



Lakewood
Full of Possibilities.



2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended December 31, 2018

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

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



**For The Year Ended
December 31, 2018**

**Prepared by:
Department of Finance**



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INTRODUCTORY SECTION



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CITY OF LAKEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2018

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City of Lakewood

City Manager's Office

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

June 26, 2019

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

TRANSMITTAL LETTER

Formal Transmittal

The Comprehensive Annual Financial Report ("CAFR") of the City of Lakewood, Colorado ("the City") for the fiscal year ended December 31, 2018 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City and that all disclosures necessary to enable the reader to gain an understanding of the City's financial position have been included.

City Profile

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

The City's Financial Condition

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

Colorado statutes and the Lakewood City Charter require an annual financial statement audit of the City's accounts and financial records by an independent certified public accountant ("CPA"), as selected by the City Council. The CPA firm of ACM, LLP, conducted the audit of the City's financial statements for the year ended 2018. Their Independent Auditor's Report is presented in the front of the Financial Section of this report.

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

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

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

During 2017, the City experienced its most significant hailstorm in history. The severity of the storm forced the Colorado Mills Mall to close from May to November 2017, impacting sales tax revenues. During 2018, recovery from the storm continued through the first quarter of the year as many commercial and residential property owners completed their reconstruction and replacement efforts. As a result, some new businesses opened and many businesses closed during the storm reopened at Colorado Mills Mall. Lakewood's primary source of income, general fund sales tax, increased 2.5% or \$1.55M during 2018.

On November 6, 2018, voters approved ballot question 2D authorizing the City of Lakewood to keep and spend \$12,536,504 in funds that exceeded 2017 revenue limits in the Colorado Constitution. Question 2D further authorizes the City to retain funds in excess of the limits through and including 2025. For 2018, the City will retain an additional \$8,152,566 in funds for specific purposes outlined in Question 2D. These funds will facilitate significant investments into the Lakewood community.

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

Awards and Acknowledgements

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (“GFOA”). The GFOA has awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. This is the twenty-eighth year that the City has been awarded this Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA’s Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility. The GFOA has also awarded the City its Distinguished Budget Presentation Award for fiscal years 2001 through 2019.

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

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

Respectfully submitted,



Kathleen E. Hodgson
City Manager



Larry Dorr, CPA
Finance Director



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Government Finance Officers Association

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

Presented to

**City of Lakewood
Colorado**

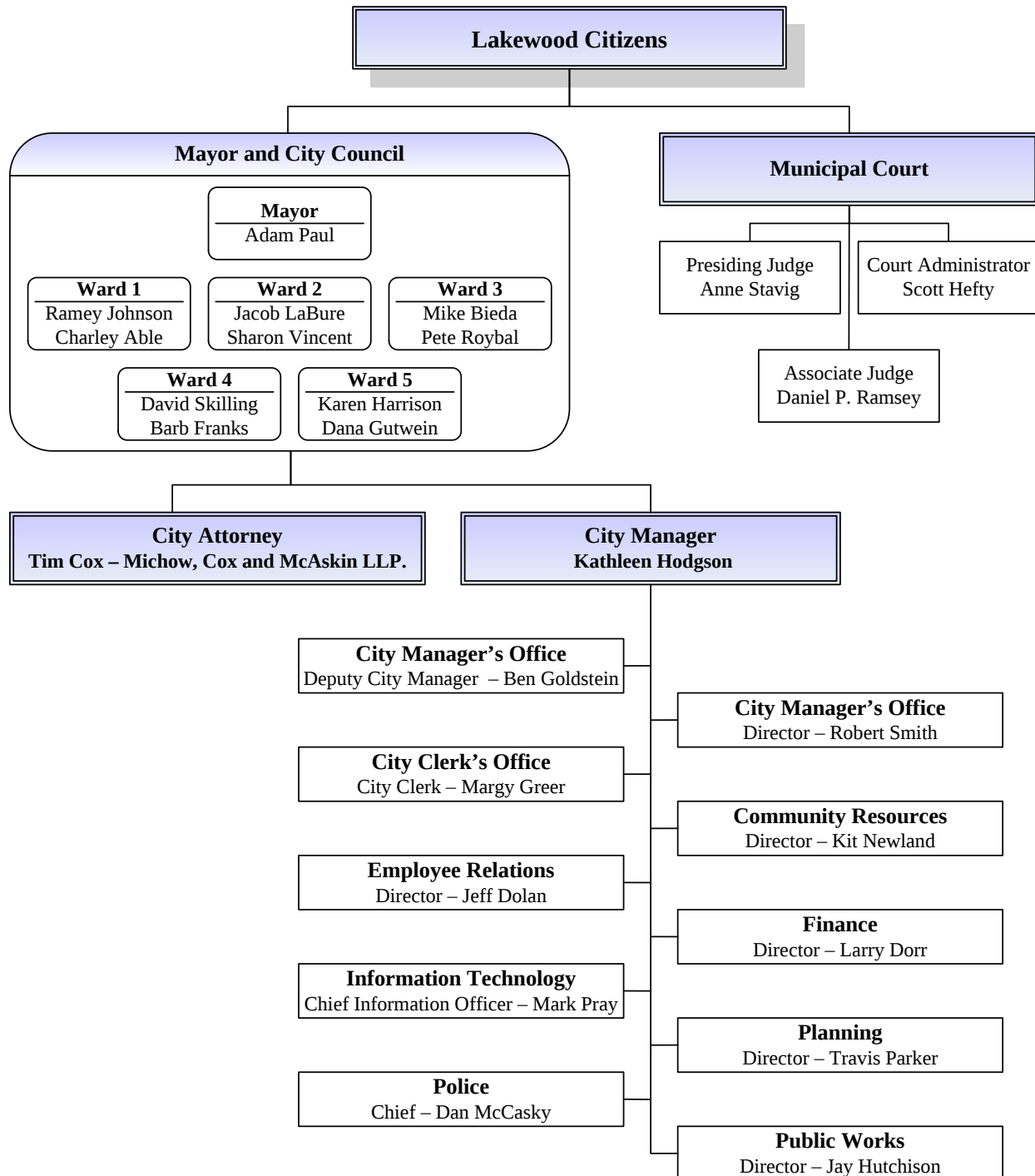
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF LAKEWOOD, COLORADO
ORGANIZATION CHART
Year Ended December 31, 2018



CITY OF LAKEWOOD, COLORADO
CITY OFFICIALS AND ADMINISTRATION
Year Ended December 31, 2018

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



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FINANCIAL SECTION

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



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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the basic financial statements, the City has changed its method for accounting and reporting for post-employment benefits other than pensions during 2018 due to the adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The adoption of



the standard required retrospective application resulting in a reduction of the previously reported net pension as disclosed in Note 13. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the City of Lakewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lakewood's internal control over financial reporting and compliance.

ACM LLP

Greeley, Colorado
June 26, 2019



This section of the City of Lakewood's Comprehensive Annual Financial Report ("CAFR") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2018. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements and the notes to the financial statements, contained in this report.

I. Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of 2018 by \$572,958,697. Of this amount, \$56,319,384 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$34,067,972 over the prior year.
- At the end of 2018, the City's governmental funds reported combined fund balances of \$101,830,291, an increase of \$9,576,393 in comparison with the prior year. Approximately 24% of this amount (\$24,856,166) is available for spending at the government's discretion.
- At the end of 2018, unrestricted fund balance for the General Fund was \$25,185,969, or approximately 22.1% of total General Fund expenditures.
- The City's total outstanding long-term debt increased by \$813,315 from 2017.

Taken as a whole, the City's diverse core revenues and strong operating reserves illustrate the stable financial condition of the City. The City's increase in net position and continued investments in infrastructure demonstrate our continued positive overall financial health. While the City is not immune to a volatile economic environment, conservative planning and robust economic development have enabled the City to maintain a strong financial position and a stable level of services to the community. Further information is available in Section IV below.

Total governmental fund revenues increased \$24.88 million or 15.4% in 2018. General Fund revenues increased \$24.51 million or 21.7% in 2018. Capital Improvement Fund revenues decreased \$.09 million or .5% in 2018.

While some revenues increased in 2018, the City decided to transfer some General Fund reserves, to other funds, for capital improvements. For 2018, General Fund fund balance increased \$6,450,741 or 4.9% as a percent of expenditures and transfers out.

As a result, the fund balance of the General Fund has increased from \$30,151,759 to \$36,602,500 an increase of 21.4%. The fund balance of the General Fund taken as a percent of 2018 expenditures and transfers out was 27.9% as of December 31, 2018.



General Fund sales and use taxes, which comprised 56.5% of General Fund revenues, decreased \$2,652,636 or 3.3%. Sales and use tax revenues collected by the Capital Improvement Fund decreased \$381,744 or 2.5%. The Capital Improvement Fund receives one sixth of the City's 3.0% sales and use tax revenues, to be used for capital improvements. During 2018, General Fund property taxes increased by \$1,449,321 or 15.8%.

Total governmental fund expenditures increased \$19.75 million or 12.4% in 2018. Total General Fund expenditures and transfers out increased \$12.15 million or 10.2%.

Until 2016, Lakewood had built its highest level of General Fund reserves in history. The City has utilized some of its General Fund fund balance again, during 2018, to invest in infrastructure projects for the community. City Management, City Council and City Council's Budget & Audit Board are continuing to monitor revenues and expenditures each quarter. In spite of uncertain economic circumstances, the City maintains a competitive, well trained and sufficiently equipped workforce for the effective delivery of community services.

II. Overview of the Financial Statements

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

1. Government-wide Financial Statements

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

- *The Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the balance reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the City's financial condition.
- *The Statement of Activities* presents information showing how the City's net position changed during the given fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Capital expenditures are not included in this statement; however capital grant revenues are reported.

2. Fund Financial Statements

The fund financial statements focus on specific elements of the City's finances and report on fund-specific operations in more detail than the government-wide financial statements. A fund



is a grouping of resources that are segregated for the purpose of carrying on a specific activity or attaining certain objectives in accordance with given regulations, restrictions or limitations. Section 12.6 of the Lakewood City Charter governs the creation and the purpose of certain funds.

Governmental Funds

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

Proprietary Funds

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

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

Fiduciary Funds

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

3. Notes to the Basic Financial Statements

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



III. Government-wide Financial Statement Analysis

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2018, the City had total assets of \$651,832,583. As of December 31, 2018, the City's net position was \$569,516,120.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$ 165,453,641	\$ 165,426,119	\$ 17,867,632	\$ 16,061,226	\$ 183,321,273	\$ 181,487,345
Capital Assets	445,078,939	430,653,989	23,432,371	22,033,747	468,511,310	452,687,736
Total Assets	610,532,580	596,080,108	41,300,003	38,094,973	651,832,583	634,175,081
Total Deferred Outflows of Resources	5,285,769	519,015	-	-	5,285,769	519,015
Liabilities						
Long-term Liabilities	36,026,334	35,213,019	-	-	36,026,334	35,213,019
Other Liabilities	25,109,013	41,456,466	827,424	779,920	25,936,437	42,236,386
Total Liabilities	61,135,347	76,669,485	827,424	779,920	61,962,771	77,449,405
Total Deferred Inflows of Resources	22,196,884	15,182,903	-	-	22,196,884	15,182,903
Net Position						
Net Investment in Capital Assets	422,135,173	406,147,538	23,432,371	22,033,747	445,567,544	428,181,285
Restricted	71,071,769	60,771,877	-	-	71,071,769	60,771,877
Unrestricted	39,279,176	37,827,320	17,040,208	15,281,306	56,319,384	53,108,626
Total Net Position	\$ 532,486,118	\$ 504,746,735	\$ 40,472,579	\$ 37,315,053	\$ 572,958,697	\$ 542,061,788

Capital Assets make up the largest portion of the City's Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land and other tangible items. Infrastructure includes streets, traffic signals, buildings and sidewalks. The City uses capital assets to provide services to the community and thus they are not available for immediate spending. During 2018, the City added to its capital assets.

- Capital Assets represent \$468,511,310 or 71.9% of Total Assets. Governmental capital assets added in 2018 included various park, street, technology and building improvements. Most notably the City acquired its largest and most significant open space and park acquisition this decade at the Taylor property. The cost of this acquisition was in excess of \$6 million and will be developed with passive park use features in the coming years. The City also undertook major investments in its Alameda Streetscape, Sutherland Shire Reservoir trails, McKinstry Energy Performance Contracting, Lakewood Heritage Center Amphitheatre, and Lakewood Community Center Lighting System. Also during 2018, the City completed significant improvements to roadway medians and stormwater drainage. Along with these notable projects, the City invested in several sidewalks, and significant real property easements during 2018.
- The City has continued to invest in its fleet of vehicles during 2018 replacing various heavy duty trucks, mowers and other light duty trucks and automobiles.
- Additional information on the City's capital assets can be found in the Capital Assets Note in the Notes to the Financial Statements section.



- In addition, it should be noted that the City retired long-term debt and increased reserves in some funds. The long-term debt of the City increased during 2018 due to a prior period adjustment of \$3,171,063 to reflect long term liabilities under GASB Statement 75, Accounting and Financial Reporting For Other Post Employment Benefits. In 2018, the City's overall long-term debt increased by \$813,315 or 2.3%. The City has appropriated funds in its 2019 budget to retire an additional \$4.93 million in long-term debt. This retirement of debt contributes to the City's positive overall financial health. Additional information on the City's long-term debt can be found in the Long-Term Debt Note in the Notes to the Financial Statements section.
- Of the City's \$572,958,697 in net position, \$71,071,769 or 12.4% was restricted for various purposes, including emergencies, parks and open space, economic development, debt service, capital improvements and urban renewal. Additional information on net position restrictions may be found below under Governmental Fund Balances.

Statement of Activities

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues-						
Charges for Services	\$ 24,843,869	\$ 25,429,220	\$ 15,232,552	\$ 14,833,564	\$ 40,076,421	\$ 40,262,784
Operating Grants and Contributions	14,312,975	15,243,100	-	-	14,312,975	15,243,100
Capital Grants and Contributions	7,268,406	6,623,045	1,007,510	1,006,100	8,275,916	7,629,145
General Revenues-						
Property & Specific Ownership Taxes	21,200,905	17,528,452	-	-	21,200,905	17,528,452
Sales and Use Taxes	92,856,656	95,874,916	-	-	92,856,656	95,874,916
Franchise & Other Taxes	11,310,808	11,360,718	-	-	11,310,808	11,360,718
Intergovernmental Revenue	327,964	321,768	-	-	327,964	321,768
Investment Income	1,707,727	1,326,433	239,266	199,144	1,946,993	1,525,577
Miscellaneous	168,724	61,943	50,561	50,634	219,285	112,577
TABOR Revenue Refund	12,536,504	(12,536,504)	-	-	12,536,504	(12,536,504)
Total Revenues	186,534,538	161,233,091	16,529,889	16,089,442	203,064,427	177,322,533
Expenses						
General Government	43,076,952	33,364,806	-	-	43,076,952	33,364,806
Public Safety	61,299,639	59,452,180	-	-	61,299,639	59,452,180
Public Works	10,975,754	17,930,662	-	-	10,975,754	17,930,662
Culture and Recreation	22,608,876	22,703,154	-	-	22,608,876	22,703,154
Urban Development and Housing	12,326,943	10,284,829	-	-	12,326,943	10,284,829
Economic Opportunity	4,824,459	4,294,677	-	-	4,824,459	4,294,677
Interest on Long-term Debt	1,196,617	1,378,589	-	-	1,196,617	1,378,589
Golf Course	-	-	4,499,986	4,423,571	4,499,986	4,423,571
Sewer	-	-	4,464,144	4,891,624	4,464,144	4,891,624
Stormwater	-	-	2,683,444	2,317,783	2,683,444	2,317,783
Water	-	-	1,039,641	1,257,877	1,039,641	1,257,877
Total Expenses	156,309,240	149,408,897	12,687,215	12,890,855	168,996,455	162,299,752
Increase (Decrease) Before Transfers	30,225,298	11,824,194	3,842,674	3,198,587	34,067,972	15,022,781
Transfers	685,148	675,395	(685,148)	(675,395)	-	-
Increase (Decrease) in Net Position	30,910,446	12,499,589	3,157,526	2,523,192	34,067,972	15,022,781
Net Position, Beginning of Year	504,746,735	492,247,146	37,315,053	34,791,861	542,061,788	527,039,007
Cumulative adjustment-accounting standard	(3,171,063)	-	-	-	(3,171,063)	-
Net Position, End of Year	\$ 532,486,118	\$ 504,746,735	\$ 40,472,579	\$ 37,315,053	\$ 572,958,697	\$ 542,061,788



IV. Fund Financial Statement Analysis

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

Governmental Fund Balances

As mentioned in the Financial Highlights, General Fund fund balance increased by \$6,450,741 or 4.9% of expenditures and transfers out in 2018. As such the General Fund's fund balance increased from \$30,151,759 to \$36,602,500 an increase of 21.4%. As of December 31, 2018, the Fund Balance of the General Fund taken as a percent of 2018 expenditures and transfers out was 27.9 %. For 2018, the increase in General Fund fund balance was due to the retention of funds related to its 2018 revenue exemption under the Colorado Constitution, commonly referred to as the Taxpayer's Bill of Rights ("TABOR"). If not for this voter approved exemption, the General Fund fund balance would have decreased during 2018. The City Council has set forth a strategic target for General Fund balance to be 10.0% of expenditures plus transfers out, or greater. Additionally, City Council has adopted a General Fund budget policy that requires revenues to exceed expenditures excluding the use of fund balance. Should special circumstances necessitate the use of General Fund fund balance, the City Manager is required by policy to present an alternative to using fund balance by way of reduced expenditures.

During strong economic conditions the City has had the opportunity to increase fund balances, which provides financial flexibility during economic downturns and in emergencies. Until 2016, the City had not had a year when it had reduced its General Fund balance since 2003. In the last four decades, during each decade, the City has experienced at least two years with a decrease in its General Fund balance. The City's 5-year Strategic Financial Plan currently anticipates a decreasing fund balance during the forecasted years. During unfavorable economic cycles, the City has made conservatively low estimates of future revenues and conservatively high estimates of future expenditures. The current fund balance level will give the City resources to weather economic challenges, and make pay-as-you-go investments in capital infrastructure, as was done in 2018.

The Capital Improvement Fund had a decrease in fund balance of \$4,488,021 or 16.7% during 2018. This is due to a one-time transfer from the Capital Improvement Fund of \$5,000,000 for the acquisition of the Taylor open space which is the largest park acquisition in the City this decade.

The Open Space Fund had an increase in fund balance of \$4,255,710 as a result of ballot question 2D and a transfer in for open space acquisitions in the amount of \$8,500,000. Offsetting this transfer was a significant purchase of the Taylor Property, 62 acres costing \$6,812,233.

The Medical and Dental Self-Insurance Fund balance increased \$3,462,333 (51.3%) during 2018 due to increased health premiums charged and favorable claims experienced.



The Lakewood Reinvestment Authority had an increase in fund balance of \$741,846 or 13.9% during 2018. This is a result of increasing property tax assessment values.

At December 31, 2018, the City's Grants Fund had a negative fund balance of \$329,803. The City's Grants Fund continues to experience the effects of delayed receipts for grant activities as many grantors are slow to process requests for reimbursement, causing the negative fund balance. The City expects to receive planned revenue from grantors for appropriate activities.

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

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

City of Lakewood, Colorado

**Management's Discussion and Analysis
for the Year Ended December 31, 2018**



	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Open Space Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ 238,507	\$ -	\$ -	\$ -	\$ -	\$ 16,759	\$ 255,266
Prepays	-	-	-	-	-	8,000	8,000
Total Nonspendable	238,507	-	-	-	-	24,759	263,266
Restricted for:							
Emergencies	4,561,366	-	-	-	-	-	4,561,366
Parks and Open Space	2,262,599	-	-	-	15,481,160	1,876,154	19,619,913
Economic Development	-	-	-	-	-	9,705,508	9,705,508
Debt Service	379,086	-	-	181,155	-	2,990,968	3,551,209
Capital Improvements	1,242,451	-	21,858,501	-	-	1,085,120	24,186,072
Urban Renewal	-	-	-	5,890,179	-	-	5,890,179
Public Safety	2,732,522	-	550,000	-	-	-	3,282,522
Total Restricted	11,178,024	-	22,408,501	6,071,334	15,481,160	15,657,750	70,796,769
Assigned to:							
Cultural Activities	-	-	-	-	-	1,073,864	1,073,864
Capital Improvements	-	-	-	-	-	4,840,226	4,840,226
Total Assigned	-	-	-	-	-	5,914,090	5,914,090
Unassigned	25,185,969	(329,803)	-	-	-	-	24,856,166
Total Fund Balances	\$ 36,602,500	\$ (329,803)	\$ 22,408,501	\$ 6,071,334	\$ 15,481,160	\$ 21,596,599	\$ 101,830,291

Revenues

As discussed in the financial highlights, General Fund revenues had an overall increase in 2018 compared to 2017.

- On November 6th, 2018 Lakewood voters authorized the City to retain and spend \$12.5M in funds exceeding limits established in the Colorado Constitution. This excess was derived during 2017 and held as a liability payable at year-end 2017. Upon passage of the vote, the funds were recognized as 2018 revenues. Voters authorized an exception to Constitutional limits through and including 2025. As such an additional \$6.2M in funds in excess of the revenue limit were retained for programs and services described in the ballot question. These event, across two fiscal years, contributed \$18.7M of the \$24.5M in growth in General Fund revenue.
- On May 8th, 2017 the City experienced a significant weather event that had a material impact on City revenues. Large hailstones inflicted significant damage to the Colorado Mills Mall, which is the single largest generator of sales tax revenue to the City. The roof of the main mall building was torn open creating water damage to the entire main building; forcing its closure. The majority of the mall was forced to close for over 6 months for repairs and reconstruction of the roof. As a result, the City experienced a decrease in General Fund sales tax revenue during 2017. Due to the same hailstorm, many Lakewood residences and other businesses experienced significant damage causing the replacement of many household and business rooftops. During 2018, many businesses have rebounded and much of the Colorado Mills mall has re-opened, creating an increase in General Fund sales tax revenue.



- General Fund sales tax revenues increased \$1.6M or 2.5% during 2018 as a result of the recovery at Colorado Mills. Conversely, Building Materials Use and General Use tax revenues decreased \$3.4M or 30.1% as a result of the completion of many post-hailstorm construction jobs. Still, 2018 Building Materials Use tax and General Use tax revenues were 2nd highest in the City's history, to the year 2017.
- During 2018, General Fund property tax receipts increased \$1,449,321 or 15.8%. Property taxes are assessed and collected in arrears. As such, the 2018 receipts reflect the 2017 property assessment values, in advance of the 2018 reassessment of values. The City is also experiencing growth in the current market for residential properties.
- The Lakewood Reinvestment Authority had an increase in 2018 revenue in the amount of \$2,350,010 or 25.6%. This is reflective of the same change and improvement in property tax values and assessments in revitalized areas and reflects some new construction in the revitalized areas of the City.

Expenditures

The City experienced economic growth during 2018, yet revenues are perceived to be volatile and uncertain. The City is substantially reliant on sales tax revenues driven by consumer purchases which are unpredictable and discretionary. In addition, the City has collected meaningful one time revenues from building construction and motor vehicle purchases.

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

- The City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and was only filling positions upon an evaluation and approval by the City Manager. The City added to its police force during 2018 by increasing the authorized number of police officers by 2 officers and 4 civilian community service officers. This is the result of a study designed to assess the Police Department's call load and service efficiencies.
- General Fund expenditures and transfers out increased \$12.15 million or 10.2% over 2018. This was largely due to \$12.3M in transfers out, related to the Tabor/Revenue-Limit ballot question, mentioned above. Expenditures increased in the General Fund for 2018 by \$5.8M (5.4%).

General Fund Budgetary Highlights

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

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



Economic Factors and Next Year's Budget

In preparing both the 2019 revised budget as well as the 2020 budget, the City seeks guidance from many sources for an overall economic outlook. Those sources include the State Governor's Office of Planning & Budgeting and the State Legislative Council's economics staff.

V. Requests for Information

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

BASIC FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 125,116,965	\$ 16,203,146	\$ 141,320,111
Restricted Cash and Investments	3,554,184	-	3,554,184
Receivables			
Accounts	6,835,220	1,514,355	8,349,575
Taxes	29,684,006	-	29,684,006
Inventories	255,266	150,131	405,397
Prepays	8,000	-	8,000
Capital Assets, Not Being Depreciated	147,156,137	12,762,524	159,918,661
Capital Assets, Net of Accumulated Depreciation	297,922,802	10,669,847	308,592,649
Total Assets	610,532,580	41,300,003	651,832,583
Deferred Outflows of Resources			
Loss on Debt Refunding, Net of Accumulated Amortization	346,010	-	346,010
Deferred outflows of resources relating to OPEB	4,939,759	-	4,939,759
Total Assets and Deferred Outflows of Resources	\$ 615,818,349	\$ 41,300,003	\$ 657,118,352
Liabilities			
Accounts Payable	\$ 8,544,734	\$ 555,044	\$ 9,099,778
Accrued Liabilities	6,176,003	141,581	6,317,584
Accrued Interest Payable	166,812	-	166,812
Refundable Deposits	4,991,430	-	4,991,430
Retainage Payable	619,350	-	619,350
Unearned Revenues	1,027,298	130,799	1,158,097
Claims Payable	3,583,386	-	3,583,386
Noncurrent Liabilities			
Due Within One Year	5,864,225	-	5,864,225
Due In More Than One Year	30,162,109	-	30,162,109
Total Liabilities	61,135,347	827,424	61,962,771
Deferred Inflows of Resources			
Property Taxes	20,699,702	-	20,699,702
Deferred inflows of resources relating to OPEB	1,497,182	-	1,497,182
Total Deferred Inflows of Resources	22,196,884	-	22,196,884
Net Position			
Net Investment in Capital Assets	422,135,173	23,432,371	445,567,544
Restricted for			
Emergencies	4,561,366	-	4,561,366
Parks and Open Space	19,619,913	-	19,619,913
Economic Development	9,705,508	-	9,705,508
Debt Service	3,551,209	-	3,551,209
Capital Improvements	23,100,952	-	23,100,952
Urban Renewal	5,890,179	-	5,890,179
Public Safety	4,642,642	-	4,642,642
Unrestricted	39,279,176	17,040,208	56,319,384
Total Net Position	532,486,118	40,472,579	572,958,697
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 615,818,349	\$ 41,300,003	\$ 657,118,352

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 43,076,952	\$ 8,142,753	\$ 3,263	\$ -
Public Safety	61,299,639	6,550,358	2,708,102	-
Public Works	10,975,754	548,695	1,382,287	6,363,301
Culture and Recreation	22,608,876	7,141,698	8,675,913	5,000
Urban Development and Housing	12,326,943	1,173,191	96,289	900,105
Economic Opportunity	4,824,459	1,287,174	1,447,121	-
Interest and Fees on Long-Term Debt	1,196,617	-	-	-
Total Governmental Activities	156,309,240	24,843,869	14,312,975	7,268,406
Business-Type Activities				
Golf Course	4,499,986	4,988,439	-	-
Sewer	4,464,144	4,244,838	-	1,006,210
Stormwater	2,683,444	4,847,531	-	-
Water	1,039,641	1,151,744	-	1,300
Total Business-Type Activities	12,687,215	15,232,552	-	1,007,510
Total Primary Government	\$ 168,996,455	\$ 40,076,421	\$ 14,312,975	\$ 8,275,916

General Revenues

Taxes

Property and Specific Ownership

General Sales and Use

Building Materials and Motor Vehicle Use

Franchise

Business and Occupational

Hotel Accomodation

Intergovernmental Revenues not Restricted to

Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

TABOR Refund

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning of Year (as previously presented)

Cumulative adjustment for the adoption of a new accounting standard

NET POSITION, End of Year

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

Net (Expense) Revenue and Change in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (34,930,936)	\$ -	\$ (34,930,936)
(52,041,179)	-	(52,041,179)
(2,681,471)	-	(2,681,471)
(6,786,265)	-	(6,786,265)
(10,157,358)	-	(10,157,358)
(2,090,164)	-	(2,090,164)
(1,196,617)	-	(1,196,617)
(109,883,990)	-	(109,883,990)
-	488,453	488,453
-	786,904	786,904
-	2,164,087	2,164,087
-	113,403	113,403
-	3,552,847	3,552,847
(109,883,990)	3,552,847	(106,331,143)
21,200,905	-	21,200,905
79,994,890	-	79,994,890
12,861,766	-	12,861,766
6,145,840	-	6,145,840
3,465,089	-	3,465,089
1,699,879	-	1,699,879
327,964	-	327,964
1,707,727	239,266	1,946,993
168,724	-	168,724
-	50,561	50,561
12,536,504	-	12,536,504
685,148	(685,148)	-
140,794,436	(395,321)	140,399,115
30,910,446	3,157,526	34,067,972
504,746,735	37,315,053	542,061,788
(3,171,063)	-	(3,171,063)
\$ 532,486,118	\$ 40,472,579	\$ 572,958,697

CITY OF LAKEWOOD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Open Space Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 33,540,363	\$ -	\$ 28,451,414	\$ 8,075,468	\$ 14,956,469	\$ 19,055,137	\$ 104,078,851
Restricted Cash and Investments	379,086	-	-	183,030	-	2,992,068	3,554,184
Accounts Receivable	2,711,000	1,258,498	1,383,515	107,700	1,098,384	188,135	6,747,232
Property Taxes Receivable	10,559,750	-	-	10,224,257	-	-	20,784,007
Sales Taxes Receivable	7,411,038	-	1,421,758	67,203	-	-	8,899,999
Interfund Receivable	618,788	-	-	-	-	-	618,788
Inventories	238,507	-	-	-	-	16,759	255,266
Prepays	-	-	-	-	-	8,000	8,000
Total Assets	<u>\$ 55,458,532</u>	<u>\$ 1,258,498</u>	<u>\$ 31,256,687</u>	<u>\$ 18,657,658</u>	<u>\$ 16,054,853</u>	<u>\$ 22,260,099</u>	<u>\$ 144,946,327</u>
LIABILITIES							
Accounts Payable	\$ 2,260,314	\$ 296,071	\$ 3,412,517	\$ 1,912,275	\$ 444,317	\$ 159,926	\$ 8,485,420
Interfund Payable	-	618,788	-	-	-	-	618,788
Accrued Liabilities	5,896,207	70,711	33,468	1,862	75,126	79,545	6,156,919
Refundable Deposits	96,923	-	4,894,507	-	-	-	4,991,430
Retainage Payable	-	-	117,170	447,930	54,250	-	619,350
Unearned Revenues	127,143	107,739	390,524	-	-	401,892	1,027,298
TABOR Refund Payable	-	-	-	-	-	-	-
Total Liabilities	<u>8,380,587</u>	<u>1,093,309</u>	<u>8,848,186</u>	<u>2,362,067</u>	<u>573,693</u>	<u>641,363</u>	<u>21,899,205</u>
DEFERRED INFLOWS OF RESOURCES							
Grants	-	494,992	-	-	-	22,137	517,129
Property Taxes	10,475,445	-	-	10,224,257	-	-	20,699,702
Total Deferred Inflows of Resources	<u>10,475,445</u>	<u>494,992</u>	<u>-</u>	<u>10,224,257</u>	<u>-</u>	<u>22,137</u>	<u>21,216,831</u>
FUND BALANCES							
Nonspendable:							
Inventories	238,507	-	-	-	-	16,759	255,266
Prepays	-	-	-	-	-	8,000	8,000
Restricted for:							
Emergencies	4,561,366	-	-	-	-	-	4,561,366
Parks and Open Space	2,262,599	-	-	-	15,481,160	1,876,154	19,619,913
Economic Development	-	-	-	-	-	9,705,508	9,705,508
Debt Service	379,086	-	-	181,155	-	2,990,968	3,551,209
Capital Improvements	1,242,451	-	21,858,501	-	-	-	23,100,952
Urban Renewal	-	-	-	5,890,179	-	-	5,890,179
Public Safety	2,732,522	-	550,000	-	-	1,085,120	4,367,642
Assigned to:							
Cultural Activities	-	-	-	-	-	1,073,864	1,073,864
Capital Improvements	-	-	-	-	-	4,840,226	4,840,226
Unassigned	<u>25,185,969</u>	<u>(329,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,856,166</u>
Total Fund Balances	<u>36,602,500</u>	<u>(329,803)</u>	<u>22,408,501</u>	<u>6,071,334</u>	<u>15,481,160</u>	<u>21,596,599</u>	<u>101,830,291</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 55,458,532</u>	<u>\$ 1,258,498</u>	<u>\$ 31,256,687</u>	<u>\$ 18,657,658</u>	<u>\$ 16,054,853</u>	<u>\$ 22,260,099</u>	<u>\$ 144,946,327</u>

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

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

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

Fund Balances - Governmental Funds	\$ 101,830,291
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	445,078,939
In governmental funds, revenue is not recognized until it is available to liquidate current year liabilities and it is deferred.	517,129
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	17,464,318
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds. These include long-term debt (\$36,026,334), accrued interest payable (\$166,812), loss on debt refunding \$346,010, deferred outflows of resources relating to OPEB \$4,939,759 and deferred inflows of resources relating OPEB (\$1,497,182).	<u>(32,404,559)</u>
Total Net Position of Governmental Activities	<u><u>\$ 532,486,118</u></u>

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Open Space Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 98,393,787	\$ -	\$ 14,867,174	\$ 10,407,529	\$ -	\$ 1,699,879	\$ 125,368,369
Licenses and Permits	4,902,432	-	-	-	-	-	4,902,432
Charges for Services	12,797,125	-	-	-	9,937	3,347,374	16,154,436
Fines and Forfeitures	1,241,903	-	-	-	-	-	1,241,903
Intergovernmental	6,528,119	5,085,224	2,363,616	-	6,361,764	2,258,184	22,596,907
Miscellaneous							
Investment Income	417,977	695	467,397	131,120	86,502	299,949	1,403,640
TABOR Refund Retention	12,536,504	-	-	-	-	-	12,536,504
Other	637,077	23,000	-	997,647	5,000	389,235	2,051,959
Total Revenues	137,454,924	5,108,919	17,698,187	11,536,296	6,463,203	7,994,621	186,256,150
EXPENDITURES							
Current							
General Government	33,288,847	73,353	1,757,698	-	-	1,197,222	36,317,120
Public Safety	56,945,010	2,765,678	397,831	-	-	-	60,108,519
Public Works	7,235,945	5,065	664,425	-	-	-	7,905,435
Culture and Recreation	13,876,724	122,316	703	-	5,077,253	2,982,615	22,059,611
Urban Development and Housing	694,387	365,511	113,789	264,666	-	591,527	2,029,880
Economic Opportunity	1,341,301	1,458,715	-	-	-	-	2,800,016
Capital Outlay							
General Government	110,661	-	4,136,750	-	-	2,734,882	6,982,293
Public Safety	129,973	348,905	569,900	-	-	-	1,048,778
Public Works	25,995	226,638	9,792,977	-	-	-	10,045,610
Culture and Recreation	129,201	8,344	38,869	-	10,461,640	584,729	11,222,783
Urban Development and Housing	-	-	-	10,248,630	-	-	10,248,630
Economic Opportunity	-	-	2,024,443	-	-	-	2,024,443
Debt Service							
Principal	195,982	305,000	-	217,682	-	4,220,000	4,938,664
Interest and Fiscal Charges	107,248	63,663	-	63,472	-	909,594	1,143,977
Total Expenditures	114,081,274	5,743,188	19,497,385	10,794,450	15,538,893	13,220,569	178,875,759
Excess (Deficiency) of Revenues Over Expenditures	23,373,650	(634,269)	(1,799,198)	741,846	(9,075,690)	(5,225,948)	7,380,391
OTHER FINANCING SOURCES (USES)							
Proceeds from Capital Lease	-	-	1,510,854	-	-	-	1,510,854
Transfers In	-	436,561	3,621,504	-	14,600,000	8,896,304	27,554,369
Transfers Out	(16,922,909)	-	(7,821,181)	-	(1,268,600)	(856,531)	(26,869,221)
Total Other Financing Sources (Uses)	(16,922,909)	436,561	(2,688,823)	-	13,331,400	8,039,773	2,196,002
Net Change in Fund Balances	6,450,741	(197,708)	(4,488,021)	741,846	4,255,710	2,813,825	9,576,393
FUND BALANCES, Beginning of Year	30,151,759	(132,095)	26,896,522	5,329,488	11,225,450	18,782,774	92,253,898
FUND BALANCES, End of Year	\$ 36,602,500	\$ (329,803)	\$ 22,408,501	\$ 6,071,334	\$ 15,481,160	\$ 21,596,599	\$ 101,830,291

The accompanying notes are an integral part of the financial statements

CITY OF LAKEWOOD, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

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

Net Change in Fund Balances - Governmental Funds	\$ 9,576,393
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset additions \$25,629,783 exceeded depreciation expense (\$10,321,272) and net book value of capital asset disposals (\$883,561) in the current year.	14,424,950
--	------------

Other post-employment benefit (OPEB) related deferred inflows (\$1,497,182) and deferred outflows of resources \$4,939,759, are not current financial resources and, therefore, are not reported in the fund financial statements.	3,442,577
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The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: issuance of capital lease (\$1,510,854), COP and loan principal payments \$4,742,682, principal payments on capital leases \$195,982, amortization of premium \$130,641, and amortization of loss on refunding (\$173,005).	3,385,446
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Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds.	(25,699)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in accrued interest payable (\$10,276), compensated absences (\$98,403), postemployment benefits (\$1,243,068) and the net pension liability \$140,768.	(1,210,979)
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Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The activities of the internal service funds are reported with governmental activities in the statement of activities.	1,317,758
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Change in Net Position of Governmental Activities	\$ 30,910,446
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The accompanying notes are an integral part of the financial statements.



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current Assets						
Cash and Investments	\$ 150,886	\$ 7,428,339	\$ 6,487,098	\$ 2,136,823	\$16,203,146	\$ 21,038,114
Accounts Receivable	82,241	812,726	452,808	166,580	1,514,355	87,988
Inventories	150,131	-	-	-	150,131	-
Total Current Assets	383,258	8,241,065	6,939,906	2,303,403	17,867,632	21,126,102
Noncurrent Assets						
Land	6,921,465	149,437	331,863	75,459	7,478,224	-
Construction in Progress	-	52,200	5,232,100	-	5,284,300	-
Infrastructure	-	12,188,457	11,332,566	1,459,129	24,980,152	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,142,110	89,674	89,674	-	2,321,458	-
Less Accumulated Depreciation	(8,044,863)	(9,877,540)	(5,642,517)	(1,456,576)	(25,021,496)	-
Total Noncurrent Assets	8,968,079	3,021,994	11,343,686	98,612	23,432,371	-
Total Assets	\$ 9,351,337	\$11,263,059	\$18,283,592	\$ 2,402,015	\$41,300,003	\$ 21,126,102
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts Payable	\$ 15,481	\$ 357,937	\$ 125,287	\$ 56,339	\$ 555,044	\$ 59,314
Accrued Liabilities	71,908	23,205	42,883	3,585	141,581	19,084
Unearned Revenues	130,799	-	-	-	130,799	-
Claims Payable	-	-	-	-	-	3,583,386
Total Current Liabilities	218,188	381,142	168,170	59,924	827,424	3,661,784
NET POSITION						
Net Investment in Capital Assets	8,968,079	3,021,994	11,343,686	98,612	23,432,371	-
Restricted for Public Safety	-	-	-	-	-	275,000
Unrestricted	165,070	7,859,923	6,771,736	2,243,479	17,040,208	17,189,318
Total Net Position	9,133,149	10,881,917	18,115,422	2,342,091	40,472,579	17,464,318
Total Liabilities and Net Position	\$ 9,351,337	\$11,263,059	\$18,283,592	\$ 2,402,015	\$41,300,003	\$ 21,126,102

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Nonmajor				Total	Internal Service Funds
	Golf Course Fund	Sewer Fund	Stormwater Fund	Water Fund		
OPERATING REVENUES						
Charges for Services	\$ 4,988,439	\$ 4,244,838	\$ 4,847,531	\$ 1,151,744	\$ 15,232,552	\$ 13,688,282
Miscellaneous	100	-	50,461	-	50,561	475,783
Total Operating Revenues	4,988,539	4,244,838	4,897,992	1,151,744	15,283,113	14,164,065
OPERATING EXPENSES						
Cost of Goods Sold	308,713	-	-	-	308,713	-
Personnel Services	2,674,701	644,673	1,207,811	102,179	4,629,364	567,509
Services and Supplies	1,268,138	474,679	960,079	72,176	2,775,072	534,222
Sanitation Treatment	-	2,925,689	-	-	2,925,689	-
Water Purchased	-	-	-	812,562	812,562	-
Claims	-	-	-	-	-	9,805,928
Premiums	-	-	-	-	-	2,242,735
Capital Maintenance	5,038	1,008	15,971	6,035	28,052	-
Depreciation	243,396	418,095	499,583	46,689	1,207,763	-
Total Operating Expenses	4,499,986	4,464,144	2,683,444	1,039,641	12,687,215	13,150,394
Operating Income (Loss)	488,553	(219,306)	2,214,548	112,103	2,595,898	1,013,671
NONOPERATING REVENUES						
Investment Income	3,856	108,615	95,066	31,729	239,266	304,087
Income (Loss) Before Transfers	492,409	(110,691)	2,309,614	143,832	2,835,164	1,317,758
System Investment Fees	-	1,006,210	-	1,300	1,007,510	-
Transfers Out	(685,148)	-	-	-	(685,148)	-
Change in Net Position	(192,739)	895,519	2,309,614	145,132	3,157,526	1,317,758
NET POSITION, Beginning of Year	9,325,888	9,986,398	15,805,808	2,196,959	37,315,053	16,146,560
NET POSITION, End of Year	\$ 9,133,149	\$ 10,881,917	\$ 18,115,422	\$ 2,342,091	\$ 40,472,579	\$ 17,464,318

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds					Governmental
	Nonmajor					Activities
	Golf Course	Sewer	Stormwater	Water	Total	Internal
	Fund	Fund	Fund	Fund		Service
						Funds
CASH FLOWS FROM OPERATING						
ACTIVITIES						
Cash Received from Customers	\$ 4,944,186	\$ 4,414,095	\$ 4,929,476	\$ 1,141,175	\$15,428,932	\$ 13,600,294
Other Receipts	100	-	50,461	-	50,561	475,783
Cash Paid to Suppliers	(1,610,244)	(3,447,226)	(897,182)	(914,299)	(6,868,951)	(12,214,338)
Cash Paid to Employees	(2,660,489)	(640,316)	(1,204,924)	(102,347)	(4,608,076)	(568,009)
Net Cash Provided by Operating Activities	673,553	326,553	2,877,831	124,529	4,002,466	1,293,730
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES						
Payments to Other Funds	(685,148)	-	-	-	(685,148)	-
CASH FLOWS FROM CAPITAL						
AND RELATED FINANCING ACTIVITIES						
Purchases of Capital Assets	(102,771)	(375,619)	(2,127,996)	-	(2,606,386)	-
System Investment Fees Received	-	1,006,210	-	1,300	1,007,510	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(102,771)	630,591	(2,127,996)	1,300	(1,598,876)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	3,856	108,615	95,066	31,729	239,266	304,087
NET INCREASE IN CASH AND						
CASH EQUIVALENTS	(110,510)	1,065,759	844,901	157,558	1,957,708	1,597,817
CASH AND CASH EQUIVALENTS,						
Beginning of Year	261,396	6,362,580	5,642,197	1,979,265	14,245,438	19,440,297
CASH AND CASH EQUIVALENTS,						
End of Year	\$ 150,886	\$ 7,428,339	\$ 6,487,098	\$ 2,136,823	\$16,203,146	\$ 21,038,114
RECONCILIATION OF OPERATING						
INCOME TO NET CASH PROVIDED						
BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 488,553	\$ (219,306)	\$ 2,214,548	\$ 112,103	\$ 2,595,898	\$ 1,013,671
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities						
Depreciation	243,396	418,095	499,583	46,689	1,207,763	-
Accounts Receivable	(57,441)	169,258	81,945	(10,569)	183,193	(87,988)
Inventories	(31,891)	-	-	-	(31,891)	-
Accounts Payable	3,535	(36,777)	78,870	(23,862)	21,766	7,441
Retainage Payable	-	(9,075)	-	-	(9,075)	(5,456)
Accrued Liabilities	14,213	4,358	2,885	168	21,624	2,566
Unearned Revenues	13,188	-	-	-	13,188	-
Claims Payable	-	-	-	-	-	363,496
Net Cash Provided By Operating Activities	\$ 673,553	\$ 326,553	\$ 2,877,831	\$ 124,529	\$ 4,002,466	\$ 1,293,730

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	Pension Trust Funds
ASSETS	
Pooled Cash	\$ 15,924
Mutual Funds	<u>2,318,189</u>
Total Assets	<u><u>\$ 2,334,113</u></u>
LIABILITIES	
Payables	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
NET POSITION	
Restricted for Pensions	<u>2,334,113</u>
Net Position Restricted for Pensions	<u><u>\$ 2,334,113</u></u>

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2018

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 225,000
Miscellaneous	
Investment Income	<u>131,302</u>
Total Additions	<u>356,302</u>
DEDUCTIONS	
Benefit Payments	217,138
Administrative Expenses	<u>485</u>
Total Deductions	<u>217,623</u>
Net Increase in net position restricted for pensions	138,679
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of Year	<u>2,195,434</u>
End of Year	<u><u>\$ 2,334,113</u></u>

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



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NOTES TO FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

Assets, Liabilities and Net Position/Fund Balances

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Capital assets are defined by the City as assets that have a value greater than the *capitalization threshold* (as shown below) and have an estimated useful life of at least two years following the date of acquisition. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation. Interest accrued during construction is not capitalized.

Type of Asset	Threshold
Land/land improvements	\$ 50,000
Building/building improvements	50,000
Park facilities and other improvements	5,000
Infrastructure	100,000
Rights of way and easements	50,000
Leasehold improvements	50,000
Personal property (i.e., machinery, furniture and fixtures, computer equipment, vehicles, software, street lights)	5,000
Works of art/historical treasures (capitalized but not depreciated)	5,000

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Deferred Outflows/Inflows of Resources - Deferred outflows of resources include losses on debt refundings resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources include property taxes earned but levied for a subsequent year. Revenues not available as current financial resources are deferred inflows in the governmental fund financial statements. In addition, the City reports deferred outflows and deferred inflows of resources relating to its net OPEB liability. See Note 9 for additional information.

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

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

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

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

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaids.
- Restricted Fund Balance – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned Fund Balance - amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. City Council, as the governing board, is authorized to informally assign amounts to a specific purpose and has assigned certain amounts through various policies.
- Unassigned Fund Balance - the remaining General Fund fund balance after amounts are set aside for other classifications. Other funds may report negative balances in this category.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2018, the Grants Fund had a negative fund balance of \$329,803, which will be eliminated once grant receivables are collected.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 3 – CASH AND INVESTMENTS

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

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

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

Unrestricted cash and investments:

Governmental activities	\$	125,116,965
Business-type activities		16,203,146
Fiduciary fund		2,334,113

Restricted cash and investments:

Governmental activities		3,554,184
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Total	\$	147,208,408
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At December 31, 2018, cash and investments consisted of the following:

Cash on hand	\$	28,022
Deposits		37,285,961
Investments		109,894,425
Total	\$	147,208,408

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the City had bank deposits of \$39,018,723 collateralized with securities held by the financial institutions' agents but not in the City's name.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments

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

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

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

At December 31, 2018, the City's investment balances were as follows:

Investment Type	S&P Rating	Investment Maturities (in Years)		Pension Trust	Fair Value
		Less than 1	1 - 5		
US Treasury Securities	NA	\$ -	\$ 3,887,030	\$ -	\$ 3,887,030
US Treasury Securities	AA+	184,010	5,469,568	-	5,653,578
US Agency Securities	NA	-	75,759,198	-	75,759,198
US Agency Securities	AA+	199,495	12,799,517	-	12,999,012
Corporate Bonds	AAA	108,905	-	-	108,905
Corporate Bonds	AA+	274,493	-	-	274,493
Corporate Bonds	AA	-	400,284	-	400,284
Commerical Paper	A-1+	2,756,462	-	-	2,756,462
Money Market Funds	AAA	341,287	-	-	341,287
Mutual Funds	NA	2,318,189	-	2,318,189	2,318,189
ColoTrust	AAAm	5,395,987	-	-	5,395,987
Total		\$ 11,578,828	\$ 98,315,597	\$ 2,318,189	\$ 109,894,425

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

Investment Type	Level 1	Level 2	Level 3	Total
US Treasury Securities	\$ -	\$ 9,540,608	\$ -	\$ 9,540,608
US Agency Securities	-	88,758,210	-	88,758,210
Corporate Bonds	-	783,682	-	783,682
Commercial Paper	-	2,756,462	-	2,756,462
Mutual Funds	2,318,189	-	-	2,318,189
Total	<u>\$ 2,318,189</u>	<u>\$ 101,838,962</u>	<u>\$ -</u>	<u>104,157,151</u>
Investments at Net Asset Value				<u>5,737,274</u>
Total Investments				<u>\$ 109,894,425</u>

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

Credit Risk - State statutes limit investments in commercial paper to a rating category of A1, P1, F1 or their equivalents, by at least two nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in corporate bonds to a minimum rating category of AA- or Aa3 or their equivalents by at least two NRSROs. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk - The City's investment policy requires that investments in any U.S. dollar denominated corporate or bank debt may comprise up to 30% of the book value of the City's total investments at the time of purchase with no more than 5% concentrated in any single obligor. Any investment in commercial paper may not exceed 50% of the total par value of the City's portfolio with no greater than 7.5% exposure to any single issuer. Furthermore, general obligation and revenue bonds of U.S. local government entities shall not exceed 50% of the total par value of the City's portfolio. At December 31, 2018, the City's investment in the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Agricultural Mortgage Corporation represented 13%, 29%, 10%, 10%, and 18%, respectively, of total investments.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Investment Pools - At December 31, 2018, the City had invested \$5,395,987 in the Colorado Local Government Liquid Asset Trust (the “Trust”), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

The General Fund has restricted cash and investments of \$379,086 representing the required HUD Section 108 deposit reserve account (See Note 5). The Lakewood Reinvestment Authority has restricted cash and investments of \$183,030 which represents \$181,155 for the required loan reserve and \$1,875 in related interest earnings. The Lakewood Public Building Authority has cash and investments of \$2,992,068 restricted for debt service.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2018.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 127,774,045	\$ 7,536,690	\$ -	\$ 135,310,735
Construction in progress	4,502,654	8,238,322	(1,319,434)	11,421,542
Works of art/historical treasures	239,915	183,945	-	423,860
Total capital assets, not being depreciated	132,516,614	15,958,957	(1,319,434)	147,156,137
Capital assets, being depreciated:				
Infrastructure	216,409,545	2,970,004		219,379,549
Park buildings, facilities and improvements	115,936,942	3,429,053	-	119,365,995
Buildings	69,751,618	-	-	69,751,618
Machinery and equipment	47,667,628	4,591,203	(2,408,569)	49,850,262
Solar power capacity	933,232	-	-	933,232
Total capital assets, being depreciated	450,698,965	10,990,260	(2,408,569)	459,280,656
Less accumulated depreciation for:				
Infrastructure	(44,242,226)	(3,093,609)	-	(47,335,835)
Park buildings, facilities and improvements	(39,692,471)	(2,405,240)	-	(42,097,711)
Buildings	(30,932,966)	(1,784,205)	-	(32,717,171)
Machinery and equipment	(37,530,509)	(2,991,582)	1,525,008	(38,997,083)
Solar power capacity	(163,418)	(46,636)	-	(210,054)
Total accumulated depreciated	(152,561,590)	(10,321,272)	1,525,008	(161,357,854)
Total capital assets, being depreciated, net	298,137,375	668,988	(883,561)	297,922,802
Governmental activities capital assets, net	\$ 430,653,989	\$ 16,627,945	\$ (2,202,995)	\$ 445,078,939

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 4 - CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,408,974	\$ 69,250	\$ -	\$ 7,478,224
Construction in Progress	3,318,748	1,965,552	-	5,284,300
Total capital assets, not being depreciated	10,727,722	2,034,802	-	12,762,524
Capital assets, being depreciated:				
Infrastructure	24,690,687	289,465	-	24,980,152
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery and equipment	2,106,597	282,119	(67,258)	2,321,458
Total capital assets, being depreciated	35,187,017	571,584	(67,258)	35,691,343
Less accumulated depreciation for:				
Infrastructure	(15,571,902)	(934,393)	-	(16,506,295)
Buildings	(2,926,634)	(157,145)	-	(3,083,779)
Improvements	(3,637,539)	(7,058)	-	(3,644,597)
Machinery and equipment	(1,744,917)	(109,166)	67,258	(1,786,825)
Total accumulated depreciation	(23,880,992)	(1,207,762)	67,258	(25,021,496)
Total capital assets, being depreciated, net	11,306,025	(636,178)	-	10,669,847
Total business-type activities capital assets, net	<u>\$ 22,033,747</u>	<u>\$ 1,398,624</u>	<u>\$ -</u>	<u>\$ 23,432,371</u>

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

Governmental Activities:	
General government	\$ 2,853,842
Public safety	1,302,680
Public works	3,620,531
Culture and recreation	2,495,786
Economic development	21,950
Economic opportunity	26,483
Total depreciation expense - governmental activities	<u>\$ 10,321,272</u>
Business-type Activities:	
Golf course	\$ 243,396
Sewer	418,095
Stormwater	499,583
Water	46,689
Total depreciation expense - business-type activities	<u>\$ 1,207,763</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2018:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of participation					
Certificates of participation, 2006A	\$14,230,000	\$ -	\$ 2,060,000	\$ 12,170,000	\$ 2,165,000
2006A COPs Premium	391,923	-	130,641	261,282	130,641
Certificates of participation, 2006B	6,730,000	-	2,160,000	4,570,000	2,240,000
Capital leases payable					
Police facility building	1,657,156	-	107,224	1,549,932	112,038
Solar power capacity lease	712,387	-	88,758	623,629	92,850
Energy Performance Improvements Lease	-	1,510,854	-	1,510,854	78,491
Notes payable					
HUD section 108 notes payable	1,304,000	-	305,000	999,000	320,000
LRA station betterments loan	1,822,761	-	217,682	1,605,079	125,205
Compensated absences					
Sick leave	2,408,851	1,853,209	1,891,346	2,370,714	250,000
Vacation	3,872,915	3,982,907	3,846,367	4,009,455	350,000
Postemployment benefits					
Postemployment benefits	4,223,560	1,525,551	282,483	5,466,628	-
Net pension liability					
Net pension liability	1,030,529	215,534	356,302	889,761	-
Total	\$38,384,082	\$ 9,088,055	\$11,445,803	\$36,026,334	\$ 5,864,225

2006A Certificates of Participation

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 5 - LONG-TERM DEBT (Continued)

2006A Certificates of Participation (Continued)

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,165,000	\$ 554,375	\$ 2,719,375
2020	2,275,000	443,375	2,718,375
2021	2,390,000	326,750	2,716,750
2022	5,340,000	133,500	5,473,500
Total	<u>\$ 12,170,000</u>	<u>\$ 1,458,000</u>	<u>\$ 13,628,000</u>

2006B Certificates of Participation

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

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

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,240,000	\$ 157,589	\$ 2,397,589
2020	2,330,000	68,786	2,398,786
Total	<u>\$ 4,570,000</u>	<u>\$ 226,375</u>	<u>\$ 4,796,375</u>

Capital Leases

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 5 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2018:

<u>Year</u>	<u>Amount</u>
2019	\$ 181,630
2020	181,630
2021	181,630
2022	181,630
2023	181,630
2024-2028	908,150
2029	<u>181,630</u>
Total future minimum payments	1,997,930
Less: discount for interest	<u>(447,998)</u>
Present value of future minimum payments	<u><u>\$ 1,549,932</u></u>

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

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2018:

<u>Year</u>	<u>Amount</u>
2019	\$ 121,600
2020	121,600
2021	121,600
2022	121,600
2023	121,600
2024	<u>119,930</u>
Total future minimum payments	727,930
Less: discount for interest	<u>(104,301)</u>
Present value of future minimum payments	<u><u>\$ 623,629</u></u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 5 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Energy Performance Improvements Lease – On April 6, 2018, the City entered into an agreement to finance the acquisition of certain energy conservation improvements, equipment, and controls intended to result in energy conservation savings in certain buildings. The purchase agreement was funded with a lease agreement for \$1,510,854. The energy performance improvements are recorded as capital assets in the amount of \$933,232. Annual payments of \$130,872, including principal and interest accruing at 3.467%, are due on April 6, through 2033.

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2018:

<u>Year</u>	<u>Amount</u>
2019	\$ 130,872
2020	130,872
2021	130,872
2022	130,872
2023	130,872
2024-2028	654,363
2029-2033	<u>654,362</u>
Total future minimum payments	1,963,085
Less: discount for interest	<u>(452,231)</u>
Present value of future minimum payments	<u><u>\$ 1,510,854</u></u>

HUD Section 108 Notes Payable

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

The loan is collateralized by future City grant allocations, program income derived from the original loan proceeds, and all funds or investments in the accounts established for the proceeds. The City is also required to establish and maintain a deposit reserve account in the amount equal to the greatest amount of principal and interest projected to be due on the loan during any year as calculated as of the date of the note. The required deposit reserve account balance at December 31, 2018, was \$379,086 (See Note 3). The note is guaranteed by the U. S. Department of Housing and Urban Development under Section 108 of the Housing and Community Development Act of 1974.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 5 - LONG-TERM DEBT (Continued)

HUD Section 108 Notes Payable (Continued)

Future debt service requirements are as follows:

Year	Principal	Interest	Total
2019	\$ 320,000	\$ 49,572	\$ 369,572
2020	335,000	33,988	368,988
2021	344,000	17,372	361,372
Total	\$ 999,000	\$ 100,932	\$ 1,099,932

Lakewood Reinvestment Authority Station Betterments Loan

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

The loan is collateralized by a Loan Reserve Account funded with \$181,155 of the loan proceeds (See Note 3). For the year ended December 31, 2018, incremental property tax revenues of \$278,139 were available to pay annual debt service of \$181,155.

Remaining debt service at December 31, 2018, was as follows:

Year	Principal	Interest	Total
2019	\$ 125,205	\$ 55,950	\$ 181,155
2020	129,700	51,454	181,154
2021	134,490	46,665	181,155
2022	139,305	41,850	181,155
2023	144,292	36,862	181,154
2024-2028	659,665	96,072	755,737
2029-2030	272,422	10,089	282,511
Total	\$ 1,605,079	\$ 338,942	\$ 1,944,021

Compensated Absences, Pension Liabilities, and Postemployment Benefits

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 6 - FUND BALANCE

The TABOR Amendment (See Note 11) requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3 percent or more of fiscal year spending (as defined by TABOR). The amount required to be restricted at December 31, 2018, totaled \$4,561,366 and is reported as restricted fund balance in the General Fund.

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Transfers between funds during the year ended December 31, 2018, were as follows:

Transfers In	Transfers Out	Amount
Capital Improvement Fund	General Fund	\$ 2,706,504
Grants Fund	General Fund	162,931
Open Space Fund	General Fund	8,500,000
Nonmajor Funds	General Fund	5,553,474
		<u>16,922,909</u>
Grants Fund	Capital Improvement Fund	122,699
Capital Improvement Fund	Open Space Fund	915,000
Open Space Fund	Capital Improvement Fund	6,100,000
Grants Fund	Nonmajor Funds	150,931
Nonmajor Funds	Capital Improvement Fund	1,598,482
		<u>8,887,112</u>
Lakewood Public Building Authority	Golf Course Enterprise Fund	685,148
Lakewood Public Building Authority	Open Space Fund	353,600
Lakewood Public Building Authority	Nonmajor Funds	705,600
		<u>1,744,348</u>
Total		<u>\$ 27,554,369</u>

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 8 – EMPLOYEE RETIREMENT PLANS

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

Lakewood Employees Pension Plan

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

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

Under the terms of this plan, the City is the only non-employee contributor and contributes 10% of the employee's base salary, and the employee is required to contribute 8% of base salary. In 2014, the City contributed the 18% of the City Manager's contribution, which includes the employer and employee portion. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2018, the City and employees made contributions to the plan of \$4,244,458 and \$3,400,470 (including voluntary contributions of \$6,854), respectively.

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

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

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of an employee who terminates employment before becoming fully vested. During 2018, \$288,509 was used from this account to fund a portion of the City's contribution, and \$32,031 was available to fund future City contributions.

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

Police Pension Plan

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Police Pension Plan (Continued)

The City is the only non-employee contributor and contributes 10% of the participants' base salary, and the participant is required to contribute 8% of base salary. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2018, the City and employees made contributions to the plan of \$2,515,961 and \$2,057,456 (including voluntary contributions of \$23,423), respectively.

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

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

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

City Manager Severance Plan

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

City Manager Pension Plan

The City contributes to a 412(e)(3) plan on behalf of the City Manager. A 412(e)(3) plan uses a combination of guaranteed pension annuity contracts and pension life insurance policies specifically designed for insured pension plans. The City is required to make sufficient contributions to generate a guaranteed income stream for the City Manager during retirement. During the year ended December 31, 2018, the City made an annual required contribution to the plan in the amount of \$238,777. The guaranteed pension annuity of the plan is administered by the City, and the life insurance policy is administered by Massachusetts Mutual Life Insurance Company.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan

Summary of Significant Accounting Policies

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

Investments – Investments are reported at fair value.

Plan Information

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

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

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

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

Contributions - The plan was initially funded through a \$767,000 contribution from the City of Lakewood and a \$300,000 contribution from the City Manager. As established by City Council, the City will make all future contributions to the plan. The contributions are based on an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount necessary to finance the costs of benefits earned during the year, with an additional amount to finance any unfunded accrued liability. Contributions were determined as part of the December 31, 2017 actuarial valuation, with additional contributions in excess of the actuarially determined amount approved by the City Council. Total contributions for the year ended December 31, 2018, were \$225,000.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Investments

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

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

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

Rate of Return – During the year ended December 31, 2018, plan investments consisted solely of mutual funds. The annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 5.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured at December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017.

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

Discount Rate - 6.75%

Inflation - N/A

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

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

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability
Balances at December 31, 2017	\$ 3,225,963	\$ 2,195,434	\$ 1,030,529
Changes for the year:			
Interest	210,706	-	210,706
Differences between expected and actual experience	4,343	-	4,343
Contributions - Employer	-	225,000	(225,000)
Contributions - Member	-	-	-
Net investment income	-	131,302	(131,302)
Benefit payments	(217,138)	(217,138)	-
Administrative expense	-	(485)	485
Net changes	(2,089)	138,679	(140,768)
Balances at December 31, 2018	\$ 3,223,874	\$ 2,334,113	\$ 889,761

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability of the City at December 31, 2018, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate, as follows:

	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
Net pension liability	\$ 1,216,774	\$ 889,761	\$ 609,773

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

For the year ended December 31, 2018, the City recognized pension expense of \$15,200. The net difference between projected and actual earnings on plan investments of \$4,343 was recorded in pension expense. Because the difference was not significant, it will not be recognized as pension expense over multiple fiscal years.

Duty Death and Disability Plan

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Duty Death and Disability Plan (Continued)

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

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

At December 31, 2018, an actuarial valuation was performed to determine projected benefits estimated to be payable in the future as a result of employee service to date. The valuation was intended to help users assess, on a going-concern basis, the funding status of the plan and assess progress made in accumulating sufficient assets to pay benefits when due. Significant actuarial assumptions used in the valuation included (a) a real rate of return on the investment of present and future assets of 2%, (b) projected annual salary increases of 4.75%, (c) a mortality rate in accordance with the group annuity tables of 1994, (d) expected inflation of 3.00%, and (e) Duty Death and Disability rates based on experience of similar organizations with similar circumstances. To further test the Plan's funded status, Best-Estimate, Optimistic and Pessimistic scenarios were developed for duty-related deaths and disabilities.

Based on this valuation, the Best-Estimate Entry-Age Actuarial Liability totaled \$2,424,825. During the year ended December 31, 2018, benefit payments totaling \$73,271 were paid. At December 31, 2018, assets totaling \$3,746,904 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2018, the City and employees contributed \$124,253 and \$74,250, respectively, to the Police Duty Death and Disability Plan. Since a third party trustee holds the assets in trust, the plan is not reflected in the City's financial statements.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Information

Plan Description - The City's single-employer defined benefit OPEB plan, Retiree Health Care Plan, provides retirees access to group medical, dental, and vision coverage while retired until eligible for Medicare or any other group plan. No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

Benefits Provided - Retirees must meet the following eligibility requirements effective January 1, 2010: 1) are at least age 55, and have a combination of age and years of service that equals at least 75, or 2) qualify for a disability benefit through the City's long term disability program, provided they have completed five full consecutive years of service, and 3) are a member of one of the City's medical insurance plans immediately prior to retirement. Benefits cease upon becoming eligible for other medical benefits.

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

Additionally, the City provides a lump sum payment to certain employees. There are 65 employees that are eligible for this payment. The one-time payment is based on years of service and is calculated at a rate of \$50 (\$25 for part-time employees) per year of service to a maximum benefit of \$1,000 (\$500 part-time). The benefit is indexed to the City's average monthly investment earnings rates.

Employees Covered By Benefit Terms – As of December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Inactive employees entitled but not yet receiving benefit payments	0
Active employees	900

Total OPEB Liability

The City's total OPEB liability of \$5,466,628 was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs –The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	not applicable as benefits are not based on pay increases
Discount rate	4.5 percent
Healthcare cost trend rates	10.0 percent for 2012, decreasing to 6.0 percent for 2018 with an estimated ultimate rate of 4.6% in 2023 and thereafter
Retirees' share of benefit-related costs	20.9 percent of projected health insurance premiums for retirees

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The discount rate was based on three mutual funds that invest exclusively in Colorado: Franklin CO Tax Free Income, Colorado BondsShares A Tax Exempt, and Segall Bryant and Hamill Colorado Tax Free.

Mortality rates were not used.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period 2012 through 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	\$ 4,223,560
Changes for the year:	
Service cost	177,901
Interest	196,359
Changes of benefit terms	-
Differences between expected and actual experience	(212,463)
Changes in assumptions or other inputs	(164,878)
Changes in actuarial methods	1,316,169
Benefit payments	(70,020)
Net changes	1,243,068
Balance at December 31, 2018	\$ 5,466,628

Changes of assumptions and other inputs reflect a change in turnover and retirement rates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current discount rate:

	1% decrease (3.50%)	Current discount rate (4.50%)	1% increase (5.50%)
Total OPEB Liability	\$ 5,538,939	\$ 5,466,628	\$ 5,391,443

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare cost trend rates:

	1% decrease (5.0%)	Current trend rate (6.0%)	1% increase (7.0%)
Total OPEB Liability	\$ 5,125,567	\$ 5,466,628	\$ 5,859,573

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended December 31, 2018, the City recognized negative OPEB expense of \$132,811. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 365,752	\$ 1,332,304
Changes of assumptions or other inputs	4,574,007	164,878
Total	<u>\$ 4,939,759</u>	<u>\$ 1,497,182</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources relate to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2019	\$ (132,811)
2020	(132,811)
2021	(132,811)
2022	(132,811)
2023	(132,811)
Thereafter	<u>(2,778,522)</u>
	<u>\$ (3,442,577)</u>

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; health costs of employees; or natural disasters. For these risks of loss, the City has established self-insurance programs for property and casualty, worker's compensation, medical, and dental claims. The City accounts for these risk management activities in three internal service funds.

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

In 2015, the City established a self-insurance program for the medical portion of employee health benefits. Transactions of the health benefits self-insurance program are reported in the Medical and Dental Internal Service Fund. Excess coverage insurance policies cover individual claims in excess of \$50,000, and aggregate annual claims in excess of \$100,000 for the year ended December 31, 2018.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 10 – RISK MANAGEMENT (Continued)

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

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

The following represents the changes in claims payable from January 1, 2016 to December 31, 2018:

	Property and Casualty	Workers' Compensation	Medical and Dental
Claims payable, December 31, 2016	\$ 845,697	\$ 1,669,030	\$ 445,695
Claims and changes in provisions	1,179,954	763,830	7,958,551
Claims payments	(860,391)	(875,644)	(7,906,832)
Claims payable, December 31, 2017	1,165,260	1,557,216	497,414
Claims and changes in provisions	1,050,207	1,289,437	7,466,284
Claims payments	(951,226)	(1,135,097)	(7,356,109)
Claims payable, December 31, 2018	<u>\$ 1,264,241</u>	<u>\$ 1,711,556</u>	<u>\$ 607,589</u>

NOTE 11 - CONTINGENCIES

TABOR Amendment

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

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 11 – CONTINGENCIES (Continued)

TABOR Amendment (Continued)

On November 6, 2018, the City submitted a ballot issue to a vote of the registered electors for exemption of the revenue limits of the amendment. The ballot issue was passed and permitted the City to keep and spend the unused 2017 TABOR refund in the amount of \$12,536,504 for open space, capital improvements and equipment replacement.

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

Year	Refunding Mechanism	Funded by	TABOR Calculated Refund
2008	Rebated Stormwater fees	Stormwater Management Utility Fund	\$ 240,642
2010	Rebated Stormwater fees	General Fund	67,800
2013	Rebated Stormwater fees	General Fund	1,277,365
2014	Property tax mill levy reduction	General Fund	5,200,119
2015	Property tax mill levy reduction	General Fund	4,535,650
2016	Property tax mill levy reduction	General Fund	5,823,934
Total			<u>\$ 17,145,510</u>

Grants

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

Litigation

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

Operating Leases

Golf Equipment Leases – The City entered into the following operating leases with PNC Equipment Finance, LLC for the rental of golf carts and other equipment at Homestead and Fox Hollow Golf Courses:

Lease Date	Term of Lease	Monthly Payment Amount	Monthly Payment Beginning Date	Monthly Payment Ending Date
May 16, 2014	48 months	\$736	August 2014	July 2018
April 1, 2017	42 months	\$14,557	April 2017	September 2020
June 16, 2018	48 months	\$2,172	October 2018	September 2022

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 11 – CONTINGENCIES (Continued)

Operating Leases (Continued)

Remaining payments required by the leases are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 200,748
2020	200,748
2021	113,406
2022	21,720
Total	<u>\$ 536,622</u>

For all leases, the City may, at its option, purchase the equipment at the end of the term of the lease at a price equal to fair market value. The lease agreements require the City to return the equipment at the end of the lease term if the City does not exercise the purchase option.

NOTE 12 – TAX ABATEMENTS

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 12 – TAX ABATEMENTS (Continued)

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2018 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I ⁽³⁾ Annexation	Not Limited	9/26/2029	1/4 th of 2% Sales Tax	\$1,788,775	N/A
Stevinson II ⁽³⁾ Annexation	Not Limited	10/09/2026	1/4 th of 2% Sales Tax	\$235,514	N/A

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

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

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

Lakewood Reinvestment Authority and Economic Development Agreements

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2018

NOTE 12 – TAX ABATEMENTS (Continued)

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2018 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Belmar	\$120,000,000	9/10/2025	2/3 rd s of 3% Sales Tax Rate Waived	\$0	N/A
Creekside Shopping Center (Wal-Mart)	\$24,320,435 ⁽³⁾	8/09/2024	100% of Sales Tax increment in excess of \$1,000,000	\$1,800,926	\$9,649,422

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

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

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

NOTE 13 – ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS

During fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”). This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, liabilities, deferred inflows of resources, and expenses for postemployment benefits other than pensions. The result of the implementation of this standard was to decrease the net position at the beginning of the fiscal year by \$3,171,063, in the governmental activities.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
RETIRED CITY MANAGER PENSION PLAN
Last Ten Fiscal Years

	2018	2017	2016	2015
Total Pension Liability				
Interest Cost	\$ 210,706	\$ 210,714	\$ 210,500	\$ 215,196
Actuarial Variations	4,343	2,593	(2,517)	(88,399)
Benefits Paid	(217,138)	(210,000)	(200,000)	(193,008)
Net Change in Pension Liability	(2,089)	3,307	7,983	(66,211)
Total Pension Liability - Beginning	3,225,963	3,222,656	3,214,673	3,280,884
Total Pension Liability - Ending	3,223,874	3,225,963	3,222,656	3,214,673
Plan Fiduciary Net Position				
Contributions - Employer	225,000	210,000	210,000	193,008
Net Investment Income	131,302	123,758	116,860	107,041
Benefit Payments	(217,138)	(210,810)	(204,664)	(193,008)
Administrative Expenses	(485)	(486)	(547)	(1,918)
Net Change in Plan Fiduciary Net Position	138,679	122,462	121,649	105,123
Plan Fiduciary Net Position - Beginning	2,195,434	2,072,972	1,951,323	1,846,200
Plan Fiduciary Net Position - Ending	2,334,113	2,195,434	2,072,972	1,951,323
Net Pension Liability - Ending	\$ 889,761	\$ 1,030,529	\$ 1,149,684	\$ 1,263,350
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.40%	68.06%	64.32%	60.70%
Covered Payroll	No Active Employees			
City's Net Pension Liability as a Percentage of Covered Payroll	NA	NA	NA	NA
City Contributions				
Actuarially Determined Contribution	\$ 75,851	\$ 84,621	\$ 92,987	\$ 105,598
Contribution in Relation to the Actuarially Determined Contribution	201,359	201,359	201,359	198,503
Contribution Deficiency (Excess)	<u>\$ (125,508)</u>	<u>\$ (116,738)</u>	<u>\$ (108,372)</u>	<u>\$ (92,905)</u>
Investment Returns				
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.96%	5.96%	5.97%	5.71%

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 Auditors' Report.

2014	2013	2012	2011	2010
\$ 208,748	\$ 224,215	\$ 221,620	\$ 218,860	\$ 216,029
79,686	(263,475)	1,171	1,017	(1,619)
(192,803)	(187,181)	(181,734)	(176,433)	(168,799)
95,631	(226,441)	41,057	43,444	45,611
3,185,253	3,411,694	3,370,637	3,327,193	3,281,582
3,280,884	3,185,253	3,411,694	3,370,637	3,327,193
292,803	190,516	182,132	176,885	169,198
240,727	124,369	45,482	58,094	(3,488)
(192,803)	(187,181)	(181,734)	(176,433)	(168,799)
(1,903)	(3,335)	(398)	(452)	(399)
338,824	124,369	45,482	58,094	(3,488)
1,507,376	1,383,007	1,337,525	1,279,431	1,282,919
1,846,200	1,507,376	1,383,007	1,337,525	1,279,431
\$ 1,434,684	\$ 1,677,877	\$ 2,028,687	\$ 2,033,112	\$ 2,047,762
56.27%	47.32%	40.54%	39.68%	38.45%
No Active Employees				
NA	NA	NA	NA	NA
\$ 123,498	\$ 149,319	\$ 149,645	\$ 150,723	\$ 147,109
194,405	187,181	181,734	176,443	168,799
\$ (70,907)	\$ (37,862)	\$ (32,089)	\$ (25,720)	\$ (21,690)
15.42%	9.02%	3.41%	4.55%	-0.27%

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

	2018	2017	2016	2015
Total OPEB liability				
Service cost	\$ 177,901	\$ 173,096	\$ 162,610	\$ 144,265
Interest	196,359	198,391	200,326	197,097
Changes of benefit terms	-	-	-	-
Differences between expected and actual experiences	(212,463)	(337,876)	(308,623)	(186,809)
Changes of assumptions or other inputs				
Benefit payments	(70,020)	(99,575)	(117,538)	(81,742)
Net change in total OPEB liability	1,243,068	(65,964)	(63,225)	72,811
Total OPEB liability-beginning	4,223,560	4,289,524	4,352,749	4,279,938
Total OPEB liability-ending	5,466,628	4,223,560	4,289,524	4,352,749
Covered-employee payroll	\$ 65,031,226	\$ 63,161,430	\$ 61,690,440	\$ 60,114,584
Total OPEB liability as a percentage of covered-employee payroll	8.41%	6.69%	6.95%	7.24%

This schedule is presented to show information for 10 years. Although the plan began prior to 2009, there is insufficient information to present years 2009-2011.

See the accompanying Independent Auditors' Report.

<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 159,595	\$ 147,777	\$ 136,180
168,670	183,569	192,329
-	-	-
548,630	(393,003)	(367,167)
<u>(404,889)</u>	<u>(135,147)</u>	<u>(205,963)</u>
472,006	(196,804)	(244,621)
<u>3,807,932</u>	<u>4,004,736</u>	<u>4,249,357</u>
<u><u>4,279,938</u></u>	<u><u>3,807,932</u></u>	<u><u>4,004,736</u></u>
\$ 57,677,144	\$ 55,741,700	\$ 54,563,474
7.42%	6.83%	7.34%

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property Tax	\$ 9,152,158	\$ 9,600,614	\$ 10,599,836	\$ 999,222
Sales Tax	67,862,806	65,550,996	63,855,609	(1,695,387)
General Use Tax	3,320,325	3,409,612	3,130,410	(279,202)
Building Material Use Tax	4,097,499	4,097,499	4,664,345	566,846
Business and Occupational Tax	3,144,875	3,144,875	3,465,089	320,214
Specific Ownership Tax	298,613	474,759	471,679	(3,080)
Motor Vehicle Use Tax	5,936,127	5,936,127	6,060,979	124,852
Franchise Tax	6,429,900	6,288,651	6,145,840	(142,811)
Total Taxes	<u>100,242,303</u>	<u>98,503,133</u>	<u>98,393,787</u>	<u>(109,346)</u>
Licenses and Permits				
Business Licenses and Permits	557,423	557,423	607,711	50,288
Nonbusiness Licenses and Permits	3,272,620	3,583,308	4,294,721	711,413
Total Licenses and Permits	<u>3,830,043</u>	<u>4,140,731</u>	<u>4,902,432</u>	<u>761,701</u>
Charges for Services				
General Government	819,824	996,527	997,564	1,037
Public Safety	821,907	1,039,416	1,023,596	(15,820)
Culture and Recreation	4,266,615	4,983,975	5,423,317	439,342
Other Sales and Services	5,116,284	5,056,914	5,352,648	295,734
Total Charges for Services	<u>11,024,630</u>	<u>12,076,832</u>	<u>12,797,125</u>	<u>720,293</u>
Fines and Forfeitures				
	<u>1,454,000</u>	<u>1,454,000</u>	<u>1,241,903</u>	<u>(212,097)</u>
Intergovernmental Revenue				
State Government Shared Revenue	3,954,750	5,204,416	5,120,920	(83,496)
Local Government Grants	60,000	69,795	51,498	(18,297)
Local Government Shared Revenue	1,203,785	1,357,903	1,355,701	(2,202)
Total Intergovernmental Revenue	<u>5,218,535</u>	<u>6,632,114</u>	<u>6,528,119</u>	<u>(103,995)</u>
Miscellaneous				
Investment Income	517,457	517,457	417,977	(99,480)
Tabor Refund Retention	-	-	12,536,504	12,536,504
Other	674,428	651,201	637,077	(14,124)
Total Miscellaneous	<u>1,191,885</u>	<u>1,168,658</u>	<u>13,591,558</u>	<u>12,422,900</u>
TABOR Refunds				
	<u>(4,209,000)</u>	<u>(6,283,739)</u>	<u>-</u>	<u>6,283,739</u>
Total Revenues	<u>118,752,396</u>	<u>117,691,729</u>	<u>137,454,924</u>	<u>19,763,195</u>

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General Government				
Legislative				
Personnel Services	324,970	313,390	313,069	321
Services and Supplies	233,926	233,926	192,652	41,274
Total Legislative	558,896	547,316	505,721	41,595
Judicial				
Personnel Services	2,655,313	2,589,717	2,592,158	(2,441)
Services and Supplies	273,519	358,319	207,175	151,144
Total Judicial	2,928,832	2,948,036	2,799,333	148,703
Executive				
Personnel Services	1,868,364	1,887,297	1,868,390	18,907
Services and Supplies	440,736	456,136	383,327	72,809
Capital Outlay	3,500	3,500	1,343	2,157
Total Executive	2,312,600	2,346,933	2,253,060	93,873
Administrative				
Personnel Services	8,913,852	9,189,915	8,615,782	574,133
Services and Supplies	3,396,730	3,620,386	3,513,822	106,564
Capital Outlay	20,200	20,200	-	20,200
Total Administrative	12,330,782	12,830,501	12,129,604	700,897
Other				
Personnel Services	8,064,383	8,019,123	7,629,146	389,977
Services and Supplies	8,794,217	8,899,978	7,973,326	926,652
Debt Service	303,230	303,230	303,230	-
Capital Outlay	141,461	140,000	109,318	30,682
Total Other	17,303,291	17,362,331	16,015,020	1,347,311
Total General Government	35,434,401	36,035,117	33,702,738	2,332,379

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Public Safety				
Law Enforcement				
Personnel Services	49,803,086	44,786,399	44,093,366	693,033
Services and Supplies	3,686,027	6,248,204	6,021,576	226,628
Capital Outlay	(107,574)	53,000	129,973	(76,973)
Total Law Enforcement	53,381,539	51,087,603	50,244,915	842,688
Correction				
Personnel Services	761,440	788,619	806,341	(17,722)
Services and Supplies	27,894	27,894	19,158	8,736
Total Correction	789,334	816,513	825,499	(8,986)
Protective Inspection				
Personnel Services	3,238,328	3,100,801	3,184,849	(84,048)
Services and Supplies	410,783	410,783	145,094	265,689
Total Protective Inspection	3,649,111	3,511,584	3,329,943	181,641
Other Protection				
Personnel Services	1,967,506	2,033,963	1,917,561	116,402
Services and Supplies	515,910	515,910	757,065	(241,155)
Capital Outlay	30,362	30,362	-	30,362
Total Other Protection	2,513,778	2,580,235	2,674,626	(94,391)
Total Public Safety	60,333,762	57,995,935	57,074,983	920,952
Public Works				
Highways and Streets				
Personnel Services	3,987,587	3,920,532	3,421,164	499,368
Services and Supplies	4,339,033	4,649,007	3,814,781	834,226
Capital Outlay	11,500	11,500	25,995	(14,495)
Total Highways and Streets	8,338,120	8,581,039	7,261,940	1,319,099
Total Public Works	8,338,120	8,581,039	7,261,940	1,319,099

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
EXPENDITURES (Continued)				
Culture and Recreation				
Recreation				
Personnel Services	7,760,070	7,972,375	7,533,799	438,576
Services and Supplies	2,002,074	2,062,074	1,871,493	190,581
Capital Outlay	20,713	60,713	129,201	(68,488)
Total Recreation	<u>9,782,857</u>	<u>10,095,162</u>	<u>9,534,493</u>	<u>560,669</u>
Parks				
Personnel Services	2,461,346	2,580,195	2,442,271	137,924
Services and Supplies	2,068,780	2,030,720	2,029,161	1,559
Capital Outlay	5,500	-	-	-
Total Parks	<u>4,535,626</u>	<u>4,610,915</u>	<u>4,471,432</u>	<u>139,483</u>
Total Culture and Recreation	<u>14,318,483</u>	<u>14,706,077</u>	<u>14,005,925</u>	<u>700,152</u>
Urban Development and Housing				
Personnel Services	648,546	642,251	667,690	(25,439)
Services and Supplies	106,150	106,150	26,697	79,453
Total Urban Development and Housing	<u>754,696</u>	<u>748,401</u>	<u>694,387</u>	<u>54,014</u>
Economic Opportunity				
Personnel Services	1,048,182	1,100,165	1,119,128	(18,963)
Services and Supplies	196,234	196,234	222,173	(25,939)
Capital Outlay	28,571	28,571	-	28,571
Total Economic Opportunity	<u>1,272,987</u>	<u>1,324,970</u>	<u>1,341,301</u>	<u>(16,331)</u>
Total Expenditures	<u>120,452,449</u>	<u>119,391,539</u>	<u>114,081,274</u>	<u>5,310,265</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(1,700,053)</u>	<u>(1,699,810)</u>	<u>23,373,650</u>	<u>25,073,460</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(4,735,730)</u>	<u>(16,999,084)</u>	<u>(16,922,909)</u>	<u>76,175</u>
Total Other Financing Sources (Uses)	<u>(4,735,730)</u>	<u>(16,999,084)</u>	<u>(16,922,909)</u>	<u>76,175</u>
Net Change in Fund Balance	<u>\$ (6,435,783)</u>	<u>\$ (18,698,894)</u>	6,450,741	<u>\$ 25,149,635</u>
FUND BALANCE, Beginning of Year			<u>30,151,759</u>	
FUND BALANCE, End of Year			<u>\$ 36,602,500</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
Federal Government Grants	\$ 5,093,985	\$ 9,987,717	\$ 2,806,794	\$ (7,180,923)
State Government Grants	2,226,763	3,159,676	2,256,266	(903,410)
Local Government Grants	194,428	23,124	22,164	(960)
Total Intergovernmental	7,515,176	13,170,517	5,085,224	(8,085,293)
Investment Income	100	663	695	32
Miscellaneous	-	-	23,000	23,000
Total Revenues	7,515,276	13,171,180	5,108,919	(8,062,261)
EXPENDITURES				
General Government				
Personnel Services	32,022	31,938	32,196	(258)
Services and Supplies	-	46,100	41,157	4,943
Capital Outlay	126,248	320,000	-	320,000
Total General Government	158,270	398,038	73,353	324,685
Public Safety				
Personnel Services	977,630	911,080	787,468	123,612
Services and Supplies	2,352,069	2,656,918	1,978,210	678,708
Capital Outlay	1,023,000	2,920,000	348,905	2,571,095
Total Public Safety	4,352,699	6,487,998	3,114,583	3,373,415
Public Works				
Personnel Services	-	-	5,065	(5,065)
Capital Outlay	-	4,611,769	226,638	4,385,131
Total Public Works	-	4,611,769	231,703	4,380,066

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	63,755	44,255	122,316	(78,061)
Services and Supplies	9,869	9,869	8,344	1,525
Total Culture and Recreation	73,624	54,124	130,660	(76,536)
Urban Development and Housing				
Personnel Services	152,550	152,222	127,043	25,179
Services and Supplies	1,055,309	1,053,097	238,468	814,629
Capital Outlay	12,000	6,000	-	6,000
Total Urban Development and Housing	1,219,859	1,211,319	365,511	845,808
Economic Opportunity				
Personnel Services	1,154,971	1,179,100	1,192,941	(13,841)
Services and Supplies	257,285	257,285	265,774	(8,489)
Total Economic Opportunity	1,412,256	1,436,385	1,458,715	(22,330)
Debt Service				
Principal	294,000	305,000	305,000	-
Interest	77,069	63,663	63,663	-
Total Debt Service	371,069	368,663	368,663	-
Total Expenditures	7,587,777	14,568,296	5,743,188	8,825,108
Excess (Deficiency) of Revenues Over Expenditures	(72,501)	(1,397,116)	(634,269)	762,847
OTHER FINANCING SOURCES				
Transfers In	79,000	1,661,657	436,561	(1,225,096)
Net Change in Fund Balance	\$ 6,499	\$ 264,541	(197,708)	\$ (462,249)
FUND BALANCE, Beginning of Year			(132,095)	
FUND BALANCE, End of Year			\$ (329,803)	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 2,000	\$ 5,000	\$ 9,937	\$ 4,937
County Open Space Shared Revenues	5,057,319	5,085,819	6,361,764	1,275,945
Intergovernmental	30,000	750,000	-	(750,000)
Investment Income	61,000	68,176	86,502	18,326
Contributions and Donations	7,000	-	5,000	5,000
Total Revenues	5,157,319	5,908,995	6,463,203	554,208
EXPENDITURES				
Culture and Recreation				
Parks and Open Space				
Personnel Services	3,027,209	3,047,983	2,658,414	389,569
Services and Supplies	1,341,318	1,248,119	2,418,839	(1,170,720)
Capital Outlay	626,800	14,213,059	10,461,640	3,751,419
Total Expenditures	4,995,327	18,509,161	15,538,893	2,970,268
Deficiency of Revenues Over Expenditures	161,992	(12,600,166)	(9,075,690)	3,524,476
OTHER FINANCING SOURCES (USES)				
Transfers In	1,100,000	6,100,000	14,600,000	8,500,000
Transfers Out	(353,519)	(1,268,519)	(1,268,600)	(81)
Total Other Financing Sources (Uses)	746,481	4,831,481	13,331,400	8,499,919
Net Change in Fund Balance	\$ 908,473	\$ (7,768,685)	4,255,710	\$ 12,024,395
FUND BALANCE, Beginning of Year			11,225,450	
FUND BALANCE, End of Year			\$ 15,481,160	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2018

NOTE 1 – SCHEDULE OF CITY CONTRIBUTIONS

Actuarial Assumptions

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

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, 2018, one year prior to the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Method over Fixed Period of Years
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Fair Value
Inflation	N/A,
Benefits Expected Fixed	
COLA Increases	3% Per Annum Compounded Annually
Investment Rate of Return	6.75% Per Annum Compounded Annually, Net of Expenses
Number of Participants Employed	0
Number of Participants Retired	1
Retirement Date	September 19, 2009
Mortality Rates	Modified 1994 Group Annuity Mortality Table Uni-Sex Rates

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

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

Legal Compliance

For the year ended December 31, 2018, the Golf Course Enterprise Fund and Worker's Compensation Self Insurance Fund expenditures exceeded the amounts budgeted by \$132,046, and \$445,742, respectively. These may be a violation of State statutes.

TABOR Amendment

In the November 2018 election, the citizens of the City passed ballot issue 2D, which lifts the TABOR limits on the City's budget through 2025. In addition, the ballot issue allowed the City to use the \$12.5 million that was identified for a refund in 2017. \$8.5 million of the refund must be used for open space and parkland purchases, \$2 million for police protective gear, safety-related and other needed items and \$2 million for infrastructure and transportation improvements.

Through December 31, 2025, any money collected in excess of the TABOR limits will be spent one-third each for open space and parkland purchases, improvements, and maintenance; police safety equipment, other assets or police agents; and transportation improvement to address high-priority safety concerns or for new and upgraded sidewalks, paths, streetlights or path lighting where needed for safety.

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



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GOVERNMENTAL FUNDS

GENERAL FUND

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

CAPITAL PROJECTS FUNDS

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

MAJOR FUNDS

CAPITAL IMPROVEMENT FUND

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

LAKESWOOD REINVESTMENT AUTHORITY CAPITAL PROJECT FUND

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

NON-MAJOR FUNDS

EQUIPMENT REPLACEMENT FUND

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



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SPECIAL REVENUE FUNDS

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

MAJOR FUNDS

GRANTS FUND

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

OPEN SPACE FUND

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

NON-MAJOR FUNDS

CONSERVATION TRUST FUND

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

ECONOMIC DEVELOPMENT FUND

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

HERITAGE, CULTURE & ARTS FUND

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

DEBT SERVICE FUNDS

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

NON-MAJOR FUNDS

LAKESWOOD PUBLIC BUILDING AUTHORITY DEBT SERVICE FUND

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

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales Tax	\$ 12,651,566	\$ 12,221,010	\$ 12,107,112	\$ (113,898)
General Use Tax	651,994	651,994	623,620	(28,374)
Building Material Use Tax	619,500	619,500	924,246	304,746
Motor Vehicle Use Tax	1,071,193	1,071,193	1,212,196	141,003
Total Taxes	14,994,253	14,563,697	14,867,174	303,477
Intergovernmental				
State Government Shared Revenue	1,958,944	2,304,879	2,363,616	58,737
Miscellaneous				
Investment Income	217,489	217,489	467,397	249,908
Other	3,500	3,500	-	(3,500)
Total Miscellaneous	220,989	220,989	467,397	246,408
Total Revenues	17,174,186	17,089,565	17,698,187	608,622
EXPENDITURES				
General Government				
Personnel Services	114,520	115,327	180,078	(64,751)
Services and Supplies	1,490,000	2,320,000	1,577,620	742,380
Capital Outlay	1,865,000	6,854,795	4,136,750	2,718,045
Total General Government	3,469,520	9,290,122	5,894,448	3,395,674
Public Safety				
Personnel Services	230,855	182,046	167,911	14,135
Services and Supplies	236,165	286,165	229,920	56,245
Capital Outlay	1,400,000	3,464,541	569,900	2,894,641
Total Public Safety	1,867,020	3,932,752	967,731	2,965,021
Public Works				
Personnel Services	703,525	685,056	637,979	47,077
Services and Supplies	103,300	113,300	26,446	86,854
Capital Outlay	10,691,115	14,277,015	9,792,977	4,484,038
Total Public Works	11,497,940	15,075,371	10,457,402	4,617,969

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Culture and Recreation				
Services and Supplies	350	350	703	(353)
Capital Outlay	4,650	111,870	38,869	73,001
Total Culture and Recreation	5,000	112,220	39,572	72,648
Economic Development				
Services and Supplies	210,000	235,000	113,789	121,211
Capital Outlay	2,450,000	1,867,219	2,024,443	(157,224)
Total Economic Development	2,660,000	2,102,219	2,138,232	(36,013)
Total Expenditures	19,499,480	30,512,684	19,497,385	11,015,299
Excess (Deficiency) of Revenues Over Expenditures	(2,325,294)	(13,423,119)	(1,799,198)	11,623,921
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Lease	-	1,510,000	1,510,854	854
Transfers In	120,000	1,035,000	3,621,504	2,586,504
Transfers Out	(2,656,000)	(9,048,276)	(7,821,181)	1,227,095
Total Other Financing Sources (Uses)	(2,536,000)	(6,503,276)	(2,688,823)	3,814,453
Net Change in Fund Balance	<u>\$ (4,861,294)</u>	<u>\$ (19,926,395)</u>	(4,488,021)	<u>\$ 15,438,374</u>
FUND BALANCE, Beginning of Year			<u>26,896,522</u>	
FUND BALANCE, End of Year			<u><u>\$ 22,408,501</u></u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD REINVESTMENT AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Taxes				
Property Taxes Increment	\$ 8,048,411	\$ 10,624,998	\$ 10,129,390	\$ (495,608)
General Sales Taxes Increment	247,215	360,456	278,139	(82,317)
Investment Income	11,150	18,782	131,120	112,338
Miscellaneous	971,057	1,061,585	997,647	(63,938)
Total Revenues	9,277,833	12,065,821	11,536,296	(529,525)
EXPENDITURES				
Urban Development and Housing				
Personnel Services	66,517	65,711	65,872	(161)
Services and Supplies	499,218	444,358	198,794	245,564
Capital Outlay	13,951,685	14,818,086	10,248,630	4,569,456
Debt Service	181,155	281,153	281,154	(1)
Total Expenditures	14,698,575	15,609,308	10,794,450	4,814,858
Excess (Deficiency) of Revenues Over Expenditures	(5,420,742)	(3,543,487)	741,846	(5,344,383)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,000,000	2,000,000	-	(2,000,000)
Net Change in Fund Balance	<u>\$ (3,420,742)</u>	<u>\$ (1,543,487)</u>	741,846	<u>\$ (7,344,383)</u>
FUND BALANCE, Beginning of Year			<u>5,329,488</u>	
FUND BALANCE, End of Year			<u><u>\$ 6,071,334</u></u>	

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue Funds		
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund
ASSETS			
Cash and Investments	\$ 1,421,231	\$ 10,052,741	\$ 1,585,149
Restricted Cash and Investments	-	-	-
Accounts Receivable	-	121,033	22,137
Inventories	-	-	16,759
Prepays	-	-	8,000
Total Assets	<u>\$ 1,421,231</u>	<u>\$ 10,173,774</u>	<u>\$ 1,632,045</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 93	\$ 43,647
Accrued Liabilities	-	13,250	65,746
Retainage Payable	-	-	-
Unearned Revenues	-	-	401,892
Total Liabilities	<u>-</u>	<u>13,343</u>	<u>511,285</u>
DEFERRED INFLOWS OF RESOURCES			
Grants	<u>-</u>	<u>-</u>	<u>22,137</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	16,759
Prepays	-	-	8,000
Restricted for:			
Parks and Open Space	1,421,231	454,923	-
Economic Development	-	9,705,508	-
Debt Service	-	-	-
Public Safety	-	-	-
Assigned to:			
Cultural Activities	-	-	1,073,864
Capital Improvements	-	-	-
Total Fund Balances	<u>1,421,231</u>	<u>10,160,431</u>	<u>1,098,623</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,421,231</u>	<u>\$ 10,173,774</u>	<u>\$ 1,632,045</u>

See the accompanying Independent Auditor's Report.

<u>Debt Service</u>	<u>Capital Projects</u>	
<u>Lakewood</u>	<u>Equipment</u>	<u>Total Nonmajor</u>
<u>Public Building</u>	<u>Replacement</u>	<u>Governmental</u>
<u>Authority</u>	<u>Fund</u>	<u>Funds</u>
\$ -	\$ 5,996,016	\$ 19,055,137
2,992,068	-	2,992,068
-	44,965	188,135
-	-	16,759
-	-	8,000
<u>\$ 2,992,068</u>	<u>\$ 6,040,981</u>	<u>\$ 22,260,099</u>
\$ 1,100	\$ 115,086	\$ 159,926
-	549	79,545
-	-	-
-	-	401,892
<u>1,100</u>	<u>115,635</u>	<u>641,363</u>
-	-	22,137
-	-	16,759
-	-	8,000
-	-	1,876,154
-	-	9,705,508
2,990,968	-	2,990,968
-	1,085,120	1,085,120
-	-	1,073,864
-	4,840,226	4,840,226
<u>2,990,968</u>	<u>5,925,346</u>	<u>21,596,599</u>
<u>\$ 2,992,068</u>	<u>\$ 6,040,981</u>	<u>\$ 22,260,099</u>

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	Special Revenue Funds		
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund
REVENUES			
Taxes	\$ -	\$ 1,699,879	\$ -
Charges for Services	-	81,566	1,244,747
Intergovernmental	1,554,591	-	703,593
Investment Income	17,167	138,913	-
Miscellaneous	-	25,547	194,964
Total Revenues	1,571,758	1,945,905	2,143,304
EXPENDITURES			
Current			
General Government	-	-	-
Culture and Recreation	-	-	2,982,615
Urban Development and Housing	-	591,527	-
Capital Outlay			
General Government	-	-	-
Culture and Recreation	353,690	66,357	164,682
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	353,690	657,884	3,147,297
Excess (Deficiency) of Revenues Over Expenditures	1,218,068	1,288,021	(1,003,993)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	1,474,582
Transfers Out	(625,600)	-	-
Total Other Financing Sources (Uses)	(625,600)	-	1,474,582
Net Change in Fund Balances	592,468	1,288,021	470,589
FUND BALANCES, Beginning of Year	828,763	8,872,410	628,034
FUND BALANCES, End of Year	<u>\$ 1,421,231</u>	<u>\$ 10,160,431</u>	<u>\$ 1,098,623</u>

See the accompanying Independent Auditor's Report.

Debt Service Lakewood Public Building Authority	Capital Projects Equipment Replacement Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,699,879
-	2,021,061	3,347,374
-	-	2,258,184
143,869	-	299,949
-	168,724	389,235
<u>143,869</u>	<u>2,189,785</u>	<u>7,994,621</u>
1,100	1,196,122	1,197,222
-	-	2,982,615
-	-	591,527
-	2,734,882	2,734,882
-	-	584,729
4,220,000	-	4,220,000
909,594	-	909,594
<u>5,130,694</u>	<u>3,931,004</u>	<u>13,220,569</u>
<u>(4,986,825)</u>	<u>(1,741,219)</u>	<u>(5,225,948)</u>
4,991,722	2,430,000	8,896,304
-	(230,931)	(856,531)
<u>4,991,722</u>	<u>2,199,069</u>	<u>8,039,773</u>
4,897	457,850	2,813,825
2,986,071	5,467,496	18,782,774
<u>\$ 2,990,968</u>	<u>\$ 5,925,346</u>	<u>\$ 21,596,599</u>

CITY OF LAKEWOOD, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
State Government Shared Revenue	\$ 1,350,000	\$ 1,515,000	\$ 1,554,591	\$ 39,591
Investment Income	14,077	13,216	17,167	3,951
	<u>1,364,077</u>	<u>1,528,216</u>	<u>1,571,758</u>	<u>43,542</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	245,000	784,000	353,690	430,310
	<u>245,000</u>	<u>784,000</u>	<u>353,690</u>	<u>430,310</u>
Total Expenditures				
	<u>245,000</u>	<u>784,000</u>	<u>353,690</u>	<u>430,310</u>
Excess of Revenues Over Expenditures	1,119,077	744,216	1,218,068	473,852
OTHER FINANCING SOURCES (USES)				
Transfers Out	(625,600)	(625,600)	(625,600)	-
	<u>(625,600)</u>	<u>(625,600)</u>	<u>(625,600)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 493,477</u>	<u>\$ 118,616</u>	592,468	<u>\$ 473,852</u>
FUND BALANCE, Beginning of Year			<u>828,763</u>	
FUND BALANCE, End of Year			<u><u>\$ 1,421,231</u></u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Hotel Accommodation Taxes	\$ 1,428,000	\$ 1,428,000	\$ 1,699,879	\$ 271,879
Charges for Services	91,800	91,800	81,566	(10,234)
Investment Income	57,120	57,120	138,913	81,793
Miscellaneous	-	-	25,547	25,547
Total Revenues	1,576,920	1,576,920	1,945,905	368,985
EXPENDITURES				
Urban Development and Housing				
Personnel Services	586,653	578,137	442,130	136,007
Services and Supplies	1,472,600	1,382,600	149,397	1,233,203
Capital Outlay	3,000	3,000	66,357	(63,357)
Total Expenditures	2,062,253	1,963,737	657,884	1,305,853
Excess (Deficiency) of Revenues Over Expenditures	(485,333)	(386,817)	1,288,021	(936,868)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,000,000)	(2,000,000)	-	2,000,000
Net Change in Fund Balance	<u>\$ (2,485,333)</u>	<u>\$ (2,386,817)</u>	1,288,021	<u>\$ 1,063,132</u>
FUND BALANCE, Beginning of Year			<u>8,872,410</u>	
FUND BALANCE, End of Year			<u><u>\$ 10,160,431</u></u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
HERITAGE, CULTURE AND ARTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
REVENUES				
Charges for Services	\$ 1,199,027	\$ 1,240,470	\$ 1,244,747	\$ 4,277
Intergovernmental				
Federal Grants	25,000	109,625	114,625	5,000
State Government Grants	390,000	510,000	575,003	65,003
Local Government Grants	-	-	13,965	13,965
Miscellaneous	307,810	288,750	194,964	(93,786)
Total Revenues	1,921,837	2,148,845	2,143,304	(5,541)
EXPENDITURES				
Culture and Recreation				
Personnel Services	2,082,921	2,152,382	2,073,526	78,856
Services and Supplies	1,218,454	1,252,654	909,089	343,565
Capital Outlay	150,000	631,854	164,682	467,172
Total Expenditures	3,451,375	4,036,890	3,147,297	889,593
Deficiency of Revenues Over Expenditures	(1,529,538)	(1,888,045)	(1,003,993)	884,052
OTHER FINANCING SOURCES				
Transfers In	1,440,100	1,497,557	1,474,582	(22,975)
Net Change in Fund Balance	\$ (89,438)	\$ (390,488)	470,589	\$ 861,077
FUND BALANCE, Beginning of Year			628,034	
FUND BALANCE, End of Year			<u>\$ 1,098,623</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD PUBLIC BUILDING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Income	\$ 139,100	\$ 139,800	\$ 143,869	\$ 4,069
Miscellaneous	-	-	-	-
Total Revenues	139,100	139,800	143,869	4,069
EXPENDITURES				
General Government				
Services and Supplies	1,700	1,700	1,100	600
Total General Government	1,700	1,700	1,100	600
Debt Service				
Principal	4,220,000	4,220,000	4,220,000	-
Interest and Fiscal Charges	909,479	909,654	909,594	60
Total Debt Service	5,129,479	5,129,654	5,129,594	60
Total Expenditures	5,131,179	5,131,354	5,130,694	660
Deficiency of Revenues Over Expenditures	(4,992,079)	(4,991,554)	(4,986,825)	4,729
OTHER FINANCING SOURCES				
Transfers In	4,984,054	4,983,354	4,991,722	8,368
Net Change in Fund Balance	<u>\$ (8,025)</u>	<u>\$ (8,200)</u>	4,897	<u>\$ 13,097</u>
FUND BALANCE, Beginning of Year			<u>2,986,071</u>	
FUND BALANCE, End of Year			<u>\$ 2,990,968</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
EQUIPMENT REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 2,044,731	\$ 2,044,731	\$ 2,021,061	\$ (23,670)
Miscellaneous	200,000	200,000	168,724	(31,276)
Total Revenues	2,244,731	2,244,731	2,189,785	(54,946)
EXPENDITURES				
General Government				
Personnel Services	-	-	5,192	(5,192)
Services and Supplies	391,000	977,237	1,190,930	(213,693)
Capital Outlay	4,070,000	4,070,000	2,734,882	1,335,118
Total Expenditures	4,461,000	5,047,237	3,931,004	1,116,233
Excess (Deficiency) of Revenues Over Expenditures	(2,216,269)	(2,802,506)	(1,741,219)	1,061,287
OTHER FINANCING SOURCES (USES)				
Transfers In	1,270,000	1,270,000	2,430,000	1,160,000
Transfers Out	(80,000)	(243,763)	(230,931)	12,832
Total Other Financing Sources (Uses)	1,190,000	1,026,237	2,199,069	1,172,832
Net Change in Fund Balance	<u>\$ (1,026,269)</u>	<u>\$ (1,776,269)</u>	457,850	<u>\$ 2,234,119</u>
FUND BALANCE, Beginning of Year			5,467,496	
FUND BALANCE, End of Year			<u>\$ 5,925,346</u>	

See the accompanying Independent Auditor's Report.

ENTERPRISE FUNDS

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

MAJOR FUNDS

GOLF COURSE ENTERPRISE FUND

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

SEWER ENTERPRISE FUND

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

STORMWATER ENTERPRISE FUND

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

NON-MAJOR FUNDS

WATER ENTERPRISE FUND

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

CITY OF LAKEWOOD, COLORADO
GOLF COURSE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 5,169,366	\$ 5,169,366	\$ 4,988,439	\$ (180,927)
Investment Income	-	-	3,856	3,856
Miscellaneous	-	-	100	100
Total Revenues	5,169,366	5,169,366	4,992,395	(176,971)
EXPENDITURES				
Cost of Goods Sold	286,151	286,151	308,713	(22,562)
Personnel Services	2,745,560	2,726,338	2,674,701	51,637
Services and Supplies	961,014	961,014	1,268,138	(307,124)
Capital Outlay	125,000	125,000	107,809	17,191
Depreciation	342,632	242,632	243,396	(764)
Transfers Out	814,724	814,724	685,148	129,576
Total Expenditures	5,275,081	5,155,859	5,287,905	(132,046)
Change in Net Position, Budgetary Basis	<u>\$ (105,715)</u>	<u>\$ 13,507</u>	(295,510)	<u>\$ (309,017)</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			102,771	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (192,739)</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
SEWER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 4,174,500	\$ 4,189,500	\$ 4,244,838	\$ 55,338
Investment Income	41,700	41,700	108,615	66,915
System Investment Fees	500,000	500,000	1,006,210	506,210
Total Revenues	4,716,200	4,731,200	5,359,663	628,463
EXPENDITURES				
Personnel Services	693,844	770,428	644,673	125,755
Services and Supplies	472,490	472,490	474,679	(2,189)
Sanitation Treatment	3,203,600	2,927,697	2,925,689	2,008
Capital Outlay	1,550,000	2,587,300	376,627	2,210,673
Depreciation	408,896	408,896	418,095	(9,199)
Total Expenditures	6,328,830	7,166,811	4,839,763	2,327,048
Change in Net Position, Budgetary Basis	<u>\$ (1,612,630)</u>	<u>\$ (2,435,611)</u>	519,900	<u>\$ 2,955,511</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			375,619	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 895,519</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
STORMWATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 4,615,000	\$ 4,715,500	\$ 4,847,531	\$ 132,031
Investment Income	24,500	24,500	95,066	70,566
Miscellaneous	35,000	35,000	50,461	15,461
Total Revenues	4,674,500	4,775,000	4,993,058	218,058
EXPENDITURES				
Personnel Services	1,440,626	1,379,850	1,207,811	172,039
Services and Supplies	903,813	1,003,813	960,079	43,734
Capital Outlay	3,000,000	3,884,095	2,143,967	1,740,128
Depreciation	379,562	479,562	499,583	(20,021)
Total Expenditures	5,724,001	6,747,320	4,811,440	1,935,880
Change in Net Position, Budgetary Basis	<u>\$ (1,049,501)</u>	<u>\$ (1,972,320)</u>	181,618	<u>\$ 2,153,938</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			2,127,996	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 2,309,614</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
WATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 1,130,200	\$ 1,150,200	\$ 1,151,744	\$ 1,544
Investment Income	14,000	14,000	31,729	17,729
System Investment Fees	50,000	50,000	1,300	(48,700)
Total Revenues	1,194,200	1,214,200	1,184,773	(29,427)
EXPENDITURES				
Personnel Services	112,625	119,771	102,179	17,592
Services and Supplies	87,904	101,902	72,176	29,726
Water Purchased	875,000	875,000	812,562	62,438
Capital Outlay	175,000	1,066,200	6,035	1,060,165
Depreciation	48,732	48,732	46,689	2,043
Total Expenditures	1,299,261	2,211,605	1,039,641	1,171,964
CHANGE IN NET POSITION, GAAP BASIS	<u>\$ (105,061)</u>	<u>\$ (997,405)</u>	<u>\$ 145,132</u>	<u>\$ 1,142,537</u>

See the accompanying Independent Auditor's Report.



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INTERNAL SERVICE FUNDS

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

PROPERTY AND CASUALTY SELF-INSURANCE FUND

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

WORKERS' COMPENSATION SELF-INSURANCE FUND

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

MEDICAL AND DENTAL SELF-INSURANCE FUND

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

RETIREEES' HEALTH PROGRAM FUND

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

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2018

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
ASSETS					
Cash and Investments	\$ 4,642,914	\$ 1,919,412	\$ 10,739,185	\$ 3,736,603	\$ 21,038,114
Accounts Receivable	-	-	87,988	-	87,988
Total Assets	<u>\$ 4,642,914</u>	<u>\$ 1,919,412</u>	<u>\$ 10,827,173</u>	<u>\$ 3,736,603</u>	<u>\$ 21,126,102</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable	\$ 49,193	\$ 8,181	\$ 150	\$ 1,790	\$ 59,314
Accrued Liabilities	6,633	5,310	6,842	299	19,084
Claims Payable	<u>1,264,241</u>	<u>1,711,556</u>	<u>607,589</u>	<u>-</u>	<u>3,583,386</u>
Total Liabilities	<u>1,320,067</u>	<u>1,725,047</u>	<u>614,581</u>	<u>2,089</u>	<u>3,661,784</u>
NET POSITION					
Restricted for Public Safety	-	-	275,000	-	275,000
Unrestricted	<u>3,322,847</u>	<u>194,365</u>	<u>9,937,592</u>	<u>3,734,514</u>	<u>17,189,318</u>
Total Net Position	<u>3,322,847</u>	<u>194,365</u>	<u>10,212,592</u>	<u>3,734,514</u>	<u>17,464,318</u>
Total Liabilities and Net Position	<u>\$ 4,642,914</u>	<u>\$ 1,919,412</u>	<u>\$ 10,827,173</u>	<u>\$ 3,736,603</u>	<u>\$ 21,126,102</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2018

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
OPERATING REVENUES					
Charges for Services	\$ 600,000	\$ 600,000	\$ 12,488,282	\$ -	\$ 13,688,282
Miscellaneous	-	-	475,783	-	475,783
Total Revenues	600,000	600,000	12,964,065	-	14,164,065
OPERATING EXPENSES					
Personnel Services	177,407	138,446	236,136	15,520	567,509
Other Expenses	112,673	104,913	316,636	-	534,222
Claims	1,050,207	1,289,437	7,466,284	-	9,805,928
Premiums	472,847	122,384	1,623,024	24,480	2,242,735
Total Expenses	1,813,134	1,655,180	9,642,080	40,000	13,150,394
Operating Income (Loss)	(1,213,134)	(1,055,180)	3,321,985	(40,000)	1,013,671
NONOPERATING REVENUES					
Investment Income	70,873	34,519	140,348	58,347	304,087
Total Nonoperating Revenues	70,873	34,519	140,348	58,347	304,087
Change in Net Position	(1,142,261)	(1,020,661)	3,462,333	18,347	1,317,758
NET POSITION, Beginning of Year	4,465,108	1,215,026	6,750,259	3,716,167	16,146,560
NET POSITION, End of Year	\$ 3,322,847	\$ 194,365	\$ 10,212,592	\$ 3,734,514	\$ 17,464,318

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2018

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 600,000	\$ 600,000	\$ 12,400,294	\$ -	\$ 13,600,294
Other Receipts	-	-	475,783	-	475,783
Cash Paid to Suppliers	(1,537,109)	(1,358,779)	(9,295,799)	(22,651)	(12,214,338)
Cash Paid to Employees	(178,229)	(139,137)	(235,383)	(15,260)	(568,009)
Net Cash Provided by Operating Activities	(1,115,338)	(897,916)	3,344,895	(37,911)	1,293,730
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	70,873	34,519	140,348	58,347	304,087
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,044,465)	(863,397)	3,485,243	20,436	1,597,817
CASH AND CASH EQUIVALENTS, Beginning of Year	5,687,379	2,782,809	7,253,942	3,716,167	19,440,297
CASH AND CASH EQUIVALENTS, End of Year	\$ 4,642,914	\$ 1,919,412	\$ 10,739,185	\$ 3,736,603	\$ 21,038,114
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income	\$(1,213,134)	\$(1,055,180)	\$ 3,321,985	\$ (40,000)	\$ 1,013,671
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Accounts Receivable	-	-	(87,988)	-	(87,988)
Accounts Payable	3,449	2,232	(30)	1,790	7,441
Retainage Payable	(5,456)	-	-	-	(5,456)
Accrued Liabilities	822	692	753	299	2,566
Claims Payable	98,981	154,340	110,175	-	363,496
Net Cash Provided by Operating Activities	<u>\$(1,115,338)</u>	<u>\$ (897,916)</u>	<u>\$ 3,344,895</u>	<u>\$ (37,911)</u>	<u>\$ 1,293,730</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
PROPERTY AND CASUALTY SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 400,000	\$ 600,000	\$ 600,000	\$ -
Investment Income	25,000	25,000	70,873	45,873
Total Revenues	425,000	625,000	670,873	45,873
EXPENDITURES				
Personnel Services	149,942	176,328	177,407	(1,079)
Other Expenses	227,500	287,500	112,673	174,827
Claims	700,000	3,946,442	1,050,207	2,896,235
Premiums	525,000	525,000	472,847	52,153
Total Expenditures	1,602,442	4,935,270	1,813,134	3,122,136
Change in Net Position	<u>\$ (1,177,442)</u>	<u>\$ (4,310,270)</u>	(1,142,261)	<u>\$ 3,168,009</u>
NET POSITION, Beginning of Year			<u>4,465,108</u>	
NET POSITION, End of Year			<u>\$ 3,322,847</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
WORKERS' COMPENSATION SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Investment Income	33,000	33,000	34,519	1,519
Total Revenues	633,000	633,000	634,519	1,519
EXPENDITURES				
Personnel Services	169,224	136,938	138,446	(1,508)
Other Expenses	116,500	142,500	104,913	37,587
Claims	1,000,000	800,000	1,289,437	(489,437)
Premiums	150,000	125,000	122,384	2,616
Capital Outlay	5,000	5,000	-	5,000
Total Expenditures	1,440,724	1,209,438	1,655,180	(445,742)
Change in Net Position	<u>\$ (807,724)</u>	<u>\$ (576,438)</u>	(1,020,661)	<u>\$ (444,223)</u>
NET POSITION, Beginning of Year			<u>1,215,026</u>	
NET POSITION, End of Year			<u>\$ 194,365</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
MEDICAL AND DENTAL SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 12,726,918	\$ 11,908,493	\$ 12,488,282	\$ 579,789
Investment Income	20,000	20,000	140,348	120,348
Miscellaneous Revenue	50,000	50,000	475,783	425,783
Total Revenues	12,796,918	11,978,493	13,104,413	1,125,920
EXPENDITURES				
Personnel Services	254,516	263,190	236,136	27,054
Other Expenses	663,793	653,794	316,636	337,158
Claims	10,411,000	10,545,934	7,466,284	3,079,650
Premiums	1,452,000	1,880,000	1,623,024	256,976
Total Expenditures	12,781,309	13,342,918	9,642,080	3,700,838
Change in Net Position	\$ 15,609	\$ (1,364,425)	3,462,333	\$ 4,826,758
NET POSITION, Beginning of Year			6,750,259	
NET POSITION, End of Year			\$ 10,212,592	

See the accompanying Independent Auditor's Report.

**CITY OF LAKEWOOD, COLORADO
RETIREES' HEALTH PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 320,000	\$ -	\$ -	\$ -
Investment Income	25,000	25,000	58,347	33,347
Total Revenues	345,000	25,000	58,347	33,347
EXPENDITURES				
Personnel Services	60,000	60,000	15,520	44,480
Premiums	160,000	160,000	24,480	135,520
Total Expenditures	220,000	220,000	40,000	180,000
Change in Net Position	<u>\$ 125,000</u>	<u>\$ (195,000)</u>	18,347	<u>\$ 213,347</u>
NET POSITION, Beginning of Year			<u>3,716,167</u>	
NET POSITION, End of Year			<u>\$ 3,734,514</u>	

See the accompanying Independent Auditor's Report.

STATISTICAL SECTION

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

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC

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

OPERATING

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

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

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 343,557,286	\$ 355,370,344	\$ 374,822,394	\$ 377,969,428
Restricted	7,360,195	27,618,110	27,439,596	31,757,394
Unrestricted	50,470,895	34,969,687	37,949,511	38,708,259
Total governmental activities net position	<u>\$ 401,388,376</u>	<u>\$ 417,958,141</u>	<u>\$ 440,211,501</u>	<u>\$ 448,435,081</u>
Business-type activities				
Net investment in capital assets	\$ 22,289,522	\$ 22,207,556	\$ 21,604,850	\$ 21,221,070
Unrestricted	7,260,304	7,138,873	7,478,723	7,890,750
Total business-type activities net position	<u>\$ 29,549,826</u>	<u>\$ 29,346,429</u>	<u>\$ 29,083,573</u>	<u>\$ 29,111,820</u>
Primary government				
Net investment in capital assets	\$ 365,846,808	\$ 377,577,900	\$ 396,427,244	\$ 399,190,498
Restricted	7,360,195	27,618,110	27,439,596	31,757,394
Unrestricted	57,731,199	42,108,560	45,428,234	46,599,009
Total primary government net position	<u>\$ 430,938,202</u>	<u>\$ 447,304,570</u>	<u>\$ 469,295,074</u>	<u>\$ 477,546,901</u>

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

Source: City's Comprehensive Annual Financial Report

Schedule 1

2013	2014	2015	2016	2017	2018
\$ 381,609,040	\$ 384,728,358	\$ 389,207,761	\$ 401,018,598	\$ 406,147,538	\$ 422,135,173
37,533,053	41,479,996	49,133,274	53,564,615	60,771,877	71,071,769
39,259,813	39,214,362	37,736,590	37,663,933	37,827,320	35,836,599
<u>\$ 458,401,906</u>	<u>\$ 465,422,716 ⁽¹⁾</u>	<u>\$ 476,077,625</u>	<u>\$ 492,247,146</u>	<u>\$ 504,746,735</u>	<u>\$ 529,043,541</u>
\$ 21,462,965	\$ 22,356,764	\$ 21,781,809	\$ 21,592,444	\$ 22,033,747	\$ 23,432,371
7,933,903	8,710,594	9,969,049	13,199,417	15,281,306	17,040,208
<u>\$ 29,396,868</u>	<u>\$ 31,067,358</u>	<u>\$ 31,750,858</u>	<u>\$ 34,791,861</u>	<u>\$ 37,315,053</u>	<u>\$ 40,472,579</u>
\$ 403,072,005	\$ 407,085,122	\$ 410,989,570	\$ 422,611,042	\$ 428,181,285	\$ 445,567,544
37,533,053	41,479,996	49,133,274	53,564,615	60,771,877	71,071,769
47,193,716	47,924,956	47,705,639	50,863,350	53,108,626	52,876,807
<u>\$ 487,798,774</u>	<u>\$ 496,490,074</u>	<u>\$ 507,828,483</u>	<u>\$ 527,039,007</u>	<u>\$ 542,061,788</u>	<u>\$ 569,516,120</u>

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

Expenses	2009	2010	2011	2012	2013
Governmental activities:					
General government	\$ 26,271,208	\$ 27,521,624	\$ 28,984,951	\$ 33,613,178	\$ 30,085,415
Public safety	47,399,393	48,255,341	49,551,448	49,079,213	50,635,595
Public works	16,469,884	17,757,345	17,576,101	14,035,937	18,528,117
Culture and recreation	18,568,035	18,956,880	18,470,341	18,124,914	18,724,863
Urban development and housing	12,222,887	12,132,169	13,439,978	12,714,594	12,811,514
Economic opportunity	2,030,004	1,618,911	2,000,883	1,893,704	1,886,174
Interest and fees on long-term debt	3,148,917	3,293,702	2,653,845	2,440,277	2,194,969
Total governmental activities expenses	126,110,328	129,535,972	132,677,547	131,901,817	134,866,647
Business-type activities:					
Golf course	3,876,949	3,767,166	3,698,979	3,743,788	3,747,277
Sewer	3,484,607	3,586,602	3,644,660	3,534,954	3,854,381
Stormwater	1,934,566	1,996,190	1,980,805	2,445,596	2,075,559
Water	802,559	858,582	936,057	959,538	951,787
Total business-type activities	10,098,681	10,208,540	10,260,501	10,683,876	10,629,004
Total primary government expenses	\$ 136,209,009	\$ 139,744,512	\$ 142,938,048	\$ 142,585,693	\$ 145,495,651
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 8,421,072	\$ 8,511,221	\$ 8,899,658	\$ 8,486,130	\$ 8,406,938
Public safety	3,950,696	4,341,434	4,059,494	4,453,197	4,867,400
Public works	526,284	516,036	519,188	522,223	523,838
Culture and recreation	4,504,693	4,641,418	4,871,635	5,078,856	5,342,330
Urban development and housing	--	1,043,989	1,012,283	1,019,828	1,458,204
Economic opportunity	1,910,102	1,003,175	880,778	829,573	856,895
Operating grants and contributions	12,764,092	13,590,239	12,563,105	13,124,320	11,210,485
Capital grants and contributions	8,848,584	16,801,801	24,134,258	7,710,450	8,404,044
Total governmental activities program revenues	40,925,523	50,449,313	56,940,399	41,224,577	41,070,134
Business-type activities:					
Charges for services:					
Golf course	4,245,555	4,247,555	4,112,309	4,450,040	4,339,298
Sewer	2,193,322	2,452,125	2,772,278	3,078,441	3,566,999
Stormwater	2,284,152	2,464,436	2,411,079	2,448,746	2,481,899
Water	850,730	971,854	1,027,047	1,100,546	1,102,484
Operating grants and contributions	--	660,205	112,321	--	--
Capital grants and contributions	--	--	--	--	--
Total business-type activities program revenues	9,573,759	10,796,175	10,435,034	11,077,773	11,490,680
Total primary government program revenues	\$ 50,499,282	\$ 61,245,488	\$ 67,375,433	\$ 52,302,350	\$ 52,560,814
Net (Expense)/Revenue					
Governmental activities	\$ (85,184,805)	\$ (79,086,659)	\$ (75,737,148)	\$ (90,677,240)	\$ (93,796,513)
Business-type activities	(524,922)	587,635	174,533	393,897	861,676
Total primary government net expense	\$ (85,709,727)	\$ (78,499,024)	\$ (75,562,615)	\$ (90,283,343)	\$ (92,934,837)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property and specific ownership	\$ 16,126,726	\$ 16,254,126	\$ 15,767,447	\$ 14,825,086	\$ 15,516,166
Sales and use	65,994,458	66,963,692	69,498,098	72,476,177	77,387,186
Franchise & other	9,217,521	9,498,254	10,131,203	9,644,791	10,293,898
Grants and contributions not restricted to specific programs	--	373,052	552,273	364,123	357,990
Investment earnings	1,801,742	1,321,255	1,233,115	819,405	456,169
Miscellaneous	1,645,640	179,566	199,804	94,693	274,809
Transfers	1,077,729	1,066,479	608,568	676,545	754,485
TABOR Refund	--	--	--	--	(1,277,365)
Total governmental activities	95,863,816	95,656,424	97,990,508	98,900,820	103,763,338
Business-type activities:					
Investment earnings	278,307	214,837	136,869	99,831	84,841
Miscellaneous	9,210	60,610	34,310	211,064	93,016
Transfers	(1,077,729)	(1,066,479)	(608,568)	(676,545)	(754,485)
Total business-type activities	(790,212)	(791,032)	(437,389)	(365,650)	(576,628)
Total primary government	\$ 95,073,604	\$ 94,865,392	\$ 97,553,119	\$ 98,535,170	\$ 103,186,710
Change in Net Position					
Governmental activities	\$ 10,679,011	\$ 16,569,765	\$ 22,253,360	\$ 8,223,580	\$ 9,966,825
Business-type activities	(1,315,134)	(203,397)	(262,856)	28,247	285,048
Total primary government	\$ 9,363,877	\$ 16,366,368	\$ 21,990,504	\$ 8,251,827	\$ 10,251,873

Source: City's Comprehensive Annual Financial Report

Schedule 2

2014	2015	2016	2017	2018
\$ 40,054,077	\$ 38,309,285	\$ 33,523,638	\$ 33,364,806	\$ 46,008,217
52,596,221	53,441,033	58,281,345	59,452,180	61,659,817
12,744,230	13,573,693	12,204,246	17,930,662	11,010,780
18,829,506	21,017,674	21,389,068	22,703,154	22,691,427
11,923,053	10,616,107	11,528,561	10,284,829	12,347,347
2,066,087	2,228,416	2,374,391	4,294,677	4,837,612
2,005,119	1,879,178	1,614,934	1,378,589	1,196,617
140,218,293	141,065,386	140,916,183	149,408,897	159,751,817
4,036,918	4,099,274	4,149,108	4,423,571	4,499,986
3,622,591	3,972,398	3,879,114	4,891,624	4,464,144
2,274,398	2,219,674	2,387,282	2,317,783	2,683,444
963,402	1,008,011	1,013,114	1,257,877	1,039,641
10,897,309	11,299,357	11,428,618	12,890,855	12,687,215
\$ 151,115,602	\$ 152,364,743	\$ 152,344,801	\$ 162,299,752	\$ 172,439,032
\$ 8,189,453	\$ 7,414,938	\$ 7,275,623	\$ 8,750,573	\$ 8,142,753
6,150,066	6,113,323	6,214,784	6,959,710	6,550,358
527,951	536,287	510,462	557,247	548,695
5,529,773	5,984,015	6,388,691	6,771,306	7,141,698
1,502,026	984,407	1,025,298	1,187,163	1,173,191
982,199	1,111,309	1,166,022	1,203,221	1,287,174
12,285,903	12,693,115	13,961,253	15,243,100	14,312,975
7,205,953	6,348,540	6,880,770	6,623,045	7,268,406
42,373,324	41,185,934	43,422,903	47,295,365	46,425,250
4,648,585	4,728,997	4,836,356	4,866,509	4,988,439
3,750,838	4,046,357	3,927,807	4,155,404	4,244,838
2,456,281	2,553,599	4,570,573	4,644,376	4,847,531
1,131,155	1,135,710	1,113,591	1,167,275	1,151,744
--	--	--	--	--
1,157,091	89,300	528,230	1,006,100	1,007,510
13,143,950	12,553,963	14,976,557	15,839,664	16,240,062
\$ 55,517,274	\$ 53,739,897	\$ 58,399,460	\$ 63,135,029	\$ 62,665,312
\$ (97,844,969)	\$ (99,879,452)	\$ (97,493,280)	\$ (102,113,532)	\$ (113,326,567)
2,246,641	1,254,606	3,547,939	2,948,809	3,552,847
\$ (95,598,328)	\$ (98,624,846)	\$ (93,945,341)	\$ (99,164,723)	\$ (109,773,720)
\$ 15,715,606	\$ 15,413,513	\$ 16,630,365	\$ 17,528,452	\$ 21,200,905
83,208,721	87,251,437	90,146,096	95,874,916	92,856,656
10,749,372	10,228,753	11,128,813	11,360,718	11,310,808
349,592	343,229	354,755	321,768	327,964
1,114,230	1,007,841	436,653	1,326,433	1,707,727
260,786	148,591	114,423	61,943	168,724
676,928	676,647	675,630	675,395	685,148
(5,200,119)	(4,535,650)	(5,823,934)	(12,536,504)	12,536,504
106,875,116	110,534,361	113,662,801	114,613,121	140,794,436
81,317	98,058	135,819	199,144	239,266
19,460	7,483	32,875	50,634	50,561
(676,928)	(676,647)	(675,630)	(675,395)	(685,148)
(576,151)	(571,106)	(506,936)	(425,617)	(395,321)
\$ 106,298,965	\$ 109,963,255	\$ 113,155,865	\$ 114,187,504	\$ 140,399,115
\$ 9,030,147	\$ 10,654,909	\$ 16,169,521	\$ 12,499,589	\$ 27,467,869
1,670,490	683,500	3,041,003	2,523,192	3,157,526
\$ 10,700,637	\$ 11,338,409	\$ 19,210,524	\$ 15,022,781	\$ 30,625,395

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

	2009	2010	2011	2012	2013
General Fund					
Nonspendable	\$ -	\$ 130,771	\$ 131,934	\$ 132,870	\$ 128,247
Restricted ⁽¹⁾	2,438,682	2,909,251	2,947,096	2,758,085	2,858,903
Assigned	-	-	-	-	-
Unassigned ⁽²⁾	22,258,568	25,708,340	28,457,402	30,569,397	32,363,563
Total General Fund	24,697,250	28,748,362	31,536,432	33,460,352	35,350,713
All Other Governmental Funds					
Nonspendable	-	37,930	43,167	92,926	40,865
Restricted ⁽¹⁾	5,100,815	24,708,859	24,492,500	28,999,309	34,674,150
Assigned	-	5,421,171	4,990,085	4,098,451	4,233,647
Unassigned ⁽²⁾	24,455,813	(1,222,802)	(97,252)	-	(647,381)
Total all other governmental funds	29,556,628	28,945,158	29,428,500	33,190,686	38,301,281
Total all governmental funds	\$ 54,253,878	\$ 57,693,520	\$ 60,964,932	\$ 66,651,038	\$ 73,651,994

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

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

Source: City's Comprehensive Annual Financial Report

Schedule 3

2014	2015	2016	2017	2018
\$ 132,354	\$ 196,504	\$ 266,562	\$ 283,908	\$ 238,507
4,222,206	4,353,215	4,487,234	4,633,173	11,178,024
-	-	-	-	-
35,598,763	37,423,037	31,302,115	25,234,678	25,185,969
39,953,323	41,972,756	36,055,911	30,151,759	36,602,500
34,536	29,640	39,912	31,810	24,759
37,257,790	44,780,059	49,077,381	56,138,704	59,618,745
4,528,092	4,975,337	4,936,870	6,063,720	5,914,090
(316,733)	(605,812)	(779,253)	(132,095)	(329,803)
41,503,685	49,179,224	53,274,910	62,102,139	65,227,791
\$ 81,457,008	\$ 91,151,980	\$ 89,330,821	\$ 92,253,898	\$ 101,830,291

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

	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 91,338,705	\$ 92,716,072	\$ 95,396,748	\$ 96,946,054	\$ 102,303,258
Licenses and permits	3,520,572	2,928,913	2,739,114	2,730,120	2,983,251
Charges for services	12,101,845	13,291,495	13,790,489	13,931,232	14,545,071
Fines and forfeitures	1,483,425	1,434,598	1,520,956	1,421,983	1,279,097
Intergovernmental	19,822,060	24,440,825	24,253,693	21,581,104	18,394,300
Investment income	1,392,534	980,571	1,183,228	643,893	313,481
Other revenues	3,406,978	1,749,388	1,687,758	1,732,361	3,197,967
TABOR Refund	--	--	--	--	(1,277,365)
Total revenues	<u>133,066,119</u>	<u>137,541,862</u>	<u>140,571,986</u>	<u>138,986,747</u>	<u>141,739,060</u>
Expenditures					
General government	25,987,154	25,979,970	27,260,239	26,344,967	27,214,581
Public safety	44,754,419	46,265,464	46,813,867	46,978,050	48,328,891
Public works	7,827,009	8,432,446	8,429,542	7,734,198	7,939,452
Culture and recreation	16,169,447	16,193,360	16,001,967	16,611,826	16,360,324
Urban development and housing	2,504,282	1,807,275	1,693,439	2,231,645	2,336,376
Economic opportunity	2,030,664	1,940,597	1,954,508	1,845,956	1,841,430
Capital outlay	25,443,092	26,170,866	27,421,343	24,047,903	24,609,459
Debt service:					
Principal	4,968,944	5,460,559	5,700,059	5,753,704	4,685,816
Interest and fiscal charges	3,134,056	2,918,162	2,634,178	2,428,937	2,176,260
Total expenditures	<u>132,819,067</u>	<u>135,168,699</u>	<u>137,909,142</u>	<u>133,977,186</u>	<u>135,492,589</u>
Excess of revenues over (under) expenditures	<u>247,052</u>	<u>2,373,163</u>	<u>2,662,844</u>	<u>5,009,561</u>	<u>6,246,471</u>
Other Financing Sources (Uses)					
Proceeds from borrowing	6,130,000	--	--	--	--
Proceeds from capital lease	--	--	--	--	--
Payments to escrow agent	(3,770,000)	--	--	--	--
Operating transfers in	10,928,554	8,472,578	8,574,090	10,781,107	13,326,455
Operating transfers out	(9,850,825)	(7,406,099)	(7,965,522)	(10,104,562)	(12,571,970)
Total other financing sources (uses)	<u>3,437,729</u>	<u>1,066,479</u>	<u>608,568</u>	<u>676,545</u>	<u>754,485</u>
Net change in fund balances	<u>\$ 3,684,781</u>	<u>\$ 3,439,642</u>	<u>\$ 3,271,412</u>	<u>\$ 5,686,106</u>	<u>\$ 7,000,956</u>
Debt service as a percentage of noncapital expenditures	6.6%	6.7%	6.5%	6.4%	5.4%

Source: City's Comprehensive Annual Financial Report

Schedule 4

2014	2015	2016	2017	2018
\$ 109,666,669	\$ 112,889,810	\$ 117,905,274	\$ 124,764,086	\$ 125,368,369
3,963,589	3,770,885	4,173,666	6,395,757	4,902,432
14,679,323	14,331,781	14,611,126	15,172,392	16,154,436
1,451,120	1,599,055	1,348,190	1,200,775	1,241,903
20,421,087	19,803,064	21,641,837	23,403,955	22,596,907
990,636	885,195	293,225	1,104,820	1,403,640
2,352,414	1,916,126	1,854,572	1,866,776	2,051,959
(5,200,119)	(4,535,650)	(5,823,934)	(12,536,504)	12,536,504
148,324,719	150,660,266	156,003,956	161,372,057	186,256,150
28,585,442	29,536,810	36,699,831	33,176,171	36,317,120
50,594,496	51,622,011	55,370,581	56,969,269	60,108,519
8,495,828	8,672,155	8,505,714	10,498,621	7,905,435
17,188,004	17,983,812	18,750,071	19,698,085	22,059,611
2,265,819	2,057,475	1,675,377	2,049,451	2,029,880
2,021,343	2,189,740	2,337,470	2,517,426	2,800,016
26,906,966	23,253,012	28,908,414	28,042,799	41,572,537
4,142,565	4,446,045	4,647,620	4,804,628	4,938,664
1,953,170	1,880,881	1,605,667	1,367,925	1,143,977
142,153,633	141,641,941	158,500,745	159,124,375	178,875,759
6,171,086	9,018,325	(2,496,789)	2,247,682	7,380,391
--	--	--	--	--
957,000	--	--	--	1,510,854
--	--	--	--	--
10,267,501	11,075,437	11,122,500	13,106,692	27,554,369
(9,590,573)	(10,398,790)	(10,446,870)	(12,431,297)	(26,869,221)
1,633,928	676,647	675,630	675,395	2,196,002
\$ 7,805,014	\$ 9,694,972	\$ (1,821,159)	\$ 2,923,077	\$ 9,576,393
4.6%	4.8%	4.5%	4.2%	4.0%

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

	2009	2010	2011	2012
Accommodation & Food Services	\$ 320,289,448	\$ 323,762,289	\$ 340,463,306	\$ 364,439,074
Ag, Forestry, Fishing, Hunting	117,048	62,337	74,539	46,562
Art, Entertainment, Recreation	26,708,686	25,395,341	25,246,985	25,898,217
Construction	9,541,011	10,296,417	9,073,635	9,314,144
Educational Services	1,547,490	1,387,456	1,296,435	1,181,081
Finance and Insurance	3,009,452	2,486,313	2,423,563	4,035,689
Health Care, Social Assistance	2,599,499	3,035,827	3,665,007	4,081,882
Information	162,143,261	165,939,044	163,375,015	173,416,615
Manufacturing	21,350,766	24,391,638	24,118,142	25,453,139
Mgmt of Companies, Enterprises	22,001	38,922	122,769	1,970
Mining	316,181	383,415	320,482	258,177
Miscellaneous/Random Filers	2,834,053	1,424,547	3,697,594	1,845,694
Other Services	40,476,981	44,779,044	46,330,263	53,935,536
Professional, Scientific, & Technical Svcs	7,655,528	8,488,654	8,835,276	10,586,606
Public Administration	153,217	161,980	185,719	148,100
Real Estate, Rental, Leasing	43,606,095	39,521,475	39,724,566	38,661,926
Retail Trade	1,075,287,861	1,104,655,929	1,165,383,682	1,221,944,170
Transportation & Warehousing	589,948	533,707	520,013	543,240
Utilities	134,905,580	148,519,760	148,584,305	140,996,599
Waste Mgmt & Remediation Services	8,489,981	8,042,171	9,344,269	7,918,685
Wholesale Trade	37,721,541	35,642,067	36,703,429	45,747,674
Total all categories	<u>\$ 1,899,365,628</u>	<u>\$ 1,948,948,333</u>	<u>\$ 2,029,488,994</u>	<u>\$ 2,130,454,780</u>
City direct sales tax rate ⁽¹⁾	3.0%	3.0%	3.0%	3.0%

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

Source: City of Lakewood's Revenue System

Schedule 5

2013	2014	2015	2016	2017	2018
\$ 381,037,346	\$ 408,245,016	\$ 449,554,901	\$ 461,970,873	\$ 475,256,644	\$ 492,020,947
93,382	366,409	451,474	402,716	465,766	470,479
27,101,908	24,825,731	32,528,279	35,017,932	34,658,388	36,189,635
11,315,064	16,011,073	17,482,459	16,701,330	19,466,552	22,112,333
985,425	1,011,783	1,129,499	1,032,450	944,406	837,501
7,014,801	8,493,511	10,039,666	12,118,581	13,823,268	13,772,599
3,123,409	4,950,405	5,288,410	6,055,882	5,207,230	4,450,327
180,179,637	191,725,253	163,724,094	152,945,713	137,788,403	132,999,261
27,018,793	33,858,565	32,904,890	38,840,453	44,670,499	42,273,061
585	550,531	1,295	4,686	20,482	5,817
205,050	236,226	166,562	116,042	11,362	52,058
1,156,862	16,765	-	-	-	-
62,713,986	79,363,921	56,544,781	57,562,361	59,756,351	61,501,640
11,243,515	17,033,686	15,051,591	14,563,441	19,046,404	15,660,958
112,297	101,359	260,699	197,571	103,578	115,118
41,004,757	39,806,823	50,043,806	54,206,742	63,914,638	67,381,332
1,286,882,574	1,339,502,528	1,470,089,651	1,530,521,070	1,463,604,295	1,517,607,543
1,116,069	5,542,408	2,149,265	2,493,054	2,907,813	2,954,568
152,930,446	154,914,127	147,677,320	141,101,743	141,712,433	141,820,052
8,269,879	9,186,620	11,316,000	13,457,481	11,412,402	12,272,408
51,071,736	65,041,856	70,061,942	77,084,541	90,553,256	84,077,437
<u>\$ 2,254,577,521</u>	<u>\$ 2,400,784,596</u>	<u>\$ 2,536,466,584</u>	<u>\$ 2,616,394,662</u>	<u>\$ 2,585,324,170</u>	<u>\$ 2,648,575,074</u>
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

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

	2009	2010	2011	2012	2013
City direct rate ⁽¹⁾	3.00%	3.00%	3.00%	3.00%	3.00%
Overlapping rates:					
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%
SE Jefferson County Road Improvement District ⁽²⁾	0.43%	0.43%	0.43%	0.43%	0.43%
Football Stadium District	0.10%	0.10%	0.10%	0.00%	0.00%
Scientific & Cultural Facilities District	0.10%	0.10%	0.10%	0.10%	0.10%
Regional Transportation District	1.00%	1.00%	1.00%	1.00%	1.00%

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

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

Source: City of Lakewood, Colorado Department of Revenue

Schedule 6

2014	2015	2016	2017	2018
3.00%	3.00%	3.00%	3.00%	3.00%
2.90%	2.90%	2.90%	2.90%	2.90%
0.50%	0.50%	0.50%	0.50%	0.50%
0.43%	0.43%	0.43%	0.43%	0.43%
0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	0.10%	0.10%	0.10%	0.10%
1.00%	1.00%	1.00%	1.00%	1.00%



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

Category of Taxpayer ⁽¹⁾	2018			2009		
	Sales/Use	Rank	Percentage of	Sales/Use	Rank	Percentage of
	Taxes		Total City	Taxes		Total City
	Remitted		Sales/Use Tax	Remitted		Sales/Use Tax
			Revenues			Revenues
<u>Aggregated top ten filers</u>						
Utility	\$ 5,416,365	1	6.77%	\$ 6,239,408	1	9.22%
Clothing, gifts, jewelry	4,680,184	2	5.89%	4,374,505	2	6.46%
Building materials	3,744,108	3	4.71%	872,649	4	1.29%
Computers and software	2,025,533	4	2.55%	2,100,710	3	3.10%
Grocery store	1,465,483	5	1.84%			
Electronic Shopping and						
Mail-Order Houses	945,416	6	1.19%			
Cellular/wireless	854,404	7	1.08%	682,377	5	1.01%

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

Source: City of Lakewood's Revenue System

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

Levy Year	Taxable Real and Personal Property ⁽¹⁾					Total Taxable Assessed Value
	Residential Property	Commercial Property	Industrial Property	Vacant Land	Other Property ⁽²⁾	
2009	\$ 942,716,810	\$ 736,784,840	\$ 41,720,120	\$ 36,304,950	\$ 65,356,390	\$ 1,822,883,110
2010	943,892,270	706,260,650	42,205,720	35,813,160	63,982,280	1,792,154,080
2011	902,126,911	660,647,705	41,302,769	34,993,494	65,689,257	1,704,760,136
2012	900,361,551	662,238,324	40,399,818	34,173,828	67,396,234	1,701,819,508
2013	924,221,737	668,484,522	38,940,473	34,295,409	65,389,484	1,731,331,625
2014	932,635,730	665,338,880	54,799,706	26,784,847	66,098,532	1,745,657,695
2015	1,161,769,824	700,450,293	41,677,085	37,091,662	66,145,873	2,007,134,737
2016	1,179,123,864	749,149,792 ⁽⁴⁾	5,846,743 ⁽⁴⁾	29,303,014	67,477,032	2,030,900,445
2017	1,330,678,157	930,934,068	9,359,339	32,196,861	68,940,987	2,372,109,412
2018	1,344,657,871	924,537,828	8,384,826	27,940,978	66,017,372	2,371,538,875

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

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

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

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

⁽⁵⁾ The City's revenues are limited by the Colorado Constitution and its Tax Payer's Bill of Rights (TABOR). To refund the revenues in excess of the limit, the City Council has chosen to temporarily reduce the City's mill levy for the years 2016, 2017, and 2018.

Source: Jefferson County Assessor's Office

Schedule 8

Total Direct Tax Rate	Assessment Rates		Estimated Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	All Other ⁽³⁾		
4.711	7.96%	29.00%	\$ 14,878,232,212	12.25%
4.711	7.96%	29.00%	14,782,983,815	12.12%
4.711	7.96%	29.00%	14,100,953,427	12.09%
4.711	7.96%	29.00%	14,084,206,499	12.08%
4.711	7.96%	29.00%	14,393,963,387	12.03%
4.711	7.96%	29.00%	14,520,053,289	12.02%
2.031 ⁽⁵⁾	7.96%	29.00%	17,510,149,716	11.46%
2.392 ⁽⁵⁾	7.96%	29.00%	17,750,274,493	11.44%
2.148 ⁽⁵⁾	7.96%	29.00%	20,308,204,532	11.68%
4.711	7.96%	29.00%	20,433,655,801	11.61%

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CITY DIRECT RATE:										
Property Tax Operating Mill Levy	4.711	4.711	4.711	4.711	4.711	4.711	2.031	2.392	2.148	4.711
OVERLAPPING RATES: ^{(1) (2)}										
Jefferson County	24.346	24.346	24.346	24.346	25.846	25.846	24.212	24.709	22.420	23.739
School District R-1	48.284	48.145	48.210	50.616	50.369	50.165	47.487	45.941	42.878	49.416
Alameda Corridor Bus. Improve. Dist.	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation Dist.	1.746	1.746	1.746	1.746	1.746	1.746	1.628	1.633	1.442	1.454
Bear Creek Water & Sanitation District	4.471	4.535	4.416	4.425	4.420	4.425	3.820	3.745	3.860	4.030
Bennett Bear Creek Farms Water & San. Dist.	2.504	2.468	2.468	2.468	2.468	2.468	1.884	1.884	1.570	1.784
Bowles Metro District	40.000	40.000	40.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000
Daniels Sanitation District	0.495	0.468	0.465	0.465	0.462	0.390	0.390	0.375	0.284	0.282
Denver West Metro District	35.000	36.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Denver West Metro District Ex. 04	12.844	13.129	9.512	20.142	23.945	26.395	25.056	25.373	22.876	23.556
Denver West Metro District Ex. 14	N/A	N/A	N/A	N/A	N/A	29.431	27.931	28.068	26.179	27.682
Denver West Metro District Ex. 98	12.844	13.129	9.512	7.562	12.091	14.620	13.866	14.140	5.942	0.957
Denver West Promenade Metro District	N/A	N/A	N/A	60.000	60.000	60.000	60.000	60.000	60.000	60.000
East Jefferson County Sanitation District	1.167	1.167	1.141	1.141	1.115	1.115	0.914	0.914	0.744	0.744
East Lakewood Sanitation District	4.833	4.813	4.840	4.840	4.840	4.840	4.101	4.262	3.682	3.745
Foothills Rec & Park Sub A	7.636	7.579	7.464	7.527	7.559	7.551	7.237	7.191	9.671	9.691
Fossil Ridge Metro District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000
Fossil Ridge Metro District No. 2	30.000	30.000	30.000	30.000	30.000	38.500	40.000	40.000	43.668	37.668
Fossil Ridge Metro District No. 3	30.000	30.000	30.000	30.000	30.000	40.000	40.000	40.000	43.668	37.668
Highview Water District	0.210	0.198	0.189	0.189	0.183	0.183	0.158	0.152	0.139	0.139
Lakewood West Colfax Business Improve.	N/A	N/A	N/A	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Lochmoor Water & Sanitation District	13.193	13.193	13.193	13.193	13.193	13.193	11.475	12.007	9.955	9.959
Mount Carbon Metro District	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	40.421	40.569
Mount Carbon Metro District Ex. 07	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	21.849	21.929
Mount Carbon Metro District Ex. 08	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	21.849	21.929
Northwest Lakewood Sanitation District	7.802	7.525	7.747	7.571	7.285	7.703	6.878	6.522	6.825	5.437
Plaza Metro District No. 2	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	20.000	20.000	20.000	20.000	20.000	22.990	22.990	22.990	25.416	25.416
Pleasant View Metro District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Pleasant View Water & Sanitation District	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552
Prospect Recreation & Park District	3.000	3.000	3.000	3.000	3.000	3.000	4.000	6.600	6.600	6.600
Section 14 Metro District	23.476	21.043	21.460	23.290	23.356	23.422	23.290	23.669	23.691	23.803
Section 14 Metro District Ex. 04	9.684	17.564	17.666	16.798	18.961	19.088	18.180	18.559	14.006	16.150
South Sheridan Water & Sanitation	7.896	7.896	7.896	7.896	7.896	7.896	7.896	5.748	6.314	6.700
Urban Drainage & Flood	0.528	0.508	0.523	0.599	0.608	0.632	0.553	0.559	0.500	0.726
Urban Drainage & Flood Control South Platte	0.063	0.061	0.053	0.058	0.064	0.068	0.058	0.061	0.057	0.094
West Metro Fire Protection District	13.737	13.662	13.784	13.739	13.632	13.595	13.550	13.394	13.219	13.732
Wheat Ridge Fire District	4.400	4.257	7.500	7.500	7.500	12.586	12.527	0.000	0.000	0.000 ⁽³⁾
Wheat Ridge Sanitation District	0.550	0.546	0.546	0.546	0.537	0.537	0.468	0.468	0.468	0.398

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

⁽¹⁾ Overlapping rates are those of local and county governments that apply to property owners within the City of Lakewood. Not all overlapping rates apply to all Lakewood property owners; for example, although the county property tax rates apply to all Lakewood property owners, the Alameda Water and Sanitation District rates apply only to those Lakewood property owners whose property is located within that district's geographic boundaries.

⁽²⁾ The following entities overlap with the City of Lakewood but currently do not have a mill levy: Big Sky Metro District 1-7, Bonvue Water & Sanitation District, Grant Water & Sanitation District, Green Mountain Water & Sanitation District, Indiana Valley Metro District, Lakehurst Water & Sanitation District, Lena Gulch Metro District, Plaza Metro District 1, and Southwest Suburban Denver Water & Sanitation.

⁽³⁾ Wheat Ridge Fire District became part of West Metro Fire Protection District at the end of 2016.

Source: Jefferson County Assessor's Office

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Belmar Commercial Owner LP ⁽¹⁾	\$ 42,206,556	1	1.78%	\$ 27,659,160	2	1.52%
Public Service Co of Colorado	38,532,433	2	1.62%	26,624,260	3	1.46%
Colorado Mills Mall LP	29,621,714	3	1.25%	43,329,600	1	2.38%
Terumo BCT Inc ⁽²⁾	23,326,652	4	0.98%			
Qwest Corp.	17,410,300	5	0.73%	25,871,600	4	1.42%
Lakewood City Commons LP	11,654,115	6	0.49%	13,121,580	5	0.72%
Firstbank Holding Company	11,283,810	7	0.48%			
Lakewood MOB LLC	10,983,779	8	0.46%			
Wal Mart Real Estate Business Trust	8,000,977	9	0.34%			
Target Corporation	7,661,239	10	0.32%			
Denver West Village LP ⁽³⁾				11,811,710	6	0.65%
Centro Westland LLC				7,738,940	9	0.42%
HUB Properties Trust ⁽⁴⁾				6,171,780	10	0.34%
The Section 14 Development Company				11,009,060	7	0.60%
Carma Lakewood LLC				9,113,000	8	0.50%

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

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

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

⁽⁴⁾ HUB Properties Trust formerly HUB Acquisition Trust

Source: Jefferson County Assessor's Office

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

Levy Year	Year Collected	Taxes Levied for Collection (from abstract)	Amount Collected by the City	Percentage of Levy	Mill Levy	TABOR Refund ⁽¹⁾	Total Property Tax Revenue
2008	2009	\$ 8,248,260	\$ 8,017,422	97.20%	4.711	\$ -	\$ 8,017,422
2009	2010	8,260,372	8,039,443	97.33%	4.711	-	8,039,443
2010	2011	8,128,249	7,986,944	98.26%	4.711	-	7,986,944
2011	2012	7,739,528	7,573,830	97.86%	4.711	-	7,573,830
2012	2013	7,713,072	7,601,278	98.55%	4.711	-	7,601,278
2013	2014	7,852,912	7,715,595	98.25%	4.711	-	7,715,595
2014	2015	7,933,999	7,737,330	97.52%	4.711	-	7,737,330
2015	2016	3,941,301 ⁽¹⁾	3,952,039 ⁽¹⁾	100.27%	2.031	5,200,119	9,152,158
2016	2017	4,679,870 ⁽¹⁾	4,614,865 ⁽¹⁾	98.61%	2.392	4,535,650	9,150,515
2017	2018	4,882,439 ⁽¹⁾	4,775,902 ⁽¹⁾	97.82%	2.148	5,823,934	10,599,836

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

- ⁽¹⁾ The City's revenues are limited by the Colorado Constitution and its Tax Payer's Bill of Rights (TABOR). To refund the revenues in excess of the limit, the City Council has chosen to temporarily reduce the City's mill levy for the years 2015, 2016, and 2017; resulting in a refund in 2016, 2017, and 2018.

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

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

Fiscal Year	Governmental Activities					Business Activities		Debt as a Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	Sales and Use Tax Revenue	Certificates of Participation	Capital Leases	Grant/ Program Revenue Notes	Total Governmental Activities Debt	Capital Leases	Total Primary Government Debt		
	Bonds								
2009	\$ 3,800,000	\$ 52,822,055	\$ 3,678,543	\$ 6,276,757	\$ 66,577,355	\$ 213,271	\$ 66,790,626	1.70%	\$ 463
2010	2,565,000	49,166,413	3,418,711	5,836,030	60,986,154	167,744	61,153,898	1.51%	427
2011	1,300,000	45,275,771	3,107,563	5,472,119	55,155,453	119,191	55,274,644	1.32%	383
2012	-	41,220,129	2,905,926	5,145,052	49,271,107	67,413	49,338,520	1.17%	339
2013	-	36,999,487	2,689,857	4,765,305	44,454,649	-	44,454,649	0.98%	302
2014	-	33,323,846	3,415,224	4,399,373	41,138,443	-	41,138,443	0.86%	275
2015	-	29,493,205	3,089,320	3,979,232	36,561,757	-	36,561,757	0.73%	239
2016	-	25,507,564	2,741,723	3,534,209	31,783,496	-	31,783,496	0.60%	205
2017	-	21,351,923	2,369,543	3,126,761	26,848,227	-	26,848,227	0.50%	174
2018	-	17,001,282	3,684,415	2,604,079	23,289,776	-	23,289,776	0.41%	150

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

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

Source: City's Comprehensive Annual Financial Report

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

	2009	2010	2011	2012	2013
General bonded debt outstanding:					
General obligation bonds ⁽¹⁾	\$ --	\$ --	\$ --	\$ --	\$ --
Percentage of estimated actual property value ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita ⁽³⁾	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit ⁽⁴⁾	\$ 446,346,966	\$ 443,489,514	\$ 423,028,603	\$ 422,526,195	\$ 431,818,902
Legal debt margin ⁽⁵⁾	\$ 446,346,966	\$ 443,489,514	\$ 423,028,603	\$ 422,526,195	\$ 431,818,902
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

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

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

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

Source: City's Comprehensive Annual Financial Report

Schedule 13

2014		2015		2016		2017		2018	
\$	--	\$	--	\$	--	\$	--	\$	--
	0.00%		0.00%		0.00%		0.00%		0.00%
\$	--	\$	--	\$	--	\$	--	\$	--
\$	435,601,599	\$	525,304,491	\$	532,508,235	\$	609,246,136	\$	613,009,674
\$	435,601,599	\$	525,304,491	\$	532,508,235	\$	609,246,136	\$	613,009,674
	100.00%		100.00%		100.00%		100.00%		100.00%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 19,480,000	42.21%	\$ 8,222,508
Denver West Metropolitan District	45,330,456	80.16%	36,336,894
Denver West Metropolitan District EX 04	1,122,376	93.54%	1,049,871
Denver West Metropolitan District EX 14	1,443,619	97.42%	1,406,374
Denver West Metropolitan District EX 98	48,549	0.00%	-
Denver West Promenade Metro District	4,935,000	98.09%	4,840,742
Fossil Ridge Metropolitan District 1	8,050,000	99.99%	8,049,195
Fossil Ridge Metropolitan District 3	20,295,000	99.03%	20,098,139
Jefferson County R-1 School District	657,285,000	24.01%	157,814,129
Mount Carbon Metropolitan District	15,080,000	24.50%	3,694,600
Prospect Recreation and Park District	8,375,000	19.00%	1,591,250
Section 14 Metropolitan District	995,000	35.23%	350,539
Sheridan Station West Metropolitan District	3,625,000	100.00%	3,625,000
West Metro Fire Protection District	23,770,000	56.40%	13,406,280
Other debt:			
Indiana Valley Metropolitan District	39,970,000	98.22%	39,258,534
Jefferson County	93,276,483	24.01%	22,395,684
Jefferson County R-1 School District	65,050,000	24.01%	15,618,505
Plaza Metropolitan District 1	74,310,000	100.00%	74,310,000
Pleasant View Metropolitan District	-		-
Pleasant View Water & Sanitation District	490,000	52.50%	257,250
West Metro Fire Protection District	1,128,777	56.40%	636,630
Subtotal, overlapping debt	1,084,060,260		412,962,124
City direct debt	23,289,776	100.00%	23,289,776
Total direct and overlapping debt	\$ 1,107,350,036		\$ 436,251,900

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

Sources: Debt outstanding provided by each governmental unit

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

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

Lakewood Reinvestment Authority (LRA)						
LRA Station Betterments Loan						
Fiscal Year	LRA Property Tax		Required Debt Service		Total	Coverage
	Revenues	Principal ⁽¹⁾	Interest			
2010	\$	408,069	\$ 72,729	\$ 177,805	\$ 250,534	1.63
2011		298,136	85,911	164,050	249,961	1.19
2012		296,813	70,510	169,661	240,171	1.24
2013		396,576	88,079	124,769	212,848	1.86
2014		398,791	95,390	117,458	212,848	1.87
2015		240,726	101,141	111,707	212,848	1.13
2016		271,840	133,127	79,721	212,848	1.28
2017		461,661	113,448	67,707	181,155	2.55
2018		549,670	117,682	63,472	181,154	3.03

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

2010	\$ 150,000
2011	50,000
2012	18,557
2013	43,668
2014	12,542
2015	50,000
2016	32,896
2017	-
2018	100,000

Source: City's Comprehensive Annual Financial Report

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

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Education Level in Years of Schooling ⁽⁴⁾	K-12 School Enrollment ⁽⁵⁾	Unemployment Rate (%) ⁽⁶⁾
2009	144,116	\$ 3,927,161,000	\$ 27,250	40	14.0	21,229	7.6
2010	143,209	4,040,069,099	28,211	40	13.8	21,191	8.4
2011	144,319	4,193,621,502	29,058	39	13.9	21,170	8.7
2012	145,662	4,229,296,170	29,035	39	14.0	20,812	7.9
2013	147,176	4,521,246,720	30,720	39	14.0	21,266	6.7
2014	149,754	4,809,798,972	32,118	39	14.0	21,083	5.1
2015	152,898	5,006,797,908	32,746	38	14.0	20,944	3.9
2016	155,072	5,276,790,016	34,028	38	14.1	20,768	3.2
2017	154,434	5,364,419,424	34,736	38	14.1	19,902	2.6
2018	155,626	5,676,302,724	36,474	39	14.1	19,715	3.1

Sources for the data are listed below:

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

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

⁽³⁾ U.S. Census Bureau, American Fact Finder, American Community Survey 5 year - for 2018 used 2013-2017

⁽⁴⁾ Lakewood Finance Department estimate using data from the U.S. Census Bureau, American Fact Finder, American Community Survey 5 year - for 2018 used 2013-2017

⁽⁵⁾ Colorado Department of Education

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

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Federal Center	8,000	1	9.70%	6,200	1	8.09%
Jefferson County R-1 School District	3,510	2	4.25%	3,637	2	4.75%
Terumo BCT ⁽¹⁾	2,400	3	2.91%	1,634	3	2.13%
St. Anthony Medical Campus	2,200	4	2.67%			
State of Colorado (various departments)	1,823	5	2.21%			
First Bank	1,332	6	1.61%	723	8	0.94%
Home Advisor ⁽²⁾	1,100	7	1.33%	798	6	1.04%
City of Lakewood	871	8	1.06%	865	5	1.13%
Colorado Christian University	456	9	0.55%			
West Metro Fire Protection and Rescue	405	10	0.49%			
The Integer Group				580	10	0.76%
MoneyGram International				875	4	1.14%
Lockheed Martin-Orion Project Offices ⁽³⁾				650	9	0.85%
National Renewable Energy Laboratory ⁽³⁾				774	7	1.01%

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

⁽²⁾ Home Advisor was formerly known as Service Magic

⁽³⁾ Offices in Lakewood

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

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

Department	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Mayor and City Council	1.00	0.54	-	-	-
City Manager's Office	16.64	15.85	16.37	15.65	19.12
City Attorney's Office	10.80	10.56	10.70	10.75	10.80
City Clerk's Office	7.74	7.68	8.73	7.78	8.91
Lakewood Reinvestment Authority	1.28	0.94	1.07	1.13	1.13
Community Resources	180.58	175.36	174.48	170.99	167.44
Employee Relations	13.74	13.49	13.67	13.71	13.29
Finance	34.00	32.73	29.57	27.87	28.74
Information Technology	27.04	27.17	26.60	26.09	25.52
Municipal Court	27.91	26.98	26.38	29.81	30.00
Planning	13.00	12.67	14.15	14.79	15.44
Police	420.25	412.59	411.11	390.93	403.87
Public Works	115.12	112.34	112.24	113.87	110.96
Total	869.10	848.90	845.07	823.37	835.22

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

Source: The City of Lakewood's Payroll System

Schedule 18

December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
-	-	-	-	-
18.46	17.68	19.22	18.14	19.43
10.07	10.68	10.77	10.93	10.75
8.99	8.11	8.11	9.29	9.96
1.13	0.43	0.10	0.34	0.26
192.58	191.87	191.67	199.83	203.35
14.36	13.29	12.68	14.41	14.89
32.09	32.75	32.40	30.60	31.85
26.25	27.37	28.60	30.01	29.97
30.27	30.57	30.34	30.33	31.49
15.91	16.99	17.21	16.36	16.65
409.38	406.10	407.00	412.49	391.55
113.40	113.23	114.08	116.53	118.60
872.89	869.07	872.18	889.26	878.75

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

Function/Program	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Building Department					
Permits ⁽¹⁾ issued:					
Building	1,155	1,447	1,434	1,610	1,915
Other (electrical, plumbing, (mechanical, sign, miscellaneous)	17,270	10,687	10,914	7,943	7,141
Municipal Court					
Cases received	19,159	19,336	20,780	17,849	18,228
Public Safety					
Physical arrests	5,979	5,738	5,557	5,129	5,262
Parking violations	2,295	2,297	1,952	1,916	2,260
Traffic violations	19,163	18,288	19,797	15,805	16,446
Public Works					
Highways and Streets					
Street resurfacing (miles)	30.70	43.00	47.00	46.00	54.60
Potholes repaired	1,000-1,200	800-1,000	800-1,000	800-1,000	800-1,000
Water					
New connections	0	0	1	0	8
Average daily consumption (gallons)	578,203	610,989	585,800	586,795	547,351
Sewer					
New connections	2	6	4	5	12
Average daily treatment (gallons)	3,466,110	3,188,329	2,827,589	2,496,685	2,536,493
Culture and Recreation					
Rounds of golf (two courses)	96,971	96,533	93,157	102,126	98,205
Cultural admissions (paid and unpaid)	124,752	127,888	138,587	130,716	139,655

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

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

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

Schedule 19

December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
2,175	2,322	2,303	2,910	2,578
9,131	9,621	9,891	22,310	12,838
19,519	19,858	17,662	16,937	16,966
5,625	5,560	5,688	5,978	6,253
2,093	2,942	3,420	3,642	3,331
14,382	12,882	11,874	11,550	11,974
55.04	62.30	60.00	62.54	71.65
900-1,000	1,800-2,000	2,186	521	500
0	25	12	20	8
540,556	534,833	534,833	530,564	522,090
13	10	8	10	-
2,691,397	3,094,274	2,823,890	2,614,767	2,531,973
102,553	103,979	104,791	103,351	100,212
171,093	177,043	186,072	200,319	206,738

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

Function/Program	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
General Government					
Area (square miles)	44.022	44.022	44.022	44.022	44.210
Public Safety					
Number of police stations	2	2	2	2	2
Public Works					
Highways and Streets					
Streets (miles)	547	547	540	542	543
Streetlights	7,901	7,899	7,869	7,827	7,823
Traffic signals	196	199	199	200	200
Water					
Number of taps	730	730	731	731	739
Water mains (miles)	14	14	14	14	14
Sewer					
Number of taps	6,850	6,864	6,868	6,873	6,870
Sewer mains (miles)	106	106	106	106	106
Stormwater					
Stormwater mains (miles)	228	228	228	228	228
Culture and Recreation					
Number of parks	99	99	98	99	99
Park acreage	7,146	7,162	7,152	7,163	7,163
Playgrounds	74	74	76	76	76
Athletic fields ⁽¹⁾	57	57	57	57	56
Tennis courts	39	37	36	36	34
Basketball courts (outdoor)	32	32	32	32	32
Recreation centers	4	4	4	4	4
Outdoor swimming pools	3	3	3	3	3
Cultural centers	3	3	3	3	3
Golf courses	2	2	2	2	2

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

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

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

Schedule 20

December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
44,210	44,210	44,210	44,210	44,210
2	2	2	2	2
543	543	543	543	543
7,812	7,868	7,878	7,909	8,000
201	201	201	198	198
739	764	791	811	820
14	23	23	13	13
6,890	6,900	6,879	6,889	6,888
106	133	133	107	107
228	325	325	200	200
99	99	99	101	104
7,163	7,163	7,163	7,181	7,240
76	76	76	76	76
56	56	56	56	56
34	34	34	34	34
32	32	32	32	33
4	4	4	4	4
3	3	3	3	3
3	3	3	3	3
2	2	2	2	2



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COMPLIANCE SECTION

SINGLE AUDIT

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

OTHER REPORTS

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

**Purpose of this Report**

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

Greeley, Colorado
June 26, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Lakewood, Colorado's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.



Report on Internal Control over Compliance

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

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

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

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

ACM LLP

Greeley, Colorado
June 26, 2019

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

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

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

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2018

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Prior Year Findings

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

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.218		\$ 958,368	\$ 59,560
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant	16.738		69,232	
Passed through Drug Enforcement Agency				
Equitable Sharing Program	16.922	WC-CO-0665	1,002	
Passed through City and County of Denver				
Project Safe Neighborhoods	16.609	2014-GP-BS-0013	14,451	
Total U.S. Department of Justice			84,685	
U.S. Department of Health and Human Services				
Head Start	93.600		1,313,374	
U.S. Department of Agriculture				
Passed through Colorado Department of Public Health and Environment				
Child and Adult Care Food Program	10.558	16-788659	94,205	
U.S. Department of Transportation				
Passed through Colorado Department of Transportation				
		TAP M760-044		
		ACQ M760-039		
Highway Planning and Construction	20.205	STA M760-042	45,790	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	18-HTR-ZL-00132	22,423	
State and Community Highway Safety	20.600	19NHTSA402 2017	25,473	
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	ST 438-438	44,532	
		19NHTSA 405B.61		
National Priority Safety Programs	20.616	19-HAA-ZL-00156	271,278	
E-Crash NicheRMS to DOR Interface	20.616	19NHTSA 405C.4109	16,000	
Total U.S. Department of Transportation			425,496	
U.S. Department of Homeland Security				
Passed through Colorado Department of Local Affairs				
Emergency Management Performance Grants	97.042	18EM-19-67	50,000	
Executive Office of the President				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G18RM0025A	203,566	
National Endowment for the Humanities				
Promotion of the Arts_Grants to Organizations and Individuals	45.024	16-429-7100	109,529	
Promotion of the Arts_Partnership Agreements	45.025		19,625	
Total National Endowment for the Humanities			129,154	
Total Expenditures of Federal Awards			\$ 3,258,848	\$ 59,560

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: CITY OF LAKEWOOD, COLORADO	
		YEAR ENDING : December 31, 2018	
This Information From The Records Of City of Lakewood, Colorado		Prepared By: Peggy Starr	Phone: 303-987-7664

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	9,084,303
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,727,765
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,179,400
2. General fund appropriations	2,881,957	b. Snow and ice removal	992,165
3. Other local imposts (from page 2)	15,016,461	c. Other	2,867,093
4. Miscellaneous local receipts (from page 2)	1,422,332	d. Total (a. through c.)	7,038,658
5. Transfers from toll facilities		4. General administration & miscellaneous	691,357
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	7,990,157
a. Bonds - Original Issues		6. Total (1 through 5)	26,532,240
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	19,320,750	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	7,153,308	2. Notes:	
D. Receipts from Federal Government (from page 2)	58,182	a. Interest	
E. Total receipts (A.7 + B + C + D)	26,532,240	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	26,532,240

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		26,532,240	26,532,240	
				0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
CITY OF LAKEWOOD, COLORADO
YEAR ENDING (mm/yy):
December 31, 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		a. Interest on investments	467,397
b. Other local imposts:		b. Traffic Fines & Penalties	942,799
1. Sales Taxes	12,842,886	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	845
3. Liens		e. Sale of Surplus Property	
4. Licenses	347,596	f. Charges for Services	
5. Specific Ownership &/or Other	1,825,979	g. Other Misc. Receipts	11,291
6. Total (1. through 5.)	15,016,461	h. Other	0
c. Total (a. + b.)	15,016,461	i. Total (a. through h.)	1,422,332
(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	5,304,628	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	539,061	d. Federal Transit Admin	
d. Other (Specify) - Grants	0	e. U.S. Corps of Engineers	
e. Other (Specify) - FASTER/Signal Ma	1,309,619	f. Other Federal	58,182
f. Total (a. through e.)	1,848,680	g. Total (a. through f.)	58,182
4. Total (1. + 2. + 3.f)	7,153,308	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		291,921	291,921
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		175,137	175,137
(3). System Preservation		8,134,113	8,134,113
(4). System Enhancement & Operation		483,132	483,132
(5). Total Construction (1) + (2) + (3) + (4)	0	8,792,382	8,792,382
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	9,084,303	9,084,303
		(Carry forward to page 1)	

Notes and Comments:



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