



Annual Comprehensive Financial Report

for the fiscal year ended December 31, 2022

City of Littleton, Colorado

Photo by Rosanne Jeurgens

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Littleton, Colorado

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

*For the Fiscal Year Ended
December 31, 2022*

Prepared by the Department of Finance

Tiffany Hooten, CPA ~ Finance Director
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David Aragoni ~ Budget Analyst
Leann Battin ~ Sales Tax Technician
Sandra Belcher ~ Finance Technician-AP
Hayden Floyd ~ Senior Accountant
Jesseca Mareches ~ Grant Accountant
Pam Rose ~ Payroll Administrator
Sue Rose ~ Sr. Finance Technician-Cash
Vacant ~ Customer Billing & Rate Analyst
Dave Ems ~ Purchasing Manager
Lindsey Buffy ~ Purchasing Agent

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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CITY OF LITTLETON, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2022

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**2022 Annual
Comprehensive Financial
Report**

Introductory Section

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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

July 25, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Littleton, Colorado for the year ended December 31, 2022. State law requires that all local governments publish, within seven months of the close of each year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant.

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

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

CliftonLarsonAllen LLP has issued unmodified opinions on the City of Littleton's financial statements for the year ended December 31, 2022. The Independent Auditor's Report is at the front of the financial section of this report.

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

Profile of the government

Just ten miles south of Denver, the City of Littleton is a charming historic community, home to diverse shopping, restaurants, and parks. The city embodies a strong sense of community through its historic downtown, active trail system and numerous community events. Littleton was incorporated on March 8, 1890 with its Home-Rule Charter adopted July 28, 1959. It is approximately 13.5 square miles with a population of 44,755. The City borders are near Belleview Avenue on the north, S. Broadway on the east, County Line Road on the south and Platte Canyon Road/Lowell Blvd. on the west.

The City has many amenities to offer its citizens. Arapahoe Community College in the downtown area of Littleton serves 18,000 students on a 51-acre campus. The city boasts top ranked schools and more than 2,000 diverse businesses. South Platte Park is one of the largest suburban parks in the United States with over 880 acres of open space along the South Platte River. Littleton is home to over 59 additional parks and open spaces. The City provides a museum which is one of only six Smithsonian Affiliate museums in Colorado. Littleton is also home to two light rail train locations which provide commuter rail service to other areas within the Denver Metro area.

The City provides a full range of services. These services include police; sewer and storm drainage utilities; the construction and maintenance of highways, streets, and other infrastructure; library; and museum. The city jointly manages a regional wastewater treatment plant with the City of Englewood, a neighboring city to the north.

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

As required by generally accepted accounting principles, these financial statements present the City of Littleton (the primary government), as well as its component unit. The blended component unit, the Littleton Colorado Municipal Building Authority, is presented as a proprietary fund type. Separate financial statements are not prepared for the Littleton Colorado Municipal Building Authority.

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

Local and national economy

The local economy began, and continues, to rebound in 2022. With the end of the federal public health emergency on May 11, 2023, the U.S. is transitioning back to normal operations which will positively impact the Colorado economy due to its dependence on the tourism and energy industries. The City of Littleton's 2022 revenues reflected an improved economy as compared to 2021. Sales and use taxes represented approximately 84% of total General Fund revenue and were approximately 8% higher than 2021. In 2023, the city has budgeted a 21.7% increase in sales and use tax revenues over the 2022 adopted budget.

Inflation is projected to reduce gradually in 2023 as the factors that have caused demand to grow more rapidly than supply in recent years will continue to ease. Aggregate household finances remain strong as wage growth continues in 2023, but the magnitude of labor market tightness, i.e. when job openings outnumber unemployed workers, increases into 2023 with more job vacancies than available workers. Colorado's job growth is expected to remain strong in 2023, exceeding 2022 growth. Job growth slows in the outyears, but continues to outpace the nation, as Colorado's unemployment rate is expected to settle at 2.8 percent. Colorado's unemployment rate has been below 3.0 percent for twelve consecutive months and remains at pre-pandemic levels. Real retail sales growth remains positive in 2023 at a pace that is higher than the U.S.

While the labor market has recovered significantly post-pandemic, high inflation and projected increases in the national unemployment rate dampen the economic outlook in early 2023 for the US and Colorado. Downward pressure stems primarily from the response to Federal Reserve's interest rate hikes and forward guidance for 2022 and 2023. Interest rates are projected to remain high throughout 2023 while gradually decreasing over the next few years.

Forecasts expect economic activity to slow in early 2023, which is mainly attributed to sharp increases in interest rates during 2022. For the U.S. as whole, real GDP, which is adjusted to remove the effects of inflation, is projected to grow by only 0.1 percent for 2023, before recovering to an average of 2.4 percent from 2024 to 2027 as interest rates are expected to decline. The price index for personal consumption expenditures (PCE), which is the Federal Reserve's preferred inflation measure, increased by 5.5 percent in 2022, which was slightly lower than 2021 which saw an increase of 5.7 percent. PCE inflation is projected continue declining in years to come with a projection of 3.3 percent in 2023 and 2.4 percent in 2024. The main categories of the PCE price index that are expected to slow down in price growth over the next few years are food, energy, and shelter-related services.

Overall, the national economy will continue to rebound post-pandemic with a revitalized labor market and interest rates that are projected to gradually decrease over the next few years as inflation slows. Unemployment rates in Colorado have remained at pre-pandemic levels for one year as of April 2023. Furthermore, wage growth has slowed but wages continue to grow in 2023, which will help sustain the US and Colorado economies through 2023 and years to come. (Colorado Department of Labor and Employment, Colorado Department of Revenue, Congressional Budget Office, U.S. Bureau of Labor Statistics).

Long term financial planning

At the end of the year, unassigned fund balance for the General Fund was \$17,357,091 , or 33% of total 2022 General Fund revenues. The 2023 General Fund budget is projecting a net deficit of \$277,323 after transfers to other funds. Total 2023 General Fund revenues, before transfers, are estimated at \$55,578,138 or \$3,389,607 (6%) over 2022 actual revenues. Total 2023 General Fund expenditures are budgeted at \$52,329,714 before transfers or \$6,087,721 (11%) over 2022 actual expenditures. The changes in expenditures are primarily due to increased service and staffing levels post COVID-19 needed to fulfill council goals and objectives.

The 2023 Budget focuses on continuing to restore services, while being conservative amidst an economy of increasing inflation and concerns of an impending recession. Additionally, it continues to incorporate

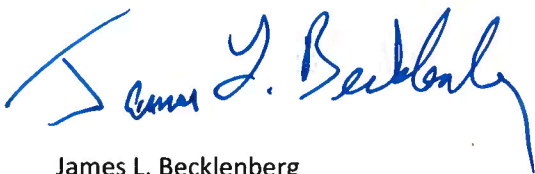
investment in infrastructure as a result of the passing of the 3A sales tax increase of 0.75% in November 2021 dedicated to capital improvements

Many efforts have been put forth in connecting with the community through transparent government platforms and numerous social media forums. The 2022 Resident and Open Participation Web Surveys found that 93% of respondents believe Littleton is a good or excellent place to live. The city brought multiple recognitions including: one of the best mid-range and small cities in Colorado by MovingFromTo.com and one of the eight best small town day trips from Denver by Condé Nast Traveler. Additionally, the 2022 Littleton Twilight Criterium was recognized as the best event during the 2023 Governor's Awards for Downtown Excellence.

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2021. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

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

Sincerely,



James L. Becklenberg
City Manager



Tiffany Hooten, CPA
Finance Director



Government Finance Officers Association

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

Presented to

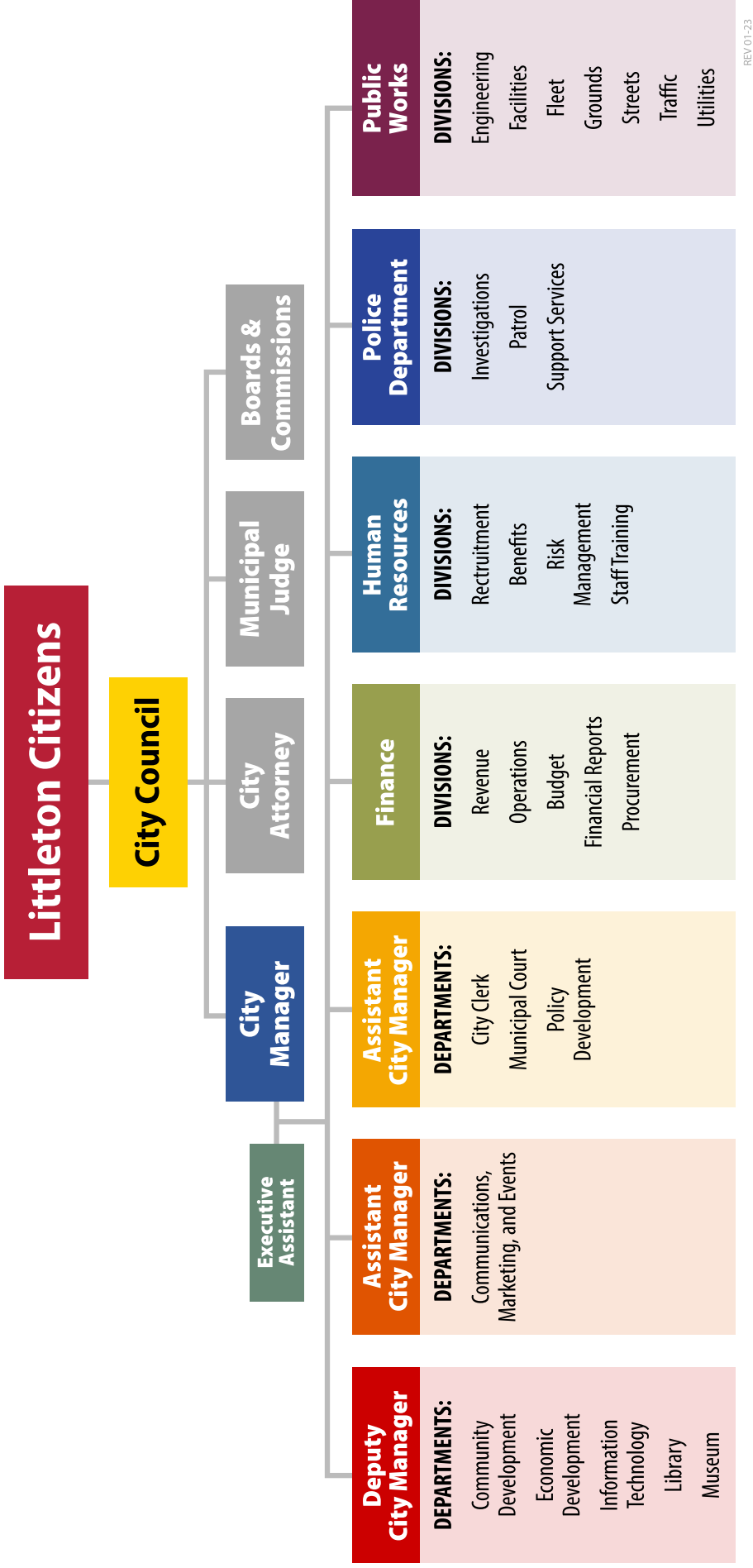
**City of Littleton
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



List of Principal Officials

December 31, 2022

MEMBERS OF 2022 CITY COUNCIL

		<i>Term Expires</i>
Mayor	Kyle Schlachter	2025
Mayor Pro-Tem – at large	Gretchen Rydin	2025
City Council Member District I	Patrick Driscoll	2025
City Council Member District II	Jerry Valdes	2023
City Council Member District III	Stephen Barr	2025
City Council Member District IV	Kelly Milliman	2023
City Council Member at large	Pam Grove	2023

CITY OFFICIALS

City Manager	Jim Becklenberg
Assistant City Manager	Kathleen Osher
Assistant City Manager	Samma Fox
City Attorney	Reid Betzing
City Clerk	Colleen Norton
Communications & Marketing	Kelli Narde
Community Development	Jennifer Henninger
Court	Danielle Trujillo
Economic Development	Cindie Perry
Finance	Tiffany Hooten
Human Resources	Tracy Hooker
Information Technology	Scott Rogers
Library	Nancy Trimm
Museum	Timothy Nimz
Police	Douglas Stephens
Public Works	Keith Reester

SEPARATE AUTHORITIES

Littleton Municipal Building Authority	Carle Zimmerman, President
--	----------------------------

Littleton 2022 City Council

Kyle Schlachter
Mayor
Term expires 2025



Gretchen Rydin
Mayor Pro Term *at large*
Term expires 2025



Stephen Barr
City Council Member District III
Term expires 2025



Patrick Driscoll
City Council Member District I
Term expires 2025



Pam Grove
City Council Member *at large*
Term expires 2023



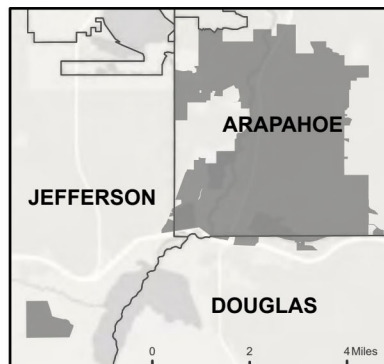
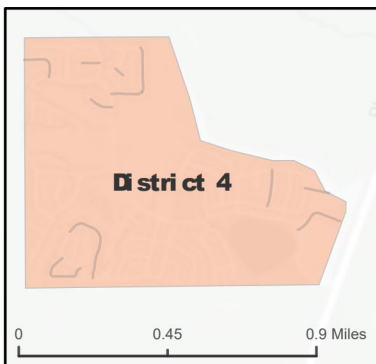
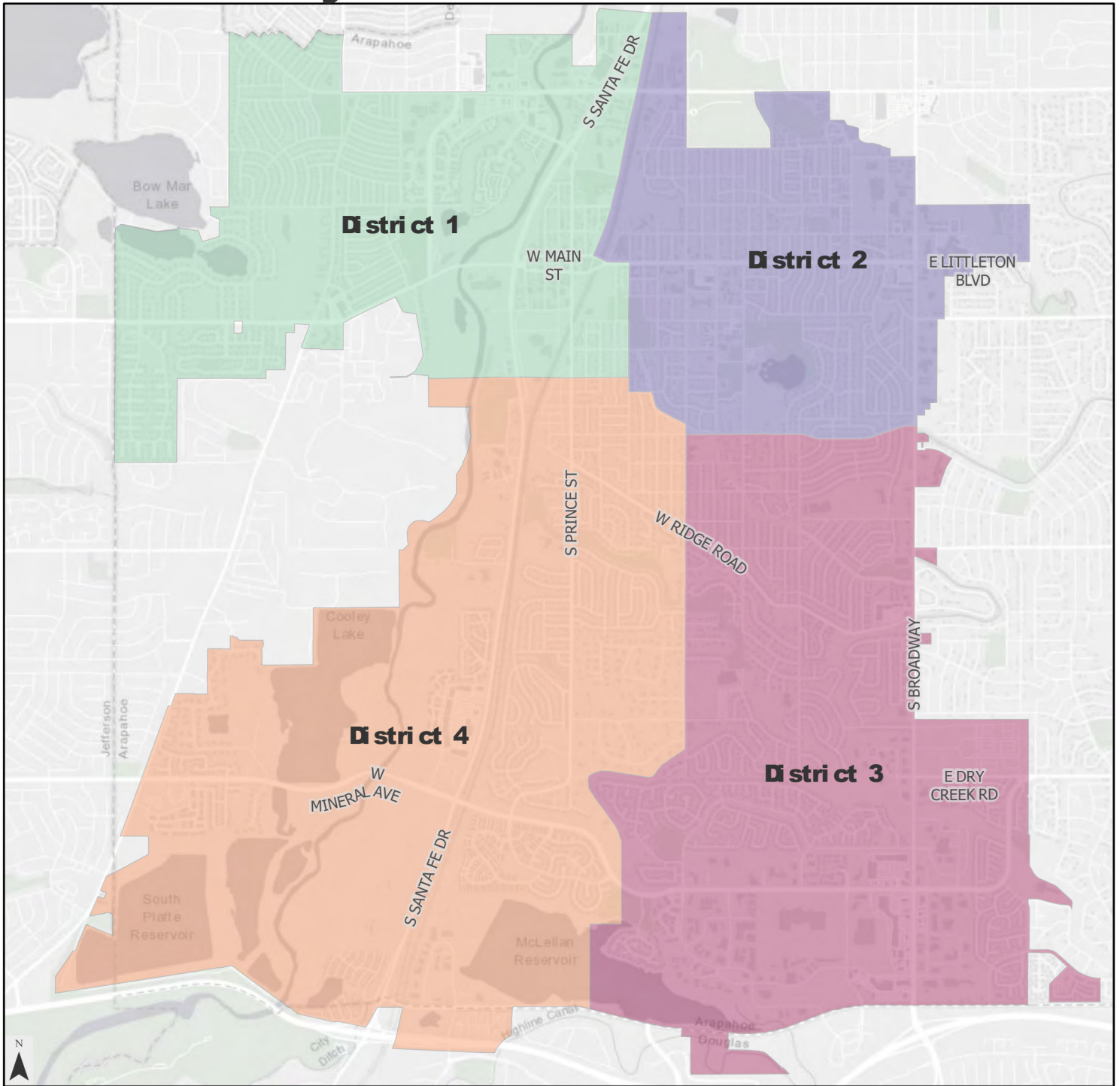
Kelly Milliman
City Council Member District IV
Term expires 2023



Jerry Valdes
City Council Member District II
Term expires 2023



City Council Districts



District

- 1
- 2
- 3
- 4



City of Littleton
2255 W Berry Ave
Littleton, CO 80120

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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**2022 Annual
Comprehensive Financial
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Financial Section

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of Littleton
Littleton, 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, and the aggregate remaining fund information of the City of Littleton (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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.

We did not audit the financial statements of the Littleton/Englewood Wastewater Treatment Plant Joint Venture, a joint venture of the City of Littleton, which represents 50 percent and 60 percent, respectively, of the assets, and 70 percent and 71 percent, respectively of non-operating expenses of the business type activities and Sewer Utility Fund (a major enterprise fund). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Littleton/Englewood Wastewater Treatment Plant Joint Venture, is based solely on the report of the other auditors.

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'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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, budgetary comparison schedule of the general fund, the grants fund, and the open space fund, and the pension schedules as 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 GAAS, 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's basic financial statements. The combining and individual fund financial statements, budgetary comparison schedules, local highway finance report, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*], are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 GAAS. In our opinion, the combining and individual fund financial statements, budgetary comparison schedules, local highway finance report, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

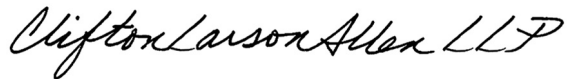
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover 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.

Honorable Mayor and Members of City Council
City of Littleton

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2023, on our consideration of the City'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'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's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
July 18, 2023

This section of the City of Littleton's Comprehensive Annual Financial Report offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements and the notes to the financial statements, contained in this report.

Financial Highlights

At the close of the year, the City's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$231,409,669 (*net position*). Of this amount, \$96,687,137 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Additionally, a 3% reserve, \$1,825,578, for emergencies required by Colorado statute is restricted in the General Fund, \$3,457,931 is restricted for open space and parks, \$2,914,433 is restricted for impact fees, \$3,941,423 is restricted for net pension asset and \$3,000,000 is restricted for rate stabilization in the Sewer Fund. Other restrictions of \$1,380,000 are imposed for the South Platte Water Renewal Partners joint venture, \$22,060 for maintenance of a museum collection, \$112,977 for employee benefits, and debt.

- The net position of the City increased by \$22,269,644, or approximately 11% as compared to 2021.
- In the governmental activities, revenues were more than expenses by \$19,092,557 and revenues exceeded expenses by \$3,177,087 in the business-type activities.
- As of December 31, 2022, the City's governmental funds reported combined ending fund balances of \$142,342,044, while the City's proprietary funds reported a combined net position of \$89,067,625.

Overview of the Financial Statements

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

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

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

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

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

Both government-wide financial statements distinguish functions of the city principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety, highways and streets, welfare, culture and recreation. The business-type activities of the city include the Sewer Utility, Storm Drainage, Geneva Village, and Building Authority.

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

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

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund, 3A Capital Fund, Grants Fund and the Open Space Fund, all of which are major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in *combining statements* elsewhere in this report.

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

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

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

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

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

Government-wide Financial Analysis

Net Position. Net position may serve over time as a useful indicator of a government's financial position. With the City of Littleton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$231,409,669 at the close of the most recent fiscal year (see Table A-1.)

Table A-1
City of Littleton's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2022	2021	2022	2021	2022	2021 - 2022
Current and other assets	\$ 50,700,259	\$ 70,221,247	\$ 77,624,687	\$ 75,834,976	\$ 128,324,946	\$ 146,056,223	13.82%
Capital assets	87,657,218	94,416,728	24,287,419	26,496,773	111,944,637	120,913,501	8.01%
Total assets	138,357,477	164,637,975	101,912,106	102,331,749	240,269,583	266,969,724	11.11%
Total deferred outflows of resources	2,909,392	2,005,591	-	-	2,909,392	2,005,591	-31.06%
Long-term liabilities	2,969,369	2,336,220	13,143,010	9,869,310	16,112,379	12,205,530	-24.25%
Other liabilities	9,529,202	16,735,176	2,981,962	3,394,814	12,511,164	20,129,990	60.90%
Total liabilities	12,498,571	19,071,396	16,124,972	13,264,124	28,623,543	32,335,520	12.97%
Total deferred inflows of resources	5,415,407	5,230,126	-	-	5,415,407	5,230,126	-3.42%
Net investment in capital assets	86,123,798	92,288,481	23,672,421	25,779,649	109,796,219	118,068,130	7.53%
Restricted	12,650,117	12,274,070	4,490,003	4,380,331	17,140,120	16,654,401	-2.83%
Unrestricted	24,578,975	37,779,493	57,624,710	58,907,645	82,203,685	96,687,138	17.62%
Total net position	\$ 123,352,890	\$ 142,342,044	\$ 85,787,134	\$ 89,067,625	\$ 209,140,024	\$ 231,409,669	10.65%

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

Current and other liabilities increased by \$3,711,978 from 2021. Other liabilities increased by \$7,618,828, or 61%, due to unearned ARPA grant funds that will be recognized when eligible grant expenditures are incurred.

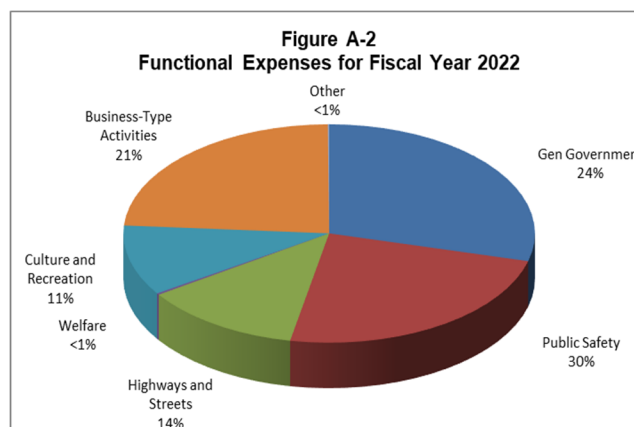
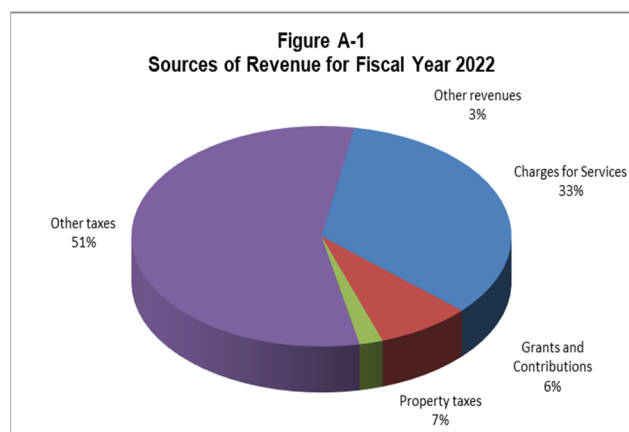
The largest portion of the City's net position is invested in capital assets, which represents \$118,068,130 or 51% of total net position.

Of the City's \$231,409,669 net position, \$16,654,401 is restricted for various purposes including the emergency reserves as required by the Colorado Constitution, open space for parks, impact fees, rate stabilization and operating expenses of the Littleton/Englewood Wastewater Treatment Plant joint venture, maintenance of a museum collection, employee benefits and debt.

Changes in Net Position. The City's total revenues were higher than the prior year by \$13,593,287 or 17%. Revenues in 2022 were \$92,997,729 as compared to \$79,404,442 in 2021. This is primarily due to increases in sales, general use and building use tax revenues of \$13,725,797 compared to 2021. For business-type activities,

revenues decreased 10% compared to 2021. Approximately 62% of the City's total revenues come from property and other types of taxes (see Figure A-1).

The total cost of all programs and services, \$70,728,085, increased by 7% from 2021. The City's expenses cover a range of services, of which more than half is related to public safety and business-type activities (Figure A-2).



Governmental Activities

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

Revenues. Total revenues for all governmental activities were \$73,540,480. This is an increase from 2021 of \$15,856,345 or 27%. The following depicts the major revenue sources for the governmental activities:

- Charges for services were \$9,136,752 which includes court costs, Littleton Public Schools officers, Littleton VALE, building permits, impact fees, highway users tax, open space, county road and bridge, plans checking, lottery funds and other miscellaneous revenues.
- Grants and contributions related to public safety, highways and streets, welfare and culture and recreation were \$5,520,880.
- Tax related revenues were \$60,734,431.

Expenses. Expenses were higher in 2022 as compared to 2021 by \$3,983,123 or 8%.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2021 - 2022
	2021	2022	2021	2022	2021	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 9,043,682	\$ 9,136,752	\$ 17,495,291	\$ 19,184,643	\$ 26,538,973	\$ 28,321,395	6.72%
Operating grants and contributions	455,567	1,743,858	-	-	455,567	1,743,858	282.79%
Capital grants and contributions	1,570,244	3,777,022	4,436,348	1,335,973	6,006,592	5,112,995	-14.88%
General revenues:							
Taxes	46,608,688	60,734,431	-	-	46,608,688	60,734,431	30.31%
Investment Earnings	(222,512)	(2,243,288)	-	(1,063,367)	(222,512)	(3,306,655)	1386.06%
Other	228,466	391,705	(211,332)	-	17,134	391,705	2186.13%
Total revenues	57,684,135	73,540,480	21,720,307	19,457,249	79,404,442	92,997,729	17.12%
Expenses:							
General government	19,253,350	21,201,928	-	-	19,253,350	21,201,928	10.12%
Public safety	15,842,804	16,221,128	-	-	15,842,804	16,221,128	2.39%
Highways and streets	8,258,495	8,861,081	-	-	8,258,495	8,861,081	7.30%
Welfare	149,287	156,820	-	-	149,287	156,820	5.05%
Culture and recreation	6,893,151	7,932,075	-	-	6,893,151	7,932,075	15.07%
Interest	67,712	74,891	-	-	67,712	74,891	10.60%
Sewer Utility	-	-	14,382,749	14,671,196	14,382,749	14,671,196	2.01%
Storm Drainage	-	-	1,072,971	1,341,347	1,072,971	1,341,347	25.01%
Geneva Village	-	-	164,575	184,290	164,575	184,290	11.98%
Building Authority	-	-	89,701	83,329	89,701	83,329	-7.10%
Total expenses	50,464,800	54,447,923	15,709,996	16,280,162	66,174,796	70,728,085	6.88%
Increase in net position before transfers & special items	7,219,335	19,092,557	6,010,311	3,177,087	13,229,646	22,269,643	68.33%
Transfers	(50,000)	(103,403)	50,000	103,403	-	-	N/A
Special Items	-	-	-	-	-	-	N/A
Increase in net position	7,169,335	18,989,154	6,060,311	3,280,490	13,229,646	22,269,643	68.33%
Net position - beginning	116,183,555	123,352,890	79,726,824	85,787,135	195,910,379	209,140,025	6.75%
Net position - ending	\$ 123,352,890	\$ 142,342,044	\$ 85,787,135	\$ 89,067,625	\$ 209,140,025	\$ 231,409,669	10.65%

Business-type Activities

Revenues of the City's business-type activities decreased by \$2,263,058 or 10% and expenses increased by \$570,166 or 4% (see Table A-2). Factors contributing to these results include:

- Sewer utility and storm drainage charges for services revenue increased \$1,689,352 (10%) due to user rate increases.
- Sewer utility and storm drainage capital contributions decreased by \$3,100,375 due to a decrease in tap fee connections in 2022.
- Sewer utility operating expenses increased by \$235,002 or 2% due to higher costs related to the joint venture sewer plant and other operating expenses.
- Storm drainage operating expenses increased by \$268,377 or 25% due to increases in personnel costs and other operating costs.
- Interest earnings reflected a negative amount of \$1,063,366 due to economic conditions and large decrease in fair value of investment assets at year-end.
- Geneva Village operating expenses increased by \$19,715 due to increased repairs and maintenance costs in 2022.
- Other business-type activity revenues and expenses were consistent as compared to the prior year.

Fund Financial Analysis

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

At the end of 2022, the combined ending fund balances of the governmental funds were \$44,490,080. This is an increase of \$10,919,174 from 2021. The unassigned fund balance was \$17,304,087 or 39% of the total fund balances. The remaining fund balance of \$27,185,993 is classified as:

Nonspendable	\$	806,898
Restricted		8,220,002
Assigned		18,159,093
Total	\$	<u>27,185,993</u>

General Fund. The General Fund is the primary operating fund of the city and its ending fund balance on December 31, 2022 was \$20,792,008. Of this amount, \$499,178 was nonspendable in the form of inventories and prepaid items; \$1,825,578 restricted for TABOR emergencies; \$1,110,161 was assigned and \$17,357,091 was unassigned. The fund balance increased by \$2,665,635 from 2021.

As compared to 2021, total revenues (excluding transfers in) increased by \$2,614,367 or 5% and expenditures (excluding transfers out) increased by \$3,673,382 or 9%. Key factors are:

- Tax revenues increased by \$3,810,688 or 8%. This was due to increased sales and use tax revenues.
- Charges for services decreased \$150,441 or 14%
- City-wide expenditures increased by \$3,673,382 or 9%. This was mainly due to the addition of new personnel in 2022 along with inflationary costs
- The General Fund had more revenues than expenditures by \$5,946,538 prior to other financing uses. Net transfers from the General Fund to all other funds were \$3,280,903.

Other Governmental Funds. The Capital Projects Fund ending fund balance was \$5,632,261. The fund balance decreased by \$951,083 from 2021 due to spending less than anticipated due to staffing constraints. Revenues (excluding transfers in) were lower than the prior year by \$539,199. Expenditures were higher than the prior year by \$67,484 (1%).

The city established the 3A Capital Improvement Fund in 2022 in response to the increase in sales tax of 0.75% approved by the voters in the 2021 election. The ending fund balance was \$10,245,646.

The city's Open Space Fund ending fund balance decreased by \$1,235,446 due to higher spending as a result of the completion of budgeted park projects from 2020, 2021, and 2022.

The city's Impact Fee Fund ending fund balance decreased by \$1,091,526 in 2022. Impact fee revenues were expected to be lower in 2022 while expenditures related to capital projects continued in 2022.

Proprietary Funds. Sewer Utility Fund ending net position was \$71,851,242 which was \$2,159,757 or 3% higher than the 2021 ending net position. The increased ending net position is the result of infrastructure capital contributions and tap fee connections. Operating revenues were higher by \$1,023,586 (7%) than 2021. Operating expenses were \$235,001 (2%) higher in 2022.

The Storm Drainage Fund reported an increase in net position of \$978,916 due to an increase in operating revenues of \$673,413 (40%).

General Fund Budgetary Highlights

The General Fund accounts for all the general services provided by the city. At the end of 2022, differences between the original budgeted expenditures and the final amended budgeted expenditures, including transfers, was an additional \$2,639,101 or 6% of the original budget. This difference was the result of encumbered purchase orders from fiscal year 2021 that were not fulfilled in that year and were carried forward into the 2022 fiscal year, along with additional personnel costs.

Tax revenues (including sales and use, property and other taxes) were higher than budgeted amounts by \$6,083,018. Charges for services were \$437,095 lower than budgeted amounts, mainly due to decreased building permits, zoning reviews and plans checking fees and fines and forfeitures were \$140,374 lower than budgeted amounts due to fines being lower than anticipated. Investment earnings were lower than budgeted by \$1,029,122 due to the fair value of investments. The total revenue budget variance was \$4,233,413.

Actual expenditures were lower from the final budget by \$2,340,694 (5%) due to position vacancies, savings in professional services, streetlight expenditures, reductions in civic programs and telecommunications projects. Total budget variance for the General Fund, excluding transfers, was \$6,574,107.

During the current fiscal year, fund balance in the General Fund increased by \$2,665,635. The original budget for fund balance showed a decrease for 2022 of \$1,269,371 and the final budget included a decrease of \$3,908,472 creating a positive budget variance of \$6,574,107. This variance is mainly due to expenditures being lower than budgeted as described above.

Capital Asset and Debt Administration

Capital Assets

The city's capital assets for its governmental and business type activities as of December 31, 2022, were valued at \$120,913,501 (net of accumulated depreciation) and include: land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The city uses these assets to provide services to its citizens.

Additional information about the city's capital assets is presented in Note IV to the financial statements.

Comparative Schedule of Capital Assets - net of accumulated depreciation December 31, 2022 and 2021

	Governmental Activities			Business-type Activities			Total		
	2021	2022	Change	2021	2022	Change	2021	2022	Change
Land	\$ 24,044,341	\$ 24,044,341	\$ -	\$ 2,689,538	\$ 2,689,538	\$ -	\$ 26,733,879	\$ 26,733,879	\$ -
Buildings and improvements	15,904,458	16,445,704	541,246	18,710,217	19,381,665	671,449	34,614,675	35,827,369	1,212,695
Machinery and equipment	4,435,100	3,707,684	(727,416)	1,052,746	1,015,653	(37,093)	5,487,846	4,723,337	(764,509)
Infrastructure	38,507,978	40,087,170	1,579,192	-	-	-	38,507,978	40,087,170	1,579,192
Construction in progress	4,765,341	10,131,829	5,366,488	1,834,918	3,409,917	1,574,999	6,600,259	13,541,746	6,941,487
Totals	\$ 87,657,218	\$ 94,416,728	\$ 6,759,510	\$ 24,287,419	\$ 26,496,773	\$ 2,209,355	\$ 111,944,637	\$ 120,913,501	\$ 8,968,865

Major capital asset events during the current fiscal year included:

- Building systems improvements to the Littleton Center.
- Santa Fe Drive & Mineral Avenue Operational Improvement Project (TIP project) which will continue into future years.
- Broadway fiberoptic installation and traffic signal project.
- Improvements to County Line Road

- Construction for the replacement of the Rio Grande Bridge over Slaughterhouse Gulch.
- Several roads were resurfaced, and improvements were made to neighborhood curbs, gutters, and sidewalks.
- Continued implementation of software upgrade and redesign of the City website.
- Recreational projects including Writer's Vista Park, Carson Nature Center Restroom remodel, Berry Park, Southbridge Park, Ida Park Playground, and Reynold's Landing. Most of these projects are also funded by partners at South Suburban Parks and Recreation District as well as Arapahoe County Open Space.

Debt Administration

The City of Littleton's total debt outstanding for its governmental and business type activities (excluding compensated absences) as of December 31, 2022 was \$10,624,691 (see Table A-3). This comprises financed purchases of \$297,137, other leases of \$502,000, an assignment certificate of \$415,000 and revenue loans and premiums of \$9,410,554. Additional information about the city's debt is presented in Notes V and VI to the financial statements.

Table A-3
City of Littleton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Percentage Change
	2021	2022	2021	2022	2021	2022	2021 - 2022
Financed Purchases	\$ 1,533,420	\$ 297,137	\$ -	\$ -	\$ 1,533,420	\$ 297,137	-80.62%
Leases	-	502,000	-	-	-	502,000	100.00%
Assignment Certificate	-	-	615,000	415,000	615,000	415,000	-32.52%
Revenue Bonds	-	-	12,490,101	9,410,554	12,490,101	9,410,554	-24.66%
	<u>\$ 1,533,420</u>	<u>\$ 799,137</u>	<u>\$ 13,105,101</u>	<u>\$ 9,825,554</u>	<u>\$ 14,638,521</u>	<u>\$ 10,624,691</u>	<u>-27.42%</u>

Economic Factors and Next Year's Budget

As the Country continues to recover from the pandemic, the city is taking a conservative approach to adding new expenditures. In 2022, due to the restoration of revenues in mid-2021, the city was able to reestablish services at the Library and Museum to pre-covid levels, along with other services and needs of the city.

The financial impacts of COVID-19 on the City of Littleton were profound and continue to have an impact. The uncertainty of the length of the impact of COVID-19 on society and businesses required the city to be proactive in managing the financial stability of the city.

The 2023 Proposed Budget focuses on continuing to restore level of services, while being conservative amidst an economy of increasing inflation and concerns of an impending recession. Additionally, it incorporates investment in infrastructure as a result of the passing of the 3A sales tax increase of 0.75% in November 2021 dedicated to capital improvements projects. To continue our current level of programs and services, departments were asked to review their 2022 budgets and PBB programs to identify the structural and service changes that would demonstrate stewards of public dollars and benefit the citizens and employees.

The 2023 Proposed Budget would increase the number of full-time employees from 309 to 317 (7.35 FTE's) in the General Fund and adds one FTE in the 3A Sales Tax Capital Improvement fund. While there are needs for additional resources across the organization to keep us within citizen and customer service expectations, those recommended are the most basic required to advance key City goals in a safe and efficient manner.

The long-term financial sustainability of the city requires balancing expenditures and revenues in our 5-year plan and may require deferring operating and capital requests while ensuring the City Council Goals and Objectives adopted by the city

council are discussed and funded appropriately. Additionally, we are working towards maintaining our fund balance rather than utilizing it to fund ongoing expenditures. During 2023, the city will continue to monitor and assess the economy.

The city council discussed 18 policy questions when adopting the 2023 budget. These questions included creation of a traffic operations master plan, continued funding of the revitalization grant and local partnership grants, creation of an Economic Development Strategy, additional funding to support an Emerald Ash Beetle prevention program, increased funding for software maintenance and licensing, and adding additional personnel..

The 2023 appropriation in the General Fund is \$55,855,462 an increase of \$6,512,402, above the 2022 original budget of \$49,343,060. The five-year fiscally constrained financial plan resulted in a 30% ending fund balance which is above the policy set by Council and was discussed and changed in 2023

If the 2023 budget is realized in the General Fund, the city's budgetary fund balance is expected to be \$20,391,581, which equals an ending fund balance reserve of 39% of 2023 operating expenditures.

Requests for Information

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

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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**2022 Annual
Comprehensive Financial
Report**

**Basic Financial
Statements**

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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City of Littleton, Colorado
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and investments	\$ 54,639,713	\$ 19,190,261	\$ 73,829,974
Receivables (net of allowance for uncollectibles)	10,684,611	1,504,869	12,189,480
Inventories	183,380	-	183,380
Prepaid Items	632,414	91,576	723,990
Restricted assets:			
Cash and investments	139,706	4,380,331	4,520,037
Equity in Bi-City joint venture	-	50,667,939	50,667,939
Net pension asset	3,941,423	-	3,941,423
Capital assets (net of accumulated depreciation):			
Non-depreciable assets	34,176,170	6,099,455	40,275,625
Depreciable assets	60,240,558	20,397,318	80,637,876
Total assets	<u>164,637,975</u>	<u>102,331,749</u>	<u>266,969,724</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related:			
Differences between expected and actual experience	1,052,434	-	1,052,434
Changes in assumptions	458,279	-	458,279
City contributions subsequent to the measurement date	494,878	-	494,878
Total deferred outflows of resources	<u>2,005,591</u>	<u>-</u>	<u>2,005,591</u>
LIABILITIES			
Accounts payable and other current liabilities	5,377,396	2,982,016	8,359,412
Accrued interest payable	21,988	77,816	99,804
Deposits and escrows	412,404	-	412,404
Unearned revenues	10,923,388	334,982	11,258,370
Noncurrent liabilities:			
Due within one year	394,293	3,366,012	3,760,305
Due in more than one year	1,941,927	6,503,298	8,445,225
Total liabilities	<u>19,071,396</u>	<u>13,264,124</u>	<u>32,335,520</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax	2,107,431	-	2,107,431
Pension-related:			
Differences between expected and actual experience	71,411	-	71,411
Net difference between projected and actual earnings on pension plan investments	2,298,330	-	2,298,330
Changes in proportion	752,954	-	752,954
Total deferred inflows of resources	<u>5,230,126</u>	<u>-</u>	<u>5,230,126</u>
NET POSITION			
Net investment in capital assets	92,288,481	25,779,649	118,068,130
Restricted for:			
Emergencies	1,825,578	-	1,825,578
Open space and parks	3,457,931	-	3,457,931
Impact Fees	2,914,433	-	2,914,433
Employee benefits	112,646	-	112,646
Net pension asset	3,941,423	-	3,941,423
Museum collection maintenance	22,060	-	22,060
Rate stabilization	-	3,000,000	3,000,000
Bi-city joint venture	-	1,380,000	1,380,000
Debt service	-	331	331
Unrestricted	37,779,492	58,907,645	96,687,137
Total net position	<u>\$ 142,342,044</u>	<u>\$ 89,067,625</u>	<u>\$ 231,409,669</u>

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

City of Littleton, Colorado
Statement of Activities
For The Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Government activities:				
General government	\$ 21,201,928	\$ 4,594,094	\$ 1,131,762	\$ -
Public safety	16,221,128	764,924	247,368	227,522
Highways and streets	8,861,081	1,791,315	241,053	1,585,347
Welfare	156,820	-	23,322	-
Culture and recreation	7,932,075	1,986,419	100,353	1,964,153
Interest on long-term debt	74,891	-	-	-
Total government activities	54,447,923	9,136,752	1,743,858	3,777,022
Business-type activities:				
Sewer Utility	14,671,196	16,534,495	-	1,323,520
Storm Drainage	1,341,347	2,345,048	-	12,453
Geneva Village	184,290	84,558	-	-
Building Authority	83,329	220,542	-	-
Total business-type activities	16,280,162	19,184,643	-	1,335,973
Total primary government	\$ 70,728,085	\$ 28,321,395	\$ 1,743,858	\$ 5,112,995
General revenues:				
Taxes:				
Property				
Sales and use				
Building use				
Franchise				
Other				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (15,476,072)	\$ -	\$ (15,476,072)
(14,981,314)	-	(14,981,314)
(5,243,366)	-	(5,243,366)
(133,498)	-	(133,498)
(3,881,150)	-	(3,881,150)
(74,891)	-	(74,891)
<u>(39,790,291)</u>	<u>-</u>	<u>(39,790,291)</u>
-	3,186,819	3,186,819
-	1,016,154	1,016,154
-	(99,732)	(99,732)
-	137,213	137,213
-	<u>4,240,454</u>	<u>4,240,454</u>
<u>(39,790,291)</u>	<u>4,240,454</u>	<u>(35,549,837)</u>
2,012,747	-	2,012,747
54,654,519	-	54,654,519
1,087,536	-	1,087,536
2,689,290	-	2,689,290
290,339	-	290,339
(2,243,288)	(1,063,367)	(3,306,655)
391,705	-	391,705
(103,403)	103,403	-
<u>58,779,445</u>	<u>(959,964)</u>	<u>57,819,481</u>
18,989,154	3,280,490	22,269,644
<u>123,352,890</u>	<u>85,787,135</u>	<u>209,140,025</u>
<u>\$ 142,342,044</u>	<u>\$ 89,067,625</u>	<u>\$ 231,409,669</u>

City of Littleton, Colorado

Balance Sheet

Governmental Funds

December 31, 2022

	General	Capital Projects	3A Capital Improvement Fund	Grants	Open Space
ASSETS					
Cash and investments	\$ 15,532,902	\$ 5,896,951	\$ 8,943,150	\$ 10,569,532	\$ 5,127,531
Receivables (net of allowance for uncollectibles)	8,372,039	123,774	1,327,646	803,397	23,499
Inventories	183,380	-	-	-	-
Prepaid items	315,798	241,282	-	53,004	-
Restricted cash and investments	-	-	-	-	5,000
Total assets	<u>\$ 24,404,119</u>	<u>\$ 6,262,007</u>	<u>\$ 10,270,796</u>	<u>\$ 11,425,933</u>	<u>\$ 5,156,030</u>
LIABILITIES					
Contracts and accounts payable	\$ 976,515	\$ 604,746	\$ 19,545	\$ 502,545	\$ 2,150,010
Deposits and escrows	387,404	25,000	-	-	-
Unearned revenue	-	-	-	10,923,388	-
Other liabilities	140,761	-	5,605	-	-
Total liabilities	<u>1,504,680</u>	<u>629,746</u>	<u>25,150</u>	<u>11,425,933</u>	<u>2,150,010</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax	2,107,431	-	-	-	-
Total deferred inflows of resources	<u>2,107,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Inventories	183,380	-	-	-	-
Prepaid items	315,798	241,282	-	53,004	-
Restricted:					
Conservation trust	-	-	-	-	-
Museum collection maintenance	-	-	-	-	-
Open space	-	-	-	-	3,006,020
Impact fees	-	-	-	-	-
Emergencies	1,825,578	-	-	-	-
Assigned:					
Purchases on order	832,838	-	-	-	-
Subsequent year expenditures	277,323	-	-	-	-
Capital projects	-	5,390,979	10,245,646	-	-
Consolidated special revenues	-	-	-	-	-
Unassigned	17,357,091	-	-	(53,004)	-
Total fund balances	<u>20,792,008</u>	<u>5,632,261</u>	<u>10,245,646</u>	<u>-</u>	<u>3,006,020</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,404,119</u>	<u>\$ 6,262,007</u>	<u>\$ 10,270,796</u>	<u>\$ 11,425,933</u>	<u>\$ 5,156,030</u>

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

- Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.
- The net pension asset is not available to pay current period expenditures and, therefore, are not reported in the funds.
- The pension-related deferred outflows (\$2,005,591) and inflows (\$3,122,695) of resources are amortized over future periods and therefore, are not reported in the funds.
- Internal service funds are used by management to charge the costs of various insurance funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.
- Long-term liabilities, including leases payable of \$799,137; accrued interest of \$21,988; and compensated absences of \$1,537,083 are not due and payable from current financial resources, and therefore, are not reported in the funds.

Net position of governmental activities

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 5,002,727	\$ 51,072,793
9,463	10,659,818
-	183,380
13,434	623,518
22,060	27,060
<u>\$ 5,047,684</u>	<u>\$ 62,566,569</u>

\$ 233,539	\$ 4,486,900
-	412,404
-	10,923,388
-	146,366
<u>233,539</u>	<u>15,969,058</u>

-	2,107,431
-	<u>2,107,431</u>

-	183,380
13,434	623,518
451,911	451,911
22,060	22,060
-	3,006,020
2,914,433	2,914,433
-	1,825,578
-	832,838
-	277,323
-	15,636,625
1,412,307	1,412,307
-	17,304,087
<u>4,814,145</u>	<u>44,490,080</u>
<u>\$ 5,047,684</u>	

\$ 94,416,728

3,941,423

(1,117,104)

2,969,125

(2,358,208)

\$ 142,342,044

City of Littleton, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended December 31, 2022

	General	Capital Projects	3A Capital Improvement Fund	Grants	Open Space
REVENUES					
Taxes:					
Property	\$ 2,012,747	\$ -	\$ -	\$ -	\$ -
Sales and use	43,737,162	-	10,917,357	-	-
Building use	-	1,087,536	-	-	-
Specific ownership	136,598	-	-	-	-
Cigarette	153,741	-	-	-	-
Franchise	2,649,772	-	-	-	-
Licenses and permits	1,151,654	-	-	-	-
Intergovernmental	1,007,288	1,495,399	-	3,345,697	1,686,231
Charges for services	904,905	-	-	-	-
Fines and forfeitures	184,626	-	-	-	-
Investment earnings	(774,406)	(248,537)	(512,601)	-	(257,044)
Miscellaneous	1,024,444	440,091	-	-	8,264
Total revenues	<u>52,188,531</u>	<u>2,774,489</u>	<u>10,404,756</u>	<u>3,345,697</u>	<u>1,437,451</u>
EXPENDITURES					
Current:					
General government	18,703,201	584,778	-	844,735	-
Public safety	16,160,978	150,721	-	404,619	-
Highway and streets	5,272,232	868,620	139,565	822	-
Welfare	100,086	-	-	-	-
Culture and recreation	5,747,426	-	-	153,738	447,897
Debt service:					
Principal	44,092	1,199,744	-	-	-
Interest	6,013	39,387	-	-	-
Capital outlay	207,965	4,134,312	19,545	1,941,783	2,225,000
Total expenditures	<u>46,241,993</u>	<u>6,977,562</u>	<u>159,110</u>	<u>3,345,697</u>	<u>2,672,897</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,946,538</u>	<u>(4,203,073)</u>	<u>10,245,646</u>	<u>-</u>	<u>(1,235,446)</u>
OTHER FINANCING SOURCES					
Transfers in	-	3,177,500	-	-	-
Transfers out	(3,280,903)	-	-	-	-
Proceeds from sale of capital assets	-	74,490	-	-	-
Total other financing sources	<u>(3,280,903)</u>	<u>3,251,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,665,635	(951,083)	10,245,646	-	(1,235,446)
Fund balance - beginning	<u>18,126,373</u>	<u>6,583,344</u>	<u>-</u>	<u>-</u>	<u>4,241,466</u>
Fund balance - ending	<u>\$ 20,792,008</u>	<u>\$ 5,632,261</u>	<u>\$ 10,245,646</u>	<u>\$ -</u>	<u>\$ 3,006,020</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 2,012,747
-	54,654,519
-	1,087,536
-	136,598
-	153,741
39,518	2,689,290
-	1,151,654
291,175	7,825,790
350,730	1,255,635
46,892	231,518
(257,939)	(2,050,527)
1,244,188	2,716,987
<u>1,714,564</u>	<u>71,865,488</u>
64,156	20,196,870
12,948	16,729,266
3,457	6,284,696
-	100,086
134,548	6,483,609
-	-
3,645	1,247,481
17,878	63,278
1,283,510	9,812,115
<u>1,520,142</u>	<u>60,917,401</u>
194,422	10,948,087
-	3,177,500
-	(3,280,903)
-	74,490
<u>-</u>	<u>(28,913)</u>
194,422	10,919,174
4,619,723	33,570,906
<u>\$ 4,814,145</u>	<u>\$ 44,490,080</u>

City of Littleton, Colorado
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended December 31, 2022

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

Net change in fund balances - total governmental funds (page 26)	\$ 10,919,174
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital contributions of \$1,805,302 and capital outlays of \$9,994,105 exceeded depreciation of \$5,568,001 and capital disposals of \$21,633.	6,209,773
The cumulative effects of the total pension asset and the fair value of pension plan net position available to pay pension benefits is the pension expense reported in the statement of activities. These effects result in an increase to pension expense.	939,632
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. This amount is the net effect of the repayment of \$1,247,481 in principal of long-term debt and amortization of \$36,539.	1,284,020
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the increase in compensated absences of \$101,134 and increase in accrued interest expense of \$11,613.	(112,747)
Internal service funds are used by management to charge the costs of various insurance to individual funds.	(250,698)
Change in net position of governmental activities (page 22)	<u>\$ 18,989,154</u>

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

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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City of Littleton, Colorado

Statement of Net Position

Proprietary Funds

December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Sewer Utility Fund	Storm Drainage Fund	Non-Major Proprietary Funds
ASSETS			
Current assets:			
Cash and investments	\$ 18,321,516	\$ 767,320	\$ 101,425
Receivables (net of allowance for uncollectibles)	1,251,756	253,113	-
Prepaid items	70,122	21,454	-
Total current assets	<u>19,643,394</u>	<u>1,041,887</u>	<u>101,425</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	4,380,000	-	331
Equity in Bi-City joint venture	50,667,939	-	-
Capital assets:			
Land	255,815	1,982,652	451,071
Buildings and systems	21,192,722	24,429,240	3,394,606
Improvements other than buildings	-	-	65,740
Machinery and equipment	1,702,171	3,148	166,690
Construction in progress	2,039,846	1,370,071	-
Less accumulated depreciation	<u>(15,368,466)</u>	<u>(13,303,564)</u>	<u>(1,884,969)</u>
Total capital assets (net of accumulated depreciation)	<u>9,822,088</u>	<u>14,481,547</u>	<u>2,193,138</u>
Total noncurrent assets	<u>64,870,027</u>	<u>14,481,547</u>	<u>2,193,469</u>
Total assets	<u>84,513,421</u>	<u>15,523,434</u>	<u>2,294,894</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	\$ 2,878,423	\$ 86,983	\$ 16,610
Claims and judgments	-	-	-
Unearned revenue	259,809	75,173	-
Accrued interest payable	76,083	-	1,733
Long term debt payable - current	3,159,827	1,185	205,000
Total current liabilities	<u>6,374,142</u>	<u>163,341</u>	<u>223,343</u>
Noncurrent liabilities:			
Long term debt payable	6,288,037	5,261	210,000
Total noncurrent liabilities	<u>6,288,037</u>	<u>5,261</u>	<u>210,000</u>
Total liabilities	<u>12,662,179</u>	<u>168,602</u>	<u>433,343</u>
NET POSITION			
Net investment in capital assets	9,553,278	14,448,233	1,778,138
Restricted for:			
Rate stabilization	3,000,000	-	-
Bi-city joint venture	1,380,000	-	-
Employee benefits	-	-	-
Debt service	-	-	331
Unrestricted	57,917,964	906,599	83,082
Total net position	<u>71,851,242</u>	<u>15,354,832</u>	<u>1,861,551</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 84,513,421</u>	<u>\$ 15,523,434</u>	<u>\$ 2,294,894</u>

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

15,354,832

		Governmental Activities- Internal Service Funds
Totals		
\$ 19,190,261	\$ 3,566,920	
1,504,869	24,793	
91,576	8,896	
<u>20,786,706</u>	<u>3,600,609</u>	
4,380,331	112,646	
50,667,939	-	
2,689,538	-	
49,016,568	-	
65,740	-	
1,872,009	-	
3,409,917	-	
<u>(30,556,999)</u>	<u>-</u>	
26,496,773	-	
<u>81,545,043</u>	<u>112,646</u>	
<u>102,331,749</u>	<u>3,713,255</u>	
\$ 2,982,016	\$ 132,349	
-	611,781	
334,982	-	
77,816	-	
3,366,012	-	
<u>6,760,826</u>	<u>744,130</u>	
6,503,298	-	
<u>6,503,298</u>	<u>-</u>	
<u>13,264,124</u>	<u>744,130</u>	
25,779,649	-	
3,000,000	-	
1,380,000	-	
-	112,646	
331	-	
<u>58,907,645</u>	<u>2,856,479</u>	
<u>89,067,625</u>	<u>2,969,125</u>	
<u>\$ 102,331,749</u>	<u>\$ 3,713,255</u>	

City of Littleton, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For The Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Sewer Utility Fund	Storm Drainage Fund	Non-Major Proprietary Funds
OPERATING REVENUES			
Charges for services	\$ 16,311,577	\$ 2,305,799	\$ -
Employer/employee contributions	-	-	-
Rental payments	-	-	304,961
Miscellaneous	222,918	39,249	139
Total operating revenues	<u>16,534,495</u>	<u>2,345,048</u>	<u>305,100</u>
OPERATING EXPENSES			
Personnel services	1,077,733	245,689	-
Supplies	49,008	5,769	-
Bi-City operating costs	7,788,423	-	-
Contractual services	265,732	111,297	18,228
Services by General Fund	618,210	-	-
Insurance	-	-	-
Benefits and claims	-	-	-
Other services and charges	280,601	282,084	148,948
Amortization	15,344	-	-
Depreciation	596,658	696,508	80,720
Total operating expenses	<u>10,691,709</u>	<u>1,341,347</u>	<u>247,896</u>
Operating income	<u>5,842,786</u>	<u>1,003,701</u>	<u>57,204</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	(1,027,062)	(37,238)	933
Debt administration costs	(249,282)	-	(18)
Change in Bi-City joint venture equity	(3,554,755)	-	-
Insurance recovery	-	-	-
Interest charges	(175,450)	-	(19,705)
Total nonoperating revenues (expenses)	<u>(5,006,549)</u>	<u>(37,238)</u>	<u>(18,790)</u>
Income (loss) before capital contributions and transfers	<u>836,237</u>	<u>966,463</u>	<u>38,414</u>
Transfers in	-	-	103,403
Capital contributions	1,323,520	12,453	-
Total capital contributions and transfers	<u>1,323,520</u>	<u>12,453</u>	<u>103,403</u>
Change in net position	2,159,757	978,916	141,817
Net position - beginning	<u>69,691,485</u>	<u>14,375,916</u>	<u>1,719,734</u>
Net position - ending	<u>\$ 71,851,242</u>	<u>\$ 15,354,832</u>	<u>\$ 1,861,551</u>

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

		Governmental Activities- Internal Service Funds
Totals		
\$ 18,617,376	\$ 852,471	
-	6,346,761	
304,961	-	
262,306	69,424	
<u>19,184,643</u>	<u>7,268,656</u>	
1,323,422	-	
54,777	-	
7,788,423	-	
395,257	-	
618,210	-	
-	1,938,498	
-	4,989,714	
711,633	574,736	
15,344	-	
1,373,886	-	
<u>12,280,952</u>	<u>7,502,948</u>	
6,903,691	(234,292)	
(1,063,367)	(192,761)	
(249,300)	-	
(3,554,755)	-	
-	176,355	
(195,155)	-	
<u>(5,062,577)</u>	<u>(16,406)</u>	
1,841,114	(250,698)	
103,403	-	
1,335,973	-	
<u>1,439,376</u>	<u>-</u>	
3,280,490	(250,698)	
85,787,135	3,219,823	
<u>\$ 89,067,625</u>	<u>\$ 2,969,125</u>	

City of Littleton, Colorado
Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds		
	Sewer Utility Fund	Storm Drainage Fund	Non-Major Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 16,405,349	\$ 2,310,296	\$ 305,100
Cash received from interfund services provided	-	-	-
Cash paid to suppliers	(8,054,015)	(362,669)	(160,334)
Cash paid to employees	(1,072,398)	(244,677)	-
Cash paid to other funds for services	(618,210)	-	-
Net cash provided (used) by operating activities	<u>6,660,726</u>	<u>1,702,950</u>	<u>144,766</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	103,403
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>103,403</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Investment in Bi-City joint venture	(5,989,317)	-	-
Purchase of capital assets	(2,274,629)	(1,308,610)	-
Principal paid on debt	(3,064,204)	-	(200,000)
Interest paid on debt	(206,137)	-	(20,541)
Insurance proceeds	-	-	-
Debt administration costs	(249,282)	-	(18)
Capital contributions	1,323,520	12,453	-
Net cash provided (used) by capital and related financing activities	<u>(10,460,049)</u>	<u>(1,296,157)</u>	<u>(220,559)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	(1,027,062)	(37,238)	932
Net cash provided (used) by investing activities	<u>(1,027,062)</u>	<u>(37,238)</u>	<u>932</u>
Net increase (decrease) in cash and cash equivalents	(4,826,385)	369,555	28,542
Cash and cash equivalents - January 1	27,527,901	397,765	73,214
Cash and cash equivalents - December 31	<u>\$ 22,701,516</u>	<u>\$ 767,320</u>	<u>\$ 101,756</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ 5,842,786	\$ 1,003,701	\$ 57,204
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:			
Depreciation expense	596,658	696,508	80,719
Amortization expense	15,344	-	-
Receivables	(129,146)	(43,909)	-
Prepaid expenses	(40,116)	9,157	-
Accounts payable and other current liabilities	375,200	37,493	6,842
Claims and judgments payable	-	-	-
Total adjustments	817,940	699,249	87,561
Net cash provided (used) by operating activities	<u>\$ 6,660,726</u>	<u>\$ 1,702,950</u>	<u>\$ 144,765</u>
Reconciliation of cash and cash equivalents			
Unrestricted	\$ 18,321,516	\$ 767,320	\$ 101,425
Restricted	4,380,000	-	331
Total cash and cash equivalents	<u>\$ 22,701,516</u>	<u>\$ 767,320</u>	<u>\$ 101,756</u>
Noncash, investing, capital, and financing activities			
Contribution of capital assets	\$ 12,454	\$ -	\$ -

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

		Governmental Activities- Internal Service Funds
	Totals	
\$	19,020,745	\$ 833,197
	-	6,340,950
	(8,577,018)	(7,556,058)
	(1,317,075)	-
	(618,210)	-
	<u>8,508,442</u>	<u>(381,911)</u>
	103,403	-
	<u>103,403</u>	<u>-</u>
	(5,989,317)	-
	(3,583,239)	-
	(3,264,204)	-
	(226,678)	-
	-	176,355
	(249,300)	-
	<u>1,335,973</u>	<u>-</u>
	<u>(11,976,765)</u>	<u>176,355</u>
	(1,063,368)	(192,761)
	<u>(1,063,368)</u>	<u>(192,761)</u>
	(4,428,288)	(398,317)
	<u>27,998,880</u>	<u>4,077,883</u>
\$	<u>23,570,592</u>	\$ <u>3,679,566</u>
\$	<u>6,903,691</u>	\$ <u>(234,292)</u>
	1,373,885	-
	15,344	-
	(173,055)	(16,189)
	(30,959)	(8,896)
	419,535	45,135
	-	(167,669)
	<u>1,604,750</u>	<u>(147,619)</u>
\$	<u>8,508,441</u>	\$ <u>(381,911)</u>
\$	19,190,261	\$ 3,566,920
	<u>4,380,331</u>	<u>112,646</u>
\$	<u>23,570,592</u>	\$ <u>3,679,566</u>
\$	12,454	\$ -

City of Littleton, Colorado
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

	Private - Purpose Trust Fund
ASSETS	
Cash and investments	\$ 11,303
Cash and investments with trustee, at fair value	<u>244,598</u>
Total assets	<u>255,901</u>
LIABILITIES	
Contract and accounts payable	<u>22,919</u>
Total liabilities	<u>22,919</u>
NET POSITION	
Held in trust for specific purposes	<u>\$ 232,982</u>

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

City of Littleton, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For The Year Ended December 31, 2022

	Private - Purpose Trust Fund
ADDITIONS	
Interest	\$ 3,817
Total additions	<u>3,817</u>
DEDUCTIONS	
Culture and recreation	42,432
Total deductions	<u>42,432</u>
Change in net position	(38,615)
Net position - beginning	<u>271,597</u>
Net position - ending	<u><u>\$ 232,982</u></u>

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Blended Component Unit

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule include charges between the General Fund and the Sewer Utility Fund for administrative costs substantially equal to the value of the services. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within one hundred-fifty days of the end of the current fiscal period, with the exception of property taxes. Property taxes are available if collected within 60 days after the end of the current fiscal period.

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

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

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

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

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Major revenue sources include retail sales and use taxes, property taxes and franchise tax revenues.

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

The *3A Capital Improvement Fund* was created in 2022 in response to the increase in sales tax that voters approved in the 2021 election. This fund accounts for the costs of constructing, acquiring, enhancing, expanding, maintaining, downsizing, upgrading, or downgrading public facilities, including but not limited to the following: neighborhood street maintenance and reconstruction, street congestion and improved capacity projects, right-of-way and median maintenance and improvements, street and bridge safety improvements, sidewalk improvements, building replacement and maintenance, information technology and equipment purchases, upgrades, enhancements, improvements, maintenance and expenditure necessary in order to accomplish 3A capital projects.

The *Grants Fund* includes grants from federal, state and local agencies for specific programs.

The *Open Space Fund* account for the revenues from Jefferson County and Arapahoe County for Open Space Tax.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

Cash and Investments

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

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

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

Receivables

Receivables consist primarily of sales and use tax, and other miscellaneous receivables and are reported net of an allowance for uncollectible accounts if applicable. The receivable balances as of December 31, 2022, were estimated to have no significant uncollectible balances.

Interfund Transactions

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

Property Taxes Receivable

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Inventories and Prepaid Items

Inventories are valued using the purchasing method, at cost using the first-in/first-out (FIFO) method. Inventory in the General Fund consists of items for the Littleton Historical Museum gift store and vehicle parts and fuel used for maintaining the City's fleet.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and classified as nonspendable fund balance in the governmental funds. Prepayments are allocated over appropriate service periods.

Capital and Right-to-Use Assets

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

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

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Right-to-use assets under lease arrangements are measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The related amortization is included with the depreciation expense in the accompanying financial statements.

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Leases**

The City adopted GASB Statement No. 87, Leases, effective January 1, 2022. The City is a lessee for noncancellable leases of equipment and land. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the governmental-wide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made on or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payment amounts. The City uses the interest rate charge by the lessor as the discount rate, or, when borrow rate is not provided, the City uses and estimated incremental borrowing rate as the discount rate.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-Term Obligations

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

Pensions

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

Deferred Inflows and Outflows of Resources

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

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become measurable and available. Assets recorded in the fund financial statements for which the revenues are not

available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Net Position/Fund Balance**

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

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

In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned or unassigned.

- Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaids.
- Restricted Fund Balance – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.
- Committed Fund Balance – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council by ordinance. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned Fund Balance – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by City Council through an informal action or City Council can delegate the authority to express intent to a committee, the city manager or other city official on a case by case basis. This classification includes City purchases on order prior to year-end.
- Unassigned Fund Balance – the remaining fund balance after amounts are set aside for other classifications. Only the General Fund may report a positive unassigned fund balance.

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

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

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Total capital assets, net of accumulated depreciation	\$ 94,416,728	\$ 26,496,774
Lease obligation (current and non-current)	(799,137)	(415,000)
Retainage and payables	<u>(1,329,110)</u>	<u>(302,125)</u>
Net investment in capital assets	<u>\$ 92,288,481</u>	<u>\$ 25,779,649</u>

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

Cash and investments	\$ 73,829,973
Restricted cash and investments	4,520,037
Fiduciary cash and investments	<u>255,901</u>
Total	<u>\$ 78,605,911</u>

Petty cash	\$ 2,845
Deposits with financial institutions	7,024,672
Cash and investments held by third party	1,508,145
Investments	<u>70,070,249</u>
Total	<u>\$ 78,605,911</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the City had bank deposits of \$7,631,879 collateralized under PDPA. The City does not have a deposit policy.

Investments

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

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

NOTE II – CASH AND INVESTMENTS (Continued)*Fair Value of Investments*

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

Level 1 – Quoted prices for identical investments in active markets;

Level 2 – Observable inputs other than quoted market prices; and,

Level 3 – Unobservable inputs.

At December 31, 2022, the City had the following fair value measurements:

		Fair Value Measurements Using			
	12/31/2022	Level 1	Level 2	Level 3	
Investments by fair value level					
U.S. Agencies	\$ 31,033,059	\$ 31,033,059	\$ -	\$ -	
Corporate Bonds	12,201,561	-	12,201,561	-	
Municipal Bonds	10,888,635	-	10,888,635	-	
Certificates of Deposit	3,500,152	3,500,152	-	-	
US Treasury securities	3,688,438	3,688,438			
Total investments by fair value level	<u>\$ 61,311,845</u>	<u>\$ 38,221,649</u>	<u>\$ 23,090,196</u>	<u>\$ -</u>	
Investments measured at the net asset value (NAV) or amortized cost					
ColoTrust	5,386,985				
CSAFE (amortized cost)	3,371,419				
Total Investments	<u>\$ 70,070,249</u>				

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

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

At December 31, 2022, the City's investments consisted of the following:

Investments	Fair Value	% to Total
U.S. Treasury securities	\$ 3,688,438	5%
U.S. Agency Securities	31,033,059	44%
Corporate Bonds	12,201,561	17%
Municipal Bonds	10,888,635	16%
Certificates of Deposit	3,500,152	5%
Subtotal investments at fair value	<u>61,311,845</u>	<u>88%</u>
Local government investment pools	8,758,404	12%
Total Investments	<u>\$ 70,070,249</u>	<u>100%</u>

NOTE II – CASH AND INVESTMENTS (Continued)

As of December 31, 2022, the City had the following investments and maturities:

<u>Investments</u>	S & P/Moody's <u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
			Less than 1 yr	1-5 yrs	5+ yrs
US Treasury	Aaa	\$ 3,688,438	\$ -	\$ 3,688,438	\$ -
U.S. Agency Securities	AA+	31,033,059	960,684	30,072,376	-
Corporate Bonds	AAA	2,235,345	-	2,235,345	-
Corporate Bonds	AA+	3,215,637	-	3,215,637	-
Corporate Bonds	AA	4,358,917	995,718	3,363,199	-
Corporate Bonds	AA-	1,423,926	-	1,423,926	-
Corporate Bonds	A	967,737	-	967,737	-
Municipal Bonds	AAA	2,711,330	-	2,711,330	-
Municipal Bonds	AA+	2,196,962	-	2,196,962	-
Municipal Bonds	AA	4,107,721	715,252	3,392,469	-
Municipal Bonds	AA-	1,872,621	1,000,000	872,621	-
Certificates of Deposit	N/A	3,500,152	1,463,718	2,036,434	-
Subtotal Investments		\$ 61,311,845	\$ 5,135,372	\$ 56,176,473	\$ -

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

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

Custodial Credit Risk. At December 31, 2022, the City had deposits held by third parties. The City of Englewood holds \$1,380,000 as required by the operating agreement for the South Platte Water Renewal Partners (formerly known as the Littleton/Englewood Wastewater Treatment Plant Joint Venture.) In addition, \$113,000 is held by CIGNA Insurance Company as required minimum balances for healthcare costs, \$10,145 is held by 24 Hour Flex Retirement Services Planning Inc. as required for flex spending accounts and \$5,000 is held by the State Land Board related to a lease agreement.

Concentration of Credit Risk. The City's investment policy requires that investments be diversified to reduce the concentration of credit risk. The City may invest up to 35% of the book value of its investment portfolio in repurchase agreements, commercial paper, corporate debt, municipal bonds or negotiable CDs but no more than 5% of the City's investment portfolio can be invested in the obligations of any one issuer. The City may invest up to 20% of the City's investment portfolio in non-negotiable CDs but no more than 5% of the City's investment portfolio can be invested in the obligations of any one issuer. The City has not allowed any issuer to hold more than 5%. The City may invest up to 100% of the investment portfolio in either U.S. treasuries, federal agencies and instrumentalities, local government investments pools or money market mutual funds, but is limited to 30% of the portfolio balance invested with each issuer for federal agencies or instrumentalities and is limited to 50% of the portfolio balance invested with each issuer that falls within the local government investment pool or money market funds. More than 5 percent of the City's investments are in the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, US Treasuries and Federal Farm Credit Bank. These investments are 35.66%, 6.08%, 6.02% and 5.86%, respectively, of the City's total investments.

Local Government Investment Pools

Colotrust – At December 31, 2022, the City had \$5,386,985 in Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. This investment is valued using the NAV per share (or its equivalent) of the investments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE II – CASH AND INVESTMENTS (Continued)

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

CSAFE – At December 31, 2022, the city had \$3,371,419 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is considered to be a 2a7-like investment and is valued at amortized cost. The 2a7-like investments to not have any unfunded commitments, redemption restrictions or redemption notice periods.

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

Restricted Cash and Investments

At December 31, 2022, the City's restricted cash and investments consisted of the following:

Restricted Cash & Investments

Rate Stabilization	\$	3,000,000
Joint venture deposit		1,380,000
Employee benefit funds		112,646
Other		27,391
Total restricted cash and investments	\$	<u>4,520,037</u>

NOTE III – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following interfund transfers occurred during 2022 for the purposes stated below:

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund Purpose: Transfer annual street maintenance funds	Capital Projects	\$ 3,177,500
General Fund Purpose: Replenish reserves	Geneva Village Fund	\$ 103,403
		<u>\$ 3,280,903</u>

NOTE IV – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	12/31/2021 Beginning Balance	Increases	Decreases	12/31/2022 Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 24,044,341	\$ -	\$ -	\$ 24,044,341
Construction in progress	4,765,341	7,820,381	(2,453,893)	10,131,829
Total capital assets, not being depreciated	<u>28,809,682</u>	<u>7,820,381</u>	<u>(2,453,893)</u>	<u>34,176,170</u>
Capital assets, being depreciated:				
Buildings	33,331,502	1,534,633	-	34,866,135
Machinery and equipment	17,254,599	363,109	(285,834)	17,331,874
Infrastructure	110,204,851	4,535,177	-	114,740,028
Leased infrastructure	357,560	-	-	357,560
Leased equipment	192,177	-	-	192,177
Total capital assets, being depreciated	<u>161,340,689</u>	<u>6,432,919</u>	<u>(285,834)</u>	<u>167,487,774</u>
Less accumulated depreciation for:				
Buildings	(17,427,044)	(993,387)	-	(18,420,431)
Machinery and equipment	(12,819,499)	(1,214,542)	264,201	(13,769,840)
Infrastructure	(71,696,873)	(3,296,518)	-	(74,993,391)
Leased infrastructure	-	(17,027)	-	(17,027)
Leased equipment	-	(46,527)	-	(46,527)
Total capital assets, being depreciated	<u>(101,943,416)</u>	<u>(5,568,001)</u>	<u>264,201</u>	<u>(107,247,216)</u>
Total capital assets, being depreciated, net	<u>59,397,273</u>	<u>864,918</u>	<u>(21,633)</u>	<u>60,240,558</u>
Governmental activities capital assets, net	<u>\$ 88,206,955</u>	<u>\$ 8,685,299</u>	<u>\$ (2,475,526)</u>	<u>\$ 94,416,728</u>

- (1) The beginning balance of this footnote was restated due to the implementation of GASB Statement No. 87. Leased Infrastructure and Leased Equipment categories were added to the Capital assets being depreciated, for a net change of \$549,737. Note that there was no restatement of overall net position, however, due to the offset of the leased asset with the lease liability.

NOTE IV – CAPITAL ASSETS (Continued)

	12/31/2021 Beginning Balance	Increases	Decreases	12/31/2022 Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,689,538	\$ -		\$ 2,689,538
Construction in progress	1,834,918	2,879,153	(1,304,155)	3,409,917
Total capital assets, not being depreciated	<u>4,524,456</u>	<u>2,879,153</u>	<u>(1,304,155)</u>	<u>6,099,455</u>
Capital assets, being depreciated:				
Buildings and systems	47,120,347	1,896,221	-	49,016,568
Other improvements	65,740	-	-	65,740
Machinery and equipment	1,759,989	112,020	-	1,872,009
Total capital assets, being depreciated	<u>48,946,076</u>	<u>2,008,241</u>	<u>-</u>	<u>50,954,317</u>
Less accumulated depreciation for:				
Buildings and systems	(28,410,130)	(1,224,773)	-	(29,634,903)
Other improvements	(65,740)	-	-	(65,740)
Machinery and equipment	(707,243)	(149,113)	-	(856,356)
Total capital assets, being depreciated	<u>(29,183,113)</u>	<u>(1,373,886)</u>	<u>-</u>	<u>(30,556,999)</u>
Total capital assets, being depreciated, net	<u>19,762,963</u>	<u>634,355</u>	<u>-</u>	<u>20,397,318</u>
Business-type activities capital assets, net	<u>\$ 24,287,419</u>	<u>\$ 3,513,508</u>	<u>\$ (1,304,155)</u>	<u>\$ 26,496,773</u>

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

Governmental activities:	
General government	\$ 972,640
Public safety	485,294
Highways and streets, including depreciation of general infrastructure assets	2,540,348
Welfare	40,076
Culture and recreation	<u>1,529,643</u>
Total depreciation expense - governmental activities	<u>\$ 5,568,001</u>
Business-type activities:	
Sewer Utility Fund	\$ 596,658
Storm Drainage Fund	696,508
Geneva Village	17,114
Building Authority Fund	<u>63,606</u>
Total depreciation expense - business-type activities	<u>\$ 1,373,886</u>

NOTE V – LEASES

Various lease obligations – The city leases equipment and grounds for various long-term agreements. Previously recognized as operating leases, these leases were remeasured under the new GASB 87 guidance effective 1/1/2022. The city recognizes a lease liability and an intangible right-to-use lease asset in the applicable governmental activities in the government-wide and proprietary fund financial statements. At the commencement of the lease, the city measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. The leases expire at various dates through 2042 and provide for renewal options.

The following table presents minimum future payments for governmental activities leases as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2023	82,490
2024	73,793
2025	58,586
2026	37,392
2027	24,950
2028-2032	136,440
2033-2037	158,174
2038-2042	<u>183,367</u>
Total minimum lease payments	\$ 755,192
Less: amount representing interest	<u>(253,192)</u>
Present value of minimum lease payments	<u>\$ 502,000</u>

NOTE VI – LONG-TERM OBLIGATIONS**2011 Assignment Certificate**

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

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

In May 2011, LCMBA certificates of participation, Series 1999 outstanding in the amount of \$2,345,000, were refinanced by the 2011 Assignment Certificate issued by LCMBA and JPMorgan Chase Bank, N.A in the amount of \$2,390,000.

NOTE VI – LONG-TERM OBLIGATIONS (Continued)

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

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

Year Ending <u>December-31</u>	Business-type activities		
	Principal	Interest	Total
2023	205,000	13,861	218,861
2024	210,000	7,014	217,014
Total	\$ 415,000	\$ 20,875	\$ 435,875

Financed Purchases

During 2012, 2016 and 2017, the City acquired capital assets using financed purchases as an alternate method of financing for governmental activities. These finance purchase agreements have been recorded at the lower of the cost of the asset or present value of the future minimum finance purchased payments. Financed purchases payments are funded by capital projects fund revenues.

Museum Building – In 2012, the City of Littleton issued Certificates of Participation to refund the 2003 Certificates of Participation of the Littleton Building Corporation. In turn, the City entered into a Master Lease Purchase Agreement to finance the purchase of the museum property from the Trustee, UMB Bank, for a twenty-year term pursuant to the site finance purchase agreement. All financial obligations of the City under the financed purchase, including the City's obligation to pay base rentals, are subject to annual appropriation by the City Council. The museum is recorded in the City's capital assets at \$10,077,338 with accumulated depreciation of \$1,882,234. Annual payment is \$1,092,550, including principal and interest accruing at 2.00% to 3.00%, payable semi-annually beginning in December 2013 through December 2022.

Communications Equipment – In 2016, the City entered into a finance purchase agreement as lessee to finance the acquisition of communications equipment for police, fire and public works. Annual payments of \$255,902 (subject to appropriation by the city council), including principal and interest accruing at an imputed rate of 1.751%, are due in annual installments beginning in January 2017 through January 2024. At the beginning of 2020, the fire equipment was relinquished to South Metro Fire Rescue as part of the fire department transition and that portion of the lease was paid in full. The remaining equipment is recorded in the City's capital assets at \$1,150,578 with accumulated depreciation of \$979,800. The revised annual installments are \$152,482 and will continue through January 2024.

The following table presents minimum future payments for governmental activities financed purchases as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2023	152,482
2024	152,482
Total minimum lease payments	\$ 304,964
Less: amount representing interest	(7,827)
Present value of minimum lease payments	\$ 297,137

NOTE VI – LONG-TERM OBLIGATIONS (Continued)**2004 Revenue Loans**

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

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

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

Year Ending <u>December-31</u>	Business-type activities		
	Principal	Interest & Admin Fees	Total
2023	\$ 3,155,272	\$ 397,382	\$ 3,552,654
2024	3,251,699	294,059	3,545,758
2025	2,967,778	(44,750)	2,923,028
Total	\$ <u>9,374,749</u>	\$ <u>646,691</u>	\$ <u>10,021,440</u>

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

Compensated Absences

Accrued compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund. Accrued compensated absences of the business-type activities are expected to be liquidated with revenues of the Sewer and Storm Drainage Enterprises.

NOTE VI – LONG-TERM OBLIGATIONS (Continued)

Long-term liability activity for the year ended December 31, 2022, was as follows:

	Beginning Balance (1)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Financed Purchases					
Communications Equipment	\$ 441,881	\$ -	\$ (144,744)	\$ 297,137	\$ 147,279
Museum Building	1,055,000	-	(1,055,000)	-	-
Museum Building premium	36,539	-	(36,539)	-	-
Lease Payable	549,737	-	(47,737)	502,000	58,673
Compensated absences	1,435,949	2,412,811	(2,311,677)	1,537,083	188,341
Governmental activity					
Long-term liabilities	<u>\$ 3,519,106</u>	<u>\$ 2,412,811</u>	<u>\$ (3,595,697)</u>	<u>\$ 2,336,220</u>	<u>\$ 394,293</u>
Business-type Activities:					
Direct Placements & Borrowings					
Assignment Certificate, 2011	\$ 615,000	\$ -	\$ (200,000)	\$ 415,000	\$ 205,000
Revenue loan payable, 2004	12,438,953	-	(3,064,204)	9,374,749	3,155,272
Revenue loan premium	51,148	-	(15,343)	35,805	-
Total assignments & revenue loans	<u>13,105,101</u>	<u>-</u>	<u>(3,279,547)</u>	<u>9,825,554</u>	<u>3,360,272</u>
Compensated absences	<u>37,909</u>	<u>63,762</u>	<u>(57,915)</u>	<u>43,756</u>	<u>5,740</u>
Business-type activity					
Long-term liabilities	<u>\$ 13,143,010</u>	<u>\$ 63,762</u>	<u>\$ (3,337,462)</u>	<u>\$ 9,869,310</u>	<u>\$ 3,366,012</u>

(1) The beginning balance of this footnote was restated due to the implementation of GASB Statement No. 87. Note that there was no restatement of overall net position, however, due to the offset of the leased asset with the lease liability. As a result of implementation of GASB 87 *Leases* \$549,737 in lease liabilities for leases of equipment, vehicles and grounds was added to the long-term debt schedule above.

NOTE VII – EMPLOYEE RETIREMENT PLANS

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

Money purchase pension plan – general employees

All full-time regular city employees (except police officers) are required to participate in a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). Under this plan, 5% of the employee's regular salary is withheld and contributed to the plan. The City contributed 7% in 2022. The employee is 100% vested in his or her contribution and earns a 100% vested right to the City contributions after five years of service at the rate of 20% per year. A Board of Trustees governs the plan and employees may choose from various investment options offered by ICMA, the plans administrator. The City Council has authority to change the contributions and other provisions. The employee's contributions to this plan for December 31, 2022 and December 31, 2021 were \$846,210 and \$725,194, with the City's pension expense being \$1,191,797 and \$1,014,181, respectively.

City contributions and interest forfeited by employees who leave employment before five years of service are used first for administrative charges and second to reduce the City's current period contribution requirement. During 2022, no forfeitures were used to offset pension expense.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)**Money purchase pension plans – police employees**

The City provides pension benefits for sworn police officers hired before October 14, 2018 through defined contribution money purchase plans. Participants are fully vested after five years of continuous service at the rate of 20% per year. Both the City and the covered employees contribute an amount equal to 10% of the covered employee's base salary. A Board of Trustees governs the plan, but recordkeeping and asset management are performed Empower. The City has no liability for these plans beyond its current annual contributions. The City Council has authority to establish contribution requirements and other provisions. The employee and employer contributions to this plan for December 31, 2022 and December 31, 2021 were \$290,289 and \$282,827, respectively.

City contributions and interest forfeited by employees who leave employment before five years of service are used first for administrative charges and second to reduce the City's current period contribution requirement. During 2022, no forfeitures were used to offset pension expense.

Defined benefit pension plans – police employees

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

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

Statewide Defined Benefit Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple – employer defined benefit pension plan. The SWDB plan became effective January 1, 1980 and as of December 31, 2021 has 244 participating employer fire and police departments. The SWDB plan is administered by FPPA.

Employers once had the option to elect to withdraw from the SWDB plan, but a change in state statutes permitted no further withdrawals after January 1, 1988 unless the employer elects into and is determined to be eligible to participate in the Statewide Money Purchase Plan. In 2003, legislation was enacted to allow departments who cover their firefighters and police officers in money purchase plans to elect coverage under the FPPA Defined Benefit System.

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

Benefits provided. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, members with a combined age and years of service totaling 80 or more, with a minimum age of 50, will also qualify for normal retirement pension.

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

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

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP but must terminate employment within 5 years of entry into DROP. The member's participating percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2021 was \$108,384,487. This amount was not included in the SWDB Plan net position.

Contributions. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2022 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20 percent. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 20 percent.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The member contribution rate as of December 31, 2022 for members hired prior to October 2018 was 10% and the City's contribution rate was 13%. For members hired after October 2018, the member contribution rate as of December 31, 2022 was 12% and the City's contribution rate was 9%. Contributions to the SWDB plan from the City were \$453,205 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported an asset of \$3,061,839 for its proportionate share of the SWDB net pension asset. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at January 1, 2022. At December 31, 2021, the City's proportion was 0.56 percent, which was a decrease from its 0.76 percent proportion of net liability measured as of December 31, 2020.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

For the year ended December 31, 2022, the City recognized pension credit of \$772,640. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 876,766	\$ 71,411
Net difference between projected and actual earnings on pension plan investments	-	2,049,155
Changes in assumptions	436,640	-
Changes in proportion	-	473,642
City contributions subsequent to the measurement date	453,205	-
	\$ 1,766,611	\$ 2,594,208

The \$453,205 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2023	\$ (388,683)
2024	(600,643)
2025	(386,300)
2026	(189,212)
2027	70,297
Thereafter	213,740
	\$ (1,280,802)

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contribution
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return *	7.0%	7.0%
Projected salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

For determining the total pension 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 the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement 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 percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected 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 liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under

Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset), calculated using a discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (6.0%)	Single Discount Rate Assumption (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability (asset)	\$ (422,247)	\$ (3,061,839)	\$ (5,248,594)

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

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)*Statewide Hybrid Plan*

Plan description. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple employer defined benefit pension plan covering full-time firefighters and police officers from departments that elect coverage. The SWH plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The SWH plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. As of December 31, 2021, the SWH plan has 46 participating employer departments. Employers may not withdraw from the SWH plan once affiliated.

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

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

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

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

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's participating percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit

with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2020 was \$856,664. This amount was not included in the SWH Plan net position.

Contributions. The SWH plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.8 percent. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.8 percent. Effective July 1, 2021, the Defined Benefit Component contribution rate was 14.1 percent.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

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

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

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

Contributions to the SWH plan from the City were \$41,673 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported an asset of \$879,584 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at January 1, 2022. At December 31, 2021, the City's proportion was 2.32 percent, which was an increase from its 2.22 percent proportion of net liability measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized a pension credit of \$166,994. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 175,668	-
Net difference between projected and actual earnings on pension plan investments	-	249,175
Change in assumptions	21,639	-
Changes in proportion	-	279,312
City contributions subsequent to the measurement date	41,673	-
	\$ 238,980	\$ 528,487

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

The \$41,673 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2023	\$ (82,821)
2024	(115,148)
2025	(109,205)
2026	(22,822)
2027	154
Thereafter	(1,337)
	\$ (331,179)

Actuarial assumptions. The actuarial valuations for the SWH – Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contribution
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return *	7.0%	7.0%
Projected salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension 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 the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement 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.

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

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

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA's Board of Director's funding policy, which established the contractually required rates under Colorado statutes. Based on those assumptions, the SWH – Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability (asset), calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability (asset)	\$ (671,161)	\$ (879,584)	\$ (1,053,608)

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

Statewide Money Purchase plan – police employees

FPPA offers a statewide money purchase plan for fire and police employees. This plan is a defined contribution plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. Under this plan, 10% of the employee's regular salary was withheld and contributed to the plan. The City contributes 12%. The employee is 100% vested in his or her contribution and earns a 100% vested right to the City contributions after five years of service at the rate of 20% per year. The employee's contributions to this plan for December 31, 2022 and December 31, 2021 were \$10,127 and \$9,897, with the City's contributions and pension expense being \$12,153 and \$11,876 respectively.

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

NOTE VII – EMPLOYEE RETIREMENT PLANS (Continued)

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

Deferred compensation

A deferred compensation plan under Section 457 of the Internal Revenue Code is available for voluntary employee contributions. Under this plan, all employees may make voluntary contributions in accordance with Internal Revenue Service limitations. In July 2014, an amendment to the plan was made to allow for a city match of the employee's contribution, limited to 2% of the employee's regular salary. In response to budget reductions due to COVID-19 in 2020, the city's 2% match was suspended indefinitely. In 2022, the city's match up to 2% of the employee's contribution was reinstated for police employees beginning in December 2022 with a retroactive payment to 2020. In accordance with the plan, distribution is not available to employees until termination, retirement, disability, death or unforeseen emergency. All assets are held for the exclusive benefit of the employees. This plan is administered by Empower. The employee's contributions to this plan for December 31, 2022 and December 31, 2021 were \$956,791 and \$884,778, with the City's pension expense being \$79,345 and \$60,851, respectively. The City Council has authority to establish contribution requirements and other provisions.

Aggregate Pension Asset

The City's aggregate pension asset for all plans for the year ended December 31, 2022 are \$3,941,423.

NOTE VIII – JOINT VENTURE

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

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

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

NOTE IX – RISK MANAGEMENT

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

The Property and Liability Insurance Fund provides coverage for up to a maximum of \$50,000 for each general and auto liability claim and \$5,000 for each property damage claim. The City purchases insurance from CIRSA for claims in excess of coverage provided by the Property and Liability Insurance Fund and for all other risks of loss. All city funds participate in the insurance program. There have been no significant changes in insurance coverage in 2022 as compared to prior periods.

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

NOTE IX – RISK MANAGEMENT (Continued)

The Employee Insurance Fund includes Accidental Death and Dismemberment, Long-Term Disability and Life Insurance coverage provided by commercial carriers as well as self insurance plans for health, workers compensation and unemployment coverage. Outside administrators monitor individual employee claims and negotiate excess coverage insurance policies. Excess coverage health insurance policies are purchased to cover individual incident claims in excess of \$150,000. The City pays all unemployment insurance claims as a reimbursable employer with the State of Colorado. The city provides compensation for work-related injuries and disabilities as mandated by federal law through self-funded workers compensation coverage. The City is self-insured for Workers Compensation and has a stop loss limit of \$500,000. Settled benefit claims did not exceed the individual yearly claims limit for the last three years. Liabilities are reported when it is possible that a loss has occurred and the amount of the loss can be reasonably estimated. Changes in the balances of claims liabilities, as provided by outside administrators, during the year ended December 31, 2022 are as follows:

	<u>Employee Insurance Fund</u>		<u>Property and Liability Insurance Fund</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Unpaid claims and reserve for incurred but not reported claims-beginning of year	\$ 659,755	\$ 303,390	\$ 119,695	\$ 55,856
Incurred claims and reserve estimates	4,788,784	5,213,487	200,930	552,896
Claim payments	<u>(4,931,935)</u>	<u>(4,857,122)</u>	<u>(225,448)</u>	<u>(489,057)</u>
Unpaid claims and reserve for incurred but not reported claims-end of year	\$ <u>516,604</u>	\$ <u>659,755</u>	\$ <u>95,177</u>	\$ <u>119,695</u>

The unpaid claims and reserve for incurred but not reported claims-end of year are reported in accounts payable and other current liabilities on the Statement of Net Position.

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

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

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

Litigation

Various suits and claims are pending against the City as of December 31, 2022. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that adequate insurance coverage exists in situations where monetary damages are claimed and that the final settlements of these matters will not materially affect the financial statements of the City.

Tax, Spending and Debt Limitations

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

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

NOTE X – COMMITMENTS AND CONTINGENCIES (Continued)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The TABOR Emergency Reserve at December 31, 2022 was \$1,825,578. The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

Voter-approved revenue changes are dollar amounts that are exceptions to, and not part of, the City's base for purposes of calculating fiscal year spending under TABOR. In order to collect, retain, and spend revenues in excess of the above-referenced limit in 1994, 2000, 2002, 2008 and 2016, the City submitted to its electors, and received voter approval, to retain and spend certain revenues received during 1994 and 1995, 1999 through 2001, 2002 through 2004, 2008, and 2016 respectively, for specific purposes as set forth in the approved election questions. There was no TABOR excess in 2022.

Encumbrances

Encumbrance commitments for the City at year-end total \$29,082,374. Encumbrances were formally adopted by the City Council as carryforward appropriations into the 2023 Budget in March 2023.

	Total Encumbrances	Governmental Funds					Proprietary Funds		
		Gen Govt	Public Safety	Hwys & Streets	Welfare	Culture & Rec	Sewer	Storm	Internal Services
General	\$ 832,838	\$ 543,665	\$ 12,533	\$ 169,574	\$ -	\$ 107,066	\$ -	\$ -	\$ -
Capital Projects	7,855,607	\$ 878,407	\$ 43,210	\$ 6,933,990	-	-	-	-	-
Grants	16,562,451	7,994,610	999,962	\$ 7,567,879	-	-	-	-	-
Open Space	189,965	75,278	-	-	-	114,687	-	-	-
Non-major funds	672,535	\$ 448,493	-	\$ 75,731	-	148,311	-	-	-
Sewer Utility	2,452,028	-	-	-	-	-	2,452,028	-	-
Storm Drainage	453,808	-	-	-	-	-	-	453,808	-
Internal Service fund	63,142	-	-	-	-	-	-	-	63,142
	<u>\$ 29,082,374</u>	<u>\$ 9,940,453</u>	<u>\$ 1,055,705</u>	<u>\$ 14,747,174</u>	<u>\$ -</u>	<u>\$ 370,064</u>	<u>\$ 2,452,028</u>	<u>\$ 453,808</u>	<u>\$ 63,142</u>

Construction contracts

The City has active construction projects as of December 31, 2022. All construction contracts are included in the encumbrances listed above. At year end, the City's construction commitments are as follows:

<u>Project</u>	<u>Fund</u>	<u>Expenditures- to-Date</u>	<u>Remaining Commitment</u>
Traffic Signal Project	Capital Projects	\$ 127,234	\$ 873,838
Santa Fe & Mineral Improvements	Grant Fund	1,253,239	773,383
Windermere Bridge Rehabilitation	Capital Projects	199,339	81,497
Broadway Corridor Study	Grant Fund/3A Capital Fund	97,724	902,276
2022 Sanitary Sewer Interceptor Rehabilitation Project	Sewer	1,690,563	42,429
2022 Sanitary Sewer Replacement Project	Sewer	89,694	196,353
2021 Pavement Management Design	Open Space	12,453	68,632
Littleton City Center	Impact Fee Fund	904,934	110,231
2022 Local Street Resurfacing & Maintenance	Capital Projects	864	745,611
Totals		<u>\$ 4,376,043</u>	<u>\$ 3,794,250</u>

NOTE XI – PLEDGED REVENUES

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$9,374,749 in outstanding sewer system revenues bonds. Proceeds from the bonds provided financing for the expansion and upgrade to the wastewater treatment plant owned and operated with the City of Englewood. The bonds are payable solely from the sewer customer net

NOTE XI – PLEDGED REVENUES (Continued)

revenues and are payable through 2025. The total pledged revenue cannot be estimated in comparison to pledged debt in that revenues are uncertain as to future amounts. In the event that annual principal and interest payments on the bonds are expected to require more than available net revenues of which, cash reserve will be used. The total principal and interest remaining to be paid on the bonds at December 31, 2022 is \$10,021,440. Principal and interest paid for the current year (net of refunding credits) and total customer net revenues were \$3,270,000 and \$6,751,000, respectively.

NOTE XII ADOPTION OF NEW ACCOUNTING STANDARDS

In June 2017 the GASB issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the underlying right-to-use asset. Under this standard a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective December 31, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the City reporting a right-to-use asset and a lease liability disclosed in Notes VI and V.

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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Photo by Gary Holbrook

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**2022 Annual
Comprehensive Financial
Report**

**Required Supplementary
Information
(RSI)**

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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City of Littleton, Colorado
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For The Year Ended December 31, 2022

	Budget Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 2,137,571	\$ 2,137,571	\$ 2,131,318	\$ (6,253)
Sales and use	37,592,348	37,592,348	43,737,162	6,144,814
Specific ownership tax	137,882	137,882	136,598	(1,284)
Cigarette Tax	208,000	208,000	153,741	(54,259)
Franchise	2,339,992	2,339,992	2,649,772	309,780
Licenses and permits	1,765,810	1,765,810	1,151,654	(614,156)
Intergovernmental	932,220	932,220	1,007,288	75,068
Charges for services	1,342,000	1,342,000	904,905	(437,095)
Fines and forfeitures	325,000	325,000	184,626	(140,374)
Investment earnings	254,716	254,716	(774,406)	(1,029,122)
Miscellaneous	1,038,150	1,038,150	1,024,444	(13,706)
Total revenues	48,073,689	48,073,689	52,307,102	4,233,413
EXPENDITURES				
General Government:				
City council	327,881	338,066	263,755	74,311
City attorney	946,570	1,001,570	847,068	154,502
City manager	964,236	1,134,036	1,076,583	57,453
Communications and marketing	1,242,381	1,277,766	1,213,509	64,257
Economic development	490,118	595,508	426,809	168,699
Finance	1,675,000	1,675,000	1,464,622	210,378
Information technology	2,496,841	2,608,709	2,490,213	118,496
City clerk	313,300	313,300	241,281	72,019
Municipal court	892,879	892,879	911,595	(18,716)
Human resources	1,476,021	1,500,701	1,295,187	205,514
Public works	2,626,586	2,638,429	2,550,700	87,729
Community development	2,788,916	2,819,724	2,299,839	519,885
General operations	3,639,479	4,325,913	3,790,716	535,197
Public Safety:				
Police	15,335,873	15,633,539	16,160,978	(527,439)
Highways and Streets:				
Public works	5,363,619	5,660,916	5,272,232	388,684
Welfare:				
City clerk	150,000	150,000	100,086	49,914
Culture and Recreation:				
Public works	1,028,365	1,132,922	1,034,709	98,213
Library and museum	4,298,292	4,917,180	4,712,717	204,463
Total current expenditures	46,056,357	48,616,158	46,152,599	2,463,559
Capital outlay	5,800	85,100	207,965	(122,865)
Total expenditures	46,062,157	48,701,258	46,360,564	2,340,694
Excess (deficiency) of revenues over (under) expenditures	2,011,532	(627,569)	5,946,538	6,574,107
OTHER FINANCING USES				
Transfers out	(3,280,903)	(3,280,903)	(3,280,903)	-
Total other financing uses	(3,280,903)	(3,280,903)	(3,280,903)	-
Net change in fund balance	(1,269,371)	(3,908,472)	2,665,635	6,574,107
Fund balances - beginning	10,609,081	18,126,373	18,126,373	-
Fund balances - ending	\$ 9,339,710	\$ 14,217,901	\$ 20,792,008	\$ 6,574,107

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Required Supplementary Information
Budgetary Comparison Schedule
Grants Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 6,428,045	\$ 22,270,968	\$ 3,345,697	\$ (18,925,271)
Total revenues	<u>6,428,045</u>	<u>22,270,968</u>	<u>3,345,697</u>	<u>(18,925,271)</u>
EXPENDITURES				
General government	-	5,545,569	844,735	4,700,834
Public safety	100,000	100,000	404,619	(304,619)
Highways and streets	-	133,800	822	132,978
Culture and recreation	15,000	162,758	153,738	9,020
Capital outlay	6,313,045	14,828,841	1,941,783	12,887,057
Total expenditures	<u>6,428,045</u>	<u>20,770,968</u>	<u>3,345,697</u>	<u>17,425,271</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,500,000	-	(1,500,000)
OTHER FINANCING USES				
Transfers out	-	(1,500,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	(1,500,000)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Required Supplementary Information
Open Space Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 1,689,237	\$ 1,689,237	\$ 1,686,231	\$ (3,006)
Investment earnings	45,997	45,997	(257,044)	(303,041)
Miscellaneous	8,264	8,264	8,264	-
Total revenues	<u>1,743,498</u>	<u>1,743,498</u>	<u>1,437,451</u>	<u>(306,047)</u>
EXPENDITURES				
Culture and recreation	400,367	400,367	447,897	(47,530)
Capital outlay	<u>2,120,000</u>	<u>3,018,090</u>	<u>2,225,000</u>	<u>793,090</u>
Total expenditures	<u>2,520,367</u>	<u>3,418,457</u>	<u>2,672,897</u>	<u>745,560</u>
Net change in fund balance	(776,869)	(1,674,959)	(1,235,446)	439,513
Fund balances - beginning	<u>3,066,463</u>	<u>4,241,466</u>	<u>4,241,466</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,289,594</u></u>	<u><u>\$ 2,566,507</u></u>	<u><u>\$ 3,006,020</u></u>	<u><u>\$ 439,513</u></u>

See the accompanying Independent Auditor's Report

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability (asset)	0.56%	0.76%	0.80%	0.80%	N/A
City's proportionate share of the net pension liability (asset)	\$ (3,061,839)	\$ (1,641,764)	\$ (453,030)	\$ 1,009,043	\$ -
City's covered payroll	\$ 4,489,292	\$ 4,398,228	\$ 4,066,284	\$ 713,174	\$ -
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-68.20%	-37.33%	-11.14%	141.49%	N/A
Plan fiduciary net position as a percentage of the total pension liability	116.20%	106.70%	101.90%	95.20%	106.30%

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

* Information not currently available for prior years; additional years will be displayed as they become available.

There are no assets accumulated in a trust for payment of benefits.

There were no factors that significantly affected trends in the determination of the City's proportionate share of the net pension liability (asset). Actuarial assumptions have remained consistent throughout the years presented above and agree to the current actuarial assumptions that are disclosed within Note VII.

Note: Police employees became members of the FPPA pension group effective October 15, 2018.

See the accompanying Independent Auditor's Report

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 453,205	\$ 389,459	\$ 504,585	\$ 472,304	\$ 84,286
Contributions in relation to the statutorily required contribution	<u>(453,205)</u>	<u>(389,459)</u>	<u>(504,585)</u>	<u>(472,304)</u>	<u>(84,286)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,957,046	\$ 4,489,292	\$ 4,398,228	\$ 4,066,284	\$ 713,174
Contributions as a percentage of covered payroll	9.14%	8.68%	11.47%	11.62%	11.82%

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

* Information not currently available for prior years; additional years will be displayed as they become available.

Note: Police employees became members of the FPPA pension group effective October 15, 2018.

See the accompanying Independent Auditor's Report

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability (asset)	2.32%	2.22%	2.78%	2.21%	N/A
City's proportionate share of the net pension liability (asset)	\$ (879,584)	\$ (611,280)	\$ (442,935)	\$ (305,216)	\$ -
City's covered payroll	\$ 327,767	\$ 326,657	\$ 302,744	\$ 56,476	\$ -
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	268.36%	187.13%	146.31%	540.43%	N/A
Plan fiduciary net position as a percentage of the total pension liability	149.01%	137.99%	130.06%	123.46%	138.86%

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

* Information not currently available for prior years; additional years will be displayed as they become available.

There are no assets accumulated in a trust for payment of benefits.

There were no factors that significantly affected trends in the determination of the City's proportionate share of the net pension liability (asset). Actuarial assumptions have remained consistent throughout the years presented above and agree to the current actuarial assumptions that are disclosed within Note VII.

Note: Police employees became members of the FPPA pension group effective October 15, 2018.

See the accompanying Independent Auditor's Report

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 41,673	\$ 39,332	\$ 39,199	\$ 36,297	\$ 6,777
Contributions in relation to the statutorily required contribution	<u>(41,673)</u>	<u>(39,332)</u>	<u>(39,199)</u>	<u>(36,297)</u>	<u>(6,777)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 347,277	\$ 327,767	\$ 326,657	\$ 302,744	\$ 56,476
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	11.99%	12.00%

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

* Information not currently available for prior years; additional years will be displayed as they become available.

Note: Police employees became members of the FPPA pension group effective October 15, 2018.

See the accompanying Independent Auditor's Report

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE I – BUDGETARY INFORMATION

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

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

Public hearings are conducted to obtain citizen comments.

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

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

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

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

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

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

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

Budgets for the General, Special Revenue, Capital Project and Internal Service Funds are adopted and presented on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the enterprise funds are adopted on a basis consistent with GAAP except that bond proceeds are treated as other financing sources, capital outlay and debt service are treated as expenditures, and depreciation and capital contributions are not budgeted. This is in accordance with Colorado budget law.

The Geneva Village Fund and the Employee Insurance Fund were in excess of appropriated expenses in 2022. This may be in violation of state statutes and of the city ordinance.



Photo by Peggy Dietz

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**2022 Annual
Comprehensive Financial
Report**

**Combining and Individual
Fund Statements
and Schedules**

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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City of Littleton, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Conservation Trust Fund	Consolidated Special Revenue Fund	Impact Fee Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 451,911	\$ 1,402,844	\$ 3,147,972	\$ 5,002,727
Receivables	-	9,463	-	9,463
Prepays	-	-	13,434	13,434
Restricted cash and investments	-	22,060	-	22,060
Total assets	<u>\$ 451,911</u>	<u>\$ 1,434,367</u>	<u>\$ 3,161,406</u>	<u>\$ 5,047,684</u>
LIABILITIES				
Accounts payable and other liabilities	\$ -	\$ -	\$ 233,539	\$ 233,539
Total liabilities	<u>-</u>	<u>-</u>	<u>233,539</u>	<u>233,539</u>
FUND BALANCES				
Nonspendable	-	-	13,434	13,434
Restricted	451,911	22,060	2,914,433	3,388,404
Assigned	-	1,412,307	-	1,412,307
Total fund balances	<u>451,911</u>	<u>1,434,367</u>	<u>2,927,867</u>	<u>4,814,145</u>
Total liabilities and fund balances	<u>\$ 451,911</u>	<u>\$ 1,434,367</u>	<u>\$ 3,161,406</u>	<u>\$ 5,047,684</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2022

	Conservation Trust Fund	Consolidated Special Revenue Fund	Impact Fee Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 39,518	\$ -	\$ 39,518
Intergovernmental	291,175	-	-	291,175
Charges for services	-	-	350,730	350,730
Fines and forfeitures	-	46,892	-	46,892
Investment earnings	(29,216)	(83,822)	(144,901)	(257,939)
Miscellaneous	-	1,244,188	-	1,244,188
Total revenues	<u>261,959</u>	<u>1,246,776</u>	<u>205,829</u>	<u>1,714,564</u>
EXPENDITURES				
General government	-	43,669	20,487	64,156
Public safety	-	12,948	-	12,948
Highways and streets	-	-	3,457	3,457
Culture and recreation	134,548	-	-	134,548
Debt Service:				
Principal	3,645	-	-	3,645
Interest	17,878	-	-	17,878
Capital outlay	-	10,099	1,273,411	1,283,510
Total expenditures	<u>156,071</u>	<u>66,716</u>	<u>1,297,355</u>	<u>1,520,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,888</u>	<u>1,180,060</u>	<u>(1,091,526)</u>	<u>194,422</u>
Net change in fund balance	105,888	1,180,060	(1,091,526)	194,422
Fund balances - beginning	<u>346,023</u>	<u>254,307</u>	<u>4,019,393</u>	<u>4,619,723</u>
Fund balances - ending	<u>\$ 451,911</u>	<u>\$ 1,434,367</u>	<u>\$ 2,927,867</u>	<u>\$ 4,814,145</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Capital Projects Funds
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,087,536	\$ (412,464)
Intergovernmental	1,470,567	1,470,567	1,495,399	24,832
Investment earnings	43,403	43,403	(248,537)	(291,940)
Miscellaneous	-	-	440,091	440,091
Total revenues	<u>3,013,970</u>	<u>3,013,970</u>	<u>2,774,489</u>	<u>(239,481)</u>
EXPENDITURES				
Current:				
General government	885,539	942,742	584,778	357,964
Public safety	100,000	369,023	150,721	218,302
Highways and streets	667,000	927,275	868,620	58,655
Debt Service:				
Principal	1,199,744	1,199,744	1,199,744	-
Interest	39,387	39,387	39,387	-
Capital outlay	<u>4,936,067</u>	<u>8,925,460</u>	<u>4,134,312</u>	<u>4,791,148</u>
Total expenditures	<u>7,827,737</u>	<u>12,403,631</u>	<u>6,977,562</u>	<u>5,426,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,813,767)</u>	<u>(9,389,661)</u>	<u>(4,203,073)</u>	<u>5,186,588</u>
OTHER FINANCING SOURCES				
Transfers in	3,177,500	3,177,500	3,177,500	-
Proceeds from sale of capital assets	<u>100,000</u>	<u>100,000</u>	<u>74,490</u>	<u>(25,510)</u>
Total other financing sources	<u>3,277,500</u>	<u>3,277,500</u>	<u>3,251,990</u>	<u>(25,510)</u>
Net change in fund balance	(1,536,267)	(6,112,161)	(951,083)	5,161,078
Fund balances - beginning	<u>2,893,511</u>	<u>6,583,344</u>	<u>6,583,344</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,357,244</u>	<u>\$ 471,183</u>	<u>\$ 5,632,261</u>	<u>\$ 5,161,078</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
3A Capital Improvement Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ -	\$ 8,821,000	\$ 10,917,357	\$ 2,096,357
Intergovernmental	-	-	-	-
Investment earnings	-	-	(512,601)	(512,601)
Miscellaneous	-	-	-	-
Total revenues	-	8,821,000	10,404,756	1,583,756
EXPENDITURES				
Highways and streets	-	178,750	139,565	39,185
Capital outlay	-	2,219,000	19,545	2,199,454
Total expenditures	-	2,397,750	159,110	2,238,639
Net change in fund balance	-	6,423,250	10,245,646	3,822,396
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 6,423,250	\$ 10,245,646	\$ 3,822,396

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 291,175	\$ 41,175
Investment earnings	4,448	4,448	(29,216)	(33,664)
Miscellaneous	-	-	-	-
Total revenues	<u>254,448</u>	<u>254,448</u>	<u>261,959</u>	<u>7,511</u>
EXPENDITURES				
Culture and recreation	143,449	143,449	134,548	8,901
Debt Service:				
Principal	-	-	3,645	(3,645)
Interest	-	-	17,878	(17,878)
Capital outlay	260,000	260,000	-	260,000
Total expenditures	<u>403,449</u>	<u>403,449</u>	<u>156,071</u>	<u>247,378</u>
Net change in fund balance	(149,001)	(149,001)	105,888	254,889
Fund balances - beginning	<u>277,999</u>	<u>346,023</u>	<u>346,023</u>	<u>-</u>
Fund balances - ending	<u>\$ 128,998</u>	<u>\$ 197,022</u>	<u>\$ 451,911</u>	<u>\$ 254,889</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Consolidated Special Revenue Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 50,000	\$ 50,000	\$ 39,518	\$ (10,482)
Charges for services	100	100	-	(100)
Fines and forfeitures	70,000	70,000	46,892	(23,108)
Investment earnings	2,830	2,830	(83,822)	(86,652)
Miscellaneous	1,800	1,800	1,244,188	1,242,388
Total revenues	<u>124,730</u>	<u>124,730</u>	<u>1,246,776</u>	<u>1,122,046</u>
EXPENDITURES				
General government	56,440	21,202	43,669	(22,467)
Public safety	162,720	162,720	12,948	149,772
Culture and recreation	34,350	34,350	-	34,350
Capital outlay	-	35,238	10,099	25,139
Total expenditures	<u>253,510</u>	<u>253,510</u>	<u>66,716</u>	<u>186,794</u>
Net change in fund balance	(128,780)	(128,780)	1,180,060	1,308,840
Fund balances - beginning	<u>145,855</u>	<u>254,307</u>	<u>254,307</u>	<u>-</u>
Fund balances - ending	<u>\$ 17,075</u>	<u>\$ 125,527</u>	<u>\$ 1,434,367</u>	<u>\$ 1,308,840</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Impact Fees Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 477,741	\$ 477,741	\$ 350,730	\$ (127,011)
Investment earnings	48,009	48,009	(144,901)	(192,910)
Total revenues	<u>525,750</u>	<u>525,750</u>	<u>205,829</u>	<u>(319,921)</u>
EXPENDITURES				
General government	-	-	20,487	(20,487)
Highways and streets	-	-	3,457	(3,457)
Capital outlay	845,000	3,037,042	1,273,411	1,763,631
Total expenditures	<u>845,000</u>	<u>3,037,042</u>	<u>1,297,355</u>	<u>1,739,687</u>
Net change in fund balance	(319,250)	(2,511,292)	(1,091,526)	1,419,766
Fund balances - beginning	<u>3,200,621</u>	<u>4,019,393</u>	<u>4,019,393</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,881,371</u>	<u>\$ 1,508,101</u>	<u>\$ 2,927,867</u>	<u>\$ 1,419,766</u>

See the accompanying Independent Auditor's Report

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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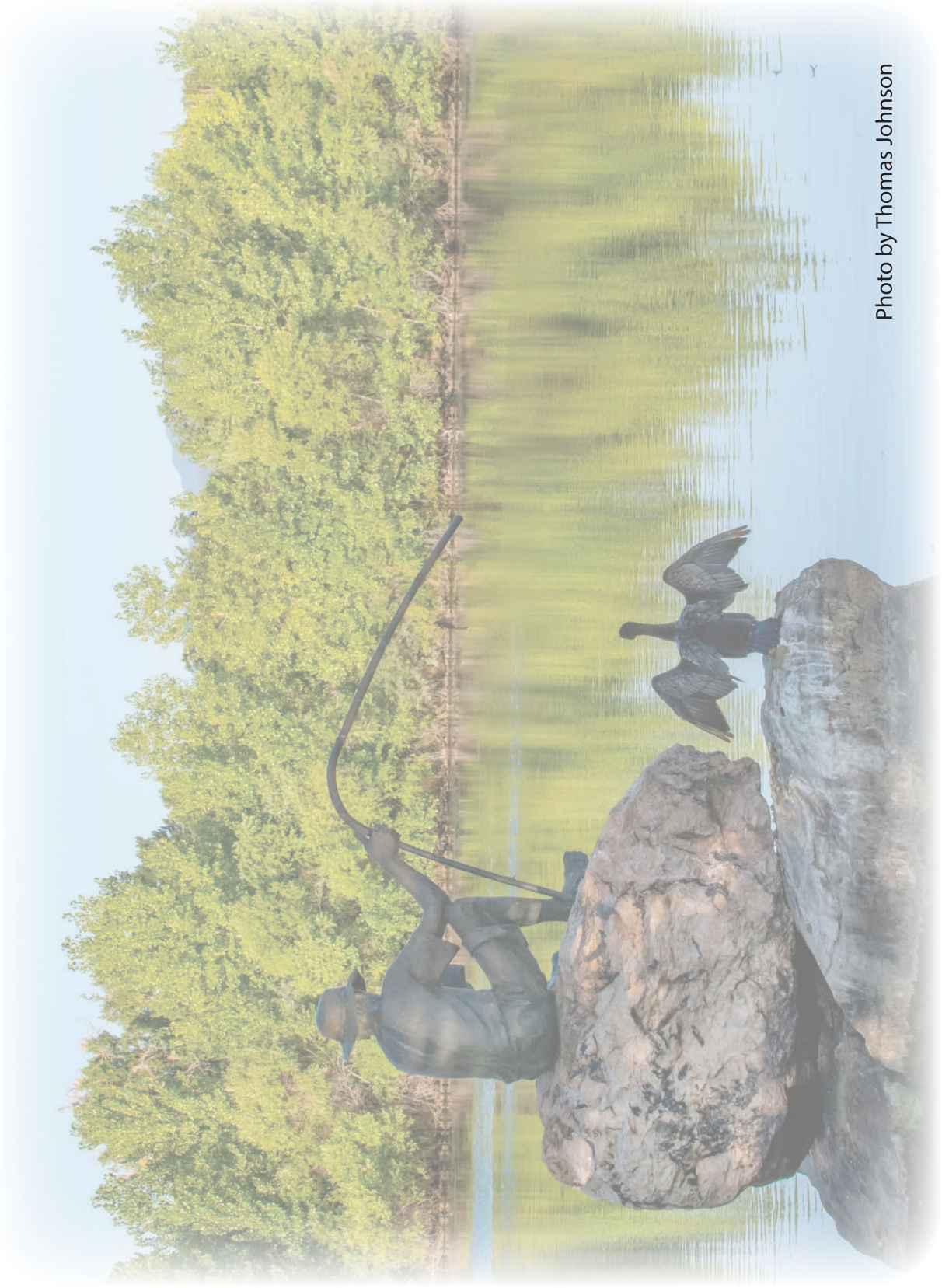


Photo by Thomas Johnson

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City of Littleton, Colorado
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2022

	Geneva Village Fund	Building Authority Fund	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 101,425	\$ -	\$ 101,425
Total current assets	<u>101,425</u>	<u>-</u>	<u>101,425</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	-	331	331
Capital assets:			
Land	70,408	380,663	451,071
Buildings and systems	429,318	2,965,288	3,394,606
Improvements other than buildings	-	65,740	65,740
Machinery and equipment	-	166,690	166,690
Less accumulated depreciation	(268,751)	(1,616,218)	(1,884,969)
Total capital assets (net of accumulated depreciation)	<u>230,975</u>	<u>1,962,163</u>	<u>2,193,138</u>
Total noncurrent assets	<u>230,975</u>	<u>1,962,494</u>	<u>2,193,469</u>
Total assets	<u>\$ 332,400</u>	<u>\$ 1,962,494</u>	<u>\$ 2,294,894</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	\$ 16,610	\$ -	\$ 16,610
Accrued interest payable	-	1,733	1,733
Long-term debt payable - current	-	205,000	205,000
Total current liabilities	<u>16,610</u>	<u>206,733</u>	<u>223,343</u>
Noncurrent liabilities:			
Long-term debt payable	-	210,000	210,000
Total noncurrent liabilities	<u>-</u>	<u>210,000</u>	<u>210,000</u>
Total liabilities	<u>16,610</u>	<u>416,733</u>	<u>433,343</u>
NET POSITION			
Net investment in capital assets	230,975	1,547,163	1,778,138
Restricted for:			
Debt service	-	331	331
Unrestricted	<u>84,815</u>	<u>(1,733)</u>	<u>83,082</u>
Total net position	<u>315,790</u>	<u>1,545,761</u>	<u>1,861,551</u>
Total liabilities and net position	<u>\$ 332,400</u>	<u>\$ 1,962,494</u>	<u>\$ 2,294,894</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For The Year Ended December 31, 2022

	Geneva Village Fund	Building Authority Fund	Totals
OPERATING REVENUES			
Rental payments	\$ 84,419	\$ 220,542	\$ 304,961
Miscellaneous	139	-	139
Total operating revenues	<u>84,558</u>	<u>220,542</u>	<u>305,100</u>
OPERATING EXPENSES			
Contractual services	18,228	-	18,228
Other services and charges	148,948	-	148,948
Amortization	-	-	-
Depreciation	17,114	63,606	80,720
Total operating expenses	<u>184,290</u>	<u>63,606</u>	<u>247,896</u>
Operating income (loss)	<u>(99,732)</u>	<u>156,936</u>	<u>57,204</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	587	346	933
Debt administration costs	-	(18)	(18)
Interest charges	-	(19,705)	(19,705)
Total nonoperating revenues (expenses)	<u>587</u>	<u>(19,377)</u>	<u>(18,790)</u>
Income (loss) before transfers	(99,145)	137,559	38,414
OTHER FINANCING SOURCES			
Transfers in	103,403	-	103,403
Total other financing sources	<u>103,403</u>	<u>-</u>	<u>103,403</u>
Change in net position	4,258	137,559	141,817
Total net position - beginning	<u>311,532</u>	<u>1,408,202</u>	<u>1,719,734</u>
Total net position - ending	<u>\$ 315,790</u>	<u>\$ 1,545,761</u>	<u>\$ 1,861,551</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For The Year Ended December 31, 2022

	Geneva Village Fund	Building Authority Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 84,558	\$ 220,542	\$ 305,100
Cash paid to suppliers	(160,334)	-	(160,334)
Net cash provided (used) by operating activities	(75,776)	220,542	144,766
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in/(out)	103,403	-	103,403
Net cash used by noncapital financing activities	103,403	-	103,403
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on debt	-	(200,000)	(200,000)
Interest paid on debt	-	(20,541)	(20,541)
Debt administration costs	-	(18)	(18)
Net cash used by capital and related financing activities	-	(220,559)	(220,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	587	345	932
Net cash provided by investing activities	587	345	932
Net increase (decrease) in cash and cash equivalents	28,214	328	28,542
Cash and cash equivalents - January 1	73,211	3	73,214
Cash and cash equivalents - December 31	<u>\$ 101,425</u>	<u>\$ 331</u>	<u>\$ 101,756</u>
Reconciliation of operating income (loss) to net cash provided by (used for) for operating activities:			
Operating income (loss)	\$ (99,732)	\$ 156,936	\$ 57,204
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	17,114	63,606	80,719
Accounts payable and other current liabilities	6,842	-	6,842
Total adjustments	23,956	63,606	87,561
Net cash provided (used) by operating activities	<u>\$ (75,777)</u>	<u>\$ 220,542</u>	<u>\$ 144,765</u>
Reconciliation of cash and cash equivalents			
Unrestricted	\$ 101,425	\$ -	\$ 101,425
Restricted	-	331	331
Total cash and cash equivalents	<u>\$ 101,425</u>	<u>\$ 331</u>	<u>\$ 101,756</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Sewer Utility Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 16,313,800	\$ 16,313,800	\$ 16,311,577	\$ (2,223)
Investment earnings	324,050	324,050	(1,027,062)	(1,351,112)
Miscellaneous	93,381	93,381	222,918	129,537
Total revenues	<u>16,731,231</u>	<u>16,731,231</u>	<u>15,507,433</u>	<u>(1,223,798)</u>
EXPENDITURES				
Personnel services	1,066,930	1,133,730	1,077,733	55,997
Supplies	46,520	46,520	49,008	(2,488)
Bi-City operating costs	15,138,659	15,138,659	7,788,423	7,350,236
Contractual services	309,799	415,593	265,732	149,861
Services by General Fund	618,210	618,210	618,210	-
Other services and charges	2,499,650	2,681,739	280,601	2,401,138
Debt - Principal	3,064,204	3,064,204	3,064,204	-
Debt - Interest	244,645	244,645	175,449	69,196
Debt - Administration Costs	249,290	249,290	249,282	8
Capital outlay	1,670,500	2,106,982	2,274,629	(167,647)
Total expenditures	<u>24,908,407</u>	<u>25,699,572</u>	<u>15,843,271</u>	<u>9,856,301</u>
Excess (deficiency) of revenues over (under) expenditures	(8,177,176)	(8,968,341)	(335,838)	8,632,503
OTHER FINANCING SOURCES				
Capital contributions	1,400,000	1,400,000	1,323,520	(76,480)
Total other financing sources	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,323,520</u>	<u>(76,480)</u>
Change in net position	<u>\$ (6,777,176)</u>	<u>\$ (7,568,341)</u>	987,682	<u>\$ 8,556,023</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			2,274,629	
Change in Bi-City joint venture equity			(3,554,755)	
Debt - Principal			3,064,204	
Amortization			(15,344)	
Depreciation			(596,658)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 2,159,757</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Storm Drainage Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 2,308,730	\$ 2,308,730	\$ 2,305,799	\$ (2,931)
Investment earnings	4,934	4,934	(37,238)	(42,172)
Miscellaneous	33,892	33,892	39,249	5,357
Total revenues	<u>2,347,556</u>	<u>2,347,556</u>	<u>2,307,810</u>	<u>(39,746)</u>
EXPENDITURES				
Personnel services	427,422	427,422	245,689	181,733
Supplies	6,700	6,700	5,769	931
Contractual services	150,000	212,670	111,297	101,373
Other services and charges	300,898	250,898	282,084	(31,186)
Capital outlay	1,400,000	1,630,815	1,308,610	322,205
Total expenditures	<u>2,285,020</u>	<u>2,528,505</u>	<u>1,953,449</u>	<u>575,056</u>
Excess (deficiency) of revenues over (under) expenditures	62,536	(180,949)	354,361	535,310
OTHER FINANCING SOURCES				
Capital contributions	<u>262,500</u>	<u>262,500</u>	<u>12,453</u>	<u>(250,047)</u>
Change in net position	<u>\$ 325,036</u>	<u>\$ 81,551</u>	<u>366,814</u>	<u>\$ 285,263</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			1,308,610	
Depreciation			<u>(696,508)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 978,916</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Geneva Village Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Rental payments	\$ 92,688	\$ 92,688	\$ 84,419	\$ (8,269)
Investment earnings	500	500	587	87
Miscellaneous	150	150	139	(11)
Total revenues	<u>93,338</u>	<u>93,338</u>	<u>85,145</u>	<u>(8,193)</u>
EXPENDITURES				
Contractual services	25,000	25,000	18,228	6,772
Other services and charges	119,861	139,861	148,948	(9,087)
Capital outlay	20,000	-	-	-
Total expenditures	<u>164,861</u>	<u>164,861</u>	<u>167,176</u>	<u>(2,315)</u>
Excess (deficiency) of revenues over (under) expenditures	(71,523)	(71,523)	(82,031)	(10,508)
OTHER FINANCING SOURCES				
Transfers in	<u>103,403</u>	<u>103,403</u>	<u>103,403</u>	<u>-</u>
Change in net position	<u>\$ 31,880</u>	<u>\$ 31,880</u>	<u>21,372</u>	<u>\$ (10,508)</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			<u>(17,114)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 4,258</u>	

See the accompanying Independent Auditor's Report



Photo by Lee Mount

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City of Littleton, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

	Employee Insurance Fund	Property & Liability Insurance Fund	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 2,444,751	\$ 1,122,169	\$ 3,566,920
Receivables	5,519	19,274	24,793
Prepays	8,896	-	8,896
Total current assets	<u>2,459,166</u>	<u>1,141,443</u>	<u>3,600,609</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	112,646	-	112,646
Total noncurrent assets	<u>112,646</u>	<u>-</u>	<u>112,646</u>
Total assets	<u>\$ 2,571,812</u>	<u>\$ 1,141,443</u>	<u>\$ 3,713,255</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	\$ 90,285	\$ 42,064	\$ 132,349
Claims and judgments	516,604	95,177	611,781
Total liabilities	<u>606,889</u>	<u>137,241</u>	<u>744,130</u>
NET POSITION			
Restricted for:			
Employee benefits	112,646	-	112,646
Unrestricted	1,852,277	1,004,202	2,856,479
Total net position	<u>1,964,923</u>	<u>1,004,202</u>	<u>2,969,125</u>
Total liabilities and net position	<u>\$ 2,571,812</u>	<u>\$ 1,141,443</u>	<u>\$ 3,713,255</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For The Year Ended December 31, 2022

	Employee Insurance Fund	Property & Liability Insurance Fund	Totals
OPERATING REVENUES			
Charges for services	\$ -	\$ 852,471	\$ 852,471
Employer/employee contributions	6,346,761	-	6,346,761
Miscellaneous	69,424	-	69,424
Total operating revenues	<u>6,416,185</u>	<u>852,471</u>	<u>7,268,656</u>
OPERATING EXPENSES			
Insurance	1,393,330	545,168	1,938,498
Benefits and claims	4,788,784	200,930	4,989,714
Other services and charges	391,418	183,318	574,736
Total operating expenses	<u>6,573,532</u>	<u>929,416</u>	<u>7,502,948</u>
Operating Income (loss)	<u>(157,347)</u>	<u>(76,945)</u>	<u>(234,292)</u>
NONOPERATING REVENUES			
Investment earnings	(122,785)	(69,976)	(192,761)
Insurance recovery	-	176,355	176,355
Total nonoperating revenues	<u>(122,785)</u>	<u>106,379</u>	<u>(16,406)</u>
Change in net position	(280,132)	29,434	(250,698)
Net position - beginning	<u>2,245,055</u>	<u>974,768</u>	<u>3,219,823</u>
Net position - ending	<u>\$ 1,964,923</u>	<u>\$ 1,004,202</u>	<u>\$ 2,969,125</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For The Year Ended December 31, 2022

	Employee Insurance Fund	Property & Liability Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ -	\$ 833,197	\$ 833,197
Cash received from other funds	6,340,950	-	6,340,950
Cash paid to suppliers	(6,640,157)	(915,901)	(7,556,058)
Net cash used by operating activities	<u>(299,207)</u>	<u>(82,704)</u>	<u>(381,911)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Insurance proceeds	-	176,355	176,355
Net cash provided by capital and related financing activities	<u>-</u>	<u>176,355</u>	<u>176,355</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	(122,785)	(69,976)	(192,761)
Net cash provided by investing activities	<u>(122,785)</u>	<u>(69,976)</u>	<u>(192,761)</u>
Net decrease in cash and cash equivalents	(421,992)	23,675	(398,317)
Cash and cash equivalents - January 1	2,979,389	1,098,494	4,077,883
Cash and cash equivalents - December 31	<u>\$ 2,557,397</u>	<u>\$ 1,122,169</u>	<u>\$ 3,679,566</u>
Reconciliation of operating income (loss) to net cash used by (used for) operating activities			
Operating income (loss)	<u>\$ (157,347)</u>	<u>\$ (76,945)</u>	<u>\$ (234,292)</u>
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
<i>Changes in operating assets and liabilities</i>			
Decrease/(Increase) in current assets:			
Receivables	3,085	(19,274)	(16,189)
Prepaid items	(8,896)	-	(8,896)
Increase (decrease) in current liabilities:			
Accounts payable and other current liabilities	7,101	38,034	45,135
Claims and judgments	(143,150)	(24,519)	(167,669)
Total adjustments	<u>(141,860)</u>	<u>(5,759)</u>	<u>(147,619)</u>
Net cash used by operating activities	<u>\$ (299,207)</u>	<u>\$ (82,704)</u>	<u>\$ (381,911)</u>
Reconciliation of cash and cash equivalents			
Unrestricted	\$ 2,444,751	\$ 1,122,169	\$ 3,566,920
Restricted	112,646	-	112,646
Total cash and cash equivalents	<u>\$ 2,557,397</u>	<u>\$ 1,122,169</u>	<u>\$ 3,679,566</u>

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Employee Insurance Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Employer/employee contributions	\$ 5,618,303	\$ 5,618,303	\$ 6,346,761	\$ 728,458
Miscellaneous	60,310	60,310	69,424	9,114
Investment earnings	36,357	36,357	(122,785)	(159,142)
Total revenues	<u>5,714,970</u>	<u>5,714,970</u>	<u>6,293,400</u>	<u>578,430</u>
EXPENDITURES				
Insurance	1,188,570	1,188,570	1,393,330	(204,760)
Benefits and claims	4,356,859	4,356,859	4,931,936	(575,077)
Other services and charges	380,847	380,847	391,418	(10,571)
Total expenditures	<u>5,926,276</u>	<u>5,926,276</u>	<u>6,716,684</u>	<u>(790,408)</u>
Change in net position	<u>\$ (211,306)</u>	<u>\$ (211,306)</u>	(423,284)	<u>\$ (211,978)</u>
ADJUSTMENTS TO GAAP BASIS				
Incurred but not reported claims			143,152	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (280,132)</u>	

See the accompanying Independent Auditor's Report

City of Littleton, Colorado
Budgetary Comparison Schedule
Property and Liability Insurance Fund
For The Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 1,052,667	\$ 1,052,667	\$ 852,471	\$ (200,196)
Insurance recovery	50,000	50,000	176,355	126,355
Investment earnings	5,000	5,000	(69,976)	(74,976)
Total revenues	<u>1,107,667</u>	<u>1,107,667</u>	<u>958,850</u>	<u>(148,817)</u>
EXPENDITURES				
Insurance	668,940	809,430	545,168	264,262
Benefits and claims	387,470	387,470	225,449	162,021
Other services and charges	2,404	2,404	1,331	1,073
Capital outlay	-	-	181,987	(181,987)
Total expenditures	<u>1,058,814</u>	<u>1,199,304</u>	<u>953,935</u>	<u>245,369</u>
Change in net position	<u>\$ 48,853</u>	<u>\$ (91,637)</u>	4,915	<u>\$ 96,552</u>
ADJUSTMENTS TO GAAP BASIS				
Incurred but not reported claims			<u>24,519</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 29,434</u>	

See the accompanying Independent Auditor's Report

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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Photo by Joseph Wildweding

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**2021 Annual
Comprehensive Financial
Report**

Statistical Section

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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Statistical Section

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These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
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These schedules contain information to help the readers assess the factors affecting the city's ability to generate its property and sales tax.	
Debt Capacity	112
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	117
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	120
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

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

	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 77,315,098	\$ 78,701,746	\$ 78,368,195	\$ 85,040,318
Restricted	5,673,866	5,815,783	8,115,272	9,011,472
Unrestricted	22,422,781	25,144,246	28,130,360	26,826,951
Total governmental activities net position	<u>105,411,745</u>	<u>109,661,775</u>	<u>114,613,827</u>	<u>120,878,741</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	13,611,233	14,037,853	13,980,616	15,793,855
Restricted	4,060,005	4,130,004	4,843,904	5,027,661
Unrestricted	37,551,694	40,622,895	42,052,800	48,466,254
Total business-type activities net position	<u>55,222,932</u>	<u>58,790,752</u>	<u>60,877,320</u>	<u>69,287,770</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	90,926,331	92,739,599	92,348,811	100,834,173
Restricted	9,733,871	9,945,787	12,959,176	14,039,133
Unrestricted	59,974,475	65,767,141	70,183,160	75,293,205
Total primary government net position	<u>\$ 160,634,677</u>	<u>\$ 168,452,527</u>	<u>\$ 175,491,147</u>	<u>\$ 190,166,511</u>

Table 1

2017	2018	2019	2020	2021	2022
\$ 88,309,978	\$ 88,419,571	\$ 81,612,998	\$ 83,025,841	\$ 86,123,798	\$ 92,288,481
9,507,638	15,613,336	10,320,515	10,383,733	12,650,117	12,274,071
30,882,450	29,207,794	25,462,013	22,773,981	24,578,975	37,779,492
<u>128,700,066</u>	<u>133,240,701</u>	<u>117,395,526</u>	<u>116,183,555</u>	<u>123,352,890</u>	<u>142,342,044</u>
20,542,656	20,261,005	19,860,986	21,640,548	23,672,421	25,779,649
5,044,290	5,656,522	4,430,165	4,410,083	4,490,003	4,380,330
49,427,676	49,260,683	53,219,465	53,676,193	57,624,710	58,907,645
<u>75,014,622</u>	<u>75,178,210</u>	<u>77,510,616</u>	<u>79,726,823</u>	<u>85,787,134</u>	<u>89,067,624</u>
108,852,634	108,680,576	101,473,984	104,666,388	109,796,219	118,068,130
14,551,928	21,269,858	14,750,680	14,793,815	17,140,120	16,654,402
80,310,126	78,468,477	78,681,478	76,450,174	82,203,685	96,687,137
<u>\$ 203,714,688</u>	<u>\$ 208,418,911</u>	<u>\$ 194,906,142</u>	<u>\$ 195,910,377</u>	<u>\$ 209,140,025</u>	<u>\$ 231,409,669</u>

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

	2013	2014	2015	2016
EXPENSES				
Governmental activities:				
General government	\$ 12,116,159	\$ 13,267,301	\$ 14,285,728	\$ 15,642,308
Public safety	30,456,576	31,327,241	32,488,949	34,709,839
Highways and streets	7,796,145	7,750,455	7,232,289	8,112,334
Welfare	321,001	286,597	208,169	445,663
Culture and recreation	6,111,665	6,065,902	8,520,522	6,659,154
Interest on long term debt	271,213	247,407	225,132	239,314
Total governmental activities expenses	57,072,759	58,944,903	62,960,789	65,808,612
Business-type activities:				
Sewer Utility	13,623,040	14,112,456	13,417,130	12,856,629
Building Corporation	-	-	-	-
Storm Drainage	714,510	772,222	901,218	808,619
So. Metro Area Comm. Center	1,040,198	1,051,481	1,204,948	1,225,387
Geneva Village	99,751	105,069	132,198	148,263
Emergency Med. Trans	4,436,423	4,496,732	5,160,483	4,482,429
Permit Plan Review	-	-	-	-
Building Authority	135,899	129,263	124,088	122,842
Total business-type activities expenses	20,049,821	20,667,223	20,940,065	19,644,169
Total primary government expenses	\$ 77,122,580	\$ 79,612,126	\$ 83,900,854	\$ 85,452,781
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 3,692,044	\$ 5,207,221	\$ 4,985,565	\$ 6,022,513
Public safety	13,309,756	15,320,774	15,614,747	17,345,257
Highways and streets	1,402,203	1,876,543	1,448,608	1,755,078
Welfare	27,822	26,142	29,304	30,182
Culture and recreation	1,629,188	700,780	1,422,974	2,255,929
Operating grants and contributions	246,554	203,068	385,936	451,102
Capital grants and contributions	1,064,785	1,440,851	1,285,703	4,291,367
Total governmental activities program revenues	21,372,352	24,775,379	25,172,837	32,151,428
Business-type activities:				
Charges for services:				
Sewer Utility	12,581,195	12,906,994	13,277,694	13,388,538
Building Corporation	-	-	-	-
Storm Drainage	713,505	717,957	726,994	773,283
Emergency Med. Trans	4,274,507	4,560,243	5,237,415	4,591,670
So. Metro Area Comm. Center	788,277	789,106	920,521	954,780
Geneva Village	125,561	126,720	127,408	125,961
Permit Plan Review	-	-	-	-
Building Authority	217,879	221,293	216,117	224,895
Capital grants and contributions	360,211	4,555,148	2,233,287	6,577,884
Total business-type activities program revenues	19,061,135	23,877,461	22,739,436	26,637,011
Total primary government program revenues	40,433,487	48,652,840	47,912,273	58,788,439
NET REVENUE (EXPENSE)				
Government activities	(35,700,407)	(34,169,524)	(37,787,952)	(33,657,184)
Business-type activities	(988,686)	3,210,238	1,799,371	6,992,842
Total primary government net expense	\$ (36,689,093)	\$ (30,959,286)	\$ (35,988,581)	\$ (26,664,342)

Table 2

2017	2018	2019	2020	2021	2022
\$ 15,549,725	\$ 16,835,027	\$ 18,193,507	\$ 21,481,859	\$ 19,253,350	\$ 21,201,928
37,100,415	34,940,029	22,035,266	14,747,332	15,842,804	16,221,128
8,958,729	9,776,105	10,064,723	9,914,630	8,258,495	8,861,081
375,201	369,510	258,347	237,280	149,287	156,820
6,961,335	7,052,136	8,226,041	7,468,977	6,893,151	7,932,075
226,893	193,433	160,270	100,141	67,712	74,891
69,172,298	69,166,239	58,938,154	53,950,219	50,464,798	54,447,922
13,506,699	15,605,506	14,484,754	14,998,015	14,382,749	14,671,196
-	-	-	-	-	-
837,033	1,144,794	959,001	1,103,013	1,072,971	1,341,347
1,314,496	-	-	-	-	-
190,090	146,250	180,931	126,773	164,575	184,290
5,514,890	5,307,959	-	-	-	-
-	-	-	-	-	-
115,125	109,581	101,958	95,912	89,701	83,329
21,478,333	22,314,090	15,726,644	16,323,714	15,709,996	16,280,163
\$ 90,650,631	\$ 91,480,329	\$ 74,664,798	\$ 70,273,933	\$ 66,174,794	\$ 70,728,085
\$ 4,390,875	\$ 4,508,532	\$ 4,535,940	\$ 3,395,990	\$ 4,159,916	\$ 4,594,094
19,268,570	19,251,770	932,436	699,811	1,023,289	764,924
1,813,495	2,061,467	2,183,729	1,400,931	2,057,848	1,791,315
37,868	35,075	38,078	2,956	8,202	-
1,645,647	1,668,068	1,809,605	1,754,621	1,794,427	1,986,419
373,617	289,455	252,925	5,034,197	455,567	1,743,858
5,098,256	2,010,586	1,822,880	1,123,910	1,570,244	3,777,022
32,628,328	29,824,953	11,575,593	13,412,416	11,069,493	14,657,632
13,810,641	14,132,941	14,766,549	15,261,423	15,510,909	16,534,495
-	-	-	-	-	-
787,950	803,536	848,762	1,186,704	1,671,635	2,345,048
4,371,462	5,296,847	-	-	-	-
1,218,206	-	-	-	-	-
121,473	125,099	125,513	108,706	95,272	84,558
-	-	-	-	-	-
217,124	221,588	218,808	217,240	217,475	220,542
6,239,561	1,744,491	2,789,416	1,009,821	4,436,348	1,335,973
26,766,417	22,324,503	18,749,048	17,783,894	21,931,639	20,520,616
59,394,745	52,149,456	30,324,641	31,196,310	33,001,132	35,178,248
(36,543,970)	(39,341,286)	(47,362,561)	(40,537,803)	(39,395,305)	(39,790,290)
5,288,084	10,413	3,022,404	1,460,181	6,221,644	4,240,454
\$ (31,255,886)	\$ (39,330,873)	\$ (44,340,157)	\$ (39,077,621)	\$ (33,173,662)	\$ (35,549,837)

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	\$ 3,899,646	\$ 3,899,646	\$ 3,952,851	\$ 3,980,867
Sales and building use	27,781,755	27,781,755	30,150,752	32,289,132
Franchise	2,239,171	2,239,171	2,454,564	2,250,414
Other	490,924	490,924	501,609	517,886
Investment earnings	228,913	228,913	229,210	244,799
Miscellaneous	587,286	587,286	1,345,692	738,631
Gain on sale of capital assets	-	-	-	-
TABOR revenue refund	-	-	-	-
Special Item	-	-	-	-
Transfers	(32,627)	(32,627)	(215,124)	(301,634)
	<u>35,195,069</u>	<u>35,195,069</u>	<u>38,419,555</u>	<u>39,720,096</u>
Business activities:				
Investment earnings	32,181	32,181	142,458	204,342
Miscellaneous	-	-	-	-
Gain on extinguishment of debt	-	-	-	-
Gain/loss on sale of capital asset	-	-	-	-
Special Item	-	-	-	-
Transfers	32,627	32,627	215,124	301,634
Total business activities	<u>64,808</u>	<u>64,808</u>	<u>357,582</u>	<u>505,976</u>
Total primary government	<u>35,259,877</u>	<u>35,259,877</u>	<u>38,777,137</u>	<u>40,226,072</u>
CHANGES IN NET POSITION				
Governmental activities	(505,339)	(505,339)	4,250,030	1,932,143
Business-type activities	(923,878)	(923,878)	3,567,820	2,305,347
Total primary government	<u>\$ (1,429,217)</u>	<u>\$ (1,429,217)</u>	<u>\$ 7,817,850</u>	<u>\$ 4,237,490</u>

Table 2

2017	2018	2019	2020	2021	2022
\$ 4,602,678	\$ 4,712,762	\$ 5,507,401	\$ 5,594,305	\$ 1,857,220	\$ 2,012,747
33,972,607	34,365,867	34,239,121	36,523,136	33,828,472	55,742,055
2,247,202	2,281,822	2,289,993	2,282,379	2,215,511	2,689,290
577,608	605,036	612,406	635,769	377,181	290,339
273,309	357,797	614,134	1,178,968	840,673	(2,243,288)
336,163	452,432	326,814	308,178	256,775	391,705
194,600	-	-	-	-	-
(1,937,904)	1,937,904	-	-	-	-
-	-	-	(14,810,630)	-	-
(344,166)	(348,324)	292,053	(194,719)	(50,000)	(103,403)
39,922,098	44,365,297	43,881,923	31,517,387	39,325,831	58,779,445
159,982	260,624	445,229	994,037	706,026	(1,063,367)
-	-	-	-	-	-
-	-	-	-	-	-
-	(150,180)	-	-	-	-
-	-	-	(1,828,754)	-	-
344,166	348,324	(292,053)	194,719	50,000	103,403
504,148	458,768	153,176	(639,999)	756,026	(959,964)
40,426,246	44,824,065	44,035,099	30,877,388	40,081,857	57,819,481
6,264,913	7,821,326	4,540,635	(15,845,175)	(1,211,971)	18,989,154
7,496,990	5,746,852	163,588	2,332,406	2,216,207	3,280,490
\$ 13,761,903	\$ 13,568,178	\$ 4,704,224	\$ (13,512,769)	\$ 1,004,235	\$ 22,269,644

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GENERAL FUND				
Nonspendable	\$ 96,675	\$ 524,489	\$ 426,503	\$ 312,448
Restricted	1,723,475	1,840,195	1,997,419	2,212,002
Committed	-	-	-	-
Assigned	279,578	396,190	786,877	1,149,471
Unassigned	<u>6,761,300</u>	<u>6,743,067</u>	<u>6,618,771</u>	<u>5,476,452</u>
Total general fund	<u>8,861,028</u>	<u>9,503,941</u>	<u>9,829,570</u>	<u>9,150,373</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ 255,902
Restricted	3,693,068	3,729,150	2,055,263	2,165,079
Assigned	12,234,617	15,371,517	18,816,370	17,827,957
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 15,927,685</u>	<u>\$ 19,100,667</u>	<u>\$ 20,871,633</u>	<u>\$ 20,248,938</u>

Table 3

2017	2018	2019	2020	2021	2022
\$ 340,654	\$ 340,454	\$ 274,283	\$ 413,183	\$ 453,177	\$ 499,178
2,155,723	2,084,165	1,821,959	1,559,063	1,649,100	1,825,578
-	-	-	-	-	-
564,847	4,094,409	4,037,856	2,673,620	2,197,672	1,110,161
9,997,666	9,809,707	9,740,290	9,709,854	13,826,424	17,357,091
<u>13,058,890</u>	<u>16,328,735</u>	<u>15,874,388</u>	<u>14,355,720</u>	<u>18,126,373</u>	<u>20,792,008</u>
\$ 255,902	\$ 794,631	\$ 271,349	\$ 6,719	\$ 158,482	\$ 307,720
2,603,576	6,306,029	7,269,526	4,109,446	8,628,562	6,394,424
17,261,412	11,786,371	8,026,780	7,076,676	6,657,488	17,048,932
-	-	-	-	-	(53,004)
<u>\$ 20,120,890</u>	<u>\$ 18,887,030</u>	<u>\$ 15,567,655</u>	<u>\$ 11,192,842</u>	<u>\$ 15,444,532</u>	<u>\$ 23,698,072</u>

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

	2013	2014	2015	2016
REVENUES				
Taxes	\$ 32,275,301	\$ 34,605,212	\$ 36,787,885	\$ 39,152,893
Franchise	2,190,084	2,454,564	2,250,414	2,247,202
Licenses and permits	764,213	1,414,909	1,556,099	1,896,766
Intergovernmental	15,608,226	18,150,342	18,683,333	19,861,078
Charges for services	1,778,433	2,106,442	2,872,470	6,117,195
Fines and forfeitures	1,737,866	1,350,540	1,232,811	826,438
Investment earnings	162,750	120,646	188,027	240,527
Miscellaneous	687,686	2,163,221	1,226,837	1,054,878
TABOR revenue refund	-	-	-	(1,937,904)
Total governmental activities revenues	<u>55,204,559</u>	<u>62,365,876</u>	<u>64,797,876</u>	<u>69,459,073</u>
EXPENDITURES				
General government	11,146,138	12,386,345	13,575,230	15,129,512
Public safety	28,458,072	29,881,588	31,493,354	34,101,160
Highways and streets	4,697,958	4,688,740	3,924,775	4,819,952
Welfare	306,996	279,222	363,014	405,259
Culture and recreation	5,324,362	5,363,323	5,907,257	5,883,424
Debt service:				
Principal	920,238	1,019,532	1,000,181	932,852
Interest	280,282	255,393	231,684	202,506
Capital Outlay	3,571,705	5,156,557	6,026,710	11,024,231
Total expenditures	<u>54,705,751</u>	<u>59,030,700</u>	<u>62,522,205</u>	<u>72,498,896</u>
Excess of revenues over (under) expenditures	498,808	3,335,176	2,275,671	(3,039,823)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,970,488	3,520,177	4,358,806	1,400,000
Transfers out	(3,003,115)	(3,039,458)	(4,660,440)	(1,744,166)
Interest charges	-	-	-	(7,390)
Proceeds from sale of capital assets	-	-	122,558	194,600
Proceeds from capital lease	-	-	-	1,894,887
Total other financing sources (uses)	<u>(32,627)</u>	<u>480,719</u>	<u>(179,076)</u>	<u>1,737,931</u>
Net change in fund balance	<u>\$ 466,181</u>	<u>\$ 3,815,895</u>	<u>\$ 2,096,595</u>	<u>\$ (1,301,892)</u>
Debt service as a percentage of noncapital expenditures	2.3%	2.4%	2.2%	1.8%

Table 4

2017	2018	2019	2020	2021	2022
\$ 39,683,665	\$ 40,358,928	\$ 42,753,210	\$ 36,062,873	\$ 44,235,211	\$ 58,045,140
2,281,822	2,289,993	2,282,379	2,215,511	2,373,476	2,689,290
1,400,381	1,317,797	1,393,597	1,230,818	1,460,619	1,151,654
22,062,066	21,519,523	5,449,659	9,268,117	5,978,341	7,825,790
3,652,237	3,519,026	2,102,818	998,916	2,194,717	1,255,635
775,722	747,226	824,305	360,420	194,162	231,518
316,499	540,733	1,032,998	736,471	(237,127)	(2,050,527)
1,049,903	1,109,818	1,092,049	937,588	1,217,015	2,716,987
1,937,904	-	-	-	-	-
<u>73,160,199</u>	<u>71,403,043</u>	<u>56,931,015</u>	<u>51,810,713</u>	<u>57,416,415</u>	<u>71,865,488</u>
15,064,734	16,159,556	17,535,067	20,531,574	18,115,373	20,196,870
35,743,424	35,945,554	22,480,359	14,156,843	15,059,486	16,729,266
5,658,689	6,475,241	6,971,355	6,866,896	5,440,609	6,284,696
350,236	325,533	240,590	214,786	112,578	100,086
5,984,113	5,850,157	7,032,847	6,129,434	5,387,041	6,483,609
1,287,089	1,330,382	2,738,476	1,134,806	1,172,253	1,247,481
212,240	202,547	193,275	105,076	72,778	63,278
6,234,291	3,477,322	3,385,472	5,510,431	7,179,820	9,812,115
<u>70,534,816</u>	<u>69,766,292</u>	<u>60,577,441</u>	<u>54,649,846</u>	<u>52,539,938</u>	<u>60,917,401</u>
2,625,383	1,636,752	(3,646,426)	(2,839,133)	4,876,477	10,948,087
1,937,904	292,053	39,176	3,100,000	3,158,900	3,177,500
(2,286,228)	-	(233,895)	(3,150,000)	(3,234,900)	(3,280,903)
-	-	-	-	-	-
103,410	107,181	67,422	116,937	100,583	74,490
1,400,000	-	-	-	-	-
<u>1,155,086</u>	<u>399,234</u>	<u>(127,297)</u>	<u>66,937</u>	<u>24,583</u>	<u>(28,913)</u>
<u>\$ 3,780,469</u>	<u>\$ 2,035,986</u>	<u>\$ (3,773,723)</u>	<u>\$ (2,772,196)</u>	<u>\$ 4,901,060</u>	<u>\$ 10,919,174</u>
2.3%	2.3%	5.1%	2.5%	2.7%	2.6%

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

Table 5

Fiscal Year	General Government	Public Safety	Highways and Streets	Welfare	Culture and Recreation	Debt Service	Capital Outlay	Total
2013	11,146,000	28,458,000	4,698,000	307,000	5,324,000	1,201,000	3,572,000	54,706,000
2014	12,386,000	29,882,000	4,689,000	279,000	5,363,000	1,275,000	5,157,000	59,031,000
2015	13,575,000	31,493,000	3,925,000	363,000	5,907,000	1,232,000	6,027,000	62,522,000
2016	15,130,000	34,101,000	4,820,000	405,000	5,884,000	1,135,000	11,024,000	72,499,000
2017	15,065,000	35,744,000	5,659,000	350,000	5,984,000	1,499,000	6,234,000	70,535,000
2018	16,160,000	35,946,000	6,475,000	325,000	5,850,000	1,533,000	3,477,000	69,766,000
2019	17,535,000	22,480,000	6,971,000	241,000	7,033,000	2,932,000	3,385,000	60,577,000
2020	20,532,000	14,157,000	6,867,000	242,000	6,129,000	1,240,000	5,510,000	54,677,000
2021	18,115,000	15,059,000	5,441,000	113,000	5,387,000	1,245,000	7,180,000	52,540,000
2022	\$ 20,197,000	\$ 16,729,000	\$ 6,285,000	\$ 100,000	\$ 6,484,000	\$ 1,311,000	\$ 9,812,000	\$ 60,918,000

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

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

Annual Percentage Change								
2013	1%	3%	4%	0%	9%	83%	-75%	-14%
2014	11%	5%	0%	-9%	1%	6%	44%	8%
2015	10%	5%	-16%	30%	10%	-3%	17%	6%
2016	11%	8%	23%	12%	0%	-8%	83%	16%
2017	0%	5%	17%	-14%	2%	32%	-43%	-3%
2018	7%	1%	14%	-7%	-2%	2%	-44%	-1%
2019	9%	-37%	8%	-26%	20%	91%	-3%	-13%
2020	17%	-37%	-1%	0%	-13%	-58%	63%	-10%
2021	-12%	6%	-21%	-53%	-12%	0%	30%	-4%
2022	11%	11%	16%	-12%	20%	5%	37%	16%

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

Table 6

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental Revenue	Charges for Services	Fines and Forfeitures	Other	Total
2013	34,466,000	764,000	15,608,000	1,778,000	1,738,000	851,000	55,205,000
2014	37,060,000	1,415,000	18,150,000	2,107,000	1,351,000	2,283,000	62,366,000
2015	39,038,000	1,556,000	18,683,000	2,873,000	1,233,000	1,415,000	64,798,000
2016	41,400,000	1,897,000	19,861,000	6,117,000	826,000	1,296,000	71,397,000
2017	41,966,000	1,400,000	22,062,000	3,652,000	776,000	1,364,000	71,220,000
2018	42,649,000	1,318,000	21,519,000	3,519,000	747,000	1,651,000	71,403,000
2019	45,035,000	1,394,000	5,450,000	2,103,000	824,000	2,125,000	56,931,000
2020	38,278,000	1,231,000	9,268,000	999,000	360,000	1,674,000	51,810,000
2021	46,608,000	1,461,000	6,003,000	2,195,000	194,000	980,000	57,441,000
2022	\$ 60,734,000	\$ 1,151,000	\$ 7,826,000	\$ 1,256,000	\$ 232,000	\$ 666,000	\$ 71,865,000

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

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

Annual Percentage Change							
2012	4%	37%	-1%	46%	18%	-28%	3%
2013	3%	-18%	-6%	-1%	-8%	-25%	-1%
2014	8%	85%	16%	19%	-22%	168%	13%
2015	5%	10%	3%	36%	-9%	-38%	4%
2016	6%	22%	6%	113%	-33%	-8%	10%
2017	1%	-26%	11%	-40%	-6%	5%	0%
2018	2%	-6%	-2%	-4%	-4%	21%	0%
2019	6%	6%	-75%	-40%	10%	29%	-20%
2020	-15%	-12%	70%	-52%	-56%	-21%	-9%
2021	22%	19%	-35%	120%	-46%	-41%	11%
2022	35%	-17%	44%	-40%	-72%	-69%	26%

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

Table 7

Fiscal Year	Property Taxes	⁽¹⁾	Sales and Use Taxes	⁽¹⁾	Specific Ownership	Cigarette Taxes	Franchise Fees	Total
2013	4,003,000		27,782,000		281,000	210,000	2,190,000	34,466,000
2014	3,953,000		30,151,000		296,000	205,000	2,455,000	37,060,000
2015	3,981,000		32,289,000		311,000	207,000	2,250,000	39,038,000
2016	4,603,000		33,973,000		366,000	211,000	2,247,000	41,400,000
2017	4,713,000		34,366,000		417,000	188,000	2,282,000	41,966,000
2018	5,507,000		34,239,000		419,000	194,000	2,290,000	42,649,000
2019	5,594,000		36,523,000		454,000	182,000	2,282,000	45,035,000
2020	1,857,000		33,828,000		143,000	234,000	2,216,000	38,278,000
2021	1,855,000		42,016,000		139,000	225,000	2,373,000	46,608,000
2022	\$ 2,012,000	\$	55,742,000	\$	137,000	\$ 154,000	\$ 2,689,000	\$ 60,734,000

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

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

Annual Percentage Change						
2013	0%	4%	6%	1%	5%	3%
2014	-1%	9%	5%	-2%	12%	8%
2015	1%	7%	5%	1%	-8%	5%
2016	16%	5%	18%	2%	0%	6%
2017	2%	1%	14%	-11%	2%	1%
2018	17%	0%	0%	3%	0%	2%
2019	2%	7%	8%	-6%	0%	6%
2020	-67%	-7%	-69%	29%	-3%	-15%
2021	0%	24%	-3%	-4%	7%	22%
2022	8%	65%	-4%	-34%	21%	59%

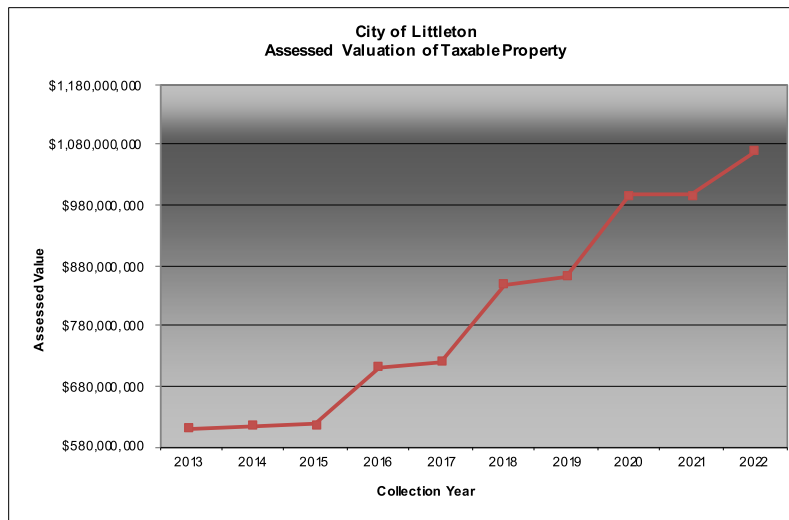
City of Littleton, Colorado
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 8

Collection Year	Levy Year	Assessed Valuation	Estimated Actual Value ⁽¹⁾	Ratio of Assessed to Estimated Actual Value (%)	Direct Rate
2013	2012	611,580,060	4,991,773,920	12	6.662
2014	2013	614,372,812	4,963,761,773	12	6.662
2015	2014	614,978,721	4,934,986,576	12	6.662
2016	2015	711,277,920	5,988,052,949	12	6.662
2017	2016	720,282,711	6,046,242,387	12	6.662
2018	2017	848,758,867	7,612,277,155	11	6.662
2019	2018	862,075,999	7,706,545,065	11	6.662
2020	2019	996,839,583	9,114,187,565	11	2.000
2021	2020	996,163,558	9,211,278,468	11	2.000
2022	2021	\$1,068,828,447	\$ 9,894,577,999	11	2.000

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

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

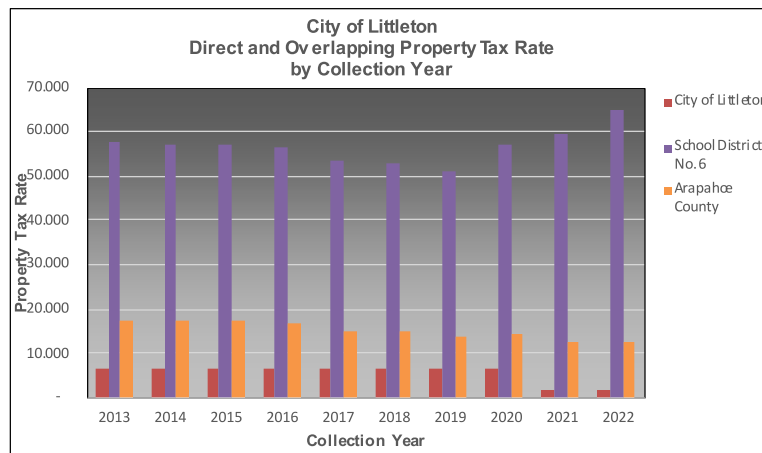


City of Littleton, Colorado
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Table 9

Collection Year	City of Littleton	School District No. 6	Arapahoe County	Total Tax Rate
2013	6.662	56.935	17.150	80.747
2014	6.662	56.985	17.130	80.777
2015	6.662	56.601	16.950	80.213
2016	6.662	53.424	14.856	74.942
2017	6.662	53.030	15.039	74.731
2018	6.662	51.166	13.817	71.645
2019	6.662	56.945	14.301	77.908
2020	2.000	59.266	12.685	73.951
2021	2.000	64.936	12.762	79.698
2022	2.000	67.061	13.750	82.811

Collection Year	City of Littleton (Arapahoe County only)	School District No. 6	Arapahoe County	Total
2013	3,877,128	74,709,969	127,106,787	205,693,884
2014	3,918,154	75,997,166	130,520,965	210,436,285
2015	3,902,538	74,846,890	128,307,842	207,057,270
2016	4,519,508	82,909,759	134,054,143	221,483,410
2017	4,582,771	82,661,695	136,521,887	223,766,353
2018	5,343,155	88,668,766	144,102,565	238,114,486
2019	5,416,564	100,143,860	150,969,659	256,530,083
2020	1,882,777	119,334,016	155,813,148	277,029,941
2021	2,011,644	137,207,889	169,511,322	308,730,855
2022	\$ 1,986,123	\$ 139,480,987	\$ 182,006,757	\$ 323,473,867



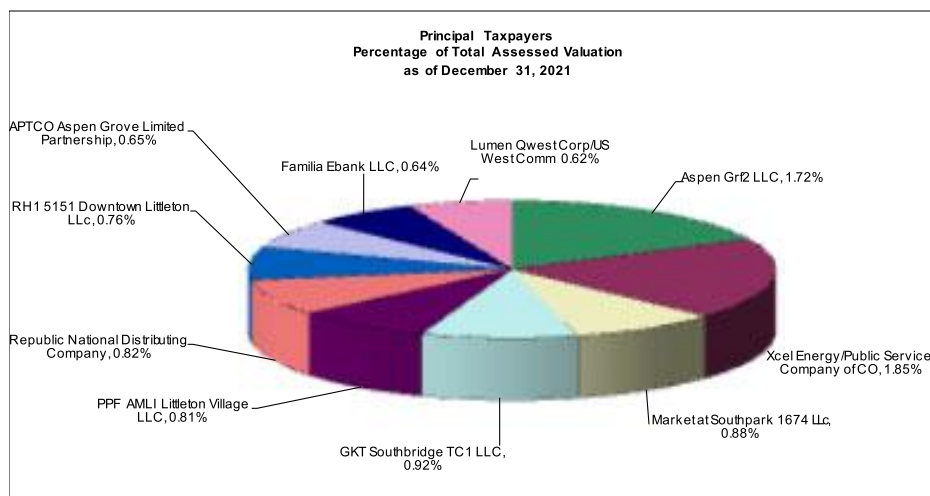
City of Littleton, Colorado
Principal Property Taxpayers
December 31, 2022
Current Year and Nine Years Ago

Table 10

Taxpayer	2013 Assessed Valuation	Percentage of Total Assessed Valuation	2022 Assessed Valuation	Percentage of Total Assessed Valuation
Xcel Energy/Public Service Company of CO	-	-	15,976,850	1.85%
Aspen GRF2 LLC	\$ 9,338,950	1.53%	\$ 14,804,769	1.72%
GKT Southbridge TC1 LLC	-	-	7,972,680	0.92%
Market at Southpark 1674 LLC	-	-	7,551,890	0.88%
Republic National Distributing Company	-	0.00%	7,061,500	0.82%
PPF AMLI Littleton Village LLC	3,378,955	0	7,001,650	0.81%
RH1 5151 Downtown Littleton LLC	-	-	6,545,000	0.76%
APTCO Aspen Grove Limited Partnership	-	-	5,605,600	0.65%
Familia Ebank LLC	-	-	5,512,610	0.64%
Lumen Qwest Corp/US West Comm	9,251,400	1.51%	5,310,300	0.62%
Lumen Centurylink Comm FNK Qwest	4,733,090	0.77%	5,025,780	0.58%
Aspen Grove Lifestyle	5,829,000	0.95%	-	0.00%
Hillside Farms/RSD Partners, LLC	6,612,000	1.08%	-	0.00%
Renco Properties VIII	5,991,400	0.98%	-	-
Sprint Nextel Wireless	3,840,020	0.63%	-	-
SDC Real Estate Assoc LLC	3,190,000	0.52%	-	-
SPIII Littleton LLC	4,776,000	0.78%	-	-
Total Assessed Value - Principal Taxpayers	\$ 56,940,815	9.31%	\$ 88,368,629	10.25%
All Other Taxpayers	554,639,245		773,707,370	
Total Assessed Value	\$ 611,580,060		\$ 862,075,999	

SOURCE:

Arapahoe, Douglas and Jefferson County Assessor's Office



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

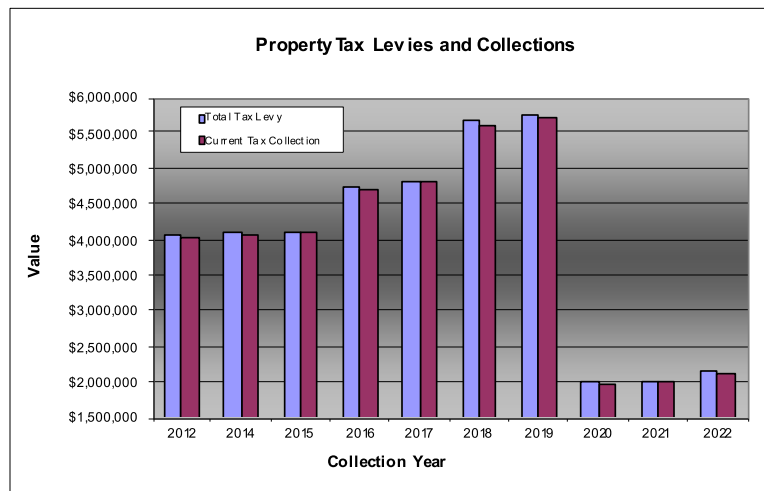
Table 11

Levy Year	Collection Year	Total Tax Levy ⁽¹⁾	Current Tax Collection ⁽²⁾	Percent of Current Taxes Collected	Percent of Tax Levy Outstanding
2012	2013	4,074,347	4,034,668	99.03	0.97
2013	2014	4,092,952	4,058,351	99.15	0.85
2014	2015	4,096,988	4,090,905	99.85	0.15
2015	2016	4,738,534	4,686,136	98.89	1.11
2016	2017	4,798,523	4,788,838	99.80	0.20
2017	2018	5,654,432	5,605,657	99.14	0.86
2018	2019	5,743,150	5,709,605	99.42	0.58
2019	2020	1,993,679	1,969,126	98.77	1.23
2020	2021	1,992,327	1,984,360	99.60	0.40
2021	2022	\$ 2,137,657	\$ 2,129,118	99.60%	0.40%

NOTES:

(1) Net of tax credits and tax abatements.

(2) Does not include penalties on delinquent taxes.



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

Table 12

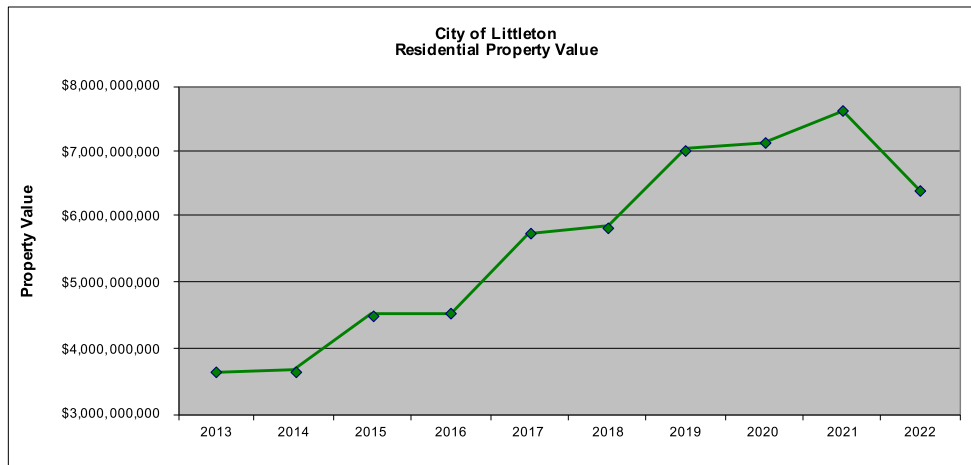
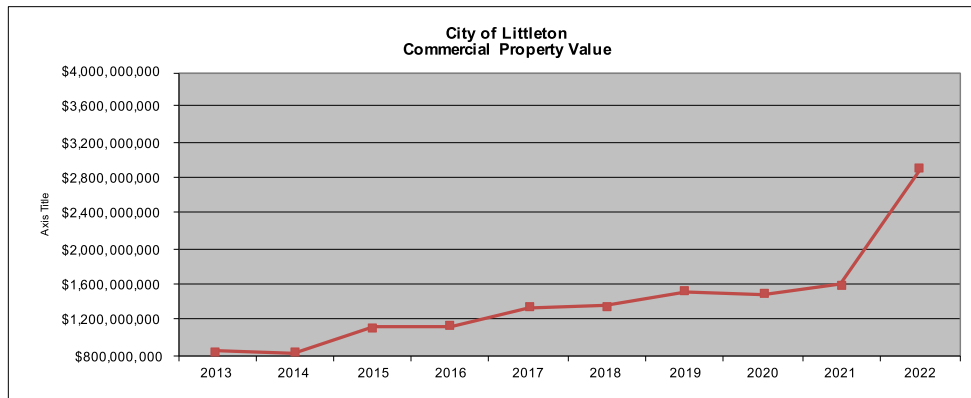
Fiscal Year	New Commercial Construction Value	New Residential Construction		Property Value ⁽¹⁾	
		Number of Units	Value	Commercial	Residential
2013	13,239,492	4	2,123,598	840,440,798	3,664,746,040
2014	30,526,127	38	52,047,662	837,494,334	3,667,056,307
2015	32,043,314	94	44,049,388	1,111,979,855	4,505,360,088
2016	53,353,782	203	79,105,642	1,135,453,003	4,536,465,955
2017	15,952,498	85	29,128,327	1,346,397,991	5,755,032,873
2018	13,828,330	65	28,137,221	1,362,042,024	5,844,269,336
2019	55,956,046	90	19,294,313	1,524,614,912	7,019,881,194
2020	3,156,731	23	7,092,355	1,496,494,388	7,124,154,436
2021	21,276,478	37	6,838,223	1,591,320,605	7,631,568,181
2022	\$ 27,499,519	10	\$ 7,378,579	\$ 2,902,781,354	\$ 6,399,027,495

SOURCE:

City of Littleton - Building Department

NOTE:

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



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

Table 13

Fiscal Year	City Direct Rate	Arapahoe County	Douglas County	Jefferson County	State of Colorado	RTD/CD/FD ⁽¹⁾
2013	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2014	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2015	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2016	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2017	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2018	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2019	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2020	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2021	3.00%	0.25%	1.00%	0.50%	2.90%	1.10%
2022	3.75% ⁽²⁾	1.00%	1.00%	0.50%	2.90%	1.10%

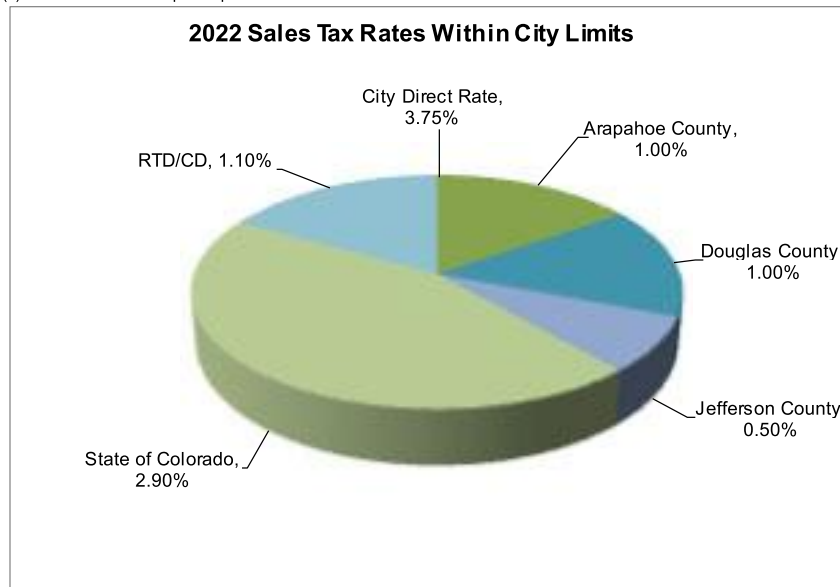
SOURCE:

Colorado Department of Revenue

NOTES:

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

(2) .75% Dedicated to capital improvement fund

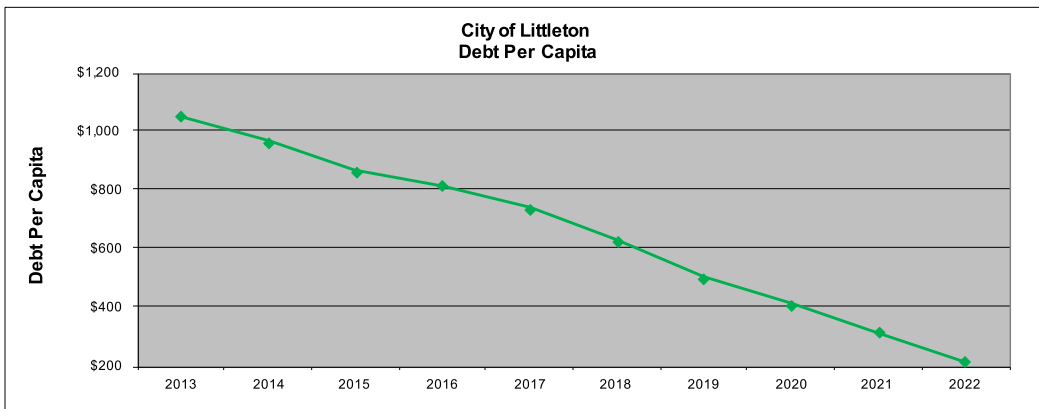
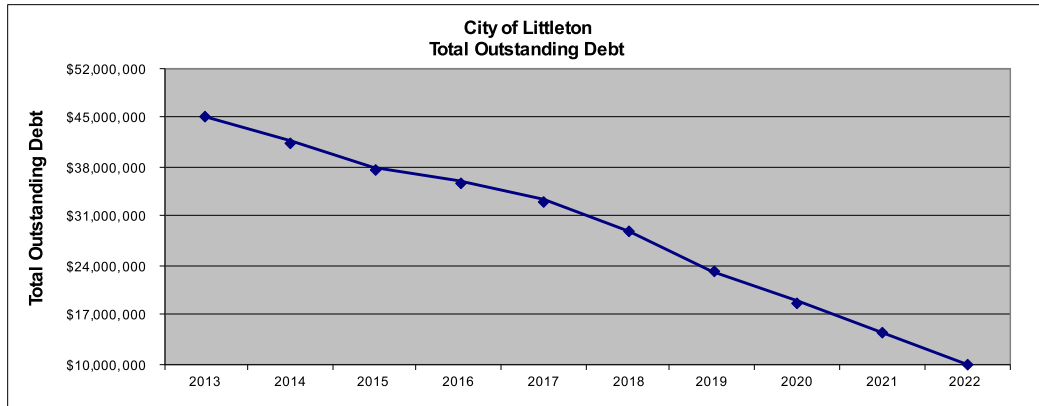


City of Littleton, Colorado
Ratio Of Outstanding Debt by Type
Last Ten Fiscal Years

Table 14

Collection Year	Governmental Activities		Business-type Activities				Total Outstanding Debt	Debt Per Capita	Percentage of Personal Income
	Net Bonded G.O. Debt	Capital Leases	G.O. Loans/ Bonds	Revenue Loans	Certificate of Participation	Assignment Certificates			
2013	-	9,146,416	-	34,172,030	-	1,985,000	45,303,446	1,055	2.98%
2014	-	8,090,345	-	31,672,404	-	1,830,000	41,592,749	965	2.69%
2015	-	7,053,625	-	29,172,792	-	1,675,000	37,901,417	867	2.37%
2016	-	7,979,121	-	26,570,017	-	1,510,000	36,059,138	817	2.15%
2017	-	8,055,493	-	23,908,315	-	1,345,000	33,308,808	739	1.82%
2018	-	6,688,572	-	21,182,329	-	1,170,000	29,040,901	628	1.50%
2019	-	3,913,557	-	18,370,632	-	990,000	23,274,189	502	1.09%
2020	-	2,742,212	-	15,473,222	-	805,000	19,020,434	408	0.87%
2021	-	1,533,420	-	12,490,101	-	615,000	14,638,521	314	0.67%
2022	\$ -	\$ 297,137	\$ -	\$ 9,410,554	\$ -	\$ 415,000	\$ 10,122,691	217	0.43%

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



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

Table 15

							Ratio of Debt Service to General Expenditures	
Fiscal Year	Principal	(1)	Interest	(1)	Total Debt Service	Total General Expenditures		
2013	-		-		-	54,706,000	0.00	
2014	-		-		-	59,031,000	0.00	
2015	-		-		-	62,522,000	0.00	
2016	-		-		-	72,499,000	0.00	
2017	-		-		-	70,535,000	0.00	
2018	-		-		-	69,766,000	0.00	
2019	-		-		-	60,577,000	0.00	
2020	-		-		-	54,677,000	0.00	
2021	-		-		-	52,540,000	0.00	
2022	\$	-	\$	-	\$	-	\$ 60,918,000	0.00

NOTES:

Amounts include Government Funds

(1) Excludes interest and principal on Littleton Building Authority

City of Littleton, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2022

Table 16

Government Entity	Debt Outstanding	Estimated Percentage ⁽¹⁾ Applicable	Amount Applicable to Primary Govt.
School District #6 Arapahoe County	\$ 436,982,435	45.22	\$ 197,603,457
Littleton Village Metro District #2	16,085,000	100.00	16,085,000
Centennial Downs Metropolitan District	4,830,000	100.00	4,830,000
Aspen Grove Business Improvement District	3,705,000	100.00	3,705,000
Highline Business Improvement District	1,064,135	100.00	1,064,135
Englewood School District #1	146,821,354	0.91	1,336,074
South Suburban Park and Recreation District	36,485,000	33.19	12,109,372
Sheridan School District #2	14,432,642	2.65	382,465
Subtotal, overlapping debt			\$ 237,115,503
City of Littleton, direct debt ⁽²⁾	\$ 297,137		297,137
Total direct and overlapping debt			\$ 237,412,640

NOTES:

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

(2) Excludes debt funded through Enterprise Funds.

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

DISCLAIMER:

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

City of Littleton, Colorado
Computation of Legal Debt Margin
December 31, 2021

Table 17

Other than water and sewer

Assessed value ⁽¹⁾	<u>\$1,068,828,447</u>
Debt limit 3.7% of assessed va ⁽²⁾	39,546,653
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin other than water and sewer	<u><u>\$ 39,546,653</u></u>

Water and sewer

Assessed value ⁽¹⁾	<u>\$1,068,828,447</u>
Debt limit 5% of assessed valu ⁽³⁾	53,441,422
Amount of debt applicable to legal limit	<u>-</u>
Legal debt margin for water and sewer	<u><u>\$ 53,441,422</u></u>

NOTES:

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

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

Table 18

Coverage Ratio Test for Debt Service							
Fiscal Year	Calculated Revenues	Revenue Transfers (to) from Rate Stabilization Account	Total Revenues	Operating Expenses	Net Revenue for Debt Service	Total Debt Service Principal and Interest	Coverage
2012	\$ 13,171,000	\$ -	\$ 13,171,000	\$ 7,294,000	\$ 5,877,000	\$ 4,300,000	1.37
2013	12,897,000	-	12,897,000	7,815,000	5,082,000	3,627,000	1.40
2014	17,046,000	-	17,046,000	8,871,000	8,175,000	3,578,000	2.28
2015	15,533,000	-	15,533,000	8,843,000	6,690,000	3,479,000	1.92
2016	18,301,000	-	18,301,000	8,326,000	9,975,000	3,532,000	2.82
2017	19,345,000	-	19,345,000	8,880,000	10,465,000	3,525,000	2.97
2018	16,075,000	-	16,075,000	10,936,000	5,139,000	3,516,000	1.46
2019	18,427,000	-	18,427,000	9,998,000	8,429,000	3,518,000	2.40
2020	16,810,000	-	16,810,000	10,680,000	6,130,000	3,530,000	1.74
2021	18,754,000	-	18,754,000	9,870,000	8,884,000	3,520,000	2.52
2022	\$ 16,831,000	\$ -	\$ 16,831,000	\$ 10,080,000	\$ 6,751,000	\$ 3,270,000	2.06

Restricted Cash - Rate Stabilization Account				
Fiscal Year	Beginning Rate Stabilization Account Balance	Transfers (to) from Revenues	Transfers (to) from Unrestricted cash	Ending rate Stabilization Account Balance
2012	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
2013	5,000,000	-	(2,000,000) ⁽¹⁾	3,000,000
2014	3,000,000	-	-	3,000,000
2015	3,000,000	-	-	3,000,000
2016	3,000,000	-	-	3,000,000
2017	3,000,000	-	-	3,000,000
2018	3,000,000	-	-	3,000,000
2019	3,000,000	-	-	3,000,000
2020	3,000,000	-	-	3,000,000
2021	3,000,000	-	-	3,000,000
2022	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000

NOTES:

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

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

Table 19

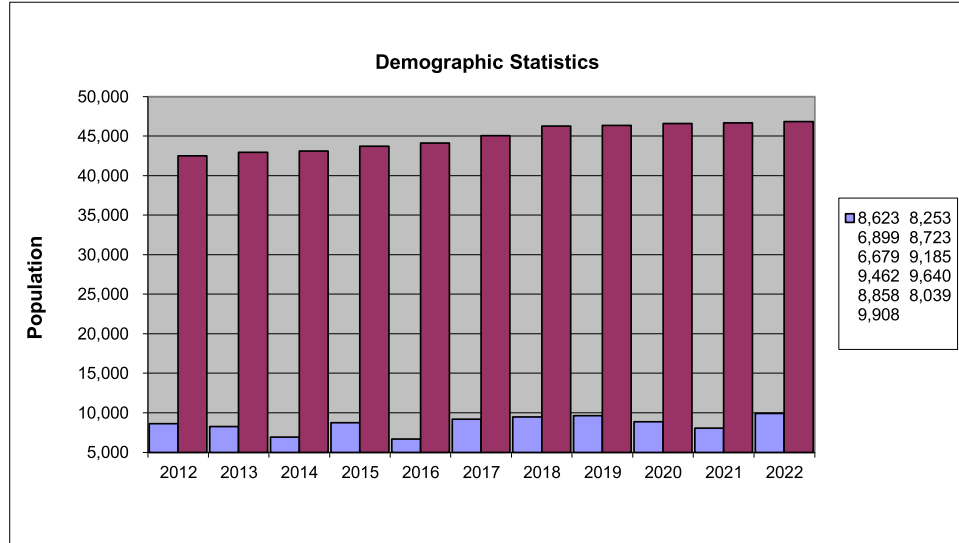
Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2013	42,960	35,459	42.3	8,253	5.2
2014	43,092	35,814	42.7	6,899	3.5
2015	43,710	36,577	42.8	8,723	3.1
2016	44,118	38,047	43.0	6,679	2.9
2017	45,068	40,574	43.3	9,185	2.8
2018	46,268	41,946	43.0	9,462	3.4
2019	46,352	46,251	43.2	9,640	2.3
2020	46,594	47,005	43.2	8,858	6.6
2021	46,673	49,915	43.9	8,039	3.7
2022	46,352	\$ 56,820	44.3	9,382	3.0%

SOURCE:

(1) ESRI.com

(2) Littleton Public Schools within Littleton City limits

(3) BLS.gov-unemployment is preliminary annual average



2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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City of Littleton, Colorado
Principal Employers
Last Ten Fiscal Years

	2013		2014		2015		2016	
	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees
Arapahoe County	6	522	6	522	6	522	5	522
Littleton School District	4	830	4	830	4	830	3	6
Lumen (Century Link)	1	1,800	1	1,663	1	1,663	1	1,663
Littleton Adventist Hospital	3	1,242	3	1,243	3	1,243	4	759
Arapahoe Community College	5	632	5	632	5	632	-	-
Dish Network (EchoStar)	2	1,543	2	1,543	2	1,543	2	1,500
Republic National Distributing	7	425	7	425	7	481	7	425
McDonald Automotive Group	9	360	9	360	9	396	8	360
City of Littleton	7	404	7	406	8	412	6	437
AllHealth Network (FKA Center Point & Arapahoe/Dougal Mental Health	-	-	10	320	10	320	9	320
Globus	10	320	-	-	-	-	10	299
Life Care Center of Littleton	-	-	-	-	-	-	-	-
Norgen	-	-	-	-	-	-	-	-
Lockheed Martin Space Systems	-	-	-	-	-	-	-	-

SOURCE:

City of Littleton Economic Development - Information as reported by companies

Table 20

2017		2018		2019		2020		2021		2022	
Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees	Rank	Employees
6	522	6	522	7	522	7	522	2	2,131	1	2,247
4	830	4	830	4	830	4	830	1	2,500	2	1,923
1	1,663	1	2,100	1	2,100	1	2,100	3	1,456	3	1,456
3	1,242	3	1,242	3	1,242	3	1,242	4	1,230	4	1,248
5	706	5	706	5	706	5	706	5	700	5	918
2	1,543	2	1,543	2	1,543	2	1,543	2	-	6	880
8	425	7	425	6	540	6	540	7	561	7	536
9	360	8	360	8	360	8	360	6	574	8	509
7	462	9	461	10	-	11	-	10	274	9	370
10	320	10	320	9	320	9	320	8	515	10	289
-	-	-	-	-	-	10	309	9	300	Unknown	
-	-	-	-	-	-	220		13	Unknown	Unknown	
-	-	-	-	-	-	220		Unknown		Unknown	
-	-	-	-	-	-	-	Unknown	-	Unknown	- Unknown	

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

	2013		2014		2015		2016	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government								
Admin Services*	-	-	-	-	-	-	-	-
Attorney	3	-	3	-	3	1	3	1
City Clerk	25	8	10	7	10	7	10	7
City Council	-	7	-	7	-	7	-	7
City Manager**	6	-	2	1	2	1	2	1
Communications	-	-	5	-	6	-	7	-
Community Development	13	4	16	3	17	2	20	3
Economic Development	5	-	4	-	4	-	4	-
Finance	9	-	9	-	10	-	10	-
Human Resources	6	-	6	-	6	21	7	21
Information Technology	11	-	11	-	11	-	13	-
Fire								
ER/Paramedics	141	-	138	-	135	-	150	-
Support	23	-	22	5	26	5	26	5
Library	14	21	17	20	16	32	16	32
Museum	12	7	13	7	13	7	13	9
Police								
Officers	70	-	73	-	71	1	71	1
Support	25	-	22	-	26	1	26	2
Public Works								
Engineering	6	-	6	-	6	-	6	-
Sewer/Storm Drain	7	-	7	2	7	-	7	2
Support	28	-	42	26	43	22	46	20
Total	404	47	406	78	412	107	437	111

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

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

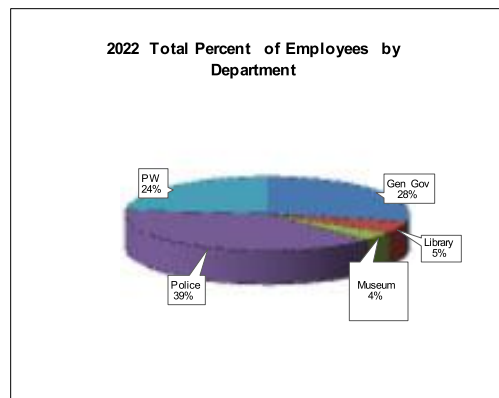


Table 21

2017		2018		2019		2020		2021		2022	
Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
-	-	-	-	-	-	-	-	-	-	-	-
4	-	4	-	3	1	4	1	5	-	5	-
10	8	10	8	11	8	8	3	7	-	8	1
-	7	-	7	-	7	-	7	-	7	-	7
8	1	2	-	3	-	4	1	4	1	4	-
7	-	6	1	6	-	5	2	4	2	4	2
20	-	20	3	22	2	20	5	19	4	20	4
4	-	4	-	4	-	4	-	3	-	3	-
10	-	10	-	11	-	11	-	12	-	12	-
7	14	7	21	7	21	10	24	11	-	8	-
13	-	13	-	12	-	13	2	13	-	16	-
162	-	162	-	-	-	-	-	-	-	-	-
28	3	28	8	-	-	-	-	-	-	-	-
17	34	17	43	17	43	17	43	15	36	15	35
13	9	12	8	12	10	12	10	11	8	11	4
76	1	83	1	83	1	84	1	83	1	81	1
24	2	23	2	24	1	24	1	25	1	28	1
6	-	6	-	8	-	8	-	8	-	15	-
7	2	8	2	8	2	11	2	11	2	11	2
46	20	46	20	46	20	46	12	46	4	41	3
462	101	461	124	277	116	281	114	277	66	282	60

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

	2013	2014	2015	2016	2017
General Government					
Incoming calls	32,654	32,520	23,253	28,576	32,596
Littleton Center Visitors	5,286	5,328	4,932	4,487	5,405
Building permits processed	2,264	2,855	2,989	2,287	2,738
Building inspections conducted	7,894	9,495	12,270	17,757	17,685
Passports issued	728	995	0	0	0
New businesses (licensed/registered)	440	455	453	444	464
Fire					
Emergency responses	13,104	14,163	14,246	15,705	16,103
Fires extinguished	155	199	193	205	194
Inspections	1,307	3,700	3,877	6,130	6,418
Library					
Total circulation	549,600	524,228	487,975	533,112	447,287
Visitors	303,255	321,255	309,926	283,284	297,653
Registered borrowers	27,724	31,248	31,127	24,331	31,706
Programs	882	856	824	861	1,021
Program attendance	33,900	35,144	37,683	39,377	38,407
Volunteer hours	3,640	2,998	2,578	2,554	2,946
Museum					
Number of visitors	143,488	140,095	139,561	155,616	166,476
Gross sales for museum store	\$37,641	\$36,955	\$40,432	\$40,362	\$41,759
Events	32	46	57	38	42
Total volunteer hours	8,057	8,344	6,713	6,285	6,364
Police					
Number of crimes	4,313	3,560	3,652	3,891	3,955
Number of service request calls	57,989	58,336	97,606	77,297	74,393
Traffic citations	12,863	7,671	4,412	7,042	6,690
Traffic accidents	974	980	1,107	1,119	1,134
Public Works					
Lane miles reconstructed	1	0	<1	>1	0
Lane miles overlayed	12	10	10	7	5
Lane miles sealcoated	0	0	0	0	3
Transit					
Number of vehicles	5	5	4	5	5
Passengers	27,010	25,299	22,454	20,517	18,270
Utility					
New residential taps issued	32	62	164	289	148
New commercial taps issued	5	22	10	19	14
Average daily sewage treatment (millions of gal	11.0	11.0	11.0	9.6	8.9

Table 22

2018	2019	2020	2021	2022
27,462	25,441	22,644	not available	247,700
4,509	4,330	243	2,111	6,370
3,537	2,743	2,493	2,490	2,450
12,808	12,556	13,101	12,010	12,011
0	0	0	0	0
495	765	627	600	572
17,592	0	0	0	0
479	0	0	0	0
6,665	0	0	0	0
542,589	578,820	394,306	649,587	795,104
279,759	307,956	91,032	126,921	180,567
23,922	30,810	47,138	53,791	52,589
1,500	1,511	682	1,533	1,072
43,340	43,056	9,021	12,297	17,681
2,476	2,252	540	284	440
162,339	153,729	25,645	78,175	120,230
\$41,847	\$37,167	\$4,406	\$15,229	\$30,456
45	52	3	29	65
6,125	5,228	991	2,215	3,790
4,673	4,166	3,521	4,002	4,582
69,804	71,915	63,304	58,806	60,152
8,160	7,567	2,016	1,402	2,043
1,139	1,128	691	736	822
<1	0	0	0	0
3	2	2	5	3
16	10	0	8	0
5	5	5	0	0
19,333	11,355	4,267	0	0
115	64	86	240	214
6	10	3	5	2
8.9	8.3	23.0	23.0	23.0

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

	2013	2014	2015	2016
Fire				
Stations ⁽¹⁾	8	8	8	9
Licensed Vehicles ⁽¹⁾	55	55	57	65
Fleet				
Licensed Vehicles ⁽²⁾	123	130	130	249 ⁽⁶⁾
Library	1	1	1	1
Museum	1	1	1	1
Parks				
Developed (acres)	443	443	443	443
Undeveloped (acres)	920	920	920	920
Playgrounds	17	17	17	17
Baseball diamonds	22	22	22	22
Police				
Stations	1	1	1	1
Licensed Vehicles ⁽²⁾	61	67	63	63
Public Works				
Streets (lane miles) ⁽⁴⁾	351	351	352	352
Street lights	3,637	3,637	3,750	3,765
Traffic signals ⁽³⁾	60	60	60	60
Sanitary sewers (miles)	128	128	128	128
Storm sewers (miles)	31	31	31	31
Treatment capacity (millions of gallons)	50 ⁽⁵⁾	50 ⁽⁵⁾	50 ⁽⁵⁾	50 ⁽⁵⁾
Transit				
Buses	5	5	4	5

NOTES:

(1) Fire services and assets transitioned to South Metro Fire Rescue effective January 1, 2019.

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

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

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

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

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

Table 23

2017	2018	2019	2020	2021	2022
9	9	0	0	0	0
60	62	0	0	0	0
254	257	151	151	151	157
1	1	1	1	1	1
1	1	1	1	1	1
443	443	443	443	443	443
920	920	920	920	920	920
17	17	17	17	17	17
22	22	22	22	21	21
1	1	1	1	1	1
64	65	79	72	67	72
353	353	358	358	365	365
3,637	3,637	3,663	3,639	3,649	3,649
60	60	60	109	110	110
129.1	129.1	128	128	129	129
32.6	32.6	52	54	54	55
(5) 50	(5) 50	(5) 50	(5) 50	(5) 50	(5) 50
5	5	4	4	4	2

City of Littleton, Colorado
Miscellaneous Statistics
December 31, 2022

Table 24

Date of incorporation	1890	
Date charter adopted	July 28, 1959	
Form of government	Council-Manager	
Elevation	5,389 Feet	
Area	13.85 square miles	
Police protection:		
Number of stations	1	
Number of sworn officers	79	
Education - School District No. 6:		
Number of students	14,132	(1)
Type and total number of schools:		
Early Childhood	7	(2 in City limits)
Elementary	11	(4 in City limits)
Middle School	4	(3 in City limits)
Senior High	3	(2 in City limits)
Charter	2	(2 in City limits)
Student to teacher ratio	18:1	
Sanitary sewers	128.8 miles	
Storm sewers	54.9	
Building permits issued:		
Number	2,450	
Value	\$3,231,157	
Miles of streets		
Lane miles (10' wide)	365	
Centerline miles	163.64	
Recreation and culture:		
Libraries	1	
Museums	1	
Parks: ⁽²⁾		
Area	405 acres	
Swimming pools	9	(2 indoor)
Tennis courts	16	
Ball fields	21	
Shelters	14	
Trail ways	98.6 miles	
Greenbelt and open space	1315.5 acres	

SOURCE:
City of Littleton

NOTES:
(1) Littleton Public Schools *Moody will be on Twain campus 2022-202:
(2) Within City Limits



Photo by Hayley Gaertner

X



**2022 Annual
Comprehensive Financial
Report**

Compliance Section

2022
Annual Comprehensive Financial Report

City of Littleton
Littleton, Colorado

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Littleton
		YEAR ENDING : December 2022
This Information From The Records Of (example - City of _ or County of City of Littleton)	Prepared By: Phone:	Heather Biron 303-795-3701

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)	4,565,190
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,727,536
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,740,735
2. General fund appropriations	8,310,438	b. Snow and ice removal	581,352
3. Other local imposts (from page 2)	608,590	c. Other	
4. Miscellaneous local receipts (from page 2)	102,465	d. Total (a. through c.)	2,322,087
5. Transfers from toll facilities		4. General administration & miscellaneous	1,162,211
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,601,028
a. Bonds - Original Issues		6. Total (1 through 5)	12,378,052
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	9,021,493	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,760,769	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,595,790	a. Interest	
E. Total receipts (A.7 + B + C + D)	12,378,052	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	12,378,052

IV. LOCAL HIGHWAY DEBT STATUS

6

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		12,378,052	12,378,052		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	156,152	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	102,465
5. Specific Ownership &/or Other	452,438	g. Other Misc. Receipts	
6. Total (1. through 5.)	608,590	h. Other	
c. Total (a. + b.)	608,590	i. Total (a. through h.)	102,465
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,397,204	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	160,286	d. Federal Transit Admin	
d. Other (Specify) - CDOT Agreement	45,240	e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT Grant #24	158,039	f. Other Federal	1,595,790
f. Total (a. through e.)	363,565	g. Total (a. through f.)	1,595,790
4. Total (1. + 2. + 3.f)	1,760,769	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		2,382,816	2,382,816
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,182,373	2,182,373
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,182,373	2,182,373
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,565,190	4,565,190
			(Carry forward to page 1)

Notes and Comments:

 II.A.3.b.5 - Includes Specific Ownership Tax of \$138,960 and County Road & Bridge Tax of \$289,75

City of Littleton, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

<u>Federal Grantor</u>	Federal Assistance	Pass Through Entity	Amount provided to Subrecipient	Federal Expenditures
<i>Program Title (pass through grantor)</i> Grant Name	<i>Listing Number</i>	<i>Identifying Number</i>		
<u>Department of Justice</u>				
<i>Public Safety Partnership and Community Policing Grants</i>				
<i>Littleton, CO LEMHWA Project (pass through Office of Community Oriented Policing Services)</i>				
Law Enforcement Mental Health and Wellness Act (LEMHWA)	16.710	15JCOPS-21-GG-02138-SLEM	\$ -	32,929
<i>Body Worn Camera Policy and Implementation</i>				
<i>Body Worn Cameras (pass through Colorado Department of Criminal Justice)</i>				
Office of Justice Programs - 15PBJA-21-GG-04391-BWCX	16.835	15PBJA-21-GG-04391-BWCX	-	169,818
<i>Bulletproof Vest Partnership Grant (Direct)</i>	16.607	N/A	-	15,817
Total Department of Justice			\$ -	218,565
<u>Department of Transportation</u>				
<i>Federal Highway Administration (FHWA)</i>				
<i>Platte Canyon Road Intersections (pass through Colorado Department of Transportation)</i>				
Platte Canyon at Bowles & at Mineral	20.205	SHO M810-014	\$ -	141,289
<i>Federal Highway Administration (FHWA)</i>				
<i>Rio Grande Bridge (pass through Colorado Department of Transportation)</i>				
Rio Grande Bridge @ Slaughterhouse Gulch	20.205	NHPP M810-011-003 (21941)	-	376,420
<i>Federal Highway Administration (FHWA)</i>				
<i>TIP Santa Fe & Mineral (pass through Colorado Department of Transportation)</i>				
TIP - Santa Fe & Mineral	20.205	20-HA1-XC-03035	-	844,387
CDOT- Surface Transportation Block grant (STBG)	20.205	21-HTD-ZL03299	-	59,893
<i>Federal Highway Administration (FHWA)</i>				
<i>Broadway Corridor (pass through Colorado Department of Transportation)</i>				
CDOT- Broadway Corridor Study	20.205	22-HA1-XC-00199	-	78,179
<i>Federal Highway Administration (FHWA)</i>				
<i>Broadway Signal Fiberoptics (pass through Colorado Department of Transportation)</i>				
CDOT- Signal Interconnect Project Broadway Fiber	20.205	21-HA1-XC-00067	-	95,622
Total Department of Transportation			\$ -	1,595,789
<u>United States Department of the Treasury</u>				
<i>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (Direct)</i>				
ARPA Funds	21.027	N/A	\$ -	1,018,719
Total Department of Treasury			\$ -	1,018,719
Total Federal Expenditures			\$ -	2,833,073

See notes to the Schedule of Expenditures of Federal Awards

CITY OF LITTLETON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Littleton ("the City") under programs of the federal government for the year ended June 30, 20X1. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

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



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Littleton (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 18, 2023. Our report includes reference to other auditors who audited the financial statements of the Littleton/Englewood Wastewater Treatment Plant Joint Venture, a joint venture of the City, as described in our report on the City's financial statements. The financial statements of the Littleton/Englewood Wastewater Treatment Plant Joint Venture were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Honorable Mayor and Members of City Council
City of Littleton

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

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

CliftonLarsonAllen LLP

Broomfield, Colorado
July 18, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Littleton's (the City) 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's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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, 2022.

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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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'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's federal programs.

Auditors' 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'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'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'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 the City'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'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Broomfield, Colorado
July 18, 2023

CITY OF LITTLETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness identified? _____ yes x no
 - Significant deficiencies identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? _____ yes x no

**CITY OF LITTLETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 001

Federal Agency: Department of Treasury

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Assistance Listing Number: 21.027

Award Period: March 3, 2021 – December 31, 2024

Compliance Requirement: Procurement

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Recipients may use award funds to enter into contracts to procure goods and services necessary to implement one or more of the eligible purposes outlined in sections 602(c) and 603(c) of the Act and Treasury's Interim Final Rule and Final Rule. As such, recipients are expected to have procurement policies and procedures in place that comply with the procurement standards outlined in the Uniform Guidance. All other entities under the program, including subrecipients of a state, must follow the procurement standards in 2 CFR sections 200.318 through 200.327, including ensuring that the procurement method used for the contracts are appropriate based on the dollar amount and conditions specified in 2 CFR section 200.320.

Condition: During our testing of internal control over procurement for CSLFRF, we noted the City did not have effective control over compliance.

Questioned costs: None.

Context: In our sample of five cases, there was one instance where the City did not follow its procurement policies and procedures.

Cause: The City did not have adequate controls in place to ensure contracts it entered into followed its procurement policies and procedures.

Effect: The City could obtain property and services in a manner that does not allow for cost-effectiveness nor providing full and open competition.

Repeat Finding: No.

Recommendation: We recommend the City implement controls to ensure its procurement policies and procedures are followed prior to entering into contracts.

Views of responsible officials: There is no disagreement with the audit finding.

CITY OF LITTLETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

2022 – 002

Federal Agency: Department of Treasury

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Assistance Listing Number: 21.027

Award Period: March 3, 2021 – December 31, 2024

Compliance Requirement: Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215. When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking SAM exclusions, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: During our testing of internal control over suspension and debarment for CSLFRF, we noted the City did not have effective control over compliance.

Questioned costs: None.

Context: In our sample of five cases, there were five instances where the City did not have evidence of verification the entity was not suspended or debarred prior to entering into a covered transaction with the entity. The County did provide evidence that the verification occurred subsequent to payment.

Cause: The City did not have adequate controls in place to prevent it from entering into covered transactions with entities that may be suspended or debarred.

Effect: The City could enter into a transaction with an entity that is suspended or debarred and inappropriately distribute program funds.

Repeat Finding: No.

Recommendation: We recommend that the City utilize standard forms or templates for its Requests for Qualifications and contracts with vendors to document verification that parties are not suspended or debarred prior to entering into a covered transaction with a vendor or subrecipient.

Views of responsible officials: There is no disagreement with the audit finding.

CITY OF LITTLETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

2022 – 003

Federal Agency: Department of Transportation

Federal Program Name: Highway Planning and Construction Cluster (HPCC)

Assistance Listing Number: 20.205

Award Period: January 1, 2022 – December 31, 2022

Compliance Requirement: Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215. When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking SAM exclusions, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: During our testing of internal control over suspension and debarment for HPCC, we noted the City did not have effective control over compliance.

Questioned costs: None.

Context: In our sample of five cases, there were five instances where the City did not have evidence of verification the entity was not suspended or debarred prior to entering into a covered transaction with the entity. The County did provide evidence that the verification occurred subsequent to payment.

Cause: The City did not have adequate controls in place to prevent it from entering into covered transactions with entities that may be suspended or debarred.

Effect: The City could enter into a transaction with an entity that is suspended or debarred and inappropriately distribute program funds.

Repeat Finding: No.

Recommendation: We recommend that the City utilize standard forms or templates for its Requests for Qualifications and contracts with vendors to document verification that parties are not suspended or debarred prior to entering into a covered transaction with a vendor or subrecipient.

Views of responsible officials: There is no disagreement with the audit finding.

**CITY OF LITTLETON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2022**

City Council and Management

City of Littleton respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2022.

Audit period: 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

**CITY OF LITTLETON
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022**

City Council and Management

City of Littleton respectfully submits the following corrective action plan for the year ended December 31, 2022.

Audit period: 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Federal Agency: Department of Treasury

2022-001 COVID-19 Coronavirus State and Fiscal Recovery Funds – Assistance Listing No. 21.027

Recommendation: We recommend the City implement controls to ensure its procurement policies and procedures are followed prior to entering into contracts.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City acknowledges supply chain issues as a result of COVID-19 which limited purchasing options in one instance. The city will adjust business processes to provide additional review when making purchases to ensure compliance with the procurement policy and proper documentation is included for any exceptions. This will be incorporated immediately.

Name of the contact person responsible for corrective action: Tiffany Hooten, Finance Director.

Planned completion date for corrective action plan: July 18, 2023

2022-002 COVID-19 Coronavirus State and Fiscal Recovery Funds – Assistance Listing No. 21.027

Recommendation: We recommend that the City utilize standard forms or templates for its Requests for Qualifications and contracts with vendors to document verification that parties are not suspended or debarred prior to entering into a covered transaction with a vendor or subrecipient.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Business processes for contract review will include verification of suspension and debarment at the time of contract approval and appropriate staff has been notified.

Name of the contact person responsible for corrective action: Tiffany Hooten, Finance Director.

Planned completion date for corrective action plan: July 18, 2023

**CITY OF LITTLETON
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022**

Federal Agency: Department of Transportation

2022-003 Highway Planning and Construction – Assistance Listing No. 20.205

Recommendation: We recommend that the City utilize standard forms or templates for its Requests for Qualifications and contracts with vendors to document verification that parties are not suspended or debarred prior to entering into a covered transaction with a vendor or subrecipient.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Business processes for contract review will include verification of suspension and debarment at the time of contract approval and appropriate staff has been notified.

Name of the contact person responsible for corrective action: Tiffany Hooten, Finance Director.

Planned completion date for corrective action plan: July 18, 2023

If the Department of Treasury or Department of Transportation have questions regarding this plan, please call Tiffany Hooten, Finance Director, at 303-795-3709.