>	<u>1,118,226</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(862,025)</u>	<u>(1,031,436)</u>	<u>(11,713)</u>	<u>1,019,723</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,000,000	1,270,000	1,270,000	-
Transfers Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>920,000</u>	<u>1,190,000</u>	<u>1,190,000</u>	<u>-</u>
Net Change in Fund Balance	57,975	158,564	1,178,287	1,019,723
FUND BALANCE, Beginning of Year	<u>3,418,549</u>	<u>4,289,209</u>	<u>4,289,209</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 3,476,524</u>	<u>\$ 4,447,773</u>	<u>\$ 5,467,496</u>	<u>\$ 1,019,723</u>

See the accompanying Independent Auditor's Report.



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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

MAJOR FUNDS

GOLF COURSE ENTERPRISE FUND

The Golf Course Fund was established in 1990 to develop Fox Hollow at Lakewood Golf Course, which opened in August 1993. An additional golf course, Homestead Golf Course, was completed in summer 2002.

SEWER ENTERPRISE FUND

The Lakewood Board of Water and Sewer Enterprise Fund was established as required by Chapter 13.04, Section 080 of the City of Lakewood Municipal Code, 1974 supplement, to account for sewer services provided to Lakewood residents on a user charge basis.

STORMWATER ENTERPRISE FUND

The Stormwater Enterprise Fund was created by City Council adopting Ordinance O-98-28 to account for user fees collected from property owners to maintain existing storm water facilities, meet federal requirements for storm water quality, and to build new drainage facilities. All activities necessary to provide such services are accounted for in this fund.

NON-MAJOR FUNDS

WATER ENTERPRISE FUND

The Lakewood Board of Water and Sewer Enterprise Fund was established as required by Chapter 13.04, Section 080 of the City of Lakewood Municipal Code, 1974 supplement, to account for water services provided to Lakewood residents on a user charge basis.

CITY OF LAKEWOOD, COLORADO
GOLF COURSE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 4,969,366	\$ 4,969,366	\$ 4,866,509	\$ (102,857)
Investment Income	-	-	4,427	4,427
Miscellaneous	-	-	12,468	12,468
Total Revenues	4,969,366	4,969,366	4,883,404	(85,962)
EXPENDITURES				
Cost of Goods Sold	286,151	286,151	386,522	(100,371)
Personnel Services	2,641,303	2,634,998	2,574,081	60,917
Services and Supplies	961,014	961,014	1,231,318	(270,304)
Capital Outlay	125,000	125,000	131,016	(6,016)
Depreciation	342,632	342,632	231,650	110,982
Transfers Out	814,724	814,724	675,395	139,329
Total Expenditures	5,170,824	5,164,519	5,229,982	(65,463)
Change in Net Position, Budgetary Basis	\$ (201,458)	\$ (195,153)	(346,578)	\$ (151,425)
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			131,016	
CHANGE IN NET POSITION, GAAP BASIS			\$ (215,562)	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
SEWER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 3,962,334	\$ 4,167,900	\$ 4,155,404	\$ (12,496)
Investment Income	41,700	41,700	93,838	52,138
System Investment Fees	500,000	700,000	964,500	264,500
Total Revenues	<u>4,504,034</u>	<u>4,909,600</u>	<u>5,213,742</u>	<u>304,142</u>
EXPENDITURES				
Personnel Services	707,572	665,219	614,626	50,593
Services and Supplies	461,777	470,777	367,209	103,568
Sanitation Treatment	3,203,600	3,183,917	3,182,105	1,812
Capital Outlay	800,000	2,880,000	512,308	2,367,692
Depreciation	408,896	408,896	396,876	12,020
Total Expenditures	<u>5,581,845</u>	<u>7,608,809</u>	<u>5,073,124</u>	<u>2,535,685</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,077,811)</u>	<u>\$ (2,699,209)</u>	140,618	<u>\$ 2,839,827</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			<u>181,500</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 322,118</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
STORMWATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 4,572,150	\$ 4,615,000	\$ 4,644,376	\$ 29,376
Investment Income	24,500	24,500	73,860	49,360
Miscellaneous	15,000	35,000	38,166	3,166
Total Revenues	<u>4,611,650</u>	<u>4,674,500</u>	<u>4,756,402</u>	<u>81,902</u>
EXPENDITURES				
Personnel Services	1,399,570	1,423,710	1,181,836	241,874
Services and Supplies	892,296	836,296	666,412	169,884
Capital Outlay	3,000,000	3,447,262	1,273,537	2,173,725
Depreciation	379,562	379,562	469,535	(89,973)
Total Expenditures	<u>5,671,428</u>	<u>6,086,830</u>	<u>3,591,320</u>	<u>2,495,510</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,059,778)</u>	<u>\$ (1,412,330)</u>	1,165,082	<u>\$ 2,577,412</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			<u>1,273,537</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 2,438,619</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
WATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 1,135,200	\$ 1,130,200	\$ 1,167,275	\$ 37,075
Investment Income	14,000	14,000	27,019	13,019
System Investment Fees	50,000	10,000	41,600	31,600
Total Revenues	<u>1,199,200</u>	<u>1,154,200</u>	<u>1,235,894</u>	<u>81,694</u>
EXPENDITURES				
Personnel Services	114,231	110,045	103,796	6,249
Services and Supplies	62,618	87,618	61,295	26,323
Water Purchased	815,000	850,000	812,108	37,892
Capital Outlay	1,125,000	1,765,000	233,989	1,531,011
Depreciation	48,732	48,732	46,689	2,043
Total Expenditures	<u>2,165,581</u>	<u>2,861,395</u>	<u>1,257,877</u>	<u>1,603,518</u>
CHANGE IN NET POSITION, GAAP BASIS	<u>\$ (966,381)</u>	<u>\$ (1,707,195)</u>	<u>\$ (21,983)</u>	<u>\$ 1,685,212</u>

See the accompanying Independent Auditor's Report.



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INTERNAL SERVICE FUNDS

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.

PROPERTY AND CASUALTY SELF-INSURANCE FUND

This fund was established by Ordinance for the purpose of paying premiums, claims, judgments, settlements, legal fees, and any other self-insurance related program expenses. The City has chosen to use large self-insured retentions/deductibles for its property and casualty insurance program through the municipal insurance pool.

WORKERS' COMPENSATION SELF-INSURANCE FUND

This fund was established by Ordinance for worker's compensation self-insurance purposes which include the payment of claims, administrative expenses, employee compensation, and funding a loss control program.

MEDICAL AND DENTAL SELF-INSURANCE FUND

This fund was established by Ordinance for employee medical and/or dental self-insurance purposes which include the payment of claims, administrative expenses, legal expenses and payment for prevention efforts. On April 1, 2010, the self-insurance program for medical claims was discontinued.

RETIREES' HEALTH PROGRAM FUND

The Retirees' Health Program Fund was established to account for all of the necessary activities of two benefit plans--the Benefit Trust Plan, a defined contribution retirement plan that distributes a lump sum amount to eligible employees upon retirement, and the Pre-Funded Health Care Plan which distributes a monthly payment to eligible employees upon retirement to supplement insurance premiums.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2017

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
ASSETS					
Cash and Investments	\$ 5,687,379	\$ 2,782,809	\$ 7,253,942	\$ 3,716,167	\$ 19,440,297
Total Assets	<u>\$ 5,687,379</u>	<u>\$ 2,782,809</u>	<u>\$ 7,253,942</u>	<u>\$ 3,716,167</u>	<u>\$ 19,440,297</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable	\$ 45,744	\$ 5,949	\$ 180	\$ -	\$ 51,873
Retainage Payable	5,456	-	-	-	5,456
Accrued Liabilities	5,811	4,618	6,089	-	16,518
Claims Payable	<u>1,165,260</u>	<u>1,557,216</u>	<u>497,414</u>	<u>-</u>	<u>3,219,890</u>
Total Liabilities	<u>1,222,271</u>	<u>1,567,783</u>	<u>503,683</u>	<u>-</u>	<u>3,293,737</u>
NET POSITION					
Unrestricted	<u>4,465,108</u>	<u>1,215,026</u>	<u>6,750,259</u>	<u>3,716,167</u>	<u>16,146,560</u>
Total Liabilities and Net Position	<u>\$ 5,687,379</u>	<u>\$ 2,782,809</u>	<u>\$ 7,253,942</u>	<u>\$ 3,716,167</u>	<u>\$ 19,440,297</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2017

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
OPERATING REVENUES					
Charges for Services	\$ 2,250,000	\$ 1,250,000	\$ 11,391,189	\$ 320,000	\$ 15,211,189
Miscellaneous	2,367,596	-	154,241	-	2,521,837
Total Revenues	<u>4,617,596</u>	<u>1,250,000</u>	<u>11,545,430</u>	<u>320,000</u>	<u>17,733,026</u>
OPERATING EXPENSES					
Personnel Services	153,412	122,720	261,514	5,976	543,622
Other Expenses	92,386	46,526	502,576	-	641,488
Claims	1,179,954	763,831	7,958,550	-	9,902,335
Premiums	411,246	120,478	1,391,967	20,070	1,943,761
Total Expenses	<u>1,836,998</u>	<u>1,053,555</u>	<u>10,114,607</u>	<u>26,046</u>	<u>13,031,206</u>
Operating Income (Loss)	<u>2,780,598</u>	<u>196,445</u>	<u>1,430,823</u>	<u>293,954</u>	<u>4,701,820</u>
NONOPERATING REVENUES					
Investment Income	47,028	31,276	93,506	49,803	221,613
Total Nonoperating Revenues	<u>47,028</u>	<u>31,276</u>	<u>93,506</u>	<u>49,803</u>	<u>221,613</u>
Change in Net Position	2,827,626	227,721	1,524,329	343,757	4,923,433
NET POSITION, Beginning of Year	<u>1,637,482</u>	<u>987,305</u>	<u>5,225,930</u>	<u>3,372,410</u>	<u>11,223,127</u>
NET POSITION, End of Year	<u>\$ 4,465,108</u>	<u>\$ 1,215,026</u>	<u>\$ 6,750,259</u>	<u>\$ 3,716,167</u>	<u>\$ 16,146,560</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2017

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 2,250,000	\$ 1,250,000	\$ 11,391,189	\$ 320,000	\$ 15,211,189
Other Receipts	2,367,596	-	154,241	-	2,521,837
Cash Paid to Suppliers	(1,310,390)	(1,036,960)	(9,811,150)	(23,057)	(12,181,557)
Cash Paid to Employees	(154,800)	(124,077)	(260,796)	(5,976)	(545,649)
Net Cash Provided by Operating Activities	3,152,406	88,963	1,473,484	290,967	5,005,820
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	47,028	31,276	93,506	49,803	221,613
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,199,434	120,239	1,566,990	340,770	5,227,433
CASH AND CASH EQUIVALENTS, Beginning of Year	2,487,945	2,662,570	5,686,952	3,375,397	14,212,864
CASH AND CASH EQUIVALENTS, End of Year	\$ 5,687,379	\$ 2,782,809	\$ 7,253,942	\$ 3,716,167	\$ 19,440,297
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income	\$ 2,780,598	\$ 196,445	\$ 1,430,823	\$ 293,954	\$ 4,701,820
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Accounts Payable	45,401	2,974	(9,778)	-	38,597
Retainage Payable	5,456	-	-	-	5,456
Accrued Liabilities	1,388	1,358	720	(2,987)	479
Claims Payable	319,563	(111,814)	51,719	-	259,468
Net Cash Provided by Operating Activities	\$ 3,152,406	\$ 88,963	\$ 1,473,484	\$ 290,967	\$ 5,005,820

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
PROPERTY AND CASUALTY SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 1,250,000	\$ 1,750,000	\$ 2,250,000	\$ 500,000
Investment Income	25,000	25,000	47,028	22,028
Miscellaneous	-	-	2,367,596	2,367,596
Total Revenues	<u>1,275,000</u>	<u>1,775,000</u>	<u>4,664,624</u>	<u>2,889,624</u>
EXPENDITURES				
Personnel Services	182,649	144,128	153,412	(9,284)
Other Expenses	227,500	227,500	92,386	135,114
Claims	700,000	1,270,111	1,179,954	90,157
Premiums	525,000	525,000	411,246	113,754
Total Expenditures	<u>1,635,149</u>	<u>2,166,739</u>	<u>1,836,998</u>	<u>329,741</u>
Change in Net Position	(360,149)	(391,739)	2,827,626	3,219,365
NET POSITION, Beginning of Year	<u>406,497</u>	<u>1,637,482</u>	<u>1,637,482</u>	<u>-</u>
NET POSITION, End of Year	<u>\$ 46,348</u>	<u>\$ 1,245,743</u>	<u>\$ 4,465,108</u>	<u>\$ 3,219,365</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
WORKERS' COMPENSATION SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ -
Investment Income	33,000	33,000	31,276	(1,724)
Total Revenues	<u>1,283,000</u>	<u>1,283,000</u>	<u>1,281,276</u>	<u>(1,724)</u>
EXPENDITURES				
Personnel Services	141,450	163,042	122,720	40,322
Other Expenses	116,500	116,500	46,526	69,974
Claims	1,000,000	1,000,000	763,831	236,169
Premiums	150,000	150,000	120,478	29,522
Capital Outlay	5,000	5,000	-	5,000
Total Expenditures	<u>1,412,950</u>	<u>1,434,542</u>	<u>1,053,555</u>	<u>380,987</u>
Change in Net Position	(129,950)	(151,542)	227,721	379,263
NET POSITION, Beginning of Year	<u>245,798</u>	<u>987,304</u>	<u>987,305</u>	<u>1</u>
NET POSITION, End of Year	<u>\$ 115,848</u>	<u>\$ 835,762</u>	<u>\$ 1,215,026</u>	<u>\$ 379,264</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
MEDICAL AND DENTAL SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 11,461,628	\$ 11,497,238	\$ 11,391,189	\$ (106,049)
Investment Income	20,000	20,000	93,506	73,506
Miscellaneous Revenue	50,000	50,000	154,241	104,241
Total Revenues	<u>11,531,628</u>	<u>11,567,238</u>	<u>11,638,936</u>	<u>71,698</u>
EXPENDITURES				
Personnel Services	175,959	290,284	261,514	28,770
Other Expenses	750,793	635,793	502,576	133,217
Claims	10,300,000	10,356,000	7,958,550	2,397,450
Premiums	1,350,000	1,350,000	1,391,967	(41,967)
Total Expenditures	<u>12,576,752</u>	<u>12,632,077</u>	<u>10,114,607</u>	<u>2,517,470</u>
Change in Net Position	(1,045,124)	(1,064,839)	1,524,329	2,589,168
NET POSITION, Beginning of Year	<u>2,183,881</u>	<u>5,225,930</u>	<u>5,225,930</u>	<u>-</u>
NET POSITION, End of Year	<u>\$ 1,138,757</u>	<u>\$ 4,161,091</u>	<u>\$ 6,750,259</u>	<u>\$ 2,589,168</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
RETIREES' HEALTH PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 320,000	\$ 320,000	\$ 320,000	\$ -
Investment Income	25,000	25,000	49,803	24,803
Total Revenues	<u>345,000</u>	<u>345,000</u>	<u>369,803</u>	<u>24,803</u>
EXPENDITURES				
Personnel Services	-	60,000	5,976	54,024
Premiums	220,000	160,000	20,070	139,930
Total Expenditures	<u>220,000</u>	<u>220,000</u>	<u>26,046</u>	<u>193,954</u>
Change in Net Position	125,000	125,000	343,757	218,757
NET POSITION, Beginning of Year	<u>3,181,683</u>	<u>3,372,409</u>	<u>3,372,410</u>	<u>1</u>
NET POSITION, End of Year	<u><u>\$ 3,306,683</u></u>	<u><u>\$ 3,497,409</u></u>	<u><u>\$ 3,716,167</u></u>	<u><u>\$ 218,758</u></u>

See the accompanying Independent Auditor's Report.

STATISTICAL SECTION

Statistical tables are used to provide a historical financial review. The various tables provide information, which is useful in analyzing the existing financial position of the City and identifying potential trends.

FINANCIAL TRENDS

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

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's significant local revenue sources which are sales and use tax and property tax.

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

OPERATING INFORMATION

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

CITY OF LAKEWOOD, COLORADO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 335,683,929	\$ 343,557,286	\$ 355,370,344	\$ 374,822,394
Restricted	7,485,564	7,360,195	27,618,110	27,439,596
Unrestricted	<u>47,539,872</u>	<u>50,470,895</u>	<u>34,969,687</u>	<u>37,949,511</u>
Total governmental activities net position	<u>\$ 390,709,365</u>	<u>\$ 401,388,376</u>	<u>\$ 417,958,141</u>	<u>\$ 440,211,501</u>
Business-type activities				
Net investment in capital assets	\$ 22,923,935	\$ 22,289,522	\$ 22,207,556	\$ 21,604,850
Unrestricted	<u>7,941,025</u>	<u>7,260,304</u>	<u>7,138,873</u>	<u>7,478,723</u>
Total business-type activities net position	<u>\$ 30,864,960</u>	<u>\$ 29,549,826</u>	<u>\$ 29,346,429</u>	<u>\$ 29,083,573</u>
Primary government				
Net investment in capital assets	\$ 358,607,864	\$ 365,846,808	\$ 377,577,900	\$ 396,427,244
Restricted	7,485,564	7,360,195	27,618,110	27,439,596
Unrestricted	<u>55,480,897</u>	<u>57,731,199</u>	<u>42,108,560</u>	<u>45,428,234</u>
Total primary government net position	<u>\$ 421,574,325</u>	<u>\$ 430,938,202</u>	<u>\$ 447,304,570</u>	<u>\$ 469,295,074</u>

⁽¹⁾ 2014 Government activities net position reflects a prior period adjustment of \$2,009,337 for the implementation of GASB 68, Accounting and Financial Reporting for Pensions

Source: City's Comprehensive Annual Financial Report

Schedule 1

2012	2013	2014	2015	2016	2017
\$ 377,969,428	\$ 381,609,040	\$ 384,728,358	\$ 389,207,761	\$ 401,018,598	\$ 406,147,538
31,757,394	37,533,053	41,479,996	49,133,274	53,564,615	60,771,877
38,708,259	39,259,813	39,214,362	37,736,590	37,663,933	37,827,320
<u>\$ 448,435,081</u>	<u>\$ 458,401,906</u>	<u>\$ 465,422,716</u> ⁽¹⁾	<u>\$ 476,077,625</u>	<u>\$ 492,247,146</u>	<u>\$ 504,746,735</u>
\$ 21,221,070	\$ 21,462,965	\$ 22,356,764	\$ 21,781,809	\$ 21,592,444	\$ 22,033,747
7,890,750	7,933,903	8,710,594	9,969,049	13,199,417	15,281,306
<u>\$ 29,111,820</u>	<u>\$ 29,396,868</u>	<u>\$ 31,067,358</u>	<u>\$ 31,750,858</u>	<u>\$ 34,791,861</u>	<u>\$ 37,315,053</u>
\$ 399,190,498	\$ 403,072,005	\$ 407,085,122	\$ 410,989,570	\$ 422,611,042	\$ 428,181,285
31,757,394	37,533,053	41,479,996	49,133,274	53,564,615	60,771,877
46,599,009	47,193,716	47,924,956	47,705,639	50,863,350	53,108,626
<u>\$ 477,546,901</u>	<u>\$ 487,798,774</u>	<u>\$ 496,490,074</u>	<u>\$ 507,828,483</u>	<u>\$ 527,039,007</u>	<u>\$ 542,061,788</u>

CITY OF LAKEWOOD, COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

Expenses	2008	2009	2010	2011	2012
Governmental activities:					
General government	\$ 33,219,490	\$ 26,271,208	\$ 27,521,624	\$ 28,984,951	\$ 33,613,178
Public safety	43,292,095	47,399,393	48,255,341	49,551,448	49,079,213
Public works	12,564,574	16,469,884	17,757,345	17,576,101	14,035,937
Culture and recreation	17,075,010	18,568,035	18,956,880	18,470,341	18,124,914
Urban development and housing	14,062,779	12,222,887	12,132,169	13,439,978	12,714,594
Economic opportunity	1,788,320	2,030,004	1,618,911	2,000,883	1,893,704
Interest and fees on long-term debt	3,263,809	3,148,917	3,293,702	2,653,845	2,440,277
Total governmental activities expenses	<u>125,266,077</u>	<u>126,110,328</u>	<u>129,535,972</u>	<u>132,677,547</u>	<u>131,901,817</u>
Business-type activities:					
Golf course	3,949,318	3,876,949	3,767,166	3,698,979	3,743,788
Sewer	3,184,497	3,484,607	3,586,602	3,644,660	3,534,954
Stormwater	1,865,588	1,934,566	1,996,190	1,980,805	2,445,596
Water	822,456	802,559	858,582	936,057	959,538
Total business-type activities	<u>9,821,859</u>	<u>10,098,681</u>	<u>10,208,540</u>	<u>10,260,501</u>	<u>10,683,876</u>
Total primary government expenses	<u>\$ 135,087,936</u>	<u>\$ 136,209,009</u>	<u>\$ 139,744,512</u>	<u>\$ 142,938,048</u>	<u>\$ 142,585,693</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 9,829,152	\$ 8,421,072	\$ 8,511,221	\$ 8,899,658	\$ 8,486,130
Public safety	4,266,880	3,950,696	4,341,434	4,059,494	4,453,197
Public works	1,482,726	526,284	516,036	519,188	522,223
Culture and recreation	4,445,338	4,504,693	4,641,418	4,871,635	5,078,856
Urban development and housing	--	--	1,043,989	1,012,283	1,019,828
Economic opportunity	2,590,270	1,910,102	1,003,175	880,778	829,573
Operating grants and contributions	9,841,298	12,764,092	13,590,239	12,563,105	13,124,320
Capital grants and contributions	7,361,818	8,848,584	16,801,801	24,134,258	7,710,450
Total governmental activities program revenues	<u>39,817,482</u>	<u>40,925,523</u>	<u>50,449,313</u>	<u>56,940,399</u>	<u>41,224,577</u>
Business-type activities:					
Charges for services:					
Golf course	4,726,715	4,245,555	4,247,555	4,112,309	4,450,040
Sewer	2,261,692	2,193,322	2,452,125	2,772,278	3,078,441
Stormwater	2,487,637	2,284,152	2,464,436	2,411,079	2,448,746
Water	853,999	850,730	971,854	1,027,047	1,100,546
Operating grants and contributions	--	--	660,205	112,321	--
Capital grants and contributions	--	--	--	--	--
Total business-type activities program revenues	<u>10,330,043</u>	<u>9,573,759</u>	<u>10,796,175</u>	<u>10,435,034</u>	<u>11,077,773</u>
Total primary government program revenues	<u>\$ 50,147,525</u>	<u>\$ 50,499,282</u>	<u>\$ 61,245,488</u>	<u>\$ 67,375,433</u>	<u>\$ 52,302,350</u>
Net (Expense)/Revenue					
Governmental activities	\$ (85,448,595)	\$ (85,184,805)	\$ (79,086,659)	\$ (75,737,148)	\$ (90,677,240)
Business-type activities	508,184	(524,922)	587,635	174,533	393,897
Total primary government net expense	<u>\$ (84,940,411)</u>	<u>\$ (85,709,727)</u>	<u>\$ (78,499,024)</u>	<u>\$ (75,562,615)</u>	<u>\$ (90,283,343)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property and specific ownership	\$ 15,246,760	\$ 16,126,726	\$ 16,254,126	\$ 15,767,447	\$ 14,825,086
Sales and use	70,814,487	65,994,458	66,963,692	69,498,098	72,476,177
Franchise & other	9,741,759	9,217,521	9,498,254	10,131,203	9,644,791
Grants and contributions not restricted to specific programs	--	--	373,052	552,273	364,123
Investment earnings	2,993,259	1,801,742	1,321,255	1,233,115	819,405
Miscellaneous	103,468	1,645,640	179,566	199,804	94,693
Transfers	894,157	1,077,729	1,066,479	608,568	676,545
TABOR Refund	--	--	--	--	--
Total governmental activities	<u>99,793,890</u>	<u>95,863,816</u>	<u>95,656,424</u>	<u>97,990,508</u>	<u>98,900,820</u>
Business-type activities:					
Investment earnings	366,394	278,307	214,837	136,869	99,831
Miscellaneous	6,040	9,210	60,610	34,310	211,064
Transfers	(894,157)	(1,077,729)	(1,066,479)	(608,568)	(676,545)
Total business-type activities	<u>(521,723)</u>	<u>(790,212)</u>	<u>(791,032)</u>	<u>(437,389)</u>	<u>(365,650)</u>
Total primary government	<u>\$ 99,272,167</u>	<u>\$ 95,073,604</u>	<u>\$ 94,865,392</u>	<u>\$ 97,553,119</u>	<u>\$ 98,535,170</u>
Change in Net Position					
Governmental activities	\$ 14,345,295	\$ 10,679,011	\$ 16,569,765	\$ 22,253,360	\$ 8,223,580
Business-type activities	(13,539)	(1,315,134)	(203,397)	(262,856)	28,247
Total primary government	<u>\$ 14,331,756</u>	<u>\$ 9,363,877</u>	<u>\$ 16,366,368</u>	<u>\$ 21,990,504</u>	<u>\$ 8,251,827</u>

Source: City's Comprehensive Annual Financial Report

Schedule 2

	2013	2014	2015	2016	2017
\$	30,085,415	\$ 40,054,077	\$ 38,309,285	\$ 33,523,638	\$ 33,364,806
	50,635,595	52,596,221	53,441,033	58,281,345	59,452,180
	18,528,117	12,744,230	13,573,693	12,204,246	17,930,662
	18,724,863	18,829,506	21,017,674	21,389,068	22,703,154
	12,811,514	11,923,053	10,616,107	11,528,561	10,284,829
	1,886,174	2,066,087	2,228,416	2,374,391	4,294,677
	2,194,969	2,005,119	1,879,178	1,614,934	1,378,589
	<u>134,866,647</u>	<u>140,218,293</u>	<u>141,065,386</u>	<u>140,916,183</u>	<u>149,408,897</u>
	3,747,277	4,036,918	4,099,274	4,149,108	4,423,571
	3,854,381	3,622,591	3,972,398	3,879,114	4,891,624
	2,075,559	2,274,398	2,219,674	2,387,282	2,317,783
	951,787	963,402	1,008,011	1,013,114	1,257,877
	<u>10,629,004</u>	<u>10,897,309</u>	<u>11,299,357</u>	<u>11,428,618</u>	<u>12,890,855</u>
\$	<u>145,495,651</u>	<u>151,115,602</u>	<u>152,364,743</u>	<u>152,344,801</u>	<u>162,299,752</u>
\$	8,406,938	\$ 8,189,453	\$ 7,414,938	\$ 7,275,623	\$ 8,750,573
	4,867,400	6,150,066	6,113,323	6,214,784	6,959,710
	523,838	527,951	536,287	510,462	557,247
	5,342,330	5,529,773	5,984,015	6,388,691	6,771,306
	1,458,204	1,502,026	984,407	1,025,298	1,187,163
	856,895	982,199	1,111,309	1,166,022	1,203,221
	11,210,485	12,285,903	12,693,115	13,961,253	15,243,100
	8,404,044	7,205,953	6,348,540	6,880,770	6,623,045
	<u>41,070,134</u>	<u>42,373,324</u>	<u>41,185,934</u>	<u>43,422,903</u>	<u>47,295,365</u>
	4,339,298	4,648,585	4,728,997	4,836,356	4,866,509
	3,566,999	3,750,838	4,046,357	3,927,807	4,155,404
	2,481,899	2,456,281	2,553,599	4,570,573	4,644,376
	1,102,484	1,131,155	1,135,710	1,113,591	1,167,275
	--	--	--	--	--
	--	1,157,091	89,300	528,230	1,006,100
	<u>11,490,680</u>	<u>13,143,950</u>	<u>12,553,963</u>	<u>14,976,557</u>	<u>15,839,664</u>
\$	<u>52,560,814</u>	<u>55,517,274</u>	<u>53,739,897</u>	<u>58,399,460</u>	<u>63,135,029</u>
\$	(93,796,513)	\$ (97,844,969)	\$ (99,879,452)	\$ (97,493,280)	\$ (102,113,532)
	861,676	2,246,641	1,254,606	3,547,939	2,948,809
\$	<u>(92,934,837)</u>	<u>(95,598,328)</u>	<u>(98,624,846)</u>	<u>(93,945,341)</u>	<u>(99,164,723)</u>
\$	15,516,166	\$ 15,715,606	\$ 15,413,513	\$ 16,630,365	\$ 17,528,452
	77,387,186	83,208,721	87,251,437	90,146,096	95,874,916
	10,293,898	10,749,372	10,228,753	11,128,813	11,360,718
	357,990	349,592	343,229	354,755	321,768
	456,169	1,114,230	1,007,841	436,653	1,326,433
	274,809	260,786	148,591	114,423	61,943
	754,485	676,928	676,647	675,630	675,395
	<u>(1,277,365)</u>	<u>(5,200,119)</u>	<u>(4,535,650)</u>	<u>(5,823,934)</u>	<u>(12,536,504)</u>
	<u>103,763,338</u>	<u>106,875,116</u>	<u>110,534,361</u>	<u>113,662,801</u>	<u>114,613,121</u>
	84,841	81,317	98,058	135,819	199,144
	93,016	19,460	7,483	32,875	50,634
	<u>(754,485)</u>	<u>(676,928)</u>	<u>(676,647)</u>	<u>(675,630)</u>	<u>(675,395)</u>
	<u>(576,628)</u>	<u>(576,151)</u>	<u>(571,106)</u>	<u>(506,936)</u>	<u>(425,617)</u>
\$	<u>103,186,710</u>	<u>106,298,965</u>	<u>109,963,255</u>	<u>113,155,865</u>	<u>114,187,504</u>
\$	9,966,825	\$ 9,030,147	\$ 10,654,909	\$ 16,169,521	\$ 12,499,589
	285,048	1,670,490	683,500	3,041,003	2,523,192
\$	<u>10,251,873</u>	<u>10,700,637</u>	<u>11,338,409</u>	<u>19,210,524</u>	<u>15,022,781</u>

CITY OF LAKEWOOD, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ -	\$ -	\$ 130,771	\$ 131,934	\$ 132,870
Restricted ⁽¹⁾	2,613,670	2,438,682	2,909,251	2,947,096	2,758,085
Assigned	-	-	-	-	-
Unassigned ⁽²⁾	21,685,744	22,258,568	25,708,340	28,457,402	30,569,397
Total General Fund	24,299,414	24,697,250	28,748,362	31,536,432	33,460,352
All Other Governmental Funds					
Nonspendable	-	-	37,930	43,167	92,926
Restricted ⁽¹⁾	5,061,448	5,100,815	24,708,859	24,492,500	28,999,309
Assigned	-	-	5,421,171	4,990,085	4,098,451
Unassigned ⁽²⁾	21,208,235	24,455,813	(1,222,802)	(97,252)	-
Total all other governmental funds	26,269,683	29,556,628	28,945,158	29,428,500	33,190,686
Total all governmental funds	\$ 50,569,097	\$ 54,253,878	\$ 57,693,520	\$ 60,964,932	\$ 66,651,038

⁽¹⁾ For years prior to the implementation of Governmental Accounting Board Statement No. 54 in 2010, this portion of Fund Balance was classified as "Reserved"

⁽²⁾ For years prior to the implementation of Governmental Accounting Board Statement No. 54 in 2010, this portion of Fund Balance was classified as "Unreserved"

Source: City's Comprehensive Annual Financial Report

Schedule 3

2013	2014	2015	2016	2017
\$ 128,247	\$ 132,354	\$ 196,504	\$ 266,562	\$ 283,908
2,858,903	4,222,206	4,353,215	4,487,234	4,633,173
-	-	-	-	-
32,363,563	35,598,763	37,423,037	31,302,115	25,234,678
35,350,713	39,953,323	41,972,756	36,055,911	30,151,759
40,865	34,536	29,640	39,912	31,810
34,674,150	37,257,790	44,780,059	49,077,381	56,138,704
4,233,647	4,528,092	4,975,337	4,936,870	6,063,720
(647,381)	(316,733)	(605,812)	(779,253)	(132,095)
38,301,281	41,503,685	49,179,224	53,274,910	62,102,139
\$ 73,651,994	\$ 81,457,008	\$ 91,151,980	\$ 89,330,821	\$ 92,253,898

CITY OF LAKEWOOD, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 95,803,007	\$ 91,338,705	\$ 92,716,072	\$ 95,396,748	\$ 96,946,054
Licenses and permits	2,254,964	3,520,572	2,928,913	2,739,114	2,730,120
Charges for services	14,151,198	12,101,845	13,291,495	13,790,489	13,931,232
Fines and forfeitures	1,491,636	1,483,425	1,434,598	1,520,956	1,421,983
Intergovernmental	18,874,989	19,822,060	24,440,825	24,253,693	21,581,104
Investment income	2,601,205	1,392,534	980,571	1,183,228	643,893
Other revenues	3,153,015	3,406,978	1,749,388	1,687,758	1,732,361
TABOR Refund	--	--	--	--	--
Total revenues	<u>138,330,014</u>	<u>133,066,119</u>	<u>137,541,862</u>	<u>140,571,986</u>	<u>138,986,747</u>
Expenditures					
General government	27,910,751	25,987,154	25,979,970	27,260,239	26,344,967
Public safety	42,858,952	44,754,419	46,265,464	46,813,867	46,978,050
Public works	7,049,390	7,827,009	8,432,446	8,429,542	7,734,198
Culture and recreation	15,257,748	16,169,447	16,193,360	16,001,967	16,611,826
Urban development and housing	2,644,392	2,504,282	1,807,275	1,693,439	2,231,645
Economic opportunity	1,788,320	2,030,664	1,940,597	1,954,508	1,845,956
Capital outlay	33,982,648	25,443,092	26,170,866	27,421,343	24,047,903
Debt service:					
Principal	4,658,032	4,968,944	5,460,559	5,700,059	5,753,704
Interest and fiscal charges	3,171,865	3,134,056	2,918,162	2,634,178	2,428,937
Total expenditures	<u>139,322,098</u>	<u>132,819,067</u>	<u>135,168,699</u>	<u>137,909,142</u>	<u>133,977,186</u>
Excess of revenues over (under) expenditures	<u>(992,084)</u>	<u>247,052</u>	<u>2,373,163</u>	<u>2,662,844</u>	<u>5,009,561</u>
Other Financing Sources (Uses)					
Proceeds from borrowing	2,975,000	6,130,000	--	--	--
Proceeds from capital lease	--	--	--	--	--
Payments to escrow agent	--	(3,770,000)	--	--	--
Operating transfers in	14,469,326	10,928,554	8,472,578	8,574,090	10,781,107
Operating transfers out	<u>(13,575,169)</u>	<u>(9,850,825)</u>	<u>(7,406,099)</u>	<u>(7,965,522)</u>	<u>(10,104,562)</u>
Total other financing sources (uses)	<u>3,869,157</u>	<u>3,437,729</u>	<u>1,066,479</u>	<u>608,568</u>	<u>676,545</u>
Net change in fund balances	<u>\$ 2,877,073</u>	<u>\$ 3,684,781</u>	<u>\$ 3,439,642</u>	<u>\$ 3,271,412</u>	<u>\$ 5,686,106</u>
Debt service as a percentage of noncapital expenditures	6.4%	6.6%	6.7%	6.5%	6.4%

Source: City's Comprehensive Annual Financial Report

Schedule 4

	2013	2014	2015	2016	2017
\$	102,303,258	\$ 109,666,669	\$ 112,889,810	\$ 117,905,274	\$ 124,764,086
	2,983,251	3,963,589	3,770,885	4,173,666	6,395,757
	14,545,071	14,679,323	14,331,781	14,611,126	15,172,392
	1,279,097	1,451,120	1,599,055	1,348,190	1,200,775
	18,394,300	20,421,087	19,803,064	21,641,837	23,403,955
	313,481	990,636	885,195	293,225	1,104,820
	3,197,967	2,352,414	1,916,126	1,854,572	1,866,776
	(1,277,365)	(5,200,119)	(4,535,650)	(5,823,934)	(12,536,504)
	<u>141,739,060</u>	<u>148,324,719</u>	<u>150,660,266</u>	<u>156,003,956</u>	<u>161,372,057</u>
	27,214,581	28,585,442	29,536,810	36,699,831	33,176,171
	48,328,891	50,594,496	51,622,011	55,370,581	56,969,269
	7,939,452	8,495,828	8,672,155	8,505,714	10,498,621
	16,360,324	17,188,004	17,983,812	18,750,071	19,698,085
	2,336,376	2,265,819	2,057,475	1,675,377	2,049,451
	1,841,430	2,021,343	2,189,740	2,337,470	2,517,426
	24,609,459	26,906,966	23,253,012	28,908,414	28,042,799
	4,685,816	4,142,565	4,446,045	4,647,620	4,804,628
	2,176,260	1,953,170	1,880,881	1,605,667	1,367,925
	<u>135,492,589</u>	<u>142,153,633</u>	<u>141,641,941</u>	<u>158,500,745</u>	<u>159,124,375</u>
	<u>6,246,471</u>	<u>6,171,086</u>	<u>9,018,325</u>	<u>(2,496,789)</u>	<u>2,247,682</u>
	--	--	--	--	--
	--	957,000	--	--	--
	--	--	--	--	--
	13,326,455	10,267,501	11,075,437	11,122,500	13,106,692
	<u>(12,571,970)</u>	<u>(9,590,573)</u>	<u>(10,398,790)</u>	<u>(10,446,870)</u>	<u>(12,431,297)</u>
	<u>754,485</u>	<u>1,633,928</u>	<u>676,647</u>	<u>675,630</u>	<u>675,395</u>
\$	<u>7,000,956</u>	<u>\$ 7,805,014</u>	<u>\$ 9,694,972</u>	<u>\$ (1,821,159)</u>	<u>\$ 2,923,077</u>
	5.4%	4.6%	4.8%	4.5%	4.2%

CITY OF LAKEWOOD, COLORADO
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS

	2008	2009	2010	2011
Accommodation & Food Services	\$ 345,100,265	\$ 320,289,448	\$ 323,762,289	\$ 340,463,306
Ag, Forestry, Fishing, Hunting	23,839	117,048	62,337	74,539
Art, Entertainment, Recreation	26,979,696	26,708,686	25,395,341	25,246,985
Construction	8,287,469	9,541,011	10,296,417	9,073,635
Educational Services	1,815,890	1,547,490	1,387,456	1,296,435
Finance and Insurance	3,244,055	3,009,452	2,486,313	2,423,563
Health Care, Social Assistance	2,979,213	2,599,499	3,035,827	3,665,007
Information	156,344,604	162,143,261	165,939,044	163,375,015
Manufacturing	22,806,330	21,350,766	24,391,638	24,118,142
Mgmt of Companies, Enterprises	2,070	22,001	38,922	122,769
Mining	510,219	316,181	383,415	320,482
Miscellaneous/Random Filers	2,242,544	2,834,053	1,424,547	3,697,594
Other Services	38,656,964	40,476,981	44,779,044	46,330,263
Professional, Scientific, & Technical Svcs	7,850,444	7,655,528	8,488,654	8,835,276
Public Administration	155,475	153,217	161,980	185,719
Real Estate, Rental, Leasing	49,161,961	43,606,095	39,521,475	39,724,566
Retail Trade	1,371,500,627	1,075,287,861	1,104,655,929	1,165,383,682
Transportation & Warehousing	700,737	589,948	533,707	520,013
Utilities	155,090,726	134,905,580	148,519,760	148,584,305
Waste Mgmt & Remediation Services	9,280,213	8,489,981	8,042,171	9,344,269
Wholesale Trade	34,007,632	37,721,541	35,642,067	36,703,429
Total all categories	\$ 2,236,740,973	\$ 1,899,365,628	\$ 1,948,948,333	\$ 2,029,488,994
City direct sales tax rate ⁽¹⁾	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ The City's sales tax rate may be increased only by a majority vote of the City's residents. Effective September 1, 2003, the City Council temporarily reduced the sales tax rate for the Belmar redevelopment area to 1%.

Source: City of Lakewood's Revenue System

Schedule 5

	2012	2013	2014	2015	2016	2017
\$	364,439,074	\$ 381,037,346	\$ 408,245,016	\$ 449,554,901	\$ 461,970,873	\$ 475,256,644
	46,562	93,382	366,409	451,474	402,716	465,766
	25,898,217	27,101,908	24,825,731	32,528,279	35,017,932	34,658,388
	9,314,144	11,315,064	16,011,073	17,482,459	16,701,330	19,466,552
	1,181,081	985,425	1,011,783	1,129,499	1,032,450	944,406
	4,035,689	7,014,801	8,493,511	10,039,666	12,118,581	13,823,268
	4,081,882	3,123,409	4,950,405	5,288,410	6,055,882	5,207,230
	173,416,615	180,179,637	191,725,253	163,724,094	152,945,713	137,788,403
	25,453,139	27,018,793	33,858,565	32,904,890	38,840,453	44,670,499
	1,970	585	550,531	1,295	4,686	20,482
	258,177	205,050	236,226	166,562	116,042	11,362
	1,845,694	1,156,862	16,765	-	-	-
	53,935,536	62,713,986	79,363,921	56,544,781	57,562,361	59,756,351
	10,586,606	11,243,515	17,033,686	15,051,591	14,563,441	19,046,404
	148,100	112,297	101,359	260,699	197,571	103,578
	38,661,926	41,004,757	39,806,823	50,043,806	54,206,742	63,914,638
	1,221,944,170	1,286,882,574	1,339,502,528	1,470,089,651	1,530,521,070	1,463,604,295
	543,240	1,116,069	5,542,408	2,149,265	2,493,054	2,907,813
	140,996,599	152,930,446	154,914,127	147,677,320	141,101,743	141,712,433
	7,918,685	8,269,879	9,186,620	11,316,000	13,457,481	11,412,402
	45,747,674	51,071,736	65,041,856	70,061,942	77,084,541	90,553,256
\$	2,130,454,780	\$ 2,254,577,521	\$ 2,400,784,596	\$ 2,536,466,584	\$ 2,616,394,662	\$ 2,585,324,170
	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING GENERAL SALES AND USE TAX RATES
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
City direct rate ⁽¹⁾	3.00%	3.00%	3.00%	3.00%	3.00%
Overlapping rates:					
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%
SE Jefferson County Road Improvement District ⁽²⁾	0.43%	0.43%	0.43%	0.43%	0.43%
Football Stadium District	0.10%	0.10%	0.10%	0.10%	0.00%
Scientific & Cultural Facilities District	0.10%	0.10%	0.10%	0.10%	0.10%
Regional Transportation District	1.00%	1.00%	1.00%	1.00%	1.00%

⁽¹⁾ The City's sales tax rate may be increased only by a majority vote of the City's residents. Effective September 1, 2003, the City Council temporarily reduced the sales tax rate for the Belmar redevelopment area to 1%. For 2008, the City Council temporarily reduced the sales tax rate to 2% for the redevelopment areas of Colorado Mills and Creekside. Effective January 1, 2009, the City Council returned the redevelopment areas of Colorado Mills and Creekside to 3%.

⁽²⁾ This tax is applicable only to businesses located in the Marston Park and Belleview Shores shopping centers in southern Lakewood.

Source: City of Lakewood, Colorado Department of Revenue

Schedule 6

2013	2014	2015	2016	2017
3.00%	3.00%	3.00%	3.00%	3.00%
2.90%	2.90%	2.90%	2.90%	2.90%
0.50%	0.50%	0.50%	0.50%	0.50%
0.43%	0.43%	0.43%	0.43%	0.43%
0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	0.10%	0.10%	0.10%	0.10%
1.00%	1.00%	1.00%	1.00%	1.00%



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CITY OF LAKEWOOD, COLORADO
PRINCIPAL SALES/USE TAXPAYERS, BY CATEGORY
CURRENT YEAR AND NINE YEARS AGO

Category of Taxpayer ⁽¹⁾	2017			2008		
	Sales/Use Taxes	Rank	Percentage of Total City Sales/Use Tax Revenues	Sales/Use Taxes	Rank	Percentage of Total City Sales/Use Tax Revenues
	Remitted			Remitted		
<u>Aggregated top ten filers</u>						
Utility	\$ 5,739,187	1	7.22%	\$ 5,817,567	1	8.04%
General merchandise	4,399,796	2	5.54%	4,755,497	2	6.57%
Building materials	3,934,561	3	4.95%	807,228	3	1.12%
Computers and software	1,959,915	4	2.47%	2,305,213	4	3.19%
Grocery store	1,351,614	5	1.70%	766,561	6	1.06%
Cellular/wireless	854,942	6	1.08%	1,067,921	5	1.48%
Car dealerships	841,759	7	1.06%			

⁽¹⁾ The City is legally prohibited from disclosing sales and use tax information for individual taxpayers. Therefore, the principal sales/use taxpayers have been identified by category to assist users in understanding the degree to which the City's primary source of revenue is concentrated.

Source: City of Lakewood's Revenue System

CITY OF LAKEWOOD, COLORADO
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In thousands of dollars)

Levy Year	Taxable Real and Personal Property ⁽¹⁾					Total Taxable Assessed Value
	Residential Property	Commercial Property	Industrial Property	Vacant Land	Other Property ⁽²⁾	
2008	\$ 959,317,300	\$ 709,262,060	\$ 41,669,900	\$ 42,478,050	\$ 66,981,210	\$ 1,819,708,520
2009	942,716,810	736,784,840	41,720,120	36,304,950	65,356,390	1,822,883,110
2010	943,892,270	706,260,650	42,205,720	35,813,160	63,982,280	1,792,154,080
2011	902,126,911	660,647,705	41,302,769	34,993,494	65,689,257	1,704,760,136
2012	900,361,551	662,238,324	40,399,818	34,173,828	67,396,234	1,701,819,508
2013	924,221,737	668,484,522	38,940,473	34,295,409	65,389,484	1,731,331,625
2014	932,635,730	665,338,880	54,799,706	26,784,847	66,098,532	1,745,657,695
2015	1,161,769,824	700,450,293	41,677,085	37,091,662	66,145,873	2,007,134,737
2016	1,179,123,864	749,149,792 ⁽⁴⁾	5,846,743 ⁽⁴⁾	29,303,014	67,477,032	2,030,900,445
2017	1,330,678,157	930,934,068	9,359,339	32,196,861	68,940,987	2,372,109,412

(1) Property in Jefferson County is reassessed every two years (odd numbered year) and is based on the market value calculated as of January 1 of the preceding year. Jefferson County combines real and personal property values and does not provide information regarding tax exempt property by category.

(2) "Other Property" includes natural resources, agricultural and state-assessed properties.

(3) All property except residential is assessed at 29% of the estimated actual value. The residential assessment rate is established by the State Legislature every two years in order to maintain the tax burden balance between residential property and all other property, in accordance with the State Constitution, and its Gallagher Amendment.

(4) The 2016 increase in commercial property and decrease in industrial property over (under) 2015 is primarily due to category coding changes by the Jefferson County Assessor, as a result of a computer (database program) replacement project at the County.

(5) The City's revenues are limited by the Colorado Constitution and its Tax Payer's Bill of Rights (TABOR). To refund the revenues in excess of the limit, the City Council has chosen to temporarily reduce the City's mill levy.

Source: Jefferson County Assessor's Office

Schedule 8

Total Direct Tax Rate	Assessment Rates		Estimated Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	All Other ⁽³⁾		
4.711	7.96%	29.00%	\$ 15,018,591,150	12.12%
4.711	7.96%	29.00%	14,878,232,212	12.25%
4.711	7.96%	29.00%	14,782,983,815	12.12%
4.711	7.96%	29.00%	14,100,953,427	12.09%
4.711	7.96%	29.00%	14,084,206,499	12.08%
4.711	7.96%	29.00%	14,393,963,387	12.03%
4.711	7.96%	29.00%	14,520,053,289	12.02%
2.031 ⁽⁵⁾	7.96%	29.00%	17,510,149,716	11.46%
2.392 ⁽⁵⁾	7.96%	29.00%	17,750,274,493	11.44%
2.148 ⁽⁵⁾	7.96%	29.00%	20,308,204,532	11.68%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$1,000 of Assessed Value)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CITY DIRECT RATE:										
Property Tax Operating Mill Levy	4.711	4.711	4.711	4.711	4.711	4.711	4.711	2.031	2.392	2.148
OVERLAPPING RATES:^{(1) (2)}										
Jefferson County	24.346	24.346	24.346	24.346	24.346	25.846	25.846	24.212	24.709	22.420
School District R-1	48.118	48.284	48.145	48.210	50.616	50.369	50.165	47.487	45.941	42.878
Alameda Corridor Bus. Improve. Dist.	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation Dist.	1.746	1.746	1.746	1.746	1.746	1.746	1.746	1.628	1.633	1.442
Bear Creek Water & Sanitation District	4.509	4.471	4.535	4.416	4.425	4.420	4.425	3.820	3.745	3.860
Bennett Bear Creek Farms Water & San. Dist.	2.504	2.504	2.468	2.468	2.468	2.468	2.468	1.884	1.884	1.570
Bowles Metro District	40.000	40.000	40.000	40.000	42.000	42.000	42.000	42.000	42.000	42.000
Daniels Sanitation District	0.495	0.495	0.468	0.465	0.465	0.462	0.390	0.390	0.375	0.284
Denver West Metro District	35.000	35.000	36.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Denver West Metro District Ex. 04	13.233	12.844	13.129	9.512	20.142	23.945	26.395	25.056	25.373	22.876
Denver West Metro District Ex. 14	N/A	N/A	N/A	N/A	N/A	N/A	29.431	27.931	28.068	26.179
Denver West Metro District Ex. 98	13.233	12.844	13.129	9.512	7.562	12.091	14.620	13.866	14.140	5.942
Denver West Promenade Metro District	N/A	N/A	N/A	N/A	60.000	60.000	60.000	60.000	60.000	60.000
East Jefferson County Sanitation District	1.167	1.167	1.167	1.141	1.141	1.115	1.115	0.914	0.914	0.744
East Lakewood Sanitation District	4.840	4.833	4.813	4.840	4.840	4.840	4.840	4.101	4.262	3.682
Foothills Rec & Park Sub A	7.650	7.636	7.579	7.464	7.527	7.559	7.551	7.237	7.191	9.671
Fossil Ridge Metro District No. 2	30.000	30.000	30.000	30.000	30.000	30.000	38.500	40.000	40.000	43.668
Fossil Ridge Metro District No. 3	30.000	30.000	30.000	30.000	30.000	30.000	40.000	40.000	40.000	43.668
Highview Water District	0.210	0.210	0.198	0.189	0.189	0.183	0.183	0.158	0.152	0.139
Lakewood West Colfax Business Improve.	N/A	N/A	N/A	N/A	5.000	5.000	5.000	5.000	5.000	5.000
Littleton Fire District	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678
Lochmoor Water & Sanitation District	13.193	13.193	13.193	13.193	13.193	13.193	13.193	11.475	12.007	9.955
Mount Carbon Metro District	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	40.421
Mount Carbon Metro District Ex. 07	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	21.849
Mount Carbon Metro District Ex. 08	0.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	21.849
Northwest Lakewood Sanitation District	7.738	7.802	7.525	7.747	7.571	7.285	7.703	6.878	6.522	6.825
Plaza Metro District No. 2	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	20.000	20.000	20.000	20.000	20.000	20.000	22.990	22.990	22.990	25.416
Pleasant View Metro District	4.984	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Pleasant View Water & Sanitation District	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552
Prospect Recreation & Park District	3.000	3.000	3.000	3.000	3.000	3.000	3.000	4.000	6.600	6.600
Section 14 Metro District	23.717	23.476	21.043	21.460	23.290	23.356	23.422	23.290	23.669	23.691
Section 14 Metro District Ex. 04	9.709	9.684	17.564	17.666	16.798	18.961	19.088	18.180	18.559	14.006
South Sheridan Water & Sanitation	7.896	7.896	7.896	7.896	7.896	7.896	7.896	7.896	5.748	6.314
Urban Drainage & Flood	0.507	0.528	0.508	0.523	0.599	0.608	0.632	0.553	0.559	0.500
Urban Drainage & Flood Control South Platte	0.061	0.063	0.061	0.053	0.058	0.064	0.068	0.058	0.061	0.057
West Metro Fire Protection District	13.702	13.737	13.662	13.784	13.739	13.632	13.595	13.550	13.394	13.219
Wheat Ridge Fire District	4.400	4.400	4.257	7.500	7.500	7.500	12.586	12.527	0.000	0.000 ⁽³⁾

Note:

The City's direct rate is for General Fund Operating and has no other individual components. The City's property tax rate may be increased only by a majority vote of the City's residents. The rate applies to the following year's payments. For example, the 2017 rate above applies to the property taxes levied in 2017 but paid in 2018. For the years 2015 through 2017, the City Council temporarily reduced the City's mill levy in order to refund revenues in excess of the limit imposed by the Colorado Constitution and the Taxpayer's Bill of Rights (TABOR).

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Lakewood. Not all overlapping rates apply to all Lakewood property owners; for example, although the county property tax rates apply to all Lakewood property owners, the Alameda Water and Sanitation District rates apply only to those Lakewood property owners whose property is located within that district's geographic boundaries.
- (2) The following entities overlap with the City of Lakewood but currently do not have a mill levy: Big Sky Metro District 1-7, Bonvue Water & Sanitation District, Fossil Ridge Metro District 1, Grant Water & Sanitation District, Green Mountain Water & Sanitation District, Indiana Valley Metro District, Lakehurst Water & Sanitation District, Lena Gulch Metro District, Plaza Metro District 1, and Southwest Suburban Denver Water & Sanitation.
- (3) Wheat Ridge Fire District became part of West Metro Fire Protection District at the end of 2016.

Source: Jefferson County Assessor's Office

**CITY OF LAKEWOOD, COLORADO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2017			2008		
	Taxable Assessed	Rank	Percentage of Total City Assessed	Taxable Assessed	Rank	Percentage of Total City Assessed
	Value		Value	Value		Value
Belmar Commercial Owner LP ⁽¹⁾	\$ 42,206,556	1	1.78%	\$ 23,867,720	4	1.31%
Colorado Mills Mall LP	36,498,489	2	1.54%	43,326,000	1	2.38%
Public Service Co of Colorado	34,859,961	3	1.47%	27,275,580	2	1.50%
Qwest Corp.	24,871,400	4	1.05%	25,871,600	3	1.42%
Terumo BCT Inc ⁽²⁾	21,974,498	5	0.93%	8,012,030	7	0.44%
Firstbank Holding Company	12,379,433	6	0.52%			
Lakewood City Commons LP	11,387,759	7	0.48%	9,721,180	5	0.53%
Lakewood MOB LLC	10,983,779	8	0.46%			
Wal Mart Real Estate Business Trust	10,237,434	9	0.43%			
Target Corporation	7,661,239	10	0.32%			
Denver West Village LP ⁽³⁾				9,016,190	6	0.50%
Centro Westland LLC				7,016,840	8	0.39%
HUB Properties Trust ⁽⁴⁾				6,171,780	9	0.34%
The Section 14 Development Company				5,667,760	10	0.31%

⁽¹⁾ Belmar Commercial Owner LP formerly Belmar Mainstreet Holdings I LLC, formerly Belmar I, LLC

⁽²⁾ Terumo BCT was formerly known as Caridian BCT formerly known as Gambro

⁽³⁾ Denver West Village LP formerly Denver West Mills LP formerly DW Village, LLC

⁽⁴⁾ HUB Properties Trust formerly HUB Acquisition Trust

Source: Jefferson County Assessor's Office

**CITY OF LAKEWOOD, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Levy Year	Year Collected	Taxes Levied for Collection (from abstract)	Amount Collected by the City	Percentage of Levy	Mill Levy	TABOR Refund ⁽¹⁾	Total Property Tax Revenue
2007	2008	\$ 8,240,546	\$ 8,104,568	98.35%	4.711	\$ -	\$ 8,104,568
2008	2009	8,248,260	8,017,422	97.20%	4.711	-	8,017,422
2009	2010	8,260,372	8,039,443	97.33%	4.711	-	8,039,443
2010	2011	8,128,249	7,986,944	98.26%	4.711	-	7,986,944
2011	2012	7,739,528	7,573,830	97.86%	4.711	-	7,573,830
2012	2013	7,713,072	7,601,278	98.55%	4.711	-	7,601,278
2013	2014	7,852,912	7,715,595	98.25%	4.711	-	7,715,595
2014	2015	7,933,999	7,737,330	97.52%	4.711	-	7,737,330
2015	2016	3,941,301 ⁽¹⁾	3,952,039 ⁽¹⁾	100.27%	2.031	5,200,119	9,152,158
2016	2017	4,679,870 ⁽¹⁾	4,614,865 ⁽¹⁾	98.61%	2.392	4,535,650	9,150,515

Note: Includes City of Lakewood property taxes only. Jefferson County is the collection agent for the City of Lakewood and does not provide data indicating to which levy year delinquent tax collections relate. Since the tax collection data isn't provided and is not under the control of the City, statistical information can not be provided regarding collections in subsequent years and total collections to date. Typically less than 3% of the total taxes levied each year are delinquent and delinquent taxes collected each year are less than 1/2%.

⁽¹⁾ The City's revenues are limited by the Colorado Constitution and its Tax Payer's Bill of Rights (TABOR). To refund the revenues in excess of the limit, the City Council has chosen to temporarily reduce the City's mill levy.

Sources: Jefferson County Assessor's Office, City's Comprehensive Annual Financial Report

CITY OF LAKEWOOD, COLORADO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In thousands of dollars)

Fiscal Year	Governmental Activities					Business Activities		Debt as a Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	Sales and Use Tax Revenue	Certificates of Participation	Capital Leases	Grant/Program Revenue Notes	Total Governmental Activities Debt	Capital Leases	Total Primary Government Debt		
2008	\$ 4,910,000	\$ 56,332,697	\$ 1,555,244	\$ 6,519,000	\$ 69,316,941	\$ -	\$ 69,316,941	1.71%	\$ 485
2009	3,800,000	52,822,055	3,678,543	6,276,757	66,577,355	213,271	66,790,626	1.70%	463
2010	2,565,000	49,166,413	3,418,711	5,836,030	60,986,154	167,744	61,153,898	1.51%	427
2011	1,300,000	45,275,771	3,107,563	5,472,119	55,155,453	119,191	55,274,644	1.32%	383
2012	-	41,220,129	2,905,926	5,145,052	49,271,107	67,413	49,338,520	1.17%	339
2013	-	36,999,487	2,689,857	4,765,305	44,454,649	-	44,454,649	0.98%	302
2014	-	33,323,846	3,415,224	4,399,373	41,138,443	-	41,138,443	0.86%	275
2015	-	29,493,205	3,089,320	3,979,232	36,561,757	-	36,561,757	0.73%	239
2016	-	25,507,564	2,741,723	3,534,209	31,783,496	-	31,783,496	0.60%	205
2017	-	21,351,923	2,369,543	3,126,761	26,848,227	-	26,848,227	0.49%	171

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

⁽¹⁾ See Schedule 16 for personal income and population data.

Source: City's Comprehensive Annual Financial Report

CITY OF LAKEWOOD, COLORADO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
General bonded debt outstanding:					
General obligation bonds ⁽¹⁾	\$ --	\$ --	\$ --	\$ --	\$ --
Percentage of estimated actual property value ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita ⁽³⁾	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit ⁽⁴⁾	\$ 446,819,172	\$ 450,557,735	\$ 446,346,966	\$ 443,489,514	\$ 422,526,195
Legal debt margin ⁽⁵⁾	\$ 446,819,172	\$ 450,557,735	\$ 446,346,966	\$ 443,489,514	\$ 422,526,195
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%	100.00%

⁽¹⁾ No amounts have been restricted to the repayment of the principal of these general obligation bonds.

⁽²⁾ Property value data can be found in Schedule 8, Assessed Value and Actual Value of Taxable Property.

⁽³⁾ Population data can be found in Schedule 16, Economic and Demographic Indicators.

⁽⁴⁾ State statutes limit the City's outstanding general debt to no more than 3% of the estimated actual property value.

⁽⁵⁾ The legal debt margin is the City's available borrowing authority under state statutes and is calculated by subtracting the net debt applicable to the legal debt limit (general obligation debt) from the legal debt limit.

Source: City's Comprehensive Annual Financial Report

Schedule 13

	2013	2014	2015	2016	2017
\$	--	\$ --	\$ --	\$ --	\$ --
	0.00%	0.00%	0.00%	0.00%	0.00%
\$	--	\$ --	\$ --	\$ --	\$ --
\$	431,724,997	\$ 435,569,189	\$ 525,304,491	\$ 532,508,235	\$ 609,246,136
\$	431,724,997	\$ 435,569,189	\$ 525,304,491	\$ 532,508,235	\$ 609,246,136
	100.00%	100.00%	100.00%	100.00%	100.00%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 20,225,000	42.32%	\$ 8,559,220
Denver West Metropolitan District	47,319,791	81.21%	38,428,402
Denver West Metropolitan District EX 04	1,157,818	92.40%	1,069,824
Denver West Metropolitan District EX 14	1,284,724	100.00%	1,284,724
Denver West Metropolitan District EX 98	312,667	0.01%	31
Denver West Promenade Metro District	4,960,000	100.00%	4,960,000
Foothills Recreation & Park District Sub A	6,316,928	1.52%	96,017
Fossil Ridge Metropolitan District 1	8,125,000	100.00%	8,125,000
Fossil Ridge Metropolitan District 3	20,630,000	99.29%	20,483,527
Jefferson County R-1 School District	358,275,000	24.12%	86,415,930
Mount Carbon Metropolitan District	15,660,000	100.00%	15,660,000
Prospect Recreation and Park District	8,675,000	19.00%	1,648,250
Section 14 Metropolitan District	1,935,000	35.23%	681,701
Sheridan Station West Metropolitan District	3,625,000	100.00%	3,625,000
West Metro Fire Protection District	26,045,000	55.96%	14,574,782
Other debt:			
Foothills Recreation & Park District Sub A	17,900,000	1.52%	272,080
Indiana Valley Metropolitan District	40,735,000	98.69%	40,201,372
Jefferson County	112,235,694	24.12%	27,071,249
Jefferson County R-1 School District	68,925,000	24.12%	16,624,710
Plaza Metropolitan District 1	78,685,000	100.00%	78,685,000
Pleasant View Metropolitan District	48,366	56.99%	27,564
Pleasant View Water & Sanitation District	689,050	53.99%	372,018
West Metro Fire Protection District	1,295,687	55.96%	725,066
Subtotal, overlapping debt	845,060,725		418,725,620
City direct debt	26,848,227	100.00%	26,848,227
Total direct and overlapping debt	\$ 871,908,952		\$ 445,573,847

Note: Overlapping governments are those that impose property taxes that coincide, at least in part, with geographic boundaries of the City of Lakewood (the City). This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. The estimated percentage applicable is calculated using an estimated assessed value located within the City divided by the total Assessed Valuation of each area as provided by Jefferson County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

Sources: Debt outstanding provided by each governmental unit

Assessed values used to determine percentage provided by Jefferson County Assessor's Office

**CITY OF LAKEWOOD, COLORADO
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Lakewood Reinvestment Authority (LRA) LRA Station Betterments Loan						
Fiscal Year	LRA Property Tax		Required Debt Service		Total	Coverage
	Revenues	Principal ⁽¹⁾	Interest			
2011	\$ 298,136	\$ 85,911	\$ 164,050		\$ 249,961	1.19
2012	296,813	70,510	169,661		240,171	1.24
2013	396,576	88,079	124,769		212,848	1.86
2014	398,791	95,390	117,458		212,848	1.87
2015	240,726	101,141	111,707		212,848	1.13
2016	271,840	133,127	79,721		212,848	1.28
2017	461,661	113,448	67,707		181,155	2.55

⁽¹⁾ The principal payments above are the required principal payments per year. However, the Authority Board chose to make additional principal payments as outlined below:

2011	\$ 50,000
2012	18,557
2013	43,668
2014	12,542
2015	50,000
2016	32,896
2017	-

Source: City's Comprehensive Annual Financial Report

CITY OF LAKEWOOD, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Education Level in Years of Schooling ⁽⁴⁾	K-12 School Enrollment ⁽⁵⁾	Unemployment Rate (%) ⁽⁶⁾
2008	143,055	4,045,881,510	28,282	39	13.8	20,406	5.2
2009	144,116	3,927,161,000	27,250	40	14.0	21,229	7.6
2010	143,209	4,040,069,099	28,211	40	13.8	21,191	8.4
2011	144,319	4,193,621,502	29,058	39	13.9	21,170	8.7
2012	145,662	4,229,296,170	29,035	39	14.0	20,812	7.9
2013	147,176	4,521,246,720	30,720	39	14.0	21,266	6.7
2014	149,754	4,809,798,972	32,118	39	14.0	21,083	5.1
2015	152,898	5,006,797,908	32,746	38	14.0	20,944	3.9
2016	155,072	5,276,790,016	34,028	38	14.1	20,768	3.2
2017	156,948	5,451,745,728	34,736	38	14.1	19,902	2.6

Sources for the data are listed below:

⁽¹⁾ Colorado Department of Local Government, State Demography Office - latest fiscal year is always an estimate

⁽²⁾ Lakewood Finance Department estimate using data from the U.S. Census Bureau and Bureau of Economic Analysis

⁽³⁾ U.S. Census Bureau, American Fact Finder, American Community Survey 5 year - for 2016 used 2011-2015

⁽⁴⁾ Lakewood Finance Department estimate using data from the U.S. Census Bureau, American Fact Finder, American Community Survey 5 year - for 2016 used 2011-2015

⁽⁵⁾ Colorado Department of Education

⁽⁶⁾ U.S. Department of Labor, Bureau of Labor Statistics

**CITY OF LAKEWOOD, COLORADO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Federal Center	8,000	1	10.02%	6,200	1	8.07%
Jefferson County R-1 School District	4,010	2	5.02%	3,842	2	5.00%
Terumo BCT ⁽¹⁾	2,320	3	2.90%	1,722	3	2.24%
St. Anthony Medical Campus	2,200	4	2.75%			
First Bank	1,261	5	1.58%	720	7	0.94%
State of Colorado (various departments)	1,084	6	1.36%			
Home Advisor ⁽²⁾	1,070	7	1.34%	730	6	0.95%
City of Lakewood	900	8	1.13%	961	4	1.25%
The Integer Group	435	9	0.54%	552	10	0.72%
Colorado Christian University	431	10	0.54%			
MoneyGram International				850	5	1.11%
Lockheed Martin-Orion Project Offices ⁽³⁾				576	8	0.75%
National Renewable Energy Laboratory ⁽³⁾				576	9	0.75%

⁽¹⁾ Terumo BCT was formerly known as Caridian BCT formerly known as Gambro

⁽²⁾ Home Advisor was formerly known as Service Magic

⁽³⁾ Offices in Lakewood

Sources: City of Lakewood Economic Development Division
American Fact Finder (U.S. Census Bureau) for total employed

CITY OF LAKEWOOD, COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

Department	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
Mayor and City Council	1.00	1.00	0.54	-	-
City Manager's Office ⁽¹⁾	17.80	16.64	15.85	16.37	15.65
City Attorney's Office	10.87	10.80	10.56	10.70	10.75
City Clerk's Office	7.73	7.74	7.68	8.73	7.78
Lakewood Reinvestment Authority	1.25	1.28	0.94	1.07	1.13
Community Resources ⁽¹⁾	179.06	180.58	175.36	174.48	170.99
Employee Relations	12.76	13.74	13.49	13.67	13.71
Finance	32.74	34.00	32.73	29.57	27.87
Information Technology	25.82	27.04	27.17	26.60	26.09
Municipal Court	27.56	27.91	26.98	26.38	29.81
Planning	13.00	13.00	12.67	14.15	14.79
Police ⁽¹⁾	428.45	420.25	412.59	411.11	390.93
Public Works	117.33	115.12	112.34	112.24	113.87
Total	875.37	869.10	848.90	845.07	823.37

⁽¹⁾ Numbers have been restated due to reorganization completed in 2009.

Note: The numbers above reflect actual hours worked from the City's financial payroll data. They do not reflect the City's authorized or vacant positions.

Source: The City of Lakewood's Payroll System

Schedule 18

December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
-	-	-	-	-
19.12	18.46	17.68	19.22	18.14
10.80	10.07	10.68	10.77	10.93
8.91	8.99	8.11	8.11	9.29
1.13	1.13	0.43	0.10	0.34
167.44	192.58	191.87	191.67	199.83
13.29	14.36	13.29	12.68	14.41
28.74	32.09	32.75	32.40	30.60
25.52	26.25	27.37	28.60	30.01
30.00	30.27	30.57	30.34	30.33
15.44	15.91	16.99	17.21	16.36
403.87	409.38	406.10	407.00	412.49
110.96	113.40	113.23	114.08	116.53
<u>835.22</u>	<u>872.89</u>	<u>869.07</u>	<u>872.18</u>	<u>889.26</u>

CITY OF LAKEWOOD, COLORADO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
Building Department					
Permits ⁽¹⁾ issued:					
Building	1,178	1,155	1,447	1,434	1,610
Other (electrical, plumbing, (mechanical, sign, miscellaneous))	5,907	17,270	10,687	10,914	7,943
Municipal Court					
Cases received	20,902	19,159	19,336	20,780	17,849
Public Safety					
Physical arrests	6,782	5,979	5,738	5,557	5,129
Parking violations	2,077	2,295	2,297	1,952	1,916
Traffic violations	23,301	19,163	18,288	19,797	15,805
Public Works					
Highways and Streets					
Street resurfacing (miles)	24.43	30.70	43.00	47.00	46.00
Potholes repaired	1,000-1,200	1,000-1,200	800-1,000	800-1,000	800-1,000
Water					
New connections	0	0	0	1	0
Average daily consumption (gallons)	635,474	578,203	610,989	585,800	586,795
Sewer					
New connections	2	2	6	4	5
Average daily treatment (gallons)	3,097,479	3,466,110	3,188,329	2,827,589	2,496,685
Culture and Recreation					
Rounds of golf (two courses)	104,256	96,971	96,533	93,157	102,126
Cultural admissions (paid and unpaid)	124,860	124,752	127,888	138,587	130,716

Note: Indicators are not available for the general government function except as indicated above for the Building Department and Municipal Court.

⁽¹⁾ The increases in permits for 2009 through 2011 and 2017 were due to a large number of re-roofing and re-siding permits after major hailstorms in 2009, 2010, and 2017.

Source: City of Lakewood Public Works Department, Municipal Court, Police Department, and Community Resources Department

Schedule 19

December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
1,915	2,175	2,322	2,303	2,910
7,141	9,131	9,621	9,891	22,310
18,228	19,519	19,858	17,662	16,937
5,262	5,625	5,560	5,688	5,682
2,260	2,093	2,942	3,420	3,762
16,446	14,382	12,882	11,874	11,028
54.60	55.04	62.30	60.00	62.54
800-1,000	900-1,000	1,800-2,000	2,186	521
8	0	25	12	20
547,351	540,556	534,833	534,833	530,564
12	13	10	8	10
2,536,493	2,691,397	3,094,274	2,823,890	2,614,767
98,205	102,553	103,979	104,791	103,351
139,655	171,093	177,043	186,072	200,319

CITY OF LAKEWOOD, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
General Government					
Area (square miles)	44.022	44.022	44.022	44.022	44.022
Public Safety					
Number of police stations	2	2	2	2	2
Public Works					
Highways and Streets					
Streets (miles)	546	547	547	540	542
Streetlights	7,865	7,901	7,899	7,869	7,827
Traffic signals	195	196	199	199	200
Water					
Number of taps	728	730	730	731	731
Water mains (miles)	14	14	14	14	14
Sewer					
Number of taps	6,713	6,850	6,864	6,868	6,873
Sewer mains (miles)	106	106	106	106	106
Stormwater					
Stormwater mains (miles)	228	228	228	228	228
Culture and Recreation					
Number of parks	99	99	99	98	99
Park acreage	7,146	7,146	7,162	7,152	7,163
Playgrounds	74	74	74	76	76
Athletic fields ⁽¹⁾	56	57	57	57	57
Tennis courts	39	39	37	36	36
Basketball courts (outdoor)	32	32	32	32	32
Recreation centers	4	4	4	4	4
Outdoor swimming pools	3	3	3	3	3
Cultural centers	3	3	3	3	3
Golf courses	2	2	2	2	2

⁽¹⁾ Prior to 2017 The City reported the number of parks that contained playgrounds. Reporting has changed to include the number of playgrounds contained in those 58 parks.

⁽²⁾ Athletic fields include baseball/softball diamonds and football/soccer fields. Some of the fields are multi-use depending on the season.

Source: City of Lakewood Property Management Division, Public Works Department, and Community Resources Department

Schedule 20

December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
44.210	44.210	44.210	44.210	44.210
2	2	2	2	2
543	543	543	543	543
7,823	7,812	7,868	7,878	7,909
200	201	201	201	198
739	739	764	791	811
14	14	23	23	13
6,870	6,890	6,900	6,879	6,889
106	106	133	133	107
228	228	325	325	200
99	99	99	99	101
7,163	7,163	7,163	7,163	7,181
76	76	76	76	76
56	56	56	56	56
34	34	34	34	34
32	32	32	32	32
4	4	4	4	4
3	3	3	3	3
3	3	3	3	3
2	2	2	2	2



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COMPLIANCE SECTION

SINGLE AUDIT

Schedule of Expenditures of Federal Awards, which is required for all state and local governments with more than \$750,000 of federal expenditures.

OTHER REPORTS

Local Highway Finance Report, which is an annual statement of receipts and expenditures required to be submitted annually to the Colorado Department of Transportation as part of the mileage certification process.



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and Members of City Council
City of Lakewood
Lakewood, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado (the "City"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anton Collins Mitchell LLP

Denver, Colorado
June 28, 2018



Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Members of City Council
City of Lakewood
Lakewood, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of Lakewood, Colorado's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anton Collins Mitchell LLP

Denver, Colorado
June 28, 2018

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA/Contract Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2017

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.218		\$ 1,076,883	\$ 94,476
Total U.S. Department of Housing and Urban Development			<u>1,076,883</u>	<u>94,476</u>
U.S. Department of the Interior				
Historic Preservation Fund Grants-In-Aid	15.904		<u>(772)</u>	
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant	16.738		39,779	
Passed through City and County of Denver				
Project Safe Neighborhoods	16.609	2014-GP-BX-0013	8,392	
Total U.S. Department of Justice			<u>48,171</u>	
U.S. Department of Health and Human Services				
Head Start	93.600		<u>1,096,605</u>	
U.S. Department of Agriculture				
Passed through Colorado Department of Public Health and Environment				
Child and Adult Care Food Program	10.558	10-03080	<u>89,813</u>	
U.S. Department of Transportation				
Passed through Colorado Department of Transportation				
Highway Planning and Construction	20.205	SHE M760-040 STA M760-042	483,930	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	17-HTR-ZL-00150 15NHTSA405B.6102	22,455	
State and Community Highway Safety	20.600	16NHTSA405B.6102 16NHTSA405D1105	8,538	
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	ST438-438	67,907	
Total U.S. Department of Transportation			<u>582,830</u>	
U.S. Department of Homeland Security				
Passed through Colorado Department of Local Affairs				
Emergency Management Performance Grants	97.042	16EM-17-90	<u>50,000</u>	
Executive Office of the President				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001		<u>220,267</u>	
National Endowment for the Humanities				
Promotion of the Arts_Grants to Organizations and Individuals	45.024		13,346	
Promotion of the Arts_Partnership Agreements	45.025		12,125	
Total National Endowment for the Humanities			<u>25,471</u>	
Total Expenditures of Federal Awards			<u>\$ 3,189,268</u>	<u>\$ 94,476</u>

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, because the City does not use an indirect cost allocation.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: CITY OF LAKEWOOD, COLORADO
	YEAR ENDING : December 31, 2017

This Information From The Records Of City of Lakewood, Colorado	Prepared By: Peggy Starr
	Phone: 303-987-7664

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,909,301
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,648,916
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,513,049
2. General fund appropriations	1,316,608	b. Snow and ice removal	849,798
3. Other local imposts (from page 2)	15,604,399	c. Other	3,124,338
4. Miscellaneous local receipts (from page 2)	1,435,300	d. Total (a. through c.)	6,487,185
5. Transfers from toll facilities		4. General administration & miscellaneous	649,657
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	7,149,202
a. Bonds - Original Issues		6. Total (1 through 5)	24,844,261
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	18,356,307	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	5,964,173	2. Notes:	
D. Receipts from Federal Government (from page 2)	523,781	a. Interest	
E. Total receipts (A.7 + B + C + D)	24,844,261	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	24,844,261

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		24,844,261	24,844,261		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
CITY OF LAKEWOOD, COLORADO
YEAR ENDING (mm/yy):
December 31, 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	424,303
b. Other local imposts:		b. Traffic Fines & Penalties	912,890
1. Sales Taxes	13,514,103	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	855
3. Liens		e. Sale of Surplus Property	
4. Licenses	320,555	f. Charges for Services	
5. Specific Ownership &/or Other	1,769,741	g. Other Misc. Receipts	97,252
6. Total (1. through 5.)	15,604,399	h. Other	0
c. Total (a. + b.)	15,604,399	i. Total (a. through h.)	1,435,300
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,031,499	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	546,519	d. Federal Transit Admin	
d. Other (Specify) - Grants	6,220	e. U.S. Corps of Engineers	
e. Other (Specify) - FASTER/Signal M	1,379,935	f. Other Federal	523,781
f. Total (a. through e.)	1,932,674	g. Total (a. through f.)	523,781
4. Total (1. + 2. + 3.f)	5,964,173	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		264,397	264,397
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		292,803	292,803
(3). System Preservation		6,583,453	6,583,453
(4). System Enhancement & Operation		1,768,648	1,768,648
(5). Total Construction (1) + (2) + (3) + (4)	0	8,644,904	8,644,904
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,909,301	8,909,301
			(Carry forward to page 1)

Notes and Comments:



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