



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2019



CITY OF LAFAYETTE, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Prepared by
Finance Department

Steve McFarland
Finance Director

Available online at
www.cityoflafayette.com



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INTRODUCTORY SECTION



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July 16, 2020

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Lafayette, Colorado for the year ended December 31, 2019 is hereby submitted. The City is responsible for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

INTRODUCTORY SECTION

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

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

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

Profile of the Government

According to the 2010 U S Census, Lafayette had a population of 24,453 in living in its 9.46 square mile area (31st in the state), up from 23,197 people in a 8.6 square mile area in 2000 (21st in the state). It is estimated that the current population is approximately 29,382.

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

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

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

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

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

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

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

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

Factors Affecting Financial Condition

Local Economy

During 2019, the City continued to improve its financial position with constant efforts in economic development and budget control. The sales tax base has been growing as a result of new businesses locating in the City. Their presence influences established businesses in the area. Sales and use tax revenues increased 8.9% over 2018. Since 2015 (five years), sales and use tax revenues have increased 29.4%.

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

Long Term Financial Planning

The uncertainty of the economic climate over the next few years requires a systematic and disciplined approach to planning City projects and activities. The local economy has performed well in recent years: sales and property tax revenues have steadily increased, and building permit revenues have trended upwards. However, the recent pandemic (covid-19) has caused the City to temporarily pause some of its 2020 Budget capital and strategic plans and to focus first on general government operations. Based on current information, the City believes its diverse revenue base and flexible project schedule will allow it to emerge from the pandemic in acceptable financial health.

The City has an established long-term planning process in place. However, unfunded mandates are having an adverse impact on the Water Fund and Water Reclamation Fund budgets for the near future. Quality standards are becoming more onerous causing increased operating costs and, in the

INTRODUCTORY SECTION

case of the Water Reclamation Fund, requiring capital improvements far in excess of the financial capability of the Fund. The City will have a few years to arrange grants and/or financing to accommodate the required upgrades.

User rates have been increased in both funds in order to absorb increased operating costs and to adequately meet the annual debt requirements. Water rates increased 5.0%/year from 2015-19 and will increase 5.0% in 2020 and 2021. Water Reclamation rates were increased 30.0% in 2015, 25% in 2016, 7% in 2017, and 5% in 2018 and 2019. Storm Water fees are slated to increase 5% per year through 2025. These increases will help to provide needed capital for improvements in the next several years.

Although population growth subsided during the recession, the quest for sustainable water resources for drought mitigation continues. The City is currently participating in two major regional water storage projects – Windy Gap & Northern Integrated Supply Project. Both of these projects are being managed by the Northern Colorado Water Conservancy District, and will require substantial investments over a ten year period. Both projects are completing the permit process, and are ready for the design phase. Along with participation in the above two projects, the City is in a long-term contract for expansion of raw water storage facilities at Goose Haven.

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

The condition of the City's streets has been a major focus for the past few years. Annual funding for the Capital Budget is now a required budget item of at least \$250,000, with funding of \$2,500,000 for streets alone budgeted for 2020. In addition, transfers from unreserved General Fund balance have occurred for the past several years for planned projects.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. This was the 32nd consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

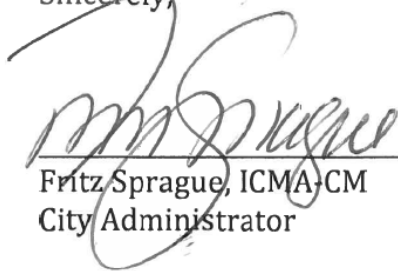
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The dedicated service of the entire staff of the Finance Department's Accounting Division went into the preparation of the 2019 CAFR. Each and every member of our staff has our sincere appreciation for the contributions they made in order to complete the 2019 CAFR.

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

Sincerely,



Fritz Sprague, ICMA-CM
City Administrator



Steve McFarland
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lafayette
Colorado**

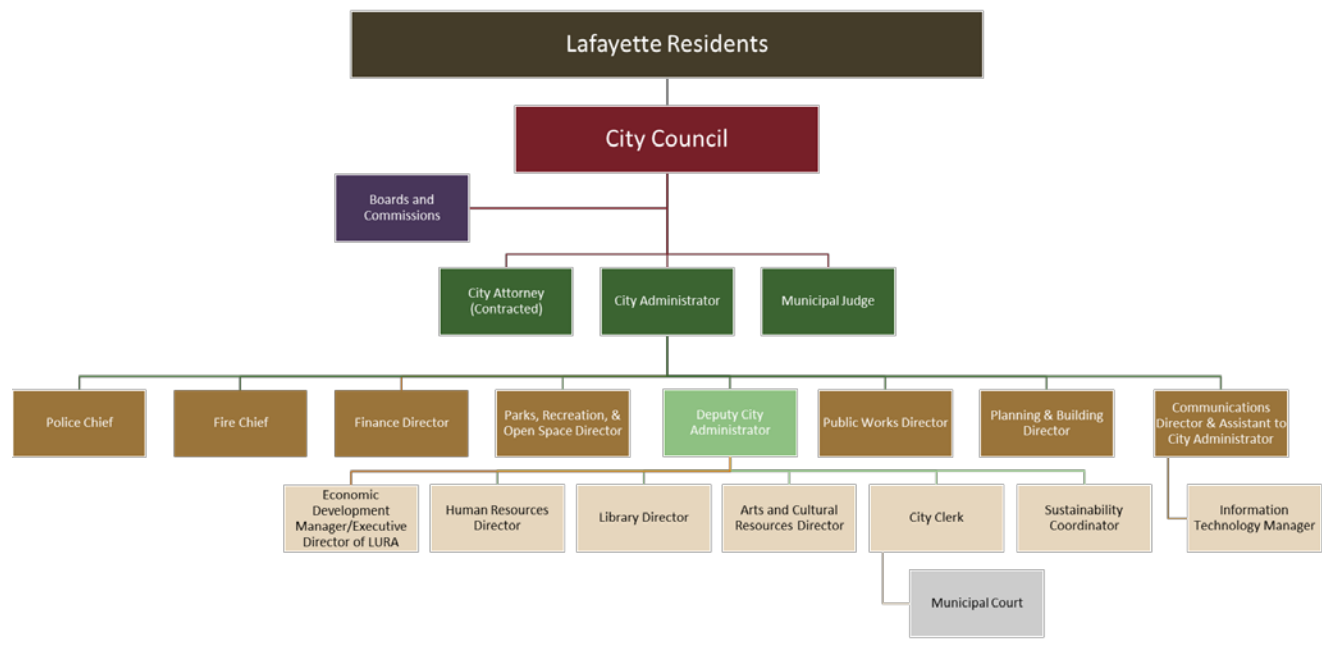
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

CITY ORGANIZATIONAL CHART



INTRODUCTORY SECTION

CITY LEADERSHIP

In office or position at the time of issuance of this report

CITY COUNCIL



(back row l-r): Interim City Attorney Mary Lynn Macsalka, Tim Barnes, Brian Wong, JD Mangat, Tonya Briggs, City Administrator Fritz Sprague (front row l-r): Chelsea Behanna, Mayor Jamie Harkins, Mayor Pro Tem Stephanie Walton

ADMINISTRATION

Fritz Sprague
City Administrator

Kady Doelling
Deputy City Administrator

Department Directors

Lynnette Beck	City Clerk
Steve McFarland	Finance Director
Pam Spring.....	Human Resources Director
Melissa Hisel.....	Library Director
Monte Stevenson.....	Parks, Recreation, Open Space & Golf Director
Jana Easley.....	Interim Planning & Building Director
Jeff Arthur	Public Works Director
Dan Garrett.....	Interim Fire Chief
Rick Bashor.....	Police Chief
Mary Lynn Macsalka	Interim City Attorney
Roger Buchholz	Municipal Court Judge

Public Works

Matt Knight..... City Engineer

FINANCIAL SECTION



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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, discretely presented component unit, and the aggregate remaining fund information of the City of Lafayette as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lafayette, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Base Line Land and Reservoir Company, which represent 30 percent and 22 percent, respectively, of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Base Line Land and Reservoir Company, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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Honorable Mayor and Members of the City Council
City of Lafayette
Page 2

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, discretely presented component unit, and the aggregate remaining fund information of the City of Lafayette as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lafayette's basic financial statements. The introductory section, combining fund and individual fund statements and schedules, supplementary information, other information, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Honorable Mayor and Members of the City Council
City of Lafayette
Page 3

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

Hick & Company, PC

Greenwood Village, Colorado
July 16, 2020



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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS



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Our discussion and analysis of the City of Lafayette's financial statements for the year ended December 31, 2019, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

Financial Highlights:

- The City's total net position at the end of 2019 was \$362.2 million, an increase of \$18.6 million, or 5.4% over the prior year's restated net position. Of this amount, \$255.4 million is related to capital assets and another \$8.9 million is restricted in how it can be spent. The remaining \$97.9 million is unrestricted.
- The City's governmental funds reported a combined ending fund balance of \$49.3 million, a decrease of \$2.2 million, or 4.2% compared to the prior year's restated fund balance. Of this fund balance, \$24.0 million, or 48.6%, was unassigned.
- The City's General Fund reported a fund balance of \$29.4 million of which \$24.0 million, or 81.6% was unassigned. Compared to the prior year, total fund balance decreased by \$0.6 million, or 2.1%, and unassigned fund balance decreased by \$0.6 million, or 2.6%.
- The City's Capital Asset balance totaled \$275.6 million, an increase of \$12.7 million, or 4.8% compared to the prior year's restated balance. Significant increased occurred related to land purchases and ongoing construction projects.
- The City's Debt balance totaled \$18.3 million, a decrease of \$6.5 million, or 26.2% compared to the prior year. All debt payments were made as scheduled and a demand bond related to the Exempla GID Fund was paid off early.

Overview of the Financial Statements:

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are

FINANCIAL SECTION

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

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

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

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, and Water Reclamation Funds, and Golf Course and Storm Water Funds (non-major funds). Conversely, since

MANAGEMENT'S DISCUSSION AND ANALYSIS

they are defined as proprietary funds, both internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

Government-wide Financial Analysis

The Statement of Net Position and Statement of Activities for 2019 are compared with the results of the prior year in order to review the City's progress towards maintaining financial stability.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lafayette, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$362.2 million at the close of 2019, an increase of \$18.6 million, or 5.4% compared to the prior year's restated balances.

The following table reflects amounts in thousands of dollars:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018 (restated)	2019	2018 (restated)	2019	2018 (restated)
Current and Other Assets	\$ 68,507	\$ 69,284	\$ 60,177	\$ 59,341	\$ 128,684	\$ 128,625
Long Term Assets	149,628	145,903	127,523	119,665	277,151	265,568
Total Assets	218,135	215,187	187,700	179,006	405,835	394,193
Deferred Outflows of Resources	3,756	2,163	603	679	4,359	2,842
Long-term Liabilities Outstanding	11,202	13,855	10,321	13,180	21,523	27,035
Other Liabilities	6,256	8,361	9,738	7,874	15,994	16,235
Total Liabilities	17,458	22,216	20,059	21,054	37,517	43,270
Deferred Inflows of Resources	10,468	10,147	-	-	10,468	10,147
Net Investment in Capital Assets	139,646	129,041	115,763	106,462	255,409	235,503
Restricted	8,917	12,250	-	-	8,917	12,250
Unrestricted	45,402	43,696	52,481	52,169	97,883	95,865
Total Net Position	\$ 193,965	\$ 184,987	\$ 168,244	\$ 158,631	\$ 362,209	\$ 343,618

FINANCIAL SECTION

Current assets were materially unchanged compared to the prior year. Note that prior year balances in this table include a reclassification of the City's 2018 \$1.0 million equity interest in Baseline Reservoir and the City's 2018 \$1.6 million Net Pension Asset from current assets to long term assets. This is a more appropriate classification for these line items.

Long term asset balances increased by \$11.6 million, or 4.4% due primarily to land, equipment and other asset purchases and investments in construction projects. This increase also includes the reclassifications of the equity interest in Baseline Reservoir and the Net Pension Asset noted above.

Deferred outflows increased \$1.5 million, or 53.4% related to changes in pension balances. Refer to Note 8 for more information on pension plans and related balances.

Long-term liabilities decreased by \$5.5 million, or 20.4%. This is due to debt service payments made in accordance with debt service schedules, as well as the early retirement of demand bonds in the Exempla GID Fund. This is offset by an increase to the Net Pension Liability, which is discussed in Note 8. Note that in the prior year, in this table, Long-term Liabilities Outstanding included current portions of debt payments and excluded the Net Pension Liability. These items have been realigned in the current schedule to more accurately reflect the nature of these line items.

The largest portion of the City's net position (70.5%) reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

The City's total revenues of \$75.3 million exceeded expenses of \$56.7 million resulting in an increase of \$18.6 million.

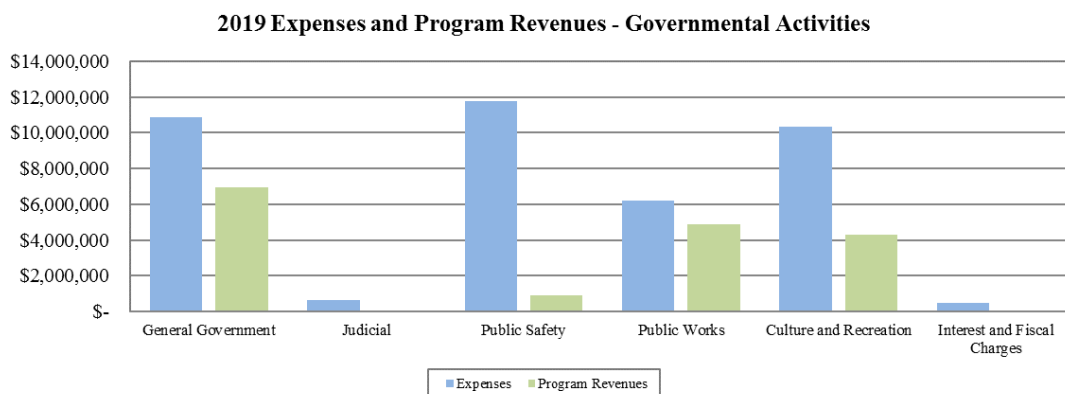
The following table reflects amounts in thousands of dollars.

	<u>Govenrmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018 (restated)</u>	<u>2019</u>	<u>2018 (restated)</u>	<u>2019</u>	<u>2018 (restated)</u>
Program Revenues:						
Charges for Services	\$ 10,614	\$ 13,082	\$ 18,291	\$ 20,473	\$ 28,905	\$ 33,555
Operating Grants	1,534	1,704	-	-	1,534	1,704
Capital Grants & Contributions	5,007	4,205	4,870	8,096	9,877	12,301
General Revenue:						
Property Taxes	10,109	10,050	-	-	10,109	10,050
Sales and Use Tax	19,709	18,105	-	-	19,709	18,105
Franchise Taxes	1,147	1,141	-	-	1,147	1,141
Excise Taxes	648	540	-	-	648	540
Interest	1,389	791	1,428	781	2,817	1,572
Gain on Sale of Property	-	-	145	-	145	-
Other General Revenues	443	307	-	-	443	307
Total Revenues	<u>50,600</u>	<u>49,925</u>	<u>24,734</u>	<u>29,350</u>	<u>75,334</u>	<u>79,275</u>
Program Expenses:						
General Government	10,857	7,151	-	-	10,857	7,151
Judicial	646	670	-	-	646	670
Public Safety	13,055	11,048	-	-	13,055	11,048
Public Works	6,229	7,395	-	-	6,229	7,395
Culture and Recreation	10,321	8,647	-	-	10,321	8,647
Interest on Long-Term Debt	514	1,018	-	-	514	1,018
Water	-	-	7,517	7,926	7,517	7,926
Water Reclamation	-	-	3,943	4,015	3,943	4,015
Golf Course	-	-	2,589	2,817	2,589	2,817
Storm Water	-	-	1,072	851	1,072	851
Total Expenses	<u>41,622</u>	<u>35,929</u>	<u>15,121</u>	<u>15,609</u>	<u>56,743</u>	<u>51,538</u>
Change in Net Position	<u>8,978</u>	<u>13,996</u>	<u>9,613</u>	<u>13,741</u>	<u>18,591</u>	<u>27,737</u>
Beginning Net Position, Jan 1	184,987	170,991	158,631	144,890	343,618	315,881
Ending Net Position, Dec 31	<u>\$ 193,965</u>	<u>\$ 184,987</u>	<u>\$ 168,244</u>	<u>\$ 158,631</u>	<u>\$ 362,209</u>	<u>\$ 343,618</u>

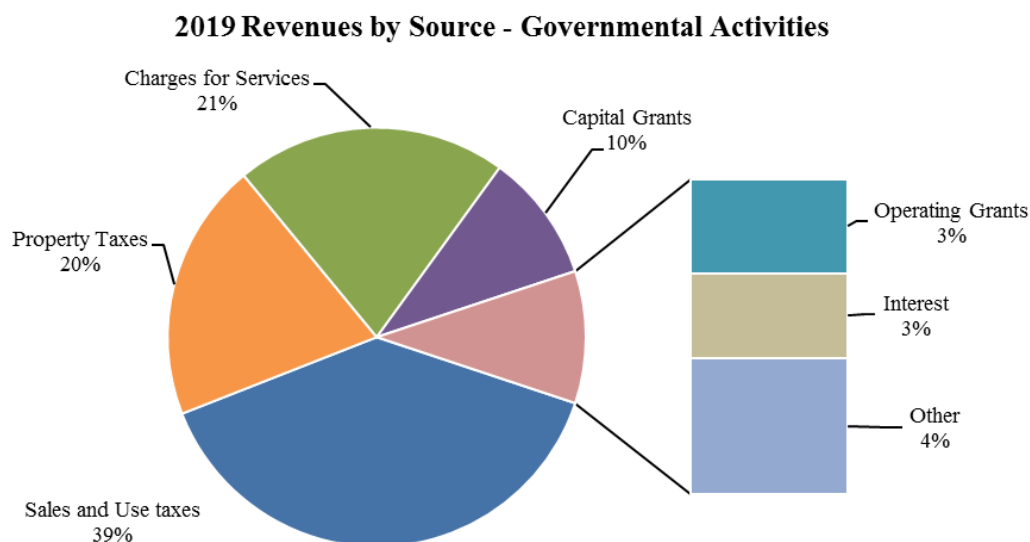
FINANCIAL SECTION

Governmental activities

During the year 2019, the change in net position in governmental activities was an increase of \$9.0 million. The increase resulted from revenues of \$50.6 million exceeding expenses of \$41.6 million. Revenues increased by \$0.7 million, or 1.4% compared to the prior year, which was due to decreases in charges for services (\$2.5 million) offset by a \$1.6 million increase in sales and use tax revenue, a \$0.8 million increase in capital grant revenue, and a \$0.6 million increase in interest income. Expenses increased by \$5.7 million, or 15.8% compared to the prior year. Included in the expense increases was a one-time \$1.0 million general government expenditure in the Exempla GID Fund relating to reconciling debt as well as \$3.6 million paid for early redemption of the demand bonds in that fund. Other program expenses increased in general government due to various operating cost adjustments. Culture and Recreation expenditures increased due to grant expenditures, which were offset by grant revenues.



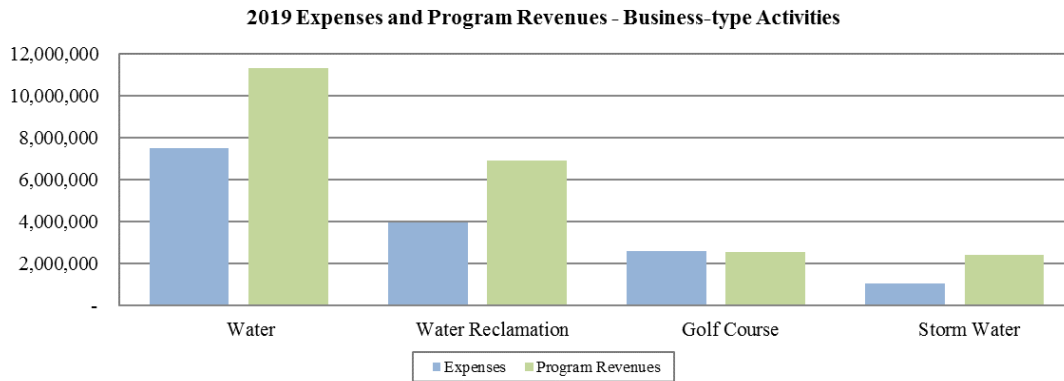
As defined in the footnotes, program revenues are directly associated with a specific activity. Program revenues account for 33.9% of total revenues related to governmental activities in 2019. General revenues, consisting mostly of taxes, are not directly associated with any governmental function, and are not included in the above chart. However, general revenues account for 66.1% of the governmental activities for 2019. Total revenues from governmental activities are summarized below.



Business-type activities

Net position in business-type activities increased \$9.6 million, or 6.1% during 2019. Revenues decreased in Charges for Services and Capital Grants and Contributions by \$2.2 million and \$3.2 million, respectively, offset by increased interest and other income of \$0.8 million. This decrease in revenues was not offset by a decrease in expenses as expenses decreased by a total of only \$0.5 million.

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



Financial Analysis of the City's Funds

Governmental Funds – Information on the major governmental funds of the City follows the government-wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2019, the City reported a combined fund balance of \$49.3 million, a decrease of \$2.2 million compared to the prior year's restated fund balance. The fund balance of the General Fund decreased \$0.9 million, the Capital Projects increased \$1.5 million (funds accumulated for future projects), and Other Governmental Funds decreased by \$2.7 million primarily related to capital projects and land acquisitions.

The General Fund is the primary operating fund of the City. At the end of 2019, the unassigned fund balance of the General Fund was \$24.0 million, a decrease of \$0.6 million compared to the prior year, primarily due to planned spending of reserves. The remainder of the fund balance for the General Fund is not in spendable form, or is restricted, committed, or assigned.

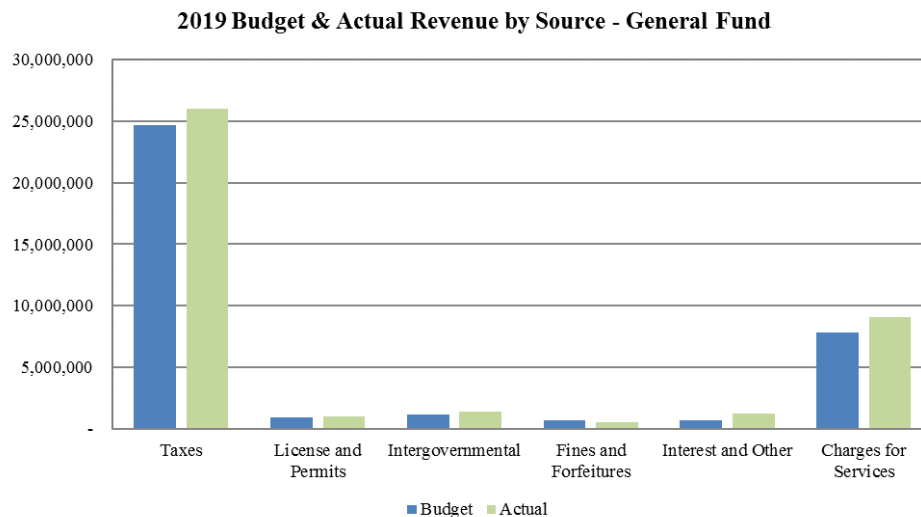
Fund balances for the non-major funds are restricted, committed or assigned to the specific purpose of each fund.

Proprietary Funds – Information on the proprietary funds provides the same type of information found in the government-wide statements, but with more detail. At the end of 2019, the City's proprietary funds reported unrestricted net position of \$52.5 million, an increase of \$0.3 million compared to the prior year's restated fund balance. Factors concerning the finances of these funds have been discussed above in the business-type activities section.

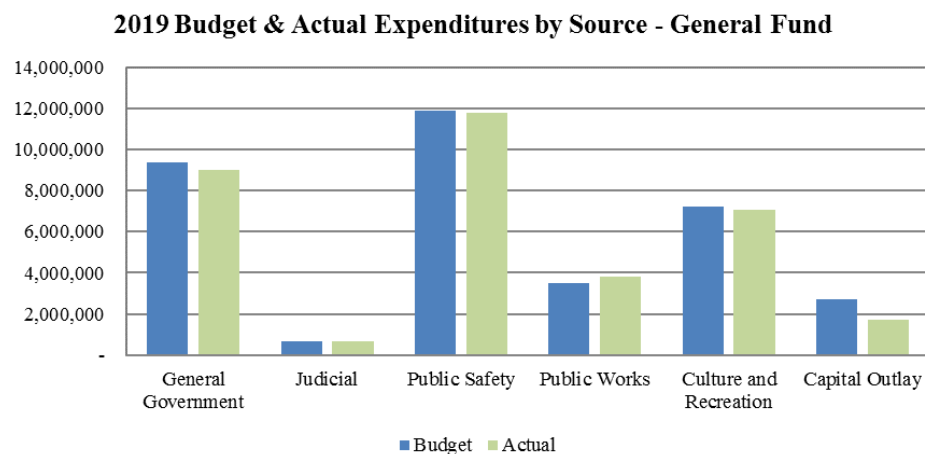
FINANCIAL SECTION

General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains carry forward appropriations for various programs and projects, and supplemental appropriations approved during the year. The General Fund accounts for all of the general services provided by the City of Lafayette. At the end of 2019, the total fund balance of the General Fund had decreased by approximately \$0.9 million (-3.1%). The unassigned fund balance decreased \$0.6 million primarily from increased expenditures as mentioned previously. The following chart presents a summary of the major revenue sources of the City's General Fund.



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



Public Works exceeded budget due to increased participation in solid waste and recycling programs, as well as unexpected personnel changes in management/engineering. Other major categories were under budget.

Capital Assets

The City of Lafayette's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$275.6 million (net of accumulated depreciation), and increase of \$12.7 million, or 4.8% compared to the prior year. The investment in capital assets includes land, buildings, water and waste water systems, improvements, machinery and equipment, park facilities, roads, storm drainage, and other infrastructure.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018 (restated)	2019	2018 (restated)
Land	\$ 80,153	\$ 75,875	\$ 7,300	\$ 7,300	\$ 87,453	\$ 83,175
Water Rights	-	-	37,010	37,010	37,010	37,010
Buildings	23,293	23,809	2,466	2,469	25,759	26,278
Improvements other than Buildings	2,227	1,504	1,797	2,097	4,024	3,601
Infrastructure	37,258	37,978	50,257	51,473	87,515	89,451
Equipment	3,824	3,531	3,035	2,541	6,859	6,072
Construction in Process	2,530	1,566	24,485	15,743	27,015	17,309
Total	<u>\$ 149,285</u>	<u>\$ 144,263</u>	<u>\$ 126,350</u>	<u>\$ 118,633</u>	<u>\$ 275,635</u>	<u>\$ 262,896</u>

Major capital asset activity during 2019 included (in thousands):

Water Utility – Water Supply Investments	\$ 5,495
Open Space Purchases (Waneka Farm & Open Space)	4,134
Street & Traffic Improvement Projects	2,929
Water Utility – Red Zone Tanks	1,983
Water Utility – Smart Meter Upgrade Project	1,923
Dedicated Infrastructure (Silver Creek Filing)	1,830
Water Reclamation – Facility Improvements	1,462
Parks Signage & Improvements	730
Golf Course Equipment & Improvements	534
City Fleet Replacements	348

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

FINANCIAL SECTION

Debt Administration

At December 31, 2019, the City had total bonded debt outstanding of \$18.3 million. Of this amount, \$5.8 million consisted of debt backed by the full faith and credit of the City, and the balance of \$12.5 million represents bonds secured solely by specified revenue sources (revenue and demand bonds). Bond payments were made as scheduled with the exception of debt related to the Exempla GID Fund, which was paid early and in full in 2019.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 5,810	\$ 6,600	\$ -	\$ -	\$ 5,810	\$ 6,600
Revenue Bonds	3,470	4,590	9,000	9,955	12,470	14,545
Demand Bonds	-	3,630	-	-	-	3,630
Total	<u>\$ 9,280</u>	<u>\$ 14,820</u>	<u>\$ 9,000</u>	<u>\$ 9,955</u>	<u>\$ 18,280</u>	<u>\$ 24,775</u>

Additional information on the City's debt structure is located in Note 6 to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The City of Lafayette experienced improved economic activity during 2019. However, a cautious approach was taken in the preparation of the 2020 budget revenues. Sales tax revenues are expected to continue to increase at a tempered pace. Total budgeted expenditures for 2020 were increased to provide pay adjustments and a \$3.5 million reserve for capital projects. The \$3.5 million will be added to the Capital Projects Fund for planned major projects.

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

Revenues for 2020 were estimated based on the following assumptions:

- Water and Storm Water usage will be similar to 2019 with 5% respective rate increases.
- Golf Course revenues are projected relatively flat compared to 2019.
- No increase was budgeted in recreation fees (Recreation Center, Lamont Does Water Park) so as to remain competitive with neighboring facilities.
- Revenue from sales and use tax returns will increase 4%.
- Building permit activity and revenues will remain consistent with 2017 performance.
- Property tax collections will approximate 100% of the levy imposed. Debt service mill levies will be adjusted to generate the necessary amounts for principal and interest payments.
- Inflation will not exceed 3%.
- Interest earnings are calculated at 2.0% interest, as a result of previously purchased investments.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Based on results for the first quarter of 2020, General Fund revenues (including transfers in) were flat the same time in 2019. The COVID-19 pandemic, which resulted in widespread business closures from March 2020 through May 2020, will certainly have a negative effect on revenues. It is hoped that delayed or reduced/eliminated expenditures will help offset the forecasted revenue losses.

The Water Utility Fund’s metered water sales increased slightly over the same period in 2019, and development fees (tap fees and payments in lieu of water dedications) to date in 2020 are flat. Water Reclamation Fund revenues have increased in the early part of 2020 due to scheduled rate increases. Golf Course revenues significantly trail 2019 due to course closure resulting from the COVID-19 pandemic.

Contacting the City’s Financial Management

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

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FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS



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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government			Component Units	
	Governmental Activites	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
Assets					
Cash and Investments	\$ 49,742,113	\$ 54,332,730	\$ 104,074,843	\$ 1,614,429	\$ 250,215
Accrued Interest Receivable	643,234	199,880	843,114	-	-
Accounts Receivable	5,146,812	4,232,187	9,378,999	680,965	1,800
Property Taxes Receivable	10,295,383	-	10,295,383	696,297	-
Special Assessments Receivable	1,506,737	17,513	1,524,250	-	-
Interfund Balances	11,886	(11,886)	-	-	-
Prepaid Expenses	717,306	-	717,306	-	-
Inventory	31,447	44,147	75,594	-	-
Restricted Cash and Investments	411,936	1,362,000	1,773,936	-	-
Notes Receivable	-	-	-	1,478,241	-
Assets Held for Resale	-	-	-	301,217	-
Equity Interest in Component Unit	-	1,173,315	1,173,315	-	-
Capital Assets, Not Being Depreciated	82,683,418	68,794,584	151,478,002	-	88,000
Capital Assets, Net of Accumulated Depreciation	66,601,872	57,555,080	124,156,952	-	1,750,580
Net Pension Asset	343,125	-	343,125	-	-
Total Assets	218,135,269	187,699,550	405,834,819	4,771,149	2,090,595
Deferred Outflows of Resources					
Loss on Debt Refunding Net of Accumulated Amortization	204,679	603,668	808,347	-	-
Pensions, Net of Accumulated Amortization	3,552,085	-	3,552,085	-	-
Total Deferred Outflows of Resources	3,756,764	603,668	4,360,432	-	-
Liabilities					
Accounts Payable	2,688,683	6,415,770	9,104,453	154,486	-
Claims Payable	149,094	-	149,094	-	-
Accrued Liabilities	699,137	192,027	891,164	-	147
Deposits Payable	625,833	159,149	784,982	2,000	-
Unearned Revenues	121,454	1,804,962	1,926,416	-	-
Noncurrent Liabilities					
Due Within One Year	1,972,109	1,748,831	3,720,940	-	206,076
Due in More Than One Year					
Other Liabilities Due in More Than One Year	9,215,659	9,738,706	18,954,365	-	208,208
Net Pension Liability	1,986,427	-	1,986,427	-	-
Total Liabilities	17,458,396	20,059,445	37,517,841	156,486	414,431
Deferred Inflows of Resources					
Property Taxes	10,295,383	-	10,295,383	696,297	-
Pensions, Net of Accumulated Amortization	172,633	-	172,633	-	-
Total Deferred Inflows of Resources	10,468,016	-	10,468,016	696,297	-
Net Position					
Net Investment in Capital Assets	139,645,432	115,763,341	255,408,773	-	-
Restricted for:					
Emergency Reserve	668,722	-	668,722	-	-
Capital Projects	7,480,403	-	7,480,403	-	-
Urban Renewal Projects	-	-	-	3,918,366	-
Cemetery - Nonexpendable	46,398	-	46,398	-	-
Cemetery - Expendable	49,255	-	49,255	-	-
GID Obligations	482,803	-	482,803	-	-
Debt Service	189,952	-	189,952	-	-
Minority Interest in Joint Venture - Nonexpendable	-	-	-	-	502,849
Unrestricted	45,402,656	52,480,432	97,883,088	-	1,173,315
Total Net Position	\$ 193,965,621	\$ 168,243,773	\$ 362,209,394	\$ 3,918,366	\$ 1,676,164

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

FINANCIAL SECTION

STATEMENT OF ACTIVITIES

Year ended December 31, 2019

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
Primary Government									
Governmental Activities									
General Government	\$ 10,857,506	\$ 5,055,582	\$ 323,098	\$ 1,591,936	\$ (3,886,890)	\$ -	\$ (3,886,890)		
Judicial	646,084	56,524	-	-	(589,560)	-	(589,560)		
Public Safety	13,054,675	924,782	-	-	(12,129,893)	-	(12,129,893)		
Public Works	6,229,133	2,266,949	1,189,933	1,451,211	(1,321,040)	-	(1,321,040)		
Culture and Recreation	10,321,126	2,309,753	20,930	1,964,051	(6,026,392)	-	(6,026,392)		
Interest and Fiscal Charges	513,808	-	-	-	(513,808)	-	(513,808)		
Total Governmental Activities	41,622,332	10,613,590	1,533,961	5,007,198	(24,467,583)	-	(24,467,583)		
Business-type Activities									
Water	7,516,930	8,329,244	-	2,979,864	-	3,792,178	3,792,178		
Water Reclamation	3,942,419	5,730,381	-	1,172,910	-	2,960,872	2,960,872		
Golf Course	2,588,749	2,544,709	-	-	-	(44,040)	(44,040)		
Storm Water	1,072,171	1,686,419	-	717,077	-	1,331,325	1,331,325		
Total Business-type Activities	15,120,269	18,290,753	-	4,869,851	-	8,040,335	8,040,335		
Total Primary Government	\$ 56,742,601	\$ 28,904,343	\$ 1,533,961	\$ 9,877,049	(24,467,583)	8,040,335	(16,427,248)		
Component Units									
Lafayette Urban Renewal Authority	\$ 397,249	\$ -	\$ -	\$ -				\$ (397,249)	\$ -
Base Line Land and Reservoir Company	161,663	364,135	-	-				-	202,472
Total Component Units	\$ 558,912	\$ 364,135	\$ -	\$ -				(397,249)	202,472
General Revenues									
Property and Specific Ownership Taxes					10,108,623	-	10,108,623	616,812	-
General Sales and Use Taxes					19,709,451	-	19,709,451	680,906	-
Franchise Taxes					1,147,437	-	1,147,437	-	-
Excise Taxes					648,815	-	648,815	-	-
Unrestricted Intergovernmental Revenues					46,891	-	46,891	-	-
Interest					1,389,129	1,427,832	2,816,961	6,436	532
Gain on Disposal of Assets					-	144,719	144,719	-	-
Miscellaneous					396,057	-	396,057	20,205	-
Total General Revenues					33,446,403	1,572,551	35,018,954	1,324,359	532
Change in Net Position					8,978,820	9,612,886	18,591,706	927,110	203,004
Net Position - January 1									
As Originally Stated					184,174,749	155,685,500	339,860,249	2,991,256	1,473,160
Prior Period Adjustments (Note 1)					812,052	2,945,387	3,757,439	-	-
As Restated					184,986,801	158,630,887	343,617,688	2,991,256	1,473,160
Net Position - December 31									
					\$ 193,965,621	\$ 168,243,773	\$ 362,209,394	\$ 3,918,366	\$ 1,676,164

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

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FINANCIAL SECTION

GOVERNMENTAL FUNDS – BALANCE SHEET

December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total
Assets				
Cash and Investments	\$ 28,454,944	\$ 11,843,437	\$ 7,715,221	\$ 48,013,602
Accrued Interest Receivable	104,940	39,466	31,884	176,290
Accounts Receivable	3,829,635	-	1,317,177	5,146,812
Property Taxes Receivable	8,762,593	-	1,532,790	10,295,383
Special Assessments Receivable	1,067,337	-	439,400	1,506,737
Interfund Receivables	87,159	-	-	87,159
Prepaid Items	695,163	-	-	695,163
Inventory	31,447	-	-	31,447
Restricted Cash and Investments	365,538	-	46,398	411,936
Total Assets	\$ 43,398,756	\$ 11,882,903	\$ 11,082,870	\$ 66,364,529
Liabilities				
Accounts Payable	\$ 1,910,709	\$ 312,124	\$ 416,344	\$ 2,639,177
Accrued Liabilities	670,521	-	-	670,521
Interfund Payables	-	-	75,273	75,273
Deposits Payable	550,833	-	75,000	625,833
Unearned Revenues	121,454	-	-	121,454
Total Liabilities	3,253,517	312,124	566,617	4,132,258
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	8,762,593	-	1,532,790	10,295,383
Unavailable Revenue - Special Assessments	1,067,337	-	439,400	1,506,737
Unavailable Revenue - Other	964,488	-	179,336	1,143,824
Total Deferred Inflows of Resources	10,794,418	-	2,151,526	12,945,944
Fund Balance				
Nonspendable				
Prepaid Items	695,163	-	-	695,163
Inventory	31,447	-	-	31,447
Cemetery Endowment	-	-	46,398	46,398
Restricted				
Emergency Reserve	668,722	-	-	668,722
Capital Projects	365,538	550,116	6,564,749	7,480,403
Cemetery	49,255	-	-	49,255
GID Obligations	-	-	482,803	482,803
Debt Service	-	-	189,952	189,952
Committed				
Capital Projects	3,026,782	11,020,663	-	14,047,445
Affordable Housing	530,664	-	-	530,664
Assigned				
Education and Pension Administrative Costs	29,510	-	-	29,510
GID Obligations	-	-	521,442	521,442
Recreation, Open Space, and Parks	-	-	559,215	559,215
Cemetery	-	-	168	168
Unassigned	23,953,740	-	-	23,953,740
Total Fund Balance	29,350,821	11,570,779	8,364,727	49,286,327
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 43,398,756	\$ 11,882,903	\$ 11,082,870	\$ 66,364,529

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

BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2019

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

Total Fund Balance of Governmental Funds	\$ 49,286,327
Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds.	149,285,290
Long-term assets are not available to pay current year expenditures and therefore are deferred in governmental funds.	
Unavailable Special Assessments Receivable	1,506,737
Unavailable Intergovernmental Receivables	1,143,824
Accrued Interest on special assessments is recorded as a receivable on the Statement of Net Position. This item is not available and is not recognized in the governmental funds.	462,332
Net pension asset and liabilities and the related deferred inflows and outflows are not current financial resources and therefore are not reported in governmental funds.	
Net Pension Asset	343,125
Net Pension Liability	(1,986,427)
Pension-related Deferred Outflows	3,552,085
Pension-related Deferred Inflows	(172,633)
Long-term liabilities and related items are not due and payable in the current year and therefore are not reported in governmental funds.	
Loss on Debt Refunding, Net of Accumulated Amortization	204,679
Accrued Interest Payable	(28,616)
Long-Term Debt, net of Internal Service Fund liabilities \$706,272.	(10,375,811)
Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	744,709
Total Net Position of Governmental Activities	<u>\$ 193,965,621</u>

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

FINANCIAL SECTION

GOVERNMENTAL FUNDS – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended December 31, 2019

	General	Capital Projects	Other Governmental Funds	Total
Revenues				
Taxes	\$ 26,033,251	\$ -	\$ 5,455,932	\$ 31,489,183
Licenses and Permits	995,596	-	-	995,596
Intergovernmental	1,395,017	-	1,964,051	3,359,068
Contributions and Grants	179,086	-	-	179,086
Charges for Services	9,073,357	-	-	9,073,357
Fines and Forfeitures	519,562	-	-	519,562
Interest	858,256	250,663	233,200	1,342,119
Special Assessments	42,419	-	-	42,419
Miscellaneous	193,748	82,047	202,309	478,104
Total Revenues	39,290,292	332,710	7,855,492	47,478,494
Expenditures				
Current				
General Government	8,981,618	292,707	1,121,933	10,396,258
Judicial	647,938	-	-	647,938
Public Safety	11,769,985	-	-	11,769,985
Public Works	3,838,929	-	-	3,838,929
Culture and Recreation	7,076,058	-	1,696,273	8,772,331
Capital Outlay	1,739,799	2,899,110	5,061,796	9,700,705
Debt Service				
Bond Principal	-	-	5,540,000	5,540,000
Bond Interest and Fiscal Charges	-	-	562,252	562,252
Total Expenditures	34,054,327	3,191,817	13,982,254	51,228,398
Excess (Deficiency) of Revenues Over Expenditures	5,235,965	(2,859,107)	(6,126,762)	(3,749,904)
Other Financing Sources (Uses)				
Transfers In	1,182,484	4,350,000	2,994,000	8,526,484
Transfers Out	(7,344,000)	-	(1,182,484)	(8,526,484)
Contributions	-	-	1,591,936	1,591,936
Total Other Financing Sources (Uses)	(6,161,516)	4,350,000	3,403,452	1,591,936
Net Change in Fund Balance	(925,551)	1,490,893	(2,723,310)	(2,157,968)
Fund Balance, January 1				
As Originally Stated	29,987,076	10,079,886	11,088,037	51,154,999
Prior Period Adjustments (Note 1)	289,296	-	-	289,296
As Restated	30,276,372	10,079,886	11,088,037	51,444,295
Fund Balance, December 31	\$ 29,350,821	\$ 11,570,779	\$ 8,364,727	\$ 49,286,327

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

BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES Year ended December 31, 2019

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

Net Change in Fund Balance of Governmental Funds	\$ (2,157,968)
--	----------------

Capital outlay to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives and reported as annual depreciation expense in the statement of activities.

Capital Outlay	9,700,705
Developer Dedications	1,357,711
Depreciation Expense	(5,274,436)
Loss on Disposal of Capital Assets	(761,831)

Repayments of debt principal are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net position and do not affect the statement of activities.

Bond Payments	5,540,000
---------------	-----------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of Loss on Debt Refunding	(38,727)
Amortization of Bond Premiums	80,648

Revenues that do not provided current financial resources are deferred in governmental funds but are recognized in governmental activities. This includes changes in the following.

Unavailable Special Assessments Receivable	126,001
Unavailable Other Receivables	47,010

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This includes changes in the following.

Net Pension Asset	(1,297,181)
Net Pension Liability	(1,138,797)
Pension-related Deferred Outflows and Inflows	2,049,566
Accrued Interest Payable	6,523
Accrued Compensated Absences	(30,377)

Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The net revenue (expense) of the internal service funds is included in governmental activities in the statement of activities.

769,973

Change in Net Position of Governmental Activities

<u>\$ 8,978,820</u>

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

FINANCIAL SECTION

PROPRIETARY FUNDS – STATEMENT OF NET POSITION

December 31, 2019

	Water Utility	Water Reclamation Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets					
Current Assets					
Cash and Investments	\$ 38,771,071	\$ 13,545,960	\$ 2,015,699	\$ 54,332,730	\$ 1,728,511
Accrued Interest Receivable	148,855	45,727	5,298	199,880	4,612
Accounts Receivable	2,762,002	1,292,239	177,946	4,232,187	-
Prepaid Expenses	-	-	-	-	22,143
Inventory	-	-	44,147	44,147	-
Restricted Cash and Investments	1,362,000	-	-	1,362,000	-
Total Current Assets	43,043,928	14,883,926	2,243,090	60,170,944	1,755,266
Noncurrent Assets					
Assessments Receivable	-	17,513	-	17,513	-
Equity Interest in Component Unit	1,173,315	-	-	1,173,315	-
Capital Assets, Not Being Depreciated	65,894,591	2,625,090	274,903	68,794,584	-
Capital Assets, Net of Accumulated Depreciation	31,766,228	21,039,372	4,749,480	57,555,080	-
Total Noncurrent Assets	98,834,134	23,681,975	5,024,383	127,540,492	-
Total Assets	141,878,062	38,565,901	7,267,473	187,711,436	1,755,266
Deferred Outflows of Resources					
Unamortized Charges on Debt Refunding	603,668	-	-	603,668	-
Liabilities					
Current Liabilities					
Accounts Payable	5,678,019	566,206	171,545	6,415,770	49,506
Claims Payable	-	-	-	-	149,094
Accrued Liabilities	64,408	38,574	38,580	141,562	-
Accrued Interest Payable	30,479	19,986	-	50,465	-
Deposits Payable	58,600	-	100,549	159,149	-
Unearned Revenues	1,365,711	439,251	-	1,804,962	-
Interfund Payables	-	-	11,886	11,886	-
Compensated Absences - Current Portion	14,937	7,272	4,449	26,658	811,957
Long-Term Debt - Current Portion	1,112,687	609,486	-	1,722,173	-
Total Current Liabilities	8,324,841	1,680,775	327,009	10,332,625	1,010,557
Noncurrent Liabilities					
Compensated Absences	104,150	70,760	95,978	270,888	-
Long-Term Debt	8,828,821	638,997	-	9,467,818	-
Total Noncurrent Liabilities	8,932,971	709,757	95,978	9,738,706	-
Total Liabilities	17,257,812	2,390,532	422,987	20,071,331	1,010,557
Net Position					
Net Investment in Capital Assets	88,322,979	22,415,979	5,024,383	115,763,341	-
Unrestricted	36,900,939	13,759,390	1,820,103	52,480,432	744,709
Total Net Position	\$ 125,223,918	\$ 36,175,369	\$ 6,844,486	\$ 168,243,773	\$ 744,709

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

BASIC FINANCIAL STATEMENTS

PROPRIETARY FUNDS – STATEMENT OF CHANGES IN NET POSITION

Year ended December 31, 2019

	Water Utility	Water Reclamation Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues					
Charges for Services	\$ 8,225,127	\$ 5,724,615	\$ 4,220,078	\$ 18,169,820	\$ 4,787,487
Miscellaneous	104,117	5,766	11,050	120,933	52,590
Total Operating Revenues	8,329,244	5,730,381	4,231,128	18,290,753	4,840,077
Operating Expenses					
Administration	1,851,139	966,424	695,608	3,513,171	-
Operations	3,781,319	1,842,604	2,414,953	8,038,876	-
Premiums and Claims Paid	-	-	-	-	4,750,981
Miscellaneous	-	-	-	-	56,348
Depreciation	1,525,632	1,088,527	550,359	3,164,518	-
Total Operating Expenses	7,158,090	3,897,555	3,660,920	14,716,565	4,807,329
Operating Income (Loss)	1,171,154	1,832,826	570,208	3,574,188	32,748
Nonoperating Revenues (Expenses)					
Interest Income	1,041,029	341,873	44,930	1,427,832	29,560
Equity Income from Component Unit	142,103	-	-	142,103	-
Insurance Proceeds	-	-	-	-	707,665
Interest Expense	(358,537)	(44,864)	-	(403,401)	-
Bond Fees	(303)	-	-	(303)	-
Gain on Disposal of Capital Assets	9,450	11,519	123,750	144,719	-
Total Nonoperating Revenues (Expenses)	833,742	308,528	168,680	1,310,950	737,225
Net Income (Loss) Before Capital Contributions	2,004,896	2,141,354	738,888	4,885,138	769,973
Capital Contributions					
Tap and Development Fees	1,580,653	995,757	582,250	3,158,660	-
Payments in Lieu of Water	966,746	-	-	966,746	-
Developer Dedications	290,362	177,153	134,827	602,342	-
Total Capital Contributions	2,837,761	1,172,910	717,077	4,727,748	-
Change in Net Position	4,842,657	3,314,264	1,455,965	9,612,886	769,973
Total Net Position, January 1					
As Originally Stated	118,029,369	32,267,610	5,388,521	155,685,500	(25,264)
Prior Period Adjustments (Note 1)	2,351,892	593,495	-	2,945,387	-
As Restated	120,381,261	32,861,105	5,388,521	158,630,887	(25,264)
Total Net Position, December 31	\$ 125,223,918	\$ 36,175,369	\$ 6,844,486	\$ 168,243,773	\$ 744,709

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

FINANCIAL SECTION

PROPRIETARY FUNDS – STATEMENT OF CASH FLOWS

Year ended December 31, 2019

	Water	Water Reclamation Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities					
Receipts From Customers and Users	\$ 8,310,163	\$ 5,678,996	\$ 4,195,195	\$ 18,184,354	\$ 4,840,077
Payments to Vendors and Suppliers	(1,034,811)	(677,448)	(1,155,660)	(2,867,919)	(4,690,583)
Payments to Employees	(1,753,852)	(1,049,452)	(1,503,320)	(4,306,624)	-
Payments for Interfund Services Used	(1,321,073)	(796,333)	(315,585)	(2,432,991)	-
Net Cash Provided by Operating Activities	4,200,427	3,155,763	1,220,630	8,576,820	149,494
Cash Flows from Noncapital Financing Activities					
Interfund Loans	175,000	-	(163,114)	11,886	-
Net Cash Used by Noncapital Financing Activities	175,000	-	(163,114)	11,886	-
Cash Flows from Capital and Related Financing Activities					
Tap and Development Fees	810,857	501,351	582,250	1,894,458	-
Payments in Lieu of Water	966,746	-	-	966,746	-
Acquisition and Construction of Capital Assets	(8,156,333)	(1,560,843)	(564,591)	(10,281,767)	-
Proceeds from Sale of Assets	9,450	14,900	123,750	148,100	-
Insurance Proceeds	-	-	-	-	707,665
Bond Fees Paid	(303)	-	-	(303)	-
Principal Paid on Long-Term Debt	(955,000)	(577,614)	-	(1,532,614)	-
Interest Paid on Long-Term Debt	(403,951)	(64,463)	-	(468,414)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,728,534)	(1,686,669)	141,409	(9,273,794)	707,665
Cash Flows from Investing Activities					
Interest Received	1,011,420	327,646	42,334	1,381,400	26,951
Net Cash Provided by Investing Activities	1,011,420	327,646	42,334	1,381,400	26,951
Net Increase (Decrease) in Cash and Cash Equivalents	(2,341,687)	1,796,740	1,241,259	696,312	884,110
Cash and Cash Equivalents, January 1	42,474,758	11,749,220	774,440	54,998,418	844,401
Cash and Investments, December 31	\$ 40,133,071	\$ 13,545,960	\$ 2,015,699	\$ 55,694,730	\$ 1,728,511

BASIC FINANCIAL STATEMENTS

PROPRIETARY FUNDS – STATEMENT OF CASH FLOWS (continued)

Year ended December 31, 2019

	Water	Water Reclamation Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 1,171,154	\$ 1,832,826	\$ 570,208	\$ 3,574,188	\$ 32,748
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation Expense	1,525,632	1,088,527	550,359	3,164,518	-
Changes in Assets and Liabilities					
Receivables	(13,081)	(51,385)	(53,284)	(117,750)	-
Prepaid Expenses	-	-	-	-	19,667
Inventory	-	-	13,380	13,380	-
Accounts Payable	1,535,834	307,059	121,917	1,964,810	20,017
Claims Payable	-	-	-	-	(28,623)
Accrued Liabilities	4,129	(5,472)	(59)	(1,402)	-
Deposits Payable	(6,000)	-	17,351	11,351	-
Compensated Absences	(17,241)	(15,792)	758	(32,275)	105,685
Total Adjustments	3,029,273	1,322,937	650,422	5,002,632	116,746
Net Cash Provided by Operating Activities	\$ 4,200,427	\$ 3,155,763	\$ 1,220,630	\$ 8,576,820	\$ 149,494
Noncash Activities					
Equity Investment in Component Unit	\$ 142,103	\$ -	\$ -	\$ 142,103	\$ -

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

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FINANCIAL SECTION

NOTES TO THE FINANCIAL STATEMENTS



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NOTES TO THE BASIC FINANCIAL STATEMENTS

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FINANCIAL SECTION

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

Lafayette Urban Renewal Authority (LURA) was separated from the City in 2012 and was established as a legally separate entity with a separate board appointed by the Mayor. The purpose of LURA is to revitalize the downtown area of Lafayette. Funding for LURA comes from tax-increment financing in addition to a portion of sales taxes collected from the business members within the urban renewal district. LURA does not issue separate financial statements. As there would be no difference between full and modified accrual statements for LURA, based on the entity's activities, additional financial statements are not presented in this report.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

B. Government-wide and Fund Financial Statements

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

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

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

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

FINANCIAL SECTION

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The Capital Projects Fund accounts for capital improvements financed primarily by debt proceeds and General Fund transfers.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Fund, Water Reclamation Fund, Storm Water Fund, and Golf Course Fund are charges to customers for sales and services. The Water Fund and Water Reclamation Fund also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, the City reports the following fund types:

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

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

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

D. Cash Equivalents

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

E. Investments

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

F. Interfund Receivables/Payables

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

G. Property Taxes Receivable

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

FINANCIAL SECTION

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

H. Prepaid Expenses

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

I. Inventory

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

J. Assets Held for Resale

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

K. Capital Assets

All capital assets, including “Public Domain” capital assets such as streets and sidewalks are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with a value exceeding the thresholds below and with an estimated useful life in excess of two years.

Land and land rights & infrastructure	\$	25,000
Buildings and improvements		15,000
Equipment and vehicles		5,000

Capital assets are reported at original cost. Donated assets are valued at the acquisition value on the date donated. Costs incurred for the purchase, or construction, of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds. Infrastructure assets include streets, sidewalks, trails, traffic signals and similar items.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

L. Long-Term Obligations

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

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

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

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

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

M. Compensated Absences

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

FINANCIAL SECTION

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Pensions

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

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

O. Postemployment Benefits Other Than Pensions (OPEB)

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

P. Fund Balance/Net Position

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned fund balances occur on the intention, as opposed to formal action, of a specific use. The authority to assign fund balances has been delegated by City Council to the City Administrator or Finance Director up to, and including, \$100,000. A report shall be made to Council as to the actions taken. Assignment of fund balances in excess of \$100,000 shall be approved by Council as a resolution before the end of the year the assignment is to be effective. All of the above classifications will not apply to every governmental fund. Each classification depicts the net resources that are reported in each fund.

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

Since 1988, the City of Lafayette's financial policy requires the "unassigned" General Fund balance to be maintained at 25% of budgeted expenditures for each year. The financial policy was established by Council resolution. In addition, in 1992, the Taxpayer's Bill of Rights (TABOR) was adopted as a constitutional amendment in the State of Colorado, effective in 1993. One of the provisions, which is absolute, requires each municipality to set aside an emergency reserve of 3% of its fiscal year spending. The City of Lafayette has taken the position that the TABOR reserve is included in the reserve required by its financial policies established in previous years. The presentation of the "restricted" General Fund balance reflects the emergency reserve required by TABOR with the balance of the required reserve per the City of Lafayette's financial policy is included in the "unassigned" fund balance reported.

For 2019, the General Fund reserve requirement of 25% of budgeted expenditures requires a minimum reserve of amount \$8,381,037. As of December 31, 2019, the amount restricted for the TABOR reserve was \$ 668,722 and the unassigned fund balance reported in the General Fund was \$23,953,740, exceeding the minimum reserve required.

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

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

At December 31, 2019, the Golf Course Fund reported an unrestricted net position of (\$187,895) due to revenues being lower than expected offset by unanticipated expenditures. Future year budgets are being reviewed to consider ways to replenish this fund's net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Special Assessments

Special assessments are recognized in governmental funds as revenue in the year that the assessments become available. This results in recognizing revenue only in the amount of assessment installments as they are collected. The remaining assessed but uncollected installments are recorded as deferred inflows. The City has not reflected the special assessment interest as revenue or as a receivable at December 31, 2019, as such amounts are not considered currently measurable. Collection of delinquent interest is recorded as revenue when received.

R. Deferred Outflows and Deferred Inflows of Resources

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

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

S. Abatements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Incentive packages vary and may include rebates of permit fees, use tax, or sales tax. Rebates of sales tax are only considered for new tax-generating businesses or existing businesses making substantial investments (in building improvements which would have a correlation with increased sales tax collections). Building permit fee and use tax rebates are only considered for substantial investments (in building improvements). All EDA's are subject to annual appropriation by City Council as required in the Colorado Constitution and the City Charter. As of December 31, 2019, the City had four active incentive agreements in place. During 2019, the City incurred \$499,170 in tax abatements.

T. Implementation of New Accounting Pronouncements

In 2019, the City of Lafayette implemented GASB Statement No. 84 – Fiduciary Activities. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if activity is fiduciary in nature and therefore should be reported as such. The statement also redefines the types of fiduciary funds that may be reported.

Prior to 2019, the City did not report any fiduciary activities. Under this new guidance, and analysis of potential fiduciary activity was reviewed. The only activity determined to be fiduciary in nature is the collection of taxes on behalf of other governments. This activity was previously accounted for as a liability in the General Fund with a \$0 balance as of the end of the prior year. Therefore, implementation of this guidance has no effect on the prior year financial statements and a restatement is not necessary. Current year activity has been recorded in a newly created Fiduciary Fund and is reported using the financial statement form required by the guidance.

U. Prior Period Adjustments

In 2019, the City recorded the following prior period adjustments:

Deferral of Development Fees

In 2018, the City entered into an economic development agreement that included the deferral of \$3.4 million of development fees payable at a future date. Under normal circumstances, without a development agreement stating otherwise, these fees would have been due and considered earned in 2018. These fees impact the General Fund, Water Utility Fund, and Water Reclamation Fund as outlined below. Had this revenue been recognized in the Water Utility and Water Reclamation Funds in 2018 when it was earned, those funds would have owed a larger administrative fee to the General Fund in that year. Therefore, a prior period adjustment has been recorded to reflect the deferred development fees as well as the resulting administrative fees owed to the General Funds.

Asset Capitalization

In 2018, the Water Utility Fund incurred expenses of \$341,721 related to construction in process that were not properly capitalized in that year. A prior period adjustment has been recorded to reflect a 2018 increase to Construction in Process and decrease to expenses.

FINANCIAL SECTION

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial impact of these prior period adjustments on the financial statement opening balances of the Governmental Activities and General Fund are summarized as follows:

	2018 Balances As Reported	Deferred Development Fees	Administrative Fees	Asset Capitalization	2018 Balances Adjusted
Governmental Activities					
<i>Statement of Net Position</i>					
Assets	\$ 214,374,896	\$ 522,756	\$ 289,296	\$ -	\$ 215,186,948
Deferred Outflows of Resources	2,162,797	-	-	-	2,162,797
Liabilities	22,216,080	-	-	-	22,216,080
Deferred Inflows of Resources	10,146,864	-	-	-	10,146,864
Net Position	<u>\$ 184,174,749</u>	<u>\$ 522,756</u>	<u>\$ 289,296</u>	<u>\$ -</u>	<u>\$ 184,986,801</u>
<i>Statement of Revenues, Expenditures, and Changes in Net Position</i>					
General Revenues	\$ 30,934,406	\$ 522,756	\$ 289,296	\$ -	\$ 31,746,458
Program Revenues	18,177,900	-	-	-	18,177,900
Total Revenues	49,112,306	522,756	289,296	-	49,924,358
Expenses	35,929,025	-	-	-	35,929,025
Change in Net Position	13,183,281	522,756	289,296	-	13,995,333
Net Position January 1	170,991,468	-	-	-	170,991,468
Net Position December 31	<u>\$ 184,174,749</u>	<u>\$ 522,756</u>	<u>\$ 289,296</u>	<u>\$ -</u>	<u>\$ 184,986,801</u>
General Fund					
<i>Balance Sheet</i>					
Assets	\$ 43,034,440	\$ 522,756	\$ 289,296	\$ -	\$ 43,846,492
Liabilities	3,764,575	-	-	-	3,764,575
Deferred Inflows of Resources	9,282,789	522,756	-	-	9,805,545
Fund Balance	<u>\$ 29,987,076</u>	<u>\$ -</u>	<u>\$ 289,296</u>	<u>\$ -</u>	<u>\$ 30,276,372</u>
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance</i>					
Revenues	\$ 39,012,267	\$ -	\$ 289,296	\$ -	\$ 39,301,563
Expenditures	32,467,411	-	-	-	32,467,411
Excess (Deficiency) of Revenues Over Expenditures	6,544,856	-	289,296	-	6,834,152
Other Financing Sources (Uses)	(4,714,641)	-	-	-	(4,714,641)
Change in Fund Balance	1,830,215	-	289,296	-	2,119,511
Fund Balance January 1	28,156,861	-	-	-	28,156,861
Fund Balance December 31	<u>\$ 29,987,076</u>	<u>\$ -</u>	<u>\$ 289,296</u>	<u>\$ -</u>	<u>\$ 30,276,372</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial impact of these prior period adjustments on the financial statement opening balances of the Water Utility and Water Reclamation Funds are summarized as follows:

	2018 Balances As Reported	Deferred Development Fees	Administrative Fees	Asset Capitalization	2018 Balances Adjusted
Water Utility Fund					
<i>Balance Sheet</i>					
Current Assets	\$ 43,507,755	\$ 2,233,523	\$ (223,352)	\$ -	\$ 45,517,926
Noncurrent Assets	91,429,247	-	-	341,721	91,770,968
Deferred Outflows of Resources	679,126	-	-	-	679,126
Current Liabilities	7,479,847	-	-	-	7,479,847
Noncurrent Liabilities	10,106,912	-	-	-	10,106,912
Net Position	<u>\$ 118,029,369</u>	<u>\$ 2,233,523</u>	<u>\$ (223,352)</u>	<u>\$ 341,721</u>	<u>\$ 120,381,261</u>

*Statement of Revenues, Expenditures,
and Changes in Net Position*

Operating Results

Operating Revenues	\$ 8,593,015	\$ 2,233,523	\$ -	\$ -	\$ 10,826,538
Operating Expenses	7,666,152	-	223,352	(341,721)	7,547,783
Operating Income (Loss)	926,863	2,233,523	(223,352)	341,721	3,278,755
Nonoperating Revenues (Expenses)	569,364	-	-	-	569,364
Capital Contributions	6,120,679	-	-	-	6,120,679
Change in Net Position	7,616,906	2,233,523	(223,352)	341,721	9,968,798
Net Position January 1	110,412,463				110,412,463
Net Position December 31	<u>\$ 118,029,369</u>	<u>\$ 2,233,523</u>	<u>\$ (223,352)</u>	<u>\$ 341,721</u>	<u>\$ 120,381,261</u>

Water Reclamation Fund

Balance Sheet

Current Assets	\$ 12,428,076	\$ 659,439	\$ (65,944)	\$ -	\$ 13,021,571
Noncurrent Assets	23,035,889	-	-	-	23,035,889
Current Liabilities	1,902,022	-	-	-	1,902,022
Noncurrent Liabilities	1,294,333	-	-	-	1,294,333
Net Position	<u>\$ 32,267,610</u>	<u>\$ 659,439</u>	<u>\$ (65,944)</u>	<u>\$ -</u>	<u>\$ 32,861,105</u>

*Statement of Revenues, Expenditures,
and Changes in Net Position*

Operating Results

Operating Revenues	\$ 5,351,810	\$ 659,439	\$ -	\$ -	\$ 6,011,249
Operating Expenses	3,881,847	-	65,944	-	3,947,791
Operating Income (Loss)	1,469,963	659,439	(65,944)	-	2,063,458
Nonoperating Revenues (Expenses)	95,742	-	-	-	95,742
Capital Contributions	1,309,762	-	-	-	1,309,762
Change in Net Position	2,875,467	659,439	(65,944)	-	3,468,962
Net Position January 1	29,392,143				29,392,143
Net Position December 31	<u>\$ 32,267,610</u>	<u>\$ 659,439</u>	<u>\$ (65,944)</u>	<u>\$ -</u>	<u>\$ 32,861,105</u>

FINANCIAL SECTION

NOTE 2 CASH DEPOSITS AND INVESTMENTS

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

Deposits and investments at December 31, 2019, are summarized below:

Cash on hand	\$ 2,372
Deposits	9,261,464
Investments	<u>96,584,943</u>
Total	<u>\$ 105,848,779</u>

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

Cash and Investments	\$ 104,074,843
Restricted Cash and Investments	<u>1,773,936</u>
Total	<u>\$ 105,848,779</u>

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. At December 31, 2019, the City had uninsured bank deposits of \$9,011,464 collateralized by the financial institutions' agents but not in the City's name.

B. Investments

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 CASH DEPOSITS AND INVESTMENTS (continued)

On December 31, 2019, the City had the following investments:

Investment Type	S & P Rating	Investment Maturity (in years)		
		Less than 1	1 to 3	Total
Money Market	N/A	\$ 64,305	\$ -	\$ 64,305
U.S. Treasury Securities	AA+	4,918,445	16,582,993	21,501,438
U.S. Agency Securities	AA+	11,340,719	19,251,708	30,592,427
Local Government Investment Pools	AAAmm	24,964,691	-	24,964,691
Municipal Bonds	AA+	-	566,323	566,323
Municipal Bonds	AA	-	1,098,691	1,098,691
Municipal Bonds	AA-	-	2,037,100	2,037,100
Corporate Securities	AAA	-	4,337,468	4,337,468
Corporate Securities	AA+	1,999,936	-	1,999,936
Corporate Securities	AA	3,559,845	-	3,559,845
Corporate Securities	AA-	-	5,862,719	5,862,719
Total		<u>\$ 46,847,941</u>	<u>\$ 49,737,002</u>	<u>\$ 96,584,943</u>

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

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

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

Level 3 - Unobservable inputs for an asset or liability.

There have been no significant changes in the valuation techniques during the year ending December 31, 2019. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. As of December 31, 2019, U.S Treasury securities, U.S. Agency securities, commercial paper, and corporate securities are classified within Level 2 of the hierarchy. Participant balances in the local government investment pools and the money market fund are stated at the net asset value per share.

FINANCIAL SECTION

NOTE 2 CASH DEPOSITS AND INVESTMENTS (continued)

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

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

Custodial Credit Risk - The City's custodial credit risk policy also follows State statutes. On December 31, 2019, the City had investments held by Wells Fargo Institutional Retirement and Trust in a custodial safekeeping account in the amount of \$71,620,323. All investments are specifically separate from the investments of the custodian and are identified as being investments of the City.

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

Local Government Investment Pools - At December 31, 2019, the City had invested \$24,964,691 in the Colorado Local Government Liquid Asset Trust (Colotrust), the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Statewide Investment Pool (CSIP). The Trusts are investment vehicles established by State statutes for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. The Trusts are rated AAAM by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify investments owned by the participating governments. The City's investment in CSAFE is measure at amortized cost.

C. Component Unit

At December 31, 2019, LURA had bank deposits totaling \$1,359,884. The uninsured portion of the bank deposits of \$1,109,884 was collateralized by the financial institution's agent but not in LURA's name. In addition, LURA had \$274,948 invested in Colotrust.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 RESTRICTED CASH AND INVESTMENTS

In summary, restricted cash and investments at December 31, 2019, were as follows:

General Fund	
Northwest Parkway	\$ 365,538
Cemetery Endowment Fund	
Trust Accounts	46,398
Water Utility Fund	
Debt Reserve	<u>1,362,000</u>
Total	<u>\$ 1,773,936</u>

In 2001, the City received \$1,000,000 from the Northwest Parkway Public Highway Authority for capital projects and conservation easement acquisitions related to the Northwest Parkway Project. In 2003 utility lines and sleeves were installed during construction of the Parkway at a cost of \$177,196. During 2004, \$650,000 was committed for construction of White Tail Park in South Pointe, although only \$450,124 was spent on the park. An additional \$7,142 was spent in 2017 on fencing improvements. At December 31, 2019, the balance is \$365,538.

When the City acquired the cemetery property in February 2002, trust accounts were included as part of the transaction. The trust accounts were established in prior years for prepaid services and endowment care of the cemetery. The responsibility for the endowment care trust was assumed by the City in 2010. The corpus of the trust account is held in a bank deposit account and is nonexpendable. Interest earned on the trust account may be used for current operating costs, and is transferred to the General Fund annually. At December 31, 2019, the balance of the endowment care trust of \$46,398 was reported as nonspendable fund balance in the Cemetery Endowment Fund.

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

NOTE 4 NOTES RECEIVABLE

The Lafayette Urban Renewal Authority (LURA) has approved three loans to developers to purchase blighted properties. The loans do not accrue interest and no installment payments are required. Two of the loans are due and payable by July 1, 2020, which due dates may be extended at the discretion of LURA. One loan is partially forgivable upon completion of construction financing which must occur in 2020 unless extended by LURA's executive director. The City retains the right of first refusal if the developers choose to sell the properties. The outstanding balance of the loans at December 31, 2019, was \$1,478,241.

FINANCIAL SECTION

NOTE 5 CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land	\$ 75,874,789	\$ 4,278,454	\$ -	\$ -	\$ 80,153,243
Construction in progress	1,566,176	2,827,750	(96,787)	(1,766,964)	2,530,175
Total capital assets, not being depreciated	<u>77,440,965</u>	<u>7,106,204</u>	<u>(96,787)</u>	<u>(1,766,964)</u>	<u>82,683,418</u>
Capital assets being depreciated					
Buildings	35,561,519	308,745	(107,051)	260,941	36,024,154
Improvements other than buildings	5,096,066	160,945	(38,224)	804,352	6,023,139
Infrastructure	92,403,429	2,140,774	(663,867)	701,671	94,582,007
Equipment	13,877,374	1,341,748	(1,739,271)	-	13,479,851
Total capital assets, being depreciated	<u>146,938,388</u>	<u>3,952,212</u>	<u>(2,548,413)</u>	<u>1,766,964</u>	<u>150,109,151</u>
Less accumulated depreciation for:					
Buildings	(11,752,186)	(1,076,003)	97,504	-	(12,730,685)
Improvements other than buildings	(3,591,839)	(233,890)	29,931	-	(3,795,798)
Infrastructure	(54,426,386)	(2,922,643)	24,580	-	(57,324,449)
Equipment	(10,345,801)	(1,041,900)	1,731,354	-	(9,656,347)
Total accumulated depreciation	<u>(80,116,212)</u>	<u>(5,274,436)</u>	<u>1,883,369</u>	<u>-</u>	<u>(83,507,279)</u>
Total capital assets being depreciated, net	<u>66,822,176</u>	<u>(1,322,224)</u>	<u>(665,044)</u>	<u>1,766,964</u>	<u>66,601,872</u>
Governmental activities capital assets, net	<u>\$ 144,263,141</u>	<u>\$ 5,783,980</u>	<u>\$ (761,831)</u>	<u>\$ -</u>	<u>\$ 149,285,290</u>

Depreciation expense has been charged to functions of the City as follows:

General Government	\$ 1,238,910
Public Safety	836,948
Public Works	1,737,268
Culture & Recreation	<u>1,461,310</u>
Total	<u>\$ 5,274,436</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS (continued)

B. Business-Type Activities

Capital asset activity for the year ended December 31, 2019, was as follows:

	Restated Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 7,300,045	\$ -	\$ -	\$ -	\$ 7,300,045
Water rights	37,009,739	-	-	-	37,009,739
Construction in progress	15,743,007	9,471,675	(3,381)	(726,501)	24,484,800
Total capital assets, not being depreciated	60,052,791	9,471,675	(3,381)	(726,501)	68,794,584
Capital assets being depreciated					
Buildings	4,187,804	73,724	-	140,492	4,402,020
Systems	89,168,071	733,322	(66,500)	12,144	89,847,037
Improvements other than buildings	2,875,390	27,514	-	(140,492)	2,762,412
Equipment	14,150,814	577,874	(387,627)	714,357	15,055,418
Total capital assets, being depreciated	110,382,079	1,412,434	(454,127)	726,501	112,066,887
Less accumulated depreciation for:					
Buildings	(1,718,312)	(217,658)	-	-	(1,935,970)
Systems	(37,694,671)	(1,961,911)	66,500	-	(39,590,082)
Improvements other than buildings	(778,395)	(187,039)	-	-	(965,434)
Equipment	(11,610,038)	(797,910)	387,627	-	(12,020,321)
Total accumulated depreciation	(51,801,416)	(3,164,518)	454,127	-	(54,511,807)
Total capital assets being depreciated, net	58,580,663	(1,752,084)	-	726,501	57,555,080
Business-type capital assets, net	\$ 118,633,454	\$ 7,719,591	\$ (3,381)	\$ -	\$ 126,349,664

FINANCIAL SECTION

NOTE 6 LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, 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:					
Bonds Payable					
General Obligation Bonds	\$ 6,600,000	\$ -	\$ (790,000)	\$ 5,810,000	\$ 810,000
Revenue Bonds	4,590,000	-	(1,120,000)	3,470,000	155,000
Demand Bonds	3,630,000	-	(3,630,000)	-	-
Subtotal	14,820,000	-	(5,540,000)	9,280,000	965,000
Issuance Premiums	645,185	-	(80,648)	564,537	80,648
Total Bonds Payable including premiums	15,465,185	-	(5,620,648)	9,844,537	1,045,648
Compensated Absences	1,207,169	1,442,831	(1,306,769)	1,343,231	114,504
Total Governmental Activities	<u>\$ 16,672,354</u>	<u>\$ 1,442,831</u>	<u>\$ (6,927,417)</u>	<u>\$ 11,187,768</u>	<u>\$ 1,160,152</u>
Business-type Activities					
Bonds Payable					
Revenue Bonds	\$ 9,955,000	\$ -	\$ (955,000)	\$ 9,000,000	\$ 995,000
For Issuance Premiums	1,089,788	-	(127,886)	961,902	127,886
Total Bonds Payable including premiums	11,044,788	-	(1,082,886)	9,961,902	1,122,886
Notes Payable	1,805,703	-	(577,614)	1,228,089	599,288
Compensated Absences	329,821	313,745	(346,020)	297,546	26,658
Total Business-Type Activities	<u>\$ 13,180,312</u>	<u>\$ 313,745</u>	<u>\$ (2,006,520)</u>	<u>\$ 11,487,537</u>	<u>\$ 1,748,832</u>

B. Bonded Debt

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

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

General Obligation Bonds

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

Governmental Activities

2016 General Obligation Refunding and
Improvement Bonds mature annually through
December 15, 2026, interest at 2.00% to 4.00%
is paid semi-annually \$ 5,810,000

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (continued)

Revenue Bonds

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

Governmental Activities

2006 Limited Tax General Obligation Refunding Bonds mature annually through December 1, 2036, interest of 6.00% is paid semi-annually (Lafayette Tech Center GID)	\$ 1,615,000
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2002 Limited Tax General Obligation Refunding Bonds mature annually through December 1, 2031, interest at 8.00% is paid semi-annually (Lafayette Corp Campus GID)	<u>1,855,000</u>
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3,470,000

Business-type Activities

2012 Water Revenue Refunding Bonds mature annually through December 1, 2027, interest at 1.50% to 5.00% is paid semi-annually	<u>9,000,000</u>
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Total Revenue Bonds	<u>\$ 12,470,000</u>
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The revenue bonds issued by the Lafayette Corporate Campus GID and the Lafayette Tech Center GID are not obligations of the City of Lafayette.

The Lafayette Tech Center General Improvement District bonds were issued in December 2000 to be used to finance the acquisition, construction, installation and completion of public improvements within the District. In 2006, the bonds were refinanced. For the year ending December 31, 2019, net revenues of \$142,810 were available to pay debt service of \$155,200. The remaining \$12,390 was funded through use of reserves.

In December, 2002, the Lafayette Corporate Campus General Improvement District bonds were issued to finance public improvements in the District. During the year ended December 31, 2019, net revenues of \$324,906 were available to pay annual debt service of \$245,963.

In April of 2008, the City issued 2008 Sales and Use Tax Revenue Bonds to finance street improvements and an addition to the Recreation Center. These bonds are payable from a 3.00% municipal sales and use tax. During the year ended December 31, 2019, revenues of \$15,886,542 were available to pay the annual debt service of \$1,007,273. This debt was paid in full as of December 31, 2019.

FINANCIAL SECTION

NOTE 6 LONG-TERM DEBT (continued)

The 2012 Water Revenue Refunding Bonds replaced the 2003A Water Revenue Bonds. The 2003A Water Revenue Bonds were issued for the purpose of financing any or all of the following: the construction of a raw water transmission system, the purchase of real property and construction of a raw water storage facility, the payment of costs associated with fees for joining and purchasing shares in water supply districts, or the development of a reclaimed water transmission system for irrigation purposes. Debt service is payable from net revenues of the City's municipal water system. During the year ended December 31, 2019, net revenues of \$5,049,944 were available to pay annual debt service of \$1,358,950.

Future Debt Service

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

Year	Governmental Activities		Business-type Activities		Debt Requirement
	Principal	Interest	Principal	Interest	to Maturity
2020	\$ 965,000	\$ 439,950	\$ 995,000	\$ 365,750	\$ 2,765,700
2021	995,000	404,450	1,015,000	345,850	2,760,300
2022	1,035,000	367,550	1,050,000	305,250	2,757,800
2023	1,075,000	332,800	1,095,000	263,250	2,766,050
2024	1,115,000	292,200	1,130,000	230,400	2,767,600
2025-2029	2,795,000	809,780	3,715,000	365,150	7,684,930
2030-2034	1,020,000	245,600	-	-	1,265,600
2035-2036	280,000	25,500	-	-	305,500
Total	<u>\$ 9,280,000</u>	<u>\$ 2,917,830</u>	<u>\$ 9,000,000</u>	<u>\$ 1,875,650</u>	<u>\$ 23,073,480</u>

Demand Bonds

Demand bonds comprise the third type of bonded debt issued by the City. These bonds have been issued for governmental activities, but are not obligations of the City.

The bonds for the Exempla General Improvement District were issued in December of 2002 to finance the costs of improvements on 79 acres of land being developed primarily for non-profit commercial use by the Exempla Northwest Medical Center. Revenues are generated from special assessments on a semi-annual basis in order to service the debt. Assessments are billed using an interest rate of 10% as required by bond documents. Excess revenues have been accumulating the past few years as a result of the large gap between actual interest being paid and the 10% rate. These bonds bear interest at floating rates and are subject to mandatory redemption upon conversion of the interest rate to a different rate type or rate period.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (continued)

In March 2019, Exempla Healthcare and the City entered into an agreement to redeem the bonds in total in 2019. This redemption of \$3,630,000 in principal due was funded by \$2,038,064 held in reserves by the GID and an additional \$1,591,936 paid for by Exempla. As of December 31, 2019, the bonds were paid in full and no future payments are required.

C. Notes Payable

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

In 2005, the bonds were refinanced at an effective interest rate of 3.80%. The remaining loan balance is payable in semi-annual installments. The loan is payable from net revenues of the City's water reclamation system. During the year ended December 31, 2019, net revenues of \$3,347,609 were available to pay annual debt service of \$642,076. Annual debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	599,288	41,976	641,264
2021	628,801	18,379	647,180
Total	<u>\$ 1,228,089</u>	<u>\$ 60,355</u>	<u>\$ 1,288,444</u>

FINANCIAL SECTION

NOTE 7 INTERFUND BALANCES AND TRANSACTIONS

A. Interfund Balances

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

B. Interfund Transactions

Interfund transfers during the year ended December 31, 2019, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Parks, Open Space & Trails Fund	\$ 1,181,293
General Fund	Cemetery Fund	1,191
Legacy Open Space Fund	General Fund	2,994,000
Capital Projects Fund	General Fund	4,350,000
		<u>\$ 8,526,484</u>

The Parks, Open Space, and Trails Fund and the Cemetery Fund provide resources to the General Fund for maintenance of those properties. The General Fund routinely transfers resources to the Capital Projects Fund for various projects. The General Fund also transferred money to the Legacy Open Space Fund to assist with a land acquisition.

NOTE 8 PENSION OBLIGATIONS

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

A. Defined Contribution Plan for General Employees

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

NOTE 8 PENSION OBLIGATIONS (continued)

This plan is a defined contribution plan administered by International City/County Management Association - Retirement Corporation (ICMA-RC). Under the terms of the plan, the City is the only non-employee contributor and contributes 10.2% of the participant's salary (salary, pay or earned income less salary reductions made under IRC Section 125), and the participant is required to contribute 8% of salary. Voluntary after-tax contributions are allowed up to an additional 25% of the employee's compensation. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2019, the City and employees made all required contributions to the plan, of \$1,117,680 and \$871,466 respectively.

Employees fully vest in the City's contributions at 20% for each year of participation and are fully vested after five years. Forfeitures from the non-vested portion of terminated employees' accounts are used to reduce the contribution required by the City. During the year ended December 31, 2019, the City used \$41,272 of forfeitures from terminated employees.

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

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

B. Defined Benefit Plans for Public Safety Employees

General Information

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

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

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

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

FINANCIAL SECTION

NOTE 8 PENSION OBLIGATIONS (continued)

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

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

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

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

Contributions - The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 8% and 10.5% of base salary, respectively, for the year ended December 31, 2019. SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

NOTE 8 PENSION OBLIGATIONS (continued)

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of base salary through December 31, 2014. Employee contributions may not be less than 8% with the split of contributions between employees and the City determined by the City Council. The City and eligible employees contributed 10.2% and 12.3% of base salary, respectively, for the year ended December 31, 2019. In accordance with the aforementioned election, the reentry group contributions will increase 0.5% percent annually from 2015 through 2022, to a total of 24% of base salary.

The City's contributions to the SWDB Plan for the year ended December 31, 2019, were \$462,143, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer. Excess contributions are deposited to the money purchase component of the SWH Plan. The defined benefit component contribution rate from July 1, 2017 through June 30, 2018 was 14.8% and from July 1, 2018 through June 30, 2019 was 13.4%. For the year ended December 31, 2019, the City Council established the contribution rate split at 10.2% and 8% of base salary for the City and employees, respectively. The 2.2% excess contributions were deposited into the City's General Employees Plan described previously. In addition, the City and employees contributed 10.2% and 8%, respectively, of overtime and non-regular salary to the General Employees Plan.

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

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

The City's contributions to the SWH Plan for the year ended December 31, 2019, were \$41,048, equal to the required contributions.

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

At December 31, 2019, the City reported a net pension liability of \$993,422 and a net pension asset of \$343,125, representing its proportionate share of the net pension liability of the SWDB and SWH Plans, respectively. The net pension liability was measured at December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The City's proportion of the net pension liability was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2018, relative to the projected contributions of all participating employers.

FINANCIAL SECTION

NOTE 8 PENSION OBLIGATIONS (continued)

At December 31, 2018, the City's proportion of the SWDB Plan was 0.78576440%, which was a decrease of 0.03099630% from its proportion measured at December 31, 2017. The City's proportion of the SWH Plan was 2.48579006%, which was an increase of 0.10623913% from its proportion measured at December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense for the SWDB and SWH Plans of \$569,552, and \$32,739, respectively. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 1,113,112	\$ 8,698
Changes of assumptions and other inputs	843,820	-
Net difference between projected and actual earnings on plan investments	490,324	-
Changes in proportion	129,350	40,094
Contributions subsequent to the measurement date	462,143	-
Statewide Defined Benefit Plan Subtotal	\$ 3,038,749	\$ 48,792
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 193,457	\$ -
Changes of assumptions and other inputs	41,033	-
Net difference between projected and actual earnings on plan investments	47,671	-
Changes in proportion	28,741	123,841
Contributions subsequent to the measurement date	41,048	-
Statewide Hybrid Plan Subtotal	\$ 351,950	\$ 123,841
Total	<u>\$ 3,390,699</u>	<u>\$ 172,633</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 PENSION OBLIGATIONS (continued)

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$462,143 and \$41,048, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>SWDB Plan</u>	<u>SWH Plan</u>
2020	419,786	44,514
2021	359,285	39,688
2022	586,557	58,661
2023	291,768	32,843
2024	292,081	11,355
Thereafter	578,337	-
Total	<u>\$ 2,527,814</u>	<u>\$ 187,061</u>

Actuarial Assumptions - The actuarial valuations as of January 1, 2019 were used to determine the total pension liability using the following actuarial assumptions and other inputs:

Inflation	2.5%
Projected salary increases, including inflation	4.25% - 11.25%
Investment rate of return, net of plan investment expenses, including inflation	7.0%
Cost of living adjustments (COLA)	0.0%

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

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

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

FINANCIAL SECTION

NOTE 8 PENSION OBLIGATIONS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37%	8.03%
Equity Long/Short	9%	6.45%
Illiquid Alternatives	24%	10.00%
Fixed Income	15%	2.90%
Absolute Return	9%	5.08%
Managed Futures	4%	5.35%
Cash	2%	2.52%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 PENSION OBLIGATIONS (continued)

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.0%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Proportionate share of the SWDB net pension asset (liability)	<u>\$ (3,852,371)</u>	<u>\$ (993,422)</u>	<u>\$ 1,378,025</u>
Proportionate share of the SWH net pension asset (liability)	<u>\$ 168,248</u>	<u>\$ 343,125</u>	<u>\$ 489,729</u>

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

C. Defined Benefit Plan for Volunteer Firefighters

General Information

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

Plan Membership - Plan membership consists of inactive volunteer firefighters and their beneficiaries. At January 1, 2019, plan membership consisted of the following:

Retirees and beneficiaries	40
Inactive, nonretired members	3
Active members	<u>0</u>
Total	<u>43</u>

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

FINANCIAL SECTION

NOTE 8 PENSION OBLIGATIONS (continued)

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

Contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. Based on the January 1, 2017, actuarial valuation, the actuarially determined contributions expected to eliminate the unfunded liability over the next 20 years, were \$84,663 annually. For the year ended December 31, 2019, the City and State contributions of \$119,164 and \$42,222, respectively, exceeded the actuarially determined contribution. Based on an assumed annual contribution of \$161,386, the unfunded actuarial accrued liability (UAAL) will be eliminated in 8 years.

Net Pension Liability

At December 31, 2019, the City reported a net pension liability of \$993,005, measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined based on the January 1, 2017, actuarial valuation. For the year ended December 31, 2019, changes in the net pension liability of the City were as follows.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a-b)
Balances, December 31, 2017	\$ 2,280,142	\$ 1,432,512	\$ 847,630
Interest on the Total Pension Liability	162,805	-	162,805
City Contributions	-	119,164	(119,164)
State Contributions	-	42,222	(42,222)
Changes in Experience	56,490	-	56,490
Changes in Assumptions	79,350	-	79,350
Net Investment Income	-	1,564	(1,564)
Benefit Payments	(222,840)	(222,840)	-
Administrative Expenses		(9,680)	9,680
	<u>\$ 2,355,947</u>	<u>\$ 1,362,942</u>	<u>\$ 993,005</u>
Balances, December 31, 2018	\$ 2,355,947	\$ 1,362,942	\$ 993,005

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

Inflation	2.50%
Projected salary increases, including inflation	N/A
Investment rate of return, net of plan investment expenses, including inflation	7.50%
Retirement age	50% per year of eligibility until 100% at age 65

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 PENSION OBLIGATIONS (continued)

Mortality rates were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 50% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

Following a regularly scheduled experience study in 2015, the FPPA Board of Directors adopted new assumptions for the first use in the actuarial valuation as of January 1, 2017. The significant changes affecting the plan include a reduction in the investment rate of return from 7.50% to 7.00%.

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

Best estimates of arithmetic real rates of return, eliminating the 2.5% inflation assumption, for each major asset class included in the target asset allocation as of December 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Nominal Rate of Return</u>
Cash	2.00%	2.52%
Fixed Income	15.00%	2.90%
Managed Futures	4.00%	5.35%
Absolute Return	9.00%	5.08%
Equity Long/Short	9.00%	6.45%
Global Equity	37.00%	8.03%
Private Markets	24.00%	10.00%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.0% was applied to all periods of projected benefit payments to determine the total pension liability.

FINANCIAL SECTION

NOTE 8 PENSION OBLIGATIONS (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's net pension liability calculated using the discount rate of 7.0%, as well as the City's net pension liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's Net Pension Liability	<u>\$ 1,209,788</u>	<u>\$ 993,005</u>	<u>\$ 808,306</u>

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

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

For the year ended December 31, 2019, the City recognized pension expense of \$189,679. Contributions subsequent to the measurement date of \$161,386 were reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net differences in projected and actual earnings on investments were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

A. Statewide Death & Disability Plan

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

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

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

Disability benefits are as follows:

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

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

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

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the City contributed 2.8% of base salaries on behalf of the members during the year ended December 31, 2019. Contributions to the plan for the year ended December 31, 2019, were \$147,307, equal to the required contributions.

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

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

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

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

FINANCIAL SECTION

NOTE 10 RISK MANAGEMENT

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

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

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

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

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

	December 31, 2019	December 31, 2018
Claims Payable, Beginning Balance	\$ 175,000	\$ 61,628
Claims Incurred and Changes in Provisions	220,979	172,806
Claims Paid	(246,885)	(59,434)
Claims Payable, Ending Balance	<u>\$ 149,094</u>	<u>\$ 175,000</u>

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

NOTE 11 COMMITMENTS AND CONTINGENCIES

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

NOTE 11 COMMITMENTS AND CONTINGENCIES (continued)

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

On September 12, 2012, the City entered into a contract for the construction of raw water reservoirs with Rock Products of Colorado, LLC, at the Goose Haven property. This project was expected to last between five and eight years with variability due to soil/gravel demand. Subsequent change orders have brought the total contract price to \$18,558,748 as of December 31, 2019, of which a total of \$9,598,224 has been completed. The City may terminate the contract at any time upon ten days written notice to Rock Products. After each phase has been completed, the City's approval must be obtained before proceeding to the next phase.

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

NOTE 12 SUBSEQUENT EVENTS

A. COVID-19 Coronavirus Pandemic

Subsequent to year -end, the United States of America and the State of Colorado declared emergencies related to the Coronavirus Pandemic also known as COVID-19. The City has been economically impacted with temporary closures to facilities, including the Recreation Center, Library, Water Park, and City Hall. The full economic effect of the Coronavirus Pandemic has yet to be determined and is being monitored closely by management.

B. Land Purchases

In May 2020, the City entered into an agreement to purchase 23.5 acres of land for a price of \$3.3 million to be used as open space. This purchase is funded in part from restricted sales tax proceeds dedicated to the purchase and maintenance of open space of this nature. The remainder of the funding will come from the Capital Projects Fund. This parcel will be used in conjunction with other recently purchased parcels to enhance open space.

In June 2020, the City entered into an agreement to purchase a 1.95 acre parcel located on South Public Road for a purchase price of \$610,000. This purchase will be funded from restricted funding in the General Fund dedicated to expansion of City service capacity. The land will be used for future City facility needs.

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REQUIRED SUPPLEMENTARY INFORMATION



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FINANCIAL SECTION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Property Taxes	\$ 5,492,430	\$ 5,492,430	\$ 5,454,020	\$ (38,410)
Fire and Ambulance Property Taxes	2,432,238	2,432,238	2,415,200	(17,038)
Specific Ownership Tax	465,000	465,000	481,237	16,237
General Sales and Use Tax	11,308,747	11,719,247	12,349,063	629,816
Building Use Tax	1,000,000	1,000,000	1,571,649	571,649
Motor Vehicle Use Tax	1,800,000	1,800,000	1,965,830	165,830
Franchise Taxes	1,125,000	1,125,000	1,147,437	22,437
Excise Taxes	625,000	625,000	648,815	23,815
Total Taxes	24,248,415	24,658,915	26,033,251	1,374,336
Licenses and Permits				
Business Licenses	8,000	8,000	7,825	(175)
Contractor Licenses	75,000	75,000	121,525	46,525
Liquor Licenses	20,000	20,000	19,617	(383)
Marijuana Licenses	105,000	105,000	151,583	46,583
Construction Permits	725,000	725,000	684,609	(40,391)
Mobile Home Permits	9,000	9,000	8,580	(420)
Miscellaneous Licenses	2,500	2,500	1,857	(643)
Total Licenses and Permits	944,500	944,500	995,596	51,096
Intergovernmental				
Federal, State, and County Grants	69,000	69,000	158,193	89,193
Cigarette Tax	50,000	50,000	46,891	(3,109)
Motor Vehicle Registration	100,000	100,000	101,738	1,738
County Road and Bridge Tax	55,500	55,500	86,412	30,912
Highway Users Tax	859,712	859,712	1,001,783	142,071
Total Intergovernmental	1,134,212	1,134,212	1,395,017	260,805
Contributions and Grants				
PEG Fees	29,000	29,000	29,550	550
Public Art Fees	30,000	30,000	20,930	(9,070)
Miscellaneous Contributions and Grants	107,250	107,250	128,606	21,356
Total Contributions and Grants	166,250	166,250	179,086	12,836

BASIC FINANCIAL STATEMENTS

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues (continued)				
Charges for Services				
Building Fees	1,263,000	1,263,000	1,429,249	166,249
Culture and Recreation Fees	2,200,760	2,200,760	2,307,026	106,266
Cemetery Fees	35,000	35,000	44,800	9,800
Administrative Fees	166,560	1,998,537	2,297,541	299,004
Rentals and Royalties	174,500	174,500	217,508	43,008
Pawn Shop Fees	11,000	11,000	9,564	(1,436)
Police Service Fees	51,000	51,000	116,740	65,740
Ambulance Fees	75,000	75,000	322,656	247,656
Solid Waste, Recycling and Compost Fees	1,753,000	1,753,000	1,934,540	181,540
Miscellaneous Services	29,988	29,988	61,324	31,336
Sidewalk Maintenance/Repair	105,000	250,000	332,409	82,409
Total Charges for Services	5,864,808	7,841,785	9,073,357	1,231,572
Fines and Forfeitures				
Fines	672,500	672,500	485,386	(187,114)
Court Costs	40,000	40,000	34,176	(5,824)
Total Fines and Forfeitures	712,500	712,500	519,562	(192,938)
Interest	300,000	300,000	858,256	558,256
Special Assessments				
Special Assessments - Principal	3,000	3,000	30,965	27,965
Special Assessments - Interest	800	800	11,454	10,654
Total Fines and Forfeitures	3,800	3,800	42,419	38,619
Miscellaneous	100,000	100,000	193,748	93,748
Total Revenues	33,474,485	35,861,962	39,290,292	3,428,330
Expenditures				
General Government				
City Council	410,274	435,274	271,386	163,888
Non-Departmental	692,083	944,583	699,349	245,234
City Administration	871,210	1,659,060	2,303,958	(644,898)
City Clerk	279,201	279,201	254,677	24,524
Arts & Cultural Resources	763,664	772,864	612,514	160,350
Human Resources	467,301	480,801	519,517	(38,716)
Financial Services	1,036,657	1,036,657	854,585	182,072
Information Systems	1,228,358	1,228,358	1,123,598	104,760
Facility Maintenance	1,051,274	1,054,689	1,086,995	(32,306)
Planning	1,462,052	1,462,052	1,255,039	207,013
Total General Government	8,262,074	9,353,539	8,981,618	371,921
Judicial				
City Attorney	494,100	494,100	431,158	62,942
Municipal Court	179,612	179,612	216,780	(37,168)
Total Judicial	673,712	673,712	647,938	25,774

FINANCIAL SECTION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (continued)

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued)				
Public Safety				
Police	7,355,182	7,369,182	7,089,568	279,614
Fire	724,668	724,668	784,261	(59,593)
Ambulance	3,649,298	3,789,698	3,896,156	(106,458)
Total Public Safety	11,729,148	11,883,548	11,769,985	113,563
Public Works				
Administration	1,730,233	1,720,233	1,921,788	(201,555)
Solid Waste and Recycling	1,780,500	1,780,500	1,917,141	(136,641)
Total Public Works	3,510,733	3,500,733	3,838,929	(338,196)
Culture and Recreation				
Administration - Parks, Open Space and Golf	433,976	433,976	372,952	61,024
Cemeteries	148,523	148,523	160,868	(12,345)
Parks	957,783	964,389	1,033,640	(69,251)
Open Space Maintenance	526,127	526,127	426,841	99,286
Streetscapes	138,828	138,828	204,251	(65,423)
Administration - Recreation	409,346	310,996	177,949	133,047
Water Park	453,351	453,351	467,587	(14,236)
Recreation Center	2,321,103	2,321,103	2,398,495	(77,392)
Library	1,448,121	1,448,121	1,333,337	114,784
Senior Services	457,778	457,778	500,138	(42,360)
Total Culture and Recreation	7,294,936	7,203,192	7,076,058	127,134
Capital Outlay	2,053,544	2,710,094	1,739,799	970,295
Total Expenditures	33,524,147	35,324,818	34,054,327	1,270,491
Excess (Deficiency) of Revenues Over Expenditures	(49,662)	537,144	5,235,965	4,698,821
Other Financing Sources (Uses)				
Transfers In	3,741,525	1,225,000	1,182,484	(42,516)
Transfers Out	(4,350,000)	(7,995,250)	(7,344,000)	651,250
Total Other Financing Sources (Uses)	(608,475)	(6,770,250)	(6,161,516)	608,734
Net Change in Fund Balance	(658,137)	(6,233,106)	(925,551)	5,307,555
Fund Balance, January 1				
As Originally Stated	29,987,076	29,987,076	29,987,076	-
Prior Period Adjustments (Note 1)	289,296	289,296	289,296	-
As Restated	30,276,372	30,276,372	30,276,372	-
Fund Balance, December 31	\$ 29,618,235	\$ 24,043,266	\$ 29,350,821	\$ 5,307,555

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) AND CONTRIBUTIONS - FPPA STATEWIDE DEFINED BENEFIT PLAN

Year ended December 31, 2019

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Asset (Liability)					
City's Proportion of the Net Pension Asset (Liability)	0.78576440%	0.81676070%	0.85565153%	0.80549388%	0.87129653%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ (993,422)	\$ 1,175,039	\$ (309,183)	\$ 14,197	\$ 983,824
City's Covered Payroll	\$ 4,984,563	\$ 4,443,217	\$ 4,007,283	\$ 3,536,132	\$ 3,550,217
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	-19.93%	26.45%	-7.72%	0.40%	27.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95%	106%	98%	100%	107%
	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions					
Statutorily Required Contribution	\$ 462,143	\$ 421,080	\$ 382,198	\$ 350,326	\$ 282,891
Contributions in Relation to the Statutorily Required Contribution	462,143	421,080	382,198	350,326	282,891
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 5,477,229	\$ 4,984,563	\$ 4,443,217	\$ 4,007,283	\$ 3,536,132
Contributions as a Percentage of Covered Payroll	8.44%	8.45%	8.60%	8.74%	8.00%

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

See the accompanying independent auditor's report.

FINANCIAL SECTION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) AND CONTRIBUTIONS - FPPA STATEWIDE HYBRID PLAN

Year ended December 31, 2019

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Asset (Liability)					
City's Proportion of the Net Pension Asset (Liability)	2.48579006%	2.37955093%	2.63850182%	3.76985257%	4.59097399%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 343,125	\$ 465,267	\$ 287,207	\$ 397,075	\$ 544,473
City's Covered Payroll	\$ 388,412	\$ 356,707	\$ 334,524	\$ 486,714	\$ 557,147
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	88.34%	130.43%	85.86%	81.58%	97.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	123%	139%	126%	129%	141%
	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions					
Statutorily Required Contribution	\$ 41,048	\$ 39,618	\$ 36,384	\$ 34,121	\$ 49,645
Contributions in Relation to the Statutorily Required Contribution	41,048	39,618	36,384	34,121	49,645
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 402,426	\$ 388,412	\$ 356,707	\$ 334,524	\$ 486,714
Contributions as a Percentage of Covered Payroll	10.20%	10.20%	10.20%	10.20%	10.20%

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

See the accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) AND CONTRIBUTIONS – VOLUNTEER FIRE DEPARTMENT PENSION PLAN

Year ended December 31, 2019

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Total Pension Liability					
Interest	\$ 162,805	\$ 166,718	\$ 167,949	\$ 170,993	\$ 178,910
Difference between Expected and Actual Experience	56,490	-	(45,180)	-	(74,942)
Changes of Assumptions	79,350	-	76,440	-	-
Benefit Payments	(222,840)	(215,069)	(216,163)	(207,166)	(211,810)
Net Change in Total Pension Liability	75,805	(48,351)	(16,954)	(36,173)	(107,842)
Total Pension Liability - Beginning	2,280,142	2,328,493	2,345,447	2,381,620	2,489,462
Total Pension Liability - Ending	<u>\$ 2,355,947</u>	<u>\$ 2,280,142</u>	<u>\$ 2,328,493</u>	<u>\$ 2,345,447</u>	<u>\$ 2,381,620</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164
State of Colorado Contributions	42,222	42,222	42,222	42,222	42,222
Net Investment Income	1,564	179,646	63,877	23,339	81,117
Benefit Payments	(222,840)	(215,069)	(216,163)	(207,166)	(211,810)
Administrative Expenses	(9,680)	(9,182)	(2,202)	(3,034)	(2,279)
Net Change in Plan Fiduciary Net Position	(69,570)	116,781	6,898	(25,475)	28,414
Plan Fiduciary Net Position - Beginning	1,432,512	1,315,731	1,308,833	1,334,308	1,305,894
Plan Fiduciary Net Position - Ending	<u>\$ 1,362,942</u>	<u>\$ 1,432,512</u>	<u>\$ 1,315,731</u>	<u>\$ 1,308,833</u>	<u>\$ 1,334,308</u>
City's Net Pension Asset (Liability) - Ending	<u>\$ (993,005)</u>	<u>\$ (847,630)</u>	<u>\$ (1,012,762)</u>	<u>\$ (1,036,614)</u>	<u>\$ (1,047,312)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.85%	62.83%	56.51%	55.80%	56.03%
	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions					
Actuarially Determined Contribution	\$ 84,663	\$ 84,663	\$ 93,525	\$ 93,525	\$ 119,164
Contributions in Relation to the Actuarially Determined Contribution	(161,386)	(161,386)	(161,386)	(161,386)	(161,386)
Contribution Deficiency (Excess)	<u>\$ (76,723)</u>	<u>\$ (76,723)</u>	<u>\$ (67,861)</u>	<u>\$ (67,861)</u>	<u>\$ (42,222)</u>

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

See the accompanying independent auditor's report.

FINANCIAL SECTION

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

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

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

Legal Compliance

For the year ended December 31, 2019, the Exempla GID, Corporate Campus GID, Conservation Trust, Cemetery Endowment, and Golf Course Funds exceeded their appropriated budgets (on a budgetary basis) by \$1,263,602, \$287, \$14,087, \$843, \$197,673, respectively. These may be violations of State statutes.

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

NOTE 2 CONTRIBUTIONS TO THE VOLUNTEER PLAN

The Volunteer Fire Department Pension Plan's net pension liability and associated amounts are measured at December 31, 2018, based on the actuarial valuation as of January 1, 2019, which is a one-year lag compared to the City's fiscal year ended December 31, 2019. Covered payroll is not applicable for volunteers. Therefore, no covered payroll information is presented in the accompanying schedule.

Changes of Assumptions

Following a regularly scheduled experience study in 2018, the FPPA Board of Directors adopted new assumptions for the first use in the actuarial valuation as of January 1, 2019. The significant changes affecting the plan include a reduction in the investment rate of return from 7.5% to 7.0% and updated mortality assumptions based on RP -2014 mortality tables.

Contributions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017, determines the contribution amounts for 2018 and 2019.

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level dollar, Open *
Amortization Period	20 Years *
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	N/A
Cost of Living Adjustments	None
Retirement Age	50% per year of eligibility until 100% at age 65. Pre-retirement: RP-2014 combined mortality table with blue collar adjustment, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 combined mortality table, with blue collar adjustment. Disabled: RP-2014 disabled mortality table All tables projected with Scale BB.
Includes Inflation at	2.5%

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

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**OTHER SUPPLEMENTARY
INFORMATION**

**COMBINING STATEMENTS
AND
BUDGETARY COMPARISON SCHEDULES
BY FUND**



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NONMAJOR GOVERNMENTAL FUNDS - DESCRIPTIONS

Special Revenue Funds

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

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

Capital Project Funds

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

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

Debt Service Fund

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

Cemetery Endowment Fund

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

FINANCIAL SECTION

NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET

December 31, 2019

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Legacy Open Space
Assets					
Cash and Investments	\$ 166,472	\$ 276,051	\$ 524,299	\$ 83,013	\$ 4,587,245
Accrued Interest Receivable	545	4,264	1,750	267	17,982
Accounts Receivable	121	144,141	1,487	79	973,930
Property Taxes Receivable	5,219	12,434	257,595	234,392	-
Special Assessments Receivable	-	329,550	109,850	-	-
Restricted Cash and Investments	-	-	-	-	-
Total Assets	\$ 172,357	\$ 766,440	\$ 894,981	\$ 317,751	\$ 5,579,157
Liabilities					
Accounts Payable	\$ -	\$ 45,000	\$ -	\$ 2,971	\$ 158,665
Interfund Payables	-	-	-	75,273	-
Deposits Payable	75,000	-	-	-	-
Total Liabilities	75,000	45,000	-	78,244	158,665
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	5,219	12,434	257,595	234,392	-
Unavailable Revenue - Special Assessments	-	329,550	109,850	-	-
Unavailable Revenue - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	5,219	341,984	367,445	234,392	-
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	63,084	-	419,719	-	5,042,753
Assigned	29,054	379,456	107,817	5,115	377,739
Total Fund Balance	92,138	379,456	527,536	5,115	5,420,492
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 172,357	\$ 766,440	\$ 894,981	\$ 317,751	\$ 5,579,157

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	Total
\$ 1,174,931	\$ 714,426	\$ 188,784	\$ -	\$ 7,715,221
3,788	2,489	631	168	31,884
196,782	-	637	-	1,317,177
-	-	1,023,150	-	1,532,790
-	-	-	-	439,400
-	-	-	46,398	46,398
<u>\$ 1,375,501</u>	<u>\$ 716,915</u>	<u>\$ 1,213,202</u>	<u>\$ 46,566</u>	<u>\$ 11,082,870</u>
\$ 48,636	\$ 160,972	\$ 100	\$ -	\$ 416,344
-	-	-	-	75,273
-	-	-	-	75,000
<u>48,636</u>	<u>160,972</u>	<u>100</u>	<u>-</u>	<u>566,617</u>
-	-	1,023,150	-	1,532,790
-	-	-	-	439,400
<u>179,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,336</u>
<u>179,336</u>	<u>-</u>	<u>1,023,150</u>	<u>-</u>	<u>2,151,526</u>
-	-	-	46,398	46,398
966,053	555,943	189,952	-	7,237,504
<u>181,476</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>1,080,825</u>
<u>1,147,529</u>	<u>555,943</u>	<u>189,952</u>	<u>46,566</u>	<u>8,364,727</u>
<u>\$ 1,375,501</u>	<u>\$ 716,915</u>	<u>\$ 1,213,202</u>	<u>\$ 46,566</u>	<u>\$ 11,082,870</u>

FINANCIAL SECTION

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE Year ended December 31, 2019

	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Legacy Open Space
Revenues					
Taxes					
Property Taxes	\$ 25,982	\$ 117,167	\$ 312,880	\$ 132,081	\$ -
Specific Ownership Taxes	1,385	6,266	16,676	9,888	-
General Sales and Use Tax	-	-	-	-	1,099,695
Building Use Tax	-	-	-	-	135,137
Vehicle Use Tax	-	-	-	-	172,986
Total Taxes	27,367	123,433	329,556	141,969	1,407,818
Intergovernmental	-	-	-	-	1,038,100
Interest	4,247	16,812	15,043	2,831	122,302
Miscellaneous	-	-	-	-	129,336
Total Revenues	31,614	140,245	344,599	144,800	2,697,556
Expenditures					
Current					
General Government	2,784	1,063,758	19,693	1,990	8,650
Culture and Recreation	-	-	-	-	1,008,249
Capital Outlay	-	-	-	-	4,662,401
Debt Service					
Principal	-	3,630,000	90,000	55,000	-
Interest and Fiscal Charges	-	63,470	155,963	100,200	-
Total Expenditures	2,784	4,757,228	265,656	157,190	5,679,300
Excess (Deficiency) of Revenues over Expenditures	28,830	(4,616,983)	78,943	(12,390)	(2,981,744)
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	2,994,000
Transfers Out	-	-	-	-	-
Contributions	-	1,591,936	-	-	-
Total Other Financing Sources (Uses)	-	1,591,936	-	-	2,994,000
Net Change in Fund Balance	28,830	(3,025,047)	78,943	(12,390)	12,256
Fund Balance, January 1	63,308	3,404,503	448,593	17,505	5,408,236
Fund Balance, December 31	\$ 92,138	\$ 379,456	\$ 527,536	\$ 5,115	\$ 5,420,492

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	Total
\$ -	\$ -	\$ 1,010,698	\$ -	\$ 1,598,808
-	-	-	-	34,215
1,099,695	-	847,273	-	3,046,663
135,137	-	50,000	-	320,274
172,986	-	110,000	-	455,972
1,407,818	-	2,017,971	-	5,455,932
599,005	326,946	-	-	1,964,051
29,767	17,175	23,799	1,224	233,200
47,096	25,877	-	-	202,309
2,083,686	369,998	2,041,770	1,224	7,855,492
8,650	-	16,408	-	1,121,933
606,459	81,565	-	-	1,696,273
1,873	397,522	-	-	5,061,796
-	-	1,765,000	-	5,540,000
-	-	242,619	-	562,252
616,982	479,087	2,024,027	-	13,982,254
1,466,704	(109,089)	17,743	1,224	(6,126,762)
-	-	-	-	2,994,000
(1,181,293)	-	-	(1,191)	(1,182,484)
-	-	-	-	1,591,936
(1,181,293)	-	-	(1,191)	3,403,452
285,411	(109,089)	17,743	33	(2,723,310)
862,118	665,032	172,209	46,533	11,088,037
\$ 1,147,529	\$ 555,943	\$ 189,952	\$ 46,566	\$ 8,364,727

FINANCIAL SECTION

LAFAYETTE CITY CENTER GID FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 25,978	\$ 25,978	\$ 25,982	\$ 4
Specific Ownership Taxes	4,500	4,500	1,385	(3,115)
Interest	315	315	4,247	3,932
Total Revenues	<u>30,793</u>	<u>30,793</u>	<u>31,614</u>	<u>821</u>
Expenditures				
Current				
General Government	5,085	5,085	2,784	2,301
Total Expenditures	<u>5,085</u>	<u>5,085</u>	<u>2,784</u>	<u>2,301</u>
Net Change in Fund Balance	25,708	25,708	28,830	3,122
Fund Balance, January 1	<u>63,308</u>	<u>63,308</u>	<u>63,308</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 89,016</u>	<u>\$ 89,016</u>	<u>\$ 92,138</u>	<u>\$ 3,122</u>

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

EXEMPLA GID FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 117,562	\$ 117,562	\$ 117,167	\$ (395)
Specific Ownership Taxes	5,250	5,250	6,266	1,016
Charges for Services	15,988	15,988	-	(15,988)
Interest	20,000	20,000	16,812	(3,188)
Special Assessments - Principal	325,000	-	-	-
Special Assessments - Interest	469,880	-	-	-
Total Revenues	<u>953,680</u>	<u>158,800</u>	<u>140,245</u>	<u>(18,555)</u>
Expenditures				
Current				
General Government	17,565	1,403,626	1,063,758	339,868
Debt Service				
Principal	850,000	2,090,000	3,630,000	(1,540,000)
Interest and Fiscal Charges	147,866	-	63,470	(63,470)
Total Expenditures	<u>1,015,431</u>	<u>3,493,626</u>	<u>4,757,228</u>	<u>(1,263,602)</u>
Other Financing Sources (Uses)				
Contributions	-	-	1,591,936	1,591,936
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,591,936</u>	<u>1,591,936</u>
Net Change in Fund Balance	(61,751)	(3,334,826)	(3,025,047)	309,779
Fund Balance, January 1	<u>3,404,503</u>	<u>3,404,503</u>	<u>3,404,503</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 3,342,752</u></u>	<u><u>\$ 69,677</u></u>	<u><u>\$ 379,456</u></u>	<u><u>\$ 309,779</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

LAFAYETTE CORPORATE CAMPUS GID FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 312,875	\$ 312,875	\$ 312,880	\$ 5
Specific Ownership Taxes	14,500	14,500	16,676	2,176
Interest	3,750	3,750	15,043	11,293
Total Revenues	<u>331,125</u>	<u>331,125</u>	<u>344,599</u>	<u>13,474</u>
Expenditures				
Current				
General Government	18,269	18,269	19,693	(1,424)
Debt Service				
Principal	90,000	90,000	90,000	-
Interest and Fiscal Charges	157,100	157,100	155,963	1,137
Total Expenditures	<u>265,369</u>	<u>265,369</u>	<u>265,656</u>	<u>(287)</u>
Net Change in Fund Balance	65,756	65,756	78,943	13,187
Fund Balance, January 1	<u>448,593</u>	<u>448,593</u>	<u>448,593</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 514,349</u>	<u>\$ 514,349</u>	<u>\$ 527,536</u>	<u>\$ 13,187</u>

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE TECH CENTER GID FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 187,128	\$ 147,128	\$ 132,081	\$ (15,047)
Specific Ownership Taxes	8,750	8,750	9,888	1,138
Interest	625	625	2,831	2,206
Total Revenues	<u>196,503</u>	<u>156,503</u>	<u>144,800</u>	<u>(11,703)</u>
Expenditures				
Current				
General Government	12,733	12,733	1,990	10,743
Debt Service				
Principal	55,000	55,000	55,000	-
Interest and Fiscal Charges	101,700	101,700	100,200	1,500
Total Expenditures	<u>169,433</u>	<u>169,433</u>	<u>157,190</u>	<u>12,243</u>
Net Change in Fund Balance	27,070	(12,930)	(12,390)	540
Fund Balance, January 1	<u>17,505</u>	<u>17,505</u>	<u>17,505</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 44,575</u></u>	<u><u>\$ 4,575</u></u>	<u><u>\$ 5,115</u></u>	<u><u>\$ 540</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

LEGACY OPEN SPACE FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
General Sales and Use Tax	\$ 1,044,740	\$ 1,044,740	\$ 1,099,695	\$ 54,955
Building Use Tax	87,000	87,000	135,137	48,137
Vehicle Use Tax	155,000	155,000	172,986	17,986
Total Taxes	1,286,740	1,286,740	1,407,818	121,078
Intergovernmental	-	-	1,038,100	1,038,100
Interest	43,072	43,072	122,302	79,230
Miscellaneous	-	-	129,336	129,336
Total Revenues	1,329,812	1,329,812	2,697,556	1,367,744
Expenditures				
Current				
General Government	7,750	7,750	8,650	(900)
Culture and Recreation	-	16,224	1,008,249	(992,025)
Capital Outlay	546,000	7,006,000	4,662,401	2,343,599
Total Expenditures	553,750	7,029,974	5,679,300	1,350,674
Excess (Deficiency) of Revenues over Expenditures	776,062	(5,700,162)	(2,981,744)	2,718,418
Other Financing Sources (Uses)				
Transfers In	-	2,994,000	2,994,000	-
Total Other Financing Sources (Uses)	-	2,994,000	2,994,000	-
Net Change in Fund Balance	776,062	(2,706,162)	12,256	2,718,418
Fund Balance, January 1	5,408,236	5,408,236	5,408,236	-
Fund Balance, December 31	\$ 6,184,298	\$ 2,702,074	\$ 5,420,492	\$ 2,718,418

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**PARKS, OPEN SPACE AND TRAILS FUND – BUDGETARY COMPARISON
SCHEDULE**

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
General Sales and Use Tax	\$ 1,044,740	\$ 1,044,740	\$ 1,099,695	\$ 54,955
Building Use Tax	87,000	87,000	135,137	48,137
Vehicle Use Tax	155,000	155,000	172,986	17,986
Total Taxes	1,286,740	1,286,740	1,407,818	121,078
Intergovernmental	591,847	591,847	599,005	7,158
Interest	6,746	6,746	29,767	23,021
Miscellaneous	-	-	47,096	47,096
Total Revenues	1,885,333	1,885,333	2,083,686	198,353
Expenditures				
Current				
General Government	7,750	7,750	8,650	(900)
Culture and Recreation	591,847	591,847	606,459	(14,612)
Capital Outlay	-	-	1,873	(1,873)
Total Expenditures	599,597	599,597	616,982	(17,385)
Excess (Deficiency) of Revenues over Expenditures	1,285,736	1,285,736	1,466,704	180,968
Other Financing Sources (Uses)				
Transfers Out	(1,225,000)	(1,225,000)	(1,181,293)	43,707
Total Other Financing Sources (Uses)	(1,225,000)	(1,225,000)	(1,181,293)	43,707
Net Change in Fund Balance	60,736	60,736	285,411	224,675
Fund Balance, January 1	862,118	862,118	862,118	-
Fund Balance, December 31	\$ 922,854	\$ 922,854	\$ 1,147,529	\$ 224,675

See the accompanying independent auditor's report.

FINANCIAL SECTION

CONSERVATION TRUST FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Intergovernmental	\$ 295,000	\$ 295,000	\$ 326,946	\$ 31,946
Interest	6,034	6,034	17,175	11,141
Miscellaneous	-	-	25,877	25,877
Total Revenues	<u>301,034</u>	<u>301,034</u>	<u>369,998</u>	<u>68,964</u>
Expenditures				
Current				
Culture and Recreation	-	-	81,565	(81,565)
Capital Outlay	<u>465,000</u>	<u>465,000</u>	<u>397,522</u>	<u>67,478</u>
Total Expenditures	<u>465,000</u>	<u>465,000</u>	<u>479,087</u>	<u>(14,087)</u>
Net Change in Fund Balance	(163,966)	(163,966)	(109,089)	54,877
Fund Balance, January 1	<u>665,032</u>	<u>665,032</u>	<u>665,032</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 501,066</u>	<u>\$ 501,066</u>	<u>\$ 555,943</u>	<u>\$ 54,877</u>

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ 76,676	\$ 76,676	\$ 250,663	\$ 173,987
Miscellaneous	-	-	82,047	82,047
Total Revenues	<u>76,676</u>	<u>76,676</u>	<u>332,710</u>	<u>256,034</u>
Expenditures				
Current				
Public Safety	-	-	292,707	(292,707)
Capital Outlay	<u>8,142,000</u>	<u>9,844,636</u>	<u>2,899,110</u>	<u>6,945,526</u>
Total Expenditures	<u>8,142,000</u>	<u>9,844,636</u>	<u>3,191,817</u>	<u>6,652,819</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,065,324)</u>	<u>(9,767,960)</u>	<u>(2,859,107)</u>	<u>6,908,853</u>
Other Financing Sources				
Transfers In	<u>4,540,579</u>	<u>4,540,579</u>	<u>4,350,000</u>	<u>(190,579)</u>
Total Other Financing Sources	<u>4,540,579</u>	<u>4,540,579</u>	<u>4,350,000</u>	<u>(190,579)</u>
Net Change in Fund Balance	(3,524,745)	(5,227,381)	1,490,893	6,718,274
Fund Balance, January 1	<u>10,079,886</u>	<u>10,079,886</u>	<u>10,079,886</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 6,555,141</u></u>	<u><u>\$ 4,852,505</u></u>	<u><u>\$ 11,570,779</u></u>	<u><u>\$ 6,718,274</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

DEBT SERVICE FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property Taxes	\$ 1,018,502	\$ 1,018,502	\$ 1,010,698	\$ (7,804)
General Sales and Use Tax	847,273	847,273	847,273	-
Building Use Tax	50,000	50,000	50,000	-
Vehicle Use Tax	110,000	110,000	110,000	-
Interest	8,000	8,000	23,799	15,799
Total Revenues	<u>2,033,775</u>	<u>2,033,775</u>	<u>2,041,770</u>	<u>7,995</u>
Expenditures				
Current				
General Government	22,963	22,963	16,408	6,555
Debt Service				
Bond Principal	1,765,000	1,765,000	1,765,000	-
Bond Interest Income and Fiscal Charges	245,723	245,723	242,619	3,104
Total Expenditures	<u>2,033,686</u>	<u>2,033,686</u>	<u>2,024,027</u>	<u>9,659</u>
Excess (Deficiency) of Revenue over Expenditures	<u>89</u>	<u>89</u>	<u>17,743</u>	<u>17,654</u>
Net Change in Fund Balance	89	89	17,743	17,654
Fund Balance, January 1	<u>172,209</u>	<u>172,209</u>	<u>172,209</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 172,298</u>	<u>\$ 172,298</u>	<u>\$ 189,952</u>	<u>\$ 17,654</u>

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CEMETERY ENDOWEMENT FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest	\$ 348	\$ 348	\$ 1,224	\$ 876
Total Revenues	<u>348</u>	<u>348</u>	<u>1,224</u>	<u>876</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(348)</u>	<u>(348)</u>	<u>(1,191)</u>	<u>(843)</u>
Total Other Financing Sources (Uses)	<u>(348)</u>	<u>(348)</u>	<u>(1,191)</u>	<u>(843)</u>
Net Change in Fund Balance	-	-	33	33
Fund Balance, January 1	<u>46,533</u>	<u>46,533</u>	<u>46,533</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 46,533</u></u>	<u><u>\$ 46,533</u></u>	<u><u>\$ 46,566</u></u>	<u><u>\$ 33</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

NONMAJOR ENTERPRISE FUNDS – DESCRIPTIONS

Enterprise funds are used to account for activities managed as a business with rates and fees intended to fund operational and capital expenses of the activity. The City reports the following nonmajor enterprise funds.

Storm Water Fund

To account for revenues and expenses related to providing storm water services to city residents.

Golf Course Fund

To account for the revenues and expenses related to operating the City's golf course.

This section also includes budgetary comparison schedules for the City's major enterprise funds, the Water Utility and Water Reclamation Funds.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR ENTERPRISE FUNDS – COMBINING STATEMENT OF NET POSITION December 31, 2019

	Golf Course	Storm Water	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Cash and Investments	\$ 1,430	\$ 2,014,269	\$ 2,015,699
Accrued Interest Receivable	220	5,078	5,298
Accounts Receivable	28	177,918	177,946
Inventory	44,147	-	44,147
Total Current Assets	<u>45,825</u>	<u>2,197,265</u>	<u>2,243,090</u>
Noncurrent Assets			
Capital Assets, Not Being Depreciated	-	274,903	274,903
Capital Assets, Net of Accumulated Depreciation	1,668,252	3,081,228	4,749,480
Total Noncurrent Assets	<u>1,668,252</u>	<u>3,356,131</u>	<u>5,024,383</u>
Total Assets	<u>1,714,077</u>	<u>5,553,396</u>	<u>7,267,473</u>
Liabilities			
Current Liabilities			
Accounts Payable	5,726	165,819	171,545
Accrued Liabilities	31,036	7,544	38,580
Deposits Payable	100,549	-	100,549
Interfund Payables - Current Portion	11,886	-	11,886
Compensated Absences - Current Portion	3,359	1,090	4,449
Total Current Liabilities	<u>152,556</u>	<u>174,453</u>	<u>327,009</u>
Noncurrent Liabilities			
Compensated Absences	81,164	14,814	95,978
Total Noncurrent Liabilities	<u>81,164</u>	<u>14,814</u>	<u>95,978</u>
Total Liabilities	<u>233,720</u>	<u>189,267</u>	<u>422,987</u>
Net Position			
Net Investment in Capital Assets	1,668,252	3,356,131	5,024,383
Unrestricted	(187,895)	2,007,998	1,820,103
Total Net Position	<u>\$ 1,480,357</u>	<u>\$ 5,364,129</u>	<u>\$ 6,844,486</u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

NONMAJOR ENTERPRISE FUNDS – COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year ended December 31, 2019

	Golf Course	Storm Water	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for Services	\$ 2,540,798	\$ 1,679,280	\$ 4,220,078
Miscellaneous	3,911	7,139	11,050
Total Operating Revenues	<u>2,544,709</u>	<u>1,686,419</u>	<u>4,231,128</u>
Operating Expenses			
Administration	196,283	499,325	695,608
Operations	2,092,488	322,465	2,414,953
Depreciation	299,978	250,381	550,359
Total Operating Expenses	<u>2,588,749</u>	<u>1,072,171</u>	<u>3,660,920</u>
Operating Income (Loss)	<u>(44,040)</u>	<u>614,248</u>	<u>570,208</u>
Nonoperating Revenues (Expenses)			
Interest Income	168	44,762	44,930
Gain on Disposal of Capital Assets	120,100	3,650	123,750
Total Nonoperating Revenues (Expenses)	<u>120,268</u>	<u>48,412</u>	<u>168,680</u>
Net Income (Loss) Before Capital Contributions	<u>76,228</u>	<u>662,660</u>	<u>738,888</u>
Capital Contributions			
Tap and Development Fees	-	582,250	582,250
Developer Dedications	-	134,827	134,827
Total Capital Contributions	<u>-</u>	<u>717,077</u>	<u>717,077</u>
Change in Net Position	<u>76,228</u>	<u>1,379,737</u>	<u>1,455,965</u>
Total Net Position, January 1	<u>1,404,129</u>	<u>3,984,392</u>	<u>5,388,521</u>
Total Net Position, December 31	<u>\$ 1,480,357</u>	<u>\$ 5,364,129</u>	<u>\$ 6,844,486</u>

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR ENTERPRISE FUNDS – COMBINING STATEMENT OF CASH FLOWS

Year ended December 31, 2019

	Golf Course	Storm Water	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Receipts From Customers and Users	\$ 2,562,032	\$ 1,633,163	\$ 4,195,195
Payments to Vendors and Suppliers	(910,669)	(244,991)	(1,155,660)
Payments to Employees	(1,316,087)	(187,233)	(1,503,320)
Payments for Interfund Services Used	(68,811)	(246,774)	(315,585)
Net Cash Provided by Operating Activities	<u>266,465</u>	<u>954,165</u>	<u>1,220,630</u>
Cash Flows from Noncapital Financing Activities			
Interfund Loans	11,886	(175,000)	(163,114)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>11,886</u>	<u>(175,000)</u>	<u>(163,114)</u>
Cash Flows from Capital and Related Financing Activities			
Tap and Development Fees	-	582,250	582,250
Acquisition and Construction of Capital Assets	(534,139)	(30,452)	(564,591)
Proceeds from Sale of Assets	120,100	3,650	123,750
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(414,039)</u>	<u>555,448</u>	<u>141,409</u>
Cash Flows from Investing Activities			
Interest Received	1,422	40,912	42,334
Net Cash Provided by Investing Activities	<u>1,422</u>	<u>40,912</u>	<u>42,334</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(134,266)	1,375,525	1,241,259
Cash and Cash Equivalents, January 1	<u>135,696</u>	<u>638,744</u>	<u>774,440</u>
Cash and Investments, December 31	<u><u>\$ 1,430</u></u>	<u><u>\$ 2,014,269</u></u>	<u><u>\$ 2,015,699</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (44,040)	\$ 614,248	\$ 570,208
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	299,978	250,381	550,359
Changes in Assets and Liabilities			
Receivables	(28)	(53,256)	(53,284)
Inventory	13,380	-	13,380
Accounts Payable	(19,130)	141,047	121,917
Accrued Liabilities	(930)	871	(59)
Deposits Payable	17,351	-	17,351
Compensated Absences	(116)	874	758
Total Adjustments	<u>310,505</u>	<u>339,917</u>	<u>650,422</u>
Net Cash Provided by Operating Activities	<u><u>\$ 266,465</u></u>	<u><u>\$ 954,165</u></u>	<u><u>\$ 1,220,630</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

WATER UTILITY FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Metered Water Sales	\$ 8,550,000	\$ 8,550,000	\$ 8,225,127	\$ (324,873)
Interest	350,000	350,000	1,041,029	691,029
Miscellaneous	528,714	528,714	279,117	(249,597)
Payments in Lieu of Water	3,000,000	1,500,000	966,746	(533,254)
Tap Fees	2,000,000	1,000,000	1,580,653	580,653
Proceeds from Sale of Assets	-	-	9,450	9,450
Total Revenues	14,428,714	11,928,714	12,102,122	173,408
Expenditures				
Administration	2,042,854	2,094,729	1,851,139	243,590
Source of Water Supply	760,945	760,945	830,436	(69,491)
Water Treatment	1,806,472	1,806,472	1,982,083	(175,611)
Water Transmission and Distribution	1,300,400	1,325,330	968,800	356,530
Construction and Capital Improvements	9,743,490	21,292,501	8,156,333	13,136,168
Debt Service				
Principal	1,361,450	1,361,450	955,000	406,450
Interest	403,950	403,950	358,537	45,413
Fees	2,500	2,500	303	2,197
Total Expenditures	17,422,061	29,047,877	15,102,631	13,945,246
Change in Net Position, Budgetary Basis	\$ (2,993,347)	\$ (17,119,163)	(3,000,509)	\$ 14,118,654
Adjustments to GAAP Basis				
Depreciation			(1,525,632)	
Proceeds from Sale of Assets			(9,450)	
Gain on sale of assets			9,450	
Construction and Capital Improvements			8,156,333	
Developer Dedications			290,362	
Debt Principal Paid			955,000	
Interfund Loan Repayment			(175,000)	
Equity Income from Component Unit			142,103	
Change in Net Position, GAAP Basis			\$ 4,842,657	

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

WATER RECLAMATION FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Waste Water Collection Fees	\$ 5,250,000	\$ 5,250,000	\$ 5,724,615	\$ 474,615
Interest	75,000	75,000	341,873	266,873
Miscellaneous	-	-	5,766	5,766
Tap Fees	1,250,000	600,000	995,757	395,757
Proceeds from Sale of Assets	-	-	14,900	14,900
Total Revenues	<u>6,575,000</u>	<u>5,925,000</u>	<u>7,082,911</u>	<u>1,157,911</u>
Expenditures				
Administration	890,974	926,599	966,424	(39,825)
Waste Water Treatment	1,170,840	1,187,487	1,248,271	(60,784)
Waste Water Collection	822,554	830,976	594,333	236,643
Construction and Capital Improvements	7,042,000	7,898,232	1,560,843	6,337,389
Debt Service				
Principal	642,077	642,077	577,614	64,463
Interest	64,463	64,463	44,864	19,599
Total Expenditures	<u>10,632,908</u>	<u>11,549,834</u>	<u>4,992,349</u>	<u>6,557,485</u>
Change in Net Position, Budgetary Basis	<u>\$ (4,057,908)</u>	<u>\$ (5,624,834)</u>	2,090,562	<u>\$ 7,715,396</u>
Adjustments to GAAP Basis				
Depreciation			(1,088,527)	
Loss on Disposal of Assets			(3,381)	
Construction and Capital Improvements			1,560,843	
Developer Dedications			177,153	
Debt Principal			<u>577,614</u>	
Change in Net Position, GAAP Basis			<u>\$ 3,314,264</u>	

See the accompanying independent auditor's report.

FINANCIAL SECTION

STORM WATER FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Storm Water Collection Fees	\$ 1,200,000	\$ 1,200,000	\$ 1,679,280	\$ 479,280
Interest	2,061	2,061	44,762	42,701
Miscellaneous	4,000	4,000	7,139	3,139
Storm Water Development Fees	165,000	565,000	582,250	17,250
Proceeds from Sale of Assets	-	-	3,650	3,650
Total Revenues	<u>1,371,061</u>	<u>1,771,061</u>	<u>2,317,081</u>	<u>546,020</u>
Expenditures				
Administration	340,831	347,081	499,325	(152,244)
Storm Water Collection	252,768	285,122	322,465	(37,343)
Construction and Capital Improvements	305,000	318,750	30,452	288,298
Interfund Payable	175,000	175,000	175,000	-
Total Expenditures	<u>1,073,599</u>	<u>1,125,953</u>	<u>1,027,242</u>	<u>98,711</u>
Change in Net Position, Budgetary Basis	<u>\$ 297,462</u>	<u>\$ 645,108</u>	1,289,839	<u>\$ 644,731</u>
Adjustments to GAAP Basis				
Depreciation			(250,381)	
Proceeds from Sale of Assets			(3,650)	
Gain on sale of assets			3,650	
Construction and Capital Improvements			30,452	
Developer Dedications			134,827	
Interfund Loan Repayment			175,000	
Change in Net Position, GAAP Basis			<u>\$ 1,379,737</u>	

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

GOLF COURSE FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
Golf Sales and Services	\$ 2,735,859	\$ 2,735,859	\$ 2,540,798	\$ (195,061)
Interest	2,566	-	168	168
Miscellaneous	2,061	2,061	3,911	1,850
Proceeds from Sale of Assets	-	-	120,100	120,100
Total Revenues	<u>2,740,486</u>	<u>2,737,920</u>	<u>2,664,977</u>	<u>(72,943)</u>
Expenditures				
Administration	438,602	164,554	196,283	(31,729)
Golf Maintenance Operations	913,476	913,476	952,614	(39,138)
Golf Club House Operations	742,983	742,983	775,960	(32,977)
Golf Food Service Operations	377,245	377,245	363,914	13,331
Construction and Capital Improvements	386,500	386,500	534,139	(147,639)
Debt Service				
Principal	40,479	40,479	-	40,479
Total Expenditures	<u>2,899,285</u>	<u>2,625,237</u>	<u>2,822,910</u>	<u>(197,673)</u>
Change in Net Position, Budgetary Basis	<u>\$ (158,799)</u>	<u>\$ 112,683</u>	(157,933)	<u>\$ (270,616)</u>
Adjustments to GAAP Basis				
Depreciation			(299,978)	
Proceeds from Sale of Assets			(120,100)	
Gain on Sale of Assets			120,100	
Construction and Capital Improvements			534,139	
Change in Net Position, GAAP Basis			<u>\$ 76,228</u>	

See the accompanying independent auditor's report.

FINANCIAL SECTION

INTERNAL SERVICE FUNDS - DESCRIPTIONS

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

Employee Benefit Fund

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

Insurance Fund

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

OTHER SUPPLEMENTARY INFORMATION

INTERNAL SERVICE FUNDS – COMBINING STATEMENT OF NET POSITION

December 31, 2019

	Employee Benefit Fund	Insurance Fund	Total
Assets			
Current Assets			
Cash and Investments	\$ 838,188	\$ 890,323	\$ 1,728,511
Accrued Interest Receivable	2,615	1,997	4,612
Prepaid Expenses	-	22,143	22,143
Total Current Assets	<u>840,803</u>	<u>914,463</u>	<u>1,755,266</u>
Liabilities			
Current Liabilities			
Accounts Payable	7,242	42,264	49,506
Claims Payable	-	149,094	149,094
Compensated Absences - Current Portion	811,957	-	811,957
Total Current Liabilities	<u>819,199</u>	<u>191,358</u>	<u>1,010,557</u>
Net Position			
Unrestricted	<u>\$ 21,604</u>	<u>\$ 723,105</u>	<u>\$ 744,709</u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

INTERNAL SERVICE FUNDS – COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year ended December 31, 2019

	Employee Benefit Fund	Insurance Fund	Total
Operating Revenues			
City Contributions	\$ 3,883,760	\$ 795,010	\$ 4,678,770
Employee Contributions	108,717	-	108,717
Miscellaneous	40,335	12,255	52,590
Total Operating Revenues	4,032,812	807,265	4,840,077
Operating Expenses			
Premiums and Claims	3,896,339	854,642	4,750,981
Wellness Program	984	200	1,184
Miscellaneous	55,164	-	55,164
Total Operating Expenses	3,952,487	854,842	4,807,329
Operating Income (Loss)	80,325	(47,577)	32,748
Nonoperating Revenues			
Interest	13,489	16,071	29,560
Insurance Proceeds	-	707,665	707,665
Total Nonoperating Revenues	13,489	723,736	737,225
Change in Net Position	93,814	676,159	769,973
Net Position, January 1	(72,210)	46,946	(25,264)
Net Position, December 31	\$ 21,604	\$ 723,105	\$ 744,709

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

INTERNAL SERVICE FUNDS – COMBINING STATEMENT OF CASH FLOWS

Year ended December 31, 2019

	Employee Benefit Fund	Insurance Fund	Total
Cash Flows From Operating Activities			
Payments from Other Funds	\$ 3,883,760	\$ 795,010	\$ 4,678,770
Payments from Employees	108,717	-	108,717
Miscellaneous Receipts	40,335	12,255	52,590
Payments to Vendors and Suppliers	(3,826,168)	(864,415)	(4,690,583)
Net Cash Provided (Used) by Operating Activities	<u>206,644</u>	<u>(57,150)</u>	<u>149,494</u>
Cash Flows from Capital and Related Financing Activities			
Insurance Proceeds	<u>-</u>	<u>707,665</u>	<u>707,665</u>
Cash Flows From Investing Activities			
Interest Received	<u>12,553</u>	<u>14,398</u>	<u>26,951</u>
Net Increase in Cash and Cash Equivalents	219,197	664,913	884,110
Cash and Cash Equivalents - January 1	<u>618,991</u>	<u>225,410</u>	<u>844,401</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 838,188</u></u>	<u><u>\$ 890,323</u></u>	<u><u>\$ 1,728,511</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 80,325	\$ (47,577)	\$ 32,748
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations			
Prepaid Expenses	19,209	458	19,667
Accounts Payable	4,142	15,875	20,017
Claims Payable	(2,717)	(25,906)	(28,623)
Compensated Absences	105,685	-	105,685
Total Adjustments	<u>126,319</u>	<u>(9,573)</u>	<u>116,746</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 206,644</u></u>	<u><u>\$ (57,150)</u></u>	<u><u>\$ 149,494</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

EMPLOYEE BENEFIT FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
City Contributions	\$ 3,700,000	\$ 4,445,000	\$ 3,883,760	\$ (561,240)
Employee Contributions	100,000	100,000	108,717	8,717
Interest	3,940	3,940	13,489	9,549
Miscellaneous	5,000	5,000	40,335	35,335
Total Revenues	<u>3,808,940</u>	<u>4,553,940</u>	<u>4,046,301</u>	<u>(507,639)</u>
Expenses				
Premiums and Claims	3,679,787	4,179,787	3,896,339	283,448
Wellness Program	22,000	23,000	984	22,016
Miscellaneous	70,000	70,000	55,164	14,836
Total Expenses	<u>3,771,787</u>	<u>4,272,787</u>	<u>3,952,487</u>	<u>320,300</u>
Change in Net Position	37,153	281,153	93,814	(187,339)
Net Position, January 1	<u>(72,210)</u>	<u>(72,210)</u>	<u>(72,210)</u>	<u>-</u>
Net Position, December 31	<u>\$ (35,057)</u>	<u>\$ 208,943</u>	<u>\$ 21,604</u>	<u>\$ (187,339)</u>

See the accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

INSURANCE FUND – BUDGETARY COMPARISON SCHEDULE

Year ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance
Revenues				
City Contributions	\$ 795,000	\$ 795,000	\$ 795,010	\$ 10
Interest	488	488	16,071	15,583
Insurance Proceeds	-	707,000	707,665	665
Miscellaneous	1,000	1,000	12,255	11,255
Total Revenues	<u>796,488</u>	<u>1,503,488</u>	<u>1,531,001</u>	<u>27,513</u>
Expenses				
Premiums and Claims	760,000	1,467,000	854,642	612,358
Wellness Program	-	-	200	(200)
Total Expenses	<u>760,000</u>	<u>1,467,000</u>	<u>854,842</u>	<u>612,158</u>
Change in Net Position	36,488	36,488	676,159	639,671
Net Position, January 1	<u>46,946</u>	<u>46,946</u>	<u>46,946</u>	<u>-</u>
Net Position, December 31	<u><u>\$ 83,434</u></u>	<u><u>\$ 83,434</u></u>	<u><u>\$ 723,105</u></u>	<u><u>\$ 639,671</u></u>

See the accompanying independent auditor's report.

FINANCIAL SECTION

FIDUCIARY ACTIVITIES – CUSTODIAL FUND

The City maintains one Custodial Fund which accounts for taxes collected on behalf of other governments. These taxes are collected on an ongoing basis and due and remitted monthly.

CUSTODIAL FUND – STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended December 31, 2019

	<u>Custodial</u>
Additions	
Taxes collected for other governments	<u>\$ 528,827</u>
Total Additions	<u>528,827</u>
Deductions	
Taxes disbursed to other governments	<u>528,827</u>
Total Deductions	<u>528,827</u>
Net increase (decrease) in fiduciary net position	<u>-</u>
Total Net Position, January 1	<u>-</u>
Total Net Position, December 31	<u><u>\$ -</u></u>

See the accompanying independent auditor's report.

STATISTICAL SECTION



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SCHEDULE 1 – NET POSITION (most recent 10 years)
December 31, 2019

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investment in capital assets	\$ 109,360,087	\$ 109,602,319	\$ 111,817,518	\$ 114,421,149	\$ 114,371,840
Restricted	7,218,855	8,287,949	6,700,066	7,010,330	8,041,313
Unrestricted	17,733,923	18,211,622	20,379,152	24,341,245	25,881,640
Total governmental activities net position	134,312,865	136,101,890	138,896,736	145,772,724	148,294,793
Business-type activities					
Net investment in capital assets	75,294,653	74,937,380	72,752,755	76,713,275	83,127,944
Restricted	-	-	-	-	374,882
Unrestricted	28,528,564	29,982,729	34,799,103	35,156,446	40,196,094
Total business-type activities net position	103,823,217	104,920,109	107,551,858	111,869,721	123,698,920
Net investment in capital assets	184,654,740	184,539,699	184,570,273	191,134,424	197,499,784
Restricted	7,218,855	8,287,949	6,700,066	7,010,330	8,416,195
Unrestricted	46,262,487	48,194,351	55,178,255	59,497,691	66,077,734
Total primary governmental net position	\$ 238,136,082	\$ 241,021,999	\$ 246,448,594	\$ 257,642,445	\$ 271,993,713
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net investment in capital assets	\$ 116,503,967	\$ 115,675,547	\$ 122,568,073	\$ 129,041,362	\$ 139,645,432
Restricted	8,917,272	10,519,487	10,396,066	12,249,044	8,917,533
Unrestricted	29,093,640	34,646,358	38,027,329	42,884,343	45,402,656
Total governmental activities net position	154,514,879	160,841,392	170,991,468	184,174,749	193,965,621
Business-type activities					
Net investment in capital assets	85,694,242	91,252,731	99,364,335	106,120,369	114,556,005
Restricted	566,315	566,315	-	-	-
Unrestricted	41,540,521	43,695,273	45,525,566	49,565,131	53,687,768
Total business-type activities net position	127,801,078	135,514,319	144,889,901	155,685,500	168,243,773
Net investment in capital assets	202,198,209	206,928,278	221,932,408	235,161,731	254,201,437
Restricted	9,483,587	11,085,802	10,396,066	12,249,044	8,917,533
Unrestricted	70,634,161	78,341,631	83,552,895	92,449,474	99,090,424
Total primary governmental net position	\$ 282,315,957	\$ 296,355,711	\$ 315,881,369	\$ 339,860,249	\$ 362,209,394

STATISTICAL SECTION

SCHEDULE 2 – CHANGES IN NET POSITION (most recent 10 years)

Year ended December 31, 2019

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses					
Governmental activities:					
General government	\$ 6,911,396	\$ 5,814,940	\$ 6,057,102	\$ 6,036,981	\$ 7,773,581
Judicial	311,003	333,548	330,696	437,265	499,622
Public safety	7,587,907	7,626,579	7,883,072	8,396,253	9,073,242
Public works	5,466,171	5,361,272	5,696,174	5,662,462	5,761,464
Culture and recreation	5,920,901	6,181,749	6,566,800	6,535,879	6,798,724
Interest on long-term debt	1,124,734	1,029,522	1,332,867	1,262,467	1,210,706
Total governmental activities expenses	27,322,112	26,347,610	27,866,711	28,331,307	31,117,339
Business-type activities:					
Water	5,483,318	6,058,080	6,320,696	5,410,699	5,526,849
Water reclamation	2,769,695	2,606,391	2,779,195	2,800,165	2,784,170
Golf course	1,633,609	1,731,724	1,902,097	1,888,000	1,984,280
Storm water	305,638	662,849	713,403	828,224	838,052
Total business-type activities expenses	10,192,260	11,059,044	11,715,391	10,927,088	11,133,351
Total primary governmental expenses	<u>\$ 37,514,372</u>	<u>\$ 37,406,654</u>	<u>\$ 39,582,102</u>	<u>\$ 39,258,395</u>	<u>\$ 42,250,690</u>
Program Revenues					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 870,398	\$ 1,168,396	\$ 2,000,981	\$ 2,241,222	\$ 2,414,326
Judicial	973,241	1,000,263	841,277	854,704	872,342
Public safety	413,682	385,783	529,732	517,540	396,491
Public works	895,057	931,524	968,770	179,399	14,075
Culture and recreation	1,550,569	1,728,879	1,774,576	1,831,286	1,837,201
Total charges for services	4,702,947	5,214,845	6,115,336	5,624,151	5,534,435
Operating grants and contributions	1,356,870	1,171,447	1,198,140	1,213,497	1,360,175
Capital grants and contributions	3,270,777	2,119,993	3,354,070	5,856,595	2,812,361
Total governmental activities program revenues	9,330,594	8,506,285	10,667,546	12,694,243	9,706,971
Business-type activities:					
Program revenues					
Charges for services					
Water	4,934,602	5,352,350	6,555,899	5,881,253	6,026,348
Water reclamation	1,681,557	1,880,051	2,139,639	2,004,400	2,745,581
Storm water	2,031,606	2,106,348	2,329,388	2,286,621	2,605,171
Golf course	643,913	619,190	655,667	644,484	651,519
Total charges for services	9,291,678	9,957,939	11,680,593	10,816,758	12,028,619
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	3,133,880	3,713,535	5,895,027	6,233,629	12,469,981
Total business-type activities program revenues	12,425,558	13,671,474	17,575,620	17,050,387	24,498,600
Total primary government program revenues	<u>\$ 21,756,152</u>	<u>\$ 22,177,759</u>	<u>\$ 28,243,166</u>	<u>\$ 29,744,630</u>	<u>\$ 34,205,571</u>

SCHEDULE 2 – CHANGES IN NET POSITION (most recent 10 years) (continued)
Year ended December 31, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses					
Governmental activities:					
General government	\$ 6,158,688	\$ 6,502,498	\$ 6,723,312	\$ 7,151,022	\$ 10,857,506
Judicial	406,578	522,216	599,522	670,461	646,084
Public safety	8,402,027	9,831,186	10,707,135	11,047,434	13,054,675
Public works	6,405,900	6,999,101	6,882,121	7,395,459	6,229,133
Culture and recreation	7,043,976	6,903,106	7,659,774	8,646,648	10,321,126
Interest on long-term debt	1,154,003	1,238,737	1,103,901	1,018,000	513,808
Total governmental activities expenses	29,571,172	31,996,844	33,675,765	35,929,024	41,622,332
Business-type activities:					
Water	5,519,561	5,586,019	6,720,281	8,045,332	7,516,930
Water reclamation	2,798,608	2,834,235	2,949,268	3,948,819	3,942,419
Golf course	2,090,819	2,219,448	2,522,940	2,816,838	2,588,749
Storm water	944,296	1,212,323	738,324	850,754	1,072,171
Total business-type activities expenses	11,353,284	11,852,025	12,930,813	15,661,743	15,120,269
Total primary governmental expenses	<u>\$ 40,924,456</u>	<u>\$ 43,848,869</u>	<u>\$ 46,606,578</u>	<u>\$ 51,590,767</u>	<u>\$ 56,742,601</u>
Program Revenues					
Governmental activities:					
Program revenues					
Charges for services					
General government	\$ 2,886,488	\$ 1,605,901	\$ 2,179,555	\$ 7,040,872	\$ 5,055,582
Judicial	606,976	528,248	683,610	40,543	56,524
Public safety	394,345	583,071	510,737	816,621	924,782
Public works	10,582	1,624,090	1,693,094	2,043,810	2,266,949
Culture and recreation	1,979,019	2,022,257	2,079,420	2,327,660	2,309,753
Total charges for services	5,877,410	6,363,567	7,146,416	12,269,506	10,613,590
Operating grants and contributions	1,275,835	1,561,461	1,893,068	1,703,572	1,533,961
Capital grants and contributions	2,825,043	3,004,817	4,705,396	4,204,821	5,007,198
Total governmental activities program revenues	9,978,288	10,929,845	13,744,880	18,177,899	17,154,749
Business-type activities:					
Program revenues					
Charges for services					
Water	6,550,201	7,574,216	8,103,541	8,593,015	8,329,244
Water reclamation	3,336,595	4,520,574	5,010,334	5,351,810	5,730,381
Storm water	2,602,784	2,493,470	2,662,369	2,643,366	2,544,709
Golf course	669,625	682,188	742,156	992,136	1,686,419
Total charges for services	13,159,205	15,270,448	16,518,400	17,580,327	18,290,753
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	3,484,379	6,180,956	7,815,507	8,096,157	4,869,851
Total business-type activities program revenues	16,643,584	21,451,404	24,333,907	25,676,484	23,160,604
Total primary government program revenues	<u>\$ 26,621,872</u>	<u>\$ 32,381,249</u>	<u>\$ 38,078,787</u>	<u>\$ 43,854,383</u>	<u>\$ 40,315,353</u>

STATISTICAL SECTION

SCHEDULE 2 – CHANGES IN NET POSITION (most recent 10 years) (continued)

Year ended December 31, 2019

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue					
Governmental activities	\$ (17,991,518)	\$ (17,841,325)	\$ (17,199,165)	\$ (15,637,064)	\$ (21,410,368)
Business-type activities	2,233,298	2,612,430	5,860,229	6,123,299	13,365,249
Total primary government net expenses	<u>(15,758,220)</u>	<u>(15,228,895)</u>	<u>(11,338,936)</u>	<u>(9,513,765)</u>	<u>(8,045,119)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	6,479,248	6,209,455	5,925,007	5,989,776	6,027,624
Sales and use taxes	10,180,788	11,517,609	12,109,069	13,523,535	14,523,678
Other taxes	-	-	-	-	-
Unrestricted grants and contributions	34,688	32,988	32,888	37,280	44,440
Interest	301,530	230,996	201,659	44,309	281,317
Franchise taxes	981,752	1,003,574	997,677	1,074,357	1,130,471
Other general revenues	-	-	-	-	-
Gain (loss) on sale of capital assets	42,831	37,608	44,048	36,046	65,997
Transfers	1,616,767	1,773,120	1,479,492	1,553,181	1,858,910
Special items					
Adjustment of note receivable	<u>(1,175,000)</u>	<u>(1,175,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>18,462,604</u>	<u>19,630,350</u>	<u>20,789,840</u>	<u>22,258,484</u>	<u>23,932,437</u>
Business-type activities:					
Interest	326,542	257,582	210,342	2,314	322,860
Sewer Line Assessment Adjustments	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	<u>(1,616,767)</u>	<u>(1,773,120)</u>	<u>(1,479,492)</u>	<u>(1,553,181)</u>	<u>(1,858,910)</u>
Total business-type activities	<u>(1,290,225)</u>	<u>(1,515,538)</u>	<u>(1,269,150)</u>	<u>(1,550,867)</u>	<u>(1,536,050)</u>
Total primary government	<u>17,172,379</u>	<u>18,114,812</u>	<u>19,520,690</u>	<u>20,707,617</u>	<u>22,396,387</u>
Changes in Net Position					
Governmental activities	471,086	1,789,025	3,590,675	6,621,420	2,522,069
Business-type activities	<u>943,073</u>	<u>1,096,892</u>	<u>4,591,079</u>	<u>4,572,432</u>	<u>11,829,199</u>
Total primary government change in net position	<u>\$ 1,414,159</u>	<u>\$ 2,885,917</u>	<u>\$ 8,181,754</u>	<u>\$ 11,193,852</u>	<u>\$ 14,351,268</u>

SCHEDULE 2 – CHANGES IN NET POSITION (most recent 10 years) (continued)
Year ended December 31, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net (Expense)/Revenue					
Governmental activities	\$ (19,592,884)	\$ (21,066,999)	\$ (19,930,885)	\$ (17,751,125)	\$ (24,467,583)
Business-type activities	<u>5,290,300</u>	<u>9,599,379</u>	<u>11,403,094</u>	<u>10,014,741</u>	<u>8,040,335</u>
Total primary government net expenses	<u>(14,302,584)</u>	<u>(11,467,620)</u>	<u>(8,527,791)</u>	<u>(7,736,384)</u>	<u>(16,427,248)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	8,963,672	8,090,573	9,025,797	10,050,460	10,108,623
Sales and use taxes	12,964,800	15,347,393	16,641,430	18,105,109	19,709,451
Other taxes	184,287	459,674	487,125	539,644	648,815
Unrestricted grants and contributions	54,371	55,656	48,530	112,986	46,891
Interest	249,474	288,540	380,639	791,498	1,389,129
Franchise taxes	1,113,899	1,107,958	1,132,143	1,141,404	1,147,437
Other general revenues	-	6,897	-	193,305	396,057
Gain on sale of capital assets	90,349	35,690	11,780	-	-
Transfers	1,668,352	2,001,131	2,353,517	-	-
Special items					
Adjustment of note receivable	-	-	-	-	-
Total governmental activities	<u>25,289,204</u>	<u>27,393,512</u>	<u>30,080,961</u>	<u>30,934,406</u>	<u>33,446,403</u>
Business-type activities:					
Interest	257,340	281,716	336,344	780,858	1,427,832
Sewer Line Assessment Adjustments	-	(10,143)	-	-	-
Gain on sale of capital assets	53,870	12,420	(10,339)	-	144,719
Transfers	<u>(1,668,352)</u>	<u>(2,001,131)</u>	<u>(2,353,517)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(1,357,142)</u>	<u>(1,717,138)</u>	<u>(2,027,512)</u>	<u>780,858</u>	<u>1,572,551</u>
Total primary government	<u>23,932,062</u>	<u>25,676,374</u>	<u>28,053,449</u>	<u>31,715,264</u>	<u>35,018,954</u>
Changes in Net Position					
Governmental activities	5,696,320	6,326,513	10,150,076	13,183,281	8,978,820
Business-type activities	<u>3,933,158</u>	<u>7,882,241</u>	<u>9,375,582</u>	<u>10,795,599</u>	<u>9,612,886</u>
Total primary government change in net position	<u>\$ 9,629,478</u>	<u>\$ 14,208,754</u>	<u>\$ 19,525,658</u>	<u>\$ 23,978,880</u>	<u>\$ 18,591,706</u>

STATISTICAL SECTION

SCHEDULE 3 – FUND BALANCE – GOVERNMENTAL FUNDS (most recent 10 years) December 31, 2019

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund					
Nonspendable	\$ 1,066,817	\$ 198,846	\$ 1,078,054	\$ 1,419,660	\$ 1,160,334
Restricted	1,077,404	1,418,327	1,396,626	1,400,512	1,478,013
Committed	1,217,379	386,326	567,259	1,445,337	1,184,653
Assigned	5,027,742	148,026	141,347	125,755	108,056
Unassigned	4,995,187	8,329,081	9,031,254	10,992,811	12,710,609
Total general fund	<u>\$ 13,384,529</u>	<u>\$ 10,480,606</u>	<u>\$ 12,214,540</u>	<u>\$ 15,384,075</u>	<u>\$ 16,641,665</u>
All other governmental funds					
Resources not in spendable form	\$ 46,398	\$ 53,398	\$ 46,398	\$ 783,203	\$ 775,640
Restricted	5,914,284	6,823,224	5,257,042	5,563,432	6,516,914
Committed	228,516	4,483,133	4,604,513	4,873,414	5,456,443
Assigned	2,340,184	2,660,029	1,958,641	1,954,154	1,982,627
Unassigned, reported in:					
Special revenue funds	-	-	-	-	-
Total other governmental funds	<u>\$ 8,529,382</u>	<u>\$ 14,019,784</u>	<u>\$ 11,866,594</u>	<u>\$ 13,174,203</u>	<u>\$ 14,731,624</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund					
Nonspendable	\$ 1,220,730	\$ 1,123,593	\$ 21,186	\$ 726,473	\$ 726,610
Restricted	1,618,129	1,620,000	1,670,472	1,954,611	1,083,515
Committed	1,172,303	1,573,308	2,128,070	2,687,395	3,557,446
Assigned	88,987	69,135	48,509	29,510	29,510
Unassigned	16,080,562	19,969,686	24,288,624	24,589,087	23,953,740
Total general fund	<u>\$ 20,180,711</u>	<u>\$ 24,355,722</u>	<u>\$ 28,156,861</u>	<u>\$ 29,987,076</u>	<u>\$ 29,350,821</u>
All other governmental funds					
Resources not in spendable form	\$ 952,318	\$ 760,476	\$ 752,913	\$ 46,398	\$ 46,398
Restricted	7,252,745	8,849,960	8,679,196	10,248,035	7,787,620
Committed	5,618,263	10,348,187	7,185,012	9,606,633	11,020,663
Assigned	1,159,996	1,401,210	1,105,481	1,266,857	1,080,825
Unassigned, reported in:					
Special revenue funds	-	-	(45,967)	-	-
Total other governmental funds	<u>\$ 14,983,322</u>	<u>\$ 21,359,833</u>	<u>\$ 17,676,635</u>	<u>\$ 21,167,923</u>	<u>\$ 19,935,506</u>

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STATISTICAL SECTION

SCHEDULE 4 – CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS (most recent 10 years) Year ended December 31, 2019

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues					
Taxes	\$ 16,665,336	\$ 17,732,361	\$ 18,034,076	\$ 19,513,312	\$ 20,551,302
Licenses and permits	377,013	511,237	577,920	614,540	747,009
Intergovernmental	1,738,107	1,590,812	1,364,214	1,477,961	1,363,711
Fines and forfeitures	973,241	1,000,263	841,277	854,705	872,342
Franchise taxes	981,752	1,003,574	997,677	1,074,357	1,130,471
Special assessments principal	48,499	20,095	16,892	927,689	201,160
Special assessments interest	499,614	488,347	469,647	470,957	484,212
Interest	266,346	196,992	158,194	4,368	260,952
Sidewalk maintenance/repair	89,439	90,112	91,600	92,922	95,627
Contributions	119,227	94,537	128,509	37,473	1,220,461
Charges for services	3,504,277	3,577,877	3,831,786	4,031,769	3,996,353
Administrative fees	31,499	36,844	39,097	40,435	44,516
Miscellaneous	249,341	421,066	336,573	1,852,418	447,671
Total revenues	25,543,691	26,764,117	26,887,462	30,992,906	31,415,787
Expenditures					
General government	6,710,378	5,593,279	5,776,726	5,556,017	7,469,068
Judicial	310,795	332,958	330,485	436,782	499,437
Public safety	6,953,898	6,953,249	7,202,446	7,761,736	8,210,875
Public works	2,821,786	2,485,343	2,565,642	2,697,682	2,847,425
Culture and recreation	4,886,184	5,020,195	5,418,626	5,335,310	5,496,260
Capital outlay	5,267,146	2,458,408	3,670,577	3,856,496	3,243,624
Debt service					
Capital lease payments	539,659	914,789	481,038	138,677	144,500
Principal	1,445,000	1,265,000	1,280,000	1,330,000	1,385,000
Interest and fiscal charges	988,157	927,537	1,264,841	1,210,810	1,163,498
Total expenditures	29,923,003	25,950,758	27,990,381	28,323,510	30,459,687
Excess of revenues over (under) expenditures	(4,379,312)	813,359	(1,102,919)	2,669,396	956,100
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Premium	-	-	-	-	-
Issuance Costs	-	-	-	-	-
Transfers in	3,351,769	8,731,752	5,223,770	5,480,866	5,918,411
Transfers out	(1,735,002)	(6,958,632)	(3,744,278)	(3,927,686)	(4,059,500)
Contributions	-	-	-	-	-
Total other financing sources (uses)	1,616,767	1,773,120	1,479,492	1,553,180	1,858,911
Net change in fund balances	\$ (2,762,545)	\$ 2,586,479	\$ 376,573	\$ 4,222,576	\$ 1,858,911
Debt service as a percentage of noncapital expenditures	12.1%	13.2%	12.4%	11.0%	9.9%

SCHEDULE 4 – CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
(most recent 10 years) (continued)
Year ended December 31, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Taxes	\$ 21,831,987	\$ 23,897,640	\$ 26,154,352	\$ 28,695,213	\$ 30,341,746
Licenses and permits	618,042	720,295	979,192	1,064,668	995,596
Intergovernmental	1,413,681	1,635,143	1,427,665	2,318,448	3,359,068
Fines and forfeitures	606,896	528,249	683,609	737,742	519,562
Franchise taxes	1,113,899	1,107,958	1,132,143	1,141,404	1,147,437
Special assessments principal	193,163	144,626	354,734	42,625	30,965
Special assessments interest	492,444	501,205	653,898	478,789	11,454
Interest	214,475	269,195	336,921	754,402	1,342,119
Sidewalk maintenance/repair	98,282	99,371	128,863	207,369	332,409
Contributions	697,628	584,200	1,647,745	340,850	179,086
Charges for services	5,019,819	4,977,784	5,464,529	6,434,320	6,443,407
Administrative fees	53,667	47,257	59,421	3,874,152	2,297,541
Miscellaneous	111,928	121,815	69,443	1,089,294	478,104
Total revenues	32,465,911	34,634,738	39,092,515	47,179,276	47,478,494
Expenditures					
General government	5,825,901	6,278,283	6,442,287	6,933,635	10,396,258
Judicial	406,017	522,888	598,409	670,175	647,938
Public safety	8,283,373	9,591,173	9,926,889	11,037,480	11,769,985
Public works	3,399,974	4,069,936	3,909,343	4,543,803	3,838,929
Culture and recreation	5,847,442	5,847,316	6,591,737	7,359,613	8,772,331
Capital outlay	3,878,010	2,585,398	10,561,281	7,891,497	9,700,705
Debt service					
Capital lease payments	149,090	149,360	149,360	112,020	-
Principal	1,445,000	4,910,000	2,005,000	2,245,000	5,540,000
Interest and fiscal charges	1,108,713	1,067,153	1,143,785	1,064,550	562,252
Total expenditures	30,343,520	35,021,507	41,328,091	41,857,773	51,228,398
Excess of revenues over (under) expenditures	2,122,391	(386,769)	(2,235,576)	5,321,503	(3,749,904)
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ 8,265,000	\$ -	\$ -	\$ -
Debt Premium	-	806,481	-	-	-
Issuance Costs	-	(134,321)	-	-	-
Transfers in	5,975,513	5,968,865	8,468,804	8,389,399	8,526,484
Transfers out	(4,307,160)	(3,967,734)	(6,115,287)	(8,389,399)	(8,526,484)
Contributions	-	-	-	-	1,591,936
Total other financing sources (uses)	1,668,353	10,938,291	2,353,517	-	1,591,936
Net change in fund balances	\$ 3,790,744	\$ 10,551,522	\$ 117,941	\$ 5,321,503	\$ (2,157,968)
Debt service as a percentage of noncapital expenditures	10.2%	18.9%	10.7%	10.1%	14.7%

STATISTICAL SECTION

SCHEDULE 5 – TAX REVENUES BY SOURCE (most recent 10 years)

Year ended December 31, 2019

Fiscal Year	General Property Tax ^{1,3}	Fire District Tax	Specific Ownership Tax	Excise Tax	Sales Tax	Franchise Tax	Use Tax ²	Total General Tax Revenues
2010	6,168,827	5,300	310,421	-	8,273,535	981,752	1,907,253	17,567,289
2011	5,950,437	5,300	259,016	-	9,008,620	1,003,574	2,508,986	17,681,776
2012	5,647,300	5,300	272,407	-	9,560,708	997,677	2,548,361	18,768,921
2013	5,699,638	5,300	284,838	-	10,124,604	1,074,357	3,398,931	19,064,641
2014	5,713,092	5,300	309,232	-	10,850,273	1,130,471	3,673,405	20,624,948
2015	6,668,265	5,300	378,366	184,286	11,643,115	1,113,899	3,591,148	21,726,213
2016	7,677,373	5,300	407,900	459,674	11,998,522	1,107,958	4,104,099	25,760,826
2017	7,941,715	5,300	455,589	487,125	12,739,227	1,132,143	3,902,203	26,663,302
2018	9,518,598	5,300	526,563	539,644	13,285,429	1,141,404	4,819,679	29,836,617
2019	9,462,728	5,300	515,452	648,815	14,781,930	1,147,437	4,927,521	31,489,183

¹ Includes property taxes from general improvement districts

² Includes taxes on building materials and motor vehicles.

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

**SCHEDULE 6 – DIRECT AND OVERLAPPING SALES TAX RATES
(most recent 10 years)**

Fiscal Year	City of Lafayette	State of Colorado	Boulder County	Overlapping Rates			Total Overlapping Sales Tax Rate
				Regional Transportation District	Cultural Facilities District	Football Stadium District	
2010	3.500%	2.900%	0.800%	1.000%	0.100%	0.100%	8.400%
2011	3.500%	2.900%	0.800%	1.000%	0.100%	0.100%	8.400%
2012	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2013	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2014	3.500%	2.900%	0.800%	1.000%	0.100%	0.000%	8.300%
2015	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2016	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2017	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2018	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%
2019	3.500%	2.900%	0.985%	1.000%	0.100%	0.000%	8.485%

**SCHEDULE 7 – PRINCIPAL SALES AND USE TAXPAYERS
(most recent 10 years)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Aggregate top thirty filers ¹	\$ 4,604,871	\$ 5,824,059	\$ 6,466,701	\$ 6,839,683	\$ 7,138,865
Aggregate all other filers	3,815,397	3,564,107	3,481,483	3,767,157	4,505,844
Total sales and use tax	<u>\$ 8,584,308</u>	<u>\$ 9,388,166</u>	<u>\$ 9,948,184</u>	<u>\$ 10,606,840</u>	<u>\$ 11,644,709</u>
Top thirty filers as a percentage of total sales tax	53.64%	62.04%	65.00%	64.48%	61.31%
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Aggregate top thirty filers ¹	\$ 7,636,689	\$ 7,620,719	\$ 7,682,414	\$ 8,375,538	\$ 8,931,483
Aggregate all other filers	5,047,339	5,188,473	5,883,738	5,852,186	6,464,243
Total sales and use tax	<u>\$ 12,684,028</u>	<u>\$ 12,809,192</u>	<u>\$ 13,566,152</u>	<u>\$ 14,227,724</u>	<u>\$ 15,395,726</u>
Top thirty filers as a percentage of total sales tax	60.21%	59.49%	56.63%	58.87%	58.01%

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

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

STATISTICAL SECTION

SCHEDULE 8 – RATIO OF OUTSTANDING DEBT, BY TYPE (most recent 10 years)

Fiscal Year	Governmental Activities						
	Sales Tax Revenue Bonds ¹	Limited Tax Revenue Bonds	General Obligation Bonds	Demand Bonds	Capital Leases	Term Loan Payable	Issuance Premiums
2010	7,685,000	5,000,000	5,780,000	3,955,000	1,380,486	647,492	11,842
2011	6,910,000	4,865,000	5,425,000	3,955,000	1,189,235	-	7,267
2012	6,145,000	4,720,000	5,055,000	3,955,000	752,045	-	6,723
2013	5,355,000	4,565,000	4,670,000	3,955,000	640,676	-	6,179
2014	4,540,000	4,400,000	4,265,000	3,955,000	519,062	-	5,635
2015	3,695,000	4,220,000	3,845,000	3,955,000	388,033	-	5,091
2016	2,820,000	4,030,000	8,265,000	3,955,000	251,625	-	806,481
2017	1,915,000	3,820,000	7,375,000	3,955,000	109,903	-	725,833
2018	975,000	3,615,000	6,600,000	3,630,000	-	-	645,185
2019	-	3,470,000	5,810,000	-	-	-	564,537

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

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

³ See Schedule 12 for Population and Personal Income figures.

Business-Type Activities								
General	Water	Golf				Total		Percent
Oblig. Water	Revenue	Revenue	Capital	Term Loan	Issuance	Primary	Debt Per	Personal
Bonds ²	Bonds	Bonds	Leases	Payable	Premiums	Government	Capita ³	Income ³
635,000	15,645,000	232,500	-	5,842,506	393,590	47,208,416	1,785	5.56%
325,000	15,645,000	179,000	-	5,393,465	364,574	44,258,541	1,693	4.66%
-	15,215,000	122,500	-	4,939,626	1,857,104	42,767,998	1,606	4.54%
-	14,395,000	62,900	-	4,463,277	1,729,218	39,842,250	1,555	4.33%
-	13,550,000	-	-	3,965,090	1,601,332	36,801,119	1,436	4.00%
-	12,680,000	-	-	3,449,672	1,473,446	33,711,242	1,192	3.23%
-	11,790,000	-	-	2,917,322	1,345,560	36,180,988	1,279	2.92%
-	10,890,000	-	-	2,362,398	1,217,674	32,370,808	1,130	2.34%
-	9,955,000	-	-	1,805,703	1,089,788	28,315,676	951	1.86%
-	9,000,000	-	-	1,228,089	961,902	21,034,528	712	1.47%

STATISTICAL SECTION

SCHEDULE 9 – RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT LIMIT (most recent 10 years)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General bonded debt outstanding	\$ 38,813,027	\$ 37,255,094	\$ 37,076,327	\$ 34,738,297	\$ 32,316,967
Less:					
General obligation water bonds	635,000	325,000	-	-	-
Water revenue bonds	15,645,000	15,645,000	15,215,000	14,395,000	13,550,000
Deferred amounts - Water bonds	312,886	339,198	1,857,104	1,729,218	1,601,332
Tech center GID revenue bonds	2,010,000	1,975,000	1,940,000	1,900,000	1,860,000
Deferred amounts - Tech Center bonds	(47,802)	(45,195)	-	-	-
Limited tax obligation bonds	2,990,000	2,890,000	2,780,000	2,665,000	2,540,000
Sales tax revenue bonds	7,685,000	6,910,000	6,145,000	5,355,000	4,540,000
Deferred amounts - Sales Tax bonds	(14,581)	-	-	-	-
Demand bonds	3,955,000	3,955,000	3,955,000	3,955,000	3,955,000
Deferred amounts - demand bonds	(377,787)	(350,176)	-	-	-
Golf course revenue bonds	232,500	179,000	122,500	62,900	-
Total net debt applicable to debt limit	5,787,811	5,432,267	5,061,723	4,676,179	4,270,635
Estimated actual property values ¹	3,081,645,100	3,092,789,600	3,200,277,084	3,266,721,780	3,311,284,288
Legal debt limit ²	92,449,353	92,783,688	96,008,313	98,001,653	99,338,529
Legal debt margin ³	\$ 86,661,542	\$ 87,351,421	\$ 90,946,590	\$ 93,325,474	\$ 95,067,894
Outstanding debt as a percentage of debt limit	6%	6%	5%	5%	4%
Population	26,448	26,136	26,136	26,629	25,621
Net general bonded debt per capita	\$ 219	\$ 208	\$ 194	\$ 176	\$ 167

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

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

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

SCHEDULE 9 – RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT LIMIT (most recent 10 years) (continued)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General bonded debt outstanding	\$ 29,873,537	\$ 33,012,041	\$ 29,898,507	\$ 26,509,973	\$ 19,806,439
Less:					
General obligation water bonds	-	-			
Water revenue bonds	12,680,000	11,790,000	10,890,000	9,955,000	9,000,000
Deferred amounts - Water bonds	1,473,446	1,345,560	1,217,674	1,089,788	961,902
Tech center GID revenue bonds	1,815,000	1,770,000	1,720,000	1,670,000	1,615,000
Deferred amounts - Tech Center bonds	-	-	-	-	-
Limited tax obligation bonds	2,405,000	2,260,000	2,100,000	1,945,000	1,855,000
Sales tax revenue bonds	3,695,000	2,820,000	1,915,000	975,000	-
Deferred amounts - Sales Tax bonds	-	-	-	-	-
Demand bonds	3,955,000	3,955,000	3,955,000	3,630,000	-
Deferred amounts - demand bonds	-	-	-	-	-
Golf course revenue bonds	-	-	-	-	-
Total net debt applicable to debt limit	3,850,091	9,071,481	8,100,833	7,245,185	6,374,537
Estimated actual property values ¹	3,384,173,618	4,131,951,237	5,270,411,840	5,412,207,877	6,030,016,835
Legal debt limit ²	101,525,209	123,958,537	158,112,355	162,366,236	180,900,505
Legal debt margin ³	\$ 97,675,118	\$ 114,887,056	\$ 150,011,522	\$ 155,121,051	\$ 174,525,968
Outstanding debt as a percentage of debt limit	4%	7%	5%	4%	4%
Population	28,278	28,278	28,641	29,782	29,538
Net general bonded debt per capita	\$ 136	\$ 321	\$ 283	\$ 243	\$ 216

STATISTICAL SECTION

SCHEDULE 10 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (most recent 10 years) Year ended December 31, 2019

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To Government</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Lafayette	\$ 9,844,537	100.00%	\$ 9,844,537
Overlapping:			
Boulder Valley School District RE-2 ¹	<u>791,885,000</u>	6.87%	<u>54,400,317</u>
Total	<u>\$ 801,729,537</u>		<u>\$ 64,244,854</u>

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

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

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

SCHEDULE 11 – PLEDGED REVENUE COVERAGE
(most recent 10 years)

Water Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2010	7,267,461	3,725,343	3,542,118	-	757,056	4.68
2011	7,513,649	4,524,381	2,989,268	-	757,056	3.95
2012	10,375,243	5,109,855	5,265,388	185,000	434,102	8.50
2013	8,297,938	4,327,530	3,970,408	820,000	535,000	2.93
2014	10,535,100	4,624,176	5,910,924	845,000	510,400	4.36
2015	8,815,018	4,547,298	4,267,720	870,000	485,050	3.15
2016	11,194,286	4,833,741	6,360,545	890,000	472,000	4.67
2017	13,268,230	6,185,026	7,083,204	900,000	458,650	5.21
2018	15,315,712	6,182,531	9,133,181	935,000	422,648	6.73
2019	12,102,122	5,632,458	6,469,664	955,000	403,950	4.76

Sales Tax Revenue Bonds				
	Sales & Use Tax Increment	Debt Service Principal	Interest	Coverage ⁴
2010	8,310,576	750,000	280,221	8.07
2011	9,074,163	775,000	255,846	8.80
2012	9,612,340	765,000	228,721	9.67
2013	10,318,191	790,000	203,400	10.39
2014	11,221,382	815,000	177,251	11.31
2015	12,037,311	845,000	150,274	12.09
2016	12,340,684	875,000	122,305	12.37
2017	13,036,392	905,000	93,341	13.06
2018	15,447,344	940,000	63,387	15.40
2019	-	-	-	-

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

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

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

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

STATISTICAL SECTION

SCHEDULE 11 – PLEDGED REVENUE COVERAGE (most recent 10 years) (continued)

CWRPDA Loan						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2010	2,593,645	1,960,953	632,692	416,582	233,935	0.97
2011	2,495,779	1,805,580	690,199	435,155	217,619	1.06
2012	3,700,594	2,033,056	1,667,538	438,819	201,258	2.61
2013	3,043,738	2,094,207	949,531	460,391	183,519	1.47
2014	4,463,578	2,203,053	2,260,525	481,405	165,482	3.49
2015	4,040,151	2,256,541	1,783,610	497,741	146,675	2.77
2016	5,417,710	2,392,633	3,025,077	513,202	127,576	4.72
2017	6,351,730	2,615,768	3,735,962	534,749	88,256	6.00
2018	6,824,286	2,958,735	3,865,551	556,695	86,229	6.01
2019	7,082,911	2,809,028	4,273,883	577,614	64,463	6.66

Lafayette City Center GID Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2010	86,275	9,215	77,060	45,000	32,775	0.99
2011	91,112	9,793	81,319	50,000	30,187	1.01
2012	93,848	9,732	84,116	55,000	27,313	1.02
2013	95,174	9,758	85,416	60,000	24,150	1.02
2014	98,661	9,788	88,873	65,000	20,700	1.04
2015	100,052	9,407	90,645	70,000	16,963	1.04
2016	103,713	11,465	92,248	75,000	12,938	1.05
2017	102,886	11,443	91,443	80,000	8,625	1.03
2018	116,591	11,624	104,967	70,000	4,425	1.41
2019	31,614	2,784	28,830	-	-	-

Exempla GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest*	
2010	611,942	726,393	(114,451)	-	86,400	-1.32
2011	600,201	402,244	197,957	-	81,856	2.42
2012	576,235	19,155	557,080	-	81,376	6.85
2013	564,224	31,492	532,732	-	77,175	6.90
2014	589,999	20,596	569,403	-	78,069	7.29
2015	596,368	17,319	579,049	-	75,266	7.69
2016	621,237	17,603	603,634	-	90,237	6.69
2017	624,528	397,887	226,641	-	113,930	1.99
2018	666,771	17,738	649,033	325,000	492,279	0.79
2019	140,245	1,063,758	(923,513)	3,630,000	63,470	-0.25

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

SCHEDULE 11 – PLEDGED REVENUE COVERAGE
(most recent 10 years) (continued)

Lafayette Corp Campus GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2010	262,753	13,993	248,760	45,000	200,800	1.01
2011	262,572	14,017	248,555	50,000	197,200	1.01
2012	264,608	14,049	250,559	55,000	193,200	1.01
2013	255,236	14,160	241,076	55,000	188,800	0.99
2014	262,131	13,458	248,673	60,000	184,400	1.02
2015	264,766	13,717	251,049	65,000	179,600	1.03
2016	267,865	18,776	249,089	70,000	174,400	1.02
2017	266,748	18,737	248,011	80,000	168,800	1.00
2018	333,383	19,637	313,746	85,000	162,730	1.27
2019	344,599	19,693	324,906	90,000	155,963	1.32

Lafayette Tech Center GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
2010	169,781	10,926	158,855	30,000	122,400	1.04
2011	172,046	11,471	160,575	35,000	120,600	1.03
2012	164,115	10,648	153,467	35,000	118,500	1.00
2013	173,084	10,720	162,364	40,000	116,400	1.04
2014	168,664	10,666	157,998	40,000	114,000	1.03
2015	173,656	10,467	163,189	45,000	111,600	1.04
2016	128,097	11,881	116,216	45,000	108,900	0.76
2017	147,470	2,065	145,405	50,000	106,200	0.93
2018	190,777	2,634	188,143	50,000	103,503	1.23
2019	144,800	1,990	142,810	55,000	100,200	0.92

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

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

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

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

STATISTICAL SECTION

SCHEDULE 12 – DEMOGRAPHIC AND ECONOMIC STATISTICS AND TOP TEN EMPLOYERS FOR 2010 AND 2019 (most recent 10 years)

Fiscal Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	Median Education Level	School Enrollment	Unemp. Rate
2010	24,453	794,062	32,473	36.3	14	4,790	5.3%
2011	26,448	848,716	32,090	36.3	14	4,842	5.3%
2012	26,136	949,782	36,340	36.3	14	4,939	5.6%
2013	26,629	942,693	35,401	36.3	14	4,973	6.7%
2014	25,621	919,743	35,898	37.9	14	5,069	4.2%
2015	28,278	1,044,787	36,947	36.3	14	5,118	3.5%
2016	28,278	1,239,312	43,826	39.3	14	5,297	3.1%
2017	28,641	1,381,504	48,235	39.7	14	5,183	2.9%
2018	29,782	1,526,417	51,253	39.7	14	5,286	2.4%
2019	29,538	1,428,044	48,346	38.8	14	5,538	2.5%

2010		2019	
Firm	Estimated Number Employees	Firm	Estimated Number Employees
Exempla/Kaiser Medical Complex	1500	Exempla/Kaiser Medical Complex	1099
Abacus	370	City of Lafayette	250
City of Lafayette	330	Hospicecare of Boulder & Broomfield	200
Universal Forest Products	285	KPA, LLC	175
Imagine!	250	Imagine!	150
Wal-Mart	189	Wal-Mart	150
Rocky Mountain Instruments	150	Rocky Mountain Instruments	130
Dharmacon	130	Peak to Peak Charter School	126
King Soopers	120	Genesis Healthcare LLC	100-249
Northrup Gruman	110	King Soopers	100-249
		Kohl's	100-249

Sources: 2010 City of Lafayette CAFR
Boulder Valley School District Enrollment Count
Bureau of Labor Statistics
Reference USA

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STATISTICAL SECTION

SCHEDULE 13 – FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (most recent 10 years)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
Executive and administration										
City council	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
City administrator										
City administration	1.00	1.00	1.50	1.50	1.50	1.50	1.50	3.00	3.00	4.00
City clerk	2.20	2.20	2.20	2.20	2.20	2.20	2.38	2.17	2.00	2.00
Cultural Resources	-	-	-	-	-	-	3.00	1.96	2.79	3.20
Municipal court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	1.78	2.00	2.10
Human resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.26	3.87	4.60
Information technologies	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Finance										
Financial services (accounting)	5.50	6.50	6.50	6.50	6.00	6.00	6.00	6.30	7.00	9.00
Community development										
Community development	8.00	9.00	10.05	10.05	10.05	10.05	7.05	9.10	9.10	8.00
Public safety										
Police department	48.50	47.50	47.50	47.50	47.50	47.50	50.50	50.50	50.50	50.50
Fire department	4.50	4.50	3.50	3.50	3.50	3.50	3.50	2.76	2.76	2.10
Ambulance	14.00	14.00	16.00	16.00	19.00	19.00	25.00	25.00	27.00	29.00
Public works & utilities										
Public works administration	8.92	8.92	8.92	8.92	8.92	8.92	8.92	9.26	9.26	9.08
Water:										
Administration	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	1.54	2.00
Source of supply	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.25	1.25	5.00
Treatment	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.15	10.15	9.00
Transmission & distribution	8.15	8.15	8.15	8.15	8.15	8.15	8.15	7.33	7.33	7.00
Water reclamation:										
Administration	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	2.00
Treatment	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.36	6.36	6.00
Collection	4.91	4.91	5.41	5.41	5.41	5.41	5.41	6.41	6.41	7.00
Storm water:										
Administration	0.20	0.20	-	0.20	0.20	0.20	0.20	0.20	0.20	2.00
Collection	1.74	1.74	2.44	2.24	2.24	2.24	2.24	1.99	1.99	2.00
Subtotals	137.23	138.23	141.78	141.78	144.28	144.28	153.46	154.95	159.14	170.28

**SCHEDULE 13 – FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY
FUNCTION/PROGRAM
(most recent 10 years) (continued)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
Parks, open space & golf department										
Parks & open space:										
Administration	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Cemeteries	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.81	1.81	1.47
Parks	10.51	10.51	9.01	9.01	9.01	9.01	9.01	9.05	9.05	9.40
Open space maintenance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.68	2.68	2.73
Streetscapes	-	-	1.50	1.50	1.50	1.50	1.50	1.84	1.84	2.21
Golf course										
Administration	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Golf course operations	10.63	10.63	10.63	10.63	10.63	10.63	10.63	10.47	10.47	11.56
Club house operations	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.81	7.81	8.11
Snack bar operations	3.72	3.72	3.72	3.72	3.72	3.72	3.72	5.54	5.54	5.26
Recreation & facility management dept										
Recreation & facility management:										
Administration	3.50	3.50	3.00	3.16	3.16	3.08	3.08	0.68	0.68	4.37
Recreation & Leisure Services	42.15	42.15	42.15	45.21	45.21	45.75	45.75	44.11	44.11	51.14
Building maintenance	10.21	10.21	4.25	4.45	4.45	4.45	4.45	3.66	4.00	4.00
Senior services	3.50	3.50	3.50	4.15	4.15	4.75	4.75	4.21	4.21	4.54
Library										
Library	15.31	15.31	14.31	18.21	18.21	18.21	18.21	18.65	18.65	17.85
Subtotals	112.59	112.59	105.13	113.10	113.10	114.16	114.16	112.51	112.85	124.64
Grand totals	249.82	250.82	246.91	254.88	257.38	258.44	267.62	267.46	271.99	294.92

STATISTICAL SECTION

SCHEDULE 14 – OPERATING INDICATORS BY FUNCTION/PROGRAM (most recent 10 years)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
Police										
Physical arrests	1,152	1,442	1,273	1,054	1,033	1,027	1,080	1,136	932	842
Municipal Citations	7,043	7,170	6,521	6,384	5,785	3,872	4,197	5,580	5,353	3,910
Fire										
Emergency responses	1,578	1,732	1,795	1,955	2,241	2,445	2,935	3,030	3,324	3,753
Inspections conducted	318	300	325	400	486	276	431	388	145	50
Parks, Open Space, Golf Course										
Golf Course rounds played	36,043	37,536	40,091	38,469	44,235	41,970	37,159	40,397	36,493	37,146
% Resident Play	17%	13%	13%	13%	13%	12%	13%	11%	12%	11%
Cemetery plot opening/closings	23	33	30	40	21	25	28	29	27	32
Recreation and Facility Mgmt										
Individual Annual Passes sold	554	612	634	620	614	687	759	823	778	772
Couple or Family Annual Passes	282	286	246	258	246	308	354	474	341	356
Punch Cards sold	2,217	2,232	2,303	2,299	2,584	2,220	1,962	2,131	2,012	2,047
Total Attendance	228,741	338,153	398,216	390,624	428,384	239,240	244,944	245,946	244,324	228,375
Facilities and services not included in the reporting entity ¹ :										
Number of public elem. schools	4	4	4	4	4	4	4	4	4	4
Number of elementary instructors ²	139.0	139.0	132.0	132.0	125.0	125.0	132.0	122.0	124.0	129.0
Number of public middle schools	1	1	1	1	1	1	1	1	1	1
Number of MS instructors ²	38.0	36.0	38.0	38.0	38.0	41.0	42.0	40.0	41.0	40.0
Charter school (K through 12)	1	1	1	1	1	1	1	1	1	1
Number of public high schools	1	1	2	2	1	1	1	1	1	1
Number of HS instructors ²	63.0	63.0	64.0	64.0	64.0	66.0	66.0	68.0	70.0	67.0

¹ Source: Boulder Valley School District

² Full-time equivalents

SCHEDULE 15 – CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
(most recent 10 years)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	1	1	1	1	2	2	2	2	2	2
Public works										
Centerline miles of streets	99	101	101	150	141	147	195	195	195	428
Recreation and culture										
Recreation center	1	1	1	1	1	1	1	1	1	1
Outdoor water park	0	0	0	0	0	0	0	0	1	1
Parks	19	19	19	19	19	19	19	19	19	20
Cemeteries	2	2	2	2	2	2	2	2	2	2
Parks/Developed acres	236	236	236	236	239	239	224	239	195	195
Open space/Undeveloped acres	1,265	1,265	1,265	1,265	1,300	1,300	1,300	1,300	1,300	1,465
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Utilities										
Water treatment facilities	2	2	1	1	1	1	1	1	1	1
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	237	239	239	239	169	169	164	174	174	591
Sanitary sewer (miles)	193	194	194	194	121	121	118	118	118	387
Water connections	8,322	8,455	8,539	8,809	8,902	9,022	9,275	9,341	9,538	9,677
Wastewater connections	7,680	7,881	7,901	8,236	8,319	8,458	8,761	8,824	8,982	9,114

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COMPLIANCE SECTION



LOCAL HIGHWAY FINANCE REPORT

Financial Planning 02/01
Form # 350-050-36

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Lafayette	
This Information From The Records Of (example - City of _ or County of _) City of Lafayette		Prepared By: Cheryl Thompson	
		Phone: 303-665-5588 x1247	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,990,749
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	155,495
2. General fund appropriations	9,212,596	b. Snow and ice removal	254,548
3. Other local imposts (from page 2)	368,258	c. Other	384,351
4. Miscellaneous local receipts (from page 2)	527,944	d. Total (a. through c.)	794,394
5. Transfers from toll facilities		4. General administration & miscellaneous	1,564,750
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	4,374,136
a. Bonds - Original Issues		6. Total (1 through 5)	9,724,030
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	121,201
7. Total (1 through 6)	10,108,798	b. Redemption	1,749,298
B. Private Contributions	129,944	c. Total (a. + b.)	1,870,499
C. Receipts from State government (from page 2)	1,103,521	2. Notes:	
D. Receipts from Federal Government (from page 2)	5,567	a. Interest	
E. Total receipts (A.7 + B + C + D)	11,347,831	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,870,499
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	11,594,528
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Redemptions
A. Bonds (Total)	3,459,180		1,749,298
1. Bonds (Refunding Portion)			
B. Notes (Total)			0
V. LOCAL ROAD AND STREET FUND BALANCE			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
	501,912	11,347,831	11,594,528
			D. Ending Balance
			255,215
			E. Reconciliation
			0
Notes and Comments:			

FORM FHWA-536 (Rev. 1-05)

PREVIOUS EDITIONS OBSOLETE

(Next Page)

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2019	
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	17,697	a. Interest on investments	224,920
b. Other local imposts:		b. Traffic Fines & Penalties	253,834
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	350,561	g. Other Misc. Receipts	49,191
6. Total (1. through 5.)	350,561	h. Other	
c. Total (a. + b.)	368,258	i. Total (a. through h.)	527,944
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,001,783	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	101,738	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	5,567
f. Total (a. through e.)	101,738	g. Total (a. through f.)	5,567
4. Total (1. + 2. + 3.f)	1,103,521	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		129,944	129,944
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		2,608,156	2,608,156
(4). System Enhancement & Operation		252,649	252,649
(5). Total Construction (1) + (2) + (3) + (4)	0	2,860,805	2,860,805
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,990,749	2,990,749
			(Carry forward to page 1)
Notes and Comments:			