



City of Lafayette, Colorado

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended
December 31, 2021



City of Lafayette, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended
December 31, 2021

Prepared by the Finance Department:

City of Lafayette, Colorado
 Comprehensive Annual Financial Report
 For the fiscal year ended December 31, 2021

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Introductory Section

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June 23, 2022

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

Councilors and Residents of the City of Lafayette, Colorado:

The Annual Comprehensive Financial Report of the City of Lafayette, Colorado for the year ended December 31, 2021, is hereby submitted. State law requires that Lafayette publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills that requirement. The report provides information about the City to its residents, investors, general public, and others who may have an interest in the financial well-being of the City. This transmittal letter is designed to be read with the Management's Discussion and Analysis (MD&A) which can be found immediately following the report of the independent auditor.

Management assumes full responsibility for the completeness, fairness, and reliability of the information, including all disclosures, contained in the report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and fairly represents the financial position and changes in the financial position of the City. Disclosures necessary for the reader to gain an understanding of the City's financial affairs have been included.

The City has a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse as well as provide for compilation of sufficient reliable information for the preparation of the City's financial statements in compliance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

This Annual Comprehensive Financial Report includes 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, the government-wide and fund financial statements, notes to the financial

statements, and the combining and individual fund financial statements and schedules, as well as the independent auditor's 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 continuing disclosures on the City's debt, the State required Local Highway Finance Report as well as the Schedule of Expenditures of Federal Awards and related reports.

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.

The Lafayette City Charter and state law require that an annual audit be conducted by an independent certified public accountant. The accounting firm of Hinkle & Company, PC was selected to perform the audit. The auditor's report on the City's financial statements and schedules is included in the financial section of this report. Based on the results of the audit, the City of Lafayette's financial statements for the fiscal year ended December 31, 2021, received an unmodified ("clean") opinion in the independent auditor's report.

Profile of the Government

According to the 2020 Census, Lafayette had a population of 30,411 living in its 9.5 square mile area, up from 24,453 people in 2010 representing a 24% increase over the last decade. Lafayette currently ranks as the 31st most populated community in Colorado.

Lafayette is a home-rule City, meaning that the organization and operation of the 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 promote effective 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 most of the Council elected every two years. Councilors selects the Mayor, who presides at public meetings and represents the City in interactions with other governmental entities.

The Council is the policy-making 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 structure to allow for adjustment to new demands and changing circumstances as Lafayette grows and prospers. The City provides a full range of services including: police and fire protection, ambulance/transport, water and sanitary sewer services, the construction and maintenance of streets

and infrastructure, planning and building, recreational activities, library services, and cultural events. The Charter includes provisions for proper budgeting, fiscal control, auditing, and economical fiscal procedures supporting the provision of these services.

The annual budget serves as the foundation of the City’s financial planning and control. The objective of the budget and budgetary controls is to ensure compliance with legal provisions. Compliance is embodied in the annual appropriated budget approved by the City Council. The City Administrator is required to present a proposed budget to City Council by September 20 of each year. Budgetary control is set at the fund level – this is the level at which expenditures cannot legally exceed appropriations. City Council may make additional appropriations or budgetary transfers during the fiscal year to accommodate changing circumstances.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from the broader perspective of the environment in which the City operates.

Local Economy

The City of Lafayette is situated in eastern Boulder County between the City of Boulder to the west, Longmont to the north, and the greater Denver metro area to the south and east. This central location allows Lafayette to contribute to, and benefit from, regional economic activity and labor market dynamics. The City has an engaged and educated workforce boasting a 74% labor force participation rate with 61% of its residents holding a bachelor’s degree or higher according to the U.S. Census. These statistics exceed state and national statistics by no less than 7% across both categories. The employment profiles for Lafayette residents reflect outsize representation in high-paying occupations such as Computer & Mathematical; Life, Physical and Social Sciences; and Architectural & Engineering occupations, all of which have average wages above \$100,000 per year. All totaled, these factors drive median household income in Lafayette of \$85,909, exceeding the state and national median incomes of \$75,231 and \$67,521 respectively.

This favorable employment and household income environment coupled with a good location along regional transportation corridors of US Highway 287 running north/south and State Highway 7 running east/west helps drive Lafayette’s broad and stable revenue base especially relative to its size. This is evidenced in Lafayette’s revenue performance during the height of the COVID-19 pandemic in 2020 and into the recovery in 2021. From a retail sales tax perspective, Lafayette’s “big box” retailers contributed to unexpectedly resilient overall sales and use tax revenues that registered 5% growth in 2020 despite the impacts of COVID-19. This was crucial to funding citywide services as sales and use tax makes up 47% of General Fund revenues.

Sales and use tax revenue growth accelerated in 2021 making 15% year-over-year gains driven primarily by retail sales tax growth of 15%. A large portion of that growth came from internet sales that grew 32% year-over-year following the City’s adoption of economic nexus and marketplace facilitator code changes in November 2020. A resurgent restaurants and bars sector also contributed with tax revenues growing 32% year-over-year in 2021 following relaxation of social distancing measures. Lafayette’s revenue stability during periods of economic contraction and upside capture during periods of economic recovery signify the City’s ability to benefit from a variety of revenue sources and spending patterns.

In addition to sales and use tax, Lafayette’s property tax base continued to provide a stabilizing force. The total assessed value of real property in Lafayette, net of tax increment valuation, for 2021 tax collection totaled \$608.2 million. This was a 2% increase over 2020. Assessment for upcoming tax collection years is expected to be robust given recent double digit percentage increase in real estate prices, barring any state legislation that may temper the growth.

Along with buoyant property values, Lafayette continued to experience strong, albeit moderating, construction and development activity. In 2021, the City processed 1,519 building permits covering \$150.8 million in permit valuation. Permit activity declined from 2,275 approved permits in 2020, but carried higher permit valuations when compared to 2020’s \$125.5 million. Combined, this activity generated \$6.0 million in development related fee revenue and \$3.2 million in construction use tax.

As described above, Lafayette experienced a resilient economic and revenue environment in 2020 followed by a period of strong follow-on growth in 2021. This revenue performance underscores how Lafayette’s local economy supports a balanced and resilient revenue mix that the City has intentionally developed over the years.

Long Term Financial Planning

Despite the diverse and stable local economic environment, the uncertainty that began with the onset of the COVID-19 pandemic and the subsequent recovery has made systematic and disciplined approach to planning City projects and activities more important than ever. The City successfully relied on an established long-term planning process to quickly address the impacts of COVID-19 and continues to do so, recognizing funding challenges that are on the horizon. In 2021, the City began to methodically deploy budget to a series of initiatives and projects that had been delayed when the City paused discretionary expenditures at the outset of COVID-19. Operating spending in 2021 recovered to 2019 levels while capital spending has yet to fully rebound on account of delayed project timelines due to materials and labor shortages. All spending plans align with 5 to 10-year revenue forecasts to ensure balanced budgets across funds.

One recent result from this long-term approach was the City’s proactive efforts to address unfunded needs in public safety and mental health and human services. The City Council successfully put forth two ballot measures to voters in November 2021. These tax initiatives will collectively add 0.37% to the City’s sales and use tax rate with the resulting revenue dedicated to those two service areas starting in 2022.

Within the City’s utility portfolio, the Water Utility has unfunded mandates that will affect future budgets. The City is undertaking a detailed comprehensive rate study in the Water Utility (along with the Water Reclamation and Stormwater Utilities) to ensure long-term sustainability, especially in the areas of water sourcing and storage. The City is currently participating in two major regional water storage projects – Windy Gap and the Northern Integrated Supply Project. Both projects are being managed by the Northern Colorado Water Conservancy District and will require substantial investments over a ten-year period. The City did conduct a preliminary water rate study in 2021 that led to adoption of updated water rates and usage tiers that will bolster revenues in the near-term in preparation for future study and further adjustment to user charges and tap fees.

The City is also continuing to assess the state of its citywide capital infrastructure and community development profile with particular attention paid to the City’s transportation network, asset management program, and housing and economic development strategy. To this end, multiple studies

and strategic plans are expected to coalesce in the coming years and inform future spending priorities as well as funding mechanisms to support them including, but not limited to, impact fees, development exactions, support for regional taxing capacity, grant pursuits, economic incentives and more.

Based on current information and trends, the City believes its diverse revenue base, flexible operations, and proactive planning will allow it to continue to provide quality public services to the residents of Lafayette while maintaining a strong financial condition.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the 34th consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report is the result of cooperative efforts of many people. We wish to convey our appreciation to the dedicated members of the Finance team who contributed to and assisted with the successful completion of the audit. We would also like to thank all the City departments who provided assistance and support, and to the City Council for their leadership and support in conducting the financial operations of the City in a responsible and progressive manner.



Fritz Sprague
City Administrator



Devin Billingsley
Interim Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lafayette
Colorado**

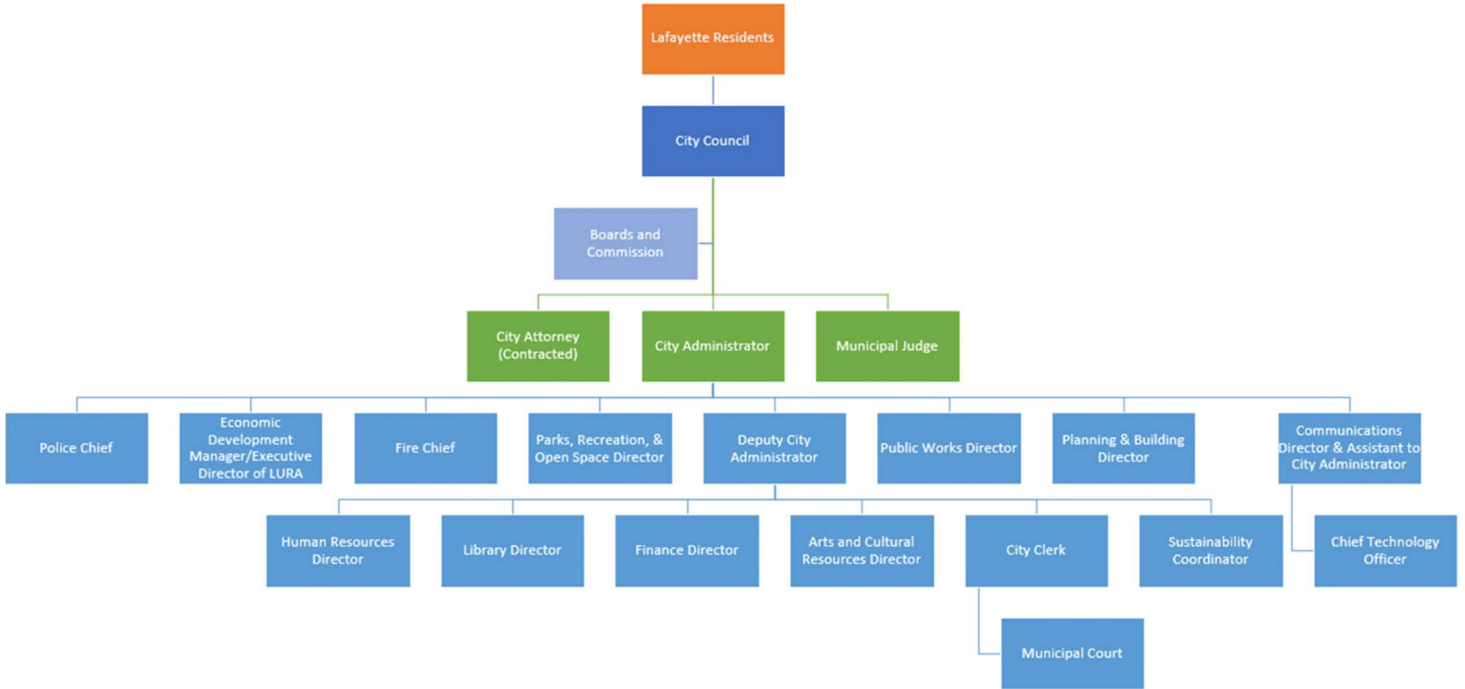
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

City Organizational Chart



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

CITY LEADERSHIP

CITY COUNCIL



(front row): Stephanie Walton, Mayor JD Mangat, Tim Barnes (back row) City Attorney Mary Lynn Macsalka, Mayor Pro Tem Brian Wong, Nicole Samson, Enihs Medrano, Tonya Briggs, City Administrator Fritz Sprague

ADMINISTRATION

Fritz Sprague
City Administrator

Kady Doelling
Deputy City Administrator

Department Directors

Lynnette Beck City Clerk
 Devin Billingsley Interim Finance Director
 Sarab Khalsa Human Resources Director
 Melissa Hisel..... Library Director
 Monte Stevenson..... Parks, Recreation, Open Space & Golf Director
 Jeff Brasel Planning & Building Director
 Jeff Arthur Public Works Director
 Pete Bradshaw Fire Chief
 Rick Bashor..... Police Chief
 Mary Lynn Macsalka City Attorney
 Amanda Bailhache Municipal Court Judge

Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, discretely presented component units, and the aggregate remaining fund information of the City of Lafayette as of and for the year ended December 31, 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lafayette, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Tulsa, OK

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Suite 400
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Colorado 80110
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Lafayette's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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



Supplementary 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 supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises introductory section, other information, statistical section, and local highway finance report listed but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2022 on our consideration of the City of Lafayette's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lafayette's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Lafayette's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
June 23, 2022



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Management's Discussion and Analysis

The City of Lafayette's ("the City") management offers readers this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, found earlier in this report, in addition to the financial statements and footnotes which follow this section. Amounts in this section are rounded for purposes of easier understanding.

Financial Highlights:

- The City's total net position at the end of 2021 was \$414.2 million, an increase of \$23.7 million, or 6%, over the prior year. Of this amount, \$271.2 million is related to capital assets and another \$7.8 million is restricted in how it can be spent. The remaining \$135.2 million is unrestricted and may be used to meet the City's ongoing obligations in accordance with financial policies. Governmental net position increased by \$14.7 million, or 7%, and business-type net position increased by \$9.0 million, or 5%.
- At December 31, 2021, the City's governmental funds reported combined ending fund balances of \$67.9 million, an increase of \$12.6 million, or 23%, from 2020. This increase reflects, in part, higher levels of sales and use tax revenues and reduced levels of expenditures.
- The General Fund, the City's primary operating fund, reported unassigned fund balance of \$30.5 million, representing 89% of actual operating expenditures for 2021.
- The City's outstanding debt, including premiums, totaled \$62.1 million, an increase of \$43.8 million compared to the prior year. This increase reflects issuance of \$44.7 million in revenue bonds by the Water Reclamation Fund.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These consist of 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.

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

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

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

Both of the government-wide financial statements distinguish City functions 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 City's governmental activities include general government (including the City's urban renewal authority activities), public safety, public works, and parks and recreation. Business-type activities include the water fund, waste reclamation fund, storm water fund and a golf course fund.

The government-wide financial statements can be found on pages 39-40 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions 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. This information may be useful in evaluating the City's near-term financing requirements.

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

During 2021 the City had twelve individual governmental funds. The General Fund is considered a major fund, as is the Capital Projects Fund. Their fund information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining individual governmental fund statements are provided in the form of combining statements in a later section of this report.

The City adopts an annual appropriated budget for each of its governmental funds. Budgetary comparison statements for the General Fund and the Capital Project Fund are included in the basic financial statements to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 42-45 of this report.

The City maintains two types of proprietary funds - enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, water reclamation, storm drainage and golf operations.

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 benefit costs. Because both of these services predominantly benefit governmental rather than business-type functions, 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 Utility Fund, Water Reclamation Utility Fund, Golf Course Fund and Storm Water Fund. Since they are defined as proprietary funds, both internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its proprietary funds. Budgetary comparisons for the proprietary funds are included in a later section of this report.

The basic proprietary fund financial statements can be found on pages 46-49 of this report.

Notes to the financial statements. The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-92 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City'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 and Capital Projects Fund. These schedules can be found on pages 95-103 of this report.

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 on pages 107-132.

Government-wide Financial Analysis

The Statement of Net Position and Statement of Activities for 2021 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 above, over time net position may serve as a useful indicator of a government's financial position. As of December 31, 2021, the City's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was \$414.2 million, an increase of \$23.7 million, or 6%, over the total at December 31, 2020. The City reported positive balances in net position for both governmental and business-type activities. Net position increased by \$14.7 million in its governmental activities and \$9.0 million in its business-type activities.

The following table reflects the City’s condensed statement of net position.

Statement of Net Position as of December 31 (in thousands)							
	Governmental Activities		Business-type Activities		Total		
	2021	2020	2021	2020	2021	2020	
Assets							
Current and other assets	\$ 90,556	\$ 76,749	\$ 119,264	\$ 68,007	\$ 209,820	\$ 144,756	
Capital assets	148,644	147,591	140,786	139,079	289,430	286,670	
Total assets	239,200	224,340	260,050	207,086	499,250	431,426	
Deferred Outflows of Resources	2,879	3,005	449	528	3,328	3,533	
Liabilities							
Long-term liabilities	9,976	11,478	55,045	9,913	65,021	21,391	
Other liabilities	6,366	6,513	4,055	5,294	10,421	11,807	
Total liabilities	16,342	17,991	59,100	15,207	75,442	33,198	
Deferred Inflows of Resources	12,892	11,167	-	-	12,892	11,167	
Net Position							
Net investment							
in capital assets	140,364	138,913	130,852	130,140	271,216	269,053	
Restricted	7,796	4,245	-	-	7,796	4,245	
Unrestricted	64,685	55,029	70,547	62,267	135,232	117,296	
Total net position	\$ 212,845	\$ 198,187	\$ 201,399	\$ 192,407	\$ 414,244	\$ 390,594	

Note: 2020 amounts have been restated to reflect various corrections. See Note 1.T. for more information.

Total assets increased by \$67.8 million, or 16%, compared to the prior year’s balance. This increase is due primarily to the issuance of \$44.7 million in revenue bonds through the Water Reclamation Fund for improvements to the City’s wastewater treatment plant. These improvements are required due to a change in State environmental regulations to reduce discharges of inorganic nitrogen and phosphorous to Coal Creek. Additional information on this project can be found below.

In addition, unrestricted cash and investments increased \$16.3 million in 2021. This is primarily the result of the delay or deferral of several capital or one-time project costs in the uncertainty surrounding the COVID-19 pandemic.

Long-term liabilities increased by \$43.6 million, or 204%. This increase is due to the issuance of the bonds referred to above for the Water Reclamation Fund wastewater treatment plant project.

The largest portion of the City’s net position (\$271.2 million, or 65%) 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.

Restricted net position accounts for \$7.8 million, or 2%, of total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing \$135.2 million, or 33%, of the City's total net position and may be used to meet ongoing obligations to the City's residents and creditors.

Changes in Net Position

The following table reflects the City's condensed statement of activities.

	Statement of Activities for the year ending December 31 (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 9,871	\$ 12,287	\$ 21,440	\$ 20,655	\$ 31,311	\$ 32,942
Operating grants and contributions	6,247	2,854	-	4	6,247	2,858
Capital grants and contributions	3,125	570	4,711	14,347	7,836	14,917
General revenues						
Property taxes	10,866	10,999	-	-	10,866	10,999
Sales and use tax	23,888	20,709	-	-	23,888	20,709
Franchise taxes	1,242	1,129	-	-	1,242	1,129
Excise taxes	776	811	-	-	776	811
Grants	206	-	-	-	206	-
Investment earnings	(143)	1,263	(190)	1,223	(333)	2,486
Other	892	323	161	-	1,053	323
Total revenues	<u>56,970</u>	<u>50,945</u>	<u>26,122</u>	<u>36,229</u>	<u>83,092</u>	<u>87,174</u>
Expenses						
General government	13,032	11,594	-	-	13,032	11,594
Judicial	647	674	-	-	647	674
Public safety	13,755	12,865	-	-	13,755	12,865
Public works	6,161	7,310	-	-	6,161	7,310
Culture and recreation	8,311	9,872	-	-	8,311	9,872
Interest on long-term debt	406	584	-	-	406	584
Water	-	-	8,086	8,667	8,086	8,667
Water reclamation	-	-	4,403	3,927	4,403	3,927
Golf course	-	-	3,116	2,838	3,116	2,838
Storm water	-	-	1,525	1,552	1,525	1,552
Total expenses	<u>42,312</u>	<u>42,899</u>	<u>17,130</u>	<u>16,984</u>	<u>59,442</u>	<u>59,883</u>
Increase in net position	14,658	8,046	8,992	19,245	23,650	27,291
Net position - beginning - restated	<u>198,187</u>	<u>190,141</u>	<u>192,407</u>	<u>173,162</u>	<u>390,594</u>	<u>363,303</u>
Net position - ending	<u>\$ 212,845</u>	<u>\$ 198,187</u>	<u>\$ 201,399</u>	<u>\$ 192,407</u>	<u>\$ 414,244</u>	<u>\$ 390,594</u>

Note: 2020 amounts have been restated to reflect various corrections. See Note 1.T. for more information.

Governmental activities

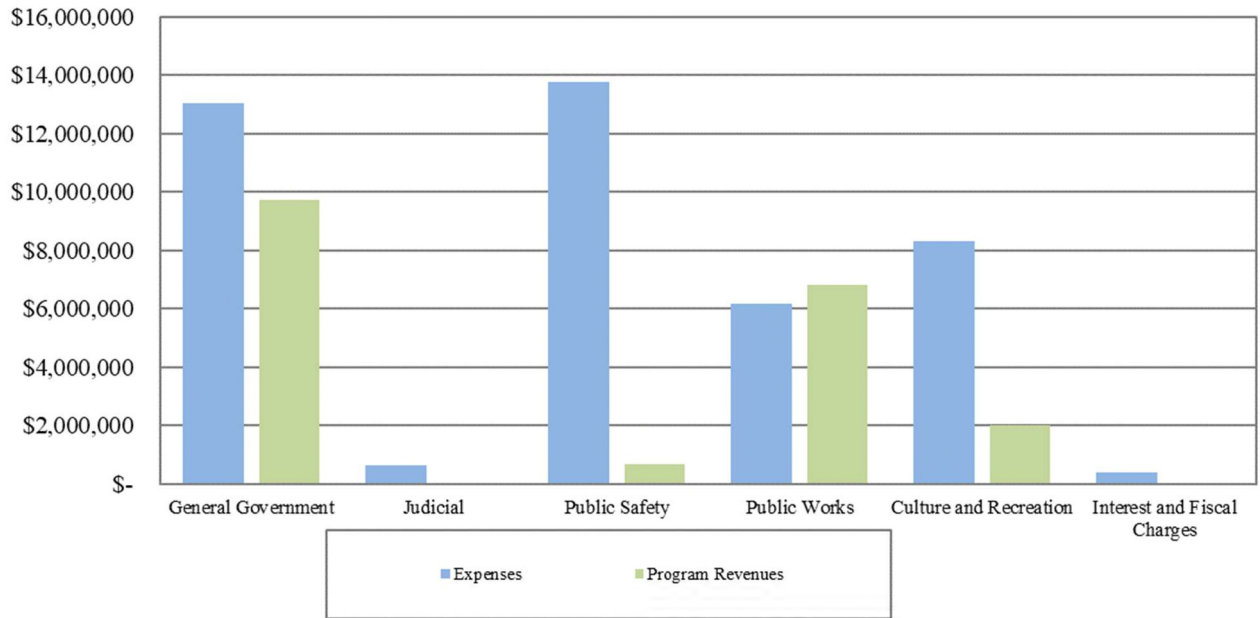
During 2021, the City's primary revenue sources for governmental operations included taxes, accounting for 65% of total governmental revenues. Charges for services represented 17% of revenues, while operating and capital grants and contributions represented 16% of total governmental. Program revenues are directly associated with a specific activity, including charges for services, operating and capital grants, and therefore exclude tax revenues and certain other revenue sources. Program revenues account for 34% of total revenues related to governmental activities in 2021. Program revenues of \$19.2 million were \$23.1 million less than expenses. This is an ordinary occurrence for governments and indicates that taxes provide a primary source of revenues to support governmental operations.

Revenues in total increased \$6.0 million, or 12%, compared to the prior year. Operating and capital grants and contributions increased \$5.9 million, or 174%, compared to the previous year. This increase was due in part to receipt of \$4.1 million in Federal COVID-19 related funding and \$1.1 million in intergovernmental grants for a portion of the cost of a major road project. In addition, sales and use tax increased \$3.2 million, or 15%, reflecting continued strength in this category in spite of the pandemic. Partially offsetting these increases, investment earnings decreased \$1.4 million to a negative \$143 thousand, the result of a temporary decline in fair (market) value of \$667 thousand, more than the \$524 thousand in cash earnings on investments. Since the City generally holds its investments to maturity, no cash loss is anticipated as the underlying securities mature.

Expenses of governmental activities decreased \$0.6 million, or 1%, compared to the prior year. This decrease was due to some one-time expenses of \$3.8 million related to the transfer of various capital assets from governmental activities to business-type activities in 2020. Partially offsetting this decrease were increased expenses in culture and recreation activities as certain programs were able to open up again, various pandemic-related expenses supporting local business and artists, and increased expenses in general as the pandemic eased as a result of the availability of vaccines.

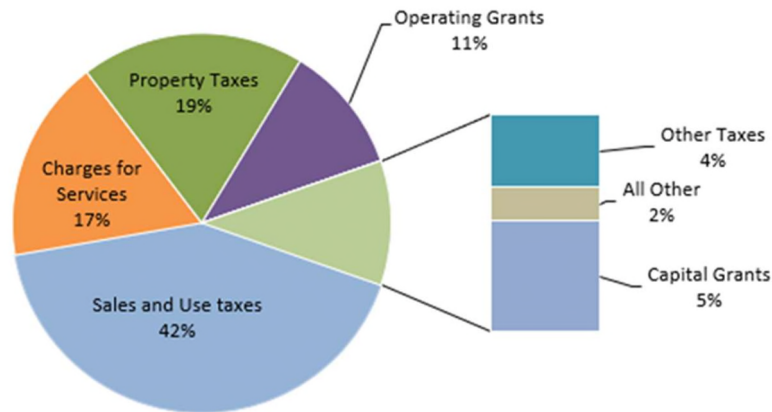
The following chart provides a comparison of expenses to the related program revenues:

2021 Expenses and Program Revenues - Governmental Activities



The following chart presents a breakdown of total revenues of governmental activities by source:

2021 Revenues by Source - Governmental Activities



Business-type activities

Business-type activities primarily rely on charges for services to support related expenses. Charges for services of \$21.4 million for business-type activities represented 82% of 2021 revenues, and increased \$785 thousand, or 4%, compared to the prior year. This increase was

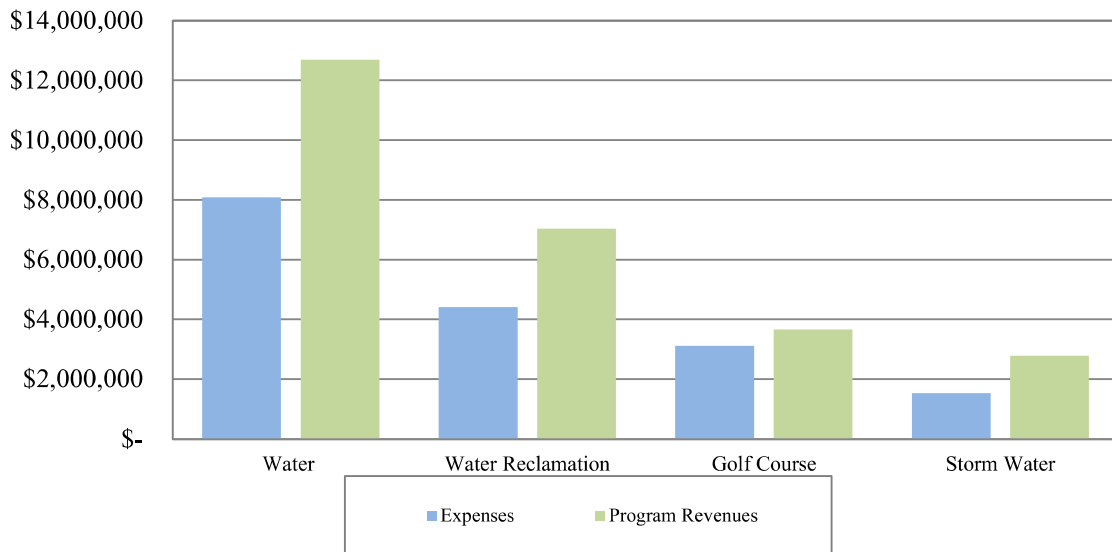
due primarily to the ability of the City’s golf course to be open during 2021 compared to 2020 when it was closed part of the year due to the pandemic.

The other primary source of revenue, representing 18% of revenues, comes primarily from capital contributions in the form of tap fees, developer-constructed donated capital and reimbursements, and grants. This source of revenue was \$4.7 million in the current year, a decrease of \$9.6 million, or 67%, compared to 2020, due primarily to two large multi-family projects begun in 2020. In addition, investment earnings decreased \$1.4 to a negative \$191 thousand, the result of a temporary decline in fair (market) value of \$699 thousand, more than the \$508 thousand in cash earnings on investments. Since the City generally holds its investments to maturity, no cash loss is anticipated as the underlying securities mature.

Expenses increased by \$0.1 million, or 1%. Increases in depreciation due primarily to completed projects previously in work in progress and \$0.4 million in issuance costs related to the bond issued by the Water Reclamation Fund offset decreases in personnel due to open positions and operating expense due to deferral of certain expenses due to the pandemic.

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

2021 Expenses and Program Revenues - Business-type Activities



Financial Analysis of the City’s Funds

Governmental Funds – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. Unassigned fund balance is one of five fund balance classifications, as follows: nonspendable, restricted, committed, assigned, and unassigned fund balance.

Fund balances are the differences between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental fund.

These funds are accounted for using the modified accrual basis of accounting. At the end of 2021, the City reported a combined fund balance of \$67.9 million, an increase of \$12.6 million, or 23%, compared to the prior year's fund balance. The fund balance of the General Fund, the primary operating fund of the City, increased \$1.6 million, or 4%. At the end of 2021, the unassigned fund balance of the General Fund was \$30.5 million, an increase of \$803 thousand, or 3%. Operating results for 2021 reflect a \$6.4 million transfer to the Capital Projects Fund to be used for the remodeling of the current City Hall and partial funding of a planned future new City Hall.

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance of \$30.5 million represents 89% of General Fund 2021 actual operating expenditures and 79% of 2021 budgeted operating expenditures. The remainder of the fund balance for the General Fund is either nonspendable (\$2.9 million), restricted (\$1.1 million) or committed (\$7.3 million).

The fund balance of the Capital Projects Fund increased \$4.3 million, or 38%, as capital projects continued as planned. As noted above, the change in fund balance in the Capital Projects Fund reflects a transfer from the General Fund of \$6.4 million. The fund balance in the Other Governmental Funds increased by \$6.7 million, or 178%, related primarily to receipt of \$3.9 million in Federal COVID-19 related funding and a \$1.4 million excess of revenues over expenditures in the Legacy Open Space Fund.

Fund balances for the non-major funds are restricted, committed or assigned to the specific purposes and agreements related to each fund.

Proprietary Funds – Information on the proprietary funds provides the same type of information found in the government-wide statements. Factors concerning the finances of these funds have been discussed above in the business-type activities section.

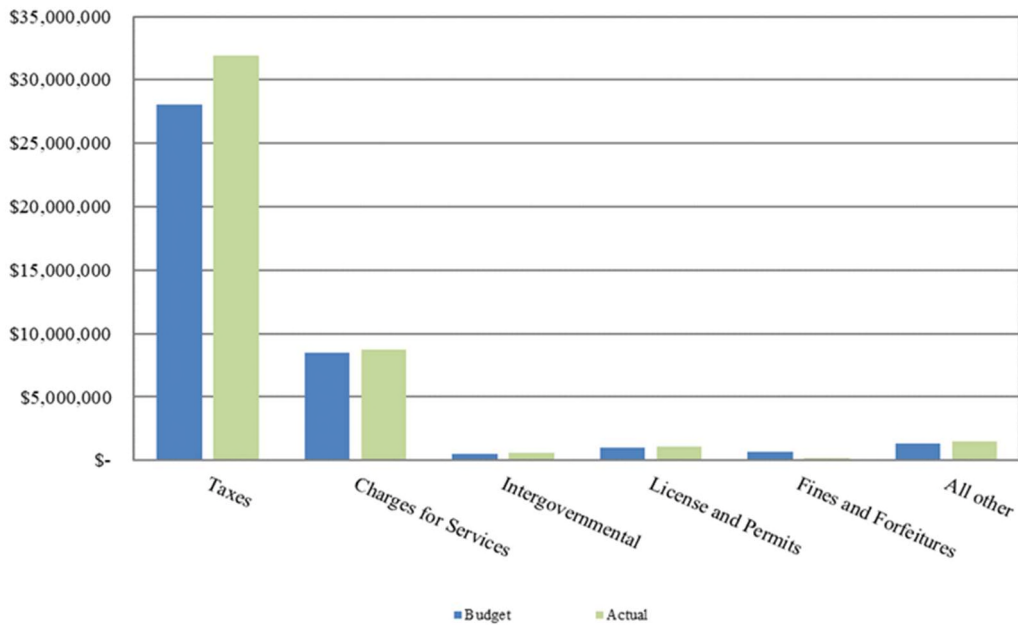
General Fund Budgetary Highlights

The City’s final budget differs from the original budget in that it contains supplemental appropriations to carry forward unused prior year budget items for multi-year projects as well as for new or refined estimates of costs that were not anticipated in the originally adopted budget. The 2021 General Fund original budget provided for a deficit of \$1.7 million, reflecting revenues of \$39.5 million, expenditures of \$36.8 million and transfers to other funds of \$4.4 million. The final budget provided for a deficit of \$7.0 million, reflecting revenues of \$40.0 million, expenditures of \$40.7 million and net transfers to other funds of \$6.3 million. Revenues and other financing sources increased \$827 thousand to \$40.4 million in the final budget, primarily due to increases in intergovernmental revenues and transfer from other funds. The expenditure and other financing uses budget increased \$6.1 million to \$47.3 million in the final budget. The primary expenditure changes to the original budget were the increase in the budgeted transfer to the Capital Projects Fund, carryovers of capital projects, the addition of various consulting studies/projects, and disbursements of CARES funds.

Actual results for 2021 in the General Fund was a surplus of \$1.6 million. Revenues exceeded budget in almost all categories, with particular strength in sales and use tax. Expenditures were under budget in almost all divisions and categories of expenditures for various reasons, including open positions and delays in expenditures due to the pandemic.

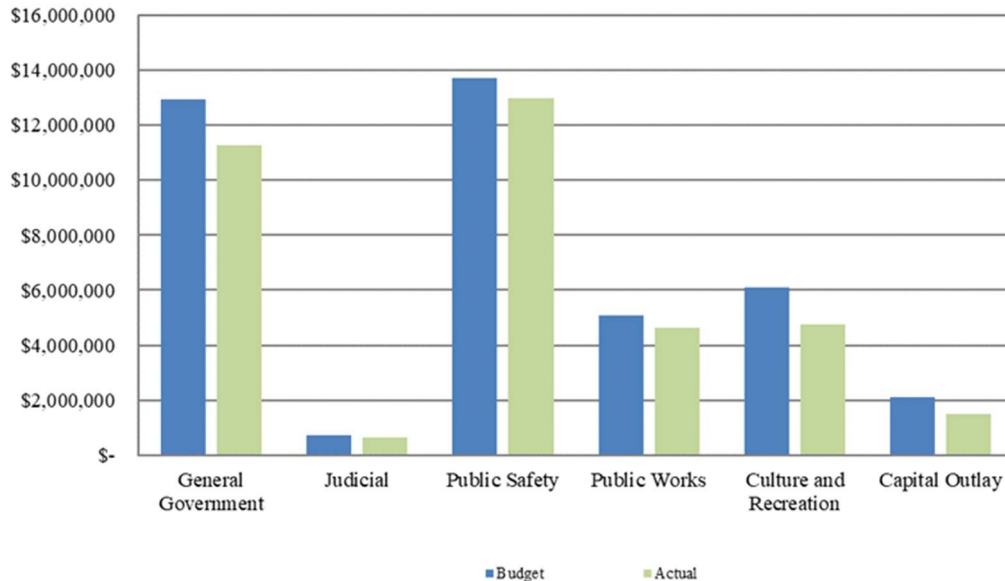
The following chart presents a summary of the major revenue sources of the City’s General Fund.

2021 Budget & Actual Revenue by Source - 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.

2021 Budget & Actual Expenditures by Source - General Fund



Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$289.4 million (net of accumulated depreciation), an increase of \$2.8 million, or 1%, compared to the prior year. The investment in capital assets includes land and land rights, water rights, public art, buildings, water and wastewater systems, improvements, machinery and equipment, park facilities, roads, storm drainage, and other infrastructure.

The following table reflects amounts in thousands of dollars:

Capital Assets as of December 31, 2021 and 2020 (net of accumulated depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land and open space	\$ 83,878	\$ 83,878	\$ 9,912	\$ 8,853	\$ 93,790	\$ 92,731
Water rights	-	-	37,059	37,010	37,059	37,010
Public art	479	447	-	-	479	447
Buildings	21,814	22,391	2,141	3,591	23,955	25,982
Improvements other than buildings	2,039	1,958	1,454	3,767	3,493	5,725
Infrastructure	31,434	29,083	69,643	54,895	101,077	83,978
Equipment	3,133	3,400	1,497	4,234	4,630	7,634
Construction in progress	5,867	6,434	19,080	26,729	24,947	33,163
Total capital assets	\$ 148,644	\$ 147,591	\$ 140,786	\$ 139,079	\$ 289,430	\$ 286,670

Major capital improvements during the fiscal year ended December 31, 2021, included the following:

Governmental Activities (total additions - \$6.1 million)

- South Boulder Road Multimodal Improvement Project (\$2.4 million)
- Various street improvements (\$1.1 million)
- Purchase of the Starkey building (\$400 thousand)

Business-type Activities (total additions - \$6.1 million)

- Goosehaven reservoir project (\$1.7 million)
- Various water supply infrastructure projects (\$1.3 million)
- Various water reclamation infrastructure projects (\$1.2 million)
- Water storage tank refurbishment (\$782 thousand)
- Northern Integrated Supply Project (\$657 thousand)

Additional information on the City’s capital assets can be found in Note 5 of this report.

Debt Administration

At December 31, 2021, the City had total debt outstanding of \$55.8 million (excluding \$2.9 million in special assessment debt for which the City has no obligation). Of this amount, \$4.2 million consists of general obligation debt backed by the full faith and credit of the City. The remaining \$51.6 million represents debt issued by the City’s water and water reclamation funds, secured by designated revenue sources of the respective funds.

The following table reflects amounts in thousands of dollars:

Outstanding Debt as of December 31, 2021 and 2020 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 4,170	\$ 5,000	\$ -	\$ -	\$ 4,170	\$ 5,000
Revenue Bonds	-	-	51,645	8,005	51,645	8,005
Notes Payable	-	-	-	629	-	629
Total	\$ 4,170	\$ 5,000	\$ 51,645	\$ 8,634	\$ 55,815	\$ 13,634

Total debt outstanding increased \$42.2 million compared to the prior year-end. This increase was the result of the issuance of \$44.7 million in revenue bonds by the Water Reclamation Fund. Proceeds of the bonds will be used for modifications to the City’s wastewater treatment plant required by new State environmental regulations. The bonds were assigned a rating of AA by S&P Global Ratings.

Additional information on the City’s debt structure is located in Note 6 to the Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

In October 2021, the Lafayette City Council adopted the fiscal year 2022 budget totaling \$131.3 million inclusive of \$75.5 million in operating spending and \$55.6 million in capital outlay. Notably, the 2022 operating budget represents an increase of \$11.0 million when compared to the prior year's budget to account for programmatic spending that was delayed on account of the COVID-19 pandemic. The budgeted capital outlay includes a \$30 million water treatment plant expansion that is to be funded by debt issuance in the Water Utility Fund. General Fund revenues in 2022, including transfers, are expected to total \$40.1 million which trail budgeted expenditures and transfers out of \$44.1 million. As a result, the General Fund is projected to draw \$4.0 million from fund balance to fund one-time transportation capital projects such as the Highway 9 & 119th Street improvement. Year-end unrestricted General Fund balance is projected to total \$24.5 million, more than double the emergency reserve balance of 25% of annual General Fund expenditures.

The 2022 budget above reflects the City's continued record of conservative and strong fiscal management that has proven especially important during this time of economic uncertainty brought on by the COVID-19 pandemic. The City maintains a well-resourced organization that is prepared to respond to the needs of residents even in the midst of negative economic pressures. The City does not currently anticipate any significant cash flow or liquidity issues that could affect service delivery because of the COVID-19 pandemic or follow-on effects, but will continue to monitor the risk.

Public Safety and Health Services Tax

Lafayette voters approved two ballot questions in November 2021 to levy additional sales and use taxes on taxable purchases within the city. The first ballot question established a 0.27% sales and use tax to fund public safety; the second ballot question established a 0.10% sales and use tax to fund mental health and human services. Neither tax has a sunset provision. These successful ballot measures increased the City's total sales and use tax rate to 3.87% from 3.50%.

Water Rate Increases

The City Council approved recommended water rate increases and rate structure changes in preparation for planned increases in operating spending and capital investments in water sourcing, storage and treatment in 2022 and beyond. The adopted changes affected water service base charges and user rates as well as water usage rate tiers and delinquent fees structures. The changes are expected to increase annual Water Utility revenues by 22%. The City will be undertaking additional studies to further analyze the Water Utility in addition to the Water Reclamation and Stormwater Utilities to ensure the long-term sustainability of the enterprises.

American Rescue Plan Act

The City of Lafayette was awarded \$7.7 million in American Rescue Plan Act funds. Half of the funds were received in May of 2021 and half is expected in June of 2022. The deadline for obligating the funds is December 31, 2024. The deadline for spending the funds is December 31, 2026.

Eligible uses include:

- Revenue Recovery
- Pandemic Mitigation and Economic Recovery
- Premium Pay for Frontline Workers
- Water, Sewer and Broadband Infrastructure

The City's executive leadership is analyzing and prioritizing different options for using the funds.

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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Basic Financial Statements

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CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
Assets					
Cash and Investments	\$ 67,060,979	\$ 67,961,855	\$ 135,022,834	\$ 2,929,141	\$ 319,463
Receivables	16,216,119	1,881,041	18,097,160	619,762	40,822
Due from Primary Government	-	-	-	807,851	-
Prepaid Expenses	676,213	-	676,213	-	-
Inventory	27,661	52,278	79,939	-	-
Restricted Cash and Investments	4,283,655	47,863,942	52,147,597	-	-
Notes Receivable	-	-	-	1,000,740	-
Equity Interest in Component Unit	-	1,504,597	1,504,597	-	-
Capital Assets, Not Being Depreciated	90,224,694	66,050,700	156,275,394	534,511	76,000
Capital Assets, Net of Accumulated Depreciation	58,419,049	74,735,319	133,154,368	82,629	1,703,280
Net Pension Asset	2,290,837	-	2,290,837	-	-
Total Assets	239,199,207	260,049,732	499,248,939	5,974,634	2,139,565
Deferred Outflows of Resources					
Loss on Debt Refunding, Net of Accumulated Amortization	84,552	448,819	533,371	-	-
Pensions, Net of Accumulated Amortization	2,793,953	-	2,793,953	-	-
Total Deferred Outflows of Resources	2,878,505	448,819	3,327,324	-	-
Liabilities					
Accounts Payable	2,720,879	2,958,383	5,679,262	240,433	-
Claims Payable	75,874	-	75,874	-	-
Accrued Liabilities	476,265	181,016	657,281	-	63
Deposits Payable	2,165,142	208,199	2,373,341	2,000	-
Due to Component Unit	807,851	-	807,851	-	-
Unearned Revenues	119,289	707,185	826,474	-	-
Noncurrent Liabilities					
Due Within One Year	2,247,025	2,268,476	4,515,501	-	-
Due in More Than One Year	7,045,078	52,776,137	59,821,215	-	-
Net Pension Liability	683,942	-	683,942	-	-
Total Liabilities	16,341,345	59,099,396	75,440,741	242,433	63
Deferred Inflows of Resources					
Property Taxes	11,043,303	-	11,043,303	619,764	-
Pensions, Net of Accumulated Amortization	1,848,404	-	1,848,404	-	-
Total Deferred Inflows of Resources	12,891,707	-	12,891,707	619,764	-
Net Position					
Net Investment in Capital Assets	140,364,345	130,852,365	271,216,710	617,140	-
Restricted for:					
Emergency Reserve	606,645	-	606,645	-	-
Capital Projects	765,538	-	765,538	-	-
Parks, Recreation & Open Space	4,273,206	-	4,273,206	-	-
Donations	98,500	-	98,500	-	-
Urban Renewal Projects	-	-	-	4,495,297	-
Cemetery - Nonexpendable	46,693	-	46,693	-	-
GID Obligations	2,004,940	-	2,004,940	-	-
Minority Interest in Joint Venture	-	-	-	-	634,905
Unrestricted	64,684,793	70,546,790	135,231,583	-	1,504,597
Total Net Position	\$ 212,844,660	\$ 201,399,155	\$ 414,243,815	\$ 5,112,437	\$ 2,139,502

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
Primary Government									
Governmental Activities									
General Government	\$ 13,031,557	\$ 5,208,240	\$ 4,508,227	\$ -	\$ (3,315,090)	\$ -	\$ (3,315,090)	\$ -	\$ -
Judicial	646,977	16,941	-	-	(630,036)	-	(630,036)	-	-
Public Safety	13,755,192	668,997	3,675	-	(13,082,520)	-	(13,082,520)	-	-
Public Works	6,160,913	2,592,238	1,723,501	2,505,971	660,797	-	660,797	-	-
Culture and Recreation	8,311,174	1,384,447	11,991	618,640	(6,296,096)	-	(6,296,096)	-	-
Interest and Fiscal Charges	406,237	-	-	-	(406,237)	-	(406,237)	-	-
Total Governmental Activities	42,312,050	9,870,863	6,247,394	3,124,611	(23,069,182)	-	(23,069,182)	-	-
Business-type Activities									
Water	8,086,464	9,659,867	-	3,027,541	-	4,600,944	4,600,944	-	-
Water Reclamation	4,403,948	6,186,342	-	845,339	-	2,627,733	2,627,733	-	-
Golf Course	3,115,510	3,657,234	-	-	-	541,724	541,724	-	-
Storm Water	1,524,928	1,936,114	-	838,295	-	1,249,481	1,249,481	-	-
Total Business-type Activities	17,130,850	21,439,557	-	4,711,175	-	9,019,882	9,019,882	-	-
Total Primary Government	\$ 59,442,900	\$ 31,310,420	\$ 6,247,394	\$ 7,835,786	(23,069,182)	9,019,882	(14,049,300)	-	-
Component Units									
Lafayette Urban Renewal Authority									
	\$ 939,525	\$ -	\$ -	\$ -				(939,525)	
Base Line Land and Reservoir Company									
	75,599	436,123	-	-					102,048
Total Component Units	\$ 1,015,124	\$ 436,123	\$ -	\$ -				(939,525)	102,048
General Revenues									
Property and Specific Ownership Taxes					10,866,128	-	10,866,128	633,045	-
General Sales and Use Taxes					23,887,554	-	23,887,554	807,088	-
Franchise Taxes					1,242,389	-	1,242,389	-	-
Excise Taxes					775,956	-	775,956	-	-
Grants and Contributions not Restricted to Specific Programs					206,091	-	206,091	-	-
Investment Earnings					(143,262)	(189,661)	(332,923)	159	188
Miscellaneous					892,573	161,460	1,054,033	16	-
Total General Revenues					37,727,429	(28,201)	37,699,228	1,440,308	188
Change in Net Position					14,658,247	8,991,681	23,649,928	500,783	102,236
Net Position - January 1 (as restated)					198,186,413	192,407,474	390,593,887	4,611,654	2,037,266
As Restated					198,186,413	192,407,474	390,593,887	4,611,654	2,037,266
Net Position - December 31					\$ 212,844,660	\$ 201,399,155	\$ 414,243,815	\$ 5,112,437	\$ 2,139,502

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

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CITY OF LAFAYETTE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash and Investments	\$ 40,015,905	\$ 16,543,773	\$ 8,575,566	\$ 65,135,244
Receivables	13,005,610	1,091,453	2,114,624	16,211,687
Interfund Receivables	2,232,506	-	-	2,232,506
Prepaid Items	676,213	-	-	676,213
Inventory	27,661	-	-	27,661
Restricted Cash and Investments	426,075	-	3,857,580	4,283,655
Total Assets	\$ 56,383,970	\$ 17,635,226	\$ 14,547,770	\$ 88,566,966
Liabilities				
Accounts Payable	\$ 2,328,341	\$ 915,555	\$ 239,327	\$ 3,483,223
Interfund Payables	-	-	2,232,506	2,232,506
Deposits Payable	2,090,142	-	75,000	2,165,142
Accrued Liabilities	441,463	-	11,833	453,296
Unearned Revenues	119,289	-	-	119,289
Total Liabilities	4,979,235	915,555	2,558,666	8,453,456
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	9,618,770	-	1,424,533	11,043,303
Unavailable Revenue - Special Assessments	17,237	-	-	17,237
Unavailable Revenue - Other	15,043	992,620	179,336	1,186,999
Total Deferred Inflows of Resources	9,651,050	992,620	1,603,869	12,247,539
Fund Balance				
Nonspendable				
Long Term Receivables	2,232,506	-	-	2,232,506
Prepaid Items	676,213	-	-	676,213
Inventory	27,661	-	-	27,661
Cemetery Endowment	-	-	46,693	46,693
Restricted				
Emergency Reserve (TABOR)	606,645	-	-	606,645
GID Obligations	-	-	2,004,940	2,004,940
Capital Projects	365,538	400,000	-	765,538
Donations	98,500	-	-	98,500
Grants	-	-	3,859,752	3,859,752
Parks, Recreation & Open Space	-	-	4,273,206	4,273,206
Committed				
Capital Projects	5,576,904	15,327,051	-	20,903,955
Affordable Housing	1,451,504	-	-	1,451,504
Art & Historic Projects	259,292	-	-	259,292
Debt Service	-	-	200,644	200,644
Unassigned	30,458,922	-	-	30,458,922
Total Fund Balance	41,753,685	15,727,051	10,385,235	67,865,971
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 56,383,970	\$ 17,635,226	\$ 14,547,770	\$ 88,566,966

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

CITY OF LAFAYETTE, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2021

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

Total Fund Balance of Governmental Funds	\$ 67,865,971
Capital assets utilized in Governmental Activities are not financial resources and, therefore, are not reported in the fund financial statements.	148,643,743
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	1,204,234
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	
Bonds payable	(7,080,000)
Unamortized issuance premium	(396,575)
Unamortized deferred refunding loss	84,552
Accrued interest payable	(22,969)
Compensated absences	<u>(733,405)</u>
Total long-term liabilities and related items	(8,148,397)
Net pension asset is not available to pay for current expenditures and, therefore, is not reported in the funds.	2,290,837
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(683,942)
Deferred outflows of resources related to pensions used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Change in experience	1,381,188
Changes in assumptions	606,852
Change in investment earnings	41,302
Change in proportionate share	165,878
Contributions subsequent to the measurement date	<u>598,733</u>
Total deferred outflows of resources	2,793,953
Deferred inflows of resources related to pensions used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	
Change in experience	(4,692)
Change in investment earnings	(1,727,647)
Change in proportionate share	<u>(116,065)</u>
Total deferred inflows of resources	(1,848,404)
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 the governmental activities in the statement of net position.	<u>726,665</u>
Total Net Position of Governmental Activities	<u>\$ 212,844,660</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General	Capital Projects	Other Governmental Funds	Total
Revenues				
Taxes	\$ 31,885,269	\$ -	\$ 4,886,758	\$ 36,772,027
Intergovernmental	574,915	1,729,592	4,827,935	7,132,442
Contributions and Grants	779,468	321,251	542,818	1,643,537
Charges for Services	8,707,583	-	-	8,707,583
Licenses and Permits	1,123,655	-	-	1,123,655
Fines and Forfeitures	185,789	-	-	185,789
Investment Earnings	(104,196)	(16,502)	(17,561)	(138,259)
Special Assessments	163,706	-	439,400	603,106
Miscellaneous	641,528	1,334	545,302	1,188,164
Total Revenues	43,957,717	2,035,675	11,224,652	57,218,044
Expenditures				
Current				
General Government	11,269,538	12,589	18,773	11,300,900
Judicial	646,977	-	-	646,977
Public Safety	13,002,895	-	-	13,002,895
Public Works	4,651,133	-	-	4,651,133
Culture and Recreation	4,743,159	-	2,048,169	6,791,328
Capital Outlay	1,477,788	4,228,110	997,932	6,703,830
Debt Service				
Principal	-	-	1,235,000	1,235,000
Interest on Bonded Debt	-	-	404,450	404,450
Interfund Loan Interest	-	-	55,167	55,167
Bond Trustee Fees	-	-	1,254	1,254
Total Expenditures	35,791,490	4,240,699	4,760,745	44,792,934
Excess (Deficiency) of Revenues over Expenditures	8,166,227	(2,205,024)	6,463,907	12,425,110
Other Financing Sources (Uses)				
Proceeds from Insurance Claims	-	106,391	5,000	111,391
Transfers In	-	6,443,830	185,000	6,628,830
Transfers Out	(6,544,848)	-	-	(6,544,848)
Total Other Financing Sources (Uses)	(6,544,848)	6,550,221	190,000	195,373
Net Change in Fund Balance	1,621,379	4,345,197	6,653,907	12,620,483
Fund Balance, January 1	40,132,306	11,381,854	3,731,328	55,245,488
Fund Balance, December 31	\$ 41,753,685	\$ 15,727,051	\$ 10,385,235	\$ 67,865,971

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

CITY OF LAFAYETTE, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

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

Net Change in Fund Balances - Governmental Funds	\$ 12,620,483
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	5,601,506
Developer dedications	200,469
Depreciation expense	<u>(4,707,535)</u>
Excess of capital outlays over depreciation	1,094,440
Governmental Funds report principal payments as expenditures. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations.	
	1,235,000
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 the Governmental Funds.	
Net book value of disposed assets	(41,162)
Change in accrued interest payable	3,813
Change in accrued compensated absences	(16,951)
Amortization of bond premiums and deferred refunding losses	50,820
Pension expense	(231,234)
Employer contribution expense	<u>598,733</u>
Total expenses not requiring current resources	364,019
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	(719,436)
The internal services funds are used by management to charge the costs of insurance and employee benefits to individual funds. The net revenue (expense) of the internal service funds is included in governmental activities in the statement of activities.	
	<u>63,741</u>
Change in Net Position of Governmental Activities	<u>\$ 14,658,247</u>

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Water Utility	Water Reclamation Utility	Golf Course	Storm Water (a nonmajor fund)	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets						
Current Assets						
Cash and Investments	\$ 44,238,489	\$ 17,733,694	\$ 1,323,792	\$ 4,665,880	\$ 67,961,855	\$ 1,925,735
Receivables	864,623	788,115	2,775	225,528	1,881,041	4,433
Inventory	-	-	52,278	-	52,278	-
Restricted Cash and Investments	1,362,000	46,501,942	-	-	47,863,942	-
Total Current Assets	46,465,112	65,023,751	1,378,845	4,891,408	117,759,116	1,930,168
Noncurrent Assets						
Equity Interest in Component Unit	1,504,597	-	-	-	1,504,597	-
Capital Assets, Not Being Depreciated	61,797,498	2,783,578	1,300,000	169,624	66,050,700	-
Capital Assets, Net of Accumulated Depreciation	41,787,100	22,752,610	2,663,160	7,532,449	74,735,319	-
Total Noncurrent Assets	105,089,195	25,536,188	3,963,160	7,702,073	142,290,616	-
Total Assets	151,554,307	90,559,939	5,342,005	12,593,481	260,049,732	1,930,168
Deferred Outflows of Resources						
Unamortized Charges on Debt Refunding	448,819	-	-	-	448,819	-
Liabilities						
Current Liabilities						
Accounts Payable	2,561,706	163,362	152,052	81,264	2,958,384	45,507
Claims Payable	-	-	-	-	-	75,874
Accrued Liabilities	27,598	15,441	13,610	3,240	59,889	-
Accrued Interest Payable	25,438	95,689	-	-	121,127	-
Deposits Payable	94,931	-	113,268	-	208,199	-
Unearned Revenues	665,434	41,751	-	-	707,185	-
Compensated Absences - Current Portion	126,741	89,966	75,356	16,413	308,476	910,060
Long-Term Debt - Current Portion	1,050,000	910,000	-	-	1,960,000	-
Total Current Liabilities	4,551,848	1,316,209	354,286	100,917	6,323,260	1,031,441
Noncurrent Liabilities						
Compensated Absences - Noncurrent Portion	45,405	35,000	32,104	6,554	119,063	-
Long-Term Debt - Noncurrent Portion	6,639,997	46,017,076	-	-	52,657,073	172,062
Total Noncurrent Liabilities	6,685,402	46,052,076	32,104	6,554	52,776,136	172,062
Total Liabilities	11,237,250	47,368,285	386,390	107,471	59,099,396	1,203,503
Net Position						
Net Investment in Capital Assets	94,086,618	25,100,515	3,963,159	7,702,073	130,852,365	-
Unrestricted	46,679,258	18,091,139	992,456	4,783,937	70,546,790	726,665
Total Net Position	\$ 140,765,876	\$ 43,191,654	\$ 4,955,615	\$ 12,486,010	\$ 201,399,155	\$ 726,665

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Water Utility	Water Reclamation Utility	Golf Course	Storm Water (a nonmajor fund)	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues						
Charges for Services	\$ 9,659,867	\$ 6,186,342	\$ 3,657,234	\$ 1,936,114	\$ 21,439,557	\$ 4,889,630
Miscellaneous	47,793	8,388	6,035	4,392	66,608	63,686
Total Operating Revenues	9,707,660	6,194,730	3,663,269	1,940,506	21,506,165	4,953,316
Operating Expenses						
Personnel	1,744,256	1,174,940	1,398,561	233,096	4,550,853	-
Operations	3,693,822	1,590,830	1,377,722	752,149	7,414,523	82,517
Premiums and Claims Paid	-	-	-	-	-	4,825,672
Depreciation	2,350,049	1,124,991	324,789	539,683	4,339,512	-
Total Operating Expenses	7,788,127	3,890,761	3,101,072	1,524,928	16,304,888	4,908,189
Operating Income	1,919,533	2,303,969	562,197	415,578	5,201,277	45,127
Nonoperating Revenues (Expenses)						
Investment Earnings	(128,511)	(47,769)	(3,036)	(10,345)	(189,661)	(5,002)
Intergovernmental Grants	-	-	-	-	-	23,616
Insurance Proceeds	-	-	-	-	-	83,982
Interest Expense	(298,034)	(87,310)	-	-	(385,344)	-
Issuance Costs	-	(425,877)	-	-	(425,877)	-
Bond Trustee Fees	(303)	-	-	-	(303)	-
Gain (Loss) on Disposal of Capital Assets	16,341	-	(14,438)	-	1,903	-
Income from Equity Interest in Component Unit	78,511	-	-	-	78,511	-
Total Nonoperating Revenues (Expenses)	(331,996)	(560,956)	(17,474)	(10,345)	(920,771)	102,596
Income Before Contributions and Transfers	1,587,537	1,743,013	544,723	405,233	4,280,506	147,723
Capital Contributions and Transfers						
Tap and Development Fees	1,897,693	845,339	-	838,295	3,581,327	-
Payments in Lieu of Water	1,129,848	-	-	-	1,129,848	-
Transfers Out	-	-	-	-	-	(83,982)
Total Capital Contributions and Transfers	3,027,541	845,339	-	838,295	4,711,175	(83,982)
Change in Net Position	4,615,078	2,588,352	544,723	1,243,528	8,991,681	63,741
Total Net Position, January 1 (as restated)	136,150,798	40,603,302	4,410,892	11,242,482	192,407,474	662,924
Total Net Position, December 31	\$ 140,765,876	\$ 43,191,654	\$ 4,955,615	\$ 12,486,010	\$ 201,399,155	\$ 726,665

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Water Utility	Water Reclamation Utility	Golf Course	Storm Water (a nonmajor fund)	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities						
Receipts for Services Provided	\$ 11,940,261	\$ 6,167,400	\$ 3,669,443	\$ 1,930,024	\$ 23,707,128	\$ -
Receipts for Interfund Services Provided	-	-	-	-	-	4,784,864
Receipts from Employees	-	-	-	-	-	104,766
Miscellaneous Receipts	47,793	8,388	6,035	4,392	66,608	63,686
Payments to Vendors and Suppliers	(4,544,738)	(1,436,182)	(946,874)	(447,955)	(7,375,749)	(4,582,996)
Payments to Employees	(1,468,309)	(985,725)	(1,398,562)	(233,095)	(4,085,691)	-
Payments for Interfund Services Used	(1,820,319)	(996,094)	(344,689)	(312,211)	(3,473,313)	-
Net Cash Provided by Operating Activities	4,154,688	2,757,787	985,353	941,155	8,838,983	370,320
Cash Flows from Noncapital Financing Activities						
Operating Grants Received	-	-	-	-	-	23,616
Transfers Out to Other Funds	-	-	-	-	-	(83,982)
Net Cash Used by Noncapital Financing Activities	-	-	-	-	-	(60,366)
Cash Flows from Capital and Related Financing Activities						
Tap and Development Fees	1,897,693	1,504,778	-	838,295	4,240,766	-
Payments in Lieu of Water	1,129,847	-	-	-	1,129,847	-
Acquisition and Construction of Capital Assets	(2,915,681)	(1,196,393)	(98,893)	(247,925)	(4,458,892)	-
Receipts from Capital Debt Issuance	-	46,507,528	-	-	46,507,528	-
Proceeds from Sale of Assets	16,341	-	-	-	16,341	-
Insurance Proceeds	-	-	-	-	-	83,982
Bond Fees Paid	(303)	-	-	-	(303)	-
Principal Paid on Long-Term Debt	(1,015,000)	(628,799)	-	-	(1,643,799)	-
Interest Paid on Long-Term Debt	(345,850)	(18,379)	-	-	(364,229)	-
Net Cash Provided by (Used by) Capital and Related Financing Activities	(1,232,953)	46,168,735	(98,893)	590,370	45,427,259	83,982
Cash Flows from Investing Activities						
Investment Income Received	(94,753)	(40,956)	(5,108)	(12,478)	(153,295)	(3,987)
Net Cash Used by Investing Activities	(94,753)	(40,956)	(5,108)	(12,478)	(153,295)	(3,987)
Net Increase in Cash and Cash Equivalents	2,826,982	48,885,566	881,352	1,519,047	54,112,947	389,949
Cash and Cash Equivalents, January 1	42,773,507	15,350,070	442,440	3,146,833	61,712,850	1,535,786
Cash and Investments, December 31	\$ 45,600,489	\$ 64,235,636	\$ 1,323,792	\$ 4,665,880	\$ 115,825,797	\$ 1,925,735

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

PROPRIETARY FUNDS – STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2021

	Water Utility	Water Reclamation Utility	Golf Course	Storm Water (a nonmajor fund)	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income	\$ 1,919,533	\$ 2,303,969	\$ 562,197	\$ 415,578	\$ 5,201,277	\$ 45,127
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation Expense	2,350,049	1,124,991	324,789	539,683	4,339,512	-
Changes in Assets and Liabilities						
Receivables	2,256,063	(18,942)	-	(6,090)	2,231,031	-
Prepaid Expenses	-	-	-	-	-	318,943
Inventory	-	-	7,518	-	7,518	-
Accounts Payable	(2,359,534)	(616,401)	130,770	(5,861)	(2,851,026)	(4,857)
Claims Payable	-	-	-	-	-	31,306
Accrued Liabilities	(44,870)	(32,352)	(25,808)	(4,880)	(107,910)	-
Deposits Payable	24,331	-	12,209	-	36,540	-
Compensated Absences	9,116	(3,478)	(26,322)	2,725	(17,959)	(20,199)
Total Adjustments	2,235,155	453,818	423,156	525,577	3,637,706	325,193
Net Cash Provided by Operating Activities	\$ 4,154,688	\$ 2,757,787	\$ 985,353	\$ 941,155	\$ 8,838,983	\$ 370,320
Schedule of Non-cash Activities						
Gain/(Loss) on Sale of Capital Assets	\$ 16,341	\$ -	\$ (14,438)	\$ -	\$ 1,903	\$ -
Equity Investment in Component Unit	78,511	-	-	-	78,511	-
	\$ 94,852	\$ -	\$ (14,438)	\$ -	\$ 80,414	\$ -

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

CITY OF LAFAYETTE, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2021

	Custodial
Additions	
Taxes collected for other governments	\$ 869,481
Total Additions	869,481
Deductions	
Taxes disbursed to other governments	869,481
Total Deductions	869,481
Net increase (decrease) in fiduciary net position	-
Total Net Position, January 1	-
Total Net Position, December 31	\$ -

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

Notes to the Financial Statements

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City of Lafayette, Colorado
Notes to the Financial Statements
As of and for the year ended December 31, 2021

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 four blended component units presented as special revenue funds. They are the Lafayette City Center GID, Exempla GID, Lafayette Corporate Campus GID and Lafayette Tech Center GID. 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 City's ownership in this entity is intended to support the provision of governmental services (providing water to residents) and is not considered an investment. 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 does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements, consisting of 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

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* is a capital projects fund that accounts for capital improvements financed through dedicated road taxes and fees as well as transfers from the General Fund.

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, Golf Course Fund and Storm Water Fund are charges to customers for sales and services. Operating expenses reported in enterprise funds and internal service funds include the cost of sales and services provided, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1. Summary of Significant Accounting Policies (continued)

The City reports the following major proprietary funds:

- The Water Utility 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 Utility Fund accounts for the operation of the City's sewer system.
- The Golf Course Fund accounts for the operation of the City's golf course.

Additionally, the City reports the following fund types:

- Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These funds are used to account for the operations of the Employee Benefit Fund and the Insurance Fund, which are administered by the City.
- Permanent Funds are used to account for permanent endowments that must remain intact. The City's Cemetery Endowment Fund accounts for an endowment that supports the operations of the City's cemeteries.

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, Golf Course and Storm Water Funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Cash Equivalents and Investments

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.

Whenever possible the City pools cash to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential, in that order. The City makes investments pursuant to its investment policy and relevant State of Colorado statutes.

E. Interfund Receivables and Payables

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either "due (to)/from other funds" (i.e., the current portion of interfund loans) or "advances to/(from) other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due (to)/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Note 1. Summary of Significant Accounting Policies (continued)

F. Property Taxes Receivable

By December 15 of each year, property taxes for the City are levied by the City Council and certified to Boulder County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by the Boulder County Treasurer on behalf of the City. A 1% collection fee is retained by the County as compensation for collecting the taxes.

Property taxes levied in the various funds are included in receivables and deferred inflows at December 31, 2021. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2022 and are budgeted for in 2022.

G. Prepaid Items

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

H. 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.

I. 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.

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

J. Long-term Obligations

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. Debt service for the Water and Water Reclamation Utility Funds is paid from resources of those funds.

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.

K. 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

Note 1. Summary of Significant Accounting Policies (continued)

have been made through the General, Water, Water Reclamation, Golf Course, and Storm Water Funds.

L. 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.

M. 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.

N. 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.

Nonspendable Fund Balance

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.

Restricted Fund Balance

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.

Note 1. Summary of Significant Accounting Policies (continued)

Committed Fund Balance

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

Assigned Fund Balance

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 up to an amount of \$100,000. A report is 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. The assigned fund balance classification also represents residual fund balances in governmental funds that, by residing in the funds are assigned to the purpose of those funds

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

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 a minimum of 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.

For 2021, the General Fund reserve requirement of 25% of budgeted expenditures requires a minimum reserve of \$9,568,501. As of December 31, 2021, the amount restricted for the TABOR reserve was \$606,645 and the unassigned fund balance reported in the General Fund was \$30,458,922, 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.

Note 1. Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted fund balance is available for use, the City will use the restricted amounts before the unrestricted amounts.

As of December 31, 2021, the Employee Benefit Fund reported a deficit unrestricted net position of \$90,769 due to revenues being lower than expected and unanticipated expenditures. Future year budgets have been reviewed to ensure that revenues will be sufficient to replenish the net position of this fund.

O. 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 unavailable revenue. Collection of delinquent interest is recorded as revenue when received.

P. Deferred Outflows and 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 or 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.

R. 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

Note 1. Summary of Significant Accounting Policies (continued)

City; (c) removal of blight by demolition and rebuilding subject to (a) above; (d) investment in a building subject to (a) above; or (e) increase in the sales tax collections of the property, subject to the EDA.

Incentive packages vary and may include rebates of permit fees, use tax, or sales tax. Rebates of sales tax are only considered for new tax-generating businesses or existing businesses making substantial investments (e.g., 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 and/or equipment. 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, 2021, the City had four active incentive agreements in place. During 2021, the City incurred \$374,236 in tax abatements.

S. Use of Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Prior Period Adjustments

In 2021, the City recorded the following prior period adjustments:

Capital Asset Corrections

Over the years various storm drainage capital assets were recorded in funds other than the Storm Water Fund. To correct these errors the capital assets were transferred from Governmental Activities (with a net book value of \$3,552,188) and the Water Reclamation Fund (with a net book value of \$80,989) to the Storm Water Fund. In addition, an operating expenditure of \$200,000 in 2020 was recorded incorrectly as a capital asset in the Storm Water Fund.

Deferred Items

In prior years, various items (primarily tap fee receipts) were recorded as deferred revenue which should have been recognized as revenue. Increases to beginning net position of \$590,402 to the Water Fund and \$341,891 to the Water Reclamation Fund were made to correct these errors.

Note 1. Summary of Significant Accounting Policies (continued)

The financial impact of these prior period adjustments on the financial statement opening balances are summarized as follows:

<u>Effect on Beginning Net Position</u>	<u>As Previously Reported</u>	<u>Capital Assets</u>	<u>Deferred Items</u>	<u>Total Adjustments</u>	<u>As Adjusted</u>
Fund Financial Statements					
Water Fund	\$ 135,560,756	-	590,042	\$ 590,042	\$ 136,150,798
Water Reclamation Fund	40,342,400	(80,989)	341,891	260,902	40,603,302
Storm Water Fund	7,809,305	3,433,177	-	3,433,177	11,242,482
Government-wide Financial Statements					
Governmental Activities	202,191,076	(3,552,188)	(452,475)	(4,004,663)	198,186,413
Business-Type Activities	188,123,353	3,352,188	931,933	4,284,121	192,407,474

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, 2021, are summarized below:

Bank checking accounts	\$ 21,707,106
Investments	165,461,043
Cash on hand	2,282
Total	<u>\$ 187,170,431</u>

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

Unrestricted cash and investments	\$ 135,022,834
Restricted cash and investments	52,147,597
Total	<u>\$ 187,170,431</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, 2021, the City had uninsured bank deposits of \$22,482,934 collateralized by the financial institutions' agents but not in the City's name.

Note 2. Cash Deposits and Investments (continued)

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

On December 31, 2021, the City had the following investments:

Investment Type	Rating			Fair Value	Investment Maturities	
	Moody's	S&P	Fitch		Less than 1 Year	1 to 5 Years
U.S. Treasury Notes	Aaa	AA+	n/a	\$ 25,058,559	\$ 8,967,498	\$ 16,091,061
Federal Farm Credit Bank	Aaa	AA+	n/a	5,397,903	1,729,830	3,668,072
Federal Home Loan Bank	Aaa	AA+	n/a	26,310,912	2,166,492	24,144,420
Federal Home Loan Mortgage Corp.	Aaa	AA+	n/a	4,058,651	-	4,058,651
Federal National Mortgage Association	Aaa	AA+	n/a	4,145,316	-	4,145,316
U.S. Corporate Notes	A1/Aaa	AA-/AAA	n/a	5,296,870	5,296,870	-
Municipal Securities	Aa2/Aaa	AA-/AAA	n/a	6,301,204	3,113,357	3,187,847
Mutual Fund	n/a	n/a	n/a	60,537	60,537	-
COLOTRUST PLUS+	n/a	AAAm	n/a	19,192,132	19,192,132	-
CSAFE - Cash Fund	n/a	n/a	AAAmf	1,607,521	1,607,521	-
CSAFE - Core Fund	n/a	n/a	AAAf/S1	65,850,822	65,850,823	-
CSIP Liquid Portfolio	n/a	AAAm	n/a	2,055,951	2,055,951	-
Money Market	Aaa-mf	AAAm	n/a	124,665	124,665	-
Total fair value				\$ 165,461,043	\$ 110,165,676	\$ 55,295,367

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

Note 2. Cash Deposits and Investments (continued)

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.

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. Participant balances in the local government investment pools and the money market fund are stated at the net asset value per share. All other investments are valued using Level 2 inputs.

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, 2021, the City had investments held by Wells Fargo Institutional Retirement and Trust in a custodial safekeeping account in the amount of \$76,694,081. 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.

Note 2. Cash Deposits and Investments (continued)

Local Government Investment Pools - At December 31, 2021, the City had invested \$88,706,426 in the Colorado Local Government Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (CSAFE), and the Colorado Statewide Investment Program (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. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify investments owned by the participating governments.

C. Component Unit

At December 31, 2021, LURA had a cash balance totaling \$2,652,051. The uninsured portion of the bank deposits of \$2,402,051 was collateralized by the financial institution’s agent but not in LURA’s name. In addition, LURA had \$277,089 invested in COLOTRUST.

Note 3. Restricted Cash and Investments

In summary, restricted cash and investments at December 31, 2021, were as follows:

	Balance at 12/31/2021
Governmental Activities	
General Fund - Northwest Parkway	\$ 365,538
Grants Fund - ARPA Funds	3,857,580
Cemetery Endowment Fund - Trust Account	<u>60,537</u>
Total Governmental Activities	<u>\$ 4,283,655</u>
Business-Type Activities	
Water Utility Fund - Debt Reserve	\$ 1,362,000
Water Reclamation Fund - Bond Proceeds	<u>46,501,942</u>
Total Business-Type Activities	<u>\$ 47,863,942</u>

A. Governmental Activities

During July 2001, the City received \$1,000,000 from the Northwest Parkway Public Highway Authority for capital projects and conservation easement acquisitions related to the Northwest Parkway Project. In 2003 utility lines and sleeves were installed during construction of the Parkway at a cost of \$177,196. During 2004, \$650,000 was committed for construction of White Tail Park in South Pointe, although only \$450,124 was spent on the park. An additional \$7,142 was spent in 2017 on fencing improvements. At December 31, 2021, the balance is \$365,538.

Note 3. Restricted Cash and Investments (continued)

In June 2021, the City received the first half of its total \$7.7 million American Rescue Plan Act of 2021 (ARPA) allocation. The second half is expected to be received in June of 2022. ARPA was part of a \$1.9 trillion economic stimulus bill signed into law by the President on March 11, 2021, which included \$350 billion designated for state, local, territorial and tribal governments to respond to the effects of the COVID-19 pandemic. Spending is restricted to four categories including: 1) replacing lost public sector revenue to fund general government services; 2) responding to public health and economic impacts of COVID-19; 3) premium pay for front line personnel; and 4) investments in water, sewer and broadband infrastructure. The City is required to report its spending activity to the U.S. Department of the Treasury on an annual basis to ensure compliance with spending criteria.

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 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, 2021, the balance of the endowment care trust of \$46,693 was reported as nonspendable fund balance in the Cemetery Endowment Fund.

B. Business-Type Activities

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. Refunded in 2012, the 2012 Water Refunding Bonds debt covenants require a debt service reserve in the amount of \$1,362,000.

In November 2021, the City issued Water Reclamation Revenue Bonds with net proceeds of \$46,500,000. The net proceeds were invested in a segregated CSAFE – Core account. Proceeds will be used for the design and construction of new processes and facilities at the Water Reclamation Facility to meet various regulatory requirements.

Note 4. Notes Receivable

The Lafayette Urban Renewal Authority (LURA) has approved three loans to developers to purchase or development of blighted properties. The loans do not accrue interest and no installment payments are required as of December 31, 2021, and due dates may be extended at the discretion of LURA. One loan is partially forgivable upon completion of construction financing, which occurred in 2021. 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, 2021, was \$1,000,740.

Note 5. Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2021, was as follows:

	<i>(As restated)</i>			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and open space	\$ 83,877,983	\$ -	\$ -	\$ 83,877,983
Public art	446,675	32,552	-	479,227
Construction in progress	6,433,955	4,027,034	(4,593,505)	5,867,484
Total capital assets, not being depreciated	<u>90,758,613</u>	<u>4,059,586</u>	<u>(4,593,505)</u>	<u>90,224,694</u>
Capital assets, being depreciated:				
Buildings	36,133,586	543,832	(80,099)	36,597,319
Improvements other than buildings	5,956,951	337,669	-	6,294,620
Infrastructure	80,437,364	4,558,702	-	84,996,066
Equipment	13,814,873	928,242	(531,943)	14,211,172
Total capital assets, being depreciated	<u>136,342,774</u>	<u>6,368,445</u>	<u>(612,042)</u>	<u>142,099,177</u>
Less accumulated depreciation for:				
Buildings	(13,742,402)	(1,054,908)	14,301	(14,783,009)
Improvements other than buildings	(3,998,946)	(256,682)	-	(4,255,628)
Infrastructure	(51,354,800)	(2,207,345)	-	(53,562,145)
Equipment	(10,414,776)	(1,188,600)	524,030	(11,079,346)
Total accumulated depreciation	<u>(79,510,924)</u>	<u>(4,707,535)</u>	<u>538,331</u>	<u>(83,680,128)</u>
Total capital assets, being depreciated, net	<u>56,831,850</u>	<u>1,660,910</u>	<u>(73,711)</u>	<u>58,419,049</u>
Governmental activities capital assets, net	<u>\$ 147,590,463</u>	<u>\$ 5,720,496</u>	<u>\$ (4,667,216)</u>	<u>\$ 148,643,743</u>

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

General Government	\$ 851,745
Public Safety	955,538
Public Works	1,476,217
Culture & Recreation	<u>1,424,035</u>
Total depreciation expense	<u>\$ 4,707,535</u>

Note that the beginning balance has been restated. Refer to Note 1 – Summary of Significant Accounting Policies, section T, for information regarding the prior period adjustment.

Note 5. Capital Assets (continued)

Capital asset activity for business-type activities for the year ended December 31, 2021, was as follows:

	<i>(As restated)</i>			
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 8,853,178	\$ 1,058,765	\$ -	\$ 9,911,943
Water rights	37,009,739	49,500	-	37,059,239
Construction in progress	26,728,883	5,563,562	(13,212,927)	19,079,518
Total capital assets, not being depreciated	<u>72,591,800</u>	<u>6,671,827</u>	<u>(13,212,927)</u>	<u>66,050,700</u>
Capital assets, being depreciated:				
Buildings	5,554,104	-	(1,174,043)	4,380,061
Infrastructure	104,700,096	21,271,182	(1,058,765)	124,912,513
Improvements other than buildings	4,845,503	30,145	(2,155,458)	2,720,190
Equipment	15,027,552	235,017	(4,665,104)	10,597,465
Total capital assets, being depreciated	<u>130,127,255</u>	<u>21,536,344</u>	<u>(9,053,370)</u>	<u>142,610,229</u>
Less accumulated depreciation for:				
Buildings	(1,963,188)	(289,323)	13,507	(2,239,004)
Infrastructure	(49,803,747)	(5,539,755)	74,951	(55,268,551)
Improvements other than buildings	(1,078,715)	(187,833)	-	(1,266,548)
Equipment	(10,793,877)	(495,779)	2,188,849	(9,100,807)
Total accumulated depreciation	<u>(63,639,527)</u>	<u>(6,512,690)</u>	<u>2,277,307</u>	<u>(67,874,910)</u>
Total capital assets, being depreciated, net	<u>66,487,728</u>	<u>15,023,654</u>	<u>(6,776,063)</u>	<u>74,735,319</u>
Governmental activities capital assets, net	<u>\$ 139,079,528</u>	<u>\$ 21,695,481</u>	<u>\$ (19,988,990)</u>	<u>\$ 140,786,019</u>

Note that the beginning balance has been restated. Refer to Note 1 – Summary of Significant Accounting Policies, section T, for information regarding the prior period adjustment.

Note 5. Capital Assets (continued)

Capital asset activity for the Lafayette Urban Renewal Authority the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Lafayette Urban Renewal Authority:					
Capital assets, not being depreciated					
Land	\$ 534,511	\$ -	\$ -	\$ -	\$ 534,511
Total capital assets, not being depreciated	534,511	-	-	-	534,511
Capital assets being depreciated					
Buildings	90,552	-	-	-	90,552
Total capital assets, being depreciated	90,552	-	-	-	90,552
Less accumulated depreciation for:					
Buildings	(3,395)	(4,528)	-	-	(7,923)
Total accumulated depreciation	90,552	(4,528)	-	-	(7,923)
Total capital assets being depreciated, net	181,104	(4,528)	-	-	176,576
Business-type capital assets, net	\$ 715,615	\$ (4,528)	\$ -	\$ -	\$ 617,140

Note 6. Long-term Liabilities

Long-term liability activity for the year ended December 31, 2021, 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	\$ 5,000,000	\$ -	\$ (830,000)	\$ 4,170,000	\$ 855,000
Special Assessment Revenue Bonds	3,315,000	-	(405,000)	2,910,000	65,000
Bond Issuance Premiums	483,889	-	(87,314)	396,575	-
Total Bonds Payable	8,798,889	-	(1,322,314)	7,476,575	920,000
Compensated Absences	1,818,775	1,536,057	(1,539,304)	1,815,528	1,327,025
Total Governmental Activities	\$ 10,617,664	\$ 1,536,057	\$ (2,861,618)	\$ 9,292,103	\$ 2,247,025
Business-type Activities					
Bonds and Loans Payable					
Revenue Bonds	\$ 8,005,000	\$ 44,655,000	\$ (1,015,000)	\$ 51,645,000	\$ 1,960,000
Loans Payable	628,801	-	(628,801)	-	-
Bond Issuance Premiums	834,016	2,278,405	(140,347)	2,972,074	-
Total Bonds and Notes Payable	9,467,817	46,933,405	(1,784,148)	54,617,074	1,960,000
Compensated Absences	445,498	369,260	(387,219)	427,539	308,476
Total Business-Type Activities	\$ 9,913,315	\$ 47,302,665	\$ (2,171,367)	\$ 55,044,613	\$ 2,268,476

Note 6. Long-term Liabilities (continued)

The City of Lafayette has both General Obligation (Serial) Bonds and Revenue (Term) Bonds.

A. General Obligation Bonds

General obligation bonds currently outstanding are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds					
Governmental Activities					
2016 GO and Refunding Bonds	\$ 5,000,000	\$ -	\$ (830,000)	\$ 4,170,000	\$ 855,000
Total General Obligation Bonds	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ (830,000)</u>	<u>\$ 4,170,000</u>	<u>\$ 855,000</u>

2016 General Obligation and Refunding & Improvement Bonds

These bonds were issued for the purposes of developing a water park and refinancing older General Obligation bonds. These bonds mature annually through December 15, 2026 and bear an interest rate ranging from 2.5% to 4.0%. Payments are due semi-annually. As these are General Obligation Bonds, the full faith and credit of the City are pledged for the punctual payment of principal and interest. The bonds were issued through a public sale and carry no provisions for events of default or acceleration clauses.

B. 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds					
Governmental Activities					
Direct Placement					
2002 Lafayette Corporate Campus GID	\$ 1,760,000	\$ -	\$ (345,000)	\$ 1,415,000	\$ -
Public Sale					
2006 Lafayette Tech Center GID	1,555,000	-	(60,000)	1,495,000	65,000
Total Governmental Activities	<u>\$ 3,315,000</u>	<u>\$ -</u>	<u>\$ (405,000)</u>	<u>\$ 2,910,000</u>	<u>\$ 65,000</u>
Business-Type Activities					
Public Sale					
2012 Water Revenue Refunding Bonds	\$ 8,005,000	\$ -	\$ (1,015,000)	\$ 6,990,000	\$ 1,050,000
2021 Water Reclamation Bonds	-	44,655,000	-	44,655,000	910,000
Total Business-Type Activities	<u>\$ 8,005,000</u>	<u>\$ 44,655,000</u>	<u>\$ (1,015,000)</u>	<u>\$ 51,645,000</u>	<u>\$ 1,960,000</u>

Governmental Activities

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

Note 6. Long-term Liabilities (continued)

2002 Lafayette Corporate Campus GID Bonds

In December 2002, the Lafayette Corporate Campus General Improvement District bonds were issued to finance public improvements in the District. They mature annually through December 1, 2031 and bear an interest rate of 8.00%. Payments are due semi-annually. For the year ending

December 31, 2021, net revenues of \$510,026 were available to pay debt service, including fiscal charges, of \$486,526. The outstanding balance as of year-end was \$1,655,000.

As these are General Obligation Bonds, the full faith and credit of the District are pledged for the punctual payment of principal and interest. The bonds may be redeemed prior to maturity at the option of the District. The bonds were sold through a private placement.

Events of default are defined in the bond agreement as failure to pay interest or principal when due, failure in the performance of other covenants, or filing of bankruptcy. Upon default of these provisions, the bond owner may protect or enforce their rights through legal remedies. Failure in performance of other covenants that is not resolved within 60 days also results in 25% of the outstanding principal amount becoming immediately due.

2006 Lafayette Tech Center GID Bonds

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. These bonds mature annually through December 1, 2036 and bear an interest rate of 6.00%. Payments are due semi-annually. For the year ending December 31, 2021, net revenues of \$182,650 were available to pay debt service, including fiscal charges, of \$153,603. The outstanding balance as of year-end was \$1,495,000.

As these are General Obligation Bonds, the full faith and credit of the District are pledged for the punctual payment of principal and interest. The bonds may be redeemed prior to maturity at the option of the District. The bonds were sold through a public sale.

Events of default are defined in the bond agreement as failure to pay interest or principal when due, failure in the performance of other covenants, or filing of bankruptcy. Upon default of these provisions, owners of no less than 25% of the aggregate bond value may protect or enforce their rights through legal remedies.

Business-Type Activities

2012 Water Revenue Refunding Bonds

In 2003, the City issued the 2003A Water Revenue Bonds for the purpose of financing the construction of a raw water transmission system, the purchase and construction of a raw water storage facility, the payment of costs associated with purchasing shares in water supply districts, and the development of a reclaimed water transmission system for irrigation purposes. The bonds were refinanced in 2012. The current bonds mature annually through December 1, 2027 and bear an interest rate of 3.0% to 5.0%. Payments are due semi-annually

Note 6. Long-term Liabilities (continued)

and are funded from net revenues of the City’s municipal water system. During the year ended December 31, 2021, net revenues of \$7,184,953 were available to pay annual debt service, including fiscal charges, of \$1,361,153. The balance outstanding as of year-end was \$6,990,000.

As these are Special Revenue Bonds, they constitute an irrevocable and first lien upon the net revenues of the Water Utility Fund. The bonds may be redeemed prior to maturity at the option of the City. The bonds were sold through a public sale.

Financial covenants include 1) maintaining a reserve account in the amount of \$1,362,000, and 2) maintaining a level of net revenues after payment of operations and maintenance of at least 110% of the debt service due in a given year in addition to the reserve amount. Events of default are defined in the bond agreement as failure to pay interest or principal when due, failure in the performance of other covenants, or filing of bankruptcy. Upon default of these provisions, the bond owner may protect or enforce their rights through court action. Failure in performance of other covenants that is not resolved within 60 days results in an event of default and the owners of the bonds may seek legal remedies.

The net revenues coverage calculation showing compliance with the 110% requirement is shown below.

	<u>2021 Balances</u>
<u>Gross Revenues</u>	
Operating revenues	\$ 9,707,660
Investment income	(128,511)
Development revenues	3,027,541
Other revenues	<u>16,341</u>
Gross revenues	<u>12,623,031</u>
<u>Operating Expenses</u>	
Personnel	1,744,256
Operations	<u>3,693,822</u>
Operating expenses	<u>5,438,078</u>
Net revenues	<u>\$ 7,184,953</u>
Maximum Annual Debt service	\$ 1,361,500
Coverage Ratio - current year	528%
Minimum required ratio	110%

2021 Water Reclamation Revenue Bonds

In 2021, the City issued the 2021 Water Reclamation Revenue Bonds with a par amount of \$44,655,000 for the purpose of financing the design and construction of new processes and facilities at the wastewater treatment plant as a result of new State of Colorado environmental regulations. The bonds mature annually through December 1, 2051 and bear an interest rate of 1.875% to 4.000%. Payments are due semi-annually and are funded from net revenues of the City’s municipal water reclamation system. During the year ended December 31, 2021, net revenues of \$4,226,530 were available to pay annual debt service, including fiscal charges, of a

Note 6. Long-term Liabilities (continued)

maximum of \$2,138,806 over the life of the bonds. The balance outstanding as of year-end was \$44,655,000.

As these are Special Revenue Bonds, they constitute an irrevocable and first lien upon the net revenues of the Water Reclamation Fund. The bonds may be redeemed prior to maturity at the option of the City on or after December 1, 2032. The bonds were sold through a public sale.

The primary financial covenant requires the Water Reclamation Fund to maintain a level of net revenues after payment of operations and maintenance of at least 110% of the debt service due in a given year. Events of default are defined in the bond agreement as failure to pay interest or principal when due, failure in the performance of other covenants, or filing of bankruptcy.

Upon default of these provisions, the bond owner may protect or enforce their rights through court action. Failure in performance of other covenants that is not resolved within 60 days results in an event of default and the owners of the bonds may seek legal remedies.

The net revenues coverage calculation showing compliance with the 110% requirement is shown below.

	<u>2021 Balances</u>
<u>Gross Revenues</u>	
Operating revenues	\$ 6,194,730
Investment income	(47,769)
Development revenues	<u>845,339</u>
Gross revenues	<u>6,992,300</u>
<u>Operating Expenses</u>	
Personnel	1,174,940
Operations	<u>1,590,830</u>
Operating expenses	<u>2,765,770</u>
Net revenues	<u>\$ 4,226,530</u>
Maximum Annual Debt service	\$ 2,138,806
Coverage Ratio - current year	198%
Minimum required ratio	110%

Note 6. Long-term Liabilities (continued)

C. 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 to Maturity
	Principal	Interest	Principal	Interest	
2022	\$ 920,000	\$ 348,350	\$ 1,960,000	\$ 1,532,120	\$ 4,760,470
2023	950,000	322,800	2,035,000	1,457,138	4,764,938
2024	1,115,000	292,200	2,110,000	1,386,688	4,903,888
2025	1,165,000	240,700	2,205,000	1,290,988	4,901,688
2026	820,000	186,800	2,295,000	1,202,788	4,504,588
2027-2031	1,465,000	532,700	7,260,000	4,775,990	14,033,690
2032-2036	645,000	120,600	7,130,000	3,549,790	11,445,390
2037-2041	-	-	7,920,000	2,764,139	10,684,139
2042-2046	-	-	8,800,000	1,882,756	10,682,756
2047-2051	-	-	9,930,000	757,000	10,687,000
Total	\$ 7,080,000	\$ 2,044,150	\$ 51,645,000	\$ 20,599,397	\$ 81,368,547

Note 7. Interfund Balances and Transactions

A. Interfund Balances

In 2019, the General Fund loaned the Legacy Open Space Fund \$2,732,000. This loan bears interest at a rate of 2.22% annually and is to be repaid over 10 years in annual installments of \$307,655, which includes principal and interest. The 2021 payment was made as scheduled and the loan balance as of December 31, 2021 was \$2,232,506.

B. Interfund Transactions

Interfund transfers during the year ended December 31, 2021, were as follows:

Transfer Out (Paying Fund)	Transfer In (Receiving Fund)			Totals
	Legacy Open Space	Parks, Open Space & Trails	Capital Projects	
General Fund	\$ 50,000	\$ 135,000	\$ 6,359,848	\$ 6,544,848
Insurance	-	-	83,982	83,982
Totals	\$ 50,000	\$ 135,000	\$ 6,443,830	\$ 6,628,830

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 and the Parks, Open Space & Trails Fund to assist with capital projects. The Insurance Fund

Note 7. Interfund Balances and Transactions (continued)

transferred insurance proceeds to the Capital Projects Fund for hail damage repairs being managed out of that fund.

Note 8. Retirement Plans

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.

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, 2021, the City and employees made all required contributions to the plan of \$1,350,426 and \$986,014 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, 2021, the City there were \$68,465 of forfeitures from terminated employees that will be used to reduce City contributions in 2022.

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.

Note 8. Pension Obligations (continued)

B. Defined Benefit Plans for Public Safety Employees

Plan Descriptions

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.

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%.

Note 8. Pension Obligations (continued)

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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

The City and eligible employees contributed 8% and 11% of base salary, respectively, for the year ended December 31, 2021. In 2014, SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary.

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 23.0% and 23.5% of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4% contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit

Note 8. Pension Obligations (continued)

contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.5% and 4%, respectively, of pensionable earnings for a total contribution rate of 9.50% in 2020 and 9.75% in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6.0% of pensionable earnings. Employer contributions are 4% in 2020 and 4.25% in 2021. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

The City's contributions to the SWDB Plan for the year ended December 31, 2021, were \$563,023, 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, 2019 through June 30, 2020 was 13.8% and from July 1, 2018 through June 30, 2019 was 13.4%. The City Council has 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.

The City's contributions to the SWH Plan for the year ended December 31, 2021, were \$35,710, 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, 2021, the City reported net pension assets (liabilities) of \$1,643,007 and \$647,830, representing its proportionate share of the net pension asset of the SWDB and SWH Plans, respectively. The net pension asset was measured at December 31, 2020, and the total pension asset used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2021. The City's proportion of the net pension asset (liability) was

Note 8. Pension Obligations (continued)

based on a projection of the City’s contributions to the plans for the calendar year ended December 31, 2020, relative to the projected contributions of all participating employers.

At December 31, 2020, the City’s proportion of the SWDB Plan was 0.75679573%, which was a decrease of 0.02699405% from its proportion measured at December 31, 2019. The City’s proportion of the SWH Plan was 2.35531010%, which was a decrease of 0.21689693% from its proportion measured at December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense/(income) for the SWDB and SWH Plans of \$137,612 and (\$64,657), respectively. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 1,192,273	\$ (4,692)
Changes of assumptions and other inputs	584,879	-
Net difference between projected and actual earnings on plan investments	-	(1,466,358)
Changes in proportion	148,710	(46,658)
Contributions subsequent to the measurement date	563,023	-
Total	\$ 2,488,885	\$ (1,517,708)
Statewide Hybrid Plan		
Differences between expected and actual experience	\$ 188,915	\$ -
Changes of assumptions and other inputs	21,973	-
Net difference between projected and actual earnings on plan investments	-	(132,193)
Changes in proportion	17,168	(69,407)
Contributions subsequent to the measurement date	35,710	-
Total	\$ 263,766	\$ (201,600)
Total	\$ 2,752,651	\$ (1,719,308)

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$563,023 and \$35,710, 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.

Note 8. Pension Obligations (continued)

Year Ended December 31,	SWDB Plan	SWH Plan
2022	\$ 45,634	\$ 22,290
2023	(238,286)	(2,908)
2024	342,699	426
2025	(123,002)	6,648
2026	185,277	-
Thereafter	195,832	-
Total	\$ 408,154	\$ 26,456

Actuarial Assumptions

The actuarial valuations for the SWDB were used to determine the total pension asset (liability) and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuation used 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%

For determining the total pension asset (liability) and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Note 8. Pension Obligations (continued)

percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount Rate

The discount rate used to measure the total pension asset (liability) was 7.00%. 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 asset (liability).

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Note 8. Pension Obligations (continued)

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net pension asset (liability) calculated using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of the SWDB net pension (asset) liability	<u>\$ 1,653,428</u>	<u>\$ (1,643,007)</u>	<u>\$ (4,372,866)</u>
Proportionate share of the SWH net pension (asset) liability	<u>\$ (438,004)</u>	<u>\$ (647,830)</u>	<u>\$ (814,845)</u>

Pension Plan Fiduciary Net Position

Detailed information about the plans’ fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at www.fppaco.org.

C. Defined Benefit Plan for Volunteer Firefighters

General Information

Plan Description

The City gradually terminated the volunteer firefighter program as the emphasis changed to an all-career firefighter staff. The City provides an agent multiple-employer 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, 2021, plan membership consisted of the following:

Retirees and beneficiaries	37
Inactive, nonretired members	<u>3</u>
Total	<u><u>40</u></u>

Note 8. Pension Obligations (continued)

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.

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.

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, 2019 determines the contribution amounts for 2020 and 2021. For the year ended December 31, 2021, the City and State contributions of \$119,164 and \$42,222, respectively, exceeded the actuarially determined contribution.

Net Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a net pension liability of \$683,942, measured as of December 31, 2020. The total pension liability used to calculate the net pension asset (liability) was determined based on the January 1, 2020 actuarial valuation. For the year ended December 31, 2020, changes in the net pension asset (liability) of the City were as follows.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances, December 31, 2019	\$ 2,292,838	\$ 1,432,797	\$ 860,041
Interest on the Total Pension Liability	153,192	-	153,192
City Contributions	-	119,164	(119,164)
State Contributions	-	42,222	(42,222)
Changes in Experience	(6,322)	-	(6,322)
Net Investment Income	-	170,424	(170,424)
Benefit Payments	(212,340)	(212,340)	-
Administrative Expenses	-	(8,841)	8,841
Balances, December 31, 2020	\$ 2,227,368	\$ 1,543,426	\$ 683,942

Note 8. Pension Obligations (continued)

For the year ended December 31, 2021, the City recognized pension income for this plan of (\$6,982). At December 31, 2021, the City reported deferred inflows of resources related to the plan from the following sources:

	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ (87,794)
Total	<u>\$ (87,794)</u>

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>	
2022	\$ (28,673)
2023	(12,016)
2024	(32,667)
2025	<u>(14,438)</u>
Total	<u>\$ (87,794)</u>

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability were determined by an actuarial valuation as of January 1, 2019 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	7.00%
Retirement age	50% per year of eligibility until 100% at age 65

The following mortality rates were adopted:

- Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Note 8. Pension Obligations (continued)

- Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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 nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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 7.00%, as well as the City's net pension liability if it were calculated using a discount that is one percentage point lower (6.00%) or one percentage point higher (8.00%) 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>
City's Net Pension Liability	\$ 883,341	\$ 683,942	\$ 513,426

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.

D. Pension Expense

For the year ended December 31, 2021, the City's Governmental Activities recognized total net pension income of (\$367,499) across all plans.

Note 9. Other Postemployment Benefits

Statewide Death & Disability Plan

General Information

Plan Description

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

Note 9. Other Postemployment Benefits (continued)

Benefits Provided

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

- Off-duty: 40% of the base salary paid to the beneficiary, with an additional 10% of base salary if a surviving spouse has two or more dependent children or if there is no spouse and three or more dependent children.
- On-duty: 70% of the base salary paid to the beneficiary with adjustments for dependent children not living in the members household.

The plan provides disability benefits as follows:

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

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3% annually. 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 3.0% of base salaries on behalf of the members during the year ended December 31, 2021. Contributions to the plan for the year ended December 31, 2021 were \$179,822, equal to the required contributions.

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.

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 liability claim and the first \$100,000 for each property claim.

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

	<u>2021</u>	<u>2020</u>
Claims Payable, Beginning Balance	\$ 38,260	\$ 149,094
Claims Incurred and Changes in Provisions	188,554	51,267
Claims Paid	<u>(168,515)</u>	<u>(162,101)</u>
Claims Payable, Ending Balance	<u>\$ 58,299</u>	<u>\$ 38,260</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

Grants

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.

Legal Contingencies

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.

Water Capacity Agreements

The City is participating in several long-term agreements for future raw water storage to meet the water needs of a growing population. These agreements commit the City to future financial obligations and are summarized as follows.

Goosehaven Reservoir Expansion

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, 2021, of which a total of \$12,999,795 has been completed and paid, less retainage withheld of \$676,253. 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. The project is currently anticipated to be complete by 2024.

Gross Reservoir Expansion

The City participates in the Gross Reservoir Expansion Project, a project designed to raise the existing dam at Gross Reservoir by 131 feet and increase the reservoir's capacity by 77,000 acre feet of water, of which 5,000 acre-feet will be shared between the City of Lafayette and the City of Boulder. The project has been delayed while facing legal challenges. It is expected that the project will move forward towards completion in the next several years. The City's financial commitment to the project amounts to roughly \$2,475,740 which will be payable in 2022 and 2025, under the current project agreement.

Windy Gap Firming Project

The City is a participant in the Windy Gap Firming Project. The project, which is led by the Northern Colorado Water Conservancy District, will be located just west of Carter Lake, Colorado. The project consists of a diversion dam on the Colorado River, a 90,000-acre-foot reservoir and a connectivity channel to connect the Colorado River and the new reservoir. The project is being funded through a collaboration of local water providers with each participant funding their share of the costs in exchange for a share of the water rights once the project is completed.

Note 11. Commitments and Contingencies (continued)

Total project costs are currently estimated to be \$600 million and construction, which began in 2021, is scheduled for completion in 2026. The City's participation in the project amounts to 1% of the project total, which equates to \$6,000,000 payable in annual installments for 30 years until approximately 2052. In addition to project costs, the City will also be responsible for a portion of operations and maintenance costs after construction is completed. Due to the early stage of the project and the uncertainty of construction costs over periods of time, the costs and construction timeline disclosed here are preliminary estimates based on information available at the time this report was issued. As of December 31, 2021, the City had contributed \$909,513 to the project since the project began in 2011.

Northern Integrated Supply Project

The City is a participant in the Northern Integrated Supply Project (NISP). This project, which is led by the Northern Colorado Water Conservancy District, will create two new reservoirs to provide an additional 40,000 acre feet of water to participants annually. The project will also include building and burying pipelines for water delivery and improving related water delivery systems. The project is being funded through a collaboration of local water providers with each participant funding their share of the costs in exchange for a share of the water rights once the project is completed.

The total project costs are currently estimated to be \$1.5 billion and construction is scheduled for completion in 2028. The City's participation in this project amounts to 4.5% of the project total, which equates to roughly \$67.5 million payable in annual installments through 2058. In addition to project costs, the City will also be responsible for a portion of operations and maintenance costs after construction is completed. Due to the early stage of the project and the uncertainty of construction costs over extended periods of time, the costs and construction timeline disclosed here are preliminary estimates based on information available at the time this report was issued. As of December 31, 2021, the City had contributed \$3,536,210 to the project since the project began in 2004.

Water Reclamation Treatment Facility Project

Due to additional regulations set forth by the Colorado Department of Public Health and Environment (CDPHE), the City must upgrade its Water Reclamation Facility to reduce discharges of total inorganic nitrogen and phosphorous to Coal Creek. The project cost estimate is \$46.4 million and the project is expected to be completed by December 2023. To finance the project the City issued \$46.5 million in revenue bonds in November 2021. As of December 31, 2021, no contracts related to the design or construction of this project had been entered into.

Note 11. Commitments and Contingencies (continued)

Commitments and Encumbrances

At year-end, commitments and encumbrances by fund were as follows:

	<u>Governmental</u>	<u>Proprietary</u>	<u>Total</u>
General Fund	\$ 518,228	\$ -	\$ 518,228
Legacy Open Space Fund	96,940	-	96,940
Parks, Open Space and Trails Fund	188,008	-	188,008
Capital Projects Fund	7,431,550	-	7,431,550
Water Utility Fund	-	8,179,826	8,179,826
Water Reclamation Utility Fund	-	37,456	37,456
	<hr/>	<hr/>	<hr/>
Claims Payable, Ending Balance	<u>\$ 8,234,726</u>	<u>\$ 8,217,282</u>	<u>\$ 16,452,008</u>

The commitments and encumbrances reflected in the above table technically lapse at the end of the year, but are expected to be reappropriated and become part of the subsequent year's budget because performance under the various executory contracts is expected in the next year.

The vast majority of the amounts reflected in the above table are related to capital projects, representing \$16,050,736 of the total. Of this amount, \$5,644,378 is for work on the South Boulder Road Multimodal Project, \$5,559,700 is for the Goosehaven Reservoir project and \$2,475,700 is for the Gross Reservoir expansion project.

Other Contingencies

Due to significant flooding during September 2013, the City had substantial repairs that needed 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 reimbursements have been submitted to FEMA.

Required Supplementary Information

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CITY OF LAFAYETTE, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Taxes	\$ 6,199,945	\$ 6,199,945	\$ 6,164,993	\$ (34,952)
Fire and Ambulance Property Taxes	2,744,867	2,744,867	2,729,423	(15,444)
Specific Ownership Taxes	480,000	480,000	497,466	17,466
General Sales and Use Taxes	13,275,000	13,275,000	15,504,481	2,229,481
Building Use Taxes	1,550,000	1,550,000	2,748,995	1,198,995
Motor Vehicle Use Taxes	2,000,000	2,000,000	2,221,566	221,566
Franchise Taxes	1,150,000	1,150,000	1,242,389	92,389
Excise Taxes	625,000	625,000	775,956	150,956
Total Taxes	28,024,812	28,024,812	31,885,269	3,860,457
Licenses and Permits				
Business Licenses	5,000	5,000	14,475	9,475
Contractor Licenses	100,000	100,000	113,025	13,025
Liquor Licenses	20,000	20,000	33,091	13,091
Marijuana Licenses	125,000	125,000	90,425	(34,575)
Construction Permits	735,000	735,000	863,153	128,153
Mobile Home Permits	8,500	8,500	8,520	20
Miscellaneous Licenses	1,860	1,860	966	(894)
Total Licenses and Permits	995,360	995,360	1,123,655	128,295
Intergovernmental				
Federal, State, and County Grants	201,442	497,032	513,185	16,153
Cigarette Tax	47,000	47,000	61,730	14,730
Total Intergovernmental	248,442	544,032	574,915	30,883
Contributions and Grants				
Public Art Fees	30,000	30,000	22,400	(7,600)
Miscellaneous Contributions and Grants	539,000	687,796	757,068	69,272
Total Contributions and Grants	569,000	717,796	779,468	61,672

CITY OF LAFAYETTE, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues (continued)				
Charges for Services				
Building Fees	935,000	935,000	1,608,385	673,385
Culture and Recreation Fees	2,174,243	2,174,243	1,417,373	(756,870)
Cemetery Fees	40,000	40,000	65,625	25,625
Administrative Fees	2,477,357	2,477,357	2,453,455	(23,902)
Pawn Shop Fees	9,500	9,500	4,648	(4,852)
Police Service Fees	89,870	89,870	57,185	(32,685)
Ambulance Fees	450,000	450,000	478,041	28,041
Solid Waste, Recycling and Compost Fees	1,935,005	1,935,005	2,177,769	242,764
Sidewalk Maintenance Fees	350,000	350,000	414,469	64,469
Miscellaneous Services	30,000	30,000	30,633	633
Total Charges for Services	<u>8,490,975</u>	<u>8,490,975</u>	<u>8,707,583</u>	<u>216,608</u>
Fines and Forfeitures				
Fines	650,088	650,088	168,848	(481,240)
Court Costs	38,716	38,716	16,941	(21,775)
Total Fines and Forfeitures	<u>688,804</u>	<u>688,804</u>	<u>185,789</u>	<u>(503,015)</u>
Investment Earnings	110,000	165,167	(104,196)	(269,363)
Special Assessments				
Special Assessments - Principal	30,000	30,000	163,706	133,706
Total Special Assessments	<u>30,000</u>	<u>30,000</u>	<u>163,706</u>	<u>133,706</u>
Miscellaneous Revenue	384,000	384,000	641,528	257,528
Total Revenues	<u>39,541,393</u>	<u>40,040,946</u>	<u>43,957,717</u>	<u>3,916,771</u>
Expenditures				
General Government				
City Council	253,014	253,014	178,005	75,009
Non-Departmental	1,234,796	1,234,796	1,368,646	(133,850)
Community Boards	393,812	434,657	289,754	144,903
City Administration	946,610	946,610	672,023	274,587
City Clerk	314,561	336,561	302,804	33,757
Arts & Cultural Resources	591,612	1,008,529	831,147	177,382
Communications	433,034	539,034	383,755	155,279
Sustainability	150,211	239,067	139,493	99,574
Economic Development	698,268	848,268	663,417	184,851
Human Resources	664,666	789,726	604,312	185,414
Financial Services	1,260,722	1,335,722	1,432,970	(97,248)
Information Systems	2,079,108	2,203,118	2,068,137	134,981
Facility Maintenance	1,224,561	1,228,304	1,174,414	53,890
Planning	1,248,350	1,542,821	1,160,661	382,160
Total General Government	<u>11,493,325</u>	<u>12,940,227</u>	<u>11,269,538</u>	<u>1,670,689</u>
Judicial				
City Attorney	494,100	494,100	422,788	71,312
Municipal Court	223,481	227,981	224,189	3,792
Total Judicial	<u>717,581</u>	<u>722,081</u>	<u>646,977</u>	<u>75,104</u>

CITY OF LAFAYETTE, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued)				
Public Safety				
Police	8,029,170	8,072,675	7,154,142	918,533
Fire & Ambulance	5,546,293	5,660,943	5,848,753	(187,810)
Total Public Safety	<u>13,575,463</u>	<u>13,733,618</u>	<u>13,002,895</u>	<u>730,723</u>
Public Works				
Administration, Engineering, Streets, Fleet	2,228,322	2,890,714	2,509,422	381,292
Solid Waste and Recycling	1,960,500	2,180,500	2,141,711	38,789
Total Public Works	<u>4,188,822</u>	<u>5,071,214</u>	<u>4,651,133</u>	<u>420,081</u>
Culture and Recreation				
Administration - Parks, Open Space and Golf	329,232	329,232	310,323	18,909
Cemeteries	158,515	158,515	137,116	21,399
Open Space Maintenance	-	-	600	(600)
Streetscapes	175,869	175,869	157,438	18,431
Administration - Recreation	276,953	281,953	165,171	116,782
Water Park	501,511	506,011	385,360	120,651
Recreation Center	2,561,095	2,566,095	1,664,136	901,959
Aquatics	-	-	6,972	(6,972)
General Programs	-	-	1,137	(1,137)
Guest Services	-	-	1,137	(1,137)
Library	1,537,114	1,537,114	1,384,663	152,451
Senior Services	564,068	564,068	529,106	34,962
Total Culture and Recreation	<u>6,104,357</u>	<u>6,118,857</u>	<u>4,743,159</u>	<u>1,375,698</u>
Capital Outlay	727,882	2,114,587	1,477,788	636,799
Total Expenditures	<u>36,807,430</u>	<u>40,700,584</u>	<u>35,791,490</u>	<u>4,909,094</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>2,733,963</u>	<u>(659,638)</u>	<u>8,166,227</u>	<u>8,825,865</u>
Other Financing Sources (Uses)				
Transfers In	-	327,762	-	(327,762)
Transfers Out	(4,390,712)	(6,644,848)	(6,544,848)	100,000
Total Other Financing Sources (Uses)	<u>(4,390,712)</u>	<u>(6,317,086)</u>	<u>(6,544,848)</u>	<u>(227,762)</u>
Net Change in Fund Balance	<u>\$ (1,656,749)</u>	<u>\$ (6,976,724)</u>	1,621,379	<u>\$ 8,598,103</u>
Fund Balance, January 1			40,132,306	
Fund Balance, December 31			<u>\$ 41,753,685</u>	

CITY OF LAFAYETTE, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
AND CONTRIBUTIONS - FPPA STATEWIDE DEFINED BENEFIT PLAN
December 31, 2021

	12/31/20	12/31/19	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)	0.75679573%	0.78378978%	0.78576440%	0.81676070%	0.85565153%	0.80549388%	0.87129653%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 1,643,007	\$ 443,283	\$ (993,422)	\$ 1,175,039	\$ (309,183)	\$ 14,197	\$ 983,824
City's Covered Payroll	\$ 5,798,032	\$ 5,477,229	\$ 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	28.34%	8.09%	-19.93%	26.45%	-7.72%	0.40%	27.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107%	102%	95%	106%	98%	100%	107%
City Contributions							
Statutorily Required Contribution	\$ 563,023	\$ 486,291	\$ 462,143	\$ 421,080	\$ 382,198	\$ 350,326	\$ 282,891
Contributions in Relation to the Statutorily Required Contribution	563,023	486,291	462,143	421,080	382,198	350,326	282,891
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 6,167,777	\$ 5,798,032	\$ 5,477,229	\$ 4,984,563	\$ 4,443,217	\$ 4,007,283	\$ 3,536,132
Contributions as a Percentage of Covered Payroll	9.13%	8.39%	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 it is available.

CITY OF LAFAYETTE, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
AND CONTRIBUTIONS - FPPA STATEWIDE HYBRID PLAN
December 31, 2021

	12/31/20	12/31/19	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)	2.35531010%	2.57220703%	2.48579006%	2.37955093%	2.63850182%	3.76985257%	4.59097399%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 647,830	\$ 500,912	\$ 343,125	\$ 465,267	\$ 287,207	\$ 397,075	\$ 544,473
City's Covered Payroll	\$ 392,192	\$ 402,426	\$ 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	165.18%	124.47%	88.34%	130.43%	85.86%	81.58%	97.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	138%	130%	123%	139%	126%	129%	141%
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions							
Statutorily Required Contribution	\$ 35,710	\$ 40,004	\$ 41,048	\$ 39,618	\$ 36,384	\$ 34,121	\$ 49,645
Contributions in Relation to the Statutorily Required Contribution	35,710	40,004	41,048	39,618	36,384	34,121	49,645
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 336,912	\$ 392,192	\$ 402,426	\$ 388,412	\$ 356,707	\$ 334,524	\$ 486,714
Contributions as a Percentage of Covered Payroll	10.60%	10.20%	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 it is available.

CITY OF LAFAYETTE, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION ASSET (LIABILITY) AND RELATED RATIOS
AND CONTRIBUTIONS VOLUNTEER FIRE DEPARTMENT PENSION PLAN
December 31, 2021

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Total Pension Liability							
Interest	\$ 153,192	\$ 157,331	\$ 162,805	\$ 166,718	\$ 167,949	\$ 170,993	\$ 178,910
Difference between Expected and Actual Experience	(6,322)	-	56,490	-	(45,180)	-	(74,942)
Changes of Assumptions	-	-	79,350	-	76,440	-	-
Benefit Payments	(212,340)	(220,440)	(222,840)	(215,069)	(216,163)	(207,166)	(211,810)
Net Change in Total Pension Liability	(65,470)	(63,109)	75,805	(48,351)	(16,954)	(36,173)	(107,842)
Total Pension Liability - Beginning	2,292,838	2,355,947	2,280,142	2,328,493	2,345,447	2,381,620	2,489,462
Total Pension Liability - Ending	\$ 2,227,368	\$ 2,292,838	\$ 2,355,947	\$ 2,280,142	\$ 2,328,493	\$ 2,345,447	\$ 2,381,620
Plan Fiduciary Net Position							
Employer Contributions	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164
State of Colorado Contributions	42,222	-	42,222	42,222	42,222	42,222	42,222
Net Investment Income	170,424	182,674	1,564	179,646	63,877	23,339	81,117
Benefit Payments	(212,340)	(220,440)	(222,840)	(215,069)	(216,163)	(207,166)	(211,810)
Administrative Expenses	(8,841)	(11,543)	(9,680)	(9,182)	(2,202)	(3,034)	(2,279)
Net Change in Plan Fiduciary Net Position	110,629	69,855	(69,570)	116,781	6,898	(25,475)	28,414
Plan Fiduciary Net Position - Beginning	1,432,797	1,362,942	1,432,512	1,315,731	1,308,833	1,334,308	1,305,894
Plan Fiduciary Net Position - Ending	\$ 1,543,426	\$ 1,432,797	\$ 1,362,942	\$ 1,432,512	\$ 1,315,731	\$ 1,308,833	\$ 1,334,308
City's Net Pension Asset (Liability) - Ending	\$ (683,942)	\$ (860,041)	\$ (993,005)	\$ (847,630)	\$ (1,012,762)	\$ (1,036,614)	\$ (1,047,312)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69%	62%	58%	63%	57%	56%	56%
	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
City Contributions							
Actuarially Determined Contribution	\$ 86,293	\$ 84,663	\$ 84,663	\$ 84,663	\$ 93,525	\$ 93,525	\$ 119,164
Contributions in Relation to the Actuarially Determined Contribution	(161,386)	(119,164)	(161,386)	(161,386)	(161,386)	(161,386)	(161,386)
Contribution Deficiency (Excess)	\$ (75,093)	\$ (34,501)	\$ (76,723)	\$ (76,723)	\$ (67,861)	\$ (67,861)	\$ (42,222)

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

Note 1. Budgets and Budgetary Accounting

The City follows the following 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 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.

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, 2020, based on the actuarial valuation as of January 1, 2021, which is a one-year lag compared to the City's fiscal year ended December 31, 2021. Covered payroll is not applicable for volunteers. Therefore, no covered payroll information is presented in the accompanying schedule.

Note 2. Contributions to the Volunteer Plan (continued)

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, 2019, determines the contribution amounts for 2020 and 2021.

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.
Mortality	Pre-retirement: RP-2014 combined mortality table with blue collar adjustment, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 combined mortality table, with blue collar adjustment. Disabled: RP-2014 disabled mortality table All tables projected with Scale BB.
Includes Inflation at	2.5%

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

Other Supplementary Information

Combining and Individual Fund Statements and Budgetary Comparison Schedules

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Nonmajor Governmental Funds

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*
- *Grant Fund*

Capital Project Funds

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 nonmajor capital projects funds in this section are as follows:

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

This section also includes a budgetary comparison schedule for the Capital Projects Fund – a major 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 currently accounts for the 2016 General Obligation Refunding & Improvement Bond issuance.

Permanent Fund – Cemetery Endowment

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

CITY OF LAFAYETTE, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue Funds				
	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Grants
Assets					
Cash and Investments	\$ 161,227	\$ 979,381	\$ 569,724	\$ 200,689	\$ 2,129
Receivables	23,303	152,427	257,400	159,767	43
Restricted Cash and Investments	-	-	-	-	3,857,580
Total Assets	\$ 184,530	\$ 1,131,808	\$ 827,124	\$ 360,456	\$ 3,859,752
Liabilities					
Accounts Payable	\$ -	\$ -	\$ 363	\$ -	\$ -
Interfund Payables	-	-	-	-	-
Deposits Payable	75,000	-	-	-	-
Accrued Liabilities	-	-	-	-	-
Total Liabilities	75,000	-	363	-	-
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	3,645	6,505	254,928	158,537	-
Unavailable Revenue - Other	-	-	-	-	-
Total Deferred Inflows of Resources	3,645	6,505	254,928	158,537	-
Nonspendable	-	-	-	-	-
Restricted	105,885	1,125,303	571,833	201,919	3,859,752
Committed	-	-	-	-	-
Total Fund Balance	105,885	1,125,303	571,833	201,919	3,859,752
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 184,530	\$ 1,131,808	\$ 827,124	\$ 360,456	\$ 3,859,752

Capital Projects Funds			Debt Service Fund	Permanent Fund	
Legacy Open Space	Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	Total
\$ 3,724,868	\$ 1,966,542	\$ 723,067	\$ 201,355	\$ 46,584	\$ 8,575,566
171,798	346,757	1,629	1,001,391	109	2,114,624
-	-	-	-	-	3,857,580
<u>\$ 3,896,666</u>	<u>\$ 2,313,299</u>	<u>\$ 724,696</u>	<u>\$ 1,202,746</u>	<u>\$ 46,693</u>	<u>\$ 14,547,770</u>
\$ 69,930	\$ 137,780	\$ 30,070	\$ 1,184	\$ -	\$ 239,327
2,232,506	-	-	-	-	2,232,506
-	-	-	-	-	75,000
-	11,833	-	-	-	11,833
<u>2,302,436</u>	<u>149,613</u>	<u>30,070</u>	<u>1,184</u>	<u>-</u>	<u>2,558,666</u>
-	-	-	1,000,918	-	1,424,533
-	179,336	-	-	-	179,336
-	179,336	-	1,000,918	-	1,603,869
-	-	-	-	46,693	46,693
1,594,230	1,984,350	694,626	-	-	10,137,898
-	-	-	200,644	-	200,644
<u>1,594,230</u>	<u>1,984,350</u>	<u>694,626</u>	<u>200,644</u>	<u>46,693</u>	<u>10,385,235</u>
<u>\$ 3,896,666</u>	<u>\$ 2,313,299</u>	<u>\$ 724,696</u>	<u>\$ 1,202,746</u>	<u>\$ 46,693</u>	<u>\$ 14,547,770</u>

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Special Revenue Funds				
	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Grants
Revenues					
Taxes					
Property Taxes	\$ 5,859	\$ 12,065	\$ 260,301	\$ 177,302	\$ -
Specific Ownership Taxes	290	599	12,893	8,598	-
General Sales and Use Taxes	-	-	-	-	-
Building Use Taxes	-	-	-	-	-
Motor Vehicle Use Taxes	-	-	-	-	-
Total Taxes	6,149	12,664	273,194	185,900	-
Intergovernmental	-	-	-	-	3,856,585
Contributions and Grants	-	-	-	-	-
Special Assessments	-	329,550	109,850	-	-
Investment Earnings	(430)	(3,145)	(38)	42	3,333
Miscellaneous	-	393,899	131,301	-	-
Total Revenues	5,719	732,968	514,307	185,942	3,859,918
Expenditures					
Operating					
General Government	170	500	4,281	3,292	166
Culture and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	345,000	60,000	-
Interest on Bonded Debt	-	-	140,800	93,300	-
Interfund Loan Interest	-	-	-	-	-
Fiscal Charges	-	-	726	303	-
Total Expenditures	170	500	490,807	156,895	166
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,549	732,468	23,500	29,047	3,859,752
Other Financing Sources					
Proceeds from Sale of Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	5,549	732,468	23,500	29,047	3,859,752
Fund Balance, January 1	100,336	392,835	548,333	172,872	-
Fund Balance, December 31	\$ 105,885	\$ 1,125,303	\$ 571,833	\$ 201,919	\$ 3,859,752

Capital Projects Funds			Debt Service Fund	Permanent Fund	
Legacy Open Space	Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	Total
\$ -	\$ -	\$ -	\$ 996,339	\$ -	\$ 1,451,866
-	-	-	-	-	22,380
1,292,043	1,292,043	-	-	-	2,584,086
229,083	229,083	-	-	-	458,166
185,130	185,130	-	-	-	370,260
1,706,256	1,706,256	-	996,339	-	4,886,758
-	599,055	372,295	-	-	4,827,935
-	542,818	-	-	-	542,818
-	-	-	-	-	439,400
(14,532)	(4,579)	(1,920)	3,834	(126)	(17,561)
-	20,102	-	-	-	545,302
1,691,724	2,863,652	370,375	1,000,173	(126)	11,224,652
-	-	-	10,340	24	18,773
15,204	1,977,124	55,841	-	-	2,048,169
245,623	428,125	324,184	-	-	997,932
-	-	-	830,000	-	1,235,000
-	-	-	170,350	-	404,450
55,167	-	-	-	-	55,167
-	-	-	225	-	1,254
315,994	2,405,249	380,025	1,010,915	24	4,760,745
1,375,730	458,403	(9,650)	(10,742)	(150)	6,463,907
-	5,000	-	-	-	5,000
50,000	135,000	-	-	-	185,000
50,000	140,000	-	-	-	190,000
1,425,730	598,403	(9,650)	(10,742)	(150)	6,653,907
168,500	1,385,947	704,276	211,386	46,843	3,731,328
\$ 1,594,230	\$ 1,984,350	\$ 694,626	\$ 200,644	\$ 46,693	\$ 10,385,235

CITY OF LAFAYETTE, COLORADO
LAFAYETTE CITY CENTER GID SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property Taxes	\$ 5,866	\$ 5,866	\$ 5,859	\$ (7)
Specific Ownership Taxes	1,500	1,500	290	(1,210)
Investment Earnings	500	500	(430)	(930)
Total Revenues	<u>7,866</u>	<u>7,866</u>	<u>5,719</u>	<u>(2,147)</u>
Expenditures				
Operating Expenditures				
General Government	2,588	2,588	170	2,418
Total Expenditures	<u>2,588</u>	<u>2,588</u>	<u>170</u>	<u>2,418</u>
Excess of Revenues Over Expenditures	<u>5,278</u>	<u>5,278</u>	<u>5,549</u>	<u>271</u>
Net Change in Fund Balance	<u>\$ 5,278</u>	<u>\$ 5,278</u>	<u>5,549</u>	<u>\$ 271</u>
Fund Balance - January 1			<u>100,336</u>	
Fund Balance - December 31			<u>\$ 105,885</u>	

CITY OF LAFAYETTE, COLORADO
EXEMPLA GID SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property Taxes	\$ 12,337	\$ 12,337	\$ 12,065	\$ (272)
Specific Ownership Taxes	5,250	5,250	599	(4,651)
Special Assessments	-	-	329,550	329,550
Investment Earnings	1,000	1,000	(3,145)	(4,145)
Miscellaneous	-	-	393,899	393,899
Total Revenues	<u>18,587</u>	<u>18,587</u>	<u>732,968</u>	<u>714,381</u>
Expenditures				
Operating Expenditures				
General Government	2,185	2,185	500	1,685
Total Expenditures	<u>2,185</u>	<u>2,185</u>	<u>500</u>	<u>1,685</u>
Excess of Revenues Over Expenditures	<u>16,402</u>	<u>16,402</u>	<u>732,468</u>	<u>716,066</u>
Net Change in Fund Balance	<u>\$ 16,402</u>	<u>\$ 16,402</u>	<u>732,468</u>	<u>\$ 716,066</u>
Fund Balance - January 1			<u>392,835</u>	
Fund Balance - December 31			<u>\$ 1,125,303</u>	

CITY OF LAFAYETTE, COLORADO
LAFAYETTE CORPORATE CAMPUS GID SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property Taxes	\$ 260,296	\$ 260,296	\$ 260,301	\$ 5
Specific Ownership Taxes	15,000	15,000	12,893	(2,107)
Special Assessments	-	109,850	109,850	-
Investment Earnings	1,500	1,500	(38)	(1,538)
Miscellaneous	-	131,300	131,301	1
Total Revenues	<u>276,796</u>	<u>517,946</u>	<u>514,307</u>	<u>(3,639)</u>
Expenditures				
Operating Expenditures				
General Government	13,904	13,904	4,281	9,623
Debt Service				
Principal	105,000	345,000	345,000	-
Interest	140,800	140,800	140,800	-
Bond Trustee Fees	500	500	726	(226)
Total Expenditures	<u>260,204</u>	<u>500,204</u>	<u>490,807</u>	<u>9,397</u>
Excess of Revenues Over Expenditures	<u>16,592</u>	<u>17,742</u>	<u>23,500</u>	<u>5,758</u>
Net Change in Fund Balance	<u>\$ 16,592</u>	<u>\$ 17,742</u>	<u>23,500</u>	<u>\$ 5,758</u>
Fund Balance - January 1			<u>548,333</u>	
Fund Balance - December 31			<u>\$ 571,833</u>	

CITY OF LAFAYETTE, COLORADO
LAFAYETTE TECH CENTER GID SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Property Taxes	\$ 180,662	\$ 180,662	\$ 177,302	\$ (3,360)
Specific Ownership Taxes	10,000	10,000	8,598	(1,402)
Investment Earnings	250	250	42	(208)
Total Revenues	<u>190,912</u>	<u>190,912</u>	<u>185,942</u>	<u>(4,970)</u>
Expenditures				
Operating Expenditures				
General Government	17,710	17,710	3,292	14,418
Debt Service				
Principal	60,000	60,000	60,000	-
Interest	93,300	93,300	93,300	-
Bond Trustee Fees	500	500	303	197
Total Expenditures	<u>171,510</u>	<u>171,510</u>	<u>156,895</u>	<u>14,615</u>
Excess of Revenues Over Expenditures	19,402	19,402	29,047	9,645
Other Financing (Uses)				
Transfers Out	-	(75,273)	-	75,273
Total Other Financing Uses	-	(75,273)	-	75,273
Net Change in Fund Balance	<u>\$ 19,402</u>	<u>\$ (55,871)</u>	29,047	<u>\$ 84,918</u>
Fund Balance - January 1			<u>172,872</u>	
Fund Balance - December 31			<u>\$ 201,919</u>	

CITY OF LAFAYETTE, COLORADO
GRANT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$ -	\$ 3,856,585	\$ 3,856,585	\$ -
Investment Earnings	-	10,000	3,333	(6,667)
Total Revenues	-	3,866,585	3,859,918	(6,667)
Expenditures				
Operating Expenditures				
General Government	-	1,000	166	834
Total Expenditures	-	1,000	166	834
Excess of Revenues Over Expenditures	-	3,865,585	3,859,752	(5,833)
Net Change in Fund Balance	\$ -	\$ 3,865,585	3,859,752	\$ (5,833)
Fund Balance - January 1			-	
Fund Balance - December 31			\$ 3,859,752	

CITY OF LAFAYETTE, COLORADO
LEGACY OPEN SPACE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes				
General Sales and Use Taxes	\$ 1,093,852	\$ 1,093,852	\$ 1,292,043	\$ 198,191
Building Use Taxes	125,000	125,000	229,083	104,083
Motor Vehicle Use Taxes	155,000	155,000	185,130	30,130
Total Taxes	1,373,852	1,373,852	1,706,256	332,404
Investment Earnings	5,000	5,000	(14,532)	(19,532)
Total Revenues	<u>1,378,852</u>	<u>1,378,852</u>	<u>1,691,724</u>	<u>312,872</u>
Expenditures				
Operating Expenditures				
Culture and Recreation	56,750	214,494	15,204	199,290
Capital Outlay	-	375,642	245,623	130,019
Debt-related Expenditures				
Interfund Loan Principal	-	252,489	-	252,489
Interfund Loan Interest	-	55,167	55,167	-
Total Expenditures	<u>56,750</u>	<u>897,792</u>	<u>315,994</u>	<u>581,798</u>
Excess of Revenues Over Expenditures	1,322,102	481,060	1,375,730	894,670
Other Financing Sources (Uses)				
Transfers In	-	50,000	50,000	-
Transfers Out	(384,184)	(384,184)	-	384,184
Total Other Financing Sources	<u>(384,184)</u>	<u>(334,184)</u>	<u>50,000</u>	<u>384,184</u>
Net Change in Fund Balance	<u>\$ 937,918</u>	<u>\$ 146,876</u>	1,425,730	<u>\$ 1,278,854</u>
Fund Balance - January 1			<u>168,500</u>	
Fund Balance - December 31			<u>\$ 1,594,230</u>	

CITY OF LAFAYETTE, COLORADO
PARKS, OPEN SPACE, AND TRAILS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes				
General Sales and Use Taxes	\$ 1,093,852	\$ 1,093,852	\$ 1,292,043	\$ 198,191
Building Use Taxes	125,000	125,000	229,083	104,083
Motor Vehicle Use Taxes	155,000	155,000	185,130	30,130
Total Taxes	1,373,852	1,373,852	1,706,256	332,404
Intergovernmental	-	1,000,000	599,055	(400,945)
Contributions and Grants	400,000	400,000	542,818	142,818
Investment Earnings	6,000	6,000	(4,579)	(10,579)
Miscellaneous	-	-	20,102	20,102
Total Revenues	<u>1,779,852</u>	<u>2,779,852</u>	<u>2,863,652</u>	<u>83,800</u>
Expenditures				
Operating Expenditures				
Culture and Recreation	1,764,036	2,867,036	1,977,124	
Capital Outlay	750,000	1,146,330	428,125	718,205
Total Expenditures	<u>2,514,036</u>	<u>4,013,366</u>	<u>2,405,249</u>	<u>718,205</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(734,184)	(1,233,514)	458,403	1,691,917
Other Financing Sources				
Proceeds from Sale of Asset	-	-	5,000	5,000
Transfers In	384,184	619,184	135,000	(484,184)
Total Other Financing Sources	<u>384,184</u>	<u>619,184</u>	<u>140,000</u>	<u>(479,184)</u>
Net Change in Fund Balance	<u>\$ (350,000)</u>	<u>\$ (614,330)</u>	598,403	<u>\$ 1,212,733</u>
Fund Balance - January 1			<u>1,385,947</u>	
Fund Balance - December 31			<u>\$ 1,984,350</u>	

CITY OF LAFAYETTE, COLORADO
CONSERVATION TRUST CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 372,295	\$ 72,295
Investment Earnings	2,000	2,000	(1,920)	(3,920)
Total Revenues	<u>302,000</u>	<u>302,000</u>	<u>370,375</u>	<u>68,375</u>
Expenditures				
Operating Expenditures				
Culture and Recreation	-	31,100	55,841	(24,741)
Capital Outlay	95,000	491,476	324,184	167,292
Total Expenditures	<u>95,000</u>	<u>522,576</u>	<u>380,025</u>	<u>142,551</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	207,000	(220,576)	(9,650)	210,926
Other Financing Sources				
Transfers In	-	100,000	-	(100,000)
Total Other Financing Sources	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Net Change in Fund Balance	<u>\$ 207,000</u>	<u>\$ (120,576)</u>	<u>(9,650)</u>	<u>\$ 110,926</u>
Fund Balance - January 1			<u>704,276</u>	
Fund Balance - December 31			<u>\$ 694,626</u>	

CITY OF LAFAYETTE, COLORADO
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$ 1,001,350	\$ 1,001,350	\$ 996,339	\$ (5,011)
Investment Earnings	500	500	3,834	3,334
Total Revenues	<u>1,001,850</u>	<u>1,001,850</u>	<u>1,000,173</u>	<u>(1,677)</u>
Expenditures				
Operating Expenditures				
General Government	15,020	15,020	10,340	4,680
Debt Service				
Principal	830,000	830,000	830,000	-
Interest	170,350	170,350	170,350	-
Bond Trustee Fees	1,000	1,000	225	775
Total Expenditures	<u>1,016,370</u>	<u>1,016,370</u>	<u>1,010,915</u>	<u>5,455</u>
Deficiency of Revenues Under Expenditures	<u>(14,520)</u>	<u>(14,520)</u>	<u>(10,742)</u>	<u>3,778</u>
Net Change in Fund Balance	<u>\$ (14,520)</u>	<u>\$ (14,520)</u>	<u>(10,742)</u>	<u>\$ 3,778</u>
Fund Balance - January 1			<u>211,386</u>	
Fund Balance - December 31			<u>\$ 200,644</u>	

CITY OF LAFAYETTE, COLORADO
CEMETERY ENDOWMENT PERMANENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Investment Earnings	\$ 750	\$ 750	\$ (126)	\$ (876)
Total Revenues	<u>750</u>	<u>750</u>	<u>(126)</u>	<u>(876)</u>
Expenditures				
Operating Expenditures				
General Government	-	-	24	24
Total Expenditures	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	750	750	(150)	(900)
Other Financing Sources (Uses)				
Transfers Out	(750)	(750)	-	750
Total Other Financing Sources (Uses)	<u>(750)</u>	<u>(750)</u>	<u>-</u>	<u>750</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(150)</u>	<u>\$ (150)</u>
Fund Balance - January 1			<u>46,843</u>	
Fund Balance - December 31			<u>\$ 46,693</u>	

CITY OF LAFAYETTE, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$ 3,013,287	\$ 10,368,787	\$ 1,729,592	\$ (8,639,195)
Contributions and Grants	-	-	321,251	321,251
Investment Earnings	5,000	5,000	(16,502)	(21,502)
Miscellaneous	1,992	1,992	1,334	(658)
Total Revenues	3,020,279	10,375,779	2,035,675	(8,340,104)
Expenditures				
Operating Expenditures				
General Government	-	-	12,589	(12,589)
Capital Outlay	7,716,471	22,682,431	4,228,110	18,454,321
Total Expenditures	7,716,471	22,682,431	4,240,699	18,441,732
Deficiency of Revenues Under Expenditures	(4,696,192)	(12,306,652)	(2,205,024)	10,101,628
Other Financing Sources				
Proceeds from Insurance Claims	-	-	106,391	106,391
Transfers In	4,390,712	6,443,830	6,443,830	-
Total Other Financing Sources	4,390,712	6,443,830	6,550,221	106,391
Net Change in Fund Balance	\$ (305,480)	\$ (5,862,822)	4,345,197	\$ 10,208,019
Fund Balance - January 1			11,381,854	
Fund Balance - December 31			\$ 15,727,051	

Enterprise Funds - Statements of Revenues, Expenses, and Changes in Fund Net Position – Actual and Budget (Non-GAAP Budgetary Basis)

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 fund.

Storm Water Fund

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

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

CITY OF LAFAYETTE, COLORADO
WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Metered Water Sales	\$ 9,685,000	\$ 9,685,000	\$ 9,659,867	\$ (25,133)
Payments in Lieu of Water	1,000,000	1,000,000	1,129,848	129,848
Tap Fees	1,000,000	1,000,000	1,897,693	897,693
Investment Earnings	10,000	10,000	(128,511)	(138,511)
Miscellaneous	35,000	35,000	47,793	12,793
Total Revenues	11,730,000	11,730,000	12,606,690	876,690
Expenditures				
Operating Expenditures				
Personnel	1,904,942	1,904,942	1,744,256	160,686
Operations	5,039,623	5,331,623	3,581,531	1,750,092
Capital Outlay	4,505,000	21,489,076	4,641,197	16,847,879
Debt-related Expenditures				
Principal	1,015,000	1,015,000	1,015,000	-
Interest	345,850	345,850	345,850	-
Bond Trustee Fees	500	500	303	197
Total Expenditures	12,810,915	30,086,991	11,328,137	18,758,854
Other Financing Sources				
Proceeds from Sale of Assets	-	-	16,341	16,341
Total Other Financing Sources	-	-	16,341	16,341
Change in Net Position, Budgetary Basis	\$ (1,080,915)	\$ (18,356,991)	1,294,894	\$ 19,651,885
Adjustments to GAAP Basis				
Debt Principal Paid			1,015,000	
Change in Accrued Interest Payable			3,383	
Construction and Capital Improvements			4,528,906	
Depreciation			(2,350,049)	
Amortization of Bond-related Deferrals			44,433	
Proceeds from Sale of Assets			(16,341)	
Loss on Disposal of Assets			16,341	
Equity Income from Component Unit			78,511	
Change in Net Position, GAAP Basis			4,615,078	
Total Net Position - January 1 (as restated)			136,150,798	
Total Net Position - December 31			\$ 140,765,876	

CITY OF LAFAYETTE, COLORADO
WATER RECLAMATION UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Waste Water Collection Fees	\$ 6,168,750	\$ 6,168,750	\$ 6,186,342	\$ 17,592
Tap Fees	1,000,000	1,000,000	845,339	(154,661)
Investment Earnings	27,000	27,000	(47,769)	(74,769)
Miscellaneous	-	-	8,388	8,388
Total Revenues	<u>7,195,750</u>	<u>7,195,750</u>	<u>6,992,300</u>	<u>(203,450)</u>
Expenditures				
Operating Expenditures				
Personnel	1,273,947	1,273,947	1,174,940	99,007
Operations	2,006,732	2,356,732	1,579,822	776,910
Capital Outlay	1,040,000	48,111,434	1,195,723	46,915,711
Debt-related Expenditures				
Principal	628,800	628,800	628,799	1
Interest	18,380	18,380	18,379	1
Bond Trustee Fees	-	400,000	-	400,000
Total Expenditures	<u>4,967,859</u>	<u>52,789,293</u>	<u>4,597,663</u>	<u>48,191,630</u>
Other Financing Sources				
Proceeds from Debt Issuance	-	46,500,000	46,507,528	7,528
Total Other Financing Sources	<u>-</u>	<u>46,500,000</u>	<u>46,507,528</u>	<u>7,528</u>
Change in Net Position, Budgetary Basis	<u>\$ 2,227,891</u>	<u>\$ 906,457</u>	<u>48,902,165</u>	<u>\$ 47,995,708</u>
Adjustments to GAAP Basis				
Debt Proceeds			(46,933,405)	
Debt Principal Paid			617,791	
Change in Accrued Interest Payable			(85,456)	
Construction and Capital Improvements			1,195,723	
Depreciation			(1,124,991)	
Amortization of Bond-related Deferrals			16,525	
Change in Net Position, GAAP Basis			<u>2,588,352</u>	
Total Net Position - January 1 (as restated)			<u>40,603,302</u>	
Total Net Position - December 31			<u>\$ 43,191,654</u>	

CITY OF LAFAYETTE, COLORADO
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Golf Sales and Services	\$ 2,649,471	\$ 3,666,760	\$ 3,657,234	\$ (9,526)
Investment Earnings	250	250	(3,036)	(3,286)
Miscellaneous	2,061	2,061	6,035	3,974
Total Revenues	<u>2,651,782</u>	<u>3,669,071</u>	<u>3,660,233</u>	<u>(8,838)</u>
Expenditures				
Operating Expenditures				
Personnel	1,373,779	1,423,779	1,398,561	25,218
Operations	1,179,414	1,334,414	1,377,722	(43,308)
Capital Outlay	96,800	123,734	216,756	(93,022)
Total Expenditures	<u>2,649,993</u>	<u>2,881,927</u>	<u>2,993,039</u>	<u>(111,112)</u>
Change in Net Position, Budgetary Basis	<u>\$ 1,789</u>	<u>\$ 787,144</u>	667,194	<u>\$ (119,950)</u>
Adjustments to GAAP Basis				
Construction and Capital Improvements			216,756	
Depreciation			(324,789)	
Loss on Disposal of Assets			(14,438)	
Change in Net Position, GAAP Basis			544,723	
Total Net Position - January 1			<u>4,410,892</u>	
Total Net Position - December 31			<u>\$ 4,955,615</u>	

CITY OF LAFAYETTE, COLORADO
STORM WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Storm Water Collection Fees	\$ 1,763,244	\$ 1,763,244	\$ 1,936,114	\$ 172,870
Storm Water Development Fees	582,250	582,250	838,295	256,045
Investment Earnings	7,500	7,500	(10,345)	(17,845)
Miscellaneous	7,139	7,139	4,392	(2,747)
Total Revenues	<u>2,360,133</u>	<u>2,360,133</u>	<u>2,768,456</u>	<u>408,323</u>
Expenditures				
Operating Expenditures				
Personnel	271,238	271,238	233,096	38,142
Operations	649,019	707,004	532,149	174,855
Capital Outlay	235,000	310,425	467,925	(157,500)
Total Expenditures	<u>1,155,257</u>	<u>1,288,667</u>	<u>1,233,170</u>	<u>55,497</u>
Change in Net Position, Budgetary Basis	<u>\$ 1,204,876</u>	<u>\$ 1,071,466</u>	1,535,286	<u>\$ 463,820</u>
Adjustments to GAAP Basis				
Construction and Capital Improvements			247,925	
Depreciation			(539,683)	
Change in Net Position, GAAP Basis			1,243,528	
Total Net Position - January 1 (as restated)			<u>11,242,482</u>	
Total Net Position - December 31			<u>\$ 12,486,010</u>	

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.

CITY OF LAFAYETTE, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2021

	Employee Benefit Fund	Insurance Fund	Total
Assets			
Current Assets			
Cash and Investments	\$ 1,021,462	\$ 904,273	\$ 1,925,735
Receivables	2,388	2,045	4,433
Total Current Assets	1,023,850	906,318	1,930,168
Liabilities			
Current Liabilities			
Accounts Payable	14,922	30,585	45,507
Claims Payable	17,575	58,299	75,874
Compensated Absences - Current Portion	910,060	-	910,060
Total Current Liabilities	942,557	88,884	1,031,441
Noncurrent Liabilities			
Compensated Absences - Noncurrent Portion	172,062	-	172,062
Net Position			
Unrestricted	\$ (90,769)	\$ 817,434	\$ 726,665

CITY OF LAFAYETTE, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2021

	Employee Benefit Fund	Insurance Fund	Total
Operating Revenues			
City Contributions	\$ 3,810,389	\$ 974,475	\$ 4,784,864
Employee Contributions	104,766	-	104,766
Miscellaneous	47,608	16,078	63,686
Total Operating Revenues	3,962,763	990,553	4,953,316
Operating Expenses			
Premiums and Claims	3,962,821	862,851	4,825,672
Miscellaneous	82,108	409	82,517
Total Operating Expenses	4,044,929	863,260	4,908,189
Operating Income (Loss)	(82,166)	127,293	45,127
Nonoperating Revenues and (Expenses)			
Investment Earnings	(2,328)	(2,674)	(5,002)
Intergovernmental Grants	-	23,616	23,616
Insurance Proceeds	-	83,982	83,982
Transfers Out	-	(83,982)	(83,982)
Total Nonoperating Revenues and Expenses	(2,328)	20,942	18,614
Change in Net Position	(84,494)	148,235	63,741
Net Position, January 1	(6,275)	669,199	662,924
Net Position, December 31	\$ (90,769)	\$ 817,434	\$ 726,665

CITY OF LAFAYETTE, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2021

	Employee Benefit Fund	Insurance Fund	Total
Cash Flows From Operating Activities			
Receipts for Interfund Services Provided	\$ 3,810,389	\$ 974,475	\$ 4,784,864
Receipts from Employees	104,766	-	104,766
Miscellaneous Receipts	47,608	16,078	63,686
Payments to Vendors and Suppliers	(3,737,115)	(845,881)	(4,582,996)
Net Cash Provided by Operating Activities	225,648	144,672	370,320
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	-	23,616	23,616
Transfers Out to Other Funds	-	(83,982)	(83,982)
Net Cash Used by Noncapital Financing Activities	-	(60,366)	(60,366)
Cash Flows from Capital and Related Financing Activities			
Insurance Proceeds	-	83,982	83,982
Net Cash Provided by Capital and Related Financing Activities	-	83,982	83,982
Cash Flows From Investing Activities			
Investment Income Received	(1,944)	(2,043)	(3,987)
Net Cash Used by Investing Activities	(1,944)	(2,043)	(3,987)
Net Increase in Cash and Cash Equivalents	223,704	166,245	389,949
Cash and Cash Equivalents - January 1	797,758	738,028	1,535,786
Cash and Cash Equivalents - December 31	\$ 1,021,462	\$ 904,273	\$ 1,925,735
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (82,166)	\$ 127,293	\$ 45,127
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities			
Prepaid Expenses	302,644	16,299	318,943
Accounts Payable	14,102	(18,959)	(4,857)
Claims Payable	11,267	20,039	31,306
Compensated Absences	(20,199)	-	(20,199)
Total Adjustments	307,814	17,379	325,193
Net Cash Provided by Operating Activities	\$ 225,648	\$ 144,672	\$ 370,320

CITY OF LAFAYETTE, COLORADO
EMPLOYEE BENEFIT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
City Contributions	\$ 3,924,011	\$ 3,924,011	\$ 3,810,389	\$ (113,622)
Employee Contributions	100,000	100,000	104,766	4,766
Investment Earnings	3,000	3,000	(2,328)	(5,328)
Miscellaneous	11,375	11,375	47,608	36,233
Total Revenues	4,038,386	4,038,386	3,960,435	(77,951)
Expenses				
Premiums and Claims	3,815,790	3,995,790	3,962,821	32,969
Miscellaneous	85,625	85,625	82,108	3,517
Total Expenses	3,901,415	4,081,415	4,044,929	36,486
Change in Net Position, Budgetary Basis	\$ 136,971	\$ (43,029)	(84,494)	\$ (41,465)
Net Position, January 1			(6,275)	
Net Position, December 31			\$ (90,769)	

CITY OF LAFAYETTE, COLORADO
INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
City Contributions	\$ 974,475	\$ 974,475	\$ 974,475	\$ -
Intergovernmental	-	-	23,616	23,616
Investment Earnings	2,000	2,000	(2,674)	(4,674)
Miscellaneous	-	-	16,078	16,078
Total Revenues	976,475	976,475	1,011,495	35,020
Expenses				
Premiums and Claims	925,987	925,987	862,851	63,136
Miscellaneous	-	-	409	(409)
Total Expenditures	925,987	925,987	863,260	62,727
Other Financing Sources (Uses)				
Proceeds from Insurance Claims	-	-	83,982	83,982
Transfers Out	-	(83,982)	(83,982)	-
Total Other Financing Sources	-	(83,982)	-	83,982
Change in Net Position, Budgetary Basis	\$ 50,488	\$ (33,494)	148,235	\$ 181,729
Net Position, January 1			669,199	
Net Position, December 31			\$ 817,434	

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Statistical Section

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This part of the City of Lafayette’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	137
Revenue Capacity <i>These schedules contain trend information to help the reader assess the City’s most significant local revenue sources, property and sales taxes.</i>	146
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	149
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	155
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services that the City provides and activities it performs.</i>	156

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CITY OF LAFAYETTE, COLORADO
SCHEDULE 1 - NET POSITION BY COMPONENT
LAST 10 FISCAL YEARS
(Accrual basis of accounting)

	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 111,817,518	\$ 114,421,149	\$ 114,371,840	\$ 116,503,967	\$ 115,675,547
Restricted	6,700,066	7,010,330	8,041,313	8,917,272	10,519,487
Unrestricted	20,379,152	24,341,245	25,881,640	29,093,640	34,646,358
Total governmental activities net position	138,896,736	145,772,724	148,294,793	154,514,879	160,841,392
Business-type activities					
Net investment in capital assets	72,752,755	76,713,275	83,127,944	85,694,242	91,252,731
Restricted	-	-	374,882	566,315	566,315
Unrestricted	34,799,103	35,156,446	40,196,094	41,540,521	43,695,273
Total business-type activities net position	107,551,858	111,869,721	123,698,920	127,801,078	135,514,319
Net investment in capital assets	184,570,273	191,134,424	197,499,784	202,198,209	206,928,278
Restricted	6,700,066	7,010,330	8,416,195	9,483,587	11,085,802
Unrestricted	55,178,255	59,497,691	66,077,734	70,634,161	78,341,631
Total primary governmental net position	<u>\$ 246,448,594</u>	<u>\$ 257,642,445</u>	<u>\$ 271,993,713</u>	<u>\$ 282,315,957</u>	<u>\$ 296,355,711</u>
	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$ 122,568,073	\$ 129,041,362	\$ 139,645,432	\$ 142,464,808	\$ 140,364,345
Restricted	10,396,066	12,249,044	8,917,533	4,245,493	7,795,522
Unrestricted	38,027,329	42,884,343	45,402,656	55,480,775	64,684,793
Total governmental activities net position	170,991,468	184,174,749	193,965,621	202,191,076	212,844,660
Business-type activities					
Net investment in capital assets	99,364,335	106,120,369	114,556,005	126,787,732	130,852,365
Restricted	-	-	-	-	-
Unrestricted	45,525,566	49,565,131	53,687,768	61,335,621	70,546,790
Total business-type activities net position	144,889,901	155,685,500	168,243,773	188,123,353	201,399,155
Net investment in capital assets	221,932,408	235,161,731	254,201,437	269,252,540	271,216,710
Restricted	10,396,066	12,249,044	8,917,533	4,245,493	7,795,522
Unrestricted	83,552,895	92,449,474	99,090,424	116,816,396	135,231,583
Total primary governmental net position	<u>\$ 315,881,369</u>	<u>\$ 339,860,249</u>	<u>\$ 362,209,394</u>	<u>\$ 390,314,429</u>	<u>\$ 414,243,815</u>

CITY OF LAFAYETTE, COLORADO
SCHEDULE 2 - CHANGES IN NET POSITION
LAST 10 FISCAL YEARS
(Accrual basis of accounting)

	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 6,057,102	\$ 6,036,981	\$ 7,773,581	\$ 6,158,688	\$ 6,502,498
Judicial	330,696	437,265	499,622	406,578	522,216
Public safety	7,883,072	8,396,253	9,073,242	8,402,027	9,831,186
Public works	5,696,174	5,662,462	5,761,464	6,405,900	6,999,101
Culture and recreation	6,566,800	6,535,879	6,798,724	7,043,976	6,903,106
Interest on long-term debt	1,332,867	1,262,467	1,210,706	1,154,003	1,238,737
Total governmental activities expenses	<u>27,866,711</u>	<u>28,331,307</u>	<u>31,117,339</u>	<u>29,571,172</u>	<u>31,996,844</u>
Business-type activities:					
Water	6,320,696	5,410,699	5,526,849	5,519,561	5,586,019
Water reclamation	2,779,195	2,800,165	2,784,170	2,798,608	2,834,235
Golf course	1,902,097	1,888,000	1,984,280	2,090,819	2,219,448
Storm water	713,403	828,224	838,052	944,296	1,212,323
Total business-type activities expenses	<u>11,715,391</u>	<u>10,927,088</u>	<u>11,133,351</u>	<u>11,353,284</u>	<u>11,852,025</u>
Total primary governmental expenses	<u>\$ 39,582,102</u>	<u>\$ 39,258,395</u>	<u>\$ 42,250,690</u>	<u>\$ 40,924,456</u>	<u>\$ 43,848,869</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 2,000,981	\$ 2,241,222	\$ 2,414,326	\$ 2,886,488	\$ 1,605,901
Judicial	841,277	854,704	872,342	606,976	528,248
Public safety	529,732	517,540	396,491	394,345	583,071
Public works	968,770	179,399	14,075	10,582	1,624,090
Culture and recreation	1,774,576	1,831,286	1,837,201	1,979,019	2,022,257
Total charges for services	<u>6,115,336</u>	<u>5,624,151</u>	<u>5,534,435</u>	<u>5,877,410</u>	<u>6,363,567</u>
Operating grants and contributions	1,198,140	1,213,497	1,360,175	1,275,835	1,561,461
Capital grants and contributions	3,354,070	5,856,595	2,812,361	2,825,043	3,004,817
Total governmental activities program revenues	<u>10,667,546</u>	<u>12,694,243</u>	<u>9,706,971</u>	<u>9,978,288</u>	<u>10,929,845</u>
Business-type activities:					
Charges for services					
Water	6,555,899	5,881,253	6,026,348	6,550,201	7,574,216
Water reclamation	2,139,639	2,004,400	2,745,581	3,336,595	4,520,574
Golf course	655,667	644,484	651,519	669,625	682,188
Storm water	2,329,388	2,286,621	2,605,171	2,602,784	2,493,470
Total charges for services	<u>11,680,593</u>	<u>10,816,758</u>	<u>12,028,619</u>	<u>13,159,205</u>	<u>15,270,448</u>
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	5,895,027	6,233,629	12,469,981	3,484,379	6,180,956
Total business-type activities program revenues	<u>17,575,620</u>	<u>17,050,387</u>	<u>24,498,600</u>	<u>16,643,584</u>	<u>21,451,404</u>
Total primary government program revenues	<u>\$ 28,243,166</u>	<u>\$ 29,744,630</u>	<u>\$ 34,205,571</u>	<u>\$ 26,621,872</u>	<u>\$ 32,381,249</u>

CITY OF LAFAYETTE, COLORADO
SCHEDULE 2 - CHANGES IN NET POSITION
LAST 10 YEARS
(Accrual basis of accounting)

	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
General government	\$ 6,723,312	\$ 7,151,022	\$ 10,857,506	\$ 11,808,272	\$ 13,031,557
Judicial	599,522	670,461	646,084	674,308	646,977
Public safety	10,707,135	11,047,434	13,054,675	12,865,275	13,755,192
Public works	6,882,121	7,395,459	6,229,133	7,362,746	6,160,913
Culture and recreation	7,659,774	8,646,648	10,321,126	9,871,651	8,311,174
Interest on long-term debt	1,103,901	1,018,000	513,808	583,817	406,237
Total governmental activities expenses	<u>33,675,765</u>	<u>35,929,024</u>	<u>41,622,332</u>	<u>43,166,069</u>	<u>42,312,050</u>
Business-type activities:					
Water	6,720,281	8,045,332	7,516,930	8,666,922	8,086,464
Water reclamation	2,949,268	3,948,819	3,942,419	3,934,458	4,403,948
Golf course	2,522,940	2,816,838	2,588,749	2,838,295	3,115,510
Storm water	738,324	850,754	1,072,171	1,079,200	1,524,928
Total business-type activities expenses	<u>12,930,813</u>	<u>15,661,743</u>	<u>15,120,269</u>	<u>16,518,875</u>	<u>17,130,850</u>
Total primary governmental expenses	<u>\$ 46,606,578</u>	<u>\$ 51,590,767</u>	<u>\$ 56,742,601</u>	<u>\$ 59,684,944</u>	<u>\$ 59,442,900</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 2,179,555	\$ 7,040,872	\$ 5,055,582	\$ 8,664,208	\$ 5,208,240
Judicial	683,610	40,543	56,524	15,345	16,941
Public safety	510,737	816,621	924,782	638,377	668,997
Public works	1,693,094	2,043,810	2,266,949	2,453,665	2,592,238
Culture and recreation	2,079,420	2,327,660	2,309,753	514,892	1,384,447
Total charges for services	7,146,416	12,269,506	10,613,590	12,286,487	9,870,863
Operating grants and contributions	1,893,068	1,703,572	1,533,961	2,853,744	6,247,394
Capital grants and contributions	4,705,396	4,204,821	5,007,198	569,682	3,124,611
Total governmental activities program revenues	<u>13,744,880</u>	<u>18,177,899</u>	<u>17,154,749</u>	<u>15,709,913</u>	<u>19,242,868</u>
Business-type activities:					
Charges for services					
Water	8,103,541	8,593,015	8,329,244	10,043,302	9,659,867
Water reclamation	5,010,334	5,351,810	5,730,381	5,780,462	6,186,342
Golf course	742,156	992,136	1,686,419	3,010,262	3,657,234
Storm water	2,662,369	2,643,366	2,544,709	1,820,957	1,936,114
Total charges for services	16,518,400	17,580,327	18,290,753	20,654,983	21,439,557
Operating grants and contributions	-	-	-	3,663	-
Capital grants and contributions	7,815,507	8,096,157	4,869,851	14,513,251	4,711,175
Total business-type activities program revenues	<u>24,333,907</u>	<u>25,676,484</u>	<u>23,160,604</u>	<u>35,171,897</u>	<u>26,150,732</u>
Total primary government program revenues	<u>\$ 38,078,787</u>	<u>\$ 43,854,383</u>	<u>\$ 40,315,353</u>	<u>\$ 50,881,810</u>	<u>\$ 45,393,600</u>

CITY OF LAFAYETTE, COLORADO
SCHEDULE 2 - CHANGES IN NET POSITION (continued)
LAST 10 YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue					
Governmental activities	\$ (17,199,165)	\$ (15,637,064)	\$ (21,410,368)	\$ (19,592,884)	\$ (21,066,999)
Business-type activities	5,860,229	6,123,299	13,365,249	5,290,300	9,599,379
Total primary government net expenses	<u>(11,338,936)</u>	<u>(9,513,765)</u>	<u>(8,045,119)</u>	<u>(14,302,584)</u>	<u>(11,467,620)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	5,925,007	5,989,776	6,027,624	8,963,672	8,090,573
Sales and use taxes	12,109,069	13,523,535	14,523,678	12,964,800	15,347,393
Franchise taxes	997,677	1,074,357	1,130,471	1,113,899	1,107,958
Other taxes	-	-	-	184,287	459,674
Total taxes	<u>19,031,753</u>	<u>20,587,668</u>	<u>21,681,773</u>	<u>23,226,658</u>	<u>25,005,598</u>
Unrestricted grants and contributions	32,888	37,280	44,440	54,371	55,656
Investment earnings	201,659	44,309	281,317	249,474	288,540
Other general revenues	-	-	-	-	6,897
Gain (loss) on sale of capital assets	44,048	36,046	65,997	90,349	35,690
Transfers	1,479,492	1,553,181	1,858,910	1,668,352	2,001,131
Total governmental activities	<u>20,789,840</u>	<u>22,258,484</u>	<u>23,932,437</u>	<u>25,289,204</u>	<u>27,393,512</u>
Business-type activities:					
Investment earnings	210,342	2,314	322,860	257,340	281,716
Gain on sale of capital assets	-	-	-	53,870	12,420
Transfers	(1,479,492)	(1,553,181)	(1,858,910)	(1,668,352)	(2,001,131)
Other general revenues	-	-	-	-	(10,143)
Total business-type activities	<u>(1,269,150)</u>	<u>(1,550,867)</u>	<u>(1,536,050)</u>	<u>(1,357,142)</u>	<u>(1,717,138)</u>
Total primary government	<u>19,520,690</u>	<u>20,707,617</u>	<u>22,396,387</u>	<u>23,932,062</u>	<u>25,676,374</u>
Changes in Net Position					
Governmental activities	3,590,675	6,621,420	2,522,069	5,696,320	6,326,513
Business-type activities	4,591,079	4,572,432	11,829,199	3,933,158	7,882,241
Total primary government change in net position	<u>\$ 8,181,754</u>	<u>\$ 11,193,852</u>	<u>\$ 14,351,268</u>	<u>\$ 9,629,478</u>	<u>\$ 14,208,754</u>

CITY OF LAFAYETTE, COLORADO
SCHEDULE 2 - CHANGES IN NET POSITION (continued)
LAST 10 YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net (Expense)/Revenue					
Governmental activities	\$ (19,930,885)	\$ (17,751,125)	\$ (24,467,583)	\$ (27,456,156)	\$ (23,069,182)
Business-type activities	11,403,094	10,014,741	8,040,335	18,653,022	9,019,882
Total primary government net expenses	<u>(8,527,791)</u>	<u>(7,736,384)</u>	<u>(16,427,248)</u>	<u>(8,803,134)</u>	<u>(14,049,300)</u>
General Revenues and Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	9,025,797	10,050,460	10,108,623	10,999,124	10,866,128
Sales and use taxes	16,641,430	18,105,109	19,709,451	20,709,008	23,887,554
Franchise taxes	1,132,143	1,141,404	1,147,437	1,128,766	1,242,389
Other taxes	487,125	539,644	648,815	811,317	775,956
Total taxes	<u>27,286,495</u>	<u>29,836,617</u>	<u>31,614,326</u>	<u>33,648,215</u>	<u>36,772,027</u>
Unrestricted grants and contributions	48,530	112,986	46,891	-	206,091
Investment earnings	380,639	791,498	1,389,129	1,263,231	(143,262)
Other general revenues	-	193,305	396,057	323,490	892,573
Gain (loss) on sale of capital assets	11,780	-	-	-	-
Transfers	2,353,517	-	-	-	-
Total governmental activities	<u>30,080,961</u>	<u>30,934,406</u>	<u>33,446,403</u>	<u>35,234,936</u>	<u>37,727,429</u>
Business-type activities:					
Interest	336,344	780,858	1,427,832	1,223,701	(189,661)
Gain on sale of capital assets	(10,339)	-	144,719	2,857	-
Transfers	(2,353,517)	-	-	-	-
Other general revenues	-	-	-	-	161,460
Total business-type activities	<u>(2,027,512)</u>	<u>780,858</u>	<u>1,572,551</u>	<u>1,226,558</u>	<u>(28,201)</u>
Total primary government	<u>28,053,449</u>	<u>31,715,264</u>	<u>35,018,954</u>	<u>36,461,494</u>	<u>37,699,228</u>
Changes in Net Position					
Governmental activities	10,150,076	13,183,281	8,978,820	7,778,780	14,658,247
Business-type activities	9,375,582	10,795,599	9,612,886	19,879,580	8,991,681
Total primary government change in net position	<u>\$ 19,525,658</u>	<u>\$ 23,978,880</u>	<u>\$ 18,591,706</u>	<u>\$ 27,658,360</u>	<u>\$ 23,649,928</u>

CITY OF LAFAYETTE, COLORADO
SCHEDULE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Nonspendable	\$ 1,078,054	\$ 1,419,660	\$ 1,160,334	\$ 1,220,730	\$ 1,123,593
Restricted	1,396,626	1,400,512	1,478,013	1,618,129	1,620,000
Committed	567,259	1,445,337	1,184,653	1,172,303	1,573,308
Assigned	141,347	125,755	108,056	88,987	69,135
Unassigned	9,031,254	10,992,811	12,710,609	16,080,562	19,969,686
Total General Fund	<u>\$ 12,214,540</u>	<u>\$ 15,384,075</u>	<u>\$ 16,641,665</u>	<u>\$ 20,180,711</u>	<u>\$ 24,355,722</u>
All other governmental funds					
Nonspendable	\$ 46,398	\$ 783,203	\$ 775,640	\$ 952,318	\$ 760,476
Restricted	5,257,042	5,563,432	6,516,914	7,252,745	8,849,960
Committed	4,604,513	4,873,414	5,456,443	5,618,263	10,348,187
Assigned	1,958,641	1,954,154	1,982,627	1,159,996	1,401,210
Unassigned, reported in:					
Special revenue funds	-	-	-	-	-
Total other governmental funds	<u>\$ 11,866,594</u>	<u>\$ 13,174,203</u>	<u>\$ 14,731,624</u>	<u>\$ 14,983,322</u>	<u>\$ 21,359,833</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund					
Nonspendable	\$ 21,186	\$ 726,473	\$ 726,610	\$ 3,311,185	\$ 2,936,380
Restricted	1,670,472	1,954,611	1,083,515	1,145,548	1,070,683
Committed	2,128,070	2,687,395	3,557,446	6,020,012	7,287,700
Assigned	48,509	29,510	29,510	-	-
Unassigned	24,288,624	24,589,087	23,953,740	29,655,613	30,458,922
Total General Fund	<u>\$ 28,156,861</u>	<u>\$ 29,987,076</u>	<u>\$ 29,350,821</u>	<u>\$ 40,132,358</u>	<u>\$ 41,753,685</u>
All other governmental funds					
Nonspendable	\$ 752,913	\$ 46,398	\$ 46,398	\$ 46,843	\$ 46,693
Restricted	8,679,196	10,248,035	7,787,620	3,053,102	10,537,898
Committed	7,185,012	9,606,633	11,020,663	11,193,240	15,527,695
Assigned	1,105,481	1,266,857	1,080,825	819,997	-
Unassigned, reported in:					
Special revenue funds	(45,967)	-	-	-	-
Total other governmental funds	<u>\$ 17,676,635</u>	<u>\$ 21,167,923</u>	<u>\$ 19,935,506</u>	<u>\$ 15,113,182</u>	<u>\$ 26,112,286</u>

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CITY OF LAFAYETTE, COLORADO
SCHEDULE 4 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)

	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 19,031,753	\$ 20,587,669	\$ 21,681,773	\$ 22,945,886	\$ 25,005,598
Intergovernmental	1,364,214	1,477,961	1,363,711	1,413,681	1,635,143
Contributions and grants	128,509	37,473	1,220,461	697,628	584,200
Charges for services	962,483	4,165,126	4,136,496	5,171,768	5,124,412
Licenses and permits	577,920	614,540	747,009	618,042	720,295
Fines and forfeitures	841,277	854,705	872,342	606,896	528,249
Investment earnings	158,194	4,368	260,952	214,475	269,195
Special assessments	486,539	1,398,646	685,372	685,607	645,831
Miscellaneous	336,573	1,852,418	447,671	111,928	121,815
Total revenues	23,887,462	30,992,906	31,415,787	32,465,911	34,634,738
Expenditures					
General government	5,776,726	5,556,017	7,469,068	5,825,901	6,278,283
Judicial	330,485	436,782	499,437	406,017	522,888
Public safety	7,202,446	7,761,736	8,210,875	8,283,373	9,591,173
Public works	2,565,642	2,697,682	2,847,425	3,399,974	4,069,936
Culture and recreation	5,418,626	5,335,310	5,496,260	5,847,442	5,847,316
Capital outlay	3,670,577	3,856,496	3,243,624	3,878,010	2,585,398
Debt service					
Capital lease payments	481,038	138,677	144,500	149,090	149,360
Principal	1,280,000	1,330,000	1,385,000	1,445,000	4,910,000
Interest and fiscal charges	1,264,841	1,210,810	1,163,498	1,108,713	1,067,153
Total expenditures	27,990,381	28,323,510	30,459,687	30,343,520	35,021,507
Excess of revenues over (under) expenditures	(4,102,919)	2,669,396	956,100	2,122,391	(386,769)
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ -	\$ -	\$ -	\$ 8,265,000
Debt premium	-	-	-	-	806,481
Issuance costs	-	-	-	-	(134,321)
Contributions	-	-	-	-	-
Proceeds from insurance claims	-	-	-	-	-
Transfers in	5,223,770	5,480,866	5,918,411	5,975,513	5,968,865
Transfers out	(3,744,278)	(3,927,686)	(4,059,500)	(4,307,160)	(3,967,734)
Total other financing sources (uses)	1,479,492	1,553,180	1,858,911	1,668,353	10,938,291
Net change in fund balances	\$ (2,623,427)	\$ 4,222,576	\$ 2,815,011	\$ 3,790,744	\$ 10,551,522
Debt service as a percentage of noncapital expenditures	12.4%	11.0%	9.9%	10.2%	18.9%

CITY OF LAFAYETTE, COLORADO
SCHEDULE 4 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 FISCAL YEARS
(Modified accrual basis of accounting)

	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 27,286,495	\$ 29,836,617	\$ 31,489,183	\$ 33,730,980	\$ 36,772,027
Intergovernmental	1,427,665	2,318,448	3,359,068	2,887,366	7,132,442
Contributions and grants	1,647,745	340,850	179,086	352,730	1,643,537
Charges for services	5,652,813	10,515,841	9,073,357	11,137,082	8,707,583
Licenses and permits	979,192	1,064,668	995,596	1,048,797	1,123,655
Fines and forfeitures	683,609	737,742	519,562	262,996	185,789
Investment earnings	336,921	754,402	1,342,119	1,222,655	(138,259)
Special assessments	1,008,632	521,414	42,419	23,869	603,106
Miscellaneous	69,443	1,089,294	478,104	323,490	1,188,164
Total revenues	<u>39,092,515</u>	<u>47,179,276</u>	<u>47,478,494</u>	<u>50,989,965</u>	<u>57,218,044</u>
Expenditures					
General government	6,442,287	6,933,635	10,396,258	10,949,273	11,300,900
Judicial	598,409	670,175	647,938	676,532	646,977
Public safety	9,926,889	11,037,480	11,769,985	12,276,373	13,002,895
Public works	3,909,343	4,543,803	3,838,929	4,296,452	4,651,133
Culture and recreation	6,591,737	7,359,613	8,772,331	5,973,542	6,791,328
Capital outlay	10,561,281	7,891,497	9,700,705	10,166,371	6,703,830
Debt service					
Capital lease payments	149,360	112,020	-	-	-
Principal	2,005,000	2,245,000	5,540,000	965,000	1,235,000
Interest and fiscal charges	1,143,785	1,064,550	562,252	502,018	460,871
Total expenditures	<u>41,328,091</u>	<u>41,857,773</u>	<u>51,228,398</u>	<u>45,805,561</u>	<u>44,792,934</u>
Excess of revenues over (under) expenditures	<u>(2,235,576)</u>	<u>5,321,503</u>	<u>(3,749,904)</u>	<u>5,184,404</u>	<u>12,425,110</u>
Other financing sources (uses)					
Proceeds from debt	\$ -	\$ -	\$ -	\$ -	\$ -
Debt premium	-	-	-	-	-
Issuance costs	-	-	-	-	-
Contributions	-	-	1,591,936	-	-
Proceeds from insurance claims	-	-	-	-	111,391
Transfers in	8,468,804	8,389,399	8,526,484	5,731,072	6,628,830
Transfers out	(6,115,287)	(8,389,399)	(8,526,484)	(4,956,263)	(6,544,848)
Total other financing sources (uses)	<u>2,353,517</u>	<u>-</u>	<u>1,591,936</u>	<u>774,809</u>	<u>195,373</u>
Net change in fund balances	<u>\$ 117,941</u>	<u>\$ 5,321,503</u>	<u>\$ (2,157,968)</u>	<u>\$ 5,959,213</u>	<u>\$ 12,620,483</u>
Debt service as a percentage of noncapital expenditures	10.7%	10.1%	14.7%	4.1%	4.5%

CITY OF LAFAYETTE, COLORADO
SCHEDULE 5 - GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST 10 FISCAL YEARS

Year	General Property Tax ¹	Fire District Tax	Specific Ownership Tax	Sales Tax	Use Tax ²	Franchise Tax	Excise Tax	Total General Tax Revenues
2012	\$ 5,647,300	\$ 5,300	\$ 272,407	\$ 9,560,708	\$ 2,548,361	\$ 997,677	\$ -	\$ 19,031,753
2013	5,699,638	5,300	284,838	10,124,604	3,398,931	1,074,357	-	20,587,668
2014	5,713,092	5,300	309,232	10,850,273	3,673,405	1,130,471	-	21,681,773
2015	6,668,265	5,300	378,366	11,643,115	3,591,148	1,113,899	184,286	23,584,379
2016	7,677,373	5,300	407,900	11,998,522	4,104,099	1,107,958	459,674	21,726,213
2017	7,941,715	5,300	455,589	12,739,227	3,902,203	1,132,143	487,125	26,663,302
2018	9,518,598	5,300	526,563	13,285,429	4,819,679	1,141,404	539,644	29,836,617
2019	9,462,728	5,300	515,452	14,781,930	4,927,521	1,147,437	648,815	31,489,183
2020	10,614,570	5,300	504,397	15,047,658	5,661,350	1,128,766	768,939	33,730,980
2021	10,340,982	5,300	519,846	17,362,457	6,525,097	1,242,389	775,956	36,772,027

¹ Includes property taxes from general improvement districts.

² Includes taxes on building materials and motor vehicles.

CITY OF LAFAYETTE, COLORADO
SCHEDULE 6 - DIRECT AND OVERLAPPING SALES TAX RATES
LAST 10 FISCAL YEARS

Fiscal Year	City of Lafayette	State of Colorado	Overlapping Rates			Total Overlapping Sales Tax Rate
			Boulder County	Regional Transportation District	Scientific & Cultural Facilities District	
2012	3.500%	2.900%	0.800%	1.000%	0.100%	8.300%
2013	3.500%	2.900%	0.800%	1.000%	0.100%	8.300%
2014	3.500%	2.900%	0.800%	1.000%	0.100%	8.300%
2015	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%
2016	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%
2017	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%
2018	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%
2019	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%
2020	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%
2021	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%

CITY OF LAFAYETTE, COLORADO
SCHEDULE 7 PRINCIPAL SALES TAXPAYERS
LAST 10 FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Aggregate top thirty filers ¹	\$ 6,466,701	\$ 6,839,683	\$ 7,138,865	\$ 7,636,689	\$ 7,620,719
Aggregate all other filers	<u>3,094,007</u>	<u>3,284,921</u>	<u>3,711,408</u>	<u>4,006,426</u>	<u>4,377,803</u>
Total sales tax	<u>\$ 9,560,708</u>	<u>\$ 10,124,604</u>	<u>\$ 10,850,273</u>	<u>\$ 11,643,115</u>	<u>\$ 11,998,522</u>
Top thirty filers as a percentage of total sales tax	67.6%	67.6%	65.8%	65.6%	63.5%
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Aggregate top thirty filers ¹	\$ 7,682,414	\$ 8,375,538	\$ 8,931,483	\$ 9,390,968	\$ 10,737,800
Aggregate all other filers	<u>5,056,813</u>	<u>4,909,891</u>	<u>5,850,447</u>	<u>5,656,690</u>	<u>6,624,657</u>
Total sales tax	<u>\$ 12,739,227</u>	<u>\$ 13,285,429</u>	<u>\$ 14,781,930</u>	<u>\$ 15,047,658</u>	<u>\$ 17,362,457</u>
Top thirty filers as a percentage of total sales tax	60.3%	63.0%	60.4%	62.4%	61.8%

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.

CITY OF LAFAYETTE, COLORADO
SCHEDULE 8 - RATIOS OF OUTSTANDING DEBT BY TYPE
LAST 10 FISCAL YEARS

Fiscal Year	Governmental Activities				
	Sales Tax	Limited Tax	General	Demand	Capital
	Revenue	Revenue	Obligation		
Bonds	Bonds	Bonds ¹	Bonds	Leases	
2012	\$ 6,145,000	\$ 4,720,000	\$ 5,061,723	\$ 3,955,000	\$ 752,045
2013	5,355,000	4,565,000	4,676,179	3,955,000	640,676
2014	4,540,000	4,400,000	4,270,635	3,955,000	519,062
2015	3,695,000	4,220,000	3,850,091	3,955,000	388,033
2016	2,820,000	4,030,000	9,071,481	3,955,000	251,625
2017	1,915,000	3,820,000	8,100,833	3,955,000	109,903
2018	975,000	3,615,000	7,245,185	3,630,000	-
2019	-	3,470,000	6,374,537	-	-
2020	-	3,315,000	5,483,889	-	-
2021	-	2,910,000	4,566,575	-	-

Fiscal Year	Business-Type Activities				Government-Wide Metrics		
	Water	Water	Golf	Term Loan	Total	Debt Per	Percent
	Revenue	Reclamation	Revenue				
Bonds ¹	Rev. Bonds ¹	Bonds	Payable	Primary	Capita ²	Personal	
					Government		Income ²
2012	\$ 17,072,104	\$ -	\$ 122,500	\$ 4,939,626	\$ 42,767,998	\$ 1,636	4.50%
2013	16,124,218	-	62,900	4,463,277	39,842,250	1,496	4.23%
2014	15,151,332	-	-	3,965,090	36,801,119	1,436	4.00%
2015	14,153,446	-	-	3,449,672	33,711,242	1,192	3.23%
2016	13,135,560	-	-	2,917,322	36,180,988	1,279	2.92%
2017	12,107,674	-	-	2,362,398	32,370,808	1,130	2.34%
2018	11,044,788	-	-	1,805,703	28,315,676	951	1.86%
2019	9,961,902	-	-	1,228,089	21,034,528	712	1.47%
2020	8,839,016	-	-	628,801	18,266,706	617	1.19%
2021	7,689,997	46,927,077	-	-	62,093,649	2,003	4.02%

¹ Including related issuance premium.

² See Schedule 12 for Population and Personal Income figures.

CITY OF LAFAYETTE, COLORADO
SCHEDULE 9 - RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT LIMIT
LAST 10 FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General bonded debt outstanding	\$ 37,076,327	\$ 34,738,297	\$ 32,316,967	\$ 29,873,537	\$ 33,012,041
Less:					
Water reclamation revenue bonds	-	-	-	-	-
Water revenue bonds	17,072,104	16,124,218	15,151,332	14,153,446	13,135,560
Limited tax obligation bonds	4,720,000	4,565,000	4,400,000	4,220,000	4,030,000
Sales tax revenue bonds	6,145,000	5,355,000	4,540,000	3,695,000	2,820,000
Demand bonds	3,955,000	3,955,000	3,955,000	3,955,000	3,955,000
Golf course revenue bonds	122,500	62,900	-	-	-
Total net debt applicable to debt limit	<u>5,061,723</u>	<u>4,676,179</u>	<u>4,270,635</u>	<u>3,850,091</u>	<u>9,071,481</u>
Estimated actual property values ¹	3,200,277,084	3,266,721,780	3,311,284,288	3,384,173,618	4,131,951,237
Legal debt limit ²	<u>96,008,313</u>	<u>98,001,653</u>	<u>99,338,529</u>	<u>101,525,209</u>	<u>123,958,537</u>
Legal debt margin ³	<u>\$ 90,946,590</u>	<u>\$ 93,325,474</u>	<u>\$ 95,067,894</u>	<u>\$ 97,675,118</u>	<u>\$ 114,887,056</u>
Outstanding debt as a percentage of debt limit	5%	5%	4%	4%	7%
Population	26,629	26,629	25,621	28,278	28,278
Net general bonded debt per capita	\$ 190	\$ 176	\$ 167	\$ 136	\$ 321

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.

CITY OF LAFAYETTE, COLORADO
SCHEDULE 9 - RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT LIMIT
LAST 10 FISCAL YEARS (continued)

	2017	2018	2019	2020	2021
General bonded debt outstanding	\$ 29,898,507	\$ 26,509,973	\$ 19,806,439	\$ 17,637,905	\$ 62,093,649
Less:					
Water reclamation revenue bonds	-	-	-	-	46,927,077
Water revenue bonds	12,107,674	11,044,788	9,961,902	8,839,016	7,689,997
Limited tax obligation bonds	3,820,000	3,615,000	3,470,000	3,315,000	2,910,000
Sales tax revenue bonds	1,915,000	975,000	-	-	-
Demand bonds	3,955,000	3,630,000	-	-	-
Golf course revenue bonds	-	-	-	-	-
Total net debt applicable to debt limit	8,100,833	7,245,185	6,374,537	5,483,889	4,566,575
Estimated actual property values ¹	5,270,411,840	5,412,207,877	6,030,016,835	6,128,680,458	6,673,623,372
Legal debt limit ²	158,112,355	162,366,236	180,900,505	183,860,414	200,208,701
Legal debt margin ³	\$ 150,011,522	\$ 155,121,051	\$ 174,525,968	\$ 178,376,525	\$ 195,642,126
Outstanding debt as a percentage of debt limit	5%	4%	4%	3%	2%
Population	28,641	29,782	29,538	29,587	31,002
Net general bonded debt per capita	\$ 283	\$ 243	\$ 216	\$ 185	\$ 147

CITY OF LAFAYETTE, COLORADO
SCHEDULE 10 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2021

<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	\$ 7,476,575	100.00%	\$ 7,476,575
Overlapping:			
Boulder Valley School District RE-2 ¹	<u>749,265,000</u>	8.27%	<u>61,945,954</u>
Total	<u>\$ 756,741,575</u>		<u>\$ 69,422,529</u>

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

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

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

CITY OF LAFAYETTE, COLORADO
SCHEDULE 11 - PLEDGED REVENUE COVERAGE
LAST 10 FISCAL YEARS

Lafayette Corporate Campus GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Scheduled Debt Service		Coverage ^{3,4}
				Principal	Interest	
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
2020	283,424	18,864	264,560	95,000	148,400	1.09
2021	514,307	5,007	509,300	105,000	140,800	2.07

Lafayette Tech Center GID						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Scheduled Debt Service		Coverage ³
				Principal	Interest	
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
2020	370,848	45,586	325,262	60,000	96,900	2.07
2021	185,942	3,595	182,347	60,000	93,300	1.19

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 principal and interest.

⁴ In 2021 the GID decided to make an additional special assessment in order to prepay principal payments for 2021-2023. Principal and interest presented in the table reflect the original scheduled amounts.

CITY OF LAFAYETTE, COLORADO
SCHEDULE 11 - PLEDGED REVENUE COVERAGE (continued)
LAST 10 FISCAL YEARS

2012 Water Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ³
				Principal	Interest	
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
2020	18,595,191	6,330,594	12,264,597	995,000	365,750	9.01
2021	12,623,031	5,438,078	7,184,953	1,015,000	345,850	5.28

2021 Water Reclamation Revenue Bonds						
Fiscal Year	Gross Resources ¹	Expenses ²	Net Available Revenue	Debt Service		Coverage ^{3, 4}
				Principal	Interest	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	nm
2013	-	-	-	-	-	nm
2014	-	-	-	-	-	nm
2015	-	-	-	-	-	nm
2016	-	-	-	-	-	nm
2017	-	-	-	-	-	nm
2018	-	-	-	-	-	nm
2019	-	-	-	-	-	nm
2020	-	-	-	-	-	nm
2021	6,992,300	2,765,770	4,226,530	1,525,000	613,806	1.98

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 principal and interest.

⁴ No debt service payments were required in 2021. The calculation for that year is based on the maximum annual debt service over the life of the bonds.

CITY OF LAFAYETTE, COLORADO
SCHEDULE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS
AND TOP TEN EMPLOYERS

Demographic and Economic Statistics

Fiscal Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemp. Rate
2012	26,136	\$ 949,782	\$ 36,340	36.3	4,939	5.6%
2013	26,629	942,693	35,401	36.3	4,973	6.7%
2014	25,621	919,743	35,898	37.9	5,069	4.2%
2015	28,278	1,044,787	36,947	36.3	5,118	3.5%
2016	28,278	1,239,312	43,826	39.3	5,297	3.1%
2017	28,641	1,381,499	48,235	39.7	5,183	2.9%
2018	29,782	1,526,417	51,253	39.7	5,286	2.4%
2019	29,538	1,428,044	48,346	38.8	5,538	2.5%
2020	29,587	1,531,038	51,747	39.7	5,876	5.0%
2021	31,002	1,543,280	49,780	39.3	5,223	5.2%

Principal Employers - Current Year and Nine Years Ago

Firm	2012	Firm	2021
	Estimated Number Employees		Estimated Number Employees
Exempla/Kaiser Medical Complex	1,500	Good Samaritan Medical Center	1,099
Epsilon/Abacus	405	City of Lafayette	422
City of Lafayette	330	TRU Community Care	260
Universal Forest Products	285	Walmart	225
Imagine!	250	Hospice of Boulder & Broomfield	200
Wal-Mart	189	KPA LLC	175
Rocky Mountain Instruments	150	Imagine!	150
King Soopers	120	Rocky Mountain Instrument Co.	130
Northrup Gruman	110	Powerback Rehabilitation	105
Thermo Fisher Scientific	102	Concrete Works of Colorado Inc.	100

Sources: Boulder Valley School District Enrollment Count
 US Census Bureau
 Data Axle - Reference Solutions

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Council	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
City administration										
City administration	1.5	1.5	1.5	1.5	1.5	3.0	3.0	4.0	2.0	2.0
City clerk	2.2	2.2	2.2	2.2	2.4	2.2	2.0	2.0	2.0	2.0
Communications	-	-	-	-	-	-	-	-	2.0	2.0
Economic development	-	-	-	-	-	-	-	-	1.0	1.0
Finance	6.5	6.5	6.0	6.0	6.0	6.3	7.0	9.0	9.0	10.0
Human resources	3.0	3.0	3.0	3.0	3.0	3.3	3.9	4.6	4.5	5.0
Information technologies	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	5.0
Municipal court	2.8	2.8	2.8	2.8	2.8	1.8	2.0	2.1	2.3	2.1
Sustainability	-	-	-	-	-	-	-	-	1.0	1.2
Planning and building	10.1	10.1	10.1	10.1	7.1	9.1	9.1	8.0	9.0	11.0
Public safety										
Police department	47.5	47.5	47.5	47.5	50.5	50.5	50.5	50.5	50.5	51.5
Fire department	3.5	3.5	3.5	3.5	3.5	2.8	2.8	2.1	32.5	36.5
Public works & utilities										
Public works administration	8.9	8.9	8.9	8.9	8.9	9.3	9.3	9.1	10.6	11.6
Water	21.2	21.2	21.2	21.2	21.2	20.3	20.3	23.0	19.3	21.9
Water reclamation	12.5	12.5	12.5	12.5	12.5	13.7	13.7	15.0	11.9	9.4
Storm water	2.4	2.4	2.4	2.4	2.4	2.2	2.2	4.0	2.4	2.1
Parks, open space & golf course										
Parks & open space	15.7	15.7	15.7	15.7	15.7	16.7	16.7	17.2	17.7	17.2
Golf course	22.3	22.3	22.3	22.3	22.3	24.5	24.5	25.6	22.8	26.6
Recreation & facility management	52.9	57.0	57.0	58.0	58.0	52.7	53.0	64.1	36.6	34.1
Arts and cultural resources	-	-	-	-	3.0	2.0	2.8	3.2	3.5	3.7
Library	14.3	18.2	18.2	18.2	18.2	18.7	18.7	17.9	16.7	19.8
Grand totals	<u>231.0</u>	<u>239.0</u>	<u>238.5</u>	<u>239.5</u>	<u>242.6</u>	<u>242.7</u>	<u>245.1</u>	<u>266.1</u>	<u>262.0</u>	<u>276.3</u>

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	1,273	1,054	1,033	1,027	1,080	1,136	932	842	564	578
Municipal Citations	6,521	6,384	5,785	3,872	4,197	5,580	5,353	3,910	1,641	950
Fire										
Emergency responses	1,795	1,955	2,241	2,445	2,935	3,030	3,324	3,753	3,221	3,505
Inspections conducted	325	400	486	276	431	388	145	50	523	652
Parks, Open Space, Golf Course										
Golf Course rounds played	40,091	38,469	44,235	41,970	37,159	40,397	36,493	37,146	45,399	49,456
% Resident Play	13%	13%	13%	12%	13%	11%	12%	11%	1%	10%
Cemetery plot opening/closings	30	40	21	25	28	29	27	32	24	39
Recreation and Facility Mgmt										
Individual Annual Passes sold	634	620	614	687	759	823	778	772	113	156
Couple or Family Annual Passes	246	258	246	308	354	474	341	356	66	161
Punch Cards sold	2,303	2,299	2,584	2,220	1,962	2,131	2,012	2,047	590	1,005
Total Attendance	398,216	390,624	428,384	239,240	244,944	245,946	244,324	228,375	56,538	70,898
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 public middle schools	1	1	1	1	1	1	1	1	1	1
Charter schools (K through 12)	1	1	1	1	1	1	1	1	1	1
Number of public high schools	1	2	2	1	1	1	1	1	1	1

¹ Source: Boulder Valley School District

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	2	2	2	2	2	2	2	2
Public Works										
Centerline miles of streets ¹	101	150	141	147	n/a	n/a	n/a	n/a	n/a	154
Recreation and Culture										
Recreation center	1	1	1	1	1	1	1	1	1	1
Outdoor water park	-	-	-	-	-	-	1	1	1	1
Parks - number	19	19	19	19	19	19	19	20	20	21
Parks/Developed acres	236	236	239	239	224	239	195	195	235	235
Open space/Undeveloped acres	1,265	1,265	1,300	1,300	1,300	1,300	1,300	1,465	1,640	1,640
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Cemeteries	2	2	2	2	2	2	2	2	2	2
Utilities										
Water treatment facilities	1	1	1	1	1	1	1	1	1	1
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles) ²	239	239	169	169	164	174	174	174	180	180
Sanitary sewer (miles) ²	194	194	121	121	118	118	118	118	116	116
Water connections	8,539	8,809	8,902	9,022	9,275	9,341	9,538	9,677	9,694	9,694
Wastewater connections	7,901	8,236	8,319	8,458	8,761	8,824	8,982	9,114	9,123	9,123

¹ Data for 2016-2020 not available.

² Water main miles and sanitary sewer miles comes from GIS system. Data not available for 2019 - used 2018 amounts.

Compliance Section

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General Obligation Bond Continuing Disclosures:

History of City's Mill Levy

Levy/Collection Year	General Fund	Fire and Ambulance	Bond Redemption Fund	Total Mill Levy
2017/2018	10.184	4.500	2.195	16.879
2018/2019	10.184	4.500	1.888	16.572
2019/2020	10.184	4.500	1.715	16.399
2020/2021	10.184	4.500	1.646	16.330
2021/2022	10.184	4.500	1.528	16.212

History of City's Assessed Valuation

Levy/Collection Year	Gross Assessed Valuation	Tax Increment Valuation	Net Assessed Valuation	Percent Change
2017/2018	\$ 537,130,858	\$ 6,798,528	\$ 530,332,330	16.2%
2018/2019	544,847,123	6,865,629	537,981,494	1.4%
2019/2020	604,371,489	7,627,224	596,744,265	10.9%
2020/2021	615,049,865	6,864,071	608,185,794	1.9%
2021/2022	661,913,951	6,862,928	655,051,023	7.7%

Property Tax Collections for the City

Levy/Collection Year	Total Taxes Levied	Taxes Collected				Percent of Levy Collected
		General Fund	Debt Service Fund	Fire and Ambulance	Total	
2016/2017	\$ 7,861,739	\$ 4,743,138	\$ 1,154,028	\$ 2,044,549	\$ 7,941,715	101.0%
2017/2018	8,951,478	5,315,913	2,348,441	1,145,959	8,810,313	98.4%
2018/2019	8,915,430	5,454,020	1,010,698	2,409,900	8,874,618	99.5%
2019/2020	9,785,743	6,272,862	1,025,410	2,687,201	9,985,473	102.0%
2020/2021	9,931,674	6,164,993	996,339	2,724,123	9,885,455	99.5%

Largest Taxpayers Within the City

Name	Type of Business	Assessed Valuation	Percent of Assessed Valuation
Kaiser Foundation Health Plan	Healthcare Corporation	\$ 14,757,230	2.23%
Public Service Co. of Colorado	Utilities	12,999,055	1.96%
Lafayette Corporate Campus	Real Estate investment	11,645,914	1.76%
Walmart Real Estate Business Trust	Commercial Corporation	5,249,000	0.79%
FC-GEN Real Estate LLC	Real Estate investment	5,087,760	0.77%
BSP LunaBella Colorado LLC	Real Estate investment	4,769,780	0.72%
Lillibridge Health Trust	Healthcare Corporation	4,564,343	0.69%
HSC Lafayette LLC	Real Estate investment	4,431,091	0.67%
440 Strathmore Lane LLC	Real Estate investment	3,872,570	0.59%
LLJ Stratford Prana Inc.	Real Estate investment	3,138,150	0.47%
Total		\$ 70,514,893	10.65%
Gross Assessed Valuation:		\$661,913,951	

History of City Base Sales & Use Tax Collections

Year	Sales Tax Collections	Use Tax Collections	Motor Vehicle Tax Collections	Total Sales & Use Tax Collections	Percent Change
2017	\$ 10,743,816	\$ 1,899,259	\$ 1,869,031	\$ 14,512,106	8.4%
2018	11,815,435	2,241,774	1,889,381	15,946,590	9.9%
2019	12,670,226	2,147,759	2,075,830	16,893,815	5.9%
2020	12,897,002	2,991,049	1,861,537	17,749,588	5.1%
2021	14,882,101	3,371,375	2,221,566	20,475,042	15.4%

History of General Fund Revenues, Expenditures and Changes in Fund Balance

	2017	2018	2019	2020	2021
Revenues					
Taxes	\$19,935,040	\$24,268,790	\$26,033,251	\$29,093,375	\$ 31,885,269
Intergovernmental	1,154,667	1,400,664	1,395,017	2,535,574	574,915
Charges for services	5,449,529	10,499,853	9,073,357	11,137,082	8,707,583
Licenses, permits, fees	979,192	1,064,668	995,596	1,048,797	1,123,655
Fines and forfeitures	683,609	737,742	519,562	262,996	185,789
Investment income	203,529	468,093	858,256	791,780	(104,196)
Miscellaneous	1,742,548	572,457	415,253	679,352	1,584,702
Total Revenues	30,148,114	39,012,267	39,290,292	45,548,956	43,957,717
Expenditures					
General Government	6,296,739	6,847,046	8,981,618	10,840,956	11,269,538
Judicial	598,409	670,175	647,938	676,532	646,977
Public Safety	8,670,045	11,037,480	11,769,985	12,276,373	13,002,895
Public Works	3,208,286	3,533,127	3,838,929	4,182,729	4,651,133
Culture and Recreation	5,928,966	6,505,675	7,076,058	5,754,362	4,743,159
Capital Outlay	2,144,614	3,873,908	1,739,799	1,065,244	1,477,788
Total Expenditures	26,847,059	32,467,411	34,054,327	34,796,196	35,791,490
Excess of Revenues over Expenditures	3,301,055	6,544,856	5,235,965	10,752,760	8,166,227
Other Financing Sources (Uses)					
Transfers In	4,484,444	1,762,379	1,182,484	1,126,520	-
Transfers Out	(3,984,360)	(6,477,020)	(7,344,000)	(3,829,743)	(6,544,848)
Total Other Financing Sources (Uses)	500,084	(4,714,641)	(6,161,516)	(2,703,223)	(6,544,848)
Net Change in Fund Balance	3,801,139	1,830,215	(925,551)	8,049,537	1,621,379
Fund Balance, January 1	24,355,722	28,156,861	29,987,076	29,350,821	40,132,306
Prior Period Adjustment	-	-	289,296	2,731,948	-
Fund Balance, December 31	\$28,156,861	\$29,987,076	\$29,350,821	\$40,132,306	\$ 41,753,685

Water Utility Fund Continuing Disclosures:

WATER CUSTOMER INFORMATION

Customer Class	2017		2018		2019		2020		2021	
	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers
Residential	7,838	406	8,158	340	8,255	340	8,325	340	8,370	342
Multi-family	478	1	429	1	437	1	447	1	463	1
Commercial/Industrial	370	7	336	-	339	-	340	-	346	-
Irrigation	209	6	167	6	175	6	178	6	180	6
Other	26	271	59	8	62	8	64	8	62	8
Total by Location	8,921	691	9,149	355	9,268	355	9,354	355	9,421	357
Total Customers	9,612		9,504		9,623		9,709		9,778	

2021 Water Consumption and Revenue by Customer Class

Customer Class	Consumption (Thousands of Gallons)	Percent of Total Consumption	Total Revenues Collected	Percent of Total Billed
Residential	741,644	53.6%	\$ 5,460,628	56.5%
Multi family	178,963	12.9%	1,431,303	14.8%
Commercial	160,562	11.6%	988,628	10.2%
Irrigation	199,752	14.4%	1,257,839	13.0%
Other	102,201	7.4%	521,469	5.4%
Total	1,383,122	100.0%	\$ 9,659,867	100.0%

History of Water Tap Revenue

Year	Water Taps Issued	Tap Fee Revenue Collected
2017	205	\$ 2,061,767
2018	228	2,186,760
2019	77	1,580,653
2020	84	3,538,756
2021	49	1,897,693

**History of Water Utility Fund Revenues,
Expenses and Changes in Fund Net Position**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Operating Revenues</u>					
Metered Water Sales	\$ 7,771,996	\$ 8,438,982	\$ 8,225,127	\$ 9,971,907	\$ 9,659,867
Other	331,545	154,033	104,117	71,395	47,793
Total Revenues	<u>8,103,541</u>	<u>8,593,015</u>	<u>8,329,244</u>	<u>10,043,302</u>	<u>9,707,660</u>
<u>Operating Expenses</u>					
Personnel	1,647,393	1,832,137	1,874,594	2,045,621	1,744,256
Operations	4,537,633	4,350,394	3,757,864	4,284,973	3,693,822
Depreciation	1,464,768	1,483,621	1,525,632	1,942,541	2,350,049
Total Expenditures	<u>7,649,794</u>	<u>7,666,152</u>	<u>7,158,090</u>	<u>8,273,135</u>	<u>7,788,127</u>
Operating Income	453,747	926,863	1,171,154	1,770,167	1,919,533
<u>Nonoperating Revenues (Expenses)</u>					
Investment Earnings	261,487	602,018	1,041,029	840,462	(128,511)
Interest Expense	(412,612)	(378,877)	(358,537)	(321,862)	(298,034)
Bond Fees	(275)	(303)	(303)	(303)	(303)
Net Gain (Loss) on Disposal of Capital Assets	(10,339)	-	9,450	(71,622)	16,341
Income from Equity Interest in Component Unit	46,727	346,526	142,103	252,771	78,511
Total Nonoperating Revenues (Expenses)	<u>(115,012)</u>	<u>569,364</u>	<u>833,742</u>	<u>699,446</u>	<u>(331,996)</u>
Income before Capital Contributions	338,735	1,496,227	2,004,896	2,469,613	1,587,537
<u>Capital Contributions</u>					
Tap Fees	2,061,767	2,186,760	1,580,653	3,538,756	1,897,693
Payments in Lieu of Water	2,841,435	3,933,919	966,746	4,172,671	1,129,848
Developer Dedications	548,770	-	290,362	155,798	-
Total Capital Contributions	<u>5,451,972</u>	<u>6,120,679</u>	<u>2,837,761</u>	<u>7,867,225</u>	<u>3,027,541</u>
Change in Net Position	5,790,707	7,616,906	4,842,657	10,336,838	4,615,078
Total Net Position, January 1	104,621,756	110,412,463	118,029,369	125,223,918	135,560,756
Prior Period Adjustment	-	-	2,351,892	-	590,042
Total Net Position, December 31	<u>\$110,412,463</u>	<u>\$118,029,369</u>	<u>\$125,223,918</u>	<u>\$135,560,756</u>	<u>\$140,765,876</u>

Water Reclamation Fund Continuing Disclosures:

WATER RECLAMATION CUSTOMER INFORMATION

Customer Class	2017		2018		2019		2020		2021	
	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers
Residential	7,940	44	8,083	44	8,178	44	8,249	44	8,299	44
Multi-family	417	1	428	1	436	1	446	1	464	1
Commercial/Industrial	318	-	327	-	329	-	333	-	344	-
Irrigation	3	-	3	-	3	-	3	-	3	-
Other	62	1	62	1	66	1	67	1	67	1
Total by Location	8,740	46	8,903	46	9,012	46	9,098	46	9,177	46
Total Customers	8,786		8,949		9,058		9,144		9,223	

Historical Revenue by Customer Class

Customer Class	2017		2018		2019		2020		2021	
	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed
Residential	\$ 3,130,516	62.7%	\$ 3,327,684	62.4%	\$ 3,527,417	61.6%	\$ 3,567,163	61.7%	\$ 3,795,010	61.3%
Multi family	1,249,991	25.0%	1,318,305	24.7%	1,466,163	25.6%	1,485,040	25.7%	1,698,570	27.5%
Commercial	512,692	10.3%	578,615	10.9%	610,016	10.7%	597,480	10.3%	584,538	9.4%
Irrigation	1,067	0.0%	1,160	0.0%	1,210	0.0%	1,137	0.0%	1,578	0.0%
Other	100,468	2.0%	103,538	1.9%	119,809	2.1%	127,175	2.2%	106,646	1.7%
Total	\$ 4,994,734	100.0%	\$ 5,329,302	100.0%	\$ 5,724,615	100.0%	\$ 5,777,995	100.0%	\$ 6,186,342	100.0%

History of Wastewater Tap Revenue

Year	Water Taps Issued	Tap Fee Revenue Collected
2017	238	\$ 1,274,682
2018	228	1,309,762
2019	77	995,757
2020	84	1,951,189
2021	45	845,339

**History of Water Reclamation Fund Revenues,
Expenses and Changes in Fund Net Position**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Operating Revenues</u>					
Wastewater Collection Fees	\$ 4,994,734	\$ 5,329,302	\$ 5,724,615	\$ 5,777,995	\$ 6,186,342
Other	15,600	22,508	5,766	2,467	8,388
Total Operating Revenues	<u>5,010,334</u>	<u>5,351,810</u>	<u>5,730,381</u>	<u>5,780,462</u>	<u>6,194,730</u>
<u>Operating Expenses</u>					
Personnel	1,127,552	1,226,224	1,134,358	1,236,848	1,174,940
Operations	1,488,216	1,732,511	1,674,670	1,588,097	1,590,830
Depreciation	881,387	923,112	1,088,527	1,087,488	1,124,991
Total Operating Expenses	<u>3,497,155</u>	<u>3,881,847</u>	<u>3,897,555</u>	<u>3,912,433</u>	<u>3,890,761</u>
Operating Income	1,513,179	1,469,963	1,832,826	1,868,029	2,303,969
<u>Nonoperating Revenues (Expenses)</u>					
Investment Earnings	66,714	162,714	341,873	314,753	(47,769)
Intergovernmental Grants	-	-	-	3,187	-
Interest Expense	(88,256)	(66,972)	(44,864)	(22,025)	(87,310)
Bond Issuance Costs	-	-	-	-	(425,877)
Sewer Line Assessment Adjustments	-	-	-	-	-
Gain on Disposal of Capital Assets	-	-	11,519	2,857	-
Total Nonoperating Revenues (Expenses)	<u>(21,542)</u>	<u>95,742</u>	<u>308,528</u>	<u>298,772</u>	<u>(560,956)</u>
Income Before Capital Contributions	1,491,637	1,565,705	2,141,354	2,166,801	1,743,013
<u>Capital Contributions</u>					
Tap Fees	1,274,682	1,309,762	995,757	1,951,189	845,339
Developer Dedications	469,498	-	177,153	49,041	-
Total Capital Contributions	<u>1,744,180</u>	<u>1,309,762</u>	<u>1,172,910</u>	<u>2,000,230</u>	<u>845,339</u>
Change in Net Position	3,235,817	2,875,467	3,314,264	4,167,031	2,588,352
Total Net Position, January 1	26,156,326	29,392,143	32,267,610	36,175,369	40,342,400
Prior Period Adjustment	-	-	593,495	-	260,902
Total Net Position, December 31	<u>\$ 29,392,143</u>	<u>\$ 32,267,610</u>	<u>\$ 36,175,369</u>	<u>\$ 40,342,400</u>	<u>\$ 43,191,654</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Lafayette			
		YEAR ENDING : December 2021			
This Information From The Records Of (example - City of _ or County of City of Lafayette		Prepared By: Cheryl Thompson	Phone: 303-665-5588 x1247		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		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)	3,737,608		
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	71,839		
2. General fund appropriations	6,993,820	b. Snow and ice removal	85,430		
3. Other local imposts (from page 2)	910,414	c. Other	397,695		
4. Miscellaneous local receipts (from page 2)	192,804	d. Total (a. through c.)	554,964		
5. Transfers from toll facilities		4. General administration & miscellaneous	30,696		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,482,132		
a. Bonds - Original Issues		6. Total (1 through 5)	5,805,400		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	99,340		
7. Total (1 through 6)	8,097,038	b. Redemption	126,225		
B. Private Contributions	200,469	c. Total (a. + b.)	225,565		
C. Receipts from State government (from page 2)	1,057,044	2. Notes:			
D. Receipts from Federal Government (from page 2)	617,897	a. Interest			
E. Total receipts (A.7 + B + C + D)	9,972,448	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	225,565		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	6,030,965		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	2,204,865		126,225	2,078,640	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	263,100	9,972,448	6,030,965	4,204,583	0
Notes and Comments:					

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Lafayette
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of) City of Lafayette	Prepared By: Phone:	Cheryl Thompson 303-665-5588 x1247

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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)	3,737,608
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	71,839
2. General fund appropriations	6,993,820	b. Snow and ice removal	85,430
3. Other local imposts (from page 2)	910,414	c. Other	397,695
4. Miscellaneous local receipts (from page 2)	192,804	d. Total (a. through c.)	554,964
5. Transfers from toll facilities		4. General administration & miscellaneous	30,696
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,482,132
a. Bonds - Original Issues		6. Total (1 through 5)	5,805,400
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	99,340
7. Total (1 through 6)	8,097,038	b. Redemption	126,225
B. Private Contributions	200,469	c. Total (a. + b.)	225,565
C. Receipts from State government (from page 2)	1,057,044	2. Notes:	
D. Receipts from Federal Government (from page 2)	617,897	a. Interest	
E. Total receipts (A.+ B. + C. + D.)	9,972,448	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	225,565
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,030,965

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,204,865		126,225	2,078,640
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	263,100	9,972,448	6,030,965	4,204,583	0

Notes and Comments:

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Single Audit Reports



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Lafayette as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lafayette, and have issued our report thereon dated June 23, 2022.

Internal Control Over Financial Reporting

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

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

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Tulsa, OK

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www.HinkleCPAs.com

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

Compliance and Other Matters

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

Purpose of this Report

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

Hick & Company, PC

Englewood, Colorado
June 23, 2022





**Independent Auditor's Report on Compliance for Each
Major Federal Program, Internal Control over Compliance,
and the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lafayette's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Lafayette's major federal programs for the year ended December 31, 2021. The City of Lafayette's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Lafayette complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lafayette and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Lafayette's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Lafayette's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Lafayette's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Lafayette's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, On a test basis, evidence regarding the City of Lafayette's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Lafayette's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Lafayette's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.



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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Lafayette as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lafayette. We issued our report thereon dated June 23, 2022, which contained unmodified opinions on those financial statements. 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
June 23, 2022



City of Lafayette
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2021

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified Qualified Adverse Disclaimed

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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

Unmodified Qualified Adverse Disclaimed

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

CFDA Number	Name of Federal Cluster/Program
20.025	Highway Planning and Construction (Federal-Aid Highway Program)

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

Auditee qualified as low-risk auditee? Yes No

Section II: Financial Statement Findings

None to report for the year ended December 31, 2021.

Section III: Federal Awards Findings and Questioned Costs

None to report for the year ended December 31, 2021.

City of Lafayette
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2021

Section I: Financial Statement Findings

None to report for the year ended December 31, 2020.

Section II: Federal Awards Findings and Questioned Costs

None to report for the year ended December 31, 2020.

CITY OF LAFAYETTE, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

	CFDA Number	Pass-through Identifying Number	Amount
Department of the Treasury			
<i>Pass-through funding</i>			
Colorado Department of Local Affairs Coronavirus Relief Fund	21.019	CVRF-RF-125	\$ 50,000
Department of the Treasury Total			\$ 50,000
Department of Justice			
<i>Direct funding</i>			
Bulletproof Vest Partnership Program	16.607		\$ 5,652
Department of Justice Total			\$ 5,652
Department of Transportation			
<i>Pass-through funding</i>			
Colorado Department of Transportation Transportation Alternatives Program	20.205	TAP M750-002	\$ 1,431,571
Department of Transportation Total			\$ 1,431,571
National Endowment for the Arts			
<i>Direct funding</i>			
Promotion of the Arts - Grants to Organizations & Individuals	45.024		\$ 291,828
National Endowment for the Arts Total			\$ 291,828
Grand Total			\$ 1,779,051

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2 INDIRECT COSTS

The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 SUBRECIPIENTS

There were no funds passed through to subrecipients.