



Littleton

Comprehensive Annual Financial Report

for the fiscal year ended December 31, 2018

City of Littleton, Colorado

Photo by Claudette Erek



Littleton, Colorado

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

*For the Fiscal Year Ended
December 31, 2018*

Prepared by the Department of Finance

Tiffany Hooten, CPA ~ Finance Director
Earlene Rich, CPA ~ Deputy Finance Director
Heather Morales ~ Accounting Supervisor
Pam Rose ~ Payroll Administrator
Rebecca DeHerrera ~ Auditor/Analyst
Amanda Gwaltney ~ Accountant/Analyst
Stacey Covington ~ Budget Analyst
Leann Battin ~ Sales Tax Technician
Sandra Belcher ~ Finance Technician-AP
Sue Rose ~ Finance Technician-Cash
Jackie Mitcham ~ Finance Technician-Utility
Kris Powell ~ Business Support Specialist

CITY OF LITTLETON, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018

Table of Contents

INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1
GFOA Certificate of Achievement	5
Organizational Chart.....	6
List of Principal Officials	7
Littleton 2018 City Council	8
City Council Districts	9
 FINANCIAL SECTION	
Independent Auditor's Report	10
Management's Discussion and Analysis	13
 Basic Financial Statements	
Statement of Net Position	22
Statement of Activities	23
Balance Sheet – Governmental Funds	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Position – Proprietary Funds.....	28
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	30
Statement of Cash Flows – Proprietary Funds.....	32
Statement of Fiduciary Net Position.....	34
Statement of Changes in Fiduciary Net Position	35
Notes to the Financial Statements	36
 Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	64
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Statewide Defined Benefit Plan.....	65
Schedule of City's Contributions – Statewide Defined Benefit Plan	66
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Statewide Hybrid Plan.....	68
Schedule of City's Contributions – Statewide Hybrid Plan.....	69
Note to the Required Supplementary Information.....	71
 Combining and Individual Fund Statements and Schedules	
<u>Governmental Funds</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	74
Budgetary Comparison Schedule – Capital Projects Fund	76
Budgetary Comparison Schedule – Conservation Trust Fund	77
Budgetary Comparison Schedule – Consolidated Special Revenue Fund	78
Budgetary Comparison Schedule – Grants Fund	79

CITY OF LITTLETON, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018

Table of Contents

<u>Governmental Funds (continued)</u>	
Budgetary Comparison Schedule – Open Space Fund	80
Budgetary Comparison Schedule – Impact Fees Fund	81
 <u>Enterprise Funds</u>	
Combining Statement of Net Position – Nonmajor Enterprise Funds	82
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds.....	83
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	84
Budgetary Comparison Schedule – Sewer Utility Fund	85
Budgetary Comparison Schedule – Storm Drainage Fund	86
Budgetary Comparison Schedule – Emergency Medical Transport Fund	87
Budgetary Comparison Schedule – South Metro Area Communication Center Fund	88
Budgetary Comparison Schedule – Geneva Village Fund	89
 <u>Internal Service Funds</u>	
Combining Statement of Net Position – Internal Service Funds	90
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	91
Combining Statement of Cash Flows – Internal Service Funds	92
Budgetary Comparison Schedule – Employee Insurance Fund	93
Budgetary Comparison Schedule – Property and Liability Insurance Fund	94
 <u>Component Unit</u>	
Balance Sheet – Littleton Invests for Tomorrow	95
Statement of Revenues, Expenditures and Changes in Fund Balance – Littleton Invests for Tomorrow	96
Budgetary Comparison Schedule – Littleton Invests for Tomorrow	97
 STATISTICAL SECTION	
Financial Trends	
Net Position by Component (Table 1)	98
Changes in Net Position (Table 2)	100
Fund Balances, Governmental Funds (Table 3).....	104
Changes in Fund Balances, Governmental Funds (Table 4)	106
Governmental Expenditures by Function (Table 5)	108
Governmental Revenues by Source (Table 6)	109
Tax Revenue by Source (Table 7)	110
 Revenue Capacity	
Assessed and Estimated Actual Value of Taxable Property (Table 8)	111
Property Tax Rates - Direct and Overlapping Governments (Table 9)	112
Principal Property Taxpayers (Table 10).....	113
Property Tax Levies and Collections (Table 11)	114
Property Value and Construction (Table 12)	115
Sales Tax Rates - Direct and Overlapping (Table 13)	116

CITY OF LITTLETON, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2018

Table of Contents

Debt Capacity

Ratio of Outstanding Debt by Type (Table 14)	117
Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures (Table 15)	118
Direct and Overlapping Governmental Activities Debt (Table 16)	119
Computation of Legal Debt Margin (Table 17)	120
Revenue Bond Coverage (Sewer Utility Fund) (Table 18)	121

Demographic and Economic Information

Demographic Statistics (Table 19)	122
Principal Employers (Table 20)	123

Operating Information

City Government Employees by Program (Table 21)	125
Operating Indicators by Function/Program (Table 22)	127
Capital Asset Statistics by Program (Table 23)	129
Miscellaneous Statistics (Table 24)	131

COMPLIANCE SECTION

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	132
Local Highway Finance Report	134



2018 CAFR

Introductory Section



Finance Department
2255 West Berry Avenue
Littleton, Colorado 80120
303-795-3765
303-795-3815

June 10, 2019

Members of City Council and the Citizens of the City of Littleton:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Littleton, Colorado for the year ended December 31, 2018. State law requires that all local governments publish, within seven months of the close of each year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant.

This report is published to provide the city council, city staff, citizens, and other readers with detailed information concerning the financial position and activities of the city. Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations of the various funds of the city. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the city's financial affairs.

CliftonLarsonAllen LLP has issued an unmodified opinion on the City of Littleton's financial statements for the year ended December 31, 2018. The Independent Auditor's Report is at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Littleton was incorporated on March 8, 1890 with its Home-Rule Charter adopted July 28, 1959. Littleton is a second tier suburb of Denver, Colorado. It is approximately 13.5 square miles with the borders near Belleview Avenue on the north, S. Broadway on the east, County Line Road on the south and Platte Canyon Road/Lowell Blvd. on the west.

The City provides a full range of services. These services include: police; fire protection and emergency medical services (through South Metro Fire Rescue effective 2019); sewer and storm drainage utilities; the construction and maintenance of highways, streets, and other infrastructure; library; and museum. The city jointly manages a regional wastewater treatment plant with the City of Englewood, a neighboring city to the north.

The City functions under a council-manager form of government. The city council comprises seven members elected by the citizens of Littleton, three at-large and four from districts. This seven member city council serves as the policy-making body of the city.

As required by generally accepted accounting principles, these financial statements present the City of Littleton (the primary government), as well as its component unit. The blended component unit, the Littleton Colorado Municipal Building Authority, is presented as a proprietary fund type. Separate financial statements are not prepared for the Littleton Colorado Municipal Building Authority. Although Littleton Riverfront Authority dba Littleton Invests for Tomorrow is a legally separate entity, separate financial statements are not issued and it is included in the City's financial statements as a discretely presented component unit.

The annual budget serves as the foundation for the City's financial planning and control. The city manager is required by the city charter to submit a budget to city council by September 15 of each year. The council must hold public hearings and the final budget must be adopted by December 1 of each year. The city manager and finance director have authority to transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office or agency, in accordance with the city charter; provided that such transfers over \$100,000 per transaction require formal council consent.

Local and national economy

The City has many amenities to offer its citizens. Arapahoe Community College in the downtown area of Littleton serves 18,000 students on a 51-acre campus. South Platte Park is one of the largest suburban parks in the United States with over 880 acres of open space along the South Platte River. The City provides a museum which is one of only six Smithsonian Affiliate museums in Colorado. Littleton is also home to two light rail train locations which provide commuter rail service to other areas within the Denver Metro area.

The City of Littleton's revenues reflected an improved economy as compared to 2017. General Fund revenues, excluding transfers in and TABOR revenue refund, were higher than 2017 by 1%. Sales and use taxes represented approximately 51% of total General Fund revenue and were less than 1% higher than 2017. In 2019, the city has budgeted a 2.3% increase in sales and use tax revenues over the 2018 adopted budget.

The Colorado economy is anticipated to continue to grow, but at a more moderate pace than in 2017 and 2018. A rapidly growing labor force is allowing job growth to continue despite a low unemployment rate. Inflation is mild. Housing price growth and rental rate increases slowed in the second half of 2018 but affordability remains a concern. Commercial lending standards tightened slightly (Governor's Office of State Planning and Budgeting).

Overall, the national economy is still in an expansion phase with strong employment and wage growth; however some sectors are beginning to show signs of slowing. Equity markets and oil prices stabilized in the first quarter of 2019 in response to the Federal Reserve's signaling of a more patient and flexible monetary policy. In addition, trade tensions between the U.S. and China appear to be easing. The federal government shutdown in January had a negative impact on consumer confidence, but consumer sentiment showed some improvement by February (Governor's Office of State Planning and Budgeting).

Long term financial planning

At the end of the year, unassigned fund balance for the General Fund was \$9,809,707, or 15% of total 2018 General Fund revenues. The 2019 General Fund budget is projecting a net deficit of \$3,077,080, after transfers to other funds. Total 2019 General Fund revenues, before transfers, are estimated at \$48,418,570 or \$15,570,541 (24%) under 2018 actual revenues. Total 2019 General Fund expenditures are budgeted at \$51,495,650 before transfers or \$9,515,669 (16%) under 2018 actual expenditures. The decreases for both revenues and expenditures are primarily related to the City's transition from providing fire services to surrounding districts to contracting for those services through South Metro Fire Rescue.

Like most municipalities, Littleton faces challenges to sustainability and strategic growth. In early 2018, Council adopted its three Strategic Imperatives: Financial Stability, Vision to Comprehensive Plan, and Collaborative Relationships. In November 2018, voters approved inclusion of the City's fire department with South Metro Fire Rescue. With this transition complete, the City's staff will now begin work on a program to improve city streets and infrastructure. Envision Littleton 2040, which provides five community-supported guiding principles for policy setting, was adopted in December 2018. The Comprehensive Plan is scheduled for completion in 2019. In addition, through implementation of priority based budgeting, staff have begun to pursue collaboration with local partners to provide services for its citizens.

Many efforts have been put forth in connecting with the community through transparent government platforms such as the "Community Scorecard Annual Report" and numerous social media forums. The 2018 Resident and Business Surveys found that 96% of respondents believe Littleton is a good or excellent place to live. The City was also noted as being within the Top 100 Places to Live in the U.S. by livability.com.

Pavement maintenance was completed on 11 miles of roadway, or seven percent of the City's streets, doubling the average of the last five years. The South Platte Water Renewal Partners (a wastewater treatment plant jointly owned with the City of Englewood) began construction of an \$8 million project to capture and sell biogas. Recent stormwater improvements resulted in FEMA certifying Littleton as a Class 5 flood management city, increasing the savings on premiums for property owners who have flood insurance. An innovative program to digitally map the city's sanitary and storm sewer systems began in the summer of 2018. This program will document all 175 miles of underground pipe to prioritize maintenance and improvements.

The Littleton Museum set new attendance records with over 166,000 people visiting in 2017 and 162,000 visitors in 2018. The Bemis Library was visited by 280,000 patrons in 2018 with the popular Summer Reading Programs for adults, teens and children also setting new records for number of participants. South Suburban Parks and Recreation is busy with park improvements at Harlow Park, Writer's Vista Park and Bowles Grove Park which will improve existing community recreational opportunities.

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2017. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate. The GFOA has also awarded the City its Distinguished Budget Presentation Award for the fiscal year 2018. This is the tenth consecutive year for this award.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department appreciates the contributions made to prepare this report. We also would like to thank the mayor and city council for their support in planning and conducting the financial operations of the City.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Relph', with a stylized, looping design.

Mark Relph
City Manager

A handwritten signature in blue ink, appearing to read 'Tiffany Hooten', with a stylized, looping design.

Tiffany Hooten, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Littleton
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

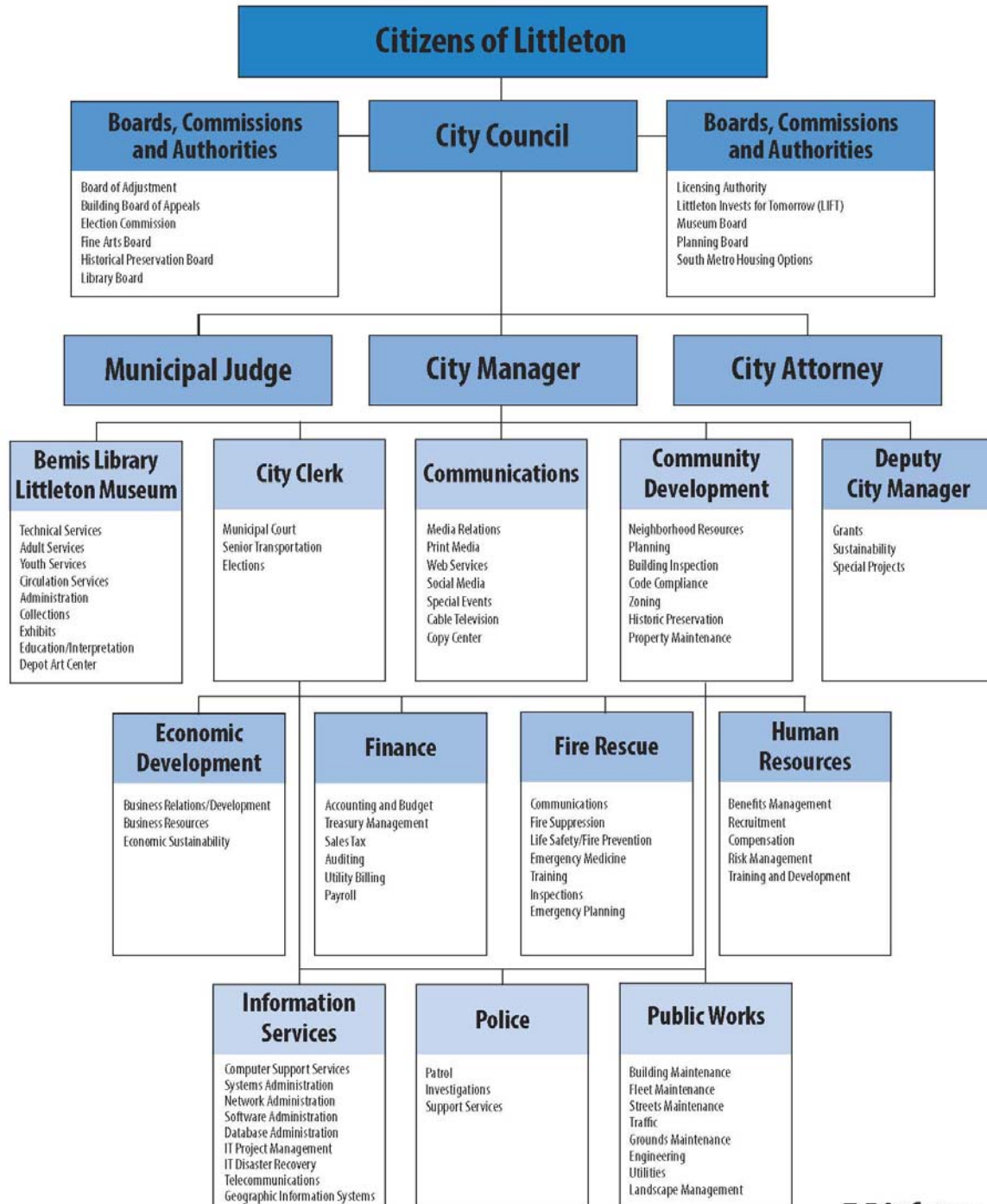
December 31, 2017

Christopher P. Morrell

Executive Director/CEO

City of Littleton

Organizational Chart



List of Principal Officials December 31, 2018

MEMBERS OF 2018 CITY COUNCIL

		<i>Term Expires</i>
Mayor – District IV	Debbie Brinkman	2019
Mayor Pro-Tem – District II	Jerry Valdes	2019
City Council Member at large	Peggy Cole	2019
City Council Member at large	Karina Elrod	2021
City Council Member District III	Carol Fey	2021
City Council Member District I	Patrick Driscoll	2021
City Council Member at large	Kyle Schlachter	2019

CITY OFFICIALS

City Manager	Mark Relph
Deputy City Manager	G. Randolph Young
City Attorney	Kenneth S. Fellman
City Clerk	Wendy Heffner
Communications	Kelli Narde
Community Development	Jennifer Henninger
Economic Development	Denise Stephens
Finance	Tiffany Hooten
Human Resources	Noël Mink
Information Technology	Ashley Bolton
Library and Museum	Timothy Nimz
Police	Douglas Stephens
Public Works	Keith Reester

SEPARATE AUTHORITIES

Littleton Municipal Building Authority	Carle Zimmerman, President
Littleton Invests for Tomorrow (LIFT)	Kevin Seiler, Chairperson

Littleton 2018 City Council

Debbie Brinkman
Mayor *District IV*
Term expires 2019



Jerry Valdes
Mayor Pro-Tem *District II*
Term expires 2019



Peggy Cole
City Council Member *at large*
Term expires 2019



Karina Elrod
City Council Member *at large*
Term expires 2021



Carol Fey
City Council Member *District III*
Term expires 2021



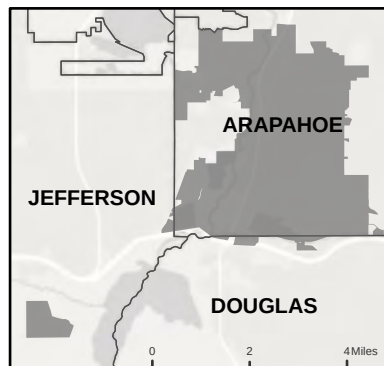
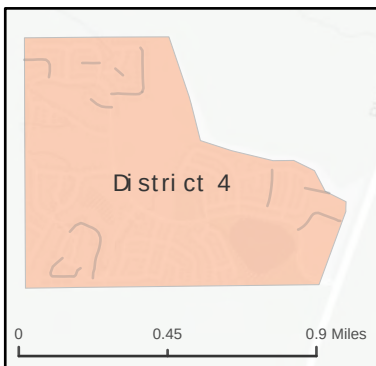
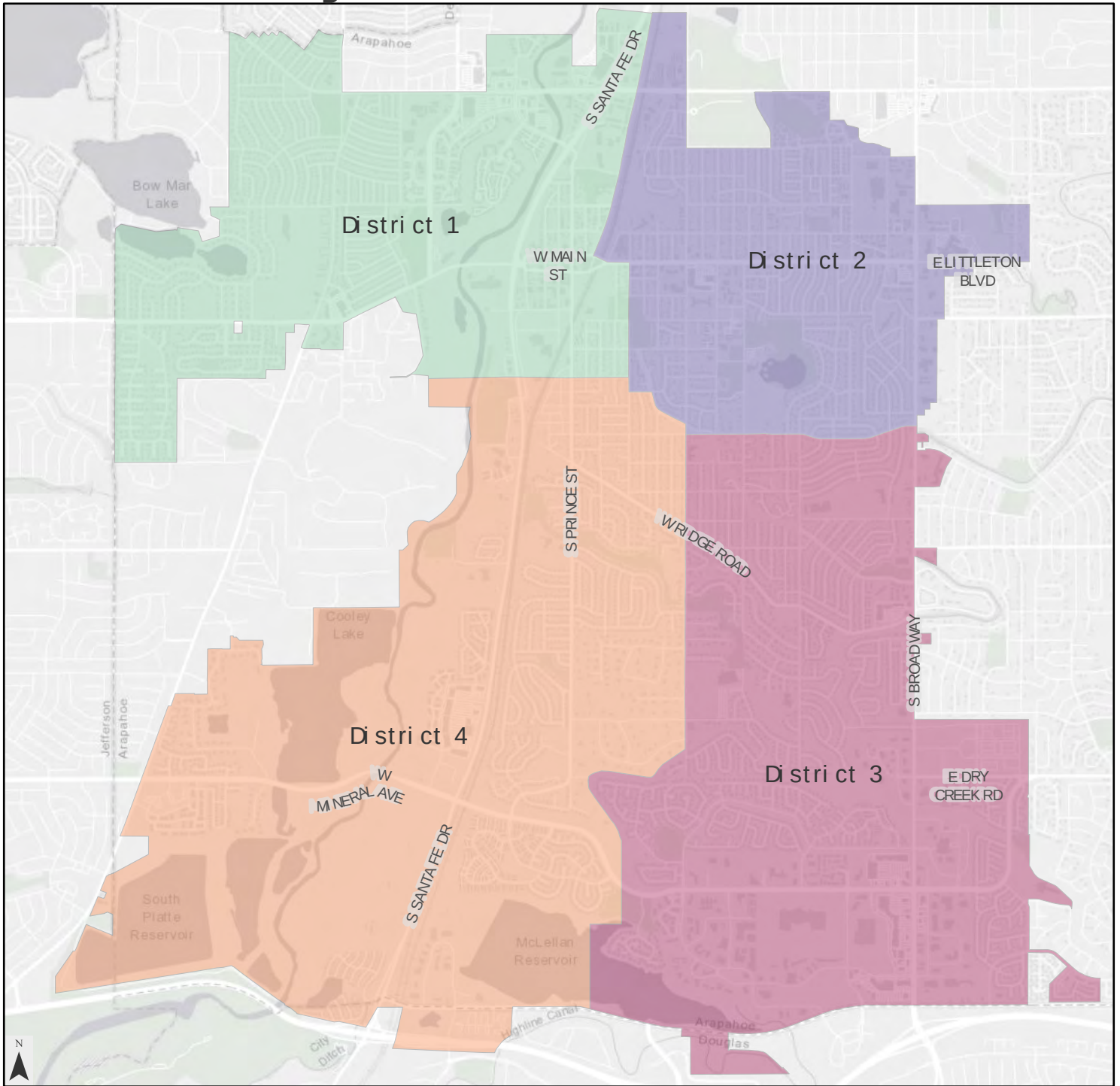
Patrick Driscoll
City Council Member *District I*
Term expires 2021



Kyle Schlachter
City Council Member *at large*
Term expires 2019



City Council Districts



District

- 1
- 2
- 3
- 4



City of Littleton
2255 W Berry Ave
Littleton, CO 80120

Coordinate System: NAD 1983 StatePlane Colorado Central FIPS 0502 Feet
Prepared on 4/19/2018

These map products and all underlying data were developed for use by the City of Littleton for its internal purposes only, and were not designed or intended for general use by members of the public. The city makes no representation or warranty as to its accuracy, timeliness, or completeness, and in particular, its accuracy in labeling or displaying dimensions, contours, property boundaries, or placement or location of any map features thereon. THE CITY OF LITTLETON MAKES NO WARRANTY OF MERCHANTABILITY OR WARRANTY FOR FITNESS OF USE FOR A PARTICULAR PURPOSE, EXPRESSED OR IMPLIED, WITH RESPECT TO THESE MAP PRODUCTS OR THE UNDERLYING DATA.



2018 CAFR



Financial Section



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
City of Littleton
Littleton, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Littleton, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Littleton/Englewood Wastewater Treatment Plant Joint Venture, a joint venture of the City of Littleton, which represents 47 percent and 56 percent, respectively, of the assets, and 15 percent and 27 percent, respectively of revenues of the business type activity and Sewer Utility Fund (a major enterprise fund). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Littleton/Englewood Wastewater Treatment Plant Joint Venture, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. The financial statements of the Littleton/Englewood Wastewater Treatment Plan Joint Venture were not audited in accordance with *Government Auditing Standards*.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Littleton 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule of the general fund and the required GASB pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 Littleton's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and the Local Highway Finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 by us and other auditors.

Honorable Mayor and Members of City Council
City of Littleton

In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and the Local Highway Finance Report are fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory and statistical section 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 *Government Auditing Standards*, we have also issued our report dated June 10, 2019 on our consideration of the City of Littleton'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 solely 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 the effectiveness of the City of Littleton's 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 the City of Littleton's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 10, 2019

This section of the City of Littleton'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.

Financial Highlights

At the close of the year, the City's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$208,418,911 (*net position*). Of this amount, \$78,468,477 (*unrestricted net position*) may meet the government's ongoing obligations to citizens and creditors. Additionally, a 3% reserve, \$2,084,165, for emergencies required by Colorado statute is restricted in the General Fund, \$2,824,216 is restricted for open space and parks, \$3,460,796 is restricted for impact fees, \$8,619,418 is restricted for employee benefits (pension, city-wide) and \$3,000,000 is restricted for rate stabilization in the Sewer Fund. Other restrictions of \$1,281,263 are imposed for the South Platte Water Renewal Partners joint venture, maintenance of a museum collection and debt.

- The net position of the City increased by \$4,704,223, or approximately 2% as compared to 2017. In the governmental activities, revenues exceeded expenses by \$4,540,635 and revenues exceeded expenses by \$163,588 in the business-type activities.
- As of December 31, 2018, the City's governmental funds reported combined ending fund balances of \$35,215,766, while the City's proprietary funds reported a combined net position of \$75,178,210.

Overview of the Financial Statements

This annual report comprises four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required and other supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental and proprietary funds and internal service funds.

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

Government-wide financial statements. The *government-wide financial statements* provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

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

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

Both government-wide financial statements distinguish functions of the city principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety, public works, welfare, culture and recreation. The business-type activities of the city include the Sewer Utility, Storm Drainage, Emergency Medical Transport, South Metro Area Communications Center (inactive as of 1/1/2018), Geneva Village, and Building Authority.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate building authority and a legally separate urban development authority. Although legally separate, these entities function as agencies of the city, and therefore have been included as an integral part of the primary government. These entities do not issue separate financial statements.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City of Littleton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by state law and bond covenants. The city council establishes other funds to control and manage money for particular purposes, such as the Capital Projects Fund or the Geneva Village Fund, or to show that the City is properly using certain taxes and grants, such as open space monies or federal grants. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains eight proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Sewer Utility, Storm Drainage, Emergency Medical Transport, South Metro Area Communications Center, Geneva Village, and Building Authority. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee benefits and property and liability insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Utility, Storm Drainage, Emergency Medical Transport, South Metro Area Communications Center, Geneva Village, and Building Authority. The Sewer Utility, Storm Drainage, and Emergency Medical Transport enterprise funds are major funds. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in *combining statements* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Government-wide Financial Analysis

Net Position. Net position may serve over time as a useful indicator of a government's financial position. With the City of Littleton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$208,418,911 at the close of the most recent fiscal year (see Table A-1.)

Table A-1
City of Littleton's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2018	2017	2018	2017	2018	2017 - 2018
Current and other assets	\$ 48,843,705	\$ 55,641,664	\$ 80,420,743	\$ 78,544,097	\$ 129,264,448	\$ 134,185,761	3.81%
Capital assets	96,365,471	95,108,143	21,887,656	21,431,005	118,253,127	116,539,148	-1.45%
Total assets	145,209,176	150,749,807	102,308,399	99,975,102	247,517,575	250,724,909	1.30%
Total deferred outflows of resources	4,963,633	4,493,199	905,777	888,640	5,869,410	5,381,839	-8.31%
Long-term liabilities	10,210,844	7,659,042	25,391,192	22,352,329	35,602,036	30,011,371	-15.70%
Other liabilities	5,069,253	7,096,906	2,710,147	3,035,908	7,779,400	10,132,814	30.25%
Total liabilities	15,280,097	14,755,948	28,101,339	25,388,237	43,381,436	40,144,185	-7.46%
Total deferred inflows of resources	6,192,646	7,246,357	98,215	297,295	6,290,861	7,543,652	19.91%
Net investment in capital assets	88,309,978	88,419,571	20,542,656	20,261,005	108,852,634	108,680,576	-0.16%
Restricted	9,507,638	15,613,336	5,044,290	5,656,522	14,551,928	21,269,858	46.17%
Unrestricted	30,882,450	29,207,794	49,427,676	49,260,683	80,310,126	78,468,477	-2.29%
Total net position	\$ 128,700,066	\$ 133,240,701	\$ 75,014,622	\$ 75,178,210	\$ 203,714,688	\$ 208,418,911	2.31%

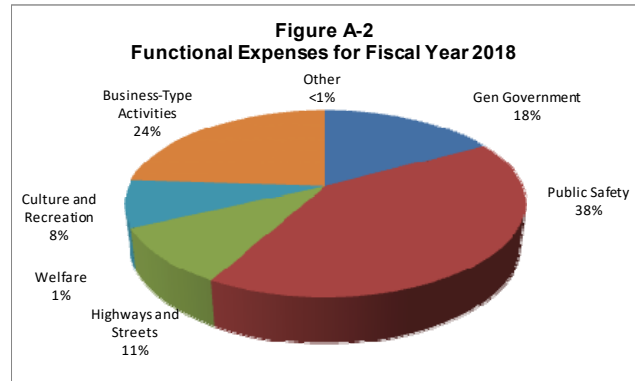
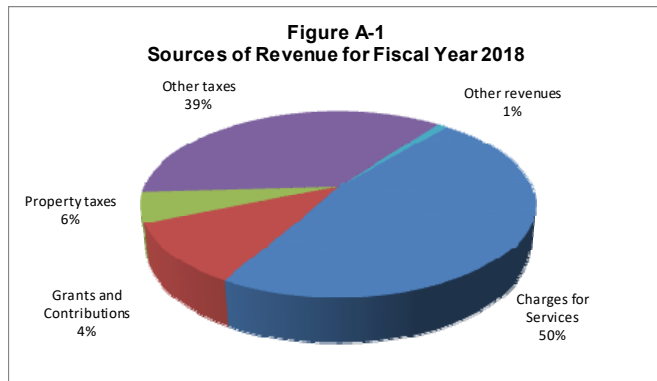
Capital assets reflect the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The largest portion of the City's net position is invested in capital assets, which represents \$108,680,576 or 52% of total net position.

Of the City's \$208,418,911 net position, \$21,269,858 is restricted for various purposes including the emergency reserves as required by the Colorado Constitution, open space for parks, impact fees, rate stabilization and operating expenses of the Littleton/Englewood Wastewater Treatment Plant joint venture, employee benefits, maintenance of a museum collection and debt.

Changes in Net Position. The City's total revenues were lower than the prior year by \$8,034,256 or 8%. Revenues in 2018 were \$96,184,553 as compared to \$104,218,809 in 2017. Operating and capital grants decreased by \$7,666,902 or 66%. Sales, general use and building use tax revenues were \$94,421 higher than 2017. Charges for services increased by \$421,612. Approximately half of total revenues are received from charges for services which includes fire department contracted reimbursements and impact fees. For business-type activities, sewer operating revenues increased 2% compared to 2017. Approximately 45% of the City's total revenues come from property and other types of taxes (see Figure A-1).

The total cost of all programs and services, \$91,480,330, increased by 1% from 2017. The City's expenses cover a range of services, of which more than half is related to public safety and business-type activities (Figure A-2).



Governmental Activities

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Revenues. Total revenues for all governmental activities were \$73,414,822. This is a decrease from 2017 of \$3,927,126 or 5%. The following depicts the major revenue sources for the governmental activities:

- The fire department contracted reimbursements were \$15,981,977.
- Additional charges for services were \$11,542,935 which includes fire department contracted administration fees, court costs, Littleton Public Schools officers, Littleton VALE, building permits, impact fees, highway users tax, open space, county road and bridge, plans checking, lottery funds and other miscellaneous revenues.
- Grants and contributions related to public safety, highways and streets, welfare and culture and recreation were \$2,300,041.
- Tax related revenues were \$42,648,921.
- The total for interest and miscellaneous revenues is \$940,948.

Expenses. Expenses were lower in 2018 as compared to 2017 by \$6,058 or less than 1%.

Table A-2
City of Littleton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2018	2017	2018	2017	2018	2017 - 2018
Revenues:							
Program revenues:							
Charges for services	\$ 27,156,455	\$ 27,524,912	\$ 20,526,856	\$ 20,580,011	\$ 47,683,311	\$ 48,104,923	0.88%
Operating grants and contributions	373,617	289,455	-	-	373,617	289,455	-22.53%
Capital grants and contributions	5,098,256	2,010,586	6,239,561	1,744,491	11,337,817	3,755,077	-66.88%
General revenues:							
Property taxes	4,712,762	5,507,401	-	-	4,712,762	5,507,401	16.86%
Other taxes	37,252,725	37,141,520	-	-	37,252,725	37,141,520	-0.30%
TABOR revenue refund	1,937,904	-	-	-	1,937,904	-	-100.00%
Other	810,229	940,948	110,444	445,229	920,673	1,386,177	50.56%
Total revenues	<u>77,341,948</u>	<u>73,414,822</u>	<u>26,876,861</u>	<u>22,769,731</u>	<u>104,218,809</u>	<u>96,184,553</u>	<u>-7.71%</u>
Expenses:							
General government	15,549,725	16,835,027	-	-	15,549,725	16,835,027	8.27%
Public safety	37,100,415	34,940,029	-	-	37,100,415	34,940,029	-5.82%
Highways and streets	8,958,729	9,776,105	-	-	8,958,729	9,776,105	9.12%
Welfare	375,201	369,510	-	-	375,201	369,510	-1.52%
Culture and recreation	6,961,335	7,052,136	-	-	6,961,335	7,052,136	1.30%
Interest	226,893	193,433	-	-	226,893	193,433	-14.75%
Sewer Utility	-	-	13,506,699	15,605,506	13,506,699	15,605,506	15.54%
Storm Drainage	-	-	837,033	1,144,794	837,033	1,144,794	36.77%
Emergency Medical Transportation	-	-	5,514,890	5,307,959	5,514,890	5,307,959	-3.75%
South Metro Comm Center	-	-	1,314,496	-	1,314,496	-	-100.00%
Geneva Village	-	-	190,090	146,250	190,090	146,250	-23.06%
Building Authority	-	-	115,125	109,581	115,125	109,581	-4.82%
Total expenses	<u>69,172,298</u>	<u>69,166,240</u>	<u>21,478,333</u>	<u>22,314,090</u>	<u>90,650,631</u>	<u>91,480,330</u>	<u>0.92%</u>
Increase in net position before transfers	8,169,650	4,248,582	5,398,528	455,641	13,568,178	4,704,223	-65.33%
Transfers	<u>(348,324)</u>	<u>292,053</u>	<u>348,324</u>	<u>(292,053)</u>	<u>-</u>	<u>-</u>	<u>N/A</u>
Increase in net position	<u>7,821,326</u>	<u>4,540,635</u>	<u>5,746,852</u>	<u>163,588</u>	<u>13,568,178</u>	<u>4,704,223</u>	<u>-65.33%</u>
Net position - beginning	120,878,740	128,700,066	69,267,770	75,014,622	190,146,510	203,714,688	7.14%
Net position - ending	<u>\$ 128,700,066</u>	<u>\$ 133,240,701</u>	<u>\$ 75,014,622</u>	<u>\$ 75,178,210</u>	<u>\$ 203,714,688</u>	<u>\$ 208,418,911</u>	<u>2.31%</u>

Business-type Activities

Revenues of the City's business-type activities decreased by \$4,107,130 or 15% and expenses increased by \$835,757 or 4% (see Table A-2). Factors contributing to these results include:

- Sewer utility and storm drainage charges for services revenue increased \$338,984 (2%) due to user rate increases.
- Sewer utility and storm drainage capital contributions decreased by \$4,495,070 due to a decrease in tap fee connections and infrastructure capital contributions in 2018.
- Sewer utility operating expenses increased by \$2,123,280 or 23% due to increased costs related to the joint venture sewer plant biogas capital project.
- Storm drainage operating expenses increased by \$307,761 or 37% due to increases in personnel expenses as well as repair and maintenance costs.
- Emergency medical transport revenues increased \$925,385 (21%) and expenses decreased \$206,931 (4%).
- Other business-type activity revenues and expenses were consistent as compared to the prior year.

Fund Financial Analysis

Governmental funds. Governmental fund financial statements focus on *current inflows and outflows of available resources*, and on *balances of unassigned resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

At the end of 2018, the combined ending fund balances of the governmental funds were \$35,215,766. This is an increase of \$2,035,986 from 2017. The unassigned fund balance was \$9,809,707 or 28% of the total fund balances. The remaining fund balance of \$25,406,059 is classified:

Nonspendable	\$	1,135,085
Restricted		8,390,194
Assigned		15,880,780
Total	\$	<u>25,406,059</u>

General Fund. The General Fund is the primary operating fund of the city and its ending fund balance on December 31, 2018 was \$16,328,735. Of this amount, \$340,454 was nonspendable in the form of inventories and prepaid items; \$2,084,165 restricted for TABOR emergencies; \$4,094,409 was assigned and \$9,809,707 was unassigned. The fund balance increased by \$3,269,845 from 2017.

As compared to 2017, total revenues (excluding transfers in and the TABOR refund) increased by \$796,007 or 1% and expenditures (excluding transfers out) increased by \$2,075,056 or 4%. Key factors are:

- Property tax revenues increased by \$794,639 or 17%.
- Intergovernmental revenues (mostly reimbursement for fire services) decreased \$544,116 or 3%.
- Charges for services increased \$371,789 or 15%.
- Public safety costs increased by \$1,196,272 or 3%.
- City-wide expenditures were higher due to overall increased personnel costs.
- The General Fund had an excess of revenues over expenditures of \$2,977,792 prior to other financing uses. Net transfers between the General Fund and all other funds were \$292,053.

Other Governmental Funds. The Capital Projects Fund ending fund balance was \$12,377,846. The fund balance decreased by \$1,720,936 from 2017 due to several factors including a decrease in transfers in from the General Fund related to the 2017 TABOR election of approximately \$1.9 million. Revenues (excluding transfers in) were lower than the prior year by \$620,973 due mainly to a decrease in building use taxes of \$221,167 and a decrease in proceeds from capital leases of \$1.4 million. Expenditures were lower than the prior year by \$2,543,012 (28%) due to an overall decrease in funding of capital assets.

The Conservation Trust Fund ending fund balance increased by \$39,796 due to delay of the replacement of the Library Boiler to 2019. Lottery revenues were \$16,716 (8%) higher in 2018 than 2017, with expenditures being lower in 2018 by \$240,689 (significant improvements were completed at the Edwin A. Bemis Public Library in 2017 resulting in higher expenditures that year).

The city's Open Space Fund ending fund balance increased by \$201,428 due to a delayed expenditure on park projects for 2018.

The city's Impact Fee Fund ending fund balance increased by \$462,221 in 2018. Impact fee revenues were significantly lower than 2017 by \$495,033 due primarily to fewer large developments completing the permitting stage in 2018. Expenditures increased as compared to 2017 as Council approved purchase of additional police vehicles and funding of the Transportation Master Plan from impact fees.

Proprietary Funds. Sewer Utility Fund ending net position was \$59,566,712 which was \$469,241 or 1% higher than the 2017 ending net position. The increased ending net position is the result of infrastructure capital contributions and tap fee connections. Operating revenues were higher by \$322,300 (2%) than 2017. Operating expenses were \$2,123,280 (23%) higher in 2018 due to construction of the biogas project at the joint venture sewer plant. The City's total project costs are anticipated to be \$4 million.

The Storm Drainage Fund reported a decrease in net position of \$94,880 due to a decrease in contributed capital.

The Emergency Medical Transport Fund's net position was \$1,634,035 which was lower than 2017 by \$11,112. A decrease in operating expenses of \$206,931 is the result of decreased medical transport services provided in 2018 as compared to 2017 related to the transition of fire services to South Metro Fire Rescue.

General Fund Budgetary Highlights

The General Fund accounts for all of the general services provided by the city. At the end of 2018, differences between the original budgeted expenditures and the final amended budgeted expenditures, including transfers, were an additional \$1,058,657 or 2% of the original budget. This difference was the result of encumbered purchase orders from fiscal year 2017 that were not fulfilled in that year and were carried forward into the 2018 fiscal year as well as budget amendments totaling \$493,810 including increases for engineering and development review services, additional personnel (planner, budget analyst and transportation planner), legal expenses, demolition of dwelling units and completion of the Comprehensive Plan.

Intergovernmental revenues were \$164,816 lower than budgeted due to lower fire-related expenditures (which are reimbursed through fire partner contracts.) License and permits were \$112,253 lower and charges for services were \$183,996 lower than budgeted amounts, mainly due to decreased building permit and plans checking fees. The total revenue budget variance was negative \$890,583.

Actual expenditures were lower from the final budget by \$3,882,998 (6%) due to position vacancies, professional services, and grants and incentives savings. Total budget variance for the General Fund, excluding transfers, was \$2,992,415.

During the current fiscal year, fund balance in the General Fund increased by \$3,269,845. The original budget for fund balance showed an increase for 2018 of \$933,082 and the final budget included a decrease of \$125,575 creating a positive budget variance of \$3,395,420. This variance is mainly due to expenditures being lower than budgeted as described above.

Capital Asset and Debt Administration

Capital Assets

The city's investment in capital assets for its governmental and business type activities as of December 31, 2018, amounts to \$108,680,576 (net of accumulated depreciation and related debt, see Table A-1). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, bridges, including construction work in progress. More detailed information about the city's capital assets is presented in Note IV to the financial statements.

Major capital asset events during the current fiscal year included:

- Modernization of the existing elevator at the Littleton Center.
- Continued analysis for improvements at the Federal/Bowles intersection.
- Several roads were resurfaced and improvements were made to neighborhood curbs, gutters, and sidewalks.

- The fire department replaced three medic unit cots.
- Fifteen city vehicles were replaced with newer vehicles including a street sweeper and dump truck.
- Three new patrol vehicles were purchased with impact fee funding.
- Beginning stages of implementation for development and plan review software upgrade.
- Recreational projects were completed including playground renovations at Sterne Park, Charley Emley Park, Elati Park and Promise Park. The reserved parking lot at Carson Nature Center was also reconstructed. Additional improvements in progress at the end of the year include: Bowles Grove Ballfields and Playgrounds, Progress Park, and Harlow Park. The majority of these projects are also funded by partners at South Suburban Parks and Recreation District as well as Arapahoe County Open Space.

Debt Administration

The City of Littleton's total debt outstanding for its governmental and business type activities as of December 31, 2018 was \$29,040,901 (see Table A-3). This comprises capital leases of \$6,688,572, an assignment certificate of \$1,170,000 and revenue loans and premiums of \$21,182,329. More detailed information about the city's debt is presented in Notes V and VI to the financial statements.

Table A-3
City of Littleton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2017	2018	2017	2018	2017	2018	2017 - 2018
Capital Leases	\$ 8,055,493	\$ 6,688,572	\$ -	\$ -	\$ 8,055,493	\$ 6,688,572	-16.97%
Assignment Certificate	-	-	1,345,000	1,170,000	1,345,000	1,170,000	-13.01%
Revenue Bonds	-	-	23,908,315	21,182,329	23,908,315	21,182,329	-11.40%
	<u>\$ 8,055,493</u>	<u>\$ 6,688,572</u>	<u>\$ 25,253,315</u>	<u>\$ 22,352,329</u>	<u>\$ 33,308,808</u>	<u>\$ 29,040,901</u>	<u>-12.81%</u>

Economic Factors and Next Year's Budget and Rates

A recent pullback in the economic outlook and a tight labor market in Colorado have led to a more conservative revenue outlook in 2019. The 2019 Budget is one of financially constrained action and investment. The 2019 Budget also accounts for the transition of fire services from the city to South Metro Fire Rescue effective January 2019. This transition results in significant decreases for expenditures as well as revenues since the City will no longer be providing fire services to its fire partners (Littleton Fire Protection District and Highlands Ranch Metro District.) In 2019, budgeted operating revenues are estimated to decrease by \$15.6 million (24%) from 2018's actual operating revenues. The city's sales and use tax revenues, which comprise 71% of the 2019 General Fund revenues, are estimated to rise by 3.3% to \$33,913,560 above the 2018 actual sales and use tax revenues. The city's property tax mill levy remains the same at 6.662 mills.

The city council discussed 23 policy questions when adopting the 2019 budget. These questions addressed adding 4.7 full-time employee positions to improve the city's current levels of service, including two engineering services personnel and one code enforcement officer.

The 2019 appropriation in the General Fund is \$51,495,650, a decrease of \$13,509,619, or 21% below the 2018 final budget of \$65,005,269. The decrease is a direct result of the transition of fire services to South Metro Fire Rescue in 2019. The five-year fiscally constrained financial plan resulted in a 16% ending fund balance which complies with the policy set by Council.

If the 2019 budget is realized in the General Fund, the city's budgetary fund balance is expected to be \$13,251,655, which equals an ending fund balance reserve of 26% of 2019 operating expenditures.

Requests for Information

This financial report provides a general overview of the city's finances for all those with an interest in the government's finances. Questions concerning the information in this report or requests for additional financial information should be addressed to the Finance Director, City of Littleton, 2255 West Berry Avenue, Littleton, CO 80120, or to thooten@littletongov.org, or 303-795-3765.



2018 CAFR



**Basic Financial
Statements**

City of Littleton, Colorado
Statement of Net Position
December 31, 2018

	Primary Government			Component Unit
	Governmental	Business-type		Littleton Invests
	Activities	Activities	Total	For Tomorrow
ASSETS				
Cash and investments	\$ 38,420,867	\$ 25,003,337	\$ 63,424,204	\$ 344,728
Receivables (net of allowance for uncollectibles)	10,779,260	2,452,513	13,231,773	614
Internal balances	893,796	(893,796)	-	-
Due from component unit	153,489	-	153,489	-
Inventories	276,938	-	276,938	-
Prepaid Items	858,147	-	858,147	-
Restricted assets:				
Cash and investments	189,225	4,260,246	4,449,471	-
Equity in Bi-City joint venture	-	46,916,866	46,916,866	-
Net pension asset	4,069,942	804,931	4,874,873	-
Capital assets (net of accumulated depreciation):				
Non-depreciable assets	26,962,966	2,939,538	29,902,504	-
Depreciable assets	68,145,177	18,491,467	86,636,644	-
Total assets	<u>150,749,807</u>	<u>99,975,102</u>	<u>250,724,909</u>	<u>345,342</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related:				
Differences between expected and actual experience	2,601,588	514,528	3,116,116	-
Changes in assumptions	450,748	89,147	539,895	-
Changes in proportion	406,570	80,409	486,979	-
City contributions subsequent to the measurement date	1,034,293	204,556	1,238,849	-
Total deferred outflows of resources	<u>4,493,199</u>	<u>888,640</u>	<u>5,381,839</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	5,688,714	2,554,341	8,243,055	26,309
Accrued interest payable	53,381	223,226	276,607	-
Due to primary government	-	-	-	153,489
Deposits and escrows	1,354,811	-	1,354,811	-
Unearned revenues	-	258,341	258,341	-
Noncurrent liabilities:				
Due within one year	1,537,040	2,976,354	4,513,394	-
Due in more than one year	6,122,002	19,375,975	25,497,977	-
Total liabilities	<u>14,755,948</u>	<u>25,388,237</u>	<u>40,144,185</u>	<u>179,798</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	5,743,150	-	5,743,150	614
Pension-related:				
Differences between expected and actual experience	31,221	6,175	37,396	-
Net difference between projected and actual earnings on pension plan investments	1,045,939	206,860	1,252,799	-
Changes in proportion	426,047	84,260	510,307	-
Total deferred inflows of resources	<u>7,246,357</u>	<u>297,295</u>	<u>7,543,652</u>	<u>614</u>
NET POSITION				
Net investment in capital assets	88,419,571	20,261,005	108,680,576	-
Restricted for:				
Emergencies	2,084,165	-	2,084,165	-
Open space and parks	2,824,216	-	2,824,216	-
Impact Fees	3,460,796	-	3,460,796	-
Employee benefits	7,223,142	1,396,276	8,619,418	-
Museum collection maintenance	21,017	-	21,017	-
Rate stabilization	-	3,000,000	3,000,000	-
Bi-city joint venture	-	1,260,000	1,260,000	-
Debt service	-	246	246	-
Unrestricted	29,207,794	49,260,683	78,468,477	164,930
Total net position	<u>\$ 133,240,701</u>	<u>\$ 75,178,210</u>	<u>\$ 208,418,911</u>	<u>\$ 164,930</u>

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

City of Littleton, Colorado
Statement of Activities
For The Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Government activities:				
General government	\$ 16,835,027	\$ 4,508,532	\$ 9,994	\$ 25,182
Public safety	34,940,029	19,251,770	73,688	59,141
Highways and streets	9,776,105	2,061,467	45,240	249,393
Welfare	369,510	35,075	31,735	-
Culture and recreation	7,052,136	1,668,068	128,798	1,676,870
Interest on long-term debt	193,433	-	-	-
Total government activities	69,166,240	27,524,912	289,455	2,010,586
Business-type activities:				
Sewer Utility	15,605,506	14,132,941	-	1,504,086
Storm Drainage	1,144,794	803,536	-	240,405
Emergency Med. Trans	5,307,959	5,296,847	-	-
Geneva Village	146,250	125,099	-	-
Building Authority	109,581	221,588	-	-
Total business-type activities	22,314,090	20,580,011	-	1,744,491
Total primary government	\$ 91,480,330	\$ 48,104,923	\$ 289,455	\$ 3,755,077
Component unit:				
Littleton Invests for Tomorrow	\$ 1,901	\$ -	\$ -	\$ -
Total component unit	\$ 1,901	\$ -	\$ -	\$ -
General revenues:				
Taxes:				
Property				
Sales and use				
Building use				
Franchise				
Other				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Littleton Invests For Tomorrow
\$ (12,291,319)	\$ -	\$ (12,291,319)	\$ -
(15,555,430)	-	(15,555,430)	-
(7,420,005)	-	(7,420,005)	-
(302,700)	-	(302,700)	-
(3,578,400)	-	(3,578,400)	-
(193,433)	-	(193,433)	-
<u>(39,341,287)</u>	<u>-</u>	<u>(39,341,287)</u>	<u>-</u>
-	31,521	31,521	-
-	(100,853)	(100,853)	-
-	(11,112)	(11,112)	-
-	(21,151)	(21,151)	-
-	112,007	112,007	-
<u>-</u>	<u>10,412</u>	<u>10,412</u>	<u>-</u>
(39,341,287)	10,412	(39,330,875)	-
-	-	-	(1,901)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,901)</u>
5,507,401	-	5,507,401	164
32,843,781	-	32,843,781	73,896
1,395,340	-	1,395,340	-
2,289,993	-	2,289,993	-
612,406	-	612,406	-
614,134	445,229	1,059,363	6,085
326,814	-	326,814	-
292,053	(292,053)	-	-
<u>43,881,922</u>	<u>153,176</u>	<u>44,035,098</u>	<u>80,145</u>
4,540,635	163,588	4,704,223	78,244
<u>128,700,066</u>	<u>75,014,622</u>	<u>203,714,688</u>	<u>86,686</u>
<u>\$ 133,240,701</u>	<u>\$ 75,178,210</u>	<u>\$ 208,418,911</u>	<u>\$ 164,930</u>

City of Littleton, Colorado

Balance Sheet

Governmental Funds

December 31, 2018

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 13,709,791	\$ 12,332,802	\$ 7,401,911	\$ 33,444,504
Receivables (net of allowance for uncollectibles)	10,457,898	91,184	220,188	10,769,270
Due from other funds	893,796	1,004	-	894,800
Due from component unit	153,489	-	-	153,489
Inventories	276,938	-	-	276,938
Prepaid items	63,516	773,004	21,627	858,147
Restricted cash and investments	-	-	26,017	26,017
Total assets	<u>\$ 25,555,428</u>	<u>\$ 13,197,994</u>	<u>\$ 7,669,743</u>	<u>\$ 46,423,165</u>
LIABILITIES				
Contracts and accounts payable	\$ 739,640	\$ 750,148	\$ 1,130,962	\$ 2,620,750
Due to other funds	-	-	1,004	1,004
Deposits and escrows	1,284,811	70,000	-	1,354,811
Unearned revenue	-	-	23,520	23,520
Other liabilities	1,459,092	-	5,072	1,464,164
Total liabilities	<u>3,483,543</u>	<u>820,148</u>	<u>1,160,558</u>	<u>5,464,249</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax	5,743,150	-	-	5,743,150
Total deferred inflows of resources	<u>5,743,150</u>	<u>-</u>	<u>-</u>	<u>5,743,150</u>
FUND BALANCES				
Nonspendable:				
Inventories	276,938	-	-	276,938
Prepaid items	63,516	773,004	21,627	858,147
Restricted:				
Conservation trust	-	-	279,607	279,607
Museum collection maintenance	-	-	21,017	21,017
Open space	-	-	2,544,609	2,544,609
Impact fees	-	-	3,460,796	3,460,796
Emergencies	2,084,165	-	-	2,084,165
Assigned:				
Purchases on order	1,017,329	-	-	1,017,329
Subsequent year expenditures	3,077,080	-	-	3,077,080
Capital projects	-	11,604,842	-	11,604,842
Consolidated special revenues	-	-	181,529	181,529
Unassigned	9,809,707	-	-	9,809,707
Total fund balances	<u>16,328,735</u>	<u>12,377,846</u>	<u>6,509,185</u>	<u>35,215,766</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,555,428</u>	<u>\$ 13,197,994</u>	<u>\$ 7,669,743</u>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	\$ 95,108,143
The net pension asset and related deferred outflows and inflows of resources will not be paid in the current period and therefore, are not reported in the funds.	7,059,934
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	23,520
Internal service funds are used by management to charge the costs of various insurance funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,545,761
Long-term liabilities, including capital leases of \$6,688,572; accrued interest of \$53,381; and compensated absences of \$970,470 are not due and payable from current financial resources, and therefore, are not reported in the funds.	<u>(7,712,423)</u>
Net position of governmental activities	<u>\$ 133,240,701</u>

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

City of Littleton, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended December 31, 2018

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 5,507,401	\$ -	\$ -	\$ 5,507,401
Sales and use	32,843,781	-	-	32,843,781
Building use	-	1,395,340	-	1,395,340
Specific ownership	418,455	-	-	418,455
Cigarette	193,951	-	-	193,951
Franchise	2,235,991	-	54,002	2,289,993
Licenses and permits	1,317,797	-	-	1,317,797
Intergovernmental	16,637,450	3,135,523	1,746,550	21,519,523
Charges for services	2,845,356	70,787	602,883	3,519,026
Fines and forfeitures	681,342	-	65,884	747,226
Investment earnings	207,042	221,966	111,725	540,733
Miscellaneous	1,100,545	-	9,273	1,109,818
Total revenues	<u>63,989,111</u>	<u>4,823,616</u>	<u>2,590,317</u>	<u>71,403,044</u>
EXPENDITURES				
Current:				
General government	15,596,809	527,665	35,082	16,159,556
Public safety	35,473,168	172,610	299,776	35,945,554
Highway and streets	4,371,954	2,097,281	6,006	6,475,241
Welfare	325,533	-	-	325,533
Culture and recreation	5,157,845	-	692,312	5,850,157
Debt service:				
Principal	-	1,330,382	-	1,330,382
Interest	-	202,547	-	202,547
Capital outlay	86,010	2,321,248	1,070,064	3,477,322
Total expenditures	<u>61,011,319</u>	<u>6,651,733</u>	<u>2,103,240</u>	<u>69,766,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,977,792</u>	<u>(1,828,117)</u>	<u>487,077</u>	<u>1,636,752</u>
OTHER FINANCING SOURCES				
Transfers in	292,053	-	-	292,053
Proceeds from sale of capital assets	-	107,181	-	107,181
Total other financing sources	<u>292,053</u>	<u>107,181</u>	<u>-</u>	<u>399,234</u>
Net change in fund balance	3,269,845	(1,720,936)	487,077	2,035,986
Fund balance - beginning	<u>13,058,890</u>	<u>14,098,782</u>	<u>6,022,108</u>	<u>33,179,780</u>
Fund balance - ending	<u>\$ 16,328,735</u>	<u>\$ 12,377,846</u>	<u>\$ 6,509,185</u>	<u>\$ 35,215,766</u>

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

City of Littleton, Colorado
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended December 31, 2018

Amounts reported for governmental activities in the statement of activities (pages 23 and 24) are different because:

Net change in fund balances - total governmental funds (page 26)	\$ 2,035,986
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$6,516,626 and capital disposals of \$52,147 exceeded contributed capital of \$1,834,123 and capital outlays of \$3,477,322.	(1,257,328)
Under the accrual basis, an adjustment is needed to reflect the change in unearned revenues which is a change in revenues in the statement of activities.	4,130
The cumulative effects of the total pension asset and the fair value of pension plan net position available to pay pension benefits is the pension expense reported in the statement of activities. These effects result in a decrease to pension expense.	2,488,571
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. This amount is the net effect of the repayment of \$1,330,382 in principal of long-term debt and amortization of \$36,539.	1,366,921
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 amount represents the decrease in compensated absences of \$429,317 and decrease in interest expense of \$9,114.	438,431
Internal service funds are used by management to charge the costs of various insurance to individual funds.	(536,076)
Change in net position of governmental activities (page 24)	<u>\$ 4,540,635</u>

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

City of Littleton, Colorado

Statement of Net Position

Proprietary Funds

December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Sewer Utility Fund	Storm Drainage Fund	Emergency Medical Transport Fund
ASSETS			
Current assets:			
Cash and investments	\$ 24,554,865	\$ 374,551	\$ -
Receivables (net of allowance for uncollectibles)	1,133,948	46,077	1,262,548
Total current assets	<u>25,688,813</u>	<u>420,628</u>	<u>1,262,548</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	4,260,000	-	-
Equity in Bi-City joint venture	46,916,866	-	-
Net pension asset	-	-	804,931
Capital assets:			
Land	255,815	1,982,652	-
Buildings and systems	18,988,887	20,731,307	-
Improvements other than buildings	-	-	-
Machinery and equipment	640,006	3,148	371,715
Construction in progress	-	250,000	-
Less accumulated depreciation	<u>(13,246,309)</u>	<u>(10,747,381)</u>	<u>(314,848)</u>
Total capital assets (net of accumulated depreciation)	6,638,399	12,219,726	56,867
Total noncurrent assets	<u>57,815,265</u>	<u>12,219,726</u>	<u>861,798</u>
Total assets	<u>83,504,078</u>	<u>12,640,354</u>	<u>2,124,346</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related:			
Differences between expected and actual experience	-	-	514,528
Changes in assumptions	-	-	89,147
Changes in proportion	-	-	80,409
City contributions subsequent to the measurement date	-	-	204,556
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>888,640</u>
Total assets and deferred outflows of resources	<u>\$ 83,504,078</u>	<u>\$ 12,640,354</u>	<u>\$ 3,012,986</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	\$ 2,285,637	\$ 49,738	\$ 187,860
Due to other funds	-	-	893,796
Claims and judgments	-	-	-
Unearned revenue	251,059	7,282	-
Accrued interest payable	218,341	-	-
Long term debt payable - current	<u>2,796,354</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>5,551,391</u>	<u>57,020</u>	<u>1,081,656</u>
Noncurrent liabilities:			
Long term debt payable	<u>18,385,975</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>18,385,975</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>23,937,366</u>	<u>57,020</u>	<u>1,081,656</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related:			
Differences between expected and actual experience	-	-	6,175
Net difference between projected and actual earnings on pension plan investments	-	-	206,860
Changes in proportion	<u>-</u>	<u>-</u>	<u>84,260</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>297,295</u>
NET POSITION			
Net investment in capital assets	6,638,399	12,219,726	56,867
Restricted for:			
Rate stabilization	3,000,000	-	-
Bi-city joint venture	1,260,000	-	-
Employee benefits	-	-	1,396,276
Debt service	-	-	-
Unrestricted	<u>48,668,313</u>	<u>363,608</u>	<u>180,892</u>
Total net position	<u>59,566,712</u>	<u>12,583,334</u>	<u>1,634,035</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 83,504,078</u>	<u>\$ 12,640,354</u>	<u>\$ 3,012,986</u>

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

Non-Major Proprietary Funds	Totals	Governmental Activities- Internal Service Funds
\$ 73,921	\$ 25,003,337	\$ 4,976,363
9,940	2,452,513	9,990
83,861	27,455,850	4,986,353
246	4,260,246	163,208
-	46,916,866	-
-	804,931	-
451,071	2,689,538	-
3,394,606	43,114,800	-
65,740	65,740	-
166,690	1,181,559	-
-	250,000	-
(1,562,094)	(25,870,632)	-
2,516,013	21,431,005	-
2,516,259	73,413,048	163,208
2,600,120	100,868,898	5,149,561
-	514,528	-
-	89,147	-
-	80,409	-
-	204,556	-
-	888,640	-
\$ 2,600,120	\$ 101,757,538	\$ 5,149,561
\$ 31,106	\$ 2,554,341	\$ 107,466
-	893,796	-
-	-	1,496,334
-	258,341	-
4,885	223,226	-
180,000	2,976,354	-
215,991	6,906,058	1,603,800
990,000	19,375,975	-
990,000	19,375,975	-
1,205,991	26,282,033	1,603,800
-	6,175	-
-	206,860	-
-	84,260	-
-	297,295	-
1,346,013	20,261,005	-
-	3,000,000	-
-	1,260,000	-
-	1,396,276	163,208
246	246	-
47,870	49,260,683	3,382,553
1,394,129	75,178,210	3,545,761
\$ 2,600,120	\$ 101,757,538	\$ 5,149,561

City of Littleton, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For The Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Sewer Utility Fund	Storm Drainage Fund	Emergency Medical Transport Fund
OPERATING REVENUES			
Charges for services (net of contractual adjustments of \$5,273,381 in the Emergency Medical Transport Fund)	\$ 13,970,990	\$ 792,791	\$ 5,234,846
Employer/employee contributions	-	-	-
Rental payments	-	-	-
Miscellaneous	161,951	10,745	62,001
Total operating revenues	<u>14,132,941</u>	<u>803,536</u>	<u>5,296,847</u>
OPERATING EXPENSES			
Personnel services	385,300	265,584	3,082,615
Supplies	20,415	6,430	307,545
Bi-City operating costs	8,010,633	-	-
Contractual services	89,123	11,847	147,300
Services by General Fund	525,000	-	-
Insurance	-	-	-
Benefits and claims	-	-	-
Other services and charges	1,905,164	254,269	306,754
Bad debt expense	-	-	1,429,493
Amortization	15,344	-	-
Depreciation	452,152	606,664	34,252
Total operating expenses	<u>11,403,131</u>	<u>1,144,794</u>	<u>5,307,959</u>
Operating income (loss)	<u>2,729,810</u>	<u>(341,258)</u>	<u>(11,112)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	437,720	5,973	-
Debt administration costs	(249,282)	-	-
Change in Bi-City joint venture equity	(3,427,754)	-	-
Insurance recovery	-	-	-
Interest charges	(525,339)	-	-
Total nonoperating revenues (expenses)	<u>(3,764,655)</u>	<u>5,973</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>(1,034,845)</u>	<u>(335,285)</u>	<u>(11,112)</u>
Transfers out	-	-	-
Capital contributions	1,504,086	240,405	-
Total capital contributions and transfers	<u>1,504,086</u>	<u>240,405</u>	<u>-</u>
Change in net position	469,241	(94,880)	(11,112)
Net position - beginning	<u>59,097,471</u>	<u>12,678,214</u>	<u>1,645,147</u>
Net position - ending	<u>\$ 59,566,712</u>	<u>\$ 12,583,334</u>	<u>\$ 1,634,035</u>

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

Non-Major Proprietary Funds	Totals	Governmental Activities- Internal Service Funds
\$ -	\$ 19,998,627	\$ 950,484
-	-	8,830,965
345,903	345,903	-
784	235,481	89,831
<u>346,687</u>	<u>20,580,011</u>	<u>9,871,280</u>
-	3,733,499	-
-	334,390	-
-	8,010,633	-
30,000	278,270	-
-	525,000	-
-	-	2,088,781
-	-	8,133,757
99,136	2,565,323	459,891
-	1,429,493	-
-	15,344	-
80,719	1,173,787	-
<u>209,855</u>	<u>18,065,739</u>	<u>10,682,429</u>
<u>136,832</u>	<u>2,514,272</u>	<u>(811,149)</u>
1,536	445,229	73,401
(1,783)	(251,065)	-
-	(3,427,754)	-
-	-	201,672
(44,193)	(569,532)	-
<u>(44,440)</u>	<u>(3,803,122)</u>	<u>275,073</u>
<u>92,392</u>	<u>(1,288,850)</u>	<u>(536,076)</u>
(292,053)	(292,053)	-
-	1,744,491	-
<u>(292,053)</u>	<u>1,452,438</u>	<u>-</u>
(199,661)	163,588	(536,076)
<u>1,593,790</u>	<u>75,014,622</u>	<u>4,081,837</u>
<u>\$ 1,394,129</u>	<u>\$ 75,178,210</u>	<u>\$ 3,545,761</u>

City of Littleton, Colorado
Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds		
	Sewer Utility Fund	Storm Drainage Fund	Emergency Medical Transport Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 13,758,438	\$ 807,868	\$ 5,292,806
Cash received from interfund services provided	-	-	-
Cash paid to suppliers	(9,618,365)	(344,201)	(2,208,706)
Cash paid to employees	(386,225)	(261,343)	(3,643,789)
Cash paid to other funds for services	(525,000)	-	-
Net cash provided (used) by operating activities	<u>3,228,848</u>	<u>202,324</u>	<u>(559,689)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from other funds	-	-	559,689
Transfers out	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>559,689</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Investment in Bi-City joint venture	(2,835,041)	-	-
Purchase of capital assets	(29,892)	(278,653)	-
Principal paid on debt	(2,710,642)	-	-
Interest paid on debt	(556,027)	-	-
Insurance proceeds	-	-	-
Debt administration costs	(249,282)	-	-
Contributed capital	1,335,900	-	-
Net cash provided (used) by capital and related financing activities	<u>(5,044,984)</u>	<u>(278,653)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	437,720	5,973	-
Net cash provided by investing activities	<u>437,720</u>	<u>5,973</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,378,416)	(70,356)	-
Cash and cash equivalents - January 1	30,193,281	444,907	-
Cash and cash equivalents - December 31	<u>\$ 28,814,865</u>	<u>\$ 374,551</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ 2,729,810	\$ (341,258)	\$ (11,112)
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:			
Depreciation expense	452,152	606,664	34,252
Bad debt expense	-	-	1,429,493
Amortization expense	15,344	-	-
<i>Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources</i>			
Receivables	(374,503)	4,332	(1,433,534)
Prepaid expenses	-	-	-
Pension related items:			
Net pension liability (asset)	-	-	(778,298)
Deferred outflows of resources	-	-	17,137
Deferred inflows of resources	-	-	199,080
Accounts payable and other current liabilities	406,045	(67,414)	(16,707)
Claims and judgments payable	-	-	-
Total adjustments	<u>499,038</u>	<u>543,582</u>	<u>(548,577)</u>
Net cash provided (used) by operating activities	<u>\$ 3,228,848</u>	<u>\$ 202,324</u>	<u>\$ (559,689)</u>
Reconciliation of cash and cash equivalents			
Unrestricted	\$ 24,554,865	\$ 374,551	\$ -
Restricted	4,260,000	-	-
Total cash and cash equivalents	<u>\$ 28,814,865</u>	<u>\$ 374,551</u>	<u>\$ -</u>
Noncash, investing, capital, and financing activities			
Contribution of capital assets	\$ 168,186	\$ 240,405	\$ -

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

Non-Major Proprietary Funds	Totals	Governmental Activities- Internal Service Funds
\$ 347,109	\$ 20,206,221	\$ 950,484
-	-	8,830,965
(124,569)	(12,295,841)	(10,621,678)
-	(4,291,357)	-
-	(525,000)	-
<u>222,540</u>	<u>3,094,023</u>	<u>(840,229)</u>
-	559,689	-
(292,053)	(292,053)	-
<u>(292,053)</u>	<u>267,636</u>	<u>-</u>
-	(2,835,041)	-
-	(308,545)	-
(175,000)	(2,885,642)	-
(44,923)	(600,950)	-
-	-	201,672
(1,783)	(251,065)	-
-	1,335,900	-
<u>(221,706)</u>	<u>(5,545,343)</u>	<u>201,672</u>
1,536	445,229	73,401
<u>1,536</u>	<u>445,229</u>	<u>73,401</u>
(289,683)	(1,738,455)	(565,156)
363,850	31,002,038	5,704,727
<u>\$ 74,167</u>	<u>\$ 29,263,583</u>	<u>\$ 5,139,571</u>
\$ 136,832	\$ 2,514,272	\$ (811,149)
80,719	1,173,787	-
-	1,429,493	-
-	15,344	-
422	(1,803,283)	-
-	-	(9,990)
-	(778,298)	-
-	17,137	-
-	199,080	-
4,567	326,491	(55,666)
-	-	36,576
<u>85,708</u>	<u>579,751</u>	<u>(29,080)</u>
<u>\$ 222,540</u>	<u>\$ 3,094,023</u>	<u>\$ (840,229)</u>
\$ 73,921	\$ 25,003,337	\$ 4,976,363
246	4,260,246	163,208
<u>\$ 74,167</u>	<u>\$ 29,263,583</u>	<u>\$ 5,139,571</u>
\$ -	\$ 408,591	\$ -

City of Littleton, Colorado
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2018

	Private - Purpose Trust Fund
ASSETS	
Cash and investments	\$ 36,147
Cash and investments with trustee, at fair value	<u>233,116</u>
Total assets	<u>269,263</u>
LIABILITIES	
Contract and accounts payable	<u>5,026</u>
Total liabilities	<u>5,026</u>
NET POSITION	
Held in trust for specific purposes	<u>\$ 264,237</u>

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

City of Littleton, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For The Year Ended December 31, 2018

	Private - Purpose Trust Fund
ADDITIONS	
Interest	\$ 5,343
Total additions	<u>5,343</u>
DEDUCTIONS	
Culture and recreation	<u>5,026</u>
Total deductions	<u>5,026</u>
Change in net position	317
Net position - beginning	<u>263,920</u>
Net position - ending	<u><u>\$ 264,237</u></u>

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Littleton, Colorado (the City) was incorporated in 1890. On July 28, 1959, the citizens voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution (Home Rule Cities and Towns). The City operates under a council-manager form of government with the City council consisting of seven members, four elected by district and three at large. The City provides the following services as authorized by its charter: administration, finance, city attorney, planning and zoning, economic development, public safety (police, fire and emergency medical), highway, street and building maintenance, sewer, storm drainage utilities, public housing, welfare (free senior citizen transportation), culture and recreation, and municipal court services.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies applied in the preparation of these financial statements.

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 provides benefits to, or imposes financial burdens on the City.

Based on the application of these criteria, the component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City. Separate financial statements are not issued for these component units.

Blended Component Unit

The Littleton Colorado Municipal Building Authority – The Littleton Colorado Municipal Building Authority (LCMBA) is governed by a Board of Directors which was originally appointed by the City Council. Subsequent board members have been and will be appointed by the LCMBA. Created in 1976, the LCMBA constructs and acquires buildings solely for the City's use under lease agreements. The buildings will be deeded to the City once the debt is retired. Activities of the LCMBA are reported as a proprietary fund type. The LCMBA does not prepare separate financial statements.

Discrete Component Unit

The Littleton Riverfront Authority dba Littleton Invests for Tomorrow Urban Renewal Authority – The Littleton Riverfront Authority was created in 1980 by the City Council to acquire land for a redevelopment project for the benefit of the City. In 2008, the authority to receive tax increment expired (limited to 25 years) and all debt owing on the bonds and City notes were discharged and deemed cancelled by the Trustee. Littleton Riverfront Authority remained dormant from 2009-2013.

In 2013, the Littleton Riverfront Authority was renamed Littleton Invests for Tomorrow Urban Renewal Authority (LIFT) to provide additional investment options for property owners not just along the Riverfront area, but the broader community as well. LIFT is a legally separate entity from the city and is governed by a board of commissioners who are appointed by the City Council. LIFT's annual budget is approved only by the authority. LIFT is authorized to collect incremental sales and property taxes from designated graphical areas as defined in the urban renewal plans. In 2014, four urban renewal areas were approved by the City Council; Columbine Urban Renewal Area, Littleton Boulevard Urban Renewal Area, North Broadway Urban Renewal Area and Santa Fe Urban Renewal Area.

In December 2016, the City Council repealed three of the four urban renewal areas consisting of Littleton Boulevard Urban Renewal Area, North Broadway Urban Renewal Area and Santa Fe Urban Renewal Area; thus ending incremental sales and property taxes for these areas. Columbine Urban Renewal Area remains the only urban renewal area as of December 31, 2018.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule include charges between the General Fund and the Sewer Utility Fund for administrative costs substantially equal to the value of the services. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major funds are those funds whose activities are considered significant to the City based on economic and other factors and are reported in separate columns in the fund financial statements.

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 fiduciary 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 accompanying 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Property taxes, sales taxes, intergovernmental revenues, other taxes, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers or other funds for sales and services. The City also recognizes tap fees as capital contribution revenue. 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 non-operating revenues and expenses.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Major revenue sources include retail sales and use taxes, property taxes and intergovernmental revenues.

The *Capital Projects Fund* accounts for financing, acquisition and construction of capital improvements and various special projects throughout the City. These projects include public facilities, new street construction, parks and open space, information technology, public safety capital items and cultural and recreational improvements. Major revenue sources include building use taxes and highway users taxes.

The City reports the following major proprietary funds:

The *Sewer Utility Fund* accounts for sewer services to the residents of the City and several sewer districts located outside the City. The cities of Littleton and Englewood jointly own the South Platte Water Renewal Partners (formerly known as the Littleton/Englewood Wastewater Treatment Plant) located in Englewood. This treatment plant is operated by the City of Englewood under a joint supervisory committee. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The *Storm Drainage Fund* accounts for construction and maintenance of storm water facilities and detention ponds within the City limits.

The *Emergency Medical Transport Fund* accounts for revenue and expenditures for emergency transport service and patient care en route to local hospitals. The service is provided to residents of the City of Littleton as well as the Littleton Fire Protection District and Highlands Ranch Metro District.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other entities, on a cost reimbursement basis. This category consists of the *Employee Insurance Fund*, and the *Property and Liability Insurance Fund*.

Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for gifts and bequests for specific purposes. Included in this fund are the *P. Lyn White*, *Sophie Bramley*, *J. E. Hockaday*, *Patricia Braem*, and *South Platte Park Irrigation* trusts.

Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because pooled cash is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Certain investments are reported using net asset value (NAV) or amortized cost. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables

Receivables consist primarily of sales and use tax, charges for emergency medical transports, and other miscellaneous receivables and are reported net of an allowance for uncollectible accounts. The City has determined that \$821,819 of the Emergency Medical Transport Fund receivables is uncollectible.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/due from other funds”. If transactions are not due within the next fiscal year, it is an “advance to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Property Taxes Receivable

Property taxes are initially recorded as a receivable and as deferred inflow of resources when levied in both the funds and the government-wide reporting. Revenue is recognized when collected in the following year.

Property taxes are collected and remitted monthly to the City by Arapahoe, Jefferson and Douglas Counties, Colorado. The property tax calendar is detailed below:

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

Inventories and Prepaid Items

Inventories are valued at cost, using the first-in/first-out (FIFO) method. Inventory in the General Fund consists of items for the Littleton Historical Museum gift store and vehicle parts and fuel used for maintaining the City’s fleet. The costs of inventories are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, and equally offset by nonspendable fund balance in the governmental funds. Prepayments are recorded using the consumption method where services are allocated over appropriate service periods.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items) purchased since 1980 are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets are stated at acquisition cost for purchased and constructed assets, estimated acquisition cost for older assets for which actual cost was not determinable, and estimated acquisition value at the time of receipt for donated or contributed items and capital assets received in a service concession arrangement. Expenditures incurred during the construction phase are recorded as construction in progress. These amounts are transferred from construction in progress to the appropriate classification (land, building improvements, etc.) upon completion of the project.

Salvage value is not material and is therefore not computed. Accordingly, assets are completely depreciated if retained for their total estimated useful life. Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life of the asset, whichever period is shorter.

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.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	10 - 50
Equipment	3 - 10
Infrastructure	10 - 50

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize long-term liabilities only when payment is due. Payments of long-term debt are reported as current expenditures. Proceeds are reported as other financing sources.

Pensions

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

Deferred Inflows and Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate. The City's deferred inflows and outflows of resources primarily relate to pensions.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied in the fund financial statements.

Net Position/Fund Balance

In the government-wide financial statements and the proprietary funds in the fund financial statements, net position is classified in the following categories:

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents the net position of the City, which is not restricted for any project or other purpose. A deficit will require future funding.

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.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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 formal action of the City Council by ordinance. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of 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. Intent is expressed by City Council through an informal action or City Council can delegate the authority to express intent to a committee, the city manager or other city official on a case by case basis.
- **Unassigned Fund Balance** – the remaining fund balance after amounts are set aside for other classifications. Only the General Fund may report a positive unassigned fund balance.

In 2018, the City Council adopted the Principles of Sound Financial Management by resolution. These principles served to consolidate multiple policies into one document. The principles established a formal policy for the City’s use of restricted and unrestricted (committed, assigned, unassigned) fund balance. For any expenditure which meets funding criteria of more than one category of fund balance, the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance. The Principles of Sound Financial Management authorize the City Manager or designee to designate available fund balance based on the intended use of such resources.

The City’s Principles of Sound Financial Management also includes a minimum fund balance of 8% of approved General Fund operating expenditures along with a maximum amount not to exceed 18% at the end of the five-year long range forecast. This amount is included in Unassigned Fund Balance in the financial statements.

As part of net position, the City reports the following balances as net investment in capital assets:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Total capital assets, net of accumulated depreciation	\$ 95,108,143	\$ 21,431,005
Capital lease obligation (current and non-current)	<u>(6,688,572)</u>	<u>(1,170,000)</u>
Net investment in capital assets	<u>\$ 88,419,571</u>	<u>\$ 20,261,005</u>

NOTE II – CASH AND INVESTMENTS**Primary Government****Reconciliation of Cash and Investments to Financial Statements**

Cash and investments	\$ 63,424,204
Restricted cash and investments	4,449,471
Fiduciary cash and investments	<u>269,263</u>
Total	<u>\$ 68,142,938</u>
Petty cash	\$ 2,895
Deposits with financial institutions	3,701,723
Cash and investments held by third party	1,532,062
Investments	<u>62,906,258</u>
Total	<u>\$ 68,142,938</u>

NOTE II – CASH AND INVESTMENTS (Continued)**Component Unit**

At December 31, 2018, the component unit cash and investments consisted of the following:

Total Cash and Investments	\$ <u>344,728</u>
Cash	\$ 12,207
Local government investment pool	<u>332,521</u>
Total Cash and Investments	\$ <u>344,728</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all the uninsured public deposits as a group. The fair 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 \$3,202,845 collateralized with securities held by the pledging financial institutions' trust department or agent but not in the City's name. The City does not have a deposit policy.

Investments

The City's investment policy is more restrictive than the Colorado State Statutes. The City's policy allows investments of city funds in the following types of securities:

- Obligations of the United States and certain U. S. Agency securities
- General obligation and revenue bonds of U. S. local government entities
- Certificates of deposit of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Specific federal instrumentality securities
- Corporate debt (highly rated)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Quoted prices for identical investments in active markets;
- Level 2 – Observable inputs other than quoted market prices; and,
- Level 3 – Unobservable inputs.

NOTE II – CASH AND INVESTMENTS (Continued)

At December 31, 2018, the City had the following fair value measurements.

		Fair Value Measurements Using			
	12/31/2018	Level 1	Level 2	Level 3	
Investments by fair value level					
U.S. Agencies	\$ 33,123,463	\$ -	\$ 33,123,463	\$ -	
Corporate Bonds	7,858,136	-	7,858,136	-	
Municipal Bonds	10,341,998	-	10,341,998	-	
Certificates of Deposit	7,633,643	-	7,633,643	-	
Total investments by fair value level	58,957,240	\$ -	\$ 58,957,240	\$ -	
Investments measured at the net asset value (NAV) or amortized cost					
ColoTrust	3,631,600				
CSAFE (amortized cost)	317,418				
Total Investments	\$ 62,906,258				

Debt securities classified in Level 2 are valued using the following approaches:

- U. S. Agencies: quoted prices for identical securities in markets that are not active;
- Corporate and municipal bonds: quoted prices for similar securities in active markets; and,
- Negotiable Certificates of Deposits: matrix pricing based on securities' relationship to benchmark quoted prices.

At December 31, 2018, the City's investments consisted of the following:

Investments	Fair Value	% to Total
U.S. Agency Securities	\$ 33,123,463	53%
Corporate Bonds	7,858,136	13%
Municipal Bonds	10,341,998	16%
Certificates of Deposit	7,633,643	12%
Subtotal investments at fair value	58,957,240	94%
Local government investment pools	3,949,018	6%
Total Investments	\$ 62,906,258	100%

As of December 31, 2018 the City had the following investments and maturities:

Investments	S & P Rating	Fair Value	Investment Maturities		
			Less than 1 yr	1-5 yrs	5+ yrs
U.S. Agency Securities	AA+	\$ 33,123,463	\$ 10,179,945	\$ 22,943,518	\$ -
Corporate Bonds	AAA	988,864	-	988,864	-
Corporate Bonds	AA+	1,972,428	-	1,972,428	-
Corporate Bonds	AA	2,251,159	497,563	1,753,596	-
Corporate Bonds	AA-	2,645,685	-	2,645,685	-
Municipal Bonds	AAA	3,863,910	501,775	3,362,135	-
Municipal Bonds	AA+	781,209	781,209	-	-
Municipal Bonds	AA	3,740,869	997,100	2,743,769	-
Municipal Bonds	AA-	980,500	-	980,500	-
Municipal Bonds	A+	975,510	-	975,510	-
Certificates of Deposit	N/A	7,633,643	977,541	6,656,102	-
Subtotal Investments		\$ 58,957,240	\$ 13,935,133	\$ 45,022,107	\$ -

Interest Rate Risk. As a means of limiting its exposure to losses arising from changing interest rates, the City's investment policy requires all investments to mature within five years or less from date of trade settlement.

NOTE II – CASH AND INVESTMENTS (Continued)

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

Custodial Credit Risk. At December 31, 2018, the City had deposits held by third parties. The City of Englewood holds \$1,260,000 as required by the operating agreement for the South Platte Water Renewal Partners (formerly known as the Littleton/Englewood Wastewater Treatment Plant Joint Venture.) In addition, \$167,000 is held by CIGNA Insurance Company as required minimum balances for healthcare costs, \$82,267 is held by Deutsche Bank in escrow for the fire platform truck lease, \$17,795 is held by 24 Hour Flex Retirement Services Planning Inc. as required for flex spending accounts and \$5,000 is held by the State Land Board related to a lease agreement.

Concentration of Credit Risk. The City's investment policy requires that investments be diversified to reduce the concentration of credit risk. The City may invest up to 10% of the book value of its investment portfolio in commercial paper or corporate debt as long as the aggregate investment in commercial paper and corporate debt does not exceed 20% of the City's investment portfolio, and no more than 10% of the City's investment portfolio may be invested in the obligations of any one issuer. The City may invest up to 20% of the City's investment portfolio in municipal bonds, and no more than 10% of the City's investment portfolio may be invested in the obligations of any one issuer.

Local Government Investment Pools

Colotrust – At December 31, 2018, the City had \$3,631,600 and LIFT had \$332,521 invested in Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. This investment is valued using the NAV per share (or its equivalent) of the investments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Colotrust is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes and are registered with the State Securities Commissioner. The pools operate similarly to money market funds and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. Investments of the pools consist of US Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by US Treasury securities and or US Instrumentalities. ColoTrust is rated AAAM by Standard and Poor's. Information regarding Colotrust's financial statements is available at their website www.colotrust.com.

CSAFE – At December 31, 2018, the city had \$317,418 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is considered to be a 2a7-like investment and is valued at amortized cost. The 2a7-like investments do not have any unfunded commitments, redemption restrictions or redemption notice periods.

The 2a7-like investments conform to Colorado Statutes CRS 24-75-601 et. Seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado Depositories collateralized at 102% of market value investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool. Information regarding CSAFE's financial statements is available at their website www.csafe.org.

NOTE II – CASH AND INVESTMENTS (Continued)**Restricted Cash and Investments**

At December 31, 2018, the City's restricted cash and investments consisted of the following:

Rate Stabilization	\$	3,000,000
Joint venture deposit		1,260,000
Employee benefit funds		163,208
Other		26,263
Total restricted cash and investments	\$	<u>4,449,471</u>

NOTE III – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2018, is as follows:

Advances To/From Other Funds. City Council approved an interfund loan from the Capital Projects Fund to the Impact Fee Fund related to the Fire Station 19 project. The loan amount is \$1,004 payable over the next year at 1.20% annual interest.

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	EMT Fund	\$ 893,796
Purpose: City utilizes pooled cash. At December 31, 2018 the fund was overdrawn.		
Capital Projects	Impact Fees	1,004
Purpose: An interfund loan approved for construction of Fire Station 19.		
		<u>\$ 894,800</u>

The following interfund transfers occurred during 2018 for the purposes stated below:

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
South Metro Comm Center	General Fund	\$ 292,053
Purpose: Transfer residual balance of fund closed in 2017.		
		<u>\$ 292,053</u>

NOTE IV – CAPITAL ASSETS

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

	12/31/2017 Beginning Balance	Increases	Decreases	12/31/2018 Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 24,583,062	\$ -	\$ -	\$ 24,583,062
Construction in progress	2,404,805	1,187,870	(1,212,771)	2,379,904
Total capital assets, not being depreciated	<u>26,987,867</u>	<u>1,187,870</u>	<u>(1,212,771)</u>	<u>26,962,966</u>
Capital assets, being depreciated:				
Buildings	35,927,923	172,437	-	36,100,360
Machinery and equipment	22,192,223	1,814,477	(1,671,083)	22,335,617
Infrastructure	104,490,909	3,349,432	(3,591,200)	104,249,141
Total capital assets, being depreciated	<u>162,611,055</u>	<u>5,336,346</u>	<u>(5,262,283)</u>	<u>162,685,118</u>
Less accumulated depreciation for:				
Buildings	(14,946,988)	(1,044,510)	-	(15,991,498)
Machinery and equipment	(14,910,335)	(1,803,314)	1,618,936	(15,094,713)
Infrastructure	(63,376,128)	(3,668,802)	3,591,200	(63,453,730)
Total capital assets, being depreciated	<u>(93,233,451)</u>	<u>(6,516,626)</u>	<u>5,210,136</u>	<u>(94,539,941)</u>
Total capital assets, being depreciated, net	<u>69,377,604</u>	<u>(1,180,280)</u>	<u>(52,147)</u>	<u>68,145,177</u>
Governmental activities capital assets, net	<u>\$ 96,365,471</u>	<u>\$ 7,590</u>	<u>\$ (1,264,918)</u>	<u>\$ 95,108,143</u>
	12/31/2017 Beginning Balance	Increases	Decreases	12/31/2018 Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,689,538	\$ -	\$ -	\$ 2,689,538
Construction in progress	1,317,561	-	(1,067,561)	250,000
Total capital assets, not being depreciated	<u>4,007,099</u>	<u>-</u>	<u>(1,067,561)</u>	<u>2,939,538</u>
Capital assets, being depreciated:				
Buildings and systems	41,577,556	1,537,244	-	43,114,800
Other improvements	65,740	-	-	65,740
Machinery and equipment	934,106	247,453	-	1,181,559
Total capital assets, being depreciated	<u>42,577,402</u>	<u>1,784,697</u>	<u>-</u>	<u>44,362,099</u>
Less accumulated depreciation for:				
Buildings and systems	(23,983,602)	(1,089,859)	-	(25,073,461)
Other improvements	(65,740)	-	-	(65,740)
Machinery and equipment	(647,503)	(83,928)	-	(731,431)
Total capital assets, being depreciated	<u>(24,696,845)</u>	<u>(1,173,787)</u>	<u>-</u>	<u>(25,870,632)</u>
Total capital assets, being depreciated, net	<u>17,880,557</u>	<u>610,910</u>	<u>-</u>	<u>18,491,467</u>
Business-type activities capital assets, net	<u>\$ 21,887,656</u>	<u>\$ 610,910</u>	<u>\$ (1,067,561)</u>	<u>\$ 21,431,005</u>

NOTE IV – CAPITAL ASSETS (Continued)

Capitalized interest of \$156,690, net of accumulated depreciation of \$56,842, is included in the Littleton Colorado Municipal Building Authority Fund.

Depreciation expense was charged to functions/programs for the primary government as follows:

Governmental activities:	
General government	\$ 768,014
Public safety	1,363,465
Highways and streets, including depreciation of general infrastructure assets	3,214,236
Welfare	29,593
Culture and recreation	<u>1,141,318</u>
Total depreciation expense - governmental activities	<u>\$ 6,516,626</u>
Business-type activities:	
Sewer Utility Fund	\$ 452,152
Storm Drainage Fund	606,664
EMT Fund	34,252
Geneva Village Fund	17,114
Building Authority Fund	<u>63,605</u>
Total depreciation expense - business-type activities	<u>\$ 1,173,787</u>

NOTE V – CAPITAL LEASES

During 2012, 2016 and 2017, the City acquired capital assets using leases as an alternate method of financing for governmental activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the lower of the cost of the asset or present value of the future minimum lease payments. Capital lease payments are funded by capital projects fund revenues.

Museum Building – In 2012, the City of Littleton issued Certificates of Participation to refund the 2003 Certificates of Participation of the Littleton Building Corporation. In turn, the City entered into a Master Lease Purchase Agreement to lease the museum property from the Trustee, UMB Bank, for a twenty year term pursuant to the site lease agreement. The net present value benefit to the City was \$1,374,807 with a total debt service savings of \$1,477,592. All financial obligations of the City under the lease, including the City's obligation to pay base rentals, are subject to annual appropriation by the City Council. The museum is recorded in the City's capital assets at \$10,077,338 with accumulated depreciation of \$1,141,844. Annual payments range from \$1,086,350 to \$1,092,550, including principal and interest accruing at 2.00% to 3.00%, payable semi-annually beginning in December 2013 through December 2022.

Communications Equipment – In 2016, the City entered into a lease agreement as lessee to finance the acquisition of communications equipment for police, fire and public works. The equipment is recorded in the City's capital assets at \$1,383,879 with accumulated depreciation of \$487,139. Annual payments of \$255,902 (subject to appropriation by the city council), including principal and interest accruing at an imputed rate of 1.751%, are due in annual installments beginning in January 2017 through January 2024.

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL SECTION

NOTE V – CAPITAL LEASES (Continued)

Fire Platform Truck – In 2017, the City entered into a lease agreement as lessee to purchase a fire platform truck. The equipment is recorded in the City's capital assets at \$1,320,594 with accumulated depreciation of \$165,074. Annual payments of \$187,476 (subject to appropriation by the city council), including principal and interest accruing at a rate of 1.951%, are due in annual installments beginning in February 2017 through February 2024.

The following table presents minimum future payments for governmental activities capital leases as of December 31, 2018:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2019	\$ 1,529,728
2020	1,530,778
2021	1,535,928
2022	1,530,028
2023	443,378
2024	<u>443,378</u>
Total minimum lease payments	\$ 7,013,218
Less: amount representing interest	<u>(470,802)</u>
Present value of minimum lease payments	<u>\$ 6,542,416</u>

NOTE VI – LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital leases payable					
Communications Equipment	\$ 1,672,164	\$ -	\$ (226,623)	\$ 1,445,541	\$ 230,591
Fire Platform Truck	1,215,634	-	(163,759)	1,051,875	166,954
Museum Building	4,985,000	-	(940,000)	4,045,000	965,000
Museum Building premium	<u>182,695</u>	<u>-</u>	<u>(36,539)</u>	<u>146,156</u>	<u>-</u>
Total capital leases	<u>8,055,493</u>	<u>-</u>	<u>(1,366,921)</u>	<u>6,688,572</u>	<u>1,362,545</u>
Compensated absences	<u>1,399,787</u>	<u>2,573,128</u>	<u>(3,002,445)</u>	<u>970,470</u>	<u>174,495</u>
Governmental activity Long-term liabilities	<u>\$ 9,455,280</u>	<u>\$ 2,573,128</u>	<u>\$ (4,369,366)</u>	<u>\$ 7,659,042</u>	<u>\$ 1,537,040</u>
Business-type Activities:					
Assignment Certificate, 2011	\$ 1,345,000	\$ -	\$ (175,000)	\$ 1,170,000	\$ 180,000
Revenue loan payable, 2004	23,795,794	-	(2,710,642)	21,085,152	2,796,354
Revenue loan premium	<u>112,521</u>	<u>-</u>	<u>(15,344)</u>	<u>97,177</u>	<u>-</u>
Business-type activity Long-term liabilities	<u>\$ 25,253,315</u>	<u>\$ -</u>	<u>\$ (2,900,986)</u>	<u>\$ 22,352,329</u>	<u>\$ 2,976,354</u>

NOTE VI – LONG-TERM DEBT (Continued)**2011 Assignment Certificate**

Certificates of participation are assignments of proportionate interests in the right to receive certain payments under an annually terminable Master Lease Purchase Agreement by and between the City of Littleton as lessee and the Littleton Colorado Municipal Building Authority (LCMBA) as lessor. On June 8, 1999, the LCMBA issued certificates of participation in the amount of \$3,385,000 to finance the renovation and equipping of the City of Littleton courthouse. The LCMBA holds title to the courthouse and the City is not obligated for repayment of the certificates. The City has entered into an agreement to lease the courthouse from the LCMBA. The lease payments are equivalent to the amounts required to meet the interest and principal obligations on the certificates. Upon repayment of all lease obligations, title to the project will be transferred to the City.

Because the LCMBA is part of the City's reporting entity, the LCMBA's debt and assets have been included as part of the City's debt and assets for financial reporting purposes. The issuance of the certificates of participation for the renovation costs have been accounted for in the LCMBA fund.

In May 2011, LCMBA certificates of participation, Series 1999 outstanding in the amount of \$2,345,000, were refinanced by the 2011 Assignment Certificate issued by LCMBA and JPMorgan Chase Bank, N.A in the amount of \$2,390,000. The refinancing resulted in a net present value benefit to the LCMBA of \$214,100 and total debt service payment savings of \$318,683 through 2024.

The certificate bears an interest rate of 3.34%, payable semi-annually. Principal and interest on this certificate is due in annual installments through November 15, 2024.

Annual debt service requirements to maturity for the LCMBA's certificate of assignment are as follows:

Year Ending December-31	Business-type activities		
	Principal	Interest	Total
2019	\$ 180,000	\$ 39,078	\$ 219,078
2020	185,000	33,066	218,066
2021	190,000	26,887	216,887
2022	200,000	20,541	220,541
2023	205,000	13,861	218,861
2024	210,000	7,014	217,014
Total	\$ 1,170,000	\$ 140,447	\$ 1,310,447

2004 Revenue Loans

On May 1, 2004, the City, acting by and through the City of Littleton, Colorado Sewer Utility Enterprise, borrowed money from the Colorado Water Resources & Power Development Authority (CWRPDA) for expansion and upgrade to the wastewater treatment plant owned and operated with the City of Englewood. The borrowing consisted of two loans, \$19,695,000 in Water Resources Revenue Bonds payable through 2015 and \$29,677,780 in Clean Water Revenue Bonds payable through 2025, both underlying issues sold at a premium of \$1,308,177 and \$322,220, respectively. The state provided matching funds to the CWRPDA; therefore, the proceeds received by the City were \$21,000,000 and \$30,000,000 respectively.

Principal and interest are payable semi-annually through August 1, 2025, with an effective interest rate ranging from 3.70% to 3.82%. The City has the option to prepay the loan which is subject to prepayment penalty of certain administrative fees and a redemption premium as defined in the loan agreement.

NOTE VI – LONG-TERM DEBT (Continued)

Due to a re-financing by CWRPDA in January 2013, debt service payments were reduced. Annual debt service to maturity for these revenue loans are as follows:

Year Ending December-31	Business-type activities		
	Principal	Interest & Admin Fees	Total
2019	\$ 2,796,354	\$ 758,802	\$ 3,555,156
2020	2,882,066	673,612	3,555,678
2021	2,967,778	585,922	3,553,700
2022	3,064,204	493,927	3,558,131
2023	3,155,273	397,382	3,552,655
2024-2025	6,219,477	249,309	6,468,786
Total	\$ 21,085,152	\$ 3,158,954	\$ 24,244,106

The 2004 revenue loans are payable solely from the net revenues of the wastewater utility system, after deduction of operating expenses.

Littleton Invests for Tomorrow Debt

In December 2014, the city authorized a loan of up to \$200,000 to LIFT. Interest accrues at a rate equal to the 2-year treasury rate at the time of the advance, but no less than 0.51% per annum. Repayments shall be made annually before December 31 of each year, or by mutual agreement, with final payment of loan balance is to be paid to the City on or before December 16, 2019. No payments have been made by LIFT to the City as of December 31, 2018.

Advances of \$50,000 each were made December 2014, March 2015 and October 2015. Interest rates on these advances are 0.56%, 0.70%, and 0.65%, respectively. At December 31, 2018, total accrued interest was \$3,489 and the principal amount was \$150,000.

Compensated Absences

Accrued compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

Conduit Debt Obligations

From time to time, the City has participated in the issuance of industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon payment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The principal amount payable for the bonds issued prior to December 31, 1995 could not be determined. The City authorized tax exempt bonds for the Colorado Mental Health Facilities Development in December 2013. The principal amount payable for these bonds as of December 31, 2018 was \$5,091,960.

NOTE VII – EMPLOYEE RETIREMENT PLANS

The City's employees are covered under or may participate in various retirement plans, depending on occupation and date of hire.

Money purchase pension plan – general employees

All full time regular city employees (except fire fighters and police officers) are required to participate in a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). Under this plan, 5% of the employee's regular salary was withheld and contributed to the plan. The City contributes 7%. The employee is 100% vested in his or her contribution and earns a 100% vested right to the City contributions after five years of service at the rate of 20% per year. A Board of Trustees governs the plan and employees may choose from various investment options offered by ICMA, the plans administrator. The City Council has authority to change the contributions and other provisions. The employee's contributions to this plan for December 31, 2018 and December 31, 2017 were \$596,302 and \$603,141, with the City's pension expense being \$833,333 and \$842,907, respectively.

City contributions and interest forfeited by employees who leave employment before five years of service are used first for administrative charges and second to reduce the City's current period contribution requirement. During 2018, no forfeitures were used to offset pension expense.

Money purchase pension plans – police employees

The City provides pension benefits for sworn police officers hired before October 14, 2018 through defined contribution money purchase plans. Participants are fully vested after five years of continuous service at the rate of 20% per year. Both the City and the covered employees contribute an amount equal to 10% of the covered employee's base salary. A Board of Trustees governs the plan, but record keeping and asset management are performed by ICMA. The City has no liability for these plans beyond its current annual contributions. The City Council has authority to establish contribution requirements and other provisions. The employee and employer contributions to this plan for December 31, 2018 and December 31, 2017 were \$595,835 and \$624,597, respectively.

City contributions and interest forfeited by employees who leave employment before five years of service are used first for administrative charges and second to reduce the City's current period contribution requirement. During 2018, no forfeitures were used to offset pension expense.

Defined benefit pension plans – fire and police employees

In November 2008, voters approved the City to move the fire employees' money purchase pension plan to a defined benefit plan. Fire employees became members of the FPPA pension group effective April 1, 2009. Prior to that date, fire employees were included in the money purchase pension plan along with police employees.

Sworn police officers hired before October 14, 2018 were given the option to remain in the City's defined contribution money purchase plan or to enter FPPA. Sworn police officers hired on or after October 14, 2018 are enrolled in the FPPA.

Fire and police employees participate in two plans: the Statewide Defined Benefit Plan and the Statewide Hybrid Plan.

Statewide Defined Benefit Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple – employer defined benefit pension plan. The SWDB plan became effective January 1, 1980 and as of December 31, 2017 has 227 participating employer fire and police departments. The SWDB plan is administered by FPPA.

Employers once had the option to elect to withdraw from the SWDB plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes, Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. FPPA issues a publicly available financial report that can be obtained at www.fppaco.org.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

Benefits provided. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's participating percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2017 was \$74,738,493. This amount was not included in the SWDB Plan net position.

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

Members of the SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent through 2017. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.5 percent of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The member contribution rate as of December 31, 2018 for members hired prior to April 1, 2009 was 12% and the City's contribution rate was 10%. For members hired after April 1, 2009 the member contribution rate as of December 31, 2018 was 10% and the City's contribution rate was 8%. Contributions to the SWDB plan from the City were \$1,213,601 for the year ended December 31, 2018. This included \$1,129,543 for the required contribution for firefighters as well as \$84,286 related to partial re-entry of current active police officers.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2018, the City reported an asset of \$3,374,763 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2018 actuarial valuation. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at January 1, 2018. At December 31, 2017, the City's proportion was 2.35 percent, which was a decrease of 0.12 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City recognized pension credit of \$2,443,296. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,433,685	\$ 37,396
Net difference between projected and actual earnings on pension plan investments	-	1,145,848
Changes in assumptions	508,456	-
Changes in proportion	134,375	204,194
City contributions subsequent to the measurement date	1,129,543	-
	\$ 4,206,059	\$ 1,387,438

The \$1,129,543 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2019	\$ 392,851
2020	342,257
2021	(133,071)
2022	(354,175)
2023	348,427
2024-2027	1,092,789
	\$ 1,689,078

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability
Actuarial Valuation Date	January 1, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return *	7.5%
Projected salary Increases	4.0% - 14.0%
Cost of Living Adjustment (COLA)	0.0%
* Includes Inflation at	2.5%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

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

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

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability, calculated using a discount rate of 7.50%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City’s proportionate share of the net pension liability (asset)	\$ 3,674,111	\$ (3,374,763)	\$ (9,227,947)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FPPA financial report.

Subsequent event. The FPPA Board completed an actuarial experience study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation assumption will remain at 2.5%. The investment return assumption will be reduced from 7.5% to 7.0% which will increase the cost of pension benefits. The change in the investment return assumption reflects the reduced real return expectations from recent capital market data.

Statewide Hybrid Plan

Plan description. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple employer defined benefit pension plan covering full-time firefighters and police officers from departments that elect coverage. The SWH plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The SWH plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, employees have the option of choosing among various mutual funds offered by an outside investment manager. As of December 31, 2017, the SWH plan has 40 participating employer departments. Employers may not withdraw from the SWH plan once affiliated.

Colorado Revised Statutes, Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. FPPA issues a publicly available financial report that can be obtained at www.fppaco.org.

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

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

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

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's participating percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2017 was \$1,045,399. This amount was not included in the SWH Plan net position.

Contributions. The SWH plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both the employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the SWH plan. The Defined Benefit Component contribution rate from July 1, 2017 through June 30, 2018 was 14.8 percent. The Defined Benefit Component contribution rate from July 1, 2016 through June 30, 2017 was 13.5 percent.

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

Unvested department contributions and earnings thereon are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. Any administrative expenses not covered by forfeitures are charged directly to member accounts.

A member may elect to make voluntary after-tax contributions to the Money Purchase Component of the SWH plan.

Contributions to the SWH plan from the City were \$116,083 for the year ended December 31, 2018. This included \$109,306 for the required contribution for firefighters as well as \$6,777 related to partial re-entry of current active police officers.

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

At December 31, 2018, the City reported an asset of \$1,500,110 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2018 actuarial valuation. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at January 1, 2018. At December 31, 2017, the City's proportion was 7.67 percent, which was a decrease of 2.12 from its proportion measured as of December 31, 2016.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

For the year ended December 31, 2018, the City recognized a pension credit of \$607,355. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 682,431	\$ -
Net difference between projected and actual earnings on pension plan investments	-	106,951
Change in assumptions	31,439	-
Changes in proportion	352,604	306,113
City contributions subsequent to the measurement date	109,306	-
	\$ 1,175,780	\$ 413,064

The \$109,306 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2019	\$ 132,805
2020	129,830
2021	82,795
2022	60,441
2023	128,206
2023-2024	119,333
	\$ 653,410

Actuarial assumptions. The actuarial valuations for the SMH – Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability
Actuarial Valuation Date	January 1, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return *	7.5%
Projected salary Increases	4.0% - 14.0%
Cost of Living Adjustment (COLA)	0.0%
* Includes Inflation at	2.5%

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

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

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

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset), calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset)	\$ (1,060,905)	\$ (1,500,110)	\$ (1,869,748)

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

Subsequent event. The FPPA Board completed an actuarial experience study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation assumption will remain at 2.5%. The investment return assumption will be reduced from 7.5% to 7.0% which will increase the cost of pension benefits. The change in the investment return assumption reflects the reduced real return expectations from recent capital market data.

Statewide Money Purchase plan – fire and police employees

FPPA offers a statewide money purchase plan for fire and police employees. This plan is a defined contribution plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. Under this plan, 10% of the employee's regular salary was withheld and contributed to the plan. The City contributes 10% for fire employees and 12% for police employees. The employee is 100% vested in his or her contribution and earns a 100% vested right to the City contributions after five years of service at the rate of 20% per year. The employee's contributions to this plan for December 31, 2018 and December 31, 2017 were \$65,219 and \$76,114, with the City's contributions and pension expense being \$65,902 and \$76,114, respectively.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

City contributions forfeited by employees who leave employment before five years of service are reserved in a forfeiture account to pay the administrative expenses of the plan. Forfeitures may be carried forward from one plan year to the next for up to five years. After five years, forfeitures not used to pay the administrative expenses of the plan must be used to reduce the employers' required contributions.

FPPA issues a publicly available financial report that includes the statewide money purchase plan. The report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at 303-770-3772 or 1-800-332-3772.

Deferred compensation

A deferred compensation plan under Section 457 of the Internal Revenue Code is available for voluntary employee contributions. Under this plan, all employees may make voluntary contributions in accordance with Internal Revenue Service limitations. In July 2014, an amendment to the plan was made to allow for a city match of the employee's contribution, limited to 2% of the employee's regular salary. In accordance with the plan, distribution is not available to employees until termination, retirement, disability, death or unforeseen emergency. All assets are held for the exclusive benefit of the employees. This plan is administered by ICMA. The employee's contributions to this plan for December 31, 2018 and December 31, 2017 were \$1,776,510 and \$1,730,079, with the City's pension expense being \$566,104 and \$547,294, respectively. The City Council has authority to establish contribution requirements and other provisions.

Aggregate Pension Expenditures/Expenses

The City's aggregate pension credit associated with the net pension liabilities (assets) for all plans for the year ended December 31, 2018 are \$3,050,651.

NOTE VIII – JOINT VENTURE

The City participates with the City of Englewood in a joint venture for the construction and operation of a wastewater treatment facility. Control of the joint venture is vested in a four-member committee, with two members appointed by each city.

Oversight responsibilities are divided equally between the two cities and ownership is held 50 percent by each city. Variable operating expenses are shared based on actual plant usage. The City's investment in this joint venture is accounted for on the equity method in the Sewer Utility Fund.

The depreciation on joint venture assets is equal to the depreciation expense plus any loss on disposal of capital assets recorded on behalf of the joint venture. The joint venture, as of year-end, had no long-term obligations and the current liabilities, which are all related to operations, will be funded by the separate cities based on the actual usage of the plant. Complete audited financial statements are available at the City of Littleton's finance office.

NOTE IX – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; health costs of employees; and natural disasters. These risks are financed and funded through the Property and Liability Insurance Fund, the Employee Insurance Fund (Internal Service Funds) and through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

The Property and Liability Insurance Fund provides coverage for up to a maximum of \$50,000 for each general and auto liability claim and \$5,000 for each property damage claim. The City purchases insurance from CIRSA for claims in excess of coverage provided by the Property and Liability Insurance Fund and for all other risks of loss. All city funds participate in the insurance program. There have been no significant changes in insurance coverage in 2018 as compared to prior periods.

NOTE IX – RISK MANAGEMENT (Continued)

CIRSA is an independent, public entity risk pool whose general objectives are to provide member municipalities' defined property and liability and/or workers' compensation coverage through joint self insurance and excess insurance. It is financed by annual contributions and interest earnings on the contributions. The contributions are used, in part, to establish loss funds from which member claims and associated costs are paid. Excess reinsurance coverage is also purchased. Certain surplus funds are used to the benefit of members and may include reductions in future contributions. Although none have occurred to date, additional member contributions may be required if necessary. The City is unaware of any excess losses which may have been incurred by CIRSA, and there have been no settled claims which exceed insurance coverage in any of the last three years.

The Employee Insurance Fund includes Accidental Death and Dismemberment, Long-Term Disability and Life Insurance coverage provided by commercial carriers as well as self insurance plans for health, workers compensation and unemployment coverage. Outside administrators monitor individual employee claims and negotiate excess coverage insurance policies. Excess coverage health insurance policies are purchased to cover individual incident claims in excess of \$150,000. The City pays all unemployment insurance claims as a reimbursable employer with the State of Colorado. The city provides compensation for work-related injuries and disabilities as mandated by federal law through self-funded workers compensation coverage. The City is self-insured for Workers Compensation and has a stop loss limit of \$500,000, except Wildland Fire Team which is \$1,000,000 per occurrence. Settled benefit claims did not exceed the individual yearly claims limit for the last three years. Liabilities are reported when it is possible that a loss has occurred and the amount of the loss can be reasonably estimated. Changes in the balances of claims liabilities, as provided by outside administrators, during the year ended December 31, 2018 are as follows:

	<u>Employee Insurance Fund</u>		<u>Property and Liability Insurance Fund</u>	
	2018	2017	2018	2017
Unpaid claims and reserve for incurred but not reported claims-beginning of year	\$ 1,362,868	\$ 1,194,823	\$ 96,890	\$ 66,436
Incurred claims and reserve estimates	7,456,612	6,828,327	677,145	426,499
Claim payments	(7,400,811)	(6,660,282)	(696,370)	(396,045)
Unpaid claims and reserve for incurred but not reported claims-end of year	<u>\$ 1,418,669</u>	<u>\$ 1,362,868</u>	<u>\$ 77,665</u>	<u>\$ 96,890</u>

NOTE X – COMMITMENTS AND CONTINGENCIES*Littleton/Englewood Wastewater Treatment Plant Joint Venture/Lowry Landfill*

In an agreement reached in February 1994, Littleton paid the City and County of Denver, Waste Management of Colorado, Inc. and Chemical Waste Management of Colorado, Inc. in exchange for a release of claims against the City of Littleton and the City of Englewood and for holding the cities harmless of claims from other parties involved in the Lowry landfill.

While it currently appears unlikely that future clean up costs will exceed the amount available, the City is unable to predict, with certainty, the extent and probability of its share of future clean up costs.

Fire Protection Agreements

The City has agreements through which the City provides fire protection services outside of its boundaries to the Littleton Fire Protection District and the Highlands Ranch Metropolitan District (Districts). The agreements provide for the joint use of personnel, certain equipment and facilities. The City incurs normal operating expenditures for the fire protection operations such as salaries, fringe benefits and other operation/maintenance expenses. The City bills the districts for their share of the actual costs based on a predetermined allocation formula combining fire calls made and assessed valuation on a five-year moving average. Both Districts provided notice to the City of their intent to terminate the agreements effective December 2018 (see note on Subsequent Events). For 2018, the Littleton Fire Protection District's share was \$8,360,995 and the Highlands Ranch Metropolitan District's share was \$9,039,446.

NOTE X – COMMITMENTS AND CONTINGENCIES (Continued)*Litigation*

Various suits and claims are pending against the City as of December 31, 2018. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that adequate insurance coverage exists in situations where monetary damages are claimed and that the final settlements of these matters will not materially affect the financial statements of the City.

Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The TABOR Emergency Reserve at December 31, 2018 was \$2,084,165. The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

Voter-approved revenue changes are dollar amounts that are exceptions to, and not part of, the City's base for purposes of calculating fiscal year spending under TABOR. In order to collect, retain, and spend revenues in excess of the above-referenced limit in 1994, 2000, 2002, 2008 and 2016, the City submitted to its electors, and received voter approval, to retain and spend certain revenues received during 1994 and 1995, 1999 through 2001, 2002 through 2004, 2008, and 2016 respectively, for specific purposes as set forth in the approved election questions. There was no TABOR excess in 2018.

Encumbrances

Encumbrance commitments for the City at year-end total \$6,213,192. Encumbrances were formally adopted by the City Council as carryforward appropriations into the 2019 Budget in March 2019.

<u>Fund</u>	<u>Encumbrances</u>
General	\$ 1,017,329
Capital Projects	1,380,552
Conservation Trust	68,850
Grants	119,610
Open Space	806,787
Impact Fees	187,000
Sewer Utility	2,554,988
Storm Drainage	68,289
Property & Liability	9,787
Total	<u>\$ 6,213,192</u>

NOTE X – COMMITMENTS AND CONTINGENCIES (Continued)*Construction contracts*

The City has active construction projects as of December 31, 2018. All construction contracts are included in the encumbrances listed above. At year end, the City's construction commitments are as follows:

<u>Project</u>	<u>Fund</u>	<u>Expenditures- to-Date</u>	<u>Remaining Commitment</u>
Biogas Project	Sewer Utility Enterprise	\$ 1,821,270	\$ 2,178,730
Lenco Bearcat (Armored Vehicle)	Capital Projects	-	304,660
Progress Park	Open Space	53,177	396,823
Replacement of Street Lights	General	-	229,875
Concrete at Fire Station 12	Capital Projects	-	205,000
2018 Mill & Overlay	Capital Projects	774,943	68,859
Powers Park Pipe Repairs	Storm Drainage Enterprise	-	50,775
Totals		<u>\$ 2,649,390</u>	<u>\$ 3,434,722</u>

NOTE XI – PLEDGED REVENUES

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$21,085,152 in outstanding sewer system revenues bonds. Proceeds from the bonds provided financing for the expansion and upgrade to the wastewater treatment plant owned and operated with the City of Englewood. The bonds are payable solely from the sewer customer net revenues and are payable through 2025. The total pledged revenue cannot be estimated in comparison to pledged debt in that revenues are uncertain as to future amounts. In the event that annual principal and interest payments on the bonds are expected to require more than available net revenues of which, cash reserve will be used. The total principal and interest remaining to be paid on the bonds at December 31, 2018 is \$24,244,106. Principal and interest paid for the current year (net of refunding credits) and total customer net revenues were \$3,516,000 and \$5,139,000, respectively.

NOTE XII – TAX ABATEMENTS*Economic Development Agreements*

The City has entered into certain agreements in an effort to attract and retain high quality development, to provide employment opportunities, and community service delivery. One of the three agreements active during 2017 met its maximum abatement amount during 2018.

Due to the confidential nature of tax information and pursuant the Littleton City Code, the aggregated amount of sales and use tax abatements during the fiscal year was \$96,689. The City has two active agreements as of December 31, 2018.

Grocery store chain - Abatement of sales tax of 50% over minimum annual amount for a period of the earlier of six years (beginning January 2015) or \$500,000, whichever occurs first.

Energy corporation - Abatement of use tax of 50%, provided certain employment criteria are met, beginning 2015 through 2022 upon request from company.

Littleton Invests for Tomorrow Urban Renewal Authority Agreement

Littleton Invests for Tomorrow Urban Renewal Authority (LIFT) is authorized according to Colorado statutes to receive revenue from incremental sales and property taxes that are collected from a designated geographical area as defined in the urban renewal plan. 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 LIFT. 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 Arapahoe County and remitted to LIFT. The incremental sales tax revenue remitted to LIFT by the City in fiscal year December 31, 2018 was \$73,896.

NOTE XIII – SUBSEQUENT EVENTS**Primary Government**

In November 2017, the City received notice from the Littleton Fire Protection District and the Highlands Ranch Metro District (the Districts) of their intent to terminate the fire services agreement effective December 31, 2018. Voters in both Districts approved inclusion with South Metro Fire Rescue District effective January 1, 2019 at an election held May 8, 2018. On April 17, 2018 the Littleton City Council approved a pre-unification agreement between Littleton Fire Rescue and South Metro Fire Rescue (SMFR) for fire services beginning January 1, 2019. Littleton voters approved full inclusion of Littleton Fire Rescue with South Metro Fire Rescue at an election on November 6, 2018. As a result, the property tax mill levy assessed by the City will be reduced to 2.0 mills and SMFR's mill levy of 9.25 mills would be applied across the entire City effective for property taxes collected in 2020.

Effective January 1, 2019, all Littleton Fire Rescue employees transitioned to employment with South Metro Fire Rescue resulting in a reduction of 178 FTEs to the City's workforce. The City transferred ownership of fire-related assets (buildings, apparatus and other equipment) to South Metro Fire Rescue resulting in a decrease to capital assets of approx. \$7,694,000 (\$12,264,000 original value with \$4,570,000 accumulated depreciation). In addition, the City paid off fire-related long-term debt in early 2019 resulting in a decrease of long-term debt principal of \$1,636,076.



2018 CAFR



**Required Supplementary
Information
(RSI)**

City of Littleton, Colorado
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For The Year Ended December 31, 2018

	Budget Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 5,623,046	\$ 5,623,046	\$ 5,507,401	\$ (115,645)
Sales and use	33,233,530	33,233,530	32,843,781	(389,749)
Specific ownership tax	346,800	346,800	418,455	71,655
Cigarette Tax	207,000	207,000	193,951	(13,049)
Franchise	2,276,500	2,276,500	2,235,991	(40,509)
Licenses and permits	1,430,050	1,430,050	1,317,797	(112,253)
Intergovernmental	16,802,266	16,802,266	16,637,450	(164,816)
Charges for services	3,029,352	3,029,352	2,845,356	(183,996)
Fines and forfeitures	682,400	682,400	681,342	(1,058)
Investment earnings	150,000	150,000	207,042	57,042
Miscellaneous	1,098,750	1,098,750	1,100,545	1,795
Total revenues	64,879,694	64,879,694	63,989,111	(890,583)
EXPENDITURES				
General Government:				
City council	268,330	268,330	223,702	44,628
City attorney	673,820	707,820	677,221	30,599
City manager	807,200	922,140	861,689	60,451
Communications and marketing	1,200,740	1,110,800	973,971	136,829
Economic development	585,940	621,365	479,143	142,222
Finance	1,066,730	1,091,730	981,915	109,815
Information technology	2,048,530	2,081,975	1,899,856	182,119
City clerk	1,012,190	1,091,190	1,055,245	35,945
Human resources	1,058,630	1,068,872	1,009,843	59,029
Public works	2,515,120	2,515,120	2,243,099	272,021
Community development	2,750,370	3,041,187	2,844,960	196,227
General operations	2,677,570	2,722,570	2,346,165	376,405
Public Safety:				
Police	13,201,410	13,202,393	13,027,045	175,348
Fire	22,914,510	23,270,056	22,446,123	823,933
Highways and Streets:				
Public works	4,982,630	5,371,277	4,371,954	999,323
Welfare:				
City clerk	249,850	249,850	240,675	9,175
Library and museum	154,260	129,420	84,858	44,562
Culture and Recreation:				
Public works	1,052,400	1,064,512	962,514	101,998
Library and museum	4,222,840	4,258,810	4,195,331	63,479
Total current expenditures	63,443,070	64,789,417	60,925,309	3,864,108
Capital outlay	98,800	104,900	86,010	18,890
Total expenditures	63,541,870	64,894,317	61,011,319	3,882,998
Excess (deficiency) of revenues over (under) expenditures				
	1,337,824	(14,623)	2,977,792	2,992,415
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	292,053	292,053
Transfers out	(404,742)	(110,952)	-	110,952
Total other financing sources (uses)	(404,742)	(110,952)	292,053	403,005
Net change in fund balance				
	933,082	(125,575)	3,269,845	3,395,420
Fund balances - beginning				
	10,194,484	13,058,890	13,058,890	-
Fund balances - ending				
	\$ 11,127,566	\$ 12,933,315	\$ 16,328,735	\$ 3,395,420

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Statewide Defined Benefit Plan
Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	2.35%	2.47%	2.29%	2.27%	2.28%
City's proportionate share of the net pension liability (asset)	\$ (3,374,763)	\$ 893,441	\$ (40,340)	\$ (2,566,775)	\$ (2,855,133)
City's covered payroll	\$ 11,957,103	\$ 10,956,124	\$ 9,385,746	\$ 8,541,294	\$ 8,139,582
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-28.22%	8.15%	0.43%	30.05%	35.08%
Plan fiduciary net position as a percentage of the total pension liability	106.30%	98.21%	100.10%	106.80%	105.80%

* Information above is presented as of the measurement date (December 31 of the previous fiscal year.)

Note: Information presented since inception of GASB 68. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Required Supplementary Information
Schedule of City's Contributions
Statewide Defined Benefit Plan
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 1,129,543	\$ 1,097,687	\$ 1,012,342	\$ 887,449	\$ 818,224
Contributions in relation to the statutorily required contribution	<u>(1,129,543)</u>	<u>(1,097,687)</u>	<u>(1,012,342)</u>	<u>(887,449)</u>	<u>(818,224)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 12,507,863	\$ 11,957,103	\$ 10,956,124	\$ 9,385,746	\$ 8,541,294
Contributions as a percentage of covered payroll	9.03%	9.18%	9.24%	9.46%	9.58%

Information above is presented as of the City's fiscal year-end.

Note: Fire employees became members of the FPPA pension group effective April 1, 2009.

See the accompanying Independent Auditor's Report

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 791,524	\$ 761,088	\$ 770,419	\$ 795,747	\$ 596,273
<u>(791,524)</u>	<u>(761,088)</u>	<u>(770,419)</u>	<u>(795,747)</u>	<u>(596,273)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,139,582	\$ 7,749,807	\$ 7,788,961	\$ 8,019,030	\$ 5,996,834
9.72%	9.82%	9.89%	9.92%	9.94%

City of Littleton, Colorado
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Statewide Hybrid Plan
Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	7.67%	9.79%	8.96%	6.47%	6.43%
City's proportionate share of the net pension liability (asset)	\$ (1,500,110)	\$ (1,066,019)	\$ (958,990)	\$ (766,863)	\$ (736,130)
City's covered payroll	\$ 1,173,082	\$ 1,266,456	\$ 1,179,941	\$ 800,410	\$ 832,125
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	127.88%	84.17%	81.27%	95.81%	88.46%
Plan fiduciary net position as a percentage of the total pension liability	138.86%	127.50%	129.44%	140.60%	139.00%

* Information above is presented as of the measurement date (December 31 of the previous fiscal year.)

Note: Information presented since inception of GASB 68. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Required Supplementary Information
Schedule of City's Contributions
Statewide Hybrid Plan
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 109,306	\$ 117,309	\$ 126,646	\$ 117,994	\$ 80,041
Contributions in relation to the statutorily required contribution	<u>(109,306)</u>	<u>(117,309)</u>	<u>(126,646)</u>	<u>(117,994)</u>	<u>(80,041)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,093,053	\$ 1,173,082	\$ 1,266,456	\$ 1,179,941	\$ 800,410
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%	10.00%

Information above is presented as of the City's fiscal year-end.

Note: Fire employees became members of the FPPA pension group effective April 1, 2009.

See the accompanying Independent Auditor's Report

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 83,213	\$ 81,286	\$ 88,382	\$ 88,552	\$ 65,055
<u>(83,213)</u>	<u>(81,286)</u>	<u>(88,382)</u>	<u>(88,552)</u>	<u>(65,055)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 832,125	\$ 812,856	\$ 883,205	\$ 885,524	\$ 650,549
10.00%	10.00%	10.01%	10.00%	10.00%

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE I – BUDGETARY INFORMATION

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

Prior to September 15, the city manager submits to the city council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures of all funds and the means of financing them, except the Fiduciary Fund. The Littleton Colorado Municipal Building Authority approve their own budgets on a Non-GAAP basis, which is not adopted or approved by the city and are not presented in the financial statements.

Public hearings are conducted to obtain citizen comments.

Prior to December 1 of the preceding year, the budget is legally enacted through the adoption of an appropriations ordinance for all city funds. The budget is appropriated at the fund level, which is the legal level of control (the level at which expenditures may not legally exceed appropriations).

The city manager and finance director have authority to transfer any unencumbered appropriation balance or portion thereof from one classification of expenditure to another within the same department, office or agency, in accordance with the city charter; provided that such transfers over \$100,000 per transaction would require formal council consent. Per state statute, budgetary control is based on total appropriated expenditures at the fund level.

At the request of the city manager, the council may, by resolution and five affirmative council votes, transfer any unencumbered appropriation balance or portion thereof from one fund to another.

Appropriations which are in addition to those contained in the budget may be made to satisfy emergency situations or to appropriate unanticipated revenue by the city.

Any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall lapse and revert to the General Fund, or to a special fund, as council may direct, except that transfers from the sewer or utility funds are not authorized except by approval of four fifths of the council present.

Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Project, Internal Service and Enterprise Funds.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities for either budgetary or financial statement reporting purposes and are therefore reappropriated in the ensuing year's budget.

Budgets for the General, Special Revenue, Capital Project and Internal Service Funds are adopted and presented 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 bond proceeds are treated as other financing sources, capital outlay and debt service are treated as expenditures, and depreciation and capital contributions are not budgeted. This is in accordance with Colorado budget law.

There were no budget basis expenditures that exceeded authorizations as of December 31, 2018. In the Grants Fund, final budgeted expenditures exceeded beginning fund balance and budgeted revenues which may be a violation of Colorado budget statute.



2018 CAFR



**Combining and Individual
Fund Statements
and Schedules**

City of Littleton, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Conservation Trust Fund	Consolidated Special Revenue Fund	Grants Fund	Open Space Fund
ASSETS				
Cash and investments	\$ 332,307	\$ 276,076	\$ 19,850	\$ 3,297,179
Receivables	-	13,303	119,090	87,795
Prepays	-	-	-	-
Restricted cash and investments	-	21,017	-	5,000
Total assets	<u>\$ 332,307</u>	<u>\$ 310,396</u>	<u>\$ 138,940</u>	<u>\$ 3,389,974</u>
LIABILITIES				
Contracts and accounts payable	\$ 52,700	\$ 103,448	\$ 114,750	\$ 845,365
Due to other funds	-	-	-	-
Unearned revenue	-	-	23,520	-
Other liabilities	-	4,402	670	-
Total liabilities	<u>52,700</u>	<u>107,850</u>	<u>138,940</u>	<u>845,365</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	279,607	21,017	-	2,544,609
Assigned	-	181,529	-	-
Total fund balances	<u>279,607</u>	<u>202,546</u>	<u>-</u>	<u>2,544,609</u>
 Total liabilities and fund balances	 <u>\$ 332,307</u>	 <u>\$ 310,396</u>	 <u>\$ 138,940</u>	 <u>\$ 3,389,974</u>

See the accompanying Independent Auditor's Report

Impact Fee Fund	Total Nonmajor Governmental Funds
\$ 3,476,499	\$ 7,401,911
-	220,188
21,627	21,627
-	26,017
<u>\$ 3,498,126</u>	<u>\$ 7,669,743</u>
\$ 14,699	\$ 1,130,962
1,004	1,004
-	23,520
-	5,072
<u>15,703</u>	<u>1,160,558</u>
21,627	21,627
3,460,796	6,306,029
-	181,529
<u>3,482,423</u>	<u>6,509,185</u>
<u>\$ 3,498,126</u>	<u>\$ 7,669,743</u>

City of Littleton, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2018

	Conservation Trust Fund	Consolidated Special Revenue Fund	Grants Fund	Open Space Fund
REVENUES				
Taxes	\$ -	\$ 54,002	\$ -	\$ -
Intergovernmental	237,905	1,025	285,523	1,222,097
Charges for services	-	4,050	8,615	-
Fines and forfeitures	-	65,884	-	-
Investment earnings	5,020	6,710	-	47,672
Miscellaneous	-	1,930	-	7,343
Total revenues	<u>242,925</u>	<u>133,601</u>	<u>294,138</u>	<u>1,277,112</u>
EXPENDITURES				
General government	-	20,056	327	-
Public safety	-	259,610	39,596	-
Highways and streets	-	-	6,006	-
Culture and recreation	150,000	1,202	133,459	407,651
Capital outlay	<u>53,129</u>	<u>69,101</u>	<u>114,750</u>	<u>668,033</u>
Total expenditures	<u>203,129</u>	<u>349,969</u>	<u>294,138</u>	<u>1,075,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,796</u>	<u>(216,368)</u>	<u>-</u>	<u>201,428</u>
Fund balances - beginning	<u>239,811</u>	<u>418,914</u>	<u>-</u>	<u>2,343,181</u>
Fund balances - ending	<u>\$ 279,607</u>	<u>\$ 202,546</u>	<u>\$ -</u>	<u>\$ 2,544,609</u>

See the accompanying Independent Auditor's Report

Impact Fee Fund	Total Nonmajor Governmental Funds
\$ -	\$ 54,002
-	1,746,550
590,218	602,883
-	65,884
52,323	111,725
-	9,273
<u>642,541</u>	<u>2,590,317</u>
14,699	35,082
570	299,776
-	6,006
-	692,312
<u>165,051</u>	<u>1,070,064</u>
<u>180,320</u>	<u>2,103,240</u>
 <u>462,221</u>	 <u>487,077</u>
 <u>3,020,202</u>	 <u>6,022,108</u>
 <u>\$ 3,482,423</u>	 <u>\$ 6,509,185</u>

City of Littleton, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,395,340	\$ (104,660)
Intergovernmental	1,833,020	1,833,020	3,135,523	1,302,503
Charges for services	-	-	70,787	70,787
Investment earnings	201,680	201,680	221,966	20,286
Total revenues	<u>3,534,700</u>	<u>3,534,700</u>	<u>4,823,616</u>	<u>1,288,916</u>
EXPENDITURES				
Current:				
General government	523,090	542,190	527,665	14,525
Public safety	172,740	172,740	172,610	130
Highways and streets	1,700,000	2,100,000	2,097,281	2,719
Debt Service:				
Principal	1,330,390	1,330,390	1,330,382	8
Interest	202,550	202,550	202,547	3
Capital outlay	<u>3,885,714</u>	<u>4,497,617</u>	<u>2,321,248</u>	<u>2,176,369</u>
Total expenditures	<u>7,814,484</u>	<u>8,845,487</u>	<u>6,651,733</u>	<u>2,193,754</u>
Deficiency of revenues under expenditures	<u>(4,279,784)</u>	<u>(5,310,787)</u>	<u>(1,828,117)</u>	<u>3,482,670</u>
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	150,000	150,000	107,181	(42,819)
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>107,181</u>	<u>(42,818)</u>
Net change in fund balance	(4,129,784)	(5,160,787)	(1,720,936)	3,439,851
Fund balances - beginning	<u>13,048,593</u>	<u>14,098,782</u>	<u>14,098,782</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,918,809</u>	<u>\$ 8,937,995</u>	<u>\$ 12,377,846</u>	<u>\$ 3,439,851</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 218,000	\$ 218,000	\$ 237,905	\$ 19,905
Investment earnings	6,000	6,000	5,020	(980)
Total revenues	<u>224,000</u>	<u>224,000</u>	<u>242,925</u>	<u>18,925</u>
EXPENDITURES				
Culture and recreation	150,000	150,000	150,000	-
Capital outlay	<u>245,350</u>	<u>269,350</u>	<u>53,129</u>	<u>216,221</u>
Total expenditures	<u>395,350</u>	<u>419,350</u>	<u>203,129</u>	<u>216,221</u>
Net change in fund balance	(171,350)	(195,350)	39,796	235,146
Fund balances - beginning	<u>196,632</u>	<u>239,811</u>	<u>239,811</u>	<u>-</u>
Fund balances - ending	<u>\$ 25,282</u>	<u>\$ 44,461</u>	<u>\$ 279,607</u>	<u>\$ 235,146</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Consolidated Special Revenue Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 54,000	\$ 54,000	\$ 54,002	\$ 2
Intergovernmental	500,000	500,000	1,025	(498,975)
Charges for services	2,300	2,300	4,050	1,750
Fines and forfeitures	70,700	70,700	65,884	(4,816)
Investment earnings	4,230	4,230	6,710	2,480
Miscellaneous	4,500	4,500	1,930	(2,570)
Total revenues	<u>635,730</u>	<u>635,730</u>	<u>133,601</u>	<u>(502,129)</u>
EXPENDITURES				
General government	20,000	20,000	20,056	(56)
Public safety	653,050	653,050	259,610	393,440
Culture and recreation	31,300	31,300	1,202	30,098
Capital outlay	39,000	89,000	69,101	19,899
Total expenditures	<u>743,350</u>	<u>793,350</u>	<u>349,969</u>	<u>443,381</u>
Net change in fund balance	(107,620)	(157,620)	(216,368)	(58,748)
Fund balances - beginning	<u>363,320</u>	<u>418,914</u>	<u>418,914</u>	<u>-</u>
Fund balances - ending	<u>\$ 255,700</u>	<u>\$ 261,294</u>	<u>\$ 202,546</u>	<u>\$ (58,748)</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Grants Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 440,500	\$ 440,500	\$ 285,523	\$ (154,977)
Charges for services	20,000	20,000	8,615	(11,385)
Total revenues	<u>460,500</u>	<u>460,500</u>	<u>294,138</u>	<u>(166,362)</u>
EXPENDITURES				
General government	-	-	327	(327)
Public safety	105,000	105,000	39,596	65,404
Highways and streets	-	-	6,006	(6,006)
Culture and recreation	220,000	220,000	133,459	86,541
Capital outlay	135,500	255,110	114,750	140,360
Total expenditures	<u>460,500</u>	<u>580,110</u>	<u>294,138</u>	<u>285,972</u>
Net change in fund balance	-	(119,610)	-	119,610
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (119,610)</u>	<u>\$ -</u>	<u>\$ 119,610</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Open Space Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 1,550,000	\$ 1,550,000	\$ 1,222,097	\$ (327,903)
Investment earnings	27,000	27,000	47,672	20,672
Miscellaneous	7,200	7,200	7,343	143
Total revenues	<u>1,584,200</u>	<u>1,584,200</u>	<u>1,277,112</u>	<u>(307,088)</u>
EXPENDITURES				
Culture and recreation	394,360	732,310	407,651	324,659
Capital outlay	<u>1,049,580</u>	<u>1,249,001</u>	<u>668,033</u>	<u>580,968</u>
Total expenditures	<u>1,443,940</u>	<u>1,981,311</u>	<u>1,075,684</u>	<u>905,627</u>
Net change in fund balance	140,260	(397,111)	201,428	598,539
Fund balances - beginning	<u>1,999,540</u>	<u>2,343,181</u>	<u>2,343,181</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,139,800</u>	<u>\$ 1,946,070</u>	<u>\$ 2,544,609</u>	<u>\$ 598,539</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Impact Fees Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 1,245,690	\$ 1,245,690	\$ 590,218	\$ (655,472)
Investment earnings	28,700	28,700	52,323	23,623
Total revenues	<u>1,274,390</u>	<u>1,274,390</u>	<u>642,541</u>	<u>(631,849)</u>
EXPENDITURES				
General government	-	37,000	14,699	22,301
Public safety	1,680	1,680	570	1,110
Highways and streets	-	150,000	-	150,000
Capital outlay	-	170,000	165,051	4,949
Total expenditures	<u>1,680</u>	<u>358,680</u>	<u>180,320</u>	<u>178,360</u>
Net change in fund balance	1,272,710	915,710	462,221	(453,489)
Fund balances - beginning	<u>2,905,492</u>	<u>3,020,202</u>	<u>3,020,202</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,178,202</u>	<u>\$ 3,935,912</u>	<u>\$ 3,482,423</u>	<u>\$ (453,489)</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018

	So. Metro Area Comm. Center Fund	Geneva Village Fund	Building Authority Fund	Totals
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 73,921	\$ -	\$ 73,921
Receivables	-	9,940	-	9,940
Total current assets	-	83,861	-	83,861
Noncurrent assets:				
Restricted assets:				
Cash and investments	-	-	246	246
Capital assets:				
Land	-	70,408	380,663	451,071
Buildings and systems	-	429,318	2,965,288	3,394,606
Improvements other than buildings	-	-	65,740	65,740
Machinery and equipment	-	-	166,690	166,690
Less accumulated depreciation	-	(200,297)	(1,361,797)	(1,562,094)
Total capital assets (net of accumulated depreciation)	-	299,429	2,216,584	2,516,013
Total noncurrent assets	-	299,429	2,216,830	2,516,259
Total assets	-	383,290	2,216,830	2,600,120
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	\$ -	\$ 31,106	\$ -	\$ 31,106
Accrued interest payable	-	-	4,885	4,885
Long-term debt payable - current	-	-	180,000	180,000
Total current liabilities	-	31,106	184,885	215,991
Noncurrent liabilities:				
Long-term debt payable	-	-	990,000	990,000
Total noncurrent liabilities	-	-	990,000	990,000
Total liabilities	-	31,106	1,174,885	1,205,991
NET POSITION				
Net investment in capital assets	-	299,429	1,046,584	1,346,013
Restricted for:				
Debt service	-	-	246	246
Unrestricted	-	52,755	(4,885)	47,870
Total net position	-	352,184	1,041,945	1,394,129
Total liabilities and net position	-	383,290	2,216,830	2,600,120

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For The Year Ended December 31, 2018

	So. Metro Area Comm. Center Fund	Geneva Village Fund	Building Authority Fund	Totals
OPERATING REVENUES				
Rental payments	\$ -	\$ 124,315	\$ 221,588	\$ 345,903
Miscellaneous	-	784	-	784
Total operating revenues	-	125,099	221,588	346,687
OPERATING EXPENSES				
Contractual services	-	30,000	-	30,000
Other services and charges	-	99,136	-	99,136
Depreciation	-	17,114	63,605	80,719
Total operating expenses	-	146,250	63,605	209,855
Operating income (loss)	-	(21,151)	157,983	136,832
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	1,267	269	1,536
Debt administration costs	-	-	(1,783)	(1,783)
Interest charges	-	-	(44,193)	(44,193)
Total nonoperating revenues (expenses)	-	1,267	(45,707)	(44,440)
Income (loss) before transfers	-	(19,884)	112,276	92,392
OTHER FINANCING USES				
Transfers out	(292,053)	-	-	(292,053)
Total other financing uses	(292,053)	-	-	(292,053)
Change in net position	(292,053)	(19,884)	112,276	(199,661)
Total net position - beginning	292,053	372,068	929,669	1,593,790
Total net position - ending	\$ -	\$ 352,184	\$ 1,041,945	\$ 1,394,129

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2018

	So. Metro. Area Comm. Center Fund	Geneva Village Fund	Building Authority Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ -	\$ 125,521	\$ 221,588	\$ 347,109
Cash paid to suppliers	-	(124,569)	-	(124,569)
Net cash provided by operating activities	-	952	221,588	222,540
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(292,053)	-	-	(292,053)
Net cash used by noncapital financing activities	(292,053)	-	-	(292,053)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on debt	-	-	(175,000)	(175,000)
Interest paid on debt	-	-	(44,923)	(44,923)
Debt administration costs	-	-	(1,783)	(1,783)
Net cash used by capital and related financing activities	-	-	(221,706)	(221,706)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	-	1,267	269	1,536
Net cash provided by investing activities	-	1,267	269	1,536
Net increase (decrease) in cash and cash equivalents	(292,053)	2,219	151	(289,683)
Cash and cash equivalents - January 1	292,053	71,702	95	363,850
Cash and cash equivalents - December 31	<u>\$ -</u>	<u>\$ 73,921</u>	<u>\$ 246</u>	<u>\$ 74,167</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
operating activities:				
Operating income (loss)	\$ -	\$ (21,151)	\$ 157,983	\$ 136,832
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	17,114	63,605	80,719
<i>Changes in operating assets and liabilities</i>				
Receivables	-	422	-	422
Accounts payable and other current liabilities	-	4,567	-	4,567
Total adjustments	-	22,103	63,605	85,708
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 952</u>	<u>\$ 221,588</u>	<u>\$ 222,540</u>
Reconciliation of cash and cash equivalents				
Unrestricted	\$ -	\$ 73,921	\$ -	\$ 73,921
Restricted	-	-	246	246
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ 73,921</u>	<u>\$ 246</u>	<u>\$ 74,167</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Sewer Utility Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 13,986,560	\$ 13,986,560	\$ 13,970,990	\$ (15,570)
Investment earnings	199,600	199,600	437,720	238,120
Miscellaneous	187,000	187,000	161,951	(25,049)
Total revenues	<u>14,373,160</u>	<u>14,373,160</u>	<u>14,570,661</u>	<u>197,501</u>
EXPENDITURES				
Personnel services	502,560	502,560	385,300	117,260
Supplies	21,700	23,700	20,415	3,285
Bi-City operating costs	9,650,940	13,650,940	8,010,633	5,640,307
Contractual services	310,000	246,640	89,123	157,517
Services by General Fund	525,000	525,000	525,000	-
Other services and charges	2,074,980	2,158,630	1,905,164	253,466
Debt - Principal	2,710,640	2,710,640	2,710,642	(2)
Debt - Interest	592,460	592,460	525,339	67,121
Debt - Administration Costs	249,280	249,280	249,282	(2)
Capital outlay	375,000	371,750	29,892	341,858
Total expenditures	<u>17,012,560</u>	<u>21,031,600</u>	<u>14,450,790</u>	<u>6,580,810</u>
Excess (deficiency) of revenues over (under) expenditures	(2,639,400)	(6,658,440)	119,871	6,778,311
OTHER FINANCING SOURCES				
Capital contributions	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,335,900</u>	<u>(164,100)</u>
Change in net position	<u>\$ (1,139,400)</u>	<u>\$ (5,158,440)</u>	<u>1,455,771</u>	<u>\$ 6,614,211</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			29,892	
Capital contributions			168,186	
Change in Bi-City joint venture equity			(3,427,754)	
Debt - Principal			2,710,642	
Amortization			(15,344)	
Depreciation			(452,152)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 469,241</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Storm Drainage Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 803,140	\$ 803,140	\$ 792,791	\$ (10,349)
Investment earnings	6,000	6,000	5,973	(27)
Miscellaneous	7,000	7,000	10,745	3,745
Total revenues	<u>816,140</u>	<u>816,140</u>	<u>809,509</u>	<u>(6,631)</u>
EXPENDITURES				
Personnel services	272,700	272,700	265,584	7,116
Supplies	7,500	8,805	6,430	2,375
Contractual services	120,000	15,459	11,847	3,612
Other services and charges	110,320	106,294	254,269	(147,975)
Capital outlay	400,000	512,787	278,653	234,134
Total expenditures	<u>910,520</u>	<u>916,045</u>	<u>816,783</u>	<u>99,262</u>
Change in net position	<u>\$ (94,380)</u>	<u>\$ (99,905)</u>	(7,274)	<u>\$ 92,631</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			278,653	
Capital contributions			240,405	
Depreciation			<u>(606,664)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (94,880)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Emergency Medical Transport Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services (net of contractual adjustments of \$3,313,109)	\$ 4,460,000	\$ 4,460,000	\$ 5,234,846	\$ 774,846
Miscellaneous	150,000	150,000	62,001	(87,999)
Total revenues	<u>4,610,000</u>	<u>4,610,000</u>	<u>5,296,847</u>	<u>686,847</u>
EXPENDITURES				
Personnel services	3,652,470	3,652,470	3,082,615	569,855
Supplies	355,000	355,000	307,545	47,455
Contractual services	160,000	160,000	147,300	12,700
Other services and charges	354,420	354,420	306,754	47,666
Total expenditures	<u>4,521,890</u>	<u>4,521,890</u>	<u>3,844,214</u>	<u>677,676</u>
Change in net position	<u>\$ 88,110</u>	<u>\$ 88,110</u>	1,452,633	<u>\$ 1,364,523</u>
ADJUSTMENTS TO GAAP BASIS				
Bad debt			(1,429,493)	
Depreciation			<u>(34,252)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (11,112)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
South Metro Area Communication Center Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 916,738	\$ 916,738	\$ -	\$ (916,738)
Total revenues	<u>916,738</u>	<u>916,738</u>	<u>-</u>	<u>(916,738)</u>
EXPENDITURES				
Personnel services	1,189,600	1,189,600	-	1,189,600
Supplies	20,300	20,300	-	20,300
Contractual services	23,500	23,500	-	23,500
Other services and charges	81,080	81,080	-	81,080
Capital outlay	7,000	7,000	-	7,000
Total expenditures	<u>1,321,480</u>	<u>1,321,480</u>	<u>-</u>	<u>1,321,480</u>
Deficiency of revenues under expenditures	(404,742)	(404,742)	-	404,742
OTHER FINANCING SOURCES				
Transfers in	404,742	404,742	-	(404,742)
Transfers out	-	-	(292,053)	(292,053)
Total other financing sources	<u>404,742</u>	<u>404,742</u>	<u>(292,053)</u>	<u>(696,795)</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>(292,053)</u>	<u>\$ (292,053)</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			-	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (292,053)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Geneva Village Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Rental payments	\$ 126,000	\$ 126,000	\$ 124,315	\$ (1,685)
Investment earnings	1,500	1,500	1,267	(233)
Miscellaneous	1,800	1,800	784	(1,016)
Total revenues	<u>129,300</u>	<u>129,300</u>	<u>126,366</u>	<u>(2,934)</u>
EXPENDITURES				
Contractual services	30,000	30,000	30,000	-
Other services and charges	105,600	105,600	99,136	6,464
Total expenditures	<u>135,600</u>	<u>135,600</u>	<u>129,136</u>	<u>6,464</u>
Change in net position	<u>\$ (6,300)</u>	<u>\$ (6,300)</u>	<u>(2,770)</u>	<u>\$ 3,530</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(17,114)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (19,884)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2018

	Employee Insurance Fund	Property & Liability Insurance Fund	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 4,543,697	\$ 432,666	\$ 4,976,363
Receivables	-	9,990	9,990
Total current assets	<u>4,543,697</u>	<u>442,656</u>	<u>4,986,353</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	163,208	-	163,208
Total noncurrent assets	<u>163,208</u>	<u>-</u>	<u>163,208</u>
Total assets	<u>\$ 4,706,905</u>	<u>\$ 442,656</u>	<u>\$ 5,149,561</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	\$ 80,902	\$ 26,564	\$ 107,466
Claims and judgments	1,418,669	77,665	1,496,334
Total liabilities	<u>1,499,571</u>	<u>104,229</u>	<u>1,603,800</u>
NET POSITION			
Restricted for:			
Employee benefits	163,208	-	163,208
Unrestricted	3,044,126	338,427	3,382,553
Total net position	<u>3,207,334</u>	<u>338,427</u>	<u>3,545,761</u>
Total liabilities and net position	<u>\$ 4,706,905</u>	<u>\$ 442,656</u>	<u>\$ 5,149,561</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For The Year Ended December 31, 2018

	Employee Insurance Fund	Property & Liability Insurance Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 11,574	\$ 938,910	\$ 950,484
Employer/employee contributions	8,830,965	-	8,830,965
Miscellaneous	89,831	-	89,831
Total operating revenues	<u>8,932,370</u>	<u>938,910</u>	<u>9,871,280</u>
OPERATING EXPENSES			
Insurance	1,605,104	483,677	2,088,781
Benefits and claims	7,456,612	677,145	8,133,757
Other services and charges	399,107	60,784	459,891
Total operating expenses	<u>9,460,823</u>	<u>1,221,606</u>	<u>10,682,429</u>
Operating loss	<u>(528,453)</u>	<u>(282,696)</u>	<u>(811,149)</u>
NONOPERATING REVENUES			
Investment earnings	71,428	1,973	73,401
Insurance recovery	-	201,672	201,672
Total nonoperating revenues	<u>71,428</u>	<u>203,645</u>	<u>275,073</u>
Change in net position	<u>(457,025)</u>	<u>(79,051)</u>	<u>(536,076)</u>
Net position - beginning	<u>3,664,359</u>	<u>417,478</u>	<u>4,081,837</u>
Net position - ending	<u>\$ 3,207,334</u>	<u>\$ 338,427</u>	<u>\$ 3,545,761</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2018

	Employee Insurance Fund	Property & Liability Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 11,574	\$ 938,910	\$ 950,484
Cash received from other funds	8,830,965	-	8,830,965
Cash paid to suppliers	(9,331,121)	(1,290,557)	(10,621,678)
Net cash used by operating activities	<u>(488,582)</u>	<u>(351,647)</u>	<u>(840,229)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Insurance proceeds	-	201,672	201,672
Net cash provided by capital and related financing activities	<u>-</u>	<u>201,672</u>	<u>201,672</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	71,428	1,973	73,401
Net cash provided by investing activities	<u>71,428</u>	<u>1,973</u>	<u>73,401</u>
Net decrease in cash and cash equivalents	(417,154)	(148,002)	(565,156)
Cash and cash equivalents - January 1	5,124,059	580,668	5,704,727
Cash and cash equivalents - December 31	<u>\$ 4,706,905</u>	<u>\$ 432,666</u>	<u>\$ 5,139,571</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (528,453)	\$ (282,696)	\$ (811,149)
Adjustments to reconcile operating loss to net cash used by operating activities:			
<i>Changes in operating assets and liabilities</i>			
Prepaid items	-	(9,990)	(9,990)
Accounts payable and other current liabilities	(15,930)	(39,736)	(55,666)
Claims and judgments	55,801	(19,225)	36,576
Total adjustments	<u>39,871</u>	<u>(68,951)</u>	<u>(29,080)</u>
Net cash used by operating activities	<u>\$ (488,582)</u>	<u>\$ (351,647)</u>	<u>\$ (840,229)</u>
Reconciliation of cash and cash equivalents			
Unrestricted	\$ 4,543,697	\$ 432,666	\$ 4,976,363
Restricted	163,208	-	163,208
Total cash and cash equivalents	<u>\$ 4,706,905</u>	<u>\$ 432,666</u>	<u>\$ 5,139,571</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Employee Insurance Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 700	\$ 700	\$ 11,574	\$ 10,874
Employer/employee contributions	8,825,293	8,825,293	8,830,965	5,672
Miscellaneous	33,000	33,000	89,831	56,831
Investment earnings	56,500	56,500	71,428	14,928
Total revenues	<u>8,915,493</u>	<u>8,915,493</u>	<u>9,003,798</u>	<u>88,305</u>
EXPENDITURES				
Insurance	1,568,626	1,586,898	1,605,104	(18,206)
Benefits and claims	6,904,243	7,390,471	7,400,810	(10,339)
Other services and charges	461,800	457,300	399,107	58,193
Total expenditures	<u>8,934,669</u>	<u>9,434,669</u>	<u>9,405,021</u>	<u>29,648</u>
Change in net position	<u>\$ (19,176)</u>	<u>\$ (519,176)</u>	(401,223)	<u>\$ 117,953</u>
ADJUSTMENTS TO GAAP BASIS				
Incurred but not reported claims			(55,802)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (457,025)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Property and Liability Insurance Fund
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 938,400	\$ 938,400	\$ 938,910	\$ 510
Insurance recovery	50,000	50,000	201,672	151,672
Investment earnings	3,000	3,000	1,973	(1,027)
Total revenues	<u>991,400</u>	<u>991,400</u>	<u>1,142,555</u>	<u>151,155</u>
EXPENDITURES				
Insurance	525,000	525,000	483,677	41,323
Benefits and claims	495,750	769,416	696,370	73,046
Other services and charges	31,250	63,466	60,784	2,682
Total expenditures	<u>1,052,000</u>	<u>1,357,882</u>	<u>1,240,831</u>	<u>117,051</u>
Change in net position	<u>\$ (60,600)</u>	<u>\$ (366,482)</u>	<u>(98,276)</u>	<u>\$ 268,206</u>
ADJUSTMENTS TO GAAP BASIS				
Incurred but not reported claims			<u>19,225</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (79,051)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Balance Sheet
Littleton Invests for Tomorrow
December 31, 2018

ASSETS

Cash and cash equivalents	\$ 344,728
Receivables	614
Total assets	<u>\$ 345,342</u>

LIABILITIES

Accounts payable and other current liabilities	\$ 26,309
Due to primary government	153,489
Total liabilities	<u>179,798</u>

DEFERRED INFLOWS OF RESOURCES

Property tax	614
Total deferred inflows of resources	<u>614</u>

FUND BALANCE

Unassigned	164,930
Total fund balances	<u>164,930</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 345,342</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Littleton Invests for Tomorrow
For The Year Ended December 31, 2018

REVENUES	
Incremental property tax	\$ 164
Incremental sales tax	73,896
Investment earnings	6,085
Total revenues	<u>80,145</u>
EXPENDITURES	
General government	<u>946</u>
Total expenditures	<u>946</u>
NON-OPERATING EXPENDITURES	
Interest charges	<u>(955)</u>
Total non-operating expenditures	<u>(955)</u>
Change in fund balance	78,244
Fund balance - beginning	<u>86,686</u>
Fund balance - ending	<u>\$ 164,930</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Littleton Invests for Tomorrow
For The Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Incremental property taxes	\$ 172	\$ 172	\$ 164	\$ (8)
Incremental sales tax	60,000	73,896	73,896	-
Investment earnings	500	500	6,085	5,585
Total revenues	<u>60,672</u>	<u>74,568</u>	<u>80,145</u>	<u>5,577</u>
EXPENDITURES				
General government	<u>28,303</u>	<u>180,642</u>	<u>946</u>	<u>179,696</u>
Total expenditures	<u>28,303</u>	<u>180,642</u>	<u>946</u>	<u>179,696</u>
NON-OPERATING EXPENDITURES				
Interest charges	<u>-</u>	<u>-</u>	<u>(955)</u>	<u>(955)</u>
Total	<u>-</u>	<u>-</u>	<u>(955)</u>	<u>(955)</u>
Change in fund balance	32,369	(106,074)	78,244	184,318
Fund balance - beginning	<u>232,571</u>	<u>391,558</u>	<u>86,686</u>	<u>(304,872)</u>
Fund balance - ending	<u>\$ 264,940</u>	<u>\$ 285,484</u>	<u>\$ 164,930</u>	<u>\$ (231,931)</u>

See the accompanying Independent Auditor's Report



2018 CAFR



Statistical Section

Statistical Section

CONTENTS

PAGE

Financial Trends 98

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..... 111

These schedules contain information to help the readers assess the factors affecting the city's ability to generate its property and sales tax.

Debt Capacity 117

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

Demographic and Economic Information 122

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 125

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

City of Littleton, Colorado
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 71,157,178	\$ 76,797,038	\$ 76,426,073	\$ 77,559,003
Restricted	6,201,254	5,664,176	6,071,441	5,576,128
Unrestricted	22,839,741	19,086,214	21,180,822	23,021,495
Total governmental activities net position	<u>100,198,173</u>	<u>101,547,428</u>	<u>103,678,336</u>	<u>106,156,626</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	16,328,433	16,131,176	15,927,389	13,674,427
Restricted*	-	-	-	-
Unrestricted	43,861,361	43,754,732	43,121,194	42,511,211
Total business-type activities net position	<u>60,189,794</u>	<u>59,885,908</u>	<u>59,048,583</u>	<u>56,185,638</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	87,485,611	92,928,214	92,353,462	91,233,430
Restricted	6,201,254	5,664,176	6,071,441	5,576,128
Unrestricted	66,701,102	62,840,946	64,302,016	65,532,706
Total primary government net position	<u>\$ 160,387,967</u>	<u>\$ 161,433,336</u>	<u>\$ 162,726,919</u>	<u>\$ 162,342,264</u>

* Years 2009-2012 not available.

Table 1

2013	2014	2015	2016	2017	2018
\$ 77,315,098	\$ 78,701,746	\$ 78,368,195	\$ 85,040,318	\$ 88,309,978	\$ 88,419,571
5,673,866	5,815,783	8,115,272	9,011,472	9,507,638	15,613,336
22,422,781	25,144,246	28,130,360	26,826,951	30,882,450	29,207,794
105,411,745	109,661,775	114,613,827	120,878,741	128,700,066	133,240,701
13,611,233	14,037,853	13,980,616	15,793,855	20,542,656	20,261,005
4,060,005	4,130,004	4,843,904	5,027,661	5,044,290	5,656,522
37,551,694	40,622,895	42,052,800	48,466,254	49,427,676	49,260,683
55,222,932	58,790,752	60,877,320	69,287,770	75,014,622	75,178,210
90,926,331	92,739,599	92,348,811	100,834,173	108,852,634	108,680,576
9,733,871	9,945,787	12,959,176	14,039,132	14,551,928	21,269,858
59,974,475	65,767,141	70,183,160	75,273,205	80,310,126	78,468,477
<u>\$ 160,634,677</u>	<u>\$ 168,452,527</u>	<u>\$ 175,491,147</u>	<u>\$ 190,146,510</u>	<u>\$ 203,714,688</u>	<u>\$ 208,418,911</u>

City of Littleton, Colorado
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
EXPENSES				
Governmental activities:				
General government	\$ 12,655,778	\$ 12,996,864	\$ 13,620,922	\$ 11,842,233
Public safety	27,005,362	27,945,448	26,308,116	29,457,065
Highways and streets	6,732,039	6,957,074	6,944,326	7,559,532
Welfare	307,783	309,346	290,764	317,281
Culture and recreation	5,314,622	5,387,860	5,227,921	5,499,602
Interest on long term debt	50,858	42,276	51,238	50,642
Total governmental activities expenses	<u>52,066,442</u>	<u>53,638,868</u>	<u>52,443,287</u>	<u>54,726,355</u>
Business-type activities:				
Sewer Utility	12,279,515	15,298,747	13,770,635	13,008,924
Water Utility	1,924	-	-	-
Building Corporation	861,537	844,033	822,422	499,281
Storm Drainage	722,265	736,667	747,416	770,380
So. Metro Area Comm. Center	1,062,996	1,073,886	1,034,265	1,107,756
Geneva Village	102,662	98,438	92,161	91,265
Emergency Med. Trans	2,684,222	2,765,744	2,816,098	2,717,362
Permit Plan Review	187,990	203,233	518,343	-
Building Authority	208,917	192,906	162,905	140,953
Total business-type activities expenses	<u>18,112,028</u>	<u>21,213,654</u>	<u>19,964,245</u>	<u>18,335,921</u>
Total primary government expenses	<u>\$ 70,178,470</u>	<u>\$ 74,852,522</u>	<u>\$ 72,407,532</u>	<u>\$ 73,062,276</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 3,349,187	\$ 4,144,441	\$ 3,248,308	\$ 4,313,031
Public safety	11,895,379	12,121,480	12,435,914	13,353,261
Highways and streets	1,285,967	1,372,091	1,426,410	1,431,227
Welfare	26,226	27,014	27,013	27,013
Culture and recreation	1,240,487	1,326,727	1,428,209	1,125,891
Operating grants and contributions	340,406	2,426,853	254,674	183,347
Capital grants and contributions	528,268	2,572,781	3,424,995	2,644,401
Total governmental activities program revenues	<u>18,665,920</u>	<u>23,991,387</u>	<u>22,245,523</u>	<u>23,078,171</u>
Business-type activities:				
Charges for services:				
Sewer Utility	11,110,077	12,138,999	12,090,440	12,363,863
Building Corporation	1,137,669	1,180,471	1,181,940	251,855
Storm Drainage	580,441	570,287	571,770	575,037
Emergency Med. Trans	2,975,949	3,263,251	3,475,562	3,216,497
So. Metro Area Comm. Center	826,147	802,869	782,048	824,591
Geneva Village	126,104	127,680	127,056	126,644
Permit Plan Review	264,306	224,184	203,158	-
Building Authority	238,741	238,150	215,522	215,812
Capital grants and contributions	658,218	1,887,941	247,646	954,580
Total business-type activities program revenues	<u>17,917,652</u>	<u>20,433,832</u>	<u>18,895,142</u>	<u>18,528,879</u>
Total primary government program revenues	<u>36,583,572</u>	<u>44,425,219</u>	<u>41,140,665</u>	<u>41,607,050</u>
NET REVENUE (EXPENSE)				
Government activities	(33,400,522)	(29,647,481)	(30,197,764)	(31,648,184)
Business-type activities	(194,376)	(779,822)	(1,069,103)	192,958
Total primary government net expense	<u>\$ (33,594,898)</u>	<u>\$ (30,427,303)</u>	<u>\$ (31,266,867)</u>	<u>\$ (31,455,226)</u>

Table 2

2013	2014	2015	2016	2017	2018
\$ 12,116,159	\$ 13,267,301	\$ 14,285,728	\$ 15,642,308	\$ 15,549,725	\$ 16,835,027
30,456,576	31,327,241	32,488,949	34,709,839	37,100,415	34,940,029
7,796,145	7,750,455	7,232,289	8,112,334	8,958,729	9,776,105
321,001	286,597	208,169	445,663	375,201	369,510
6,111,665	6,065,902	8,520,522	6,659,154	6,961,335	7,052,136
271,213	247,407	225,132	239,314	226,893	193,433
57,072,759	58,944,903	62,960,789	65,808,612	69,172,298	69,166,240
13,623,040	14,112,456	13,417,130	12,856,629	13,506,699	15,605,506
-	-	-	-	-	-
-	-	-	-	-	-
714,510	772,222	901,218	808,619	837,033	1,144,794
1,040,198	1,051,481	1,204,948	1,225,387	1,314,496	-
99,751	105,069	132,198	148,263	190,090	146,250
4,436,423	4,496,732	5,160,483	4,482,429	5,514,890	5,307,959
-	-	-	-	-	-
135,899	129,263	124,088	122,842	115,125	109,581
20,049,821	20,667,223	20,940,065	19,644,169	21,478,333	22,314,090
\$ 77,122,580	\$ 79,612,126	\$ 83,900,854	\$ 85,452,781	\$ 90,650,631	\$ 91,480,330
\$ 3,692,044	\$ 5,207,221	\$ 4,985,565	\$ 6,022,513	\$ 4,390,875	\$ 4,508,532
13,309,756	15,320,774	15,614,747	17,345,257	19,268,570	19,251,770
1,402,203	1,876,543	1,448,608	1,755,078	1,813,495	2,061,467
27,822	26,142	29,304	30,182	37,868	35,075
1,629,188	700,780	1,422,974	2,255,929	1,645,647	1,668,068
246,554	203,068	385,936	451,102	373,617	289,455
1,064,785	1,440,851	1,285,703	4,291,367	5,098,256	2,010,586
21,372,352	24,775,379	25,172,837	32,151,428	32,628,328	29,824,953
12,581,195	12,906,994	13,277,694	13,388,538	13,810,641	14,132,941
-	-	-	-	-	-
713,505	717,957	726,994	773,283	787,950	803,536
4,274,507	4,560,243	5,237,415	4,591,670	4,371,462	5,296,847
788,277	789,106	920,521	954,780	1,218,206	-
125,561	126,720	127,408	125,961	121,473	125,099
-	-	-	-	-	-
217,879	221,293	216,117	224,895	217,124	221,588
360,211	4,555,148	2,233,287	6,577,884	6,239,561	1,744,491
19,061,135	23,877,461	22,739,436	26,637,011	26,766,417	22,324,502
40,433,487	48,652,840	47,912,273	58,788,439	59,394,745	52,149,455
(35,700,407)	(34,169,524)	(37,787,952)	(33,657,184)	(36,543,970)	(39,341,287)
(988,686)	3,210,238	1,799,371	6,992,842	5,288,084	10,412
\$ (36,689,093)	\$ (30,959,286)	\$ (35,988,581)	\$ (26,664,342)	\$ (31,255,886)	\$ (39,330,875)

City of Littleton, Colorado
Changes in Net Position (continued)
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	\$ 3,985,103	\$ 4,082,829	\$ 4,035,291	\$ 3,903,353
Sales and building use	23,533,463	23,612,739	25,303,662	26,778,043
Franchise	1,971,980	2,173,988	2,155,114	2,145,188
Other	483,015	469,971	457,585	470,852
Investment earnings	(1,864)	377,532	470,821	226,151
Miscellaneous	584,593	636,607	869,257	464,062
Gain on sale of capital assets	-	-	(1,085,418)	44,285
TABOR revenue refund	-	-	-	-
Transfers	11,359,326	(356,930)	122,360	94,540
	<u>41,915,616</u>	<u>30,996,736</u>	<u>32,328,672</u>	<u>34,126,474</u>
Business activities:				
Investment earnings	538,607	119,006	339,138	94,000
Miscellaneous	-	-	1,300	-
Gain on extinguishment of debt	-	-	-	430,281
Gain/loss on sale of capital asset	-	-	13,700	(3,485,644)
Transfers	(11,359,326)	356,930	(122,360)	(94,540)
Total business activities	<u>(10,820,719)</u>	<u>475,936</u>	<u>231,778</u>	<u>(3,055,903)</u>
Total primary government	<u>31,094,897</u>	<u>31,472,672</u>	<u>32,560,450</u>	<u>31,070,571</u>
CHANGES IN NET POSITION				
Governmental activities	8,515,094	1,349,255	2,130,908	2,478,290
Business-type activities	(11,015,095)	(303,886)	(837,325)	(2,862,945)
Total primary government	<u>\$ (2,500,001)</u>	<u>\$ 1,045,369</u>	<u>\$ 1,293,583</u>	<u>\$ (384,655)</u>

Table 2

2013	2014	2015	2016	2017	2018
\$ 3,899,646	\$ 3,952,851	\$ 3,980,867	\$ 4,602,678	\$ 4,712,762	\$ 5,507,401
27,781,755	30,150,752	32,289,132	33,972,607	34,365,867	34,239,121
2,239,171	2,454,564	2,250,414	2,247,202	2,281,822	2,289,993
490,924	501,609	517,886	577,608	605,036	612,406
228,913	229,210	244,799	273,309	357,797	614,134
587,286	1,345,692	738,631	336,163	452,432	326,814
-	-	-	194,600	-	-
-	-	-	(1,937,904)	1,937,904	-
(32,627)	(215,124)	(301,634)	(344,166)	(348,324)	292,053
35,195,068	38,419,554	39,720,095	39,922,097	44,365,296	43,881,922
32,181	142,458	204,342	159,982	260,624	445,229
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(150,180)	-
32,627	215,124	301,634	344,166	348,324	(292,053)
64,808	357,582	505,976	504,148	458,768	153,176
35,259,876	38,777,136	40,226,071	40,426,245	44,824,064	44,035,098
(505,339)	4,250,030	1,932,143	6,264,913	7,821,326	4,540,635
(923,878)	3,567,820	2,305,347	7,496,990	5,746,852	163,588
\$ (1,429,217)	\$ 7,817,850	\$ 4,237,490	\$ 13,761,903	\$ 13,568,178	\$ 4,704,223

City of Littleton, Colorado
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ 65,901	\$ 70,303
Restricted	-	-	1,556,306	1,695,854
Committed	-	-	-	-
Assigned	-	-	270,607	211,946
Unassigned	-	-	7,034,253	6,972,032
Total general fund	-	-	8,927,067	8,950,135
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ 2,272
Restricted	-	-	4,515,135	3,880,274
Assigned	-	-	8,534,180	11,489,851
Total all other governmental funds	\$ -	\$ -	\$ 13,049,315	\$ 15,372,397
GENERAL FUND				
Reserved	\$ 2,064,021	\$ 2,176,602	\$ -	\$ -
Unreserved	4,737,385	4,484,433	-	-
Total general fund	6,801,406	6,661,035	-	-
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	5,289,637	6,875,108	-	-
Unreserved, reported in:				
Special revenue funds	12,851,304	6,988,576	-	-
Total all other governmental funds	\$ 18,140,941	\$ 13,863,684	\$ -	\$ -

In 2011, the GFOA instituted a new classification system for Fund Balances for governmental funds. Those changes are reflected starting in 2011.

Table 3

2013	2014	2015	2016	2017	2018
\$ 96,675	\$ 524,489	\$ 426,503	\$ 312,448	\$ 340,654	\$ 340,454
1,723,475	1,840,195	1,997,419	2,212,002	2,155,723	2,084,165
-	-	-	-	-	-
279,578	396,190	786,877	1,149,471	564,847	4,094,409
6,761,300	6,743,067	6,618,771	5,476,452	9,997,666	9,809,707
<u>8,861,028</u>	<u>9,503,941</u>	<u>9,829,570</u>	<u>9,150,373</u>	<u>13,058,890</u>	<u>16,328,735</u>
\$ -	\$ -	\$ -	\$ 255,902	\$ 255,902	\$ 794,631
3,693,068	3,729,150	2,055,263	2,165,079	2,603,576	6,306,029
12,234,617	15,371,517	18,816,370	17,827,957	17,261,412	11,786,371
<u>\$ 15,927,685</u>	<u>\$ 19,100,667</u>	<u>\$ 20,871,633</u>	<u>\$ 20,248,938</u>	<u>\$ 20,120,890</u>	<u>\$ 18,887,031</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Littleton
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
REVENUES				
Taxes	\$ 28,123,190	\$ 28,280,411	\$ 29,911,779	\$ 31,261,877
Franchise	1,916,623	2,119,006	2,101,696	2,088,897
Licenses and permits	860,878	970,769	684,187	933,808
Intergovernmental	14,446,832	18,208,977	16,711,026	16,529,618
Charges for services	1,377,102	1,397,958	1,233,613	1,802,150
Fines and forfeitures	1,197,276	1,863,930	1,597,266	1,892,067
Investment earnings	(63,317)	290,689	394,801	186,490
Miscellaneous	656,388	557,580	1,175,226	942,456
TABOR revenue refund	-	-	-	-
Total governmental activities revenues	<u>48,514,972</u>	<u>53,689,320</u>	<u>53,809,594</u>	<u>55,637,363</u>
EXPENDITURES				
General government	11,970,948	12,009,264	11,941,573	11,082,834
Public safety	26,324,351	26,739,429	26,377,106	27,747,617
Highways and streets	4,137,483	4,192,210	4,445,325	4,512,866
Welfare	307,808	302,830	290,849	307,531
Culture and recreation	4,881,268	5,177,368	4,808,319	4,879,812
Debt service:				
Principal	233,854	242,436	183,990	630,893
Interest	50,858	42,276	33,376	26,473
Capital Outlay	4,514,141	9,044,202	4,399,753	14,218,117
Total expenditures	<u>52,420,711</u>	<u>57,750,015</u>	<u>52,480,291</u>	<u>63,406,143</u>
Excess of revenues over (under) expenditures	(3,905,739)	(4,060,695)	1,329,303	(7,768,780)
OTHER FINANCING SOURCES (USES)				
Transfers in	11,967,734	126,866	365,922	2,712,743
Transfers out	(628,408)	(483,796)	(243,562)	(2,615,203)
Interest charges	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from capital lease	-	-	-	10,020,930
Total other financing sources (uses)	<u>11,339,326</u>	<u>(356,930)</u>	<u>122,360</u>	<u>10,118,470</u>
Net change in fund balance	<u>\$ 7,433,587</u>	<u>\$ (4,417,625)</u>	<u>\$ 1,451,663</u>	<u>\$ 2,349,690</u>
Debt service as a percentage of noncapital expenditures	0.6%	0.6%	0.5%	1.3%

Table 4

2013	2014	2015	2016	2017	2018
\$ 32,275,301	\$ 34,605,212	\$ 36,787,885	\$ 39,152,893	\$ 39,683,665	\$ 40,358,928
2,190,084	2,454,564	2,250,414	2,247,202	2,281,822	2,289,993
764,213	1,414,909	1,556,099	1,896,766	1,400,381	1,317,797
15,608,226	18,150,342	18,683,333	19,861,078	22,062,066	21,519,523
1,778,433	2,106,442	2,872,470	6,117,195	3,652,237	3,519,026
1,737,866	1,350,540	1,232,811	826,438	775,722	747,226
162,750	120,646	188,027	240,527	316,499	540,733
687,686	2,163,221	1,226,837	1,054,878	1,049,903	1,109,818
-	-	-	(1,937,904)	1,937,904	-
<u>5,520,459</u>	<u>62,365,876</u>	<u>64,797,876</u>	<u>69,459,073</u>	<u>73,160,199</u>	<u>71,403,044</u>
11,146,138	12,386,345	13,575,230	15,129,512	15,064,734	16,159,556
28,458,072	29,881,588	31,493,354	34,101,160	35,743,424	35,945,554
4,697,958	4,688,740	3,924,775	4,819,952	5,658,689	6,475,241
306,996	279,222	363,014	405,259	350,236	325,533
5,324,362	5,363,323	5,907,257	5,883,424	5,984,113	5,850,157
920,238	1,019,532	1,000,181	932,852	1,287,089	1,330,382
280,282	255,393	231,684	202,506	212,240	202,547
3,571,705	5,156,557	6,026,710	11,024,231	6,234,291	3,477,322
<u>54,705,751</u>	<u>59,030,700</u>	<u>62,522,205</u>	<u>72,498,896</u>	<u>70,534,816</u>	<u>69,766,292</u>
498,808	3,335,176	2,275,671	(3,039,823)	2,625,383	1,636,752
2,970,488	3,520,177	4,358,806	1,400,000	1,937,904	292,053
(3,003,115)	(3,039,458)	(4,660,440)	(1,744,166)	(2,286,228)	-
-	-	-	(7,390)	-	-
-	-	122,558	194,600	103,410	107,181
-	-	-	1,894,887	1,400,000	-
<u>(32,627)</u>	<u>480,719</u>	<u>(179,076)</u>	<u>1,737,931</u>	<u>1,155,086</u>	<u>399,234</u>
<u>\$ 466,181</u>	<u>\$ 3,815,895</u>	<u>\$ 2,096,595</u>	<u>\$ (1,301,892)</u>	<u>\$ 3,780,469</u>	<u>\$ 2,035,986</u>
2.3%	2.4%	2.2%	1.8%	2.3%	2.3%

City of Littleton, Colorado
Governmental Expenditures by Function
Last Ten Fiscal Years

Table 5

Fiscal Year	General Government	Public Safety	Highways and Streets	Welfare	Culture and Recreation	Debt Service	Capital Outlay	Total
2009	\$ 11,971,000	\$ 26,324,000	\$ 4,138,000	\$ 308,000	\$ 4,881,000	\$ 285,000	\$ 4,514,000	\$ 52,421,000
2010	12,009,000	26,740,000	4,192,000	303,000	5,178,000	284,000	9,044,000	57,750,000
2011	11,942,000	26,377,000	4,445,000	291,000	4,808,000	217,000	4,400,000	52,480,000
2012	11,083,000	27,748,000	4,513,000	307,000	4,880,000	657,000	14,218,000	63,406,000
2013	11,146,000	28,458,000	4,698,000	307,000	5,324,000	1,201,000	3,572,000	54,706,000
2014	12,386,000	29,882,000	4,689,000	279,000	5,363,000	1,275,000	5,157,000	59,031,000
2015	13,575,000	31,493,000	3,925,000	363,000	5,907,000	1,232,000	6,027,000	62,522,000
2016	15,130,000	34,101,000	4,820,000	405,000	5,884,000	1,135,000	11,024,000	72,499,000
2017	15,065,000	35,744,000	5,659,000	350,000	5,984,000	1,499,000	6,234,000	70,535,000
2018	\$ 16,160,000	\$ 35,946,000	\$ 6,475,000	\$ 325,000	\$ 5,850,000	\$ 1,533,000	\$ 3,477,000	\$ 69,766,000

SOURCE:
Statement of Revenues, Expenditures, and Changes in Fund Balance.

NOTES:
Amounts include General, Capital Projects and Special Revenue Funds, rounded to \$1,000.

Annual Percentage Change								
2009	0%	-1%	0%	1%	2%	77%	2%	0%
2010	0%	2%	1%	-2%	6%	0%	100%	10%
2011	-1%	-1%	6%	-4%	-7%	-24%	-51%	-9%
2012	-7%	5%	2%	5%	1%	203%	223%	21%
2013	1%	3%	4%	0%	9%	83%	-75%	-14%
2014	11%	5%	0%	-9%	1%	6%	44%	8%
2015	10%	5%	-16%	30%	10%	-3%	17%	6%
2016	11%	8%	23%	12%	0%	-8%	83%	16%
2017	0%	5%	17%	-14%	2%	32%	-43%	-3%
2018	7%	1%	14%	-7%	-2%	2%	-44%	-1%

City of Littleton, Colorado
Governmental Revenues By Source
Last Ten Fiscal Years

Table 6

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental Revenue	Charges for Services	Fines and Forfeitures	Other	Total
2009	\$ 30,040,000	\$ 861,000	\$ 14,447,000	\$ 1,377,000	\$ 1,107,000	\$ 673,000	\$ 48,505,000
2010	30,399,000	971,000	18,209,000	1,398,000	1,864,000	848,000	53,689,000
2011	32,014,000	684,000	16,711,000	1,234,000	1,597,000	1,570,000	53,810,000
2012	33,351,000	934,000	16,530,000	1,802,000	1,892,000	1,128,000	55,637,000
2013	34,466,000	764,000	15,608,000	1,778,000	1,738,000	851,000	55,205,000
2014	37,060,000	1,415,000	18,150,000	2,107,000	1,351,000	2,283,000	62,366,000
2015	39,038,000	1,556,000	18,683,000	2,873,000	1,233,000	1,415,000	64,798,000
2016	41,400,000	1,897,000	19,861,000	6,117,000	826,000	1,296,000	71,397,000
2017	41,966,000	1,400,000	22,062,000	3,652,000	776,000	1,364,000	71,220,000
2018	\$ 42,649,000	\$ 1,318,000	\$ 21,519,000	\$ 3,519,000	\$ 747,000	\$ 1,651,000	\$ 71,403,000

SOURCE:
Statement of Revenues, Expenditures, and Changes in Fund Balance.

NOTES:
Amounts include General, Capital Projects and Special Revenue Funds, rounded to \$1,000.

Annual Percentage Change							
2009	3%	14%	-2%	12%	6%	-82%	-4%
2010	1%	13%	26%	2%	68%	26%	11%
2011	5%	-30%	-8%	-12%	-14%	85%	0%
2012	4%	37%	-1%	46%	18%	-28%	3%
2013	3%	-18%	-6%	-1%	-8%	-25%	-1%
2014	8%	85%	16%	19%	-22%	168%	13%
2015	5%	10%	3%	36%	-9%	-38%	4%
2016	6%	22%	6%	113%	-33%	-8%	10%
2017	1%	-26%	11%	-40%	-6%	5%	0%
2018	2%	-6%	-2%	-4%	-4%	21%	0%

**City of Littleton, Colorado
Tax Revenue By Source
Last Ten Fiscal Years**

Table 7

Fiscal Year	Property Taxes	Sales and Use Taxes	Specific Ownership	Cigarette Taxes	Franchise Fees	Total
	(1)	(1)				
2009	\$ 4,107,000	\$ 23,533,000	\$ 283,000	\$ 200,000	\$ 1,917,000	\$ 30,040,000
2010	4,198,000	23,612,000	274,000	196,000	2,119,000	30,399,000
2011	4,151,000	25,304,000	255,000	202,000	2,102,000	32,014,000
2012	4,013,000	26,778,000	264,000	207,000	2,089,000	33,351,000
2013	4,003,000	27,782,000	281,000	210,000	2,190,000	34,466,000
2014	3,953,000	30,151,000	296,000	205,000	2,455,000	37,060,000
2015	3,981,000	32,289,000	311,000	207,000	2,250,000	39,038,000
2016	4,603,000	33,973,000	366,000	211,000	2,247,000	41,400,000
2017	4,713,000	34,366,000	417,000	188,000	2,282,000	41,966,000
2018	\$ 5,507,000	\$ 34,239,000	\$ 419,000	\$ 194,000	\$ 2,290,000	\$ 42,649,000

SOURCE:
Statement of Revenues, Expenditures, and Changes in Fund Balance.

NOTES:
Amounts include General, Capital Projects and Special Revenue Funds, rounded to \$1,000.
(1) Excludes Special Assessment collection and tax increment amounts.

Annual Percentage Change						
2009	4%	-5%	-7%	-12%	N/A	3%
2010	2%	0%	-3%	-2%	11%	1%
2011	-1%	7%	-7%	3%	-1%	5%
2012	-3%	6%	4%	2%	-1%	4%
2013	0%	4%	6%	1%	5%	3%
2014	-1%	9%	5%	-2%	12%	8%
2015	1%	7%	5%	1%	-8%	5%
2016	16%	5%	18%	2%	0%	6%
2017	2%	1%	14%	-11%	2%	1%
2018	17%	0%	0%	3%	0%	2%

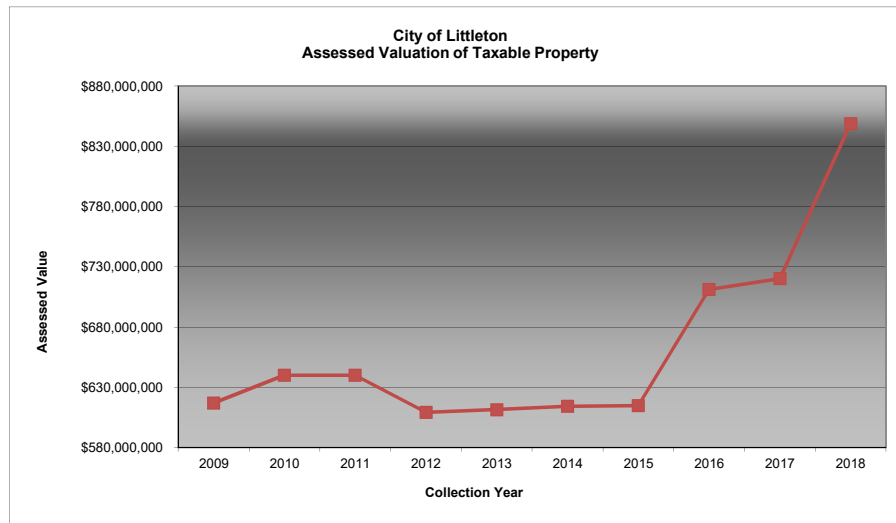
City of Littleton, Colorado
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 8

Collection Year	Levy Year	Assessed Valuation	Estimated Actual Value ⁽¹⁾	Ratio of Assessed to Estimated Actual Value (%)	Direct Rate
2009	2008	\$ 617,092,320	\$ 5,124,458,620	12	6.662
2010	2009	640,017,100	5,170,663,630	12	6.662
2011	2010	640,240,690	5,192,642,037	12	6.662
2012	2011	609,303,973	4,988,048,510	12	6.662
2013	2012	611,580,060	4,991,773,920	12	6.662
2014	2013	614,372,812	4,963,761,773	12	6.662
2015	2014	614,978,721	4,934,986,576	12	6.662
2016	2015	711,277,920	5,988,052,949	12	6.662
2017	2016	720,282,711	6,046,242,387	12	6.662
2018	2017	\$ 848,758,867	\$ 7,612,277,155	11	6.662

SOURCE:
Arapahoe, Douglas, and Jefferson County Assessor's Offices.

NOTE:
(1) Excludes Tax Increment Financing (TIF) District in Arapahoe County

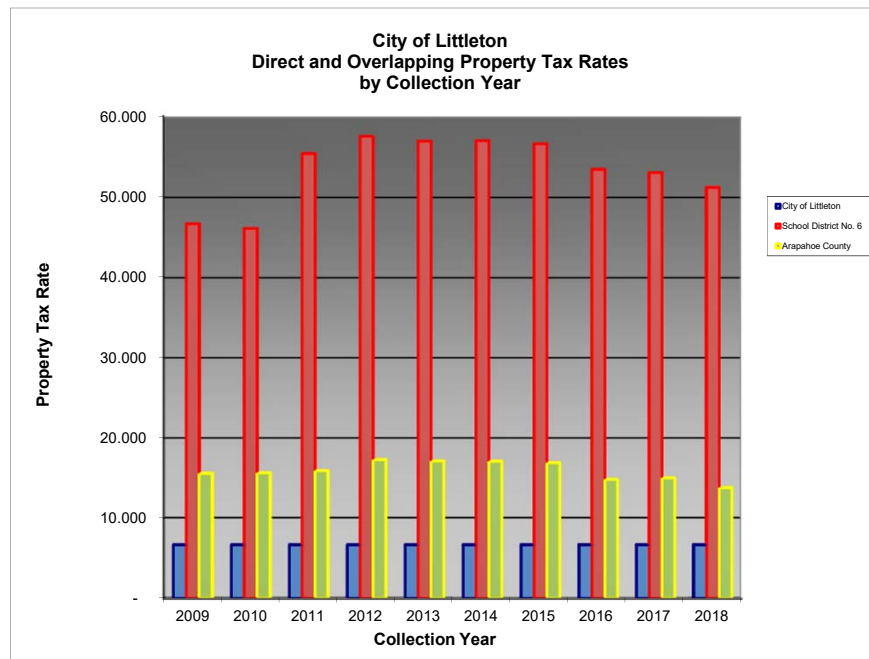


**City of Littleton, Colorado
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Table 9

Collection Year	City of Littleton	School District No. 6	Arapahoe County	Total Tax Rate
2009	6.662	46.650	15.609	68.921
2010	6.662	46.081	15.672	68.415
2011	6.662	55.389	15.949	78.000
2012	6.662	57.530	17.316	81.508
2013	6.662	56.935	17.150	80.747
2014	6.662	56.985	17.130	80.777
2015	6.662	56.601	16.950	80.213
2016	6.662	53.424	14.856	74.942
2017	6.662	53.030	15.039	74.731
2018	6.662	51.166	13.817	71.645

Collection Year	City of Littleton (Arapahoe County only)	School District No. 6	Arapahoe County	Total
2009	\$ 3,909,791	\$ 60,746,582	\$ 120,767,945	\$ 185,424,318
2010	4,059,109	61,673,457	124,062,713	189,795,279
2011	4,055,040	75,489,815	126,407,310	205,952,165
2012	3,861,894	74,585,160	127,903,059	206,350,113
2013	3,877,128	74,709,969	127,106,787	205,693,884
2014	3,918,154	75,997,166	130,520,965	210,436,285
2015	3,902,538	74,846,890	128,307,842	207,057,270
2016	4,519,508	82,909,759	134,054,143	221,483,410
2017	4,582,771	82,661,695	136,521,887	223,766,353
2018	\$ 5,343,155	\$ 88,668,766	\$ 144,102,565	\$ 238,114,486

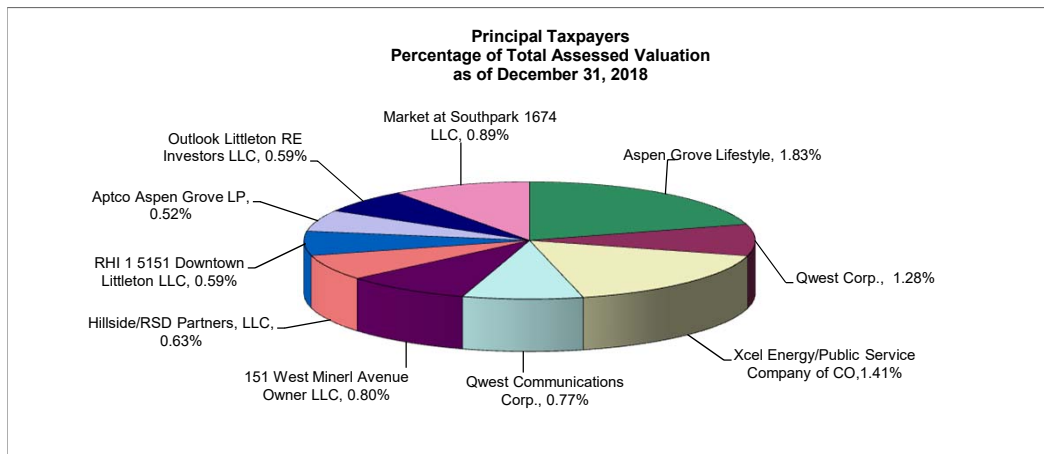


**City of Littleton, Colorado
Principal Property Taxpayers
December 31, 2018
Current Year and Nine Years Ago**

Table 10

Taxpayer	2008 Assessed Valuation	Percentage of Total Assessed Valuation	2018 Assessed Valuation	Percentage of Total Assessed Valuation
Aspen Grove Lifestyle	\$ 5,655,000	1.04%	\$ 15,503,562	1.83%
Xcel Energy/Public Service Company of CO	7,931,970	1.33%	12,789,290	1.51%
Qwest Corp/US West Communications	10,066,400	1.69%	6,541,600	0.77%
Market at Southpark 1674 LLC	-	-	7,537,100	0.89%
Qwest Communications Corp.	-	0.00%	6,493,320	0.77%
151 West Minerl Avenue Owner LLC	-	-	6,800,066	0.80%
Hillside/RSD Partners, LLC	-	-	5,322,406	0.63%
Outlook Littleton RE Investors LLC	-	-	4,968,000	0.59%
RHI 1 5151 Downtown Littleton LLC	-	-	5,040,000	0.59%
Aptco Aspen Grove LP	-	-	4,435,200	0.52%
Koll/Per Kellogg LLC	3,480,010	0.58%	4,094,220	0.48%
Qwest Broadband Services Inc.	3,737,590	0.63%	2,402,815	0.28%
Renco Properties VIII	4,422,500	0.74%	-	-
Littleton Village LLC	4,205,000	0.70%	-	-
Echostar Real Estate	3,936,010	0.66%	-	-
Republic National Distributing	3,770,000	0.63%	-	-
Sprint Nextel Corp	3,480,010	0.58%	-	-
Total Assessed Value - Principal Taxpayers	\$ 50,684,490	8.49%	\$ 81,927,579	9.65%
All Other Taxpayers	546,548,919		766,831,288	
Total Assessed Value	\$ 597,233,409		\$ 848,758,867	

SOURCE:
Arapahoe, Douglas and Jefferson County Assessor's Office



City of Littleton, Colorado
Property Tax Levies and Collections
Last Ten Fiscal Years

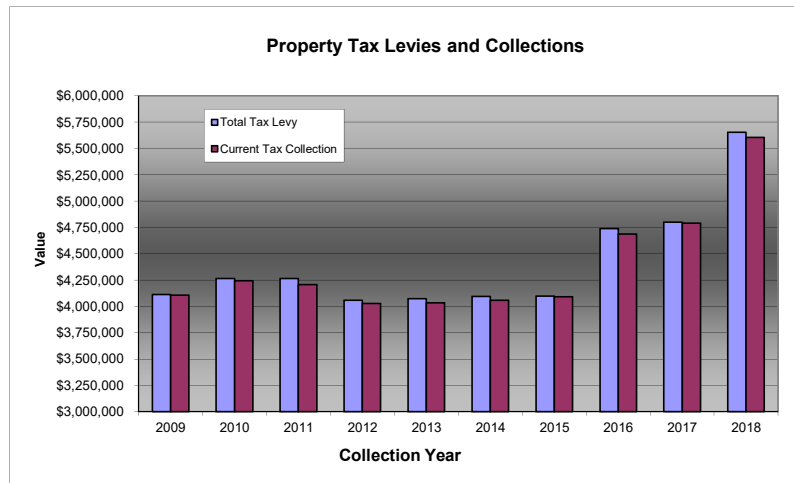
Table 11

Levy Year	Collection Year	Total Tax Levy ⁽¹⁾	Current Tax Collection ⁽²⁾	Percent of Current Taxes Collected	Percent of Tax Levy Outstanding
2008	2009	\$ 4,111,070	\$ 4,107,000	99.90%	0.10%
2009	2010	4,263,796	4,243,108	99.51	0.49
2010	2011	4,265,284	4,207,938	98.66	1.34
2011	2012	4,059,183	4,026,617	99.20	0.80
2012	2013	4,074,347	4,034,668	99.03	0.97
2013	2014	4,092,952	4,058,351	99.15	0.85
2014	2015	4,096,988	4,090,905	99.85	0.15
2015	2016	4,738,534	4,686,136	98.89	1.11
2016	2017	4,798,523	4,788,838	99.80	0.20
2017	2018	\$ 5,654,432	\$ 5,605,657	99.14%	0.86%

NOTES:

(1) Net of tax credits and tax abatements.

(2) Does not include penalties on delinquent taxes.



City of Littleton, Colorado
Property Value and Construction
Last Ten Fiscal Years

Table 12

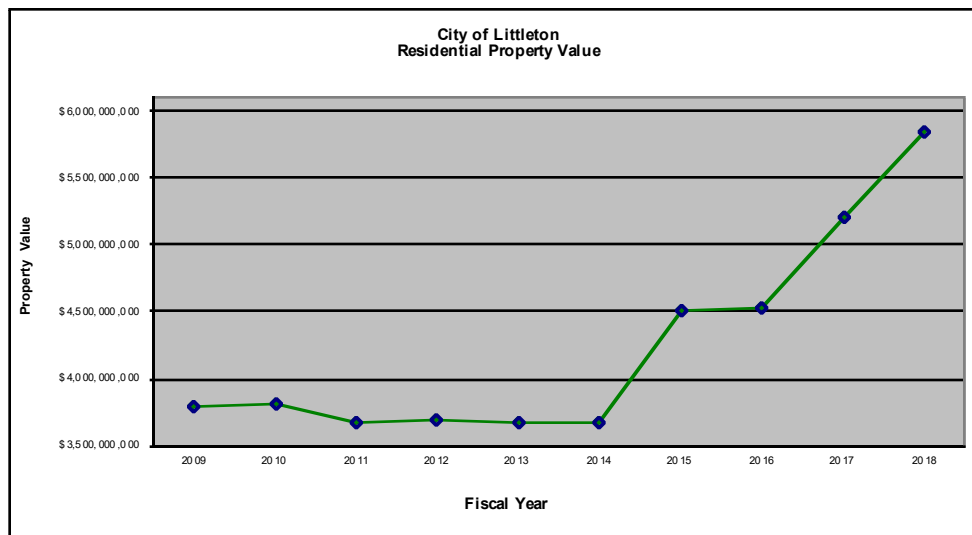
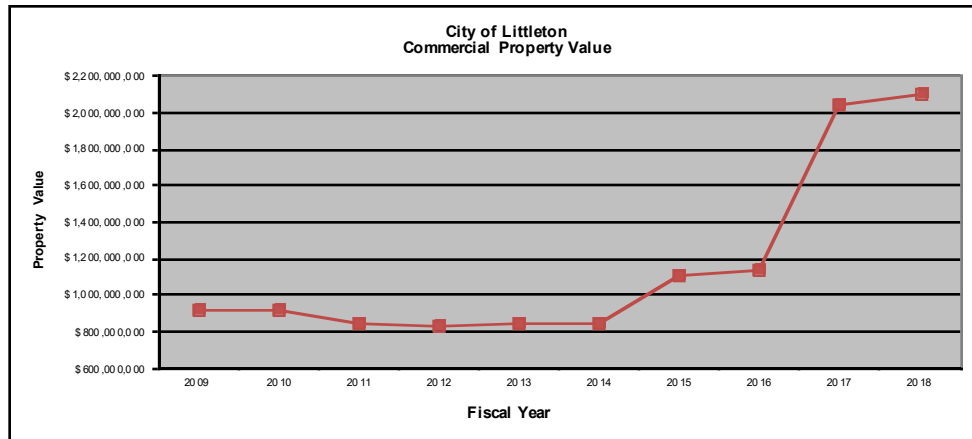
Fiscal Year	New Commercial Construction Value	New Residential Construction		Property Value	
		Number of Units	Value	Commercial	Residential
2009	\$ 35,694,047	5	\$ 5,212,454	\$ 923,350,902	\$ 3,793,775,780
2010	40,569,446	2	1,150,000	913,085,036	3,815,538,394
2011	3,872,304	3	2,028,909	847,005,261	3,679,181,632
2012	28,196,376	7	2,676,167	831,746,406	3,701,657,400
2013	13,239,492	4	2,123,598	840,440,798	3,664,746,040
2014	30,526,127	38	52,047,662	837,494,334	3,667,056,307
2015	32,043,314	94	44,049,388	1,111,979,855	4,505,360,088
2016	53,353,782	203	79,105,642	1,135,453,003	4,536,465,955
2017	15,952,498	85	29,128,327	2,041,524,121	5,206,249,975
2018	\$ 13,828,330	65	\$ 28,137,221	\$ 2,099,420,705	\$ 5,843,936,042

SOURCE:

City of Littleton - Building Department

NOTE:

(1) Arapahoe County Assessor as converted by City of Littleton



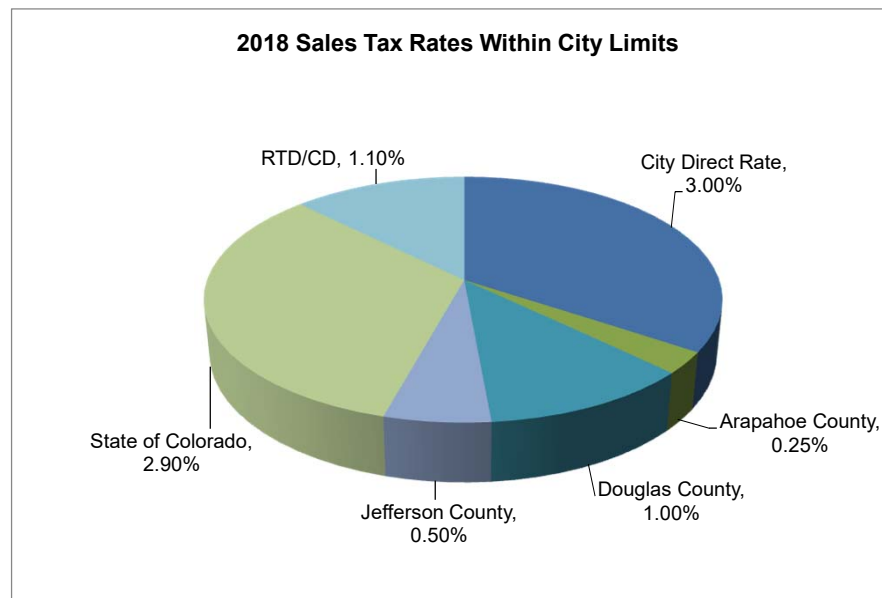
City of Littleton, Colorado
Sales Tax Rates Direct and Overlapping
Last Ten Fiscal Years

Table 13

Fiscal Year	City Direct Rate	Arapahoe County	Douglas County	Jefferson County	State of Colorado	RTD/CD/FD ⁽¹⁾
2009	3.00%	0.25%	1.00%	0.50%	2.90%	1.20%
2010	3.00	0.25	1.00	0.50	2.90	1.20
2011	3.00	0.25	1.00	0.50	2.90	1.20
2012	3.00	0.25	1.00	0.50	2.90	1.10
2013	3.00	0.25	1.00	0.50	2.90	1.10
2014	3.00	0.25	1.00	0.50	2.90	1.10
2015	3.00	0.25	1.00	0.50	2.90	1.10
2016	3.00	0.25	1.00	0.50	2.90	1.10
2017	3.00	0.25	1.00	0.50	2.90	1.10
2018	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%

SOURCE:
Colorado Department of Revenue

NOTES:
(1) Regional Transportation District (RTD), Cultural District (CD), Football Stadium District (FD) until 2012



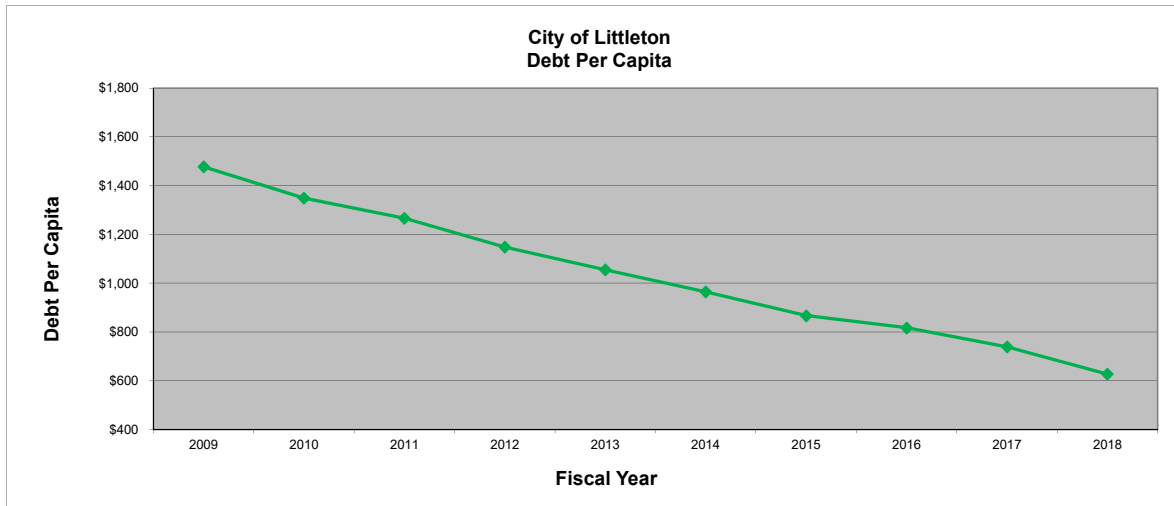
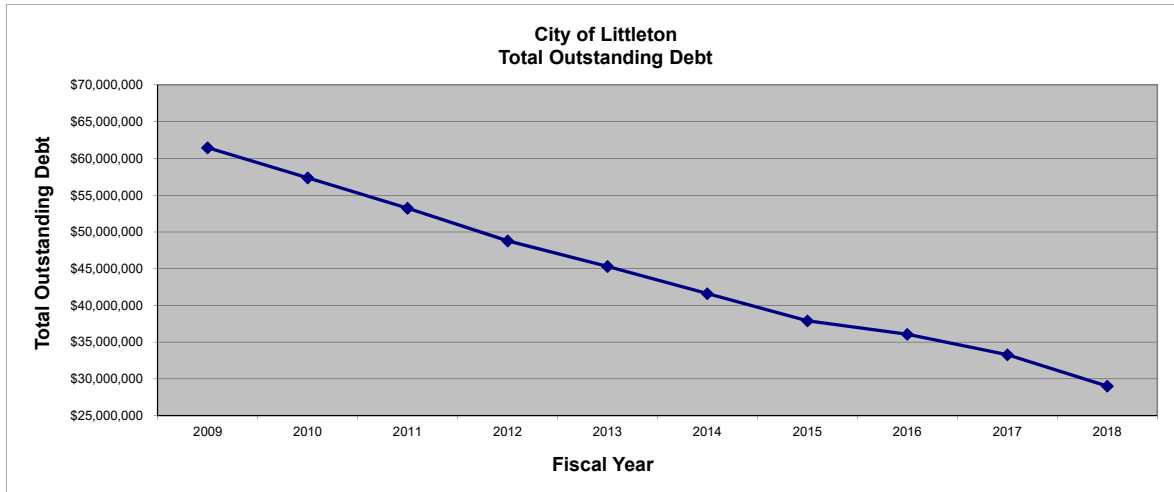
City of Littleton, Colorado
Ratio Of Outstanding Debt by Type
Last Ten Fiscal Years

Table 14

Collection Year	Governmental Activities		Business-type Activities				Total Outstanding Debt	Debt Per Capita	Percentage of Personal Income
	Net Bonded G.O. Debt	Capital Leases	G.O. Loans/Bonds	Revenue Loans	Certificate of Participation	Assignment Certificates			
2009	\$ -	\$ 1,140,122	\$ 1,786,178	\$ 44,208,068	\$ 14,300,000	\$ -	\$ 61,434,368	\$ 1,478	4.14%
2010	-	897,686	1,174,874	41,733,997	13,550,000	-	57,356,557	1,349	3.61%
2011	-	713,696	520,030	39,156,832	10,550,000	2,270,000	53,210,558	1,266	3.78%
2012	-	10,103,193	-	36,556,656	-	2,130,000	48,789,849	1,148	3.57%
2013	-	9,146,416	-	34,172,030	-	1,985,000	45,303,446	1,055	2.98%
2014	-	8,090,345	-	31,672,404	-	1,830,000	41,592,749	965	2.69%
2015	-	7,053,625	-	29,172,792	-	1,675,000	37,901,417	867	2.37%
2016	-	7,979,121	-	26,570,017	-	1,510,000	36,059,138	817	2.15%
2017	-	8,055,493	-	23,908,315	-	1,345,000	33,308,808	739	1.82%
2018	\$ -	\$ 6,688,572	\$ -	\$ 21,182,329	\$ -	\$ 1,170,000	\$ 29,040,901	\$ 628	1.50%

NOTES:

(1) See Table 19 for personal income and population data.



City of Littleton, Colorado
Ratio Of Annual Debt Service For General
Bonded Debt To Total General Expenditures
Last Ten Fiscal Years

Table 15

Fiscal Year	Principal	⁽¹⁾	Interest	⁽¹⁾	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
2009	\$	-	\$	-	\$	52,421,000	0.00
2010		-		-		57,750,000	0.00
2011		-		-		52,480,000	0.00
2012		-		-		63,406,000	0.00
2013		-		-		54,706,000	0.00
2014		-		-		59,031,000	0.00
2015		-		-		62,522,000	0.00
2016		-		-		72,499,000	0.00
2017		-		-		70,535,000	0.00
2018	\$	-	\$	-	\$	69,766,000	0.00

NOTES:

Amounts include Government Funds

(1) Excludes interest and principal on Littleton Building Authority

City of Littleton, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2018

Table 16

Government Entity	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Amount Applicable to Primary Govt.
School District #6 Arapahoe County	\$ 124,111,195	45.22	\$ 56,123,082
Littleton Village Metro District #2	16,530,000	100.00	16,530,000
Centennial Downs Metropolitan District	6,545,000	100.00	6,545,000
Aspen Grove Business Improvement District	5,215,000	100.00	5,215,000
Highline Business Improvement District	2,044,135	100.00	2,044,135
Englewood School District #1	154,140,978	0.91	1,402,683
South Suburban Park and Recreation District	3,275,000	33.19	1,086,973
Polo Reserve Metropolitan District	450,000	100.00	450,000
Sheridan School District #2	18,346,533	2.65	486,183
Subtotal, overlapping debt			\$ 89,883,056
City of Littleton, direct debt ⁽²⁾	\$ 6,688,572		6,688,572
Total direct and overlapping debt			\$ 96,571,628

NOTES:

(1) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

(2) Excludes debt funded through Enterprise Funds.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Littleton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

DISCLAIMER:

Overlapping debt for Douglas and Jefferson Counties are not included because the assessed valuation of that portion of the City which is located in Douglas and Jefferson Counties is less than 1/2 of 1% of the total assessed valuation.

City of Littleton, Colorado
Computation of Legal Debt Margin
December 31, 2018

Table 17

Other than water and sewer

Assessed value ⁽¹⁾	<u>\$ 848,758,867</u>
Debt limit 3.7% of assessed value ⁽²⁾	31,404,078
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin other than water and sewer	<u><u>\$ 31,404,078</u></u>

Water and sewer

Assessed value ⁽¹⁾	<u>\$ 848,758,867</u>
Debt limit 5% of assessed value ⁽³⁾	42,437,943
Amount of debt applicable to legal limit	<u>-</u>
Legal debt margin for water and sewer	<u><u>\$ 42,437,943</u></u>

NOTES:

- (1) Arapahoe, Douglas, and Jefferson Counties
- (2) City charter and subsequent bond election limitations
- (3) City charter limitation

City of Littleton, Colorado
Revenue Bond Coverage (Sewer Utility Fund)
Last Ten Fiscal Years

Table 18

Coverage Ratio Test for Debt Service							
Fiscal Year	Calculated Revenues	Revenue Transfers (to) from Rate Stabilization Account	Total Revenues	Operating Expenses	Net Revenue for Debt Service	Total Debt Service Principal and Interest	Coverage
2009	\$ 11,926,000	\$ 937,600	\$ 12,863,600	\$ 7,830,000	\$ 5,033,600	\$ 4,576,000	1.10
2010	14,098,000	-	14,098,000	8,660,000	5,438,000	4,575,000	1.19
2011	12,665,000	100,000	12,765,000	7,745,000	5,020,000	4,570,000	1.10
2012	13,171,000	-	13,171,000	7,294,000	5,877,000	4,300,000	1.37
2013	12,897,000	-	12,897,000	7,815,000	5,082,000	3,627,000	1.40
2014	17,046,000	-	17,046,000	8,871,000	8,175,000	3,578,000	2.28
2015	15,533,000	-	15,533,000	8,843,000	6,690,000	3,479,000	1.92
2016	18,301,000	-	18,301,000	8,326,000	9,975,000	3,532,000	2.82
2017	19,345,000	-	19,345,000	8,880,000	10,465,000	3,525,000	2.97
2018	\$ 16,075,000	\$ -	\$ 16,075,000	\$ 10,936,000	\$ 5,139,000	\$ 3,516,000	1.46

Restricted Cash - Rate Stabilization Account				
Fiscal Year	Beginning Rate Stabilization Account Balance	Transfers (to) from Revenues	Transfers (to) from Unrestricted cash	Ending rate Stabilization Account Balance
2009	\$ 5,000,000	\$ (937,600)	\$ 937,600	\$ 5,000,000
2010	5,000,000	-	-	5,000,000
2011	5,000,000	(100,000)	100,000	5,000,000
2012	5,000,000	-	-	5,000,000
2013	5,000,000	-	(2,000,000) ⁽¹⁾	3,000,000
2014	3,000,000	-	-	3,000,000
2015	3,000,000	-	-	3,000,000
2016	3,000,000	-	-	3,000,000
2017	3,000,000	-	-	3,000,000
2018	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000

NOTES:

(1) Amendment made to loan documents to reduce Rate Stabilization Account amount.

**City of Littleton, Colorado
Demographic Statistics
Last Ten Fiscal Years**

Table 19

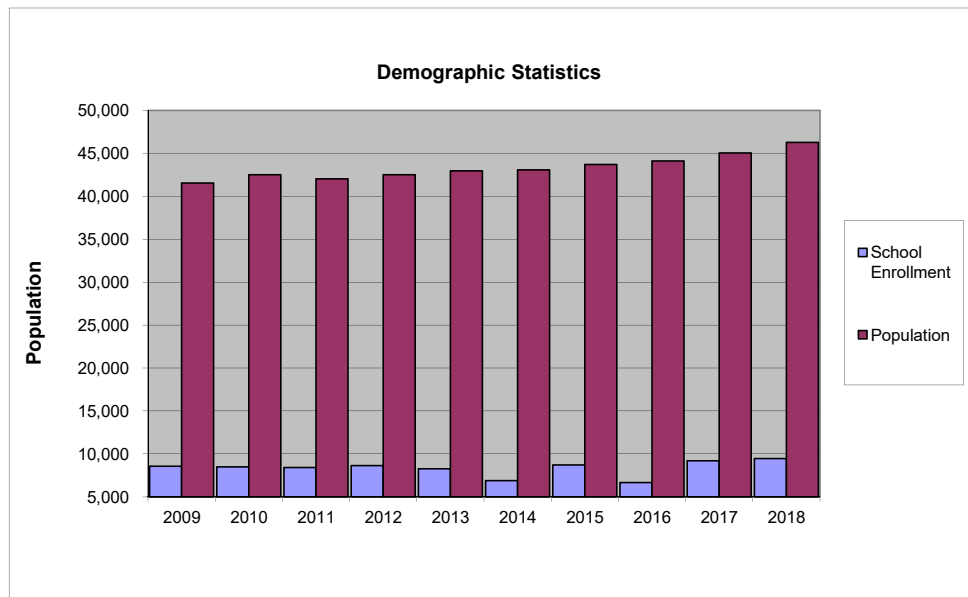
Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2009	41,552	\$ 35,693	41.8	8,576	6.5%
2010	42,529	37,352	42.0	8,496	7.2
2011	42,044	33,530	41.8	8,423	7.6
2012	42,514	32,189	42.0	8,623	7.0
2013	42,960	35,459	42.3	8,253	5.2
2014	43,092	35,814	42.7	6,899	3.5
2015	43,710	36,577	42.8	8,723	3.1
2016	44,118	38,047	43.0	6,679	2.9
2017	45,068	40,574	43.3	9,185	2.8
2018	46,268	\$ 41,946	43.0	9,462	3.4%

SOURCE:

(1) ESRI.com

(2) Littleton Public Schools within Littleton City limits

(3) BLS.gov



**City of Littleton, Colorado
Principal Employers
Last Ten Fiscal Years**

	2009		2010		2011		2012	
	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees
Century Link (Formerly Qwest)	1	1,950	3	1,663	1	1,663	1	1,663
Dish Network (EchoStar)	3	1,700	2	1,667	2	1,543	2	1,543
Littleton Adventist Hospital	4	1,020	4	967	3	967	3	1,035
Littleton School District	2	1,913	1	1,686	4	830	4	830
Arapahoe Community College	-	-	5	632	5	632	5	632
Arapahoe County	5	522	6	522	6	522	6	522
City of Littleton	7	404	7	403	7	396	8	417
Republic National Distributing	-	-	-	-	-	-	7	425
McDonald Automotive Group	-	-	-	-	-	-	9	320
Center Point	-	-	-	-	-	-	-	-
Globus	-	-	-	-	-	-	-	-
Arapahoe/Douglas Mental Health	-	-	-	-	-	-	9	320
Lockheed Martin Space Systems	8	370	9	300	8	300	-	-
Life Care Center of Littleton	-	-	10	280	9	280	-	-
Norgen	10	325	8	325	10	268	-	-
National Distribution	6	430	-	-	-	-	-	-
Ralph Schomp	9	332	-	-	-	-	-	-

SOURCE:
City of Littleton Economic Development - Information as reported by companies

Table 20

2013		2014		2015		2016		2017		2018	
Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees
1	1,800	1	1,663	1	1,663	1	1,663	1	1,663	1	2,100
2	1,543	2	1,543	2	1,543	2	1,500	2	1,543	2	1,543
3	1,242	3	1,243	3	1,243	4	759	3	1,242	3	1,242
4	830	4	830	4	830	3	830	4	830	4	830
5	632	5	632	5	632	-	-	5	706	5	706
6	522	6	522	6	522	5	522	6	522	6	522
7	404	7	406	8	412	6	437	7	455	9	330
7	425	7	425	7	481	7	425	8	425	7	425
9	360	9	360	9	396	8	360	9	360	8	360
-	-	10	320	10	320	9	320	10	320	10	320
10	320	-	-	-	-	10	299	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

City of Littleton, Colorado
City Government Employees by Program
(Full-time Equivalent)
Last Ten Fiscal Years

	2009		2010		2011		2012	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government								
Admin Services*	31	12	30	12	29	8	30	8
Attorney	5	-	5	-	4	-	4	-
City Clerk	-	-	-	-	-	-	-	-
City Council	-	7	-	7	-	7	-	7
City Manager**	6	-	5	-	6	-	6	-
Communications	-	-	-	-	-	-	-	-
Community Development	15	6	15	7	15	7	13	3
Economic Development	4	1	4	1	4	1	5	-
Finance	9	-	9	-	9	-	9	-
Human Resources	-	-	-	-	-	-	-	-
Information Technology	10	-	10	-	9.5	-	11	-
Fire								
ER/Paramedics	130	-	130	-	129	-	144	-
Support	25	3	25	3	24	2.5	15	-
Library								
	15	19	16	19	16	20	14	20
Museum								
	14	7	14	7	13	7	13	7
Police								
Officers	69	-	70	-	71	-	72	-
Support	27	-	26	-	24	1	38	1
Public Works								
Engineering	6	-	6	-	6	-	6	-
Sewer/Storm Drain	7	2	7	2	7	2	7	-
Support	31	23	31	23	29	23	30	-
Total	404	80	403	81	395.5	78.5	417	46

* Beginning in 2013, Admin Services was separated into two departments (Human Resources and City Clerk.)

** Beginning in 2014, 5 FTEs were removed from the City Manager's Office to create a new department: Communications.

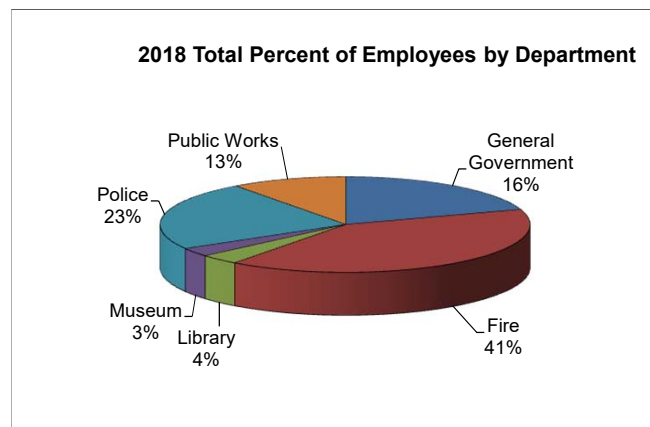


Table 21

2013		2014		2015		2016		2017		2018	
Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
-	-	-	-	-	-	-	-	-	-	-	-
3	-	3	-	3	1	3	1	4	-	4	-
25	8	10	7	10	7	10	7	10	8	10	8
-	7	-	7	-	7	-	7	-	7	-	7
6	-	2	1	2	1	2	1	8	1	2	-
-	-	5	-	6	-	7	-	7	-	6	1
13	4	16	3	17	2	20	3	20	-	20	3
5	-	4	-	4	-	4	-	4	-	4	-
9	-	9	-	10	-	10	-	10	-	10	-
6	-	6	-	6	21	7	21	7	14	7	21
11	-	11	-	11	-	13	-	13	-	13	-
141	-	138	-	135	-	150	-	162	-	162	-
23	-	22	5	26	5	26	5	28	3	28	8
14	21	17	20	16	32	16	32	17	34	17	43
12	7	13	7	13	7	13	9	13	9	12	8
70	-	73	-	71	1	71	1	76	1	83	1
25	-	22	-	26	1	26	2	24	2	23	2
6	-	6	-	6	-	6	-	6	-	6	-
7	-	7	2	7	-	7	2	7	2	8	2
28	-	42	26	43	22	46	20	46	20	46	20
404	47	406	78	412	107	437	111	462	101	461	124

City of Littleton, Colorado
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2009	2010	2011	2012
General Government				
Incoming calls	36,064	36,449	35,391	36,340
Littleton Center Visitors	5,486	5,905	5,341	6,207
Building permits processed	2,058	2,591	2,066	2,360
Building inspections conducted	6,747	8,447	7,359	7,685
Passports issued	1,038	1,211	1,151	266
New businesses (licensed/registered)	405	448	543	417
Fire				
Emergency responses	12,187	12,560	12,884	13,762
Fires extinguished	186	218	212	348
Inspections	1,966	2,335	1,263	1,377
Library				
Total circulation	500,029	523,451	545,187	538,678
Visitors	300,568	300,656	296,641	299,106
Registered borrowers	37,715	30,938	30,422	23,097
Programs	758	806	825	882
Program attendance	30,973	32,023	35,638	37,638
Volunteer hours	3,770	4,233	4,120	3,430
Museum				
Number of visitors	131,656	144,757	132,577	135,767
Gross sales for museum store	\$44,605	\$48,956	\$41,449	\$36,907
Events	42	53	49	26
Total volunteer hours	5,906	6,079	5,291	6,867
Police				
Number of crimes	1,593	1,501	2,660	1,613
Number of service request calls	52,372	52,139	56,213	59,294
Traffic citations	10,680	11,827	7,156	13,157
Traffic accidents	851	850	1,113	908
Public Works				
Lane miles reconstructed	<1	1	<1	<1
Lane miles overlaid	9	6	7	11
Lane miles sealcoated	34	0	0	2
Transit				
Number of vehicles	4	4	4	4
Passengers	20,332	17,750	18,819	19,715
Utility				
New residential taps issued	98	74	26	42
New commercial taps issued	10	9	6	4
Average daily sewage treatment (millions of gallons)	10.5	10.9	11.0	9.3

2013	2014	2015	2016	2017	2018
32,654	32,520	23,253	28,576	32,596	27,462
5,286	5,328	4,932	4,487	5,405	4,509
2,264	2,855	2,989	2,287	2,738	3,537
7,894	9,495	12,270	17,757	17,685	12,808
728	995	0	0	0	0
440	455	453	444	464	495
13,104	14,163	14,246	15,705	16,103	17,592
155	199	193	205	194	479
1,307	3,700	3,877	6,130	6,418	6,665
549,600	524,228	487,975	533,112	447,287	542,589
303,255	321,255	309,926	283,284	297,653	279,759
27,724	31,248	31,127	24,331	31,706	23,922
882	856	824	861	1,021	1,500
33,900	35,144	37,683	39,377	38,407	43,340
3,640	2,998	2,578	2,554	2,946	2,476
143,488	140,095	139,561	155,616	166,476	162,339
\$37,641	\$36,955	\$40,432	\$40,362	\$41,759	\$41,847
32	46	57	38	42	45
8,057	8,344	6,713	6,285	6,364	6,125
4,313	3,560	3,652	3,891	3,955	4,673
57,989	58,336	97,606	77,297	74,393	69,804
12,863	7,671	4,412	7,042	6,690	8,160
974	980	1,107	1,119	1,134	1,139
1	0	<1	>1	0	<1
12	10	10	7	5	3
0	0	0	0	3	16
5	5	4	5	5	5
27,010	25,299	22,454	20,517	18,270	19,333
32	62	164	289	148	115
5	22	10	19	14	6
11.0	11.0	11.0	9.6	8.9	8.9

**City of Littleton, Colorado
Capital Asset Statistics by Program
Last Ten Fiscal Years**

	2009	2010	2011	2012
Fire				
Stations ⁽¹⁾	8	8	8	8
Licensed Vehicles ⁽²⁾	56	54	56	55
Fleet				
Licensed Vehicles ⁽²⁾	121	125	118	122
Library	1	1	1	1
Museum	1	1	1	1
Parks				
Developed (acres)	391	442	443	443
Undeveloped (acres)	836	836	831	825
Playgrounds	15	18	17	18
Baseball diamonds	13	22	22	22
Police				
Stations	1	1	1	1
Licensed Vehicles ⁽²⁾	65	50	63	63
Public Works				
Streets (lane miles) ⁽⁴⁾	616	350	350	352
Street lights	3,609	3,630	3,590	3,609
Traffic signals ⁽³⁾	113	111	111	60
Sanitary sewers (miles)	128.3	128.3	128	128
Storm sewers (miles)	30.8	30.9	30.9	31.2
Treatment capacity (millions of gallons)	10.5	25	25	50 ⁽⁵⁾
Transit				
Buses	4	4	4	4

NOTES:

(1) 2 Stations within City limits; Increased to 3 in 2016.

(2) Fleet varies due to timing of transfer of titles.

(3) Includes pedestrian signals, fire station signals and school flashers.

(4) A calculation error by the Highway Users Tax Fund was corrected in 2010.

(5) Includes City of Englewood. City of Littleton share is 25

(6) Number reported will now be "Licensed Rolling Stock".

Table 23

2013	2014	2015	2016	2017	2018
8	8	8	9	9	9
55	55	57	65	60	62
123	130	130	249 ⁽⁶⁾	254	257
1	1	1	1	1	1
1	1	1	1	1	1
443	443	443	443	443	443
920	920	920	920	920	920
17	17	17	17	17	17
22	22	22	22	22	22
1	1	1	1	1	1
61	67	63	63	64	65
351	351	352	352	353	353
3,637	3,637	3,750	3,765	3,637	3,637
60	60	60	60	60	60
128	128	128	128	129.1	129.1
31	31	31	31	32.6	32.6
50 ⁽⁵⁾	50 ⁽⁵⁾	50 ⁽⁵⁾	50 ⁽⁵⁾	50 ⁽⁵⁾	50 ⁽⁵⁾
5	5	4	5	5	5

City of Littleton, Colorado
Miscellaneous Statistics
December 31, 2018

Table 24

Date of incorporation	1890
Date charter adopted	July 28, 1959
Form of government	Council-Manager
Elevation	5,389 Feet
Area	13.85 square miles
Fire protection:	
Number of stations	9 (3 in City limits)
Emergency responses	17,592
Police protection:	
Number of stations	1
Number of sworn officers	81
Education - School District No. 6:	
Number of students	15,264 ⁽¹⁾
Type and total number of schools:	
Early Childhood	7 (2 in City limits)
Elementary	3 (4 in City limits)
Middle School	4 (3 in City limits)
Senior High	3 (2 in City limits)
Charter	2 (2 in City limits)
Teacher/pupil ratio	1:24.5
Sanitary sewers	129.1 miles
Storm sewers	32.6 miles
Building permits issued:	
Number	3,537
Value	\$94,532,674
Miles of streets	
Lane miles (10' wide)	353.44
Centerline miles	163.64
Recreation and culture:	
Libraries	1
Museums	1
Parks: ⁽²⁾	
Area	405 acres
Swimming pools	9 (2 indoor)
Tennis courts	28
Ball fields	22
Shelters	14
Trail ways	98.6 miles
Greenbelt and open space	918.7 acres

SOURCE:
City of Littleton

NOTES:
(1) Littleton Public Schools
(2) Within City Limits



2018 CAFR



Compliance Section



**INDEPENDENT AUDITORS' 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 Littleton
Littleton, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Littleton, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Littleton's basic financial statements, and have issued our report thereon dated June 10, 2019. Our report includes reference to other auditors who audited the financial statements of the Littleton/Englewood Wastewater Treatment Plant Joint Venture, a joint venture of the City, as described in our report on the City's financial statements. The financial statements of the Littleton/Englewood Wastewater Treatment Plant Joint Venture were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Littleton'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 the City of Littleton's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Littleton'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.

Honorable Mayor and Members of City Council
City of Littleton

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Littleton'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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 10, 2019

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Littleton
		YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of City of Littleton, Colorado		Prepared By: Amanda Gwaltney Phone: 303-795-3852

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	5,454,186
3. Other local imposts (from page 2)	698,249
4. Miscellaneous local receipts (from page 2)	153,692
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	6,306,127
B. Private Contributions	83,354
C. Receipts from State government (from page 2)	1,937,083
D. Receipts from Federal Government (from page 2)	
E. Total receipts (A.7 + B + C + D)	8,326,564

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,574,342
2. Maintenance:	2,793,657
3. Road and street services:	
a. Traffic control operations	1,560,206
b. Snow and ice removal	490,738
c. Other	
d. Total (a. through c.)	2,050,944
4. General administration & miscellaneous	604,916
5. Highway law enforcement and safety	1,302,705
6. Total (1 through 5)	8,326,564
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	8,326,564

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		8,326,564	8,326,564		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2018	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	153,692
5. Specific Ownership &/or Other	698,249	g. Other Misc. Receipts	
6. Total (1. through 5.)	698,249	h. Other (Local Grant)	
c. Total (a. + b.)	698,249	i. Total (a. through h.)	153,692
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,725,821	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	160,016	d. Federal Transit Admin	
d. Other (Specify) - CDOT Agreement	45,240	e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT Grant	6,006	f. Other Federal	
f. Total (a. through e.)	211,262	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,937,083	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		620,837	620,837
c. Construction:			
(1). New Facilities		83,354	83,354
(2). Capacity Improvements		0	0
(3). System Preservation		870,151	870,151
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	953,505	953,505
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,574,342	1,574,342
			(Carry forward to page 1)
Notes and Comments:			
II.A.3.b.5 - Include Specific Ownership Tax of \$418,456 and County Road & Bridge Tax of \$279,793			