

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018



City of Lafayette, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

City of Lafayette Statement of Vision

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



City of Lafayette, Colorado

Prepared By:

Finance Department

2018

**CITY OF LAFAYETTE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTORY SECTION

2018



August 31, 2019

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Lafayette, Colorado for the year ended December 31, 2018 is hereby submitted. The City is responsible for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Hinkle & Company, PC was selected to perform the audit. Their auditors' report on the City's financial statements and schedules is included in the financial section of this report.

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

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

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

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

Profile of the Government

According to the 2010 U S Census, Lafayette had a population of 24,453 in living in its 8.6 square mile area (31st in the state), up from 23,197 people in a 8.6 square mile area in 2000 (21st in the state). It is estimated that the current population is approximately 28,714.

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

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

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

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

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

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

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

Detailed budget to actual comparisons are provided in this report for the General Fund, non-major governmental funds, and proprietary funds.

Factors Affecting Financial Condition

Local Economy

During 2018, the City continued to improve its financial position with constant efforts in economic development and budget control. The sales tax base has been growing as a result of new businesses locating in the City. Their presence influences established businesses in the area. Sales and use tax revenues increased 11.8% over 2017. Since 2013 (five years), sales and use tax revenues have increased 37.6%.

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

Long Term Financial Planning

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

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

User rates have been increased in both funds in order to absorb increased operating costs and to adequately meet the annual debt requirements. Water rates were increased 5.0%/year from 2014-18 and will increase 5.0% in 2019. Water Reclamation rates were increased 10.0% in 2014, 30.0% in 2015, 25% in 2016, 7% in 2017, and 5% in 2018. Additional rate increases have been approved: 5.0% in 2019, 2020 and 2021. Stormwater fees are slated to increase 30% in 2019, 5% in 2020, and 5% in 2021. These increases will help to provide needed capital for improvements in the next several years.

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

The Water Reclamation Fund treatment facilities face significant upgrades. In order to meet the stringent wastewater treatment standards of Regulations 85 and 31 established by the Colorado Department of Public Health and Environment (CDPHE), the City's Water Reclamation Facility will require \$24 million of upgrades. Construction of the project is anticipated to begin in late 2020 and continue through early 2022.

The condition of the City's streets has been a major focus for the past few years. Annual funding for the Capital Budget is now a required budget item of at least \$250,000, with funding of \$2,500,000 for streets alone budgeted for 2019. In addition, transfers from unreserved General Fund balance have occurred for the past several years for planned projects.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This was the 31st consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

Acknowledgments

The dedicated service of the entire staff of the Finance Department's Accounting Division went into the preparation of the 2018 CAFR. Each and every member of our staff has our sincere appreciation for the contributions they made in order to complete the 2018 CAFR.

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

Sincerely,



Fritz Sprague, ICMA-CM
City Administrator



Steve McFarland
Finance Director



Government Finance Officers Association

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

Presented to

**City of Lafayette
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

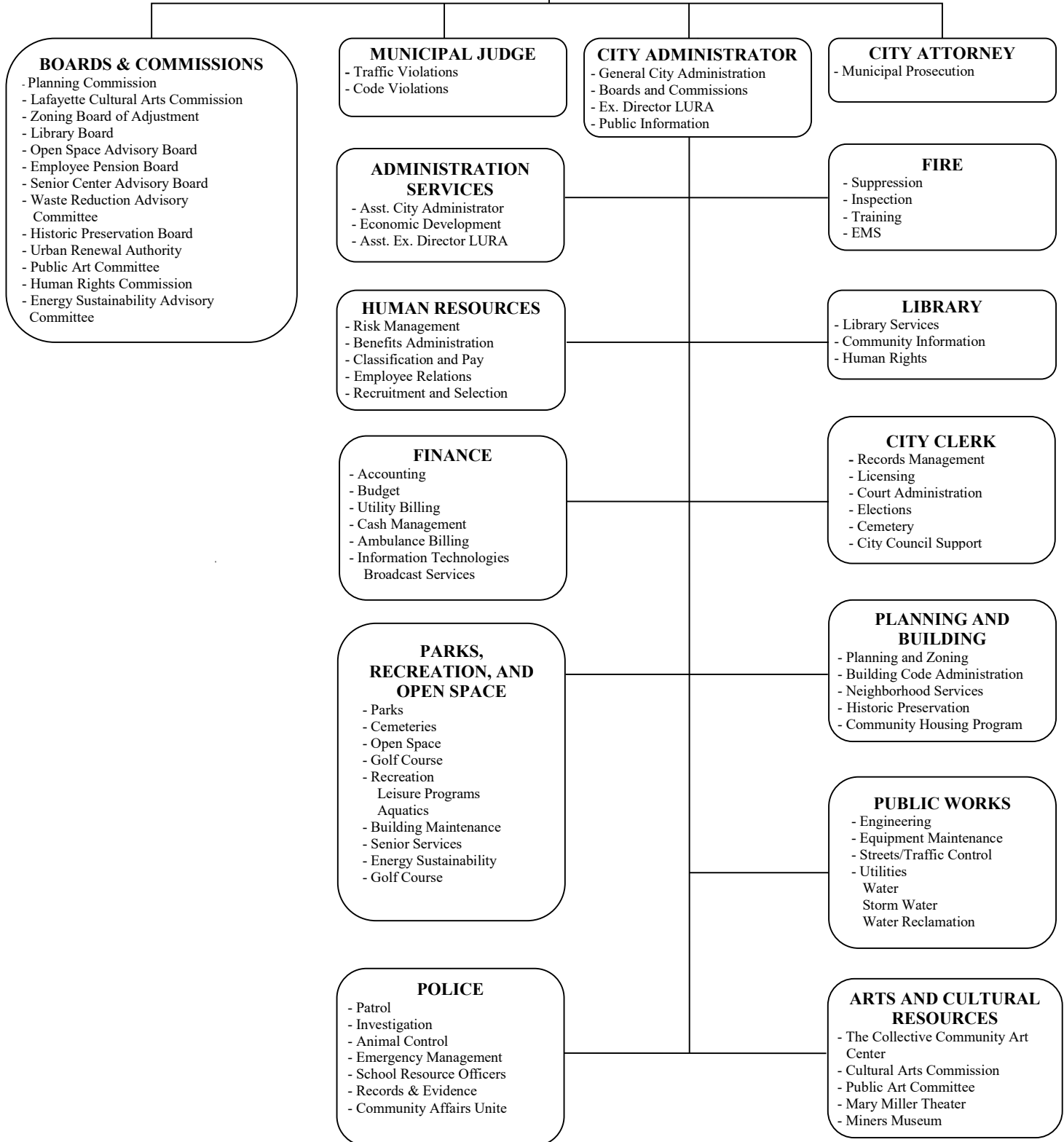
Christopher P. Morrell

Executive Director/CEO

CITIZENS OF LAFAYETTE

January 2018

CITY COUNCIL



CITY OF LAFAYETTE DIRECTORY OF CITY OFFICIALS

CITY COUNCIL



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

ADMINISTRATION

Gary Klaphake
 City Administrator

Directors

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

Public Safety

Dave Friedel..... Fire Chief
 Rick Bashor..... Police Chief

Municipal Court

David Williamson City Attorney
 Roger Buchholz Municipal Court Judge

Public Works

Aaron Asquith City Engineer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

FINANCIAL SECTION

2018



Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Lafayette as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lafayette, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Base Line Land and Reservoir Company, which represent 36 percent and 32 percent, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Base Line Land and Reservoir Company, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Lafayette as of December 31, 2018, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lafayette's basic financial statements. The introductory section, combining fund statements and schedules, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hick & Company, PC

Greenwood Village, Colorado
August 27, 2019



Management's Discussion and Analysis

Our discussion and analysis of the City of Lafayette's financial statements for the year ended December 31, 2018, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

Financial Highlights:

The total Net Position for the primary government increased \$24.0 million from 2017 primarily due to increased revenues from governmental and business activities. Charges for services increased \$6.2 million (in part due to an accounting change in how transfers have been classified; \$2.8 million now listed as "administrative fees") and sales/use tax increased \$1.7 million.

The City's unassigned General Fund balance was \$24.6 million on a modified accrual basis, an increase of \$0.3 million from 2017, and represents 61% of 2018 final budgeted expenditures. Ratios/comparisons are moderately affected by the General Fund absorbing the Fire & Ambulance Fund in 2018. The total General Fund balance increased \$1.8 million over 2017 primarily as a result of broad-based advances in revenues and inflows including increases in tax (property, sales, and excise) collections of \$5.5 million (\$2.4m of property tax revenue from Fire & Ambulance Fund), intergovernmental of \$0.2 million, interest income of \$0.3 million, and service charges of \$5.1 million (\$2.6 million reclassified into aforementioned administrative fees, \$2.0 million increase in building fees, \$0.4 million increase in culture & recreation fees).

Expenditures/outflows increased from \$30.8 million in 2017 to \$38.9 million in 2018, most notably in transfers to the Capital Fund (\$6.4 million to be used for infrastructure improvements), general government (\$0.6 million in benefit cost increase, added staff in Planning department), public safety (absorption of \$2.4m in expenses from Fire & Ambulance Fund), public works (street light repair program), culture & recreation (\$0.4 million for new water park) and capital outlay (\$1.7 million increase to \$3.8 million, including a new ambulance, ready range for police, expansion of golf course clubhouse to include administrative facilities, and road/street improvements).

Overview of the Financial Statements:

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

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

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

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

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

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

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

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

Proprietary funds. The City of Lafayette maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Lafayette uses enterprise funds to account for its water utility, water reclamation, storm water, and for its golf course operation.

The second type of proprietary fund includes the *Internal Service funds*. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City of Lafayette's various functions. The City uses internal service funds to account for its insurance and employee benefits. Because both of these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within *governmental activities* in the government-wide financial statements.

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

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

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

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

Government-wide Financial Analysis

The Statement of Net Position and Statement of Activities for 2018 are compared with the results of 2017 in order to review the City's progress towards maintaining financial stability.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lafayette, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$340 million at the close of 2018, an increase of 7.6% from 2017. The following table reflects amounts in thousands of dollars.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 70,112	\$ 62,605	\$ 57,768	\$ 52,869	\$ 127,880	\$ 115,474
Capital Assets	144,263	140,018	118,292	113,138	262,555	253,156
Total Assets	214,375	202,623	176,060	166,007	390,435	368,630
Deferred Outflows of Resources	2,163	2,687	679	755	2,842	3,442
Long-term Liabilities						
Outstanding	16,672	18,984	13,180	14,760	29,852	33,744
Other Liabilities	5,544	5,556	7,874	7,112	13,418	12,668
Total Liabilities	22,216	24,540	21,054	21,872	43,270	46,412
Deferred Inflows of Resources	10,147	9,779	-	-	10,147	9,779
Net Position:						
Net Investment in Capital						
Assets,	129,041	122,568	106,120	99,364	235,161	221,932
Restricted	12,250	10,396	-	-	12,250	10,396
Unrestricted	42,884	38,027	49,565	45,526	92,449	83,553
Total Net Position	\$ 184,175	\$ 170,991	\$ 155,685	\$ 144,890	\$ 339,860	\$ 315,881

Current and other assets increased \$12.4 million, resulting primarily from 2018 operations. The net increases from operations resulted in similar changes in aggregate to restricted and unrestricted net positions of governmental and business-type activities.

By far the largest portion of the City's net position (69%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Long-term liabilities decreased a net \$3.9 million from planned debt service payments.

Changes in Net Position

The City's total revenues of \$75.6 million exceeded expenses of \$51.6 million resulting in an increase of \$24.0 million. The key elements of this increase are presented in the following table, reflected in thousands of dollars:

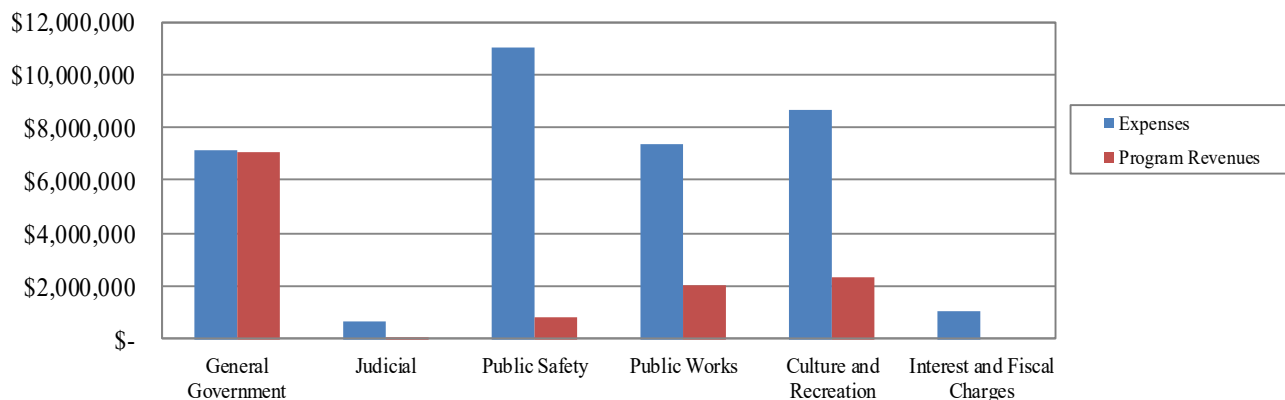
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Program Revenues:						
Charges for Services	\$ 12,270	\$ 7,146	\$ 17,580	\$ 16,518	\$ 29,850	\$ 23,664
Operating Grants	1,704	1,893	-	-	1,704	1,893
Capital Grants & Contributions	4,205	4,705	8,096	7,816	12,301	12,521
General Revenue:						
Property Taxes	10,050	9,026	-	-	10,050	9,026
Sales and Use Tax	18,105	16,641	-	-	18,105	16,641
Excise Taxes	540	487	-	-	540	487
Interest	791	381	781	336	1,572	717
Gain on Sale of Property	-	12	-	(10)	-	2
Franchise Taxes	1,141	1,132	-	-	1,141	1,132
Other General Revenues	307	49	-	-	307	49
Total Revenues	49,113	41,472	26,457	24,660	75,570	66,132
Program Expenses:						
General Government	7,151	6,723	-	-	7,151	6,723
Judicial	670	600	-	-	670	600
Public Safety	11,048	10,707	-	-	11,048	10,707
Public Works	7,395	6,882	-	-	7,395	6,882
Culture and Recreation	8,647	7,660	-	-	8,647	7,660
Interest on Long-Term Debt	1,018	1,104	-	-	1,018	1,104
Water	-	-	8,045	6,720	8,045	6,720
Water Reclamation	-	-	3,949	2,949	3,949	2,949
Golf Course	-	-	2,817	2,523	2,817	2,523
Storm Water	-	-	851	738	851	738
Total Expenses	35,929	33,676	15,662	12,930	51,591	46,606
Excess Revenues before Transfers	13,184	7,796	10,795	11,730	23,979	19,526
Transfers	-	2,354	-	(2,354)	-	-
Change in Net Position	13,184	10,150	10,795	9,376	23,979	19,526
Beginning Net Position, Jan 1	170,991	160,841	144,890	135,514	315,881	296,355
Ending Net Position, Dec 31	\$ 184,175	\$ 170,991	\$ 155,685	\$ 144,890	\$ 339,860	\$ 315,881

Governmental activities

During 2018, the change in net position in governmental activities was \$13.2 million, compared to the change in net position during 2017 of \$10.2; an increase of \$3.0 million. The increase resulted from charges for services (\$5.1 million from a reclassification of transfer activity plus an increase in building fee revenue), property tax (\$1.02 million), sales and use tax (\$1.5 million), interest (\$0.4 million), and offsetting increased expenses (\$2.3 million).

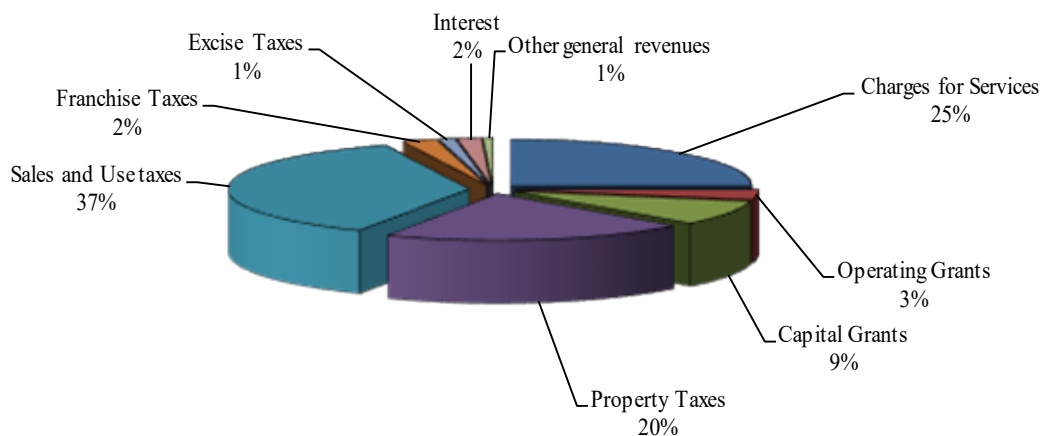
Program expenses increased in general government and public safety functions due to various operating cost adjustments.

2018 Expenses and Program Revenues - Governmental Activities



As defined in the footnotes, program revenues are directly associated with a specific activity. Program revenues account for 37% of total revenues related to governmental activities in 2018. General revenues, consisting mostly of taxes, are not directly associated with any governmental function, and are not included in the above chart. However, general revenues account for 63% of the governmental activities for 2018. Total revenues from governmental activities are summarized below.

2018 Revenues by Source - Governmental Activities

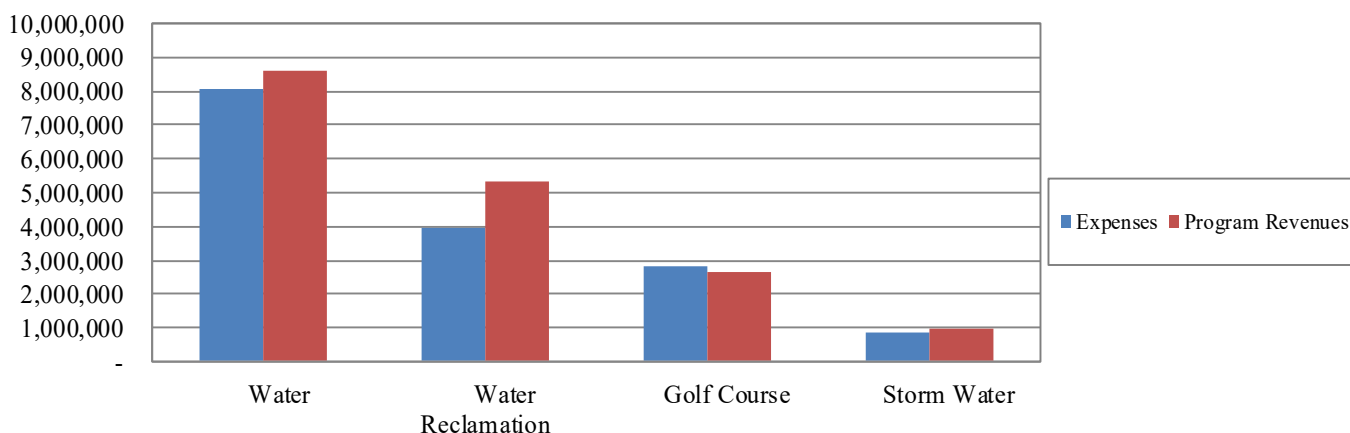


Business-type activities

Net position in business-type activities increased \$10.8 million during 2018. Revenues increased from both charges for services (6.4%) and Capital Grants/Contributions (3.6%). Program expenses increased 21.1%, or \$2.7 million. Increased reported costs to the Water (\$1.3 million), Water Reclamation (\$1.0 million), Storm Water (\$0.1 million) and Golf Course (\$0.3 million) Funds were mostly a result of reclassifying transfers to administrative fees.

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

2018 Expenses and Program Revenues - Business-type Activities



Financial Analysis of the City's Funds

Governmental Funds – Information on the major governmental funds of the City follows the government-wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2018, the City reported a combined fund balance of \$51.2 million, an increase of \$5.3 million from 2017. The fund balance of the General Fund increased \$1.8 million, the Ambulance & Fire Special Revenue Fund decreased \$0.7 million (as it was closed into the General Fund), the Capital Projects Fund increased \$2.7 million (funds accumulated for future projects), and Other Governmental Funds increased by \$1.5 million (most of this increase occurred in the Legacy Open Space Fund, which accumulated revenues for future acquisitions).

The General Fund is the primary operating fund of the City. At the end of 2018, the unassigned fund balance of the General Fund was \$24.6 million, an increase of \$0.3 million over 2017, primarily from increased revenues. The remainder of the fund balance for the General Fund is not in spendable form, or is restricted, committed, or assigned.

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

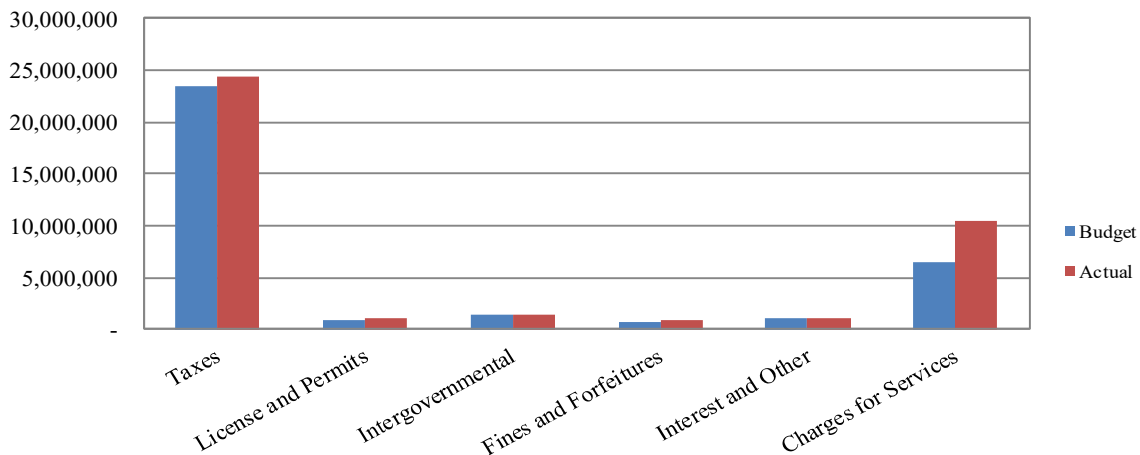
Proprietary Funds – Information on the proprietary funds provides the same type of information found in the government-wide statements, but with more detail. At the end of 2018, the City reported unrestricted net position of \$49.6 million, an increase of \$4.1 million as compared to 2017. Factors concerning the finances of these funds have been discussed above in the business-type activities section.

General Fund Budgetary Highlights

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

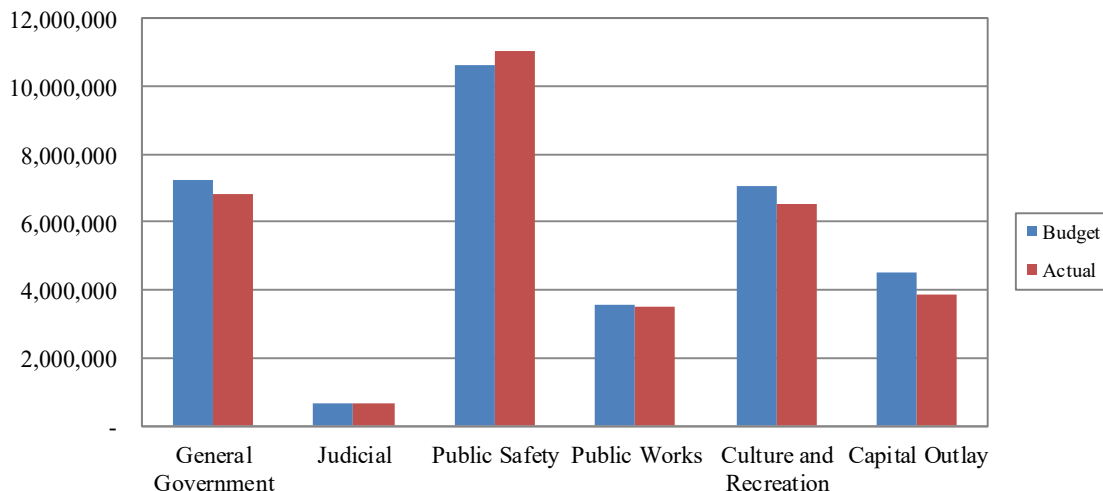
The General Fund accounts for all of the general services provided by the City of Lafayette. At the end of 2018, the total fund balance of the General Fund had increased by approximately \$1.8 million (6.5%). The unassigned fund balance increased \$0.3 million primarily from increased revenues as mentioned previously. As previously mentioned, transfers to the general fund were reclassified as administrative fees under Charges for Services. The following chart presents a summary of the major revenue sources of the City's General Fund.

2018 Budget & Actual Revenue by Source - General Fund



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

2018 Budget & Actual Expenditures by Source - General Fund



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

Capital Assets and Debt Administration

Capital Assets:

The City of Lafayette's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$262.6 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, water and waste water systems, improvements, machinery and equipment, park facilities, roads, storm drainage, and other infrastructure.

Major capital asset activity during 2018 included (in thousands):

Police - Ready Range	\$ 588
Police – Vehicles (5)	276
Silver Creek Park	1,397
Street/intersection upgrades/rehabilitations	1,520
Golf Course Clubhouse expansion	716
Lamont Does Water Park completion	429
Water – Orange Zone/Red Zone	2,985
Water – Brainard Circle	486
Water – Outfall Ditch	397
Water – Coal Creek line upsizing	239
Water – Water rights	360
Water Reclamation – Bullhead Gulch Lift Station	812
Water Reclamation – 2 nd Anaerobic Digester	229

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

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 75,875	\$ 74,397	\$ 7,300	\$ 7,300	\$ 83,175	\$ 81,697
Water Rights	-	-	37,010	37,005	37,010	37,005
Buildings and Systems	23,809	17,021	2,469	2,186	26,278	19,207
Improvements other than Buildings	1,504	1,492	2,097	316	3,601	1,808
Infrastructure	37,978	36,303	51,132	50,303	89,110	86,606
Equipment	3,531	3,130	2,541	2,799	6,072	5,929
Construction in Process	1,566	7,675	15,743	13,229	17,309	20,904
Total	\$ 144,263	\$ 140,018	\$ 118,292	\$ 113,138	\$ 262,555	\$ 253,156

Additional information on the City's capital assets can be found in Note 5 to the Financial Statements.

Bonded Debt:

At December 31, 2018, the City had total bonded debt outstanding of \$24.8 million. Of this amount, \$6.6 million consisted of debt backed by the full faith and credit of the City, and the balance of \$18.2 million represents bonds secured solely by specified revenue sources (revenue and demand bonds). Additional information on the City's debt structure is located in Note 6 to the Financial Statements.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 6.6	\$ 7.4	\$ -	\$ -	\$ 6.6	\$ 7.4
Revenue bonds	4.6	5.7	10.0	10.9	14.6	16.6
Demand bonds	3.6	4.0	-	-	3.6	4.0
Total bonded debt	\$ 14.8	\$ 17.1	\$ 10.0	\$ 10.9	\$ 24.8	\$ 28.0

Economic Factors and Next Year's Budgets and Rates

The City of Lafayette experienced improved economic activity during 2018. However, a cautious approach was taken in the preparation of the 2019 budget revenues. Sales tax revenues are expected to continue to increase at a tempered pace. Total budgeted expenditures for 2019 were increased to provide pay adjustments and a \$2.5 million reserve for capital projects. The \$2.5 million will be added to the Capital Projects Fund for planned major projects.

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

Revenues for 2019 were estimated based on the following assumptions:

- Water, Waste Water, and Storm Water usage will be similar to 2018 with 5% respective rate increases.
- Golf Course revenues are projected relatively flat compared to 2018.
- No increase was budgeted in recreation fees (Recreation Center, Lamont Does Water Park) so as to remain competitive with neighboring facilities.
- Revenue from sales and use tax returns will increase 4-5%.
- Building permit activity and revenues will remain consistent with 2017 performance.
- Property tax collections will approximate 100% of the levy imposed. Debt service mill levies will be adjusted to generate the necessary amounts for principal and interest payments.
- Inflation will not exceed 3%.
- Interest earnings are calculated at 2.0% interest, as a result of previously purchased investments.

Based on results for the first quarter of 2019, General Fund revenues (including transfers in) were 3% greater than at the same time in 2018, and sales taxes, net of rebates, increased 8%. General Fund surplus is roughly the same as 2017 (\$1.3 million).

Water Fund metered water sales increased slightly over the same period in 2018, and development fees (tap fees and payments in lieu of water dedications) to date in 2019 have increased as well. Water Reclamation Fund revenues have increased in the early part of 2019 due to scheduled rate increases. Golf Course first quarter revenues trail 2018 due to inclement weather.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the city's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information, contact the City of Lafayette Finance Department at 1290 South Public Road, Lafayette, CO 80026.

BASIC FINANCIAL STATEMENTS

FINANCIAL SECTION

2018

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
Assets					
Cash and Investments	\$ 50,912,110	\$ 53,925,713	\$ 104,837,823	\$ 1,029,969	\$ 238,007
Accrued Interest Receivable	554,521	153,448	707,969	-	-
Accounts Receivable	3,639,037	1,221,475	4,860,512	625,790	333
Property Taxes Receivable	9,557,359	-	9,557,359	626,770	-
Special Assessments Receivable	1,537,703	17,513	1,555,216	-	-
Prepaid Expenses	740,750	-	740,750	-	-
Inventory	27,533	57,527	85,060	-	-
Restricted Cash and Investments	1,502,436	1,362,000	2,864,436	-	-
Notes Receivable	-	-	-	1,483,241	-
Assets Held for Resale	-	-	-	5,000	-
Equity Interest in Component Unit	-	1,031,212	1,031,212	-	-
Capital Assets, Not Being Depreciated	77,440,965	60,052,791	137,493,756	-	88,000
Capital Assets, Net of Accumulated Depreciation	66,822,176	58,238,943	125,061,119	-	1,774,231
Net Pension Asset	1,640,306	-	1,640,306	-	-
Total Assets	214,374,896	176,060,622	390,435,518	3,770,770	2,100,571
Deferred Outflows of Resources					
Loss on Debt Refunding, Net of Accumulated Amortization	243,406	679,126	922,532	-	-
Pensions, Net of Accumulated Amortization	1,919,391	-	1,919,391	-	-
Total Deferred Outflows of Resources	2,162,797	679,126	2,841,923	-	-
Liabilities					
Accounts Payable	3,007,634	4,450,960	7,458,594	150,744	-
Claims Payable	177,717	-	177,717	-	-
Accrued Liabilities	624,799	206,014	830,813	-	13,499
Deposits Payable	772,986	147,798	920,784	2,000	-
Unearned Revenues	112,960	3,069,164	3,182,124	-	-
Noncurrent Liabilities					
Due Within One Year	3,665,377	1,740,647	5,406,024	-	199,107
Due in More Than One Year	13,006,977	11,439,665	24,446,642	-	414,805
Net Pension Liability	847,630	-	847,630	-	-
Total Liabilities	22,216,080	21,054,248	43,270,328	152,744	627,411
Deferred Inflows of Resources					
Property Taxes	9,557,359	-	9,557,359	626,770	-
Pensions, Net of Accumulated Amortization	589,505	-	589,505	-	-
Total Deferred Inflows of Resources	10,146,864	-	10,146,864	626,770	-
Net Position					
Net Investment in Capital Assets	129,041,362	106,120,369	235,161,731	-	-
Restricted for:					
Emergency Reserve	673,771	-	673,771	-	-
Administrator Severance Package	796,181	-	796,181	-	-
Capital Projects	7,448,416	-	7,448,416	-	-
Urban Renewal Projects	-	-	-	2,991,256	-
Police Seizure	7,981	-	7,981	-	-
Cemetery - Nonexpendable	46,398	-	46,398	-	-
Cemetery - Expendable	42,755	-	42,755	-	-
GID Obligations	3,061,333	-	3,061,333	-	-
Debt Service	172,209	-	172,209	-	-
Minority Interest in Joint Venture - Nonexpendable	-	-	-	-	441,948
Unrestricted	42,884,343	49,565,131	92,449,474	-	1,031,212
Total Net Position	<u>\$ 184,174,749</u>	<u>\$ 155,685,500</u>	<u>\$ 339,860,249</u>	<u>\$ 2,991,256</u>	<u>\$ 1,473,160</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Program Revenues					Net (Expense) Revenue and Change in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
Primary Government									
Governmental Activities									
General Government	\$ 7,151,022	\$ 7,040,872	\$ 318,744	\$ -	\$ 208,594	\$ -	\$ 208,594		
Judicial	670,461	40,543	-	-	(629,918)	-	(629,918)		
Public Safety	11,047,434	816,621	-	-	(10,230,813)	-	(10,230,813)		
Public Works	7,395,460	2,043,810	1,160,596	3,287,038	(904,016)	-	(904,016)		
Culture and Recreation	8,646,648	2,327,660	224,232	917,784	(5,176,972)	-	(5,176,972)		
Interest and Fiscal Charges	1,018,000	-	-	-	(1,018,000)	-	(1,018,000)		
Total Governmental Activities	35,929,025	12,269,506	1,703,572	4,204,822	(17,751,125)	-	(17,751,125)		
Business-type Activities									
Water	8,045,332	8,593,015	-	6,467,205	-	7,014,888	7,014,888		
Water Reclamation	3,948,819	5,351,810	-	1,309,762	-	2,712,753	2,712,753		
Golf Course	2,816,838	2,643,366	-	-	-	(173,472)	(173,472)		
Storm Water	850,754	992,136	-	319,190	-	460,572	460,572		
Total Business-type Activities	15,661,743	17,580,327	-	8,096,157	-	10,014,741	10,014,741		
Total Primary Government	\$ 51,590,768	\$ 29,849,833	\$ 1,703,572	\$ 12,300,979	(17,751,125)	10,014,741	(7,736,384)		
Component Units									
Lafayette Urban Renewal Authority									
Authority	\$ 813,926	\$ -	\$ -	\$ -			\$ (813,926)	\$ -	
Base Line Land and Reservoir Company									
Reservoir Company	92,537	361,583	-	-			-	269,046	
Total Component Units	\$ 906,463	\$ 361,583	\$ -	\$ -			(813,926)	269,046	
General Revenues									
Property and Specific Ownership Taxes					10,050,460	-	10,050,460	598,450	-
General Sales and Use Taxes					18,105,109	-	18,105,109	624,422	-
Franchise Taxes					1,141,404	-	1,141,404	-	-
Excise Taxes					539,644	-	539,644	-	-
Unrestricted Intergovernmental Revenues					112,986	-	112,986	-	-
Interest					791,498	780,858	1,572,356	19,620	191
Miscellaneous					193,305		193,305	15,000	225,800
Total General Revenues					30,934,406	780,858	31,715,264	1,257,492	225,991
Change in Net Position					13,183,281	10,795,599	23,978,880	443,566	495,037
Net Position - January 1					170,991,468	144,889,901	315,881,369	2,547,690	978,123
Net Position - December 31					\$ 184,174,749	\$ 155,685,500	\$ 339,860,249	\$ 2,991,256	\$ 1,473,160

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

CITY OF LAFAYETTE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Ambulance & Fire	Capital Projects	Other Governmental Funds	Total
Assets					
Cash and Investments	\$ 29,984,297	\$ -	\$ 10,158,218	\$ 9,925,194	\$ 50,067,709
Accrued Interest Receivable	84,905	-	25,589	26,702	137,196
Accounts Receivable	2,830,203	-	400,000	408,834	3,639,037
Property Taxes Receivable	7,899,721	-	-	1,657,638	9,557,359
Special Assessments Receivable	1,098,303	-	-	439,400	1,537,703
Interfund Receivables	45,000	-	-	-	45,000
Prepaid Items	698,940	-	-	-	698,940
Inventory	27,533	-	-	-	27,533
Restricted Cash and Investments	365,538	-	-	1,136,898	1,502,436
Total Assets	\$ 43,034,440	\$ -	\$ 10,583,807	\$ 13,594,666	\$ 67,212,913
Liabilities					
Accounts Payable	\$ 2,363,969	\$ -	\$ 503,921	\$ 110,255	\$ 2,978,145
Accrued Liabilities	589,660	-	-	-	589,660
Interfund Payables	-	-	-	45,000	45,000
Deposits Payable	697,986	-	-	75,000	772,986
Unearned Revenues	112,960	-	-	-	112,960
Total Liabilities	3,764,575	-	503,921	230,255	4,498,751
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	7,899,721	-	-	1,657,638	9,557,359
Unavailable Revenue - Special Assessments	1,098,303	-	-	439,400	1,537,703
Unavailable Revenue - Other	284,765	-	-	179,336	464,101
Total Deferred Inflows of Resources	9,282,789	-	-	2,276,374	11,559,163
Fund Balance					
Nonspendable					
Prepaid Items	698,940	-	-	-	698,940
Inventory	27,533	-	-	-	27,533
Cemetery Endowment	-	-	-	46,398	46,398
Restricted					
Emergency Reserve	673,771	-	-	-	673,771
Administrator Severance Package	796,181	-	-	-	796,181
Capital Projects	433,923	-	473,253	6,541,240	7,448,416
Police Seizure	7,981	-	-	-	7,981
Cemetery	42,755	-	-	-	42,755
GID Obligations	-	-	-	3,061,333	3,061,333
Debt Service	-	-	-	172,209	172,209
Committed					
Capital Projects	2,217,031	-	9,606,633	-	11,823,664
Affordable Housing	470,364	-	-	-	470,364
Assigned					
Education and Pension Administrative Costs	29,510	-	-	-	29,510
GID Obligations	-	-	-	872,576	872,576
Recreation, Open Space, and Parks	-	-	-	394,146	394,146
Cemetery	-	-	-	135	135
Unassigned	24,589,087	-	-	-	24,589,087
Total Fund Balance	29,987,076	-	10,079,886	11,088,037	51,154,999
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 43,034,440	\$ -	\$ 10,583,807	\$ 13,594,666	\$ 67,212,913

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

CITY OF LAFAYETTE, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

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

Total Fund Balance of Governmental Funds	\$ 51,154,999
Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds.	144,263,141
Long-term assets are not available to pay current year expenditures and therefore are deferred in governmental funds.	
Unavailable Special Assessments Receivable	1,537,703
Unavailable Intergovernmental Receivables	464,101
Accrued Interest on special assessments is recorded as a receivable on the Statement of Net Position. This item is not available and is not recognized in the governmental funds.	415,322
Net pension asset and liabilities and the related deferred inflows and outflows are not current financial resources and therefore are not reported in governmental funds.	
Net Pension Asset	1,640,306
Net Pension Liability	(847,630)
Pension-related Deferred Outflows	1,919,391
Pension-related Deferred Inflows	(589,505)
Long-term liabilities and related items are not due and payable in the current year and therefore are not reported in governmental funds.	
Loss on Debt Refunding, Net of Accumulated Amortization	243,406
Accrued Interest Payable	(35,139)
Long-Term Debt, net of Internal Service Fund liabilities \$706,272.	(15,966,082)
Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	(25,264)
Total Net Position of Governmental Activities	<u>\$ 184,174,749</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General	Ambulance & Fire	Capital Projects	Other Governmental Funds	Total
Revenues					
Taxes	\$ 24,268,790	\$ -	\$ -	\$ 5,567,827	\$ 29,836,617
Licenses and Permits	1,064,668	-	-	-	1,064,668
Intergovernmental	1,400,664	-	-	917,784	2,318,448
Contributions and Grants	340,850	-	-	-	340,850
Charges for Services	10,499,853	-	-	15,988	10,515,841
Fines and Forfeitures	737,742	-	-	-	737,742
Interest	468,093	-	111,004	175,305	754,402
Special Assessments	52,002	-	-	469,412	521,414
Miscellaneous	179,605	-	895,989	13,700	1,089,294
Total Revenues	39,012,267	-	1,006,993	7,160,016	47,179,276
Expenditures					
Current					
General Government	6,847,046	-	3,250	83,339	6,933,635
Judicial	670,175	-	-	-	670,175
Public Safety	11,037,480	-	-	-	11,037,480
Public Works	3,533,127	-	1,010,677	-	4,543,804
Culture and Recreation	6,505,675	-	119,820	734,118	7,359,613
Capital Outlay	3,873,908	-	3,731,538	286,050	7,891,496
Debt Service					
Capital Lease Payments	-	-	-	112,020	112,020
Bond Principal	-	-	-	2,245,000	2,245,000
Bond Interest and Fiscal Charges	-	-	-	1,064,550	1,064,550
Total Expenditures	32,467,411	-	4,865,285	4,525,077	41,857,773
Excess (Deficiency) of Revenues Over Expenditures	6,544,856	-	(3,858,292)	2,634,939	5,321,503
Other Financing Sources (Uses)					
Transfers In	1,762,379	-	6,515,000	112,020	8,389,399
Transfers Out	(6,477,020)	(682,866)	-	(1,229,513)	(8,389,399)
Total Other Financing Sources (Uses)	(4,714,641)	(682,866)	6,515,000	(1,117,493)	-
Net Change in Fund Balance	1,830,215	(682,866)	2,656,708	1,517,446	5,321,503
Fund Balance, January 1	28,156,861	682,866	7,423,178	9,570,591	45,833,496
Fund Balance, December 31	\$ 29,987,076	\$ -	\$ 10,079,886	\$ 11,088,037	\$ 51,154,999

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

CITY OF LAFAYETTE, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Net Change in Fund Balance of Governmental Funds	\$ 5,321,503
Capital outlay to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives and reported as annual depreciation expense in the statement of activities.	
Capital Outlay	7,891,496
Developer Dedications	1,478,288
Depreciation Expense	(5,096,352)
Loss on Disposal of Capital Assets	(28,493)
Repayments of debt principal are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Bond Payments	2,245,000
Capital Lease Payments	109,903
Debt proceeds provide 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. This is the net effect of these differences in the treatment of long-term debt and related items.	
Amortization of Loss on Debt Refunding	(38,727)
Amortization of Bond Premiums	80,648
Revenues that do not provided current financial resources are deferred in governmental funds but are recognized in governmental activities. This includes changes in the following.	
Unavailable Special Assessments Receivable	428,443
Unavailable Other Receivables	26,299
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 changes in the following.	
Net Pension Asset	1,353,098
Net Pension Liability	474,315
Pension-related Deferred Outflows and Inflows	(1,059,306)
Accrued Interest Payable	6,746
Accrued Compensated Absences	(25,627)
Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The net revenue (expense) of the internal service funds is included in governmental activities in the statement of activities.	
	<u>16,047</u>
Change in Net Position of Governmental Activities	<u><u>\$ 13,183,281</u></u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	Water Utility	Water Reclamation Utility	Golf Course	Nonmajor Storm Water	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets						
Current Assets						
Cash and Investments	\$ 41,336,109	\$ 11,815,164	\$ 135,696	\$ 638,744	\$ 53,925,713	\$ 844,401
Accrued Interest Receivable	119,248	31,497	1,475	1,228	153,448	2,003
Accounts Receivable	515,398	581,415	-	124,662	1,221,475	-
Prepaid Expenses	-	-	-	-	-	41,810
Inventory	-	-	57,527	-	57,527	-
Interfund Receivables	175,000	-	-	-	175,000	-
Restricted Cash and Investments	1,362,000	-	-	-	1,362,000	-
Total Current Assets	43,507,755	12,428,076	194,698	764,634	56,895,163	888,214
Noncurrent Assets						
Assessments Receivable	-	17,513	-	-	17,513	-
Equity Interest in Component Unit	1,031,212	-	-	-	1,031,212	-
Capital Assets, Not Being Depreciated	58,589,007	1,194,759	-	269,025	60,052,791	-
Capital Assets, Net of Accumulated Depreciation	31,809,028	21,823,617	1,434,090	3,172,208	58,238,943	-
Total Noncurrent Assets	91,429,247	23,035,889	1,434,090	3,441,233	119,340,459	-
Total Assets	134,937,002	35,463,965	1,628,788	4,205,867	176,235,622	888,214
Deferred Outflows of Resources						
Unamortized Charges on Debt Refunding	679,126	-	-	-	679,126	-
Liabilities						
Current Liabilities						
Accounts Payable	4,142,185	259,147	24,856	24,772	4,450,960	29,489
Claims Payable	-	-	-	-	-	177,717
Accrued Liabilities	60,279	44,046	31,966	6,673	142,964	-
Accrued Interest Payable	33,663	29,387	-	-	63,050	-
Deposits Payable	64,600	-	83,198	-	147,798	-
Interfund Payables	-	-	-	175,000	175,000	-
Unearned Revenues	2,135,507	933,657	-	-	3,069,164	-
Current Portion of Long-Term Debt	1,043,613	635,785	51,630	9,619	1,740,647	706,272
Total Current Liabilities	7,479,847	1,902,022	191,650	216,064	9,789,583	913,478
Noncurrent Liabilities						
Long-Term Obligations	10,106,912	1,294,333	33,009	5,411	11,439,665	-
Total Noncurrent Liabilities	10,106,912	1,294,333	33,009	5,411	11,439,665	-
Total Liabilities	17,586,759	3,196,355	224,659	221,475	21,229,248	913,478
Net Position						
Net Investment in Capital Assets	80,062,964	21,182,082	1,434,090	3,441,233	106,120,369	-
Unrestricted	37,966,405	11,085,528	(29,961)	543,159	49,565,131	(25,264)
Total Net Position	\$ 118,029,369	\$ 32,267,610	\$ 1,404,129	\$ 3,984,392	\$ 155,685,500	\$ (25,264)

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water Utility	Water Reclamation Utility	Golf Course	Nonmajor Storm Water	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues						
Charges for Services	\$ 8,438,982	\$ 5,329,302	\$ 2,640,336	\$ 983,201	\$ 17,391,821	\$ 4,176,962
Miscellaneous	154,033	22,508	3,030	8,935	188,506	73,985
Total Operating Revenues	8,593,015	5,351,810	2,643,366	992,136	17,580,327	4,250,947
Operating Expenses						
Administration	1,983,040	920,112	516,878	329,801	3,749,831	-
Operations	4,199,491	2,038,623	2,026,296	296,401	8,560,811	-
Premiums and Claims Paid	-	-	-	-	-	4,149,266
Miscellaneous	-	-	-	-	-	93,029
Depreciation	1,483,621	923,112	271,919	224,552	2,903,204	-
Total Operating Expenses	7,666,152	3,881,847	2,815,093	850,754	15,213,846	4,242,295
Operating Income (Loss)	926,863	1,469,963	(171,727)	141,382	2,366,481	8,652
Nonoperating Revenues (Expenses)						
Interest Income	602,018	162,714	8,577	7,549	780,858	7,395
Equity Income from Component Unit	346,526	-	-	-	346,526	-
Interest Expense	(378,877)	(66,972)	(1,745)	-	(447,594)	-
Bond Fees	(303)	-	-	-	(303)	-
Total Nonoperating Revenues (Expenses)	569,364	95,742	6,832	7,549	679,487	7,395
Net Income (Loss) Before Capital Contributions	1,496,227	1,565,705	(164,895)	148,931	3,045,968	16,047
Capital Contributions						
Tap and Development Fees	2,186,760	1,309,762	-	319,190	3,815,712	-
Payments in Lieu of Water	3,933,919	-	-	-	3,933,919	-
Total Capital Contributions	6,120,679	1,309,762	-	319,190	7,749,631	-
Change in Net Position	7,616,906	2,875,467	(164,895)	468,121	10,795,599	16,047
Total Net Position, January 1	110,412,463	29,392,143	1,569,024	3,516,271	144,889,901	(41,311)
Total Net Position, December 31	\$ 118,029,369	\$ 32,267,610	\$ 1,404,129	\$ 3,984,392	\$ 155,685,500	\$ (25,264)

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water	Water Reclamation Utility	Golf Course	Nonmajor Storm Water	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities						
Receipts From Customers and Users	\$ 8,585,870	\$ 5,337,569	\$ 2,652,030	\$ 961,035	\$ 17,536,504	\$ 4,251,109
Payments to Vendors and Suppliers	(2,623,320)	(1,264,959)	(886,756)	(334,466)	(5,109,501)	(4,057,496)
Payments to Employees	(1,817,639)	(1,218,158)	(1,378,971)	(187,548)	(4,602,316)	-
Payments for Interfund Services Used	(1,549,097)	(682,625)	(265,280)	(131,888)	(2,628,890)	-
Net Cash Provided (Used) by Operating Activities	2,595,814	2,171,827	121,023	307,133	5,195,797	193,613
Cash Flows from Noncapital Financing Activities						
Interfund Loan Payments	175,000	-	(58,175)	(175,000)	(58,175)	-
Net Cash Used by Noncapital Transfers	175,000	-	(58,175)	(175,000)	(58,175)	-
Cash Flows from Capital and Related Financing Activities						
Tap and Development Fees	2,692,676	1,618,446	-	319,190	4,630,312	-
Payments in Lieu of Water	3,933,919	-	-	-	3,933,919	-
Acquisition and Construction of Capital Assets	(5,991,996)	(1,537,341)	(501,128)	(26,476)	(8,056,941)	-
Bond Fees Paid	(303)	-	-	-	(303)	-
Principal Paid on Long-Term Debt	(935,000)	(556,695)	-	-	(1,491,695)	-
Interest Paid on Long-Term Debt	(422,648)	(86,229)	(1,745)	-	(510,622)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(723,352)	(561,819)	(502,873)	292,714	(1,495,330)	-
Cash Flows from Investing Activities						
Interest Received	598,407	157,188	8,815	7,086	771,496	7,040
Net Cash Provided (Used) by Investing Activities	598,407	157,188	8,815	7,086	771,496	7,040
Net Increase (Decrease) in Cash and Cash Equivalents	2,645,869	1,767,196	(431,210)	431,933	4,413,788	200,653
Cash and Cash Equivalents, January 1	40,052,240	10,047,968	566,906	206,811	50,873,925	643,748
Cash and Investments, December 31	\$ 42,698,109	\$ 11,815,164	\$ 135,696	\$ 638,744	\$ 55,287,713	\$ 844,401

(Continued)

CITY OF LAFAYETTE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Water	Water Reclamation Utility	Golf Course	Nonmajor Storm Water	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 926,863	\$ 1,469,963	\$ (171,727)	\$ 141,382	\$ 2,366,481	\$ 8,652
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation Expense	1,483,621	923,112	271,919	224,552	2,903,204	-
Changes in Assets and Liabilities						
Receivables	(28,245)	(14,241)	-	(31,101)	(73,587)	162
Prepaid Expenses	-	-	-	-	-	(1,685)
Inventory	-	-	1,844	-	1,844	-
Accounts Payable	163,544	(228,419)	(1,591)	(29,578)	(96,044)	(19,258)
Claims Payable	-	-	-	-	-	107,592
Accrued Liabilities	8,547	7,718	7,414	840	24,519	-
Deposits Payable	21,100	-	8,664	-	29,764	-
Compensated Absences	20,384	13,694	4,500	1,038	39,616	98,150
Total Adjustments	1,668,951	701,864	292,750	165,751	2,829,316	184,961
Net Cash Provided (Used) by Operating Activities	\$ 2,595,814	\$ 2,171,827	\$ 121,023	\$ 307,133	\$ 5,195,797	\$ 193,613
Noncash Activities						
Equity Investment in Component Unit	\$ 346,526	\$ -	\$ -	\$ -	\$ 346,526	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL SECTION

2018

CITY OF LAFAYETTE, COLORADO
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DECEMBER 31, 2018

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CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Base Line Land and Reservoir Company is a non-profit corporation and is responsible for the management of the Base Line Reservoir. It is managed by a five-member board of which four members are appointed by the City which allows the City to impose its will on the Company. The City owns 70% of the company and its constituents receive a direct benefit of the services the company provides. The financial statements are prepared on the accrual basis of accounting and are in conformity with FASB ASC 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. The Company reports as of November 30, which is the close of their fiscal year. The Company issues separate audited financial statements which can be acquired by contacting the Company's management: Base Line Land and Reservoir Company, PO Box 1826, Longmont, CO 80502.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component units* for which the City is financially accountable.

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

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- In previous years, the Ambulance & Fire Fund accounted for a 4.5 mill levy on property taxes. The property taxes are specifically for additional fire department personnel and capital expenditures. These activities are reported in the General Fund beginning in the year ended December 31, 2018.
- The Capital Projects Fund accounts for capital improvements financed primarily by debt proceeds and General Fund transfers.

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

- Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These funds are used to account for the operations of the Employee Benefit Fund and the Insurance Fund, which are administered by the City.

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

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

D. Cash Equivalents

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

E. Investments

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

F. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Property Taxes Receivable

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

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

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

H. Prepaid Expenses

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

I. Inventory

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

J. Assets Held for Resale

Property that is held with the intent to sell is reported at cost, which approximates fair value.

K. Capital Assets

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets (continued)

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

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

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

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

L. Long-Term Obligations

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

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

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or expenditures.

Certain revenue is allocated each year to the Debt Service Fund to provide for the full amount estimated to be required for debt service on certain general obligation bonds, revenue bonds, and capital leases. Debt service for the Water and Water Reclamation Utility Funds and the Golf Course Fund is paid from resources of those funds.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Compensated Absences

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

N. Pensions

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

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

O. Postemployment Benefits Other Than Pensions (OPEB)

The City contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan is funded by member contributions or contributions made on behalf of members. The City has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the City does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

P. Fund Balance/Net Position

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

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Fund Balance/Net Position (continued)

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

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

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

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

Since 1988, the City of Lafayette's financial policy requires the "unassigned" General Fund balance to be maintained at 25% of budgeted expenditures for each year. The financial policy was established by Council resolution. In addition, in 1992, the Taxpayer's Bill of Rights (TABOR) was adopted as a constitutional amendment in the State of Colorado, effective in 1993. One of the provisions, which apparently is absolute, requires each municipality to set aside an emergency reserve of 3% of its fiscal year spending. The City of Lafayette has taken the position that the TABOR reserve is included in the reserve required by its financial policies established earlier. The presentation of the "restricted" General Fund balance reflects the emergency reserve required by TABOR with the balance of the required reserve per the City of Lafayette's financial policy presented as "unassigned". At December 31, 2018, the amount restricted for the TABOR reserve was \$673,771 and the amount available for extraordinary or emergency purposes was \$24,589,087.

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

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

At December 31, 2018, the Employee Benefit Fund (Internal Service Fund) reported a negative net position of \$72,210 because of unexpected costs incurred during the year. The City expects to increase future contributions from other funds to eliminate the negative balance.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Special Assessments

Special assessments are recognized in governmental funds as revenue in the year that the assessments become available. This results in recognizing revenue only in the amount of assessment installments as they are collected. The remaining assessed but uncollected installments are recorded as deferred inflows. The City has not reflected the special assessment interest as revenue or as a receivable at December 31, 2018, as such amounts are not considered currently measurable. Collection of delinquent interest is recorded as revenue when received.

R. Deferred Outflows and Deferred Inflows of Resources

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

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

S. Abatements

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

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

Incentive packages vary and may include rebates of permit fees, use tax, or sales tax. Rebates of sales tax are only considered for new tax-generating businesses or existing businesses making substantial investments (in building improvements which would have a correlation with increased sales tax collections). Building permit fee and use tax rebates are only considered for substantial investments (in building improvements). All EDA's are subject to annual appropriation by City Council as required in the Colorado Constitution and the City Charter. As of December 31, 2018, the City had four active incentive agreements in place. During 2018, the City paid \$499,246 in tax abatements.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 CASH DEPOSITS AND INVESTMENTS

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

Deposits and investments at December 31, 2018, are summarized below:

Cash on Hand	\$ 2,332
Deposits	14,819,355
Investments	<u>92,880,572</u>
Total	<u>\$ 107,702,259</u>

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

Cash and Investments	\$ 104,837,823
Restricted Cash and Investments	<u>2,864,436</u>
Total	<u>\$ 107,702,259</u>

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. At December 31, 2018, the City had uninsured bank deposits of \$14,528,746 collateralized by the financial institutions' agents but not in the City's name.

B. Investments

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 CASH DEPOSITS AND INVESTMENTS (continued)

B. Investments (continued)

On December 31, 2018, the City had the following investments:

Investment Type	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 to 3	Total
Money Market Fund	NA	\$ 122,018	\$ -	\$ 122,018
Local Government Investment Pools	AAAm	23,500,247	-	23,500,247
U.S. Treasury Securities	NA	9,881,384	4,890,971	14,772,354
U.S. Agency Securities	AA+	11,339,340	20,771,061	32,110,401
Commercial Paper	A-1	3,139,121	-	3,139,121
Corporate Securities	AAA	1,980,090	-	1,980,090
Corporate Securities	AA+	-	1,982,634	1,982,634
Corporate Securities	AA	1,194,206	3,537,676	4,731,882
Corporate Securities	AA-	2,587,129	3,244,185	5,831,313
Corporate Securities	A+	3,971,432	-	3,971,432
Corporate Securities	BBB+	-	739,079	739,079
Total		<u>\$ 57,714,967</u>	<u>\$ 35,165,605</u>	<u>\$ 92,880,572</u>

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

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

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

Level 3 - Unobservable inputs for an asset or liability.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 CASH DEPOSITS AND INVESTMENTS (continued)

B. Investments (continued)

There have been no significant changes in the valuation techniques during the year ending December 31, 2018. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As of December 31, 2018, U.S Treasury securities, U.S. Agency securities, commercial paper, and corporate securities are classified within Level 2 of the hierarchy. Participant balances in the local government investment pools and the money market fund are stated at the net asset value per share.

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

Credit Risk - State statutes limit investments in commercial paper to those with at least two credit ratings at or above A1 or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA- or its equivalent. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Security and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Custodial Credit Risk - The City's custodial credit risk policy also follows State statutes. On December 31, 2018, the City had investments held by Wells Fargo Institutional Retirement and Trust in a custodial safekeeping account in the amount of \$69,380,325. All investments are specifically separate from the investments of the custodian and are identified as being investments of the City.

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

At December 31, 2018, the City's investment in the Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation was 13%, 11% and 6%, respectively.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 CASH DEPOSITS AND INVESTMENTS (continued)

B. Investments (continued)

Local Government Investment Pools - At December 31, 2018, the City had invested \$23,500,247 in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE). The Trusts are investment vehicles established by State statutes for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. The Trusts are rated AAAM by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify investments owned by the participating governments.

C. Component Unit

At December 31, 2018, LURA had bank deposits totaling \$761,364. The uninsured portion of the bank deposits of \$513,268 was collateralized by the financial institution's agent but not in LURA's name. In addition, LURA had \$268,605 invested in Colotrust.

NOTE 3 RESTRICTED CASH AND INVESTMENTS

In summary, restricted cash and investments at December 31, 2018, were as follows:

General Fund	
Northwest Parkway	\$ 365,538
Exempla GID Fund	
Debt Reserve	1,090,500
Cemetery Endowment Fund	
Trust Accounts	46,398
Water Fund	
Debt Reserve	<u>1,362,000</u>
Total	<u>\$ 2,864,436</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3 RESTRICTED CASH AND INVESTMENTS (continued)

During July 2001, the City received \$1,000,000 from the Northwest Parkway Public Highway Authority for capital projects and conservation easement acquisitions related to the Northwest Parkway Project. In 2003 utility lines and sleeves were installed during construction of the Parkway at a cost of \$177,196. During 2004, \$650,000 was committed for construction of White Tail Park in South Pointe, although only \$450,124 was spent on the park. At December 31, 2018, the balance is \$365,538.

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

When the City acquired the cemetery property in February 2002, trust accounts were included as part of the transaction. The trust accounts were established in prior years for prepaid services and endowment care of the cemetery. The responsibility for the endowment care trust was assumed by the City in 2010. The corpus of the trust account is held in a bank deposit account and is nonexpendable. Interest earned on the trust account may be used for current operating costs, and is transferred to the General Fund annually. At December 31, 2018, the balance of the endowment care trust of \$46,398 was reported as nonspendable fund balance in the Cemetery Endowment Fund.

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

NOTE 4 NOTES RECEIVABLE

The Lafayette Urban Renewal Authority (LURA) has approved three loans to developers to purchase blighted properties. The loans do not accrue interest and no installment payments are required. The loans are due and payable by July 1, 2020, which due dates may be extended at the discretion of LURA. The City retains the right of first refusal if the developers chose to sell the properties. The outstanding balance of the loans at December 31, 2018, was \$1,483,241.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 74,396,501	\$ 1,478,288	\$ -	\$ 75,874,789
Construction In Progress	7,674,872	1,133,913	(7,242,609)	1,566,176
Total Capital Assets, Not Being Depreciated	82,071,373	2,612,201	(7,242,609)	77,440,965
Capital Assets, Being Depreciated				
Buildings	27,872,063	7,689,456	-	35,561,519
Improvements Other Than Buildings	4,864,468	231,598	-	5,096,066
Infrastructure	87,707,607	4,695,822	-	92,403,429
Equipment	12,854,225	1,383,316	(360,167)	13,877,374
Total Capital Assets, Being Depreciated	133,298,363	14,000,192	(360,167)	146,938,388
Less Accumulated Depreciation				
Buildings	(10,851,317)	(900,869)	-	(11,752,186)
Improvements Other Than Buildings	(3,372,081)	(219,758)	-	(3,591,839)
Infrastructure	(51,404,454)	(3,021,932)	-	(54,426,386)
Equipment	(9,723,682)	(953,793)	331,674	(10,345,801)
Total Accumulated Depreciation	(75,351,534)	(5,096,352)	331,674	(80,116,212)
Total Capital Assets, Being Depreciated, Net	57,946,829	8,903,840	(28,493)	66,822,176
Governmental Activities Capital Assets, Net	\$ 140,018,202	\$ 11,516,041	\$ (7,271,102)	\$ 144,263,141
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 7,300,045	\$ -	\$ -	\$ 7,300,045
Water Rights	37,004,739	5,000	-	37,009,739
Construction In Progress	13,229,364	4,923,389	(2,409,746)	15,743,007
Total Capital Assets, Not Being Depreciated	57,534,148	4,928,389	(2,409,746)	60,052,791
Capital Assets, Being Depreciated				
Buildings	3,712,135	475,669	-	4,187,804
Systems	86,152,594	2,673,757	-	88,826,351
Improvements Other Than Buildings	1,073,701	1,801,689	-	2,875,390
Equipment	13,685,901	587,183	(122,270)	14,150,814
Total Capital Assets, Being Depreciated	104,624,331	5,538,298	(122,270)	110,040,359
Less Accumulated Depreciation				
Buildings	(1,526,599)	(191,713)	-	(1,718,312)
Systems	(35,849,318)	(1,845,353)	-	(37,694,671)
Improvements Other Than Buildings	(758,030)	(20,365)	-	(778,395)
Equipment	(10,886,535)	(845,773)	122,270	(11,610,038)
Total Accumulated Depreciation	(49,020,482)	(2,903,204)	122,270	(51,801,416)
Total Capital Assets, Being Depreciated, Net	55,603,849	2,635,094	-	58,238,943
Business-Type Capital Assets, Net	\$ 113,137,997	\$ 7,563,483	\$ (2,409,746)	\$ 118,291,734

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 CAPITAL ASSETS (continued)

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

Governmental Activities	
General Government	\$ 226,648
Public Safety	749,892
Public Works	2,842,235
Culture and Recreation	<u>1,277,577</u>
 Total	 <u>\$ 5,096,352</u>

NOTE 6 LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 7,375,000	\$ -	\$ (775,000)	\$ 6,600,000	\$ 790,000
Revenue Bonds	5,735,000	-	(1,145,000)	4,590,000	1,120,000
Demand Bonds	3,955,000	-	(325,000)	3,630,000	850,000
Total	<u>17,065,000</u>	<u>-</u>	<u>(2,245,000)</u>	<u>14,820,000</u>	<u>2,760,000</u>
Issuance Premiums	725,833	-	(80,648)	645,185	-
Total Bonds Payable	<u>17,790,833</u>	<u>-</u>	<u>(2,325,648)</u>	<u>15,465,185</u>	<u>2,760,000</u>
Capital Leases	109,903	-	(109,903)	-	-
Compensated Absences	<u>1,083,392</u>	<u>1,281,649</u>	<u>(1,157,872)</u>	<u>1,207,169</u>	<u>905,377</u>
Total Governmental Activities	<u>\$ 18,984,128</u>	<u>\$ 1,281,649</u>	<u>\$ (3,593,423)</u>	<u>\$ 16,672,354</u>	<u>\$ 3,665,377</u>
 Business-Type Activities					
Bonds Payable					
Revenue Bonds	\$ 10,890,000	\$ -	\$ (935,000)	\$ 9,955,000	\$ 955,000
Issuance Premiums	1,217,674	-	(127,886)	1,089,788	-
Total Bonds Payable	<u>12,107,674</u>	<u>-</u>	<u>(1,062,886)</u>	<u>11,044,788</u>	<u>955,000</u>
Notes Payable	2,362,398	-	(556,695)	1,805,703	577,614
Compensated Absences	<u>290,204</u>	<u>314,857</u>	<u>(275,240)</u>	<u>329,821</u>	<u>208,033</u>
Total Business-Type Activities	<u>\$ 14,760,276</u>	<u>\$ 314,857</u>	<u>\$ (1,894,821)</u>	<u>\$ 13,180,312</u>	<u>\$ 1,740,647</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM DEBT

B. Bonded Debt

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

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

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Governmental Activities

2016 General Obligation Refunding and Improvement Bonds mature annually through December 15, 2026, interest at 2.00% to 4.00% is paid semi-annually	<u>\$ 6,600,000</u>
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Revenue Bonds

The City has also issued bonds for both governmental and business-type activities where revenues are pledged to pay the debt service. Outstanding revenue bonds are as follows:

Governmental Activities

2006 Limited Tax General Obligation Refunding Bonds mature annually through December 1, 2036, interest of 6.00% is paid semi-annually (Lafayette Tech Center GID)	\$ 1,670,000
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2002 Limited Tax General Obligation Refunding Bonds mature annually through December 1, 2031, interest at 8.00% is paid semi-annually (Lafayette Corp Campus GID)	1,945,000
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2008 Sales and Use Tax Revenue Bonds mature annually through November 15, 2019, interest of 3.31% is paid semi-annually	<u>975,000</u>
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4,590,000

Business-type Activities

2012 Water Revenue Refunding Bonds mature annually through December 1, 2027, interest at 1.50% to 5.00% is paid semi-annually	<u>9,955,000</u>
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Total Revenue Bonds	<u>\$ 14,545,000</u>
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CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM DEBT (continued)

B. Bonded Debt (continued)

The revenue bonds issued by the Lafayette Corporate Campus GID and the Lafayette Tech Center GID are not obligations of the City of Lafayette.

The Lafayette Tech Center General Improvement District bonds were issued in December 2000 to be used to finance the acquisition, construction, installation and completion of public improvements within the District. In 2006, the bonds were refinanced. For the year ending December 31, 2018, net revenues of \$188,143 were available to pay debt service of \$153,503.

In December, 2002, the Lafayette Corporate Campus General Improvement District bonds were issued to finance public improvements in the District. During the year ended December 31, 2018, net revenues of \$313,746 were available to pay annual debt service of \$247,730.

In April of 2008, the City issued 2008 Sales and Use Tax Revenue Bonds to finance street improvements and an addition to the Recreation Center. These bonds are payable from a 3.00% municipal sales and use tax. During the year ended December 31, 2018, revenues of \$15,447,344 were available to pay the annual debt service of \$1,003,387.

The 2012 Water Revenue Refunding Bonds replaced the 2003A Water Revenue Bonds. The 2003A Water Revenue Bonds were issued for the purpose of financing any or all of the following: the construction of a raw water transmission system, the purchase of real property and construction of a raw water storage facility, the payment of costs associated with fees for joining and purchasing shares in water supply districts, or the development of a reclaimed water transmission system for irrigation purposes. Debt service is payable from net revenues of the City's municipal water system. During the year ended December 31, 2018, net revenues of \$9,133,181 were available to pay annual debt service of \$1,357,648.

Future Debt Service

Future annual debt service requirements to maturity for the general obligation and revenue bonds are as follows:

Year	Governmental Activities		Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	Principal	Interest	
2019	\$ 1,910,000	\$ 498,521	\$ 955,000	\$ 403,950	\$ 3,767,471
2020	965,000	439,950	995,000	365,750	2,765,700
2021	995,000	404,450	1,015,000	345,850	2,760,300
2022	1,035,000	367,550	1,050,000	305,250	2,757,800
2023	1,075,000	332,800	1,095,000	263,250	2,766,050
2024-2028	3,620,000	993,880	4,845,000	595,550	10,054,430
2029-2033	1,180,000	329,100	-	-	1,509,100
2034-2036	410,000	50,100	-	-	460,100
Total	<u>\$ 11,190,000</u>	<u>\$ 3,416,351</u>	<u>\$ 9,955,000</u>	<u>\$ 2,279,600</u>	<u>\$ 26,840,951</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM DEBT (continued)

B. Bonded Debt (continued)

Demand Bonds

Demand bonds comprise the third type of bonded debt issued by the City. These bonds have been issued for governmental activities, but are not obligations of the City. Demand bonds outstanding at December 31, 2018, are as follows:

Exempla General Improvement District Special Assessment Revenue Refunding and Improvement Bonds mature annually through December 1, 2022	<u>\$ 3,630,000</u>
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The bonds for the Exempla General Improvement District were issued in December of 2002 to finance the costs of improvements on 79 acres of land being developed primarily for non-profit commercial use by the Exempla Northwest Medical Center. Revenues are generated from special assessments on a semi-annual basis in order to service the debt. Assessments are billed using an interest rate of 10% as required by bond documents. Excess revenues have been accumulating the past few years as a result of the large gap between actual interest being paid and the 10% rate. During the year ended December 31, 2018, revenues of \$649,033 and excess resources on hand were used to pay the annual debt service of \$817,279.

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

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

An initial irrevocable letter of credit was issued as collateral for the Exempla bonds for a maximum amount equal to the principal amount of the bonds, plus 35 days interest at a maximum annual rate of 10%. The initial letter of credit was replaced by an alternate letter of credit, reduced by the redemption, with an expiration date of January 29, 2019.

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM DEBT (continued)

B. Bonded Debt (continued)

As described above, these bonds currently bear interest at floating rates. The final interest rate on December 31, 2018, was 1.73%. At some time in the future, the rates will be converted to a fixed rate. Although interest rates in future periods may vary considerably, an interest factor of 1.73% has been used in projected annual debt service requirements.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 850,000	\$ 62,799	\$ 912,799
2020	890,000	48,094	938,094
2021	925,000	32,697	957,697
2022	<u>965,000</u>	<u>16,695</u>	<u>981,695</u>
Total	<u>\$ 3,630,000</u>	<u>\$ 160,285</u>	<u>\$ 3,790,285</u>

C. Notes Payable

In May 2001, the Water Reclamation Fund obtained an \$8,000,000 loan from the Colorado Water Resources and Power Development Authority (CWRPDA) to construct an addition to the wastewater treatment plant. The City evidenced its obligation to repay the loan by issuing a bond to CWRPDA, at an effective interest rate of 4.20%, maturing August 2021, in an amount equal to the principal of the clean water bonds loaned to the City.

In 2005, the bonds were refinanced at an effective interest rate of 3.80%. The remaining loan balance is payable in semi-annual installments. The loan is payable from net revenues of the City's water reclamation system. During the year ended December 31, 2018, net revenues of \$3,865,551 were available to pay annual debt service of \$642,924. Annual debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 577,614	\$ 64,463	\$ 642,077
2020	599,288	41,976	641,264
2021	<u>628,801</u>	<u>18,379</u>	<u>647,180</u>
Total	<u>\$ 1,805,703</u>	<u>\$ 124,818</u>	<u>\$ 1,930,521</u>

D. Capital Lease

On February 5, 2008, the City entered into a lease purchase arrangement for energy saving improvements at various City facilities at a cost of \$1,113,279, with interest payable at variable rates. The lease was paid in full at maturity on August 1, 2018.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 7 INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Balances

In March 2015 the Capital Projects Fund loaned the Golf Course Fund \$222,728 for the purchase of new golf carts. The interfund loan required annual payments of \$59,920 including principal and interest at 3% per annum. The loan was paid in full during the year ended December 31, 2018.

In 2016, the Water Fund loaned the Storm Water Fund \$525,000 for operations, to be repaid in equal annual installments of \$175,000, by December 31, 2019. The outstanding balance of the loan at December 31, 2018, was \$175,000.

B. Interfund Transactions

Interfund transfers during the year ended December 31, 2018, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Ambulance & Fire Fund	\$ 682,866
General Fund	Parks, Open Space, and Trails Fund	1,078,829
General Fund	Cemetery Fund	684
Capital Projects Fund	General Fund	6,365,000
Capital Projects Fund	Legacy Open Space Fund	150,000
Debt Service Fund	General Fund	112,020
Total		\$ 8,389,399

The Ambulance & Fire Fund was closed during the year, and the remaining balances were transferred to the General Fund. The Parks, Open Space, and Trails Fund and the Cemetery Fund provide resources to the General Fund for maintenance of those properties. The General Fund routinely transfers resources to the Capital Projects Fund for various projects and to the Debt Service Fund as needed to service debt. The Capital Projects Fund accounts for certain open space projects and receives reimbursements from the Legacy Open Space Fund.

NOTE 8 PENSION OBLIGATIONS

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

A. Defined Contribution Plan for General Employees

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

A. Defined Contribution Plan for General Employees (continued)

This plan is a defined contribution plan administered by International City/County Management Association - Retirement Corporation (ICMA-RC). Under the terms of the plan, the City is the only non-employee contributor and contributes 10.2% of the participant's salary (salary, pay or earned income less salary reductions made under IRC Section 125), and the participant is required to contribute 8% of salary. Voluntary after-tax contributions are allowed up to an additional 25% of the employee's compensation. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2018, the City and employees made all required contributions to the plan, of \$851,116 and \$667,541 respectively.

Employees fully vest in the City's contributions at 20% for each year of participation and are fully vested after five years. Forfeitures from the non-vested portion of terminated employees' accounts are used to reduce the contribution required by the City. During the year ended December 31, 2018, the City used \$46,932 of forfeitures from terminated employees.

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

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

B. Defined Benefit Plans for Public Safety Employees

General Information

Plan Description - The City contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, and the Statewide Hybrid Plan (the SWH Plan), a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The plans are administered by the Fire & Police Pension Association of Colorado (FPPA).

Police officers employed on May 1, 2005, could elect to participate in either plan. All police officers and firefighters hired after May 1, 2005, and all ambulance employees must participate in the SWDB Plan on the first day of employment.

Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

B. Defined Benefit Plans for Public Safety Employees (continued)

Benefits Provided - A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

A SWH Plan member is eligible for a normal retirement pension at any time after age 55, if the member has at least twenty-five years of service. The annual normal retirement benefit of the defined benefit component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retirees of the defined benefit component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to 3%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest three years' base salary for each year of credited service. In addition, upon termination the vested account balance in the money purchase component becomes available to the member.

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plans' net position.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

B. Defined Benefit Plans for Public Safety Employees (continued)

Contributions - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 8% and 10% of base salary, respectively, for the year ended December 31, 2018. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. Employee contributions may not be less than 8% with the split of contributions between employees and the City determined by the City Council. The City and eligible employees contributed 10.2% and 11.8% of base salary, respectively, for the year ended December 31, 2018. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The City's contributions to the SWDB Plan for the year ended December 31, 2018, were \$421,080, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component allocation from July 1, 2017, through June 30, 2018, was 14.8%, and thereafter was 13.4%. For the year ended December 31, 2018, the City Council established the contribution rate split at 10.2% and 8% of base salary for the City and employees, respectively. The 2.2% excess contributions were deposited into the City's General Employees Plan described previously. In addition, the City and employees contributed 10.2% and 8%, respectively, of overtime and non-regular salary to the General Employees Plan.

Within the money purchase component, members are always fully vested in their contributions, as well as the earnings on those contributions. Vesting in the City's contributions within the money purchase component and earnings on those contributions is 20% per year after the first year of service, with 100% vesting after five years of service. Unvested City contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the SWH Plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts.

An employee may elect to make voluntary after-tax contributions to the money purchase component of the SWH Plan. All contributions to the money purchase component are invested at the discretion of the member.

The City's contributions to the SWH Plan for the year ended December 31, 2018, were \$39,618, equal to the required contributions.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

B. Defined Benefit Plans for Public Safety Employees (continued)

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

At December 31, 2018, the City reported a net pension asset of \$1,175,039 and \$465,267, representing its proportionate share of the net pension asset of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2017, relative to the projected contributions of all participating employers.

At December 31, 2017, the City's proportion of the SWDB Plan was 0.81676070%, which was a decrease of 0.03889083% from its proportion measured at December 31, 2016. The City's proportion of the SWH Plan was 2.37955093%, which was a decrease of 0.25895089% from its proportion measured at December 31, 2016.

For the year ended December 31, 2018, the City recognized pension expense for the SWDB and SWH Plans of (\$224,707) and \$47,988, respectively. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 745,099	\$ 11,031
Changes of assumptions and other inputs	152,476	-
Net difference between projected and actual earnings on plan investments	-	413,360
Changes in proportion	47,795	88,324
Contributions subsequent to the measurement date	421,080	-
Total	<u>\$ 1,366,450</u>	<u>\$ 512,715</u>
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 175,316	\$ -
Changes of assumptions and other inputs	8,011	-
Net difference between projected and actual earnings on plan investments	-	32,986
Changes in proportion	168,610	43,804
Contributions subsequent to the measurement date	39,618	-
Total	<u>\$ 391,555</u>	<u>\$ 76,790</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

B. Defined Benefit Plans for Public Safety Employees (continued)

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$421,080 and \$39,618, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>SWDB Plan</u>	<u>SWH Plan</u>
2019	\$ 116,070	\$ 63,903
2020	(53,505)	51,640
2021	(116,392)	47,020
2022	119,844	65,183
2023	119,844	47,239
Thereafter	246,793	162
Total	<u>\$ 432,655</u>	<u>\$ 275,147</u>

Actuarial Assumptions - The actuarial valuations as of January 1, 2018, determined the total pension liability using the following actuarial assumptions and other inputs:

Inflation	2.5%
Projected salary increases, including inflation	4% - 14%
Investment rate of return, net of plan investment expenses, including inflation	7.5%
Cost of living adjustments (COLA)	0.0%

Mortality rates for active members were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

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

Based on an actuarial experience study, the FPPA Board of Directors approved a reduction in the assumed investment rate of return from 7.5% to 7.0% effective January 1, 2019.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

B. Defined Benefit Plans for Public Safety Employees (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

B. Defined Benefit Plans for Public Safety Employees (continued)

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.5%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the SWDB net pension asset (liability)	<u>\$ (1,279,268)</u>	<u>\$ 1,175,039</u>	<u>\$ 3,213,026</u>
Proportionate share of the SWH net pension asset (liability)	<u>\$ 329,045</u>	<u>\$ 465,267</u>	<u>\$ 579,912</u>

Pension Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

C. Defined Benefit Plan for Volunteer Firefighters

General Information

Plan Description - The City gradually terminated the volunteer firefighter program as the emphasis changed to an all-career firefighter staff. The City provides a defined benefit pension plan for former volunteer firefighters as established by Title 31, Article 30, Section 401 of the Colorado Revised Statutes. The City Council serves as the plan's Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions, and determines the contributions made by the City. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The annual financial report of FPPA may be obtained at www.fppaco.org.

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

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

Benefits Provided - Any former volunteer firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension of \$600. A firefighter who is disabled in the line of duty and whose disability is considered permanent shall be compensated in an amount determined by the Board of Trustees to be reasonable and proper considering the financial condition of the Fund. The Plan also provides for a lump-sum burial benefit of \$1,150 upon the death of a retired firefighter. Spouses of deceased firefighters receive a monthly benefit of \$300.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

C. Defined Benefit Plan for Volunteer Firefighters (continued)

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

Contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. Based on the January 1, 2017, actuarial valuation, the actuarially determined contributions expected to eliminate the unfunded liability over the next 20 years, were \$84,663 annually. For the year ended December 31, 2018, the City and State contributions of \$119,164 and \$42,222, respectively, exceeded the actuarially determined contribution. Based on an assumed annual contribution of \$161,386, the unfunded actuarial accrued liability (UAAL) will be eliminated in 8 years.

Net Pension Liability

At December 31, 2018, the City reported a net pension liability of \$847,630, measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined based on the January 1, 2017, actuarial valuation. For the year ended December 31, 2018, changes in the net pension liability of the City were as follows.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances, December 31, 2016	\$ 2,328,493	\$ 1,315,731	\$ 1,012,762
Interest on the Total Pension Liability	166,718	-	166,718
City Contributions	-	119,164	(119,164)
State Contributions	-	42,222	(42,222)
Net Investment Income	-	179,646	(179,646)
Benefit Payments	(215,069)	(215,069)	-
Administrative Expenses	-	(9,182)	9,182
Balances, December 31, 2017	<u>\$ 2,280,142</u>	<u>\$ 1,432,512</u>	<u>\$ 847,630</u>

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

C. Defined Benefit Plan for Volunteer Firefighters (continued)

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

Inflation	2.5%
Projected salary increases, including inflation	NA
Investment rate of return, net of plan investment expenses, including inflation	7.5%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

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

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return, eliminating the 2.5% inflation assumption, for each major asset class included in the target asset allocation as of December 31, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2%	2.26%
Fixed Income	15%	3.00%
Absolute Return	10%	6.46%
Long Short	10%	7.15%
Global Public Equity	38%	8.33%
Private Capital	25%	9.70%
Total	<u>100%</u>	

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8 PENSION OBLIGATIONS (continued)

C. Defined Benefit Plan for Volunteer Firefighters (continued)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's net pension liability calculated using the discount rate of 7.5%, as well as the City's net pension liability if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Net Pension Liability	\$ 1,055,478	\$ 847,630	\$ 670,460

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

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

For the year ended December 31, 2018, the City recognized pension expense of \$195,830. Contributions subsequent to the measurement date of \$161,386 were reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net differences in projected and actual earnings on investments were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

A. Statewide Death & Disability Plan

General Information

Plan Description - The City contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All commissioned police officers, firefighters, and ambulance personnel are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained at www.fppaco.org.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (continued)

A. Statewide Death & Disability Plan (continued)

Benefits Provided - The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children.
- On-duty: 70% of the base salary paid to the member prior to death.

Disability benefits are as follows:

- Total disability: 70% of the base salary preceding disability.
- Permanent occupational disability: 50% of the base salary preceding disability.
- Temporary occupational disability: 40% of the base salary preceding disability for up to 5 years.

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect CPI, but in no case may be higher than 3%.

Once a member is eligible to retire, all plan benefit obligations cease.

Contributions - The contribution requirements are established by State statutes. However, in accordance with Colorado Revised Statutes (CRS) 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contribute to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the City Council.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the City contributed 2.7% of base salaries on behalf of the members during the year ended December 31, 2018. Contributions to the plan for the year ended December 31, 2018, were \$129,936, equal to the required contributions.

Based on the 2018 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.7% to 2.8% effective January 1, 2019, through December 31, 2020.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the City does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

OPEB Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 10 RISK MANAGEMENT

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

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

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

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

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

	<u>12/31/18</u>	<u>12/31/17</u>
Claims Payable, Beginning	\$ 61,628	\$ 53,628
Claims Incurred and Changes in Provisions	172,806	273,643
Claims Paid	<u>(59,434)</u>	<u>(265,643)</u>
Claims Payable, Ending	<u>\$ 175,000</u>	<u>\$ 61,628</u>

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 11 COMMITMENTS AND CONTINGENCIES

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

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

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

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

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

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

CITY OF LAFAYETTE, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 12 SUBSEQUENT EVENTS

A. Lafayette Urban Renewal Authority (LURA)

Effective January 1, 2019, the City entered into an agreement with LURA whereby LURA may borrow up to \$5,750,000 through January 1, 2024. Loan proceeds will be used to temporarily fund urban renewal projects. Interest will accrue on the unpaid principal balance of the loan at the same rate as the City earns for its General Fund investments. Any excess incremental tax revenues collected by LURA will be used to repay the loan, first applied to outstanding interest and then to a reduction of principal. All principal and any outstanding interest is due and payable on October 31, 2024.

B. Town of Erie and Town of Erie Urban Renewal Authority

Effective June 4, 2019, the City approved an intergovernmental agreement with the Town of Erie and the Town of Erie Urban Renewal Authority (collectively, "Erie"). In accordance with the agreement, Erie will provide a conservation easement to the City. In conjunction, the City agreed to reimburse Erie \$476,500 representing legal fees incurred during the underlying civil proceedings and negotiation of the agreement. In addition, the agreement requires the City and Erie to share 50/50 in the collection of a 3% sales tax and certain other activity-based taxes generated in designated areas.

REQUIRED SUPPLEMENTARY INFORMATION

FINANCIAL SECTION

2018

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Property Taxes	\$ 5,401,576	\$ 5,401,576	\$ 5,315,913	\$ (85,663)
Fire and Ambulance Property Taxes	2,392,092	2,392,092	2,353,741	(38,351)
Specific Ownership Tax	421,754	421,754	483,305	61,551
General Sales and Use Tax	10,385,824	10,505,824	10,910,693	404,869
Building Use Tax	1,750,000	1,350,000	1,724,680	374,680
Vehicle Use Tax	1,800,000	1,800,000	1,799,410	(590)
Franchise Taxes	1,125,000	1,125,000	1,141,404	16,404
Excise Taxes	625,000	520,000	539,644	19,644
Total Taxes	23,901,246	23,516,246	24,268,790	752,544
Licenses and Permits				
Business Licenses	9,000	9,000	2,555	(6,445)
Contractor Licenses	75,000	75,000	113,375	38,375
Liquor Licenses	20,000	20,000	16,952	(3,048)
Marijuana Licenses	105,000	105,000	98,255	(6,745)
Construction Permits	725,000	725,000	822,862	97,862
Mobile Home Permits	9,000	9,000	8,580	(420)
Miscellaneous Licenses	2,500	2,500	2,089	(411)
Total Licenses and Permits	945,500	945,500	1,064,668	119,168
Intergovernmental				
Federal, State, and County Grants	67,230	204,730	190,109	(14,621)
Cigarette Tax	55,000	55,000	49,959	(5,041)
Motor Vehicle Registration	95,000	95,000	100,136	5,136
County Road and Bridge Tax	40,000	40,000	48,172	8,172
Highway Users Tax	806,726	1,024,726	1,012,288	(12,438)
Total Intergovernmental	1,063,956	1,419,456	1,400,664	(18,792)
Contributions and Grants				
PEG Fees	29,000	29,000	30,480	1,480
Public Art Fees	10,000	10,000	54,989	44,989
Park Contributions	-	170,000	169,243	(757)
Miscellaneous Contributions and Grants	300,500	300,500	86,138	(214,362)
Total Contributions and Grants	339,500	509,500	340,850	(168,650)

(Continued)

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues (Continued)				
Charges for Services				
Building Fees	1,193,000	1,418,000	2,777,425	1,359,425
Culture and Recreation Fees	2,329,879	2,213,879	2,327,660	113,781
Cemetery Fees	35,000	35,000	53,400	18,400
Administrative Fees	116,918	116,918	2,794,639	2,677,721
Rentals and Royalties	166,500	166,500	180,186	13,686
Pawn Shop Fees	11,000	11,000	9,761	(1,239)
Police Service Fees	50,000	50,000	82,772	32,772
Ambulance Fees	250,000	100,000	85,395	(14,605)
Solid Waste, Recycling and Compost Fees	1,650,000	2,200,000	1,836,441	(363,559)
Miscellaneous Services	29,988	29,988	144,805	114,817
Sidewalk Maintenance/Repair	95,000	160,000	207,369	47,369
Total Charges for Services	5,927,285	6,501,285	10,499,853	3,998,568
Fines and Forfeitures				
Fines	564,000	564,000	697,199	133,199
Court Costs	39,000	39,000	40,543	1,543
Total Fines and Forfeitures	603,000	603,000	737,742	134,742
Interest	202,850	427,850	468,093	40,243
Special Assessments				
Special Assessments - Principal	3,000	3,000	42,625	39,625
Special Assessments - Interest	800	800	9,377	8,577
Total Fines and Forfeitures	3,800	3,800	52,002	48,202
Miscellaneous	95,000	95,000	179,605	84,605
Total Revenues	33,082,137	34,021,637	39,012,267	4,990,630
Expenditures				
General Government				
City Council	364,207	404,207	304,014	100,193
Non-Departmental	680,917	738,517	756,356	(17,839)
City Administration	487,210	675,210	667,482	7,728
City Clerk	263,679	263,679	228,766	34,913
Community Development	575,452	661,952	580,568	81,384
Human Resources	426,492	426,492	422,783	3,709
Financial Services	959,698	959,698	750,981	208,717
Information Systems	1,054,046	1,072,163	992,321	79,842
Facility Maintenance	1,046,859	1,057,078	1,062,891	(5,813)
Planning	968,154	968,154	1,080,884	(112,730)
Total General Government	6,826,714	7,227,150	6,847,046	380,104
Judicial				
City Attorney	885,535	535,535	491,446	44,089
Municipal Court	140,765	140,765	178,729	(37,964)
Total Judicial	1,026,300	676,300	670,175	6,125

(Continued)

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued)				
Public Safety				
Police	6,651,225	6,651,225	6,669,948	(18,723)
Fire	744,432	744,432	817,095	(72,663)
Ambulance	2,954,150	3,254,150	3,550,437	(296,287)
Total Public Safety	10,349,807	10,649,807	11,037,480	(387,673)
Public Works				
Administration	1,732,152	1,810,289	1,742,029	68,260
Solid Waste and Recycling	1,230,500	1,780,500	1,791,098	(10,598)
Total Public Works	2,962,652	3,590,789	3,533,127	57,662
Culture and Recreation				
Administration - Parks, Open Space and Golf	224,499	224,499	240,033	(15,534)
Cemeteries	127,272	127,272	119,267	8,005
Parks	956,443	956,443	930,685	25,758
Open Space Maintenance	463,710	468,433	398,922	69,511
Streetscapes	141,361	141,361	120,681	20,680
Administration - Recreation	312,079	312,079	239,615	72,464
Water Park	497,818	497,818	414,017	83,801
Recreation Center	2,388,417	2,388,417	2,207,162	181,255
Library	1,394,430	1,417,430	1,360,782	56,648
Senior Services	505,776	505,776	474,511	31,265
Total Culture and Recreation	7,011,805	7,039,528	6,505,675	533,853
Capital Outlay	3,675,786	4,535,960	3,873,908	662,052
Total Expenditures	31,853,064	33,719,534	32,467,411	1,252,123
Excess (Deficiency) of Revenues Over Expenditures	1,229,073	302,103	6,544,856	6,242,753
Other Financing Sources (Uses)				
Transfers In	3,428,101	3,428,101	1,762,379	(1,665,722)
Transfers Out	(4,614,360)	(6,514,360)	(6,477,020)	37,340
Total Other Financing Sources (Uses)	(1,186,259)	(3,086,259)	(4,714,641)	(1,628,382)
Net Change in Fund Balance	42,814	(2,784,156)	1,830,215	4,614,371
Fund Balance, January 1	17,675,193	28,156,861	28,156,861	-
Fund Balance, December 31	\$ 17,718,007	\$ 25,372,705	\$ 29,987,076	\$ 4,614,371

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
AND CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PLAN
DECEMBER 31, 2018

	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Asset (Liability)				
City's Proportion of the Net Pension Asset (Liability)	0.81676070%	0.85565153%	0.80549388%	0.87129653%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 1,175,039	\$ (309,183)	\$ 14,197	\$ 983,824
City's Covered Payroll	\$ 4,443,217	\$ 4,007,283	\$ 3,536,132	\$ 3,550,217
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	26.45%	-7.72%	0.40%	27.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106%	98%	100%	107%
	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions				
Statutorily Required Contribution	\$ 421,080	\$ 382,198	\$ 350,326	\$ 282,891
Contributions in Relation to the Statutorily Required Contribution	421,080	382,198	350,326	282,891
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 4,984,563	\$ 4,443,217	\$ 4,007,283	\$ 3,536,132
Contributions as a Percentage of Covered Payroll	8.45%	8.60%	8.74%	8.00%

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.

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
AND CONTRIBUTIONS
FPPA STATEWIDE HYBRID PLAN
DECEMBER 31, 2018

	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Asset (Liability)				
City's Proportion of the Net Pension Asset (Liability)	2.37955093%	2.63850182%	3.76985257%	4.59097399%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 465,267	\$ 287,207	\$ 397,075	\$ 544,473
City's Covered Payroll	\$ 356,707	\$ 334,524	\$ 486,714	\$ 557,147
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	130.43%	85.86%	81.58%	97.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	139%	126%	129%	141%
	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions				
Statutorily Required Contribution	\$ 39,618	\$ 36,384	\$ 34,121	\$ 49,645
Contributions in Relation to the Statutorily Required Contribution	39,618	36,384	34,121	49,645
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 388,412	\$ 356,707	\$ 334,524	\$ 486,714
Contributions as a Percentage of Covered Payroll	10.20%	10.20%	10.20%	10.20%

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.

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION ASSET (LIABILITY) AND RELATED RATIOS
AND CONTRIBUTIONS
VOLUNTEER FIRE DEPARTMENT PENSION PLAN
DECEMBER 31, 2018

	12/31/17	12/31/16	12/31/15	12/31/14
Total Pension Liability				
Interest	\$ 166,718	\$ 167,949	\$ 170,993	\$ 178,910
Difference between Expected and Actual Experience	-	(45,180)	-	(74,942)
Changes of Assumptions	-	76,440	-	-
Benefit Payments	(215,069)	(216,163)	(207,166)	(211,810)
Net Change in Total Pension Liability	(48,351)	(16,954)	(36,173)	(107,842)
Total Pension Liability - Beginning	2,328,493	2,345,447	2,381,620	2,489,462
Total Pension Liability - Ending	<u>\$ 2,280,142</u>	<u>\$ 2,328,493</u>	<u>\$ 2,345,447</u>	<u>\$ 2,381,620</u>
Plan Fiduciary Net Position				
Employer Contributions	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164
State of Colorado Contributions	42,222	42,222	42,222	42,222
Net Investment Income	179,646	63,877	23,339	81,117
Benefit Payments	(215,069)	(216,163)	(207,166)	(211,810)
Administrative Expenses	(9,182)	(2,202)	(3,034)	(2,279)
Net Change in Plan Fiduciary Net Position	116,781	6,898	(25,475)	28,414
Plan Fiduciary Net Position - Beginning	1,315,731	1,308,833	1,334,308	1,305,894
Plan Fiduciary Net Position - Ending	<u>\$ 1,432,512</u>	<u>\$ 1,315,731</u>	<u>\$ 1,308,833</u>	<u>\$ 1,334,308</u>
City's Net Pension Asset (Liability) - Ending	<u>\$ (847,630)</u>	<u>\$ (1,012,762)</u>	<u>\$ (1,036,614)</u>	<u>\$ (1,047,312)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.83%	56.51%	55.80%	56.03%
City Contributions	12/31/18	12/31/17	12/31/16	12/31/15
Actuarially Determined Contribution	\$ 84,663	\$ 93,525	\$ 93,525	\$ 119,164
Contributions in Relation to the Actuarially Determined Contribution	(161,386)	(161,386)	(161,386)	(161,386)
Contribution Deficiency (Excess)	<u>\$ (76,723)</u>	<u>\$ (67,861)</u>	<u>\$ (67,861)</u>	<u>\$ (42,222)</u>

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.

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

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

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

Legal Compliance

For the year ended December 31, 2018, the Lafayette Corporate Campus GID, Cemetery, Golf Course, Employee Benefit and Insurance Fund expenditures and transfers out exceeded the amounts budgeted by \$198, \$336, \$388,286, \$47,099 and \$2,212, respectively. These may be violations of State statutes.

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

CITY OF LAFAYETTE, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

NOTE 2 **VOLUNTEER FIRE DEPARTMENT PENSION PLAN**

The Volunteer Fire Department Pension Plan's net pension liability and associated amounts were measured at December 31, 2017, based on the actuarial valuation as of January 1, 2017, which is a one-year lag compared to the City's fiscal year ended December 31, 2018. Covered payroll is not applicable for volunteers. Therefore, no covered payroll information is presented in the accompanying schedule.

A. Changes of Assumptions

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

B. Contributions

Actuarially determined contributions are calculated as of January 1 of odd numbered years. The contribution amounts have a one-year lag, so the actuarial valuation as of January 1, 2017, determines the contribution amounts for 2018 and 2019. Significant actuarial methods and assumptions used to determine the contributions for the plan are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	NA
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at 65.
Mortality:	

Pre-retirement: RP-2014 combined mortality table with blue collar adjustment, 55% multiplier for off-duty mortality.

Post-retirement: RP-2014 combined mortality table, with blue collar adjustment.

Disabled: RP-2014 disabled mortality table.

All tables projected with Scale BB.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

FINANCIAL SECTION

This section consists of the following:

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

2018

CITY OF LAFAYETTE, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

Special Revenue Funds

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

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

Capital Project Funds

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

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

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of bond principal and interest from governmental resources. The City's Debt Service Fund accounts for the following issues: General Obligation Bonds, Sales and Use Tax Revenue Bonds, General Obligation Refunding & Improvement Bonds, and a Capital Lease.

Cemetery Endowment Fund

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

CITY OF LAFAYETTE, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Legacy Open Space
Assets					
Cash and Investments	\$ 137,421	\$ 2,110,846	\$ 451,841	\$ 65,698	\$ 5,428,903
Accrued Interest Receivable	353	6,480	1,199	133	14,031
Accounts Receivable	534	196,677	-	-	12,556
Property Taxes Receivable	25,978	117,562	312,875	185,514	-
Special Assessments Receivable	-	329,550	109,850	-	-
Restricted Cash and Investments	-	1,090,500	-	-	-
Total Assets	\$ 164,286	\$ 3,851,615	\$ 875,765	\$ 251,345	\$ 5,455,490
Liabilities					
Accounts Payable	\$ -	\$ -	\$ 4,447	\$ 3,326	\$ 47,254
Interfund Payables	-	-	-	45,000	-
Deposits Payable	75,000	-	-	-	-
Total Liabilities	75,000	-	4,447	48,326	47,254
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	25,978	117,562	312,875	185,514	-
Unavailable Revenue - Special Assessments	-	329,550	109,850	-	-
Unavailable Revenue - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	25,978	447,112	422,725	185,514	-
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	38,500	2,656,397	355,819	10,617	5,152,799
Assigned	24,808	748,106	92,774	6,888	255,437
Total Fund Balance	63,308	3,404,503	448,593	17,505	5,408,236
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 164,286	\$ 3,851,615	\$ 875,765	\$ 251,345	\$ 5,455,490

See the accompanying independent auditor's report.

Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	Total
\$ 891,906	\$ 673,210	\$ 165,369	\$ -	\$ 9,925,194
2,258	1,840	273	135	26,702
191,892	-	7,175	-	408,834
-	-	1,015,709	-	1,657,638
-	-	-	-	439,400
-	-	-	46,398	1,136,898
<u>\$ 1,086,056</u>	<u>\$ 675,050</u>	<u>\$ 1,188,526</u>	<u>\$ 46,533</u>	<u>\$ 13,594,666</u>
\$ 44,602	\$ 10,018	\$ 608	\$ -	\$ 110,255
-	-	-	-	45,000
-	-	-	-	75,000
<u>44,602</u>	<u>10,018</u>	<u>608</u>	<u>-</u>	<u>230,255</u>
-	-	1,015,709	-	1,657,638
-	-	-	-	439,400
179,336	-	-	-	179,336
<u>179,336</u>	<u>-</u>	<u>1,015,709</u>	<u>-</u>	<u>2,276,374</u>
-	-	-	46,398	46,398
723,409	665,032	172,209	-	9,774,782
138,709	-	-	135	1,266,857
<u>862,118</u>	<u>665,032</u>	<u>172,209</u>	<u>46,533</u>	<u>11,088,037</u>
<u>\$ 1,086,056</u>	<u>\$ 675,050</u>	<u>\$ 1,188,526</u>	<u>\$ 46,533</u>	<u>\$ 13,594,666</u>

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Legacy Open Space
Revenues					
Taxes					
Property Taxes	\$ 108,264	\$ 116,601	\$ 308,539	\$ 174,880	\$ -
Specific Ownership Taxes	5,774	6,263	17,029	14,192	-
General Sales and Use Tax	-	-	-	-	1,021,962
Building Use Tax	-	-	-	-	149,472
Vehicle Use Tax	-	-	-	-	157,448
Total Taxes	114,038	122,864	325,568	189,072	1,328,882
Intergovernmental	-	-	-	-	-
Charges for Services	-	15,988	-	-	-
Interest	2,553	56,507	7,815	1,705	69,583
Special Assessments	-	469,412	-	-	-
Miscellaneous	-	2,000	-	-	-
Total Revenues	116,591	666,771	333,383	190,777	1,398,465
Expenditures					
Current					
General Government	11,624	17,738	19,637	2,634	7,873
Culture and Recreation	-	-	-	-	88,676
Capital Outlay	-	-	-	-	27,768
Debt Service					
Capital Lease Payments	-	-	-	-	-
Principal	70,000	325,000	85,000	50,000	-
Interest and Fiscal Charges	4,425	496,278	162,730	103,503	-
Total Expenditures	86,049	839,016	267,367	156,137	124,317
Excess (Deficiency) of Revenues over Expenditures	30,542	(172,245)	66,016	34,640	1,274,148
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(150,000)
Total Other Financing Sources (Uses)	-	-	-	-	(150,000)
Net Change in Fund Balance	30,542	(172,245)	66,016	34,640	1,124,148
Fund Balance, January 1	32,766	3,576,748	382,577	(17,135)	4,284,088
Fund Balance, December 31	\$ 63,308	\$ 3,404,503	\$ 448,593	\$ 17,505	\$ 5,408,236

See the accompanying independent auditor's report.

Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	Total
\$ -	\$ -	\$ 1,145,959	\$ -	\$ 1,854,243
-	-	-	-	43,258
1,021,962	-	853,603	-	2,897,527
149,472	-	68,987	-	367,931
157,449	-	89,971	-	404,868
1,328,883	-	2,158,520	-	5,567,827
630,973	286,811	-	-	917,784
-	-	-	-	15,988
11,512	9,950	14,995	685	175,305
-	-	-	-	469,412
11,700	-	-	-	13,700
1,983,068	296,761	2,173,515	685	7,160,016
-	-	-	-	-
7,872	-	15,961	-	83,339
586,482	58,960	-	-	734,118
99,125	159,157	-	-	286,050
-	-	112,020	-	112,020
-	-	1,715,000	-	2,245,000
-	-	297,614	-	1,064,550
693,479	218,117	2,140,595	-	4,525,077
1,289,589	78,644	32,920	685	2,634,939
-	-	112,020	-	112,020
(1,078,829)	-	-	(684)	(1,229,513)
(1,078,829)	-	112,020	(684)	(1,117,493)
210,760	78,644	144,940	1	1,517,446
651,358	586,388	27,269	46,532	9,570,591
\$ 862,118	\$ 665,032	\$ 172,209	\$ 46,533	\$ 11,088,037

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAFAYETTE CITY CENTER GID SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Property Taxes	\$ 108,322	\$ 108,322	\$ 108,264	\$ (58)
Specific Ownership Taxes	4,500	4,500	5,774	1,274
Interest	1,300	1,300	2,553	1,253
Total Revenues	<u>114,122</u>	<u>114,122</u>	<u>116,591</u>	<u>2,469</u>
Expenditures				
Current				
General Government	12,943	12,943	11,624	1,319
Debt Service				
Principal	80,000	80,000	70,000	10,000
Interest and Fiscal Charges	9,425	9,425	4,425	5,000
Total Expenditures	<u>102,368</u>	<u>102,368</u>	<u>86,049</u>	<u>16,319</u>
Net Change in Fund Balance	11,754	11,754	30,542	18,788
Fund Balance, January 1	<u>29,976</u>	<u>32,766</u>	<u>32,766</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 41,730</u>	<u>\$ 44,520</u>	<u>\$ 63,308</u>	<u>\$ 18,788</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
EXEMPLA GID SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Property Taxes	\$ 120,836	\$ 120,836	\$ 116,601	\$ (4,235)
Specific Ownership Taxes	5,250	5,250	6,263	1,013
Charges for Services	15,988	15,988	15,988	-
Interest	20,000	20,000	56,507	36,507
Special Assessments - Principal	325,000	325,000	-	(325,000)
Special Assessments - Interest	469,880	469,880	469,412	(468)
Miscellaneous	-	-	2,000	2,000
Total Revenues	<u>956,954</u>	<u>956,954</u>	<u>666,771</u>	<u>(290,183)</u>
Expenditures				
Current				
General Government	17,565	17,565	17,738	(173)
Debt Service				
Principal	325,000	325,000	325,000	-
Interest and Fiscal Charges	539,866	539,866	496,278	43,588
Total Expenditures	<u>882,431</u>	<u>882,431</u>	<u>839,016</u>	<u>43,415</u>
Net Change in Fund Balance	74,523	74,523	(172,245)	(246,768)
Fund Balance, January 1	<u>3,556,798</u>	<u>3,576,748</u>	<u>3,576,748</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 3,631,321</u>	<u>\$ 3,651,271</u>	<u>\$ 3,404,503</u>	<u>\$ (246,768)</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAFAYETTE CORPORATE CAMPUS GID SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Property Taxes	\$ 319,439	\$ 319,439	\$ 308,539	\$ (10,900)
Specific Ownership Taxes	14,500	14,500	17,029	2,529
Interest	3,750	3,750	7,815	4,065
Total Revenues	<u>337,689</u>	<u>337,689</u>	<u>333,383</u>	<u>(4,306)</u>
Expenditures				
Current				
General Government	18,269	18,269	19,637	(1,368)
Debt Service				
Principal	85,000	85,000	85,000	-
Interest and Fiscal Charges	163,900	163,900	162,730	1,170
Total Expenditures	<u>267,169</u>	<u>267,169</u>	<u>267,367</u>	<u>(198)</u>
Net Change in Fund Balance	70,520	70,520	66,016	(4,504)
Fund Balance, January 1	<u>375,515</u>	<u>382,577</u>	<u>382,577</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 446,035</u>	<u>\$ 453,097</u>	<u>\$ 448,593</u>	<u>\$ (4,504)</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LAFAYETTE TECH CENTER GID SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Property Taxes	\$ 266,538	\$ 266,538	\$ 174,880	\$ (91,658)
Specific Ownership Taxes	8,750	8,750	14,192	5,442
Interest	625	625	1,705	1,080
Loan from General Fund	-	-	-	-
Total Revenues	<u>275,913</u>	<u>275,913</u>	<u>190,777</u>	<u>(85,136)</u>
Expenditures				
Current				
General Government	12,733	12,733	2,634	10,099
Debt Service				
Principal	50,000	50,000	50,000	-
Interest and Fiscal Charges	104,700	104,700	103,503	1,197
Total Expenditures	<u>167,433</u>	<u>167,433</u>	<u>156,137</u>	<u>11,296</u>
Net Change in Fund Balance	108,480	108,480	34,640	(73,840)
Fund Balance, January 1	<u>5,060</u>	<u>(17,135)</u>	<u>(17,135)</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 113,540</u>	<u>\$ 91,345</u>	<u>\$ 17,505</u>	<u>\$ (73,840)</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
LEGACY OPEN SPACE CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes				
General Sales and Use Tax	\$ 957,275	\$ 957,275	\$ 1,021,962	\$ 64,687
Building Use Tax	87,000	87,000	149,472	62,472
Vehicle Use Tax	140,000	140,000	157,448	17,448
Total Taxes	1,184,275	1,184,275	1,328,882	144,607
Interest	39,039	39,039	69,583	30,544
Miscellaneous	-	1,459,000	-	(1,459,000)
Total Revenues	<u>1,223,314</u>	<u>2,682,314</u>	<u>1,398,465</u>	<u>(1,283,849)</u>
Expenditures				
Current				
General Government	7,300	7,300	7,873	(573)
Culture and Recreation	-	1,371,187	88,676	1,282,511
Capital Outlay	199,000	455,546	27,768	427,778
Total Expenditures	<u>206,300</u>	<u>1,834,033</u>	<u>124,317</u>	<u>1,709,716</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,017,014</u>	<u>848,281</u>	<u>1,274,148</u>	<u>425,867</u>
Other Financing Sources (Uses)				
Transfers Out	-	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balance	1,017,014	698,281	1,124,148	425,867
Fund Balance, January 1	<u>6,243,017</u>	<u>4,284,088</u>	<u>4,284,088</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 7,260,031</u>	<u>\$ 4,982,369</u>	<u>\$ 5,408,236</u>	<u>\$ 425,867</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE, AND TRAILS CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes				
General Sales and Use Tax	\$ 957,275	\$ 957,275	\$ 1,021,962	\$ 64,687
Building Use Tax	87,000	87,000	149,472	62,472
Vehicle Use Tax	140,000	140,000	157,449	17,449
Total Taxes	1,184,275	1,184,275	1,328,883	144,608
Intergovernmental	-	591,847	630,973	39,126
Interest	2,580	2,580	11,512	8,932
Miscellaneous	-	-	11,700	11,700
Total Revenues	<u>1,186,855</u>	<u>1,778,702</u>	<u>1,983,068</u>	<u>204,366</u>
Expenditures				
Current				
General Government	4,111	4,111	7,872	(3,761)
Culture and Recreation	-	739,809	586,482	153,327
Capital Outlay	-	100,000	99,125	875
Total Expenditures	<u>4,111</u>	<u>843,920</u>	<u>693,479</u>	<u>150,441</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,182,744</u>	<u>934,782</u>	<u>1,289,589</u>	<u>354,807</u>
Other Financing Sources (Uses)				
Transfers Out	(1,120,134)	(1,120,134)	(1,078,829)	41,305
Total Other Financing Sources (Uses)	<u>(1,120,134)</u>	<u>(1,120,134)</u>	<u>(1,078,829)</u>	<u>41,305</u>
Net Change in Fund Balance	62,610	(185,352)	210,760	396,112
Fund Balance, January 1	<u>334,785</u>	<u>651,358</u>	<u>651,358</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 397,395</u>	<u>\$ 466,006</u>	<u>\$ 862,118</u>	<u>\$ 396,112</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental	\$ 295,000	\$ 295,000	\$ 286,811	\$ (8,189)
Interest	2,912	2,912	9,950	7,038
Total Revenues	<u>297,912</u>	<u>297,912</u>	<u>296,761</u>	<u>(1,151)</u>
Expenditures				
Current				
Culture and Recreation	-	15,158	58,960	(43,802)
Capital Outlay	-	291,115	159,157	131,958
Total Expenditures	<u>-</u>	<u>306,273</u>	<u>218,117</u>	<u>88,156</u>
Net Change in Fund Balance	297,912	(8,361)	78,644	87,005
Fund Balance, January 1	<u>650,587</u>	<u>586,388</u>	<u>586,388</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 948,499</u>	<u>\$ 578,027</u>	<u>\$ 665,032</u>	<u>\$ 87,005</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ 53,462	\$ 243,462	\$ 111,004	\$ (132,458)
Miscellaneous	-	225,020	895,989	670,969
Total Revenues	<u>53,462</u>	<u>468,482</u>	<u>1,006,993</u>	<u>538,511</u>
Expenditures				
Current				
General Government	-	-	3,250	(3,250)
Public Works	-	-	1,010,677	(1,010,677)
Parks and Recreation	-	-	119,820	(119,820)
Capital Outlay	<u>4,344,000</u>	<u>8,196,707</u>	<u>3,731,538</u>	<u>4,465,169</u>
Total Expenditures	<u>4,344,000</u>	<u>8,196,707</u>	<u>4,865,285</u>	<u>3,331,422</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,290,538)</u>	<u>(7,728,225)</u>	<u>(3,858,292)</u>	<u>3,869,933</u>
Other Financing Sources				
Transfers In	<u>4,615,000</u>	<u>6,515,000</u>	<u>6,515,000</u>	<u>-</u>
Total Other Financing Sources	<u>4,615,000</u>	<u>6,515,000</u>	<u>6,515,000</u>	<u>-</u>
Net Change in Fund Balance	324,462	(1,213,225)	2,656,708	3,869,933
Fund Balance, January 1	<u>8,082,059</u>	<u>7,423,178</u>	<u>7,423,178</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 8,406,521</u>	<u>\$ 6,209,953</u>	<u>\$ 10,079,886</u>	<u>\$ 3,869,933</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Property Taxes	\$ 1,164,224	\$ 1,164,224	\$ 1,145,959	\$ (18,265)
General Sales and Use Tax	855,000	855,000	853,603	(1,397)
Building Use Tax	70,000	70,000	68,987	(1,013)
Vehicle Use Tax	90,000	90,000	89,971	(29)
Interest	8,000	8,000	14,995	6,995
Total Revenues	<u>2,187,224</u>	<u>2,187,224</u>	<u>2,173,515</u>	<u>(13,709)</u>
Expenditures				
Current				
General Government	14,809	14,809	15,961	(1,152)
Debt Service				
Capital Lease Payments	149,360	149,360	112,020	37,340
Bond Principal	1,830,000	1,830,000	1,715,000	115,000
Bond Interest Income and Fiscal Charges	337,448	337,448	297,614	39,834
Total Expenditures	<u>2,331,617</u>	<u>2,331,617</u>	<u>2,140,595</u>	<u>191,022</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(144,393)</u>	<u>(144,393)</u>	<u>32,920</u>	<u>177,313</u>
Other Financing Sources				
Transfers In	149,360	149,360	112,020	(37,340)
Total Other Financing Sources	<u>149,360</u>	<u>149,360</u>	<u>112,020</u>	<u>(37,340)</u>
Net Change in Fund Balance	4,967	4,967	144,940	139,973
Fund Balance, January 1	<u>55,485</u>	<u>27,269</u>	<u>27,269</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 60,452</u>	<u>\$ 32,236</u>	<u>\$ 172,209</u>	<u>\$ 139,973</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
CEMETERY ENDOWMENT PERMANENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest	\$ 348	\$ 348	\$ 685	\$ 337
Total Revenues	<u>348</u>	<u>348</u>	<u>685</u>	<u>337</u>
Other Financing Sources (Uses)				
Transfers Out	(348)	(348)	(684)	(336)
Total Other Financing Sources (Uses)	<u>(348)</u>	<u>(348)</u>	<u>(684)</u>	<u>(336)</u>
Net Change in Fund Balance	-	-	1	1
Fund Balance, January 1	<u>46,502</u>	<u>46,532</u>	<u>46,532</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 46,502</u>	<u>\$ 46,532</u>	<u>\$ 46,533</u>	<u>\$ 1</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
ENTERPRISE FUNDS
December 31, 2018

Budgetary Comparison Schedules for the City's Enterprise Funds are included in this section.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Metered Water Sales	\$ 8,120,000	\$ 8,120,000	\$ 8,438,982	\$ 318,982
Interest	290,934	565,934	602,018	36,084
Miscellaneous	598,714	773,714	154,033	(619,681)
Payments in Lieu of Water	3,000,000	3,000,000	3,933,919	933,919
Tap Fees	1,950,000	2,150,000	2,186,760	36,760
Total Revenues	13,959,648	14,609,648	15,315,712	706,064
Expenditures				
Administration	1,860,183	1,869,266	1,983,040	(113,774)
Source of Water Supply	736,754	744,159	783,305	(39,146)
Water Treatment	1,794,349	1,794,349	1,943,263	(148,914)
Water Transmission and Distribution	1,313,575	1,535,131	1,472,923	62,208
Construction and Capital Improvements	12,612,927	19,231,068	5,991,996	13,239,072
Debt Service				
Principal	935,000	935,000	935,000	-
Interest	422,650	422,650	378,877	43,773
Fees	2,500	2,500	303	2,197
Total Expenditures	19,677,938	26,534,123	13,488,707	13,045,416
Change in Net Position, Budgetary Basis	\$ (5,718,290)	\$ (11,924,475)	1,827,005	\$ 13,751,480
Adjustments to GAAP Basis				
Depreciation			(1,483,621)	
Debt Principal			935,000	
Construction and Capital Improvements			5,991,996	
Equity Income from Component Unit			346,526	
Change in Net Position, GAAP Basis			\$ 7,616,906	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
WATER RECLAMATION UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Waste Water Collection Fees	\$ 5,000,000	\$ 5,000,000	\$ 5,329,302	\$ 329,302
Interest	60,831	140,831	162,714	21,883
Miscellaneous	-	-	22,508	22,508
Tap Fees	1,250,000	1,250,000	1,309,762	59,762
Total Revenues	<u>6,310,831</u>	<u>6,390,831</u>	<u>6,824,286</u>	<u>433,455</u>
Expenditures				
Administration	799,572	799,572	920,112	(120,540)
Waste Water Treatment	1,144,046	1,200,864	1,113,885	86,979
Waste Water Collection	798,537	842,496	924,738	(82,242)
Construction and Capital Improvements	791,667	3,031,920	1,537,341	1,494,579
Debt Service				
Principal	556,695	556,695	556,695	-
Interest	86,230	86,230	66,972	19,258
Total Expenditures	<u>4,176,747</u>	<u>6,517,777</u>	<u>5,119,743</u>	<u>1,398,034</u>
Change in Net Position, Budgetary Basis	<u>\$ 2,134,084</u>	<u>\$ (126,946)</u>	1,704,543	<u>\$ 1,831,489</u>
Adjustments to GAAP Basis				
Depreciation			(923,112)	
Debt Principal			556,695	
Construction and Capital Improvements			1,537,341	
Change in Net Position, GAAP Basis			<u>\$ 2,875,467</u>	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Golf Sales and Services	\$ 2,708,183	\$ 2,708,183	\$ 2,640,336	\$ (67,847)
Interest	2,566	-	8,577	8,577
Miscellaneous	2,061	4,627	3,030	(1,597)
Total Revenues	<u>2,712,810</u>	<u>2,712,810</u>	<u>2,651,943</u>	<u>(60,867)</u>
Expenditures				
Administration	555,125	555,125	516,878	38,247
Golf Maintenance Operations	822,000	827,936	945,841	(117,905)
Golf Club House Operations	694,456	672,135	723,537	(51,402)
Golf Food Service Operations	356,499	356,499	356,918	(419)
Construction and Capital Improvements	222,000	244,321	501,128	(256,807)
Debt Service				
Principal	59,920	59,920	58,175	1,745
Interest	-	-	1,745	(1,745)
Total Expenditures	<u>2,710,000</u>	<u>2,715,936</u>	<u>3,104,222</u>	<u>(388,286)</u>
Change in Net Position, Budgetary Basis	<u>\$ 2,810</u>	<u>\$ (3,126)</u>	(452,279)	<u>\$ (449,153)</u>
Adjustments to GAAP Basis				
Depreciation			(271,919)	
Debt Principal			58,175	
Construction and Capital Improvements			501,128	
Change in Net Position, GAAP Basis			<u>\$ (164,895)</u>	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Storm Water Collection Fees	\$ 675,000	\$ 845,000	\$ 983,201	\$ 138,201
Interest	1,444	1,444	7,549	6,105
Miscellaneous	4,000	4,000	8,935	4,935
Storm Water Development Fees	165,000	255,000	319,190	64,190
Total Revenues	<u>845,444</u>	<u>1,105,444</u>	<u>1,318,875</u>	<u>213,431</u>
Expenditures				
Administration	322,819	322,819	329,801	(6,982)
Storm Water Collection	256,607	406,607	296,401	110,206
Construction and Capital Improvements	175,000	13,750	26,476	(12,726)
Debt Service				
Principal	-	175,000	175,000	-
Total Expenditures	<u>754,426</u>	<u>918,176</u>	<u>827,678</u>	<u>90,498</u>
Change in Net Position, Budgetary Basis	<u>\$ 91,018</u>	<u>\$ 187,268</u>	491,197	<u>\$ 303,929</u>
Adjustments to GAAP Basis				
Depreciation			(224,552)	
Debt Principal			175,000	
Construction and Capital Improvements			26,476	
Change in Net Position, GAAP Basis			<u>\$ 468,121</u>	

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
INTERNAL SERVICE FUNDS
December 31, 2018

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

Employee Benefit Fund

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

Insurance Fund

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

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018

	Employee Benefit Fund	Insurance Fund	Total
Assets			
Current Assets			
Cash and Investments	\$ 618,991	\$ 225,410	\$ 844,401
Accrued Interest Receivable	1,679	324	2,003
Prepaid Expenses	19,209	22,601	41,810
Total Current Assets	639,879	248,335	888,214
Liabilities			
Current Liabilities			
Accounts Payable	3,100	26,389	29,489
Claims Payable	2,717	175,000	177,717
Compensated Absences - Current Portion	706,272	-	706,272
Total Current Liabilities	712,089	201,389	913,478
Net Position			
Unrestricted	\$ (72,210)	\$ 46,946	\$ (25,264)

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Employee Benefit Fund	Insurance Fund	Total
Operating Revenues			
City Contributions	\$ 3,401,962	\$ 775,000	\$ 4,176,962
Miscellaneous	14,803	59,182	73,985
Total Operating Revenues	<u>3,416,765</u>	<u>834,182</u>	<u>4,250,947</u>
Operating Expenses			
Premiums and Claims	3,451,468	697,798	4,149,266
Wellness Program	19,635	398	20,033
Miscellaneous	72,996	-	72,996
Total Operating Expenses	<u>3,544,099</u>	<u>698,196</u>	<u>4,242,295</u>
Operating Income (Loss)	(127,334)	135,986	8,652
Nonoperating Revenues			
Interest	<u>6,539</u>	<u>856</u>	<u>7,395</u>
Change in Net Position	(120,795)	136,842	16,047
Net Position, January 1	<u>48,585</u>	<u>(89,896)</u>	<u>(41,311)</u>
Net Position, December 31	<u><u>\$ (72,210)</u></u>	<u><u>\$ 46,946</u></u>	<u><u>\$ (25,264)</u></u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Employee Benefit Fund	Insurance Fund	Total
Cash Flows From Operating Activities			
Payments from Other Funds	\$ 3,401,962	\$ 775,162	\$ 4,177,124
Miscellaneous Receipts	14,803	59,182	73,985
Payments to Vendors and Suppliers	(3,448,006)	(609,490)	(4,057,496)
Net Cash Provided (Used) by Operating Activities	(31,241)	224,854	193,613
Cash Flows From Investing Activities			
Interest Received	6,484	556	7,040
Net Increase (Decrease) in Cash and Cash Equivalents	(24,757)	225,410	200,653
Cash and Cash Equivalents - January 1	643,748	-	643,748
Cash and Cash Equivalents - December 31	\$ 618,991	\$ 225,410	\$ 844,401
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (127,334)	\$ 135,986	\$ 8,652
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Receivables	-	162	162
Prepaid Expenses	823	(2,508)	(1,685)
Accounts Payable	2,900	(22,158)	(19,258)
Claims Payable	(5,780)	113,372	107,592
Compensated Absences	98,150	-	98,150
Total Adjustments	96,093	88,868	184,961
Net Cash Provided (Used) by Operating Activities	\$ (31,241)	\$ 224,854	\$ 193,613

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
EMPLOYEE BENEFIT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
City Contributions	\$ 3,497,000	\$ 3,497,000	\$ 3,401,962	\$ (95,038)
Interest	3,940	3,940	6,539	2,599
Miscellaneous	5,000	5,000	14,803	9,803
Total Revenues	<u>3,505,940</u>	<u>3,505,940</u>	<u>3,423,304</u>	<u>(82,636)</u>
Expenses				
Premiums and Claims	3,416,000	3,416,000	3,451,468	(35,468)
Wellness Program	21,000	21,000	19,635	1,365
Miscellaneous	60,000	60,000	72,996	(12,996)
Total Expenses	<u>3,497,000</u>	<u>3,497,000</u>	<u>3,544,099</u>	<u>(47,099)</u>
Change in Net Position	8,940	8,940	(120,795)	(129,735)
Net Position, January 1	<u>187,593</u>	<u>48,585</u>	<u>48,585</u>	<u>-</u>
Net Position, December 31	<u>\$ 196,533</u>	<u>\$ 57,525</u>	<u>\$ (72,210)</u>	<u>\$ (129,735)</u>

See the accompanying independent auditor's report.

CITY OF LAFAYETTE, COLORADO
BUDGETARY COMPARISON SCHEDULE
INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
City Contributions	\$ 725,000	\$ 775,000	\$ 775,000	\$ -
Interest	488	488	856	368
Miscellaneous	1,000	59,000	59,182	182
Total Revenues	<u>726,488</u>	<u>834,488</u>	<u>835,038</u>	<u>550</u>
Expenses				
Premiums and Claims	650,984	695,984	697,798	(1,814)
Wellness Program	-	-	398	(398)
Total Expenses	<u>650,984</u>	<u>695,984</u>	<u>698,196</u>	<u>(2,212)</u>
Change in Net Position	75,504	138,504	136,842	(1,662)
Net Position, January 1	<u>1,000</u>	<u>(89,896)</u>	<u>(89,896)</u>	<u>-</u>
Net Position, December 31	<u>\$ 76,504</u>	<u>\$ 48,608</u>	<u>\$ 46,946</u>	<u>\$ (1,662)</u>

See the accompanying independent auditor's report.

STATISTICAL SECTION

For the year ended December 31, 2018, the Statistical Tables Section provides trends, statistical and demographic information, and continuing disclosure information.

2018

**CITY OF LAFAYETTE, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED DECEMBER 31, 2018**

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CITY OF LAFAYETTE, COLORADO
NET POSITION
SCHEDULE 1
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities					
Net investment in capital assets	\$ 107,348,070	\$ 109,360,087	\$ 109,602,319	\$ 111,817,518	\$ 114,421,149
Restricted	8,202,961	7,218,855	8,287,949	6,700,066	7,010,330
Unrestricted	18,290,748	17,733,923	18,211,622	20,379,152	24,341,245
Total governmental activities net position	133,841,779	134,312,865	136,101,890	138,896,736	145,772,724
Business-type activities					
Net investment in capital assets	74,987,290	75,294,653	74,937,380	72,752,755	76,713,275
Restricted	-	-	-	-	-
Unrestricted	27,892,854	28,528,564	29,982,729	34,799,103	35,156,446
Total business-type activities net position	102,880,144	103,823,217	104,920,109	107,551,858	111,869,721
Net investment in capital assets	182,335,360	184,654,740	184,539,699	184,570,273	191,134,424
Restricted	8,202,961	7,218,855	8,287,949	6,700,066	7,010,330
Unrestricted	46,183,602	46,262,487	48,194,351	55,178,255	59,497,691
Total primary governmental net position	\$ 236,721,923	\$ 238,136,082	\$ 241,021,999	\$ 246,448,594	\$ 257,642,445

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net investment in capital assets	\$ 114,371,840	\$ 116,503,967	\$ 115,675,547	\$ 122,568,073	\$ 129,041,362
Restricted	8,041,313	8,917,272	10,519,487	10,396,066	12,249,044
Unrestricted	25,881,640	29,093,640	34,646,358	38,027,329	42,884,343
Total governmental activities net position	148,294,793	154,514,879	160,841,392	170,991,468	184,174,749
Business-type activities					
Net investment in capital assets	83,127,944	85,694,242	91,252,731	99,364,335	106,120,369
Restricted	374,882	566,315	566,315	-	-
Unrestricted	40,196,094	41,540,521	43,695,273	45,525,566	49,565,131
Total business-type activities net position	123,698,920	127,801,078	135,514,319	144,889,901	155,685,500
Net investment in capital assets	197,499,784	202,198,209	206,928,278	221,932,408	235,161,731
Restricted	8,416,195	9,483,587	11,085,802	10,396,066	12,249,044
Unrestricted	66,077,734	70,634,161	78,341,631	83,552,895	92,449,474
Total primary governmental net position	\$ 271,993,713	\$ 282,315,957	\$ 296,355,711	\$ 315,881,369	\$ 339,860,249

CITY OF LAFAYETTE, COLORADO
CHANGES IN NET POSITION
SCHEDULE 2
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses					
Governmental activities:					
General government	\$ 5,576,356	\$ 6,911,396	\$ 5,814,940	\$ 6,057,102	\$ 6,036,981
Judicial	284,210	311,003	333,548	330,696	437,265
Public safety	7,215,606	7,587,907	7,626,579	7,883,072	8,396,253
Public works	4,607,496	5,466,171	5,361,272	5,696,174	5,662,462
Culture and recreation	5,872,607	5,920,901	6,181,749	6,566,800	6,535,879
Interest on long-term debt	1,261,069	1,124,734	1,029,522	1,332,867	1,262,467
Total governmental activities expenses	24,817,344	27,322,112	26,347,610	27,866,711	28,331,307
Business-type activities:					
Water	5,356,621	5,483,318	6,058,080	6,320,696	5,410,699
Water reclamation	2,709,406	2,769,695	2,606,391	2,779,195	2,800,165
Golf course	1,686,988	1,633,609	1,731,724	1,902,097	1,888,000
Storm water	218,269	305,638	662,849	713,403	828,224
Total business-type activities expenses	9,971,284	10,192,260	11,059,044	11,715,391	10,927,088
Total primary governmental expenses	<u>\$ 34,788,628</u>	<u>\$ 37,514,372</u>	<u>\$ 37,406,654</u>	<u>\$ 39,582,102</u>	<u>\$ 39,258,395</u>
Program Revenues					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 148,017	\$ 870,398	\$ 1,168,396	\$ 2,000,981	\$ 2,241,222
Judicial	1,034,448	973,241	1,000,263	841,277	854,704
Public safety	523,819	413,682	385,783	529,732	517,540
Public works	863,965	895,057	931,524	968,770	179,399
Culture and recreation	1,539,268	1,550,569	1,728,879	1,774,576	1,831,286
Total charges for services	4,109,517	4,702,947	5,214,845	6,115,336	5,624,151
Operating grants and contributions	1,311,088	1,356,870	1,171,447	1,198,140	1,213,497
Capital grants and contributions	11,422,080	3,270,777	2,119,993	3,354,070	5,856,595
Total governmental activities program revenues	16,842,685	9,330,594	8,506,285	10,667,546	12,694,243
Business-type activities:					
Program revenues					
Charges for services					
Water	4,828,996	4,934,602	5,352,350	6,555,899	5,881,253
Water reclamation	1,653,409	1,681,557	1,880,051	2,139,639	2,004,400
Storm water	2,137,553	2,031,606	2,106,348	2,329,388	2,286,621
Golf course	665,258	643,913	619,190	655,667	644,484
Total charges for services	9,285,216	9,291,678	9,957,939	11,680,593	10,816,758
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	2,360,447	3,133,880	3,713,535	5,895,027	6,233,629
Total business-type activities program revenues	11,645,663	12,425,558	13,671,474	17,575,620	17,050,387
Total primary government program revenues	<u>\$ 28,488,348</u>	<u>\$ 21,756,152</u>	<u>\$ 22,177,759</u>	<u>\$ 28,243,166</u>	<u>\$ 29,744,630</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses					
Governmental activities:					
General government	\$ 7,773,581	\$ 6,158,688	\$ 6,502,498	\$ 6,723,312	\$ 7,151,022
Judicial	499,622	406,578	522,216	599,522	670,461
Public safety	9,073,242	8,402,027	9,831,186	10,707,135	11,047,434
Public works	5,761,464	6,405,900	6,999,101	6,882,121	7,395,459
Culture and recreation	6,798,724	7,043,976	6,903,106	7,659,774	8,646,648
Interest on long-term debt	1,210,706	1,154,003	1,238,737	1,103,901	1,018,000
Total governmental activities expenses	31,117,339	29,571,172	31,996,844	33,675,765	35,929,024
Business-type activities:					
Water	5,526,849	5,519,561	5,586,019	6,720,281	8,045,332
Water reclamation	2,784,170	2,798,608	2,834,235	2,949,268	3,948,819
Golf course	1,984,280	2,090,819	2,219,448	2,522,940	2,816,838
Storm water	838,052	944,296	1,212,323	738,324	850,754
Total business-type activities expenses	11,133,351	11,353,284	11,852,025	12,930,813	15,661,743
Total primary governmental expenses	<u>\$ 42,250,690</u>	<u>\$ 40,924,456</u>	<u>\$ 43,848,869</u>	<u>\$ 46,606,578</u>	<u>\$ 51,590,767</u>
Program Revenues					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 2,414,326	\$ 2,886,488	\$ 1,605,901	\$ 2,179,555	\$ 7,040,872
Judicial	872,342	606,976	528,248	683,610	40,543
Public safety	396,491	394,345	583,071	510,737	816,621
Public works	14,075	10,582	1,624,090	1,693,094	2,043,810
Culture and recreation	1,837,201	1,979,019	2,022,257	2,079,420	2,327,660
Total charges for services	5,534,435	5,877,410	6,363,567	7,146,416	12,269,506
Operating grants and contributions	1,360,175	1,275,835	1,561,461	1,893,068	1,703,572
Capital grants and contributions	2,812,361	2,825,043	3,004,817	4,705,396	4,204,821
Total governmental activities program revenues	9,706,971	9,978,288	10,929,845	13,744,880	18,177,899
Business-type activities:					
Program revenues					
Charges for services					
Water	6,026,348	6,550,201	7,574,216	8,103,541	8,593,015
Water reclamation	2,745,581	3,336,595	4,520,574	5,010,334	5,351,810
Storm water	2,605,171	2,602,784	2,493,470	2,662,369	2,643,366
Golf course	651,519	669,625	682,188	742,156	992,136
Total charges for services	12,028,619	13,159,205	15,270,448	16,518,400	17,580,327
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	12,469,981	3,484,379	6,180,956	7,815,507	8,096,157
Total business-type activities program revenues	24,498,600	16,643,584	21,451,404	24,333,907	25,676,484
Total primary government program revenues	<u>\$ 34,205,571</u>	<u>\$ 26,621,872</u>	<u>\$ 32,381,249</u>	<u>\$ 38,078,787</u>	<u>\$ 43,854,383</u>

CITY OF LAFAYETTE, COLORADO
CHANGES IN NET POSITION
SCHEDULE 2 (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (Expense)/Revenue					
Governmental activities	\$ (7,974,659)	\$ (17,991,518)	\$ (17,841,325)	\$ (17,199,165)	\$ (15,637,064)
Business-type activities	1,674,379	2,233,298	2,612,430	5,860,229	6,123,299
Total primary government net expenses	<u>(6,300,280)</u>	<u>(15,758,220)</u>	<u>(15,228,895)</u>	<u>(11,338,936)</u>	<u>(9,513,765)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	6,367,167	6,479,248	6,209,455	5,925,007	5,989,776
Sales and use taxes	10,250,821	10,180,788	11,517,609	12,109,069	13,523,535
Other taxes	-	-	-	-	-
Unrestricted grants and contributions	30,926	34,688	32,988	32,888	37,280
Interest	354,536	301,530	230,996	201,659	44,309
Franchise taxes	913,075	981,752	1,003,574	997,677	1,074,357
Other general revenues	644	-	-	-	-
Gain (loss) on sale of capital assets		42,831	37,608	44,048	36,046
Transfers	1,548,521	1,616,767	1,773,120	1,479,492	1,553,181
Special items					
Adjustment of asset held for resale	(631,968)	-	-	-	-
Gain on fire conversion	105,458	-	-	-	-
Adjustment of note receivable	-	(1,175,000)	(1,175,000)	-	-
Premium on Debt Issuance	-	-	-	-	-
Total governmental activities	<u>18,939,180</u>	<u>18,462,604</u>	<u>19,630,350</u>	<u>20,789,840</u>	<u>22,258,484</u>
Business-type activities:					
Interest	408,204	326,542	257,582	210,342	2,314
Sewer Line Assessment Adjustments	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	(1,548,521)	(1,616,767)	(1,773,120)	(1,479,492)	(1,553,181)
Other general revenues	-	-	-	-	-
Special item - return water rights to developer	-	-	-	-	-
Total business-type activities	<u>(1,140,317)</u>	<u>(1,290,225)</u>	<u>(1,515,538)</u>	<u>(1,269,150)</u>	<u>(1,550,867)</u>
Total primary government	<u>17,798,863</u>	<u>17,172,379</u>	<u>18,114,812</u>	<u>19,520,690</u>	<u>20,707,617</u>
Changes in Net Position					
Governmental activities	10,964,521	471,086	1,789,025	3,590,675	6,621,420
Business-type activities	534,062	943,073	1,096,892	4,591,079	4,572,432
Total primary government net position	<u>\$ 11,498,583</u>	<u>\$ 1,414,159</u>	<u>\$ 2,885,917</u>	<u>\$ 8,181,754</u>	<u>\$ 11,193,852</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net (Expense)/Revenue					
Governmental activities	\$ (21,410,368)	\$ (19,592,884)	\$ (21,066,999)	\$ (19,930,885)	\$ (17,751,125)
Business-type activities	13,365,249	5,290,300	9,599,379	11,403,094	10,014,741
Total primary government net expenses	<u>(8,045,119)</u>	<u>(14,302,584)</u>	<u>(11,467,620)</u>	<u>(8,527,791)</u>	<u>(7,736,384)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	6,027,624	8,963,672	8,090,573	9,025,797	10,050,460
Sales and use taxes	14,523,678	12,964,800	15,347,393	16,641,430	18,105,109
Other taxes	-	184,287	459,674	487,125	539,644
Unrestricted grants and contributions	44,440	54,371	55,656	48,530	112,986
Interest	281,317	249,474	288,540	380,639	791,498
Franchise taxes	1,130,471	1,113,899	1,107,958	1,132,143	1,141,404
Other general revenues	-	-	6,897	-	193,305
Gain (loss) on sale of capital assets	65,997	90,349	35,690	11,780	-
Transfers	1,858,910	1,668,352	2,001,131	2,353,517	-
Special items					
Adjustment of asset held for resale	-	-	-	-	-
Gain on fire conversion	-	-	-	-	-
Adjustment of note receivable	-	-	-	-	-
Premium on Debt Issuance	-	-	-	-	-
Total governmental activities	<u>23,932,437</u>	<u>25,289,204</u>	<u>27,393,512</u>	<u>30,080,961</u>	<u>30,934,406</u>
Business-type activities:					
Interest	322,860	257,340	281,716	336,344	780,858
Sewer Line Assessment Adjustments	-	-	(10,143)	-	-
Gain on sale of capital assets	-	53,870	12,420	(10,339)	-
Transfers	(1,858,910)	(1,668,352)	(2,001,131)	(2,353,517)	-
Other general revenues	-	-	-	-	-
Special item - return water rights to developer	-	-	-	-	-
Total business-type activities	<u>(1,536,050)</u>	<u>(1,357,142)</u>	<u>(1,717,138)</u>	<u>(2,027,512)</u>	<u>780,858</u>
Total primary government	<u>22,396,387</u>	<u>23,932,062</u>	<u>25,676,374</u>	<u>28,053,449</u>	<u>31,715,264</u>
Changes in Net Position					
Governmental activities	2,522,069	5,696,320	6,326,513	10,150,076	13,183,281
Business-type activities	11,829,199	3,933,158	7,882,241	9,375,582	10,795,599
Total primary government net position	<u>\$ 14,351,268</u>	<u>\$ 9,629,478</u>	<u>\$ 14,208,754</u>	<u>\$ 19,525,658</u>	<u>\$ 23,978,880</u>

CITY OF LAFAYETTE, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
SCHEDULE 3
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund					
Reserved	\$ 4,700,316	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	-	1,066,817	198,846	1,078,054	1,419,660
Restricted	-	1,077,404	1,418,327	1,396,626	1,400,512
Committed	-	1,217,379	386,326	567,259	1,445,337
Assigned	-	5,027,742	148,026	141,347	125,755
Unreserved	9,103,776	-	-	-	-
Unassigned	-	4,995,187	8,329,081	9,031,254	10,992,811
Total general fund	<u>\$ 13,804,092</u>	<u>\$ 13,384,529</u>	<u>\$ 10,480,606</u>	<u>\$ 12,214,540</u>	<u>\$ 15,384,075</u>
All other governmental funds					
Reserved	\$ 9,357,019	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	-	46,398	53,398	46,398	783,203
Restricted	-	5,914,284	6,823,224	5,257,042	5,563,432
Committed	-	228,516	4,483,133	4,604,513	4,873,414
Assigned	-	2,340,184	2,660,029	1,958,641	1,954,154
Unreserved, reported in:					
Special revenue funds	1,435,036	-	-	-	-
Capital project funds	-	-	-	-	-
Debt service fund	80,309	-	-	-	-
Total other governmental funds	<u>\$ 10,872,364</u>	<u>\$ 8,529,382</u>	<u>\$ 14,019,784</u>	<u>\$ 11,866,594</u>	<u>\$ 13,174,203</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	1,160,334	1,220,730	1,123,593	21,186	726,473
Restricted	1,478,013	1,618,129	1,620,000	1,670,472	1,954,611
Committed	1,184,653	1,172,303	1,573,308	2,128,070	2,687,395
Assigned	108,056	88,987	69,135	48,509	29,510
Unreserved	-	-	-	-	-
Unassigned	12,710,609	16,080,562	19,969,686	24,288,624	24,589,087
Total general fund	<u>\$ 16,641,665</u>	<u>\$ 20,180,711</u>	<u>\$ 24,355,722</u>	<u>\$ 28,156,861</u>	<u>\$ 29,987,076</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Resources not in spendable form	775,640	952,318	760,476	752,913	46,398
Restricted	6,516,914	7,252,745	8,849,960	8,679,196	10,248,035
Committed	5,456,443	5,618,263	10,348,187	7,185,012	9,606,633
Assigned	1,982,627	1,159,996	1,401,210	1,105,481	1,266,857
Unreserved, reported in:					
Special revenue funds	-	-	-	(45,967)	-
Capital project funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Total other governmental funds	<u>\$ 14,731,624</u>	<u>\$ 14,983,322</u>	<u>\$ 21,359,833</u>	<u>\$ 17,676,635</u>	<u>\$ 21,167,923</u>

CITY OF LAFAYETTE, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
SCHEDULE 4
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Taxes	\$ 16,623,287	\$ 16,665,336	\$ 17,732,361	\$ 18,034,076	\$ 19,513,312
Licenses and permits	299,752	377,013	511,237	577,920	614,540
Intergovernmental	1,648,211	1,738,107	1,590,812	1,364,214	1,477,961
Fines and forfeitures	1,034,448	973,241	1,000,263	841,277	854,705
Franchise taxes	913,075	981,752	1,003,574	997,677	1,074,357
Special assessments principal	6,902,495	48,499	20,095	16,892	927,689
Special assessments interest	(18,341)	499,614	488,347	469,647	470,957
Interest	316,379	266,346	196,992	158,194	4,368
Sidewalk maintenance/repair	92,980	89,439	90,112	91,600	92,922
Contributions	165,183	119,227	94,537	128,509	37,473
Charges for services	3,973,302	3,504,277	3,577,877	3,831,786	4,031,769
Administrative fees	89,859	31,499	36,844	39,097	40,435
Miscellaneous	55,649	249,341	421,066	336,573	1,852,418
Total revenues	32,096,279	25,543,691	26,764,117	26,887,462	30,992,906
Expenditures					
General government	5,419,112	6,710,378	5,593,279	5,776,726	5,556,017
Judicial	284,250	310,795	332,958	330,485	436,782
Public safety	6,570,321	6,953,898	6,953,249	7,202,446	7,761,736
Public works	2,091,803	2,821,786	2,485,343	2,565,642	2,697,682
Culture and recreation	4,849,524	4,886,184	5,020,195	5,418,626	5,335,310
Capital outlay	5,886,575	5,267,146	2,458,408	3,670,577	3,856,496
Debt service					
Capital lease payments	461,826	539,659	914,789	481,038	138,677
Principal	8,125,000	1,445,000	1,265,000	1,280,000	1,330,000
Interest and fiscal charges	1,100,805	988,157	927,537	1,264,841	1,210,810
Bond issuance costs	-	-	-	-	-
Total expenditures	34,789,216	29,923,003	25,950,758	27,990,381	28,323,510
Excess of revenues over (under) expenditures	(2,692,937)	(4,379,312)	813,359	(1,102,919)	2,669,396

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Taxes	\$ 20,551,302	\$ 21,831,987	\$ 23,897,640	\$ 26,154,352	\$ 28,695,213
Licenses and permits	747,009	618,042	720,295	979,192	1,064,668
Intergovernmental	1,363,711	1,413,681	1,635,143	1,427,665	2,318,448
Fines and forfeitures	872,342	606,896	528,249	683,609	737,742
Franchise taxes	1,130,471	1,113,899	1,107,958	1,132,143	1,141,404
Special assessments principal	201,160	193,163	144,626	354,734	42,625
Special assessments interest	484,212	492,444	501,205	653,898	478,789
Interest	260,952	214,475	269,195	336,921	754,402
Sidewalk maintenance/repair	95,627	98,282	99,371	128,863	207,369
Contributions	1,220,461	697,628	584,200	1,647,745	340,850
Charges for services	3,996,353	5,019,819	4,977,784	5,464,529	6,434,320
Administrative fees	44,516	53,667	47,257	59,421	3,874,152
Miscellaneous	447,671	111,928	121,815	69,443	1,089,294
Total revenues	31,415,787	32,465,911	34,634,738	39,092,515	47,179,276
Expenditures					
General government	7,469,068	5,825,901	6,278,283	6,442,287	6,933,635
Judicial	499,437	406,017	522,888	598,409	670,175
Public safety	8,210,875	8,283,373	9,591,173	9,926,889	11,037,480
Public works	2,847,425	3,399,974	4,069,936	3,909,343	4,543,803
Culture and recreation	5,496,260	5,847,442	5,847,316	6,591,737	7,359,613
Capital outlay	3,243,624	3,878,010	2,585,398	10,561,281	7,891,497
Debt service					
Capital lease payments	144,500	149,090	149,360	149,360	112,020
Principal	1,385,000	1,445,000	4,910,000	2,005,000	2,245,000
Interest and fiscal charges	1,163,498	1,108,713	1,067,153	1,143,785	1,064,550
Bond issuance costs	-	-	-	-	-
Total expenditures	30,459,687	30,343,520	35,021,507	41,328,091	41,857,773
Excess of revenues over (under) expenditures	956,100	2,122,391	(386,769)	(2,235,576)	5,321,503

CITY OF LAFAYETTE, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
SCHEDULE 4 (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Premium	-	-	-	-	-
Issuance Costs	-	-	-	-	-
Retirement of bonds refunded	-	-	-	-	-
Lease issuance	-	-	-	-	-
Transfers in	3,090,256	3,351,769	8,731,752	5,223,770	5,480,866
Transfers out	(1,541,735)	(1,735,002)	(6,958,632)	(3,744,278)	(3,927,686)
Total other financing sources (uses)	<u>1,548,521</u>	<u>1,616,767</u>	<u>1,773,120</u>	<u>1,479,492</u>	<u>1,553,180</u>
Special Item					
Adjustment of asset held for resale	(631,968)	-	-	-	-
Gain on fire conversion	105,458	-	-	-	-
Total special items	<u>(526,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,670,926)</u>	<u>\$ (2,762,545)</u>	<u>\$ 2,586,479</u>	<u>\$ 376,573</u>	<u>\$ 4,222,576</u>
Debt service as a percentage of noncapital expenditures	33.5%	12.1%	13.2%	12.4%	11.0%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ -	\$ 8,265,000	\$ -	\$ -
Debt Premium	-	-	806,481	-	-
Issuance Costs	-	-	(134,321)	-	-
Retirement of bonds refunded	-	-	-	-	-
Lease issuance	-	-	-	-	-
Transfers in	5,918,411	5,975,513	5,968,865	8,468,804	8,389,399
Transfers out	(4,059,500)	(4,307,160)	(3,967,734)	(6,115,287)	(8,389,399)
Total other financing sources (uses)	1,858,911	1,668,353	10,938,291	2,353,517	-
Special Item					
Adjustment of asset held for resale	-	-	-	-	-
Gain on fire conversion	-	-	-	-	-
Total special items	-	-	-	-	-
Net change in fund balances	\$ 2,815,011	\$ 3,790,744	\$ 10,551,522	\$ 117,941	\$ 5,321,503
Debt service as a percentage of noncapital expenditures	9.9%	10.2%	18.9%	10.7%	10.1%

CITY OF LAFAYETTE, COLORADO
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
SCHEDULE 5
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Fiscal Year	General Property Tax ^{1, 3}	Fire District Tax	Specific Ownership Tax	Excise Tax	Sales Tax	Franchise Tax	Use Tax ²	Total General Tax Revenues
2009	6,053,858	5,300	313,309	-	8,300,753	913,075	1,950,068	15,803,640
2010	6,168,827	5,300	310,421	-	8,273,535	981,752	1,907,253	17,567,289
2011	5,950,437	5,300	259,016	-	9,008,620	1,003,574	2,508,986	17,681,776
2012	5,647,300	5,300	272,407	-	9,560,708	997,677	2,548,361	18,768,921
2013	5,699,638	5,300	284,838	-	10,124,604	1,074,357	3,398,931	19,064,641
2014	5,713,092	5,300	309,232	-	10,850,273	1,130,471	3,673,405	20,624,948
2015	6,668,265	5,300	378,366	184,286	11,643,115	1,113,899	3,591,148	21,726,213
2016	7,677,373	5,300	407,900	459,674	11,998,522	1,107,958	4,104,099	25,760,826
2017	7,941,715	5,300	455,589	487,125	12,739,227	1,132,143	3,902,203	26,663,302
2018	9,518,598	5,300	526,563	539,644	13,285,429	1,141,404	4,819,679	29,836,617

¹ Includes property taxes from general improvement districts

² Includes taxes on building materials and motor vehicles.

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

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

Fiscal Year	City of Lafayette	State of Colorado	Boulder County	Overlapping Rates			Total Overlapping Sales Tax Rate
				Regional Transportation District	Cultural Facilities District	Football Stadium District	
2009	3.500%	2.900%	0.650%	1.000%	0.100%	0.100%	8.250%
2010	3.500%	2.900%	0.800%	1.000%	0.100%	0.100%	8.400%
2011	3.500%	2.900%	0.800%	1.000%	0.100%	0.100%	8.400%
2012	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2013	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2014	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2015	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2016	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2017	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2018	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Aggregate top thirty filers ¹	\$ 4,689,937	\$ 4,604,871	\$ 5,824,059	\$ 6,466,701	\$ 6,839,683
Aggregate all other filers	3,221,810	3,815,397	3,564,107	3,481,483	3,767,157
Total sales and use tax	\$ 8,598,203	\$ 8,584,308	\$ 9,388,166	\$ 9,948,184	\$ 10,606,840
Top ten filers as a percentage of total sales tax	54.55%	53.64%	62.04%	65.00%	64.48%

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Aggregate top thirty filers ¹	\$ 7,138,865	\$ 7,636,689	\$ 7,620,719	\$ 7,682,414	\$ 8,375,538
Aggregate all other filers	4,505,844	5,047,339	5,188,473	5,883,738	5,852,186
Total sales and use tax	\$ 11,644,709	\$ 12,684,028	\$ 12,809,192	\$ 13,566,152	\$ 14,227,724
Top ten filers as a percentage of total sales tax	61.31%	60.21%	59.49%	56.63%	58.87%

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

Fiscal Year	Governmental Activities						
	Sales Tax Revenue Bonds ¹	Limited Tax Revenue Bonds	General Obligation Bonds	Demand Bonds	Capital Leases	Term Loan Payable	Issuance Premiums
2009	\$ 8,435,000	\$ 5,120,000	\$ 6,355,000	\$ 3,955,000	\$ 1,774,386	\$ 689,008	\$ 18,435
2010	7,685,000	5,000,000	5,780,000	3,955,000	1,380,486	647,492	11,842
2011	6,910,000	4,865,000	5,425,000	3,955,000	1,189,235	-	7,267
2012	6,145,000	4,720,000	5,055,000	3,955,000	752,045	-	6,723
2013	5,355,000	4,565,000	4,670,000	3,955,000	640,676	-	6,179
2014	4,540,000	4,400,000	4,265,000	3,955,000	519,062	-	5,635
2015	3,695,000	4,220,000	3,845,000	3,955,000	388,033	-	5,091
2016	2,820,000	4,030,000	8,265,000	3,955,000	251,625	-	806,481
2017	1,915,000	3,820,000	7,375,000	3,955,000	109,903	-	725,833
2018	975,000	3,615,000	6,600,000	3,630,000	-	-	645,185

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

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

³ See Schedule 12 for Population and Personal Income figures.

Business-Type Activities						Total Primary Government	Debt Per Capita ³	Percent Personal Income ³
General Oblig. Water Bonds ²	Water Revenue Bonds	Golf Revenue Bonds	Capital Leases	Term Loan Payable	Issuance Premiums			
\$ 2,090,000	\$ 15,645,000	\$ 283,300	\$ 25,251	\$ 6,272,317	\$ 422,606	\$ 51,085,303	2,089	6.43%
635,000	15,645,000	232,500	-	5,842,506	393,590	47,208,416	1,785	5.56%
325,000	15,645,000	179,000	-	5,393,465	364,574	44,258,541	1,693	4.66%
-	15,215,000	122,500	-	4,939,626	1,857,104	42,767,998	1,606	4.54%
-	14,395,000	62,900	-	4,463,277	1,729,218	39,842,250	1,555	4.33%
-	13,550,000	-	-	3,965,090	1,601,332	36,801,119	1,436	4.00%
-	12,680,000	-	-	3,449,672	1,473,446	33,711,242	1,192	3.23%
-	11,790,000	-	-	2,917,322	1,345,560	36,180,988	1,279	2.92%
-	10,890,000	-	-	2,362,398	1,217,674	32,370,808	1,130	2.34%
-	9,955,000	-	-	1,805,703	1,089,788	28,315,676	951	1.86%

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

	Fiscal Year				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General bonded debt outstanding	\$ 41,707,296	\$ 38,813,027	\$ 37,255,094	\$ 37,076,327	\$ 34,738,297
Less:					
General obligation water bonds	2,090,000	635,000	325,000	-	-
Water revenue bonds	15,645,000	15,645,000	15,645,000	15,215,000	14,395,000
Deferred amounts - Water bonds	307,893	312,886	339,198	1,857,104	1,729,218
Tech center GID revenue bonds	2,040,000	2,010,000	1,975,000	1,940,000	1,900,000
Deferred amounts - Tech Center bonds	(50,409)	(47,802)	(45,195)	-	-
Limited tax obligation bonds	3,080,000	2,990,000	2,890,000	2,780,000	2,665,000
Sales tax revenue bonds	8,435,000	7,685,000	6,910,000	6,145,000	5,355,000
Deferred amounts - Sales Tax bonds	(36,445)	(14,581)	-	-	-
Demand bonds	3,955,000	3,955,000	3,955,000	3,955,000	3,955,000
Deferred amounts - demand bonds	(405,398)	(377,787)	(350,176)	-	-
Golf course revenue bonds	283,300	232,500	179,000	122,500	62,900
Total net debt applicable to debt limit	6,363,355	5,787,811	5,432,267	5,061,723	4,676,179
Estimated actual property values ¹	3,042,980,900	3,081,645,100	3,092,789,600	3,200,277,084	3,266,721,780
Legal debt limit ²	91,289,427	92,449,353	92,783,688	96,008,313	98,001,653
Legal debt margin ³	\$ 84,926,072	\$ 86,661,542	\$ 87,351,421	\$ 90,946,590	\$ 93,325,474
Outstanding debt as a percentage of debt limit	7%	6%	6%	5%	5%
Population	24,453	26,448	26,136	26,136	26,629
Net general bonded debt per capita	\$ 260	\$ 219	\$ 208	\$ 194	\$ 176

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

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Debt	\$ 32,316,967	\$ 29,873,537	\$ 33,012,041	\$ 29,898,507	\$ 26,509,973
Less:					
General obligation water bonds	-	-	-		
Water revenue bonds	13,550,000	12,680,000	11,790,000	10,890,000	9,955,000
Deferred amounts - Water bonds	1,601,332	1,473,446	1,345,560	1,217,674	1,089,788
Tech center GID revenue bonds	1,860,000	1,815,000	1,770,000	1,720,000	1,670,000
Deferred amounts - Tech Center bonds	-	-	-	-	-
Limited tax obligation bonds	2,540,000	2,405,000	2,260,000	2,100,000	1,945,000
Sales tax revenue bonds	4,540,000	3,695,000	2,820,000	1,915,000	975,000
Deferred amounts - Sales Tax bonds	-	-	-	-	-
Demand bonds	3,955,000	3,955,000	3,955,000	3,955,000	3,630,000
Deferred amounts - demand bonds	-	-	-	-	-
Golf course revenue bonds	-	-	-	-	-
Total net debt applicable to debt limit	4,270,635	3,850,091	9,071,481	8,100,833	7,245,185
Estimated actual property values ¹	3,311,284,288	3,384,173,618	4,131,951,237	5,270,411,840	5,412,207,877
Legal debt limit ²	99,338,529	101,525,209	123,958,537	158,112,355	162,366,236
Legal debt margin ³	\$ 95,067,894	\$ 97,675,118	\$ 114,887,056	\$ 150,011,522	\$ 155,121,051
Outstanding debt as a percentage of debt limit	4%	4%	7%	5%	4%
Population	25,621	28,278	28,278	28,641	29,782
Net general bonded debt per capita	\$ 167	\$ 136	\$ 321	\$ 283	\$ 243

CITY OF LAFAYETTE, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SCHEDULE 10
For the Fiscal Year Ended December 31, 2018

Jurisdiction	Debt Outstanding	Percentage Applicable To Government	Estimated Share of Overlapping Debt
Direct Debt:			
City of Lafayette	\$ 14,820,000	100.00%	\$ 14,820,000
Overlapping:			
Boulder Valley School District RE-2 ¹	685,175,000	6.84%	46,834,818
Total	<u>\$ 699,995,000</u>		<u>\$ 61,654,818</u>

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

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

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

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

Water Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2009	\$ 5,837,267	\$ 3,488,140	\$ 2,349,127	\$ -	\$ 757,056	3.10
2010	7,267,461	3,725,343	3,542,118	-	757,056	4.68
2011	7,513,649	4,524,381	2,989,268	-	757,056	3.95
2012	10,375,243	5,109,855	5,265,388	185,000	434,102	8.50
2013	8,297,938	4,327,530	3,970,408	820,000	535,000	2.93
2014	10,535,100	4,624,176	5,910,924	845,000	510,400	4.36
2015	8,815,018	4,547,298	4,267,720	870,000	485,050	3.15
2016	11,194,286	4,833,741	6,360,545	890,000	472,000	4.67
2017	13,268,230	6,185,026	7,083,204	900,000	458,650	5.21
2018	15,315,712	6,182,531	9,133,181	935,000	422,648	6.73
Sales Tax Revenue Bonds						
	Sales & Use Tax Increment	Debt Service Principal	Interest	Coverage ⁴		
2009	\$ 8,257,862	\$ 730,000	\$ 302,121		8.00	
2010	8,310,576	750,000	280,221		8.07	
2011	9,074,163	775,000	255,846		8.80	
2012	9,612,340	765,000	228,721		9.67	
2013	10,318,191	790,000	203,400		10.39	
2014	11,221,382	815,000	177,251		11.31	
2015	12,037,311	845,000	150,274		12.09	
2016	12,340,684	875,000	122,305		12.37	
2017	13,036,392	905,000	93,341		13.06	
2018	15,447,344	940,000	63,387		15.40	

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

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

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

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

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

CWRPDA Loan						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2009	\$ 1,816,331	\$ 1,819,954	\$ (3,623)	\$ 392,250	\$ 62,890	-0.01
2010	2,593,645	1,960,953	632,692	416,582	233,935	0.97
2011	2,495,779	1,805,580	690,199	435,155	217,619	1.06
2012	3,700,594	2,033,056	1,667,538	438,819	201,258	2.61
2013	3,043,738	2,094,207	949,531	460,391	183,519	1.47
2014	4,463,578	2,203,053	2,260,525	481,405	165,482	3.49
2015	4,040,151	2,256,541	1,783,610	497,741	146,675	2.77
2016	5,417,710	2,392,633	3,025,077	513,202	127,576	4.72
2017	6,351,730	2,615,768	3,735,962	534,749	88,256	6.00
2018	6,824,286	2,958,735	3,865,551	556,695	86,229	6.01

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

Lafayette City Center GID Revenue Bonds							
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³	
				Principal	Interest		
2009	\$ 80,512	\$ 9,523	\$ 70,989	\$ 40,000	\$ 35,075	0.95	
2010	86,275	9,215	77,060	45,000	32,775	0.99	
2011	91,112	9,793	81,319	50,000	30,187	1.01	
2012	93,848	9,732	84,116	55,000	27,313	1.02	
2013	95,174	9,758	85,416	60,000	24,150	1.02	
2014	98,661	9,788	88,873	65,000	20,700	1.04	
2015	100,052	9,407	90,645	70,000	16,963	1.04	
2016	103,713	11,465	92,248	75,000	12,938	1.05	
2017	102,886	11,443	91,443	80,000	8,625	1.03	
2018	116,591	11,624	104,967	70,000	4,425	1.41	

Exempla GID							
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³	
				Principal	Interest*		
2009	\$ 6,928,099	\$ 49,984 ⁸	\$ 6,878,115	\$ 6,510,000	\$ 137,579	1.03	
2010	611,942	726,393	(114,451)	-	86,400	-1.32	
2011	600,201	402,244	197,957	-	81,856	2.42	
2012	576,235	19,155 ⁹	557,080	-	81,376	6.85	
2013	564,224	31,492	532,732	-	77,175	6.90	
2014	589,999	20,596	569,403	-	78,069	7.29	
2015	596,368	17,319	579,049	-	75,266	7.69	
2016	621,237	17,603	603,634	-	90,237	6.69	
2017	624,528	397,887	226,641	-	113,930	1.99	
2018	666,771	17,738	649,033	325,000	492,279	0.79	

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

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

Lafayette Corp Campus GID							
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³	
				Principal	Interest		
2009	\$ 262,680	\$ 13,944	\$ 248,736	\$ 40,000	\$ 204,000	1.02	
2010	262,753	13,993	248,760	45,000	200,800	1.01	
2011	262,572	14,017	248,555	50,000	197,200	1.01	
2012	264,608	14,049	250,559	55,000	193,200	1.01	
2013	255,236	14,160	241,076	55,000	188,800	0.99	
2014	262,131	13,458	248,673	60,000	184,400	1.02	
2015	264,766	13,717	251,049	65,000	179,600	1.03	
2016	267,865	18,776	249,089	70,000	174,400	1.02	
2017	266,748	18,737	248,011	80,000	168,800	1.00	
2018	333,383	19,637	313,746	85,000	162,730	1.27	
Lafayette Tech Center GID							
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³	
				Principal	Interest		
2009	\$ 135,822	\$ 9,937	\$ 125,885	\$ -	\$ 122,400	1.03	
2010	169,781	10,926	158,855	30,000	122,400	1.04	
2011	172,046	11,471	160,575	35,000	120,600	1.03	
2012	164,115	10,648	153,467	35,000	118,500	1.00	
2013	173,084	10,720	162,364	40,000	116,400	1.04	
2014	168,664	10,666	157,998	40,000	114,000	1.03	
2015	173,656	10,467	163,189	45,000	111,600	1.04	
2016	128,097	11,881	116,216	45,000	108,900	0.76	
2017	147,470	2,065	145,405	50,000	106,200	0.93	
2018	190,777	2,634	188,143	50,000	103,503	1.23	

**CITY OF LAFAYETTE, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
AND TOP TEN EMPLOYERS FOR 2009 AND 2018
SCHEDULE 12**

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Median Education Level</u>	<u>School Enrollment</u>	<u>Unemp. Rate</u>
2009	26,448	696,482	26,334	36.3	14	3,946	5.2%
2010	24,453	794,062	32,473	36.3	14	4,790	5.3%
2011	26,448	848,716	32,090	36.3	14	4,842	5.3%
2012	26,136	949,782	36,340	36.3	14	4,939	5.6%
2013	26,629	942,693	35,401	36.3	14	4,973	6.7%
2014	25,621	919,743	35,898	37.9	14	5,069	4.2%
2015	28,278	1,044,787	36,947	36.3	14	5,118	3.5%
2016	28,278	1,239,312	43,826	39.3	14	5,297	3.1%
2017	28,641	1,381,504	48,235	39.7	14	5,183	2.9%
2018	29,782	1,526,417	51,253	39.7	14	5,286	2.4%

<u>2009</u>		<u>2018</u>		
<u>Firm</u>	<u>Estimated Number Employees</u>	<u>Firm</u>	<u>Estimated Number Employees</u>	<u>% Total Employees</u>
City of Lafayette	330	Exempla/Kaiser Medical Complex	1600	16.1%
Design Fabricators	290	City of Lafayette	431	4.3%
Advanced Component Systems	250	United Forest Products	285	2.9%
Wal-Mart	189	Wal-Mart	180	1.8%
Rocky Mountain Instruments	150	Rocky Mountain Instruments	150	1.5%
Albertsons	112	Ball Aerospace	150	1.5%
Coherent Technologies	100	GE Dharmacon	140	1.4%
Crystal Electric	60			
Data Trax	40			
Lafayette Florist	35			

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program										
Executive and administration										
City council	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
City administrator										
City administration	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	3.00	3.00
City clerk	2.00	2.20	2.20	2.20	2.20	2.20	2.20	2.38	2.17	2.00
Cultural Resources	2.05	-	-	-	-	-	-	3.00	1.96	2.79
Municipal court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	1.78	2.00
Human resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.26	3.87
Information technologies	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance										
Financial services (accounting)	7.33	5.50	6.50	6.50	6.50	6.00	6.00	6.00	6.30	7.00
Community development										
Community development	7.00	8.00	9.00	10.05	10.05	10.05	10.05	7.05	9.10	9.10
Public safety										
Police department	52.00	48.50	47.50	47.50	47.50	47.50	47.50	50.50	50.50	50.50
Fire department	5.50	4.50	4.50	3.50	3.50	3.50	3.50	3.50	2.76	2.76
Ambulance	11.22	14.00	14.00	16.00	16.00	19.00	19.00	25.00	25.00	27.00
Public works & utilities										
Public works administration	10.17	8.92	8.92	8.92	8.92	8.92	8.92	8.92	9.26	9.26
Water:										
Administration	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54
Source of supply	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.25	1.25
Treatment	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.15	10.15
Transmission & distribution	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	7.33	7.33
Water reclamation:										
Administration	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93
Treatment	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.36	6.36
Collection	5.41	4.91	4.91	5.41	5.41	5.41	5.41	5.41	6.41	6.41
Storm water:										
Administration	0.20	0.20	0.20	-	0.20	0.20	0.20	0.20	0.20	0.20
Collection	1.99	1.74	1.74	2.44	2.24	2.24	2.24	2.24	1.99	1.99
Subtotals	143.63	137.23	138.23	141.78	141.78	144.28	144.28	153.46	154.95	159.14

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program										
Parks, open space & golf department										
Parks & open space:										
Administration	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Cemeteries	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.81	1.81
Parks	10.51	10.51	10.51	9.01	9.01	9.01	9.01	9.01	9.05	9.05
Open space maintenance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.68	2.68
Streetscapes	-	-	-	1.50	1.50	1.50	1.50	1.50	1.84	1.84
Golf course										
Administration	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Golf course operations	10.63	10.63	10.63	10.63	10.63	10.63	10.63	10.63	10.47	10.47
Club house operations	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.81	7.81
Snack bar operations	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72	5.54	5.54
Recreation & facility management dept										
Recreation & facility management:										
Administration	3.25	3.50	3.50	3.00	3.16	3.16	3.08	3.08	0.68	0.68
Recreation & Leisure Services	41.65	42.15	42.15	42.15	45.21	45.21	45.75	45.75	44.11	44.11
Building maintenance	10.96	10.21	10.21	4.25	4.45	4.45	4.45	4.45	3.66	4.00
Senior services	3.50	3.50	3.50	3.50	4.15	4.15	4.75	4.75	4.21	4.21
Library										
Library	17.22	15.31	15.31	14.31	18.21	18.21	18.21	18.21	18.65	18.65
Subtotals	114.50	112.59	112.59	105.13	113.10	113.10	114.16	114.16	112.51	112.85
Grand totals	258.13	249.82	250.82	246.91	254.88	257.38	258.44	267.62	267.46	271.99

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program										
Police										
Physical arrests	1,200	1,152	1,442	1,273	1,054	1,033	1,027	1,080	1,136	932
Municipal Citations	7,152	7,043	7,170	6,521	6,384	5,785	3,872	4,197	5,580	5,353
Fire										
Emergency responses	1,736	1,578	1,732	1,795	1,955	2,241	2,445	2,935	3,030	3,324
Inspections conducted	300	318	300	325	400	486	276	431	388	145
Parks, Open Space, Golf Course										
Golf Course rounds played	39,292	36,043	37,536	40,091	38,469	44,235	41,970	37,159	40,397	36,493
% Resident Play	18%	17%	13%	13%	13%	13%	12%	13%	11%	12%
Cemetery plot opening/closings	35	23	33	30	40	21	25	28	29	27
Recreation and Facility Mgmt										
Individual Annual Passes sold	381	554	612	634	620	614	687	759	823	778
Couple or Family Annual Passes	303	282	286	246	258	246	308	354	474	341
Punch Cards sold	2,369	2,217	2,232	2,303	2,299	2,584	2,220	1,962	2,131	2,012
Total Attendance	225,319	228,741	338,153	398,216	390,624	428,384	239,240	244,944	245,946	244,324
Facilities and services not included in the reporting entity ¹ :										
Number of public elem. schools	4	4	4	4	4	4	4	4	4	4
Number of elementary instructors ²	143.0	139.0	139.0	132.0	132.0	125.0	125.0	132.0	122.0	124.0
Number of public middle schools	1	1	1	1	1	1	1	1	1	1
Number of MS instructors ²	38.0	38.0	36.0	38.0	38.0	38.0	41.0	42.0	40.0	41.0
Charter school (K through 12)	1	1	1	1	1	1	1	1	1	1
Number of public high schools	1	1	1	2	2	1	1	1	1	1
Number of HS instructors ²	82.0	63.0	63.0	64.0	64.0	64.0	66.0	66.0	68.0	70.0

¹ Source: Boulder Valley School District

² Full-time equivalents

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	1	2	2	2	2	2
Public works										
Centerline miles of streets	98	99	101	101	150	141	147	195	195	195
Recreation and culture										
Recreation center	1	1	1	1	1	1	1	1	1	1
Outdoor water park	0	0	0	0	0	0	0	0	0	1
Parks	19	19	19	19	19	19	19	19	19	19
Cemeteries	2	2	2	2	2	2	2	2	2	2
Parks/Developed acres	236	236	236	236	236	239	239	224	239	239
Open space/Undeveloped acres	1,265	1,265	1,265	1,265	1,265	1,300	1,300	1,300	1,300	1,300
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Utilities										
Water treatment facilities	2	2	2	1	1	1	1	1	1	1
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	235	237	239	239	239	169	169	164	174	174
Sanitary sewer (miles)	192	193	194	194	194	121	121	118	118	118
Water connections	8,302	8,322	8,455	8,539	8,809	8,902	9,022	9,275	9,341	9,341
Wastewater connections	7,631	7,680	7,881	7,901	8,236	8,319	8,458	8,761	8,824	8,824

COMPLIANCE SECTION

This section consists of the following:

- Local Highway Finance Report

2018

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Lafayette
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _) City of Lafayette		Prepared By: Cheryl Thompson Phone: 303-665-5588 x1247

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	8,519,592
3. Other local imposts (from page 2)	552,076
4. Miscellaneous local receipts (from page 2)	474,566
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	9,546,235
B. Private Contributions	1,478,288
C. Receipts from State government (from page 2)	1,112,424
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	12,136,947

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	3,838,453
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	104,711
b. Snow and ice removal	139,296
c. Other	1,209,164
d. Total (a. through c.)	1,453,171
4. General administration & miscellaneous	1,026,383
5. Highway law enforcement and safety	4,533,595
6. Total (1 through 5)	10,851,601
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	179,947
b. Redemption	1,012,597
c. Total (a. + b.)	1,192,544
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,192,544
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	12,044,145

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	4,471,777		1,012,597	3,459,180
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
	409,110	12,136,947	12,044,145	501,912	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	

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	197,622	a. Interest on investments	98,038
b. Other local imposts:		b. Traffic Fines & Penalties	328,356
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	354,454	g. Other Misc. Receipts	48,172
6. Total (1. through 5.)	354,454	h. Other	
c. Total (a. + b.)	552,076	i. Total (a. through h.)	474,566
	(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	1,012,288	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	100,136	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	100,136	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,112,424	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		1,478,288	1,478,288
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		2,079,054	2,079,054
(4). System Enhancement & Operation		281,111	281,111
(5). Total Construction (1) + (2) + (3) + (4)	0	2,360,165	2,360,165
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,838,453	3,838,453
			(Carry forward to page 1)

Notes and Comments: